

Memorandum

Date: April 30, 2020
Submitted by: Engineering and Operations Department – Infrastructure Engineering Services Division
Subject: TransLink OMR Funding Payment and Bus Service Interruption due to COVID-19 Pandemic

During the ongoing COVID-19 pandemic, TransLink has announced that due to issues including low ridership levels, temporary fare removals, and less fuel tax revenue, TransLink is losing around \$75 million in revenue per month.

On April 21, 2020, TransLink advised City staff of two cost saving measures that directly impact the City:

- Cancellation of all further Major Road Network (MRN) Operations & Maintenance (OM) and Rehabilitation (R) program payments to municipalities for 2020. This program provides approximately 100% of the annual operating and rehabilitation funding for MRN roads in Port Moody.
- Temporary suspension of low ridership bus routes – routes identified in Port Moody are the 150, 179, 181, and 182 which, while suspended, will leave Ioco Road, and the Villages of Anmore and Belcarra without transit service.

Cancellation of MRN OM and MRN R funding:

In 2019, the City received approximately \$1.48M in TransLink MRN OM, and MRN R program funding. For 2020, TransLink has outlined that they will only pay municipalities 25% of the MRN OM program, and will not pay any MRN R program funds. At this time, it is uncertain if the City will be reimbursed for the unpaid funds in the future.

MRN OM program funding is used to fund ongoing operation, maintenance, and rehabilitation of the City's MRN roads, including activities such as: traffic signals, street lighting, road repairs, street sweeping, vegetation control, drainage maintenance, and snow clearing, but does not include pavement rehabilitation. MRN R program funding is used for pavement rehabilitation work. As a condition of receiving these funds, the City is required to maintain its MRN roads in a state of good repair per guidelines established by TransLink.

A summary of the approximate financial impacts of this change for the City is tabulated below:

Program	Typical Payments (Based on 2019 payments)	Portion of Payment Used for 2020 Operating or Capital	Portion of Payment Used to Fund Reserves	2020 Confirmed Payment	2020 Operating or Capital Deficiency*
MRN OM	\$862,000	\$619,000	\$243,000	\$215,500 (25%)	\$403,500
MRN R	\$616,000	\$0	\$616,000	\$0 (0%)	\$0
Total	\$1,478,000	\$619,000	\$859,000	\$215,500	\$403,500

In addition to the above operating budget impacts, the loss of \$859,000 of funding to reserves will have an impact on the City's ability to fund future capital rehabilitation work on MRN roads, which will have a long term effect on the asset rehabilitation funding for the MRN roads.

The City also typically receives capital cost sharing funding through various programs for specific capital projects – these capital programs are not affected at this time.

Staff have reviewed previous TransLink agreements, the MRN OM and R program guidelines, and the *South Coast BC Transportation Authority Act*. While TransLink is required to provide funding to the City to support operations and maintenance of MRN roads, it is not clear as to the amount of funding that TransLink is required to provide. Further, regardless of the amount of funding, the City is required to maintain MRN roads as the road owner and is ultimately responsible for any legal liability associated with the roads condition and safety. As TransLink is a Provincial crown corporation, and the loss of revenues is directly related to the pandemic for which the senior governments are financially responsible, the reductions to the funding of these critical highways and arterials is a direct form of downloading onto the municipalities.

Given the above, staff recommend the following actions to mitigate this loss of revenue:

1. Fund the 2020 MRN OM deficiency from the MRN General Rehab Reserve. Based on the current proposed 2020-2024 budget, this reserve is projected to have a balance of \$488,000 in 2024.
2. Review MRN operating and maintenance activities for the remainder of 2020 and reduce levels of service where feasible to reduce costs while continuing to provide adequate levels of safety and functionality for the roads. Cost reduction potential is likely limited to the range of around 10% and may include activities such as:
 - a. Catchbasin cleaning and drainage maintenance
 - b. Vegetation control
 - c. Street/sidewalk cleaning
 - d. Asphalt repairs
 - e. Road shoulder maintenance
3. Reduce the 2020 MRN Road Rehabilitation Program Capital Program by 50% (Project EN20011, current budget of \$400,000, fully funded by MRN Pavement Rehab Reserve) and delay the Pavement Management Plan Update (Project EN20017, current budget of \$125,000, \$25,000 funded by MRN Pavement Rehab Reserve) to reduce impacts on future year paving programs.

If the above changes are implemented, the MRN Pavement Rehab Reserve is projected to be in deficit by 2024. Staff will review the five-year capital plan for projects funded by this reserve during development of the 2021-2025 Capital Plan.

Temporary Suspension of Bus Routes:

TransLink has identified that in mid-May, the 150, 179, 181, and 182 bus routes may be suspended. This change would leave Ioco Road, and the Villages of Anmore and Belcarra

without bus service. Staff's understanding of the temporary suspensions is that they were selected due to very low ridership levels.

While low ridership levels may indicate that fewer people benefit by running a certain route or service, low ridership areas may include transit riders that use transit as their primary or only means of transportation. From a policy perspective, having an unreliable transit service may reduce the amount of use of transit as a transportation mode which is contrary to the goals and targets of the City's Master Transportation Plan.

At this time, staff request support from Council in sending a letter to TransLink to advise of the potential negative impacts of the suspension of these routes.

If Council supports the above staff recommendations and requests, the following motions are recommended for Council consideration:

THAT the remaining 2020 MRN operations and maintenance funding normally received from TransLink for the City's 2020 operating budget be instead funded from the City's MRN General Rehab Reserve as recommended in the memo dated April 30, 2020 from the Engineering and Operations Department – Infrastructure Engineering Services Division regarding TransLink OMR Funding Payment and Bus Service Interruption due to COVID-19 Pandemic;

AND THAT staff be authorized to make reductions to MRN road operations and maintenance activities for the remainder of 2020 where feasible to reduce costs while continuing to provide adequate levels of safety and functionality for the roads;

AND THAT the budget for project EN20011, MRN Road Rehabilitation Program Capital Program, be reduced to \$200,000;

AND THAT project EN20017, Pavement Management Plan Update, be cancelled for 2020;

AND THAT Port Moody Council write to TransLink to express concern that the temporary suspension of 150, 179, 181, and 182 routes in May will leave parts of Port Moody and some neighbouring municipalities with no transit service, which may be detrimental to City and regional goals of increasing transit mode share.

Report Approval Details

Document Title:	TransLink OMR Funding Payment Interruption - COVID-19.docx
Attachments:	
Final Approval Date:	May 4, 2020

This report and all of its attachments were approved and signed as outlined below:

Dorothy Shermer, Corporate Officer - May 4, 2020 - 9:50 AM

Rosemary Lodge, Manager of Communications and Engagement - May 4, 2020 - 12:16 PM

Paul Rockwood, General Manager of Finance and Technology - May 4, 2020 - 12:34 PM

Tim Savoie, City Manager - May 4, 2020 - 2:02 PM