

## Report to Community and Protective Services Committee

**To:** Chair and Members  
Community and Protective Services Committee  
**From:** Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services  
**Subject:** Integrated Subsidized Transit Program: Phase 1 Funding Agreement  
**Date:** May 11, 2021

## Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting to be held on May 25, 2021 to:

- a) authorize and approve a new Funding Agreement (Schedule "A" to the by-law) between the Corporation of the City of London and the London Transit Commission for the purpose of providing subsidized transit for:
  - i. individuals who are visually impaired;
  - ii. children 12 years of age and under;
  - iii. youth 13-17 years of age; and,
  - iv. individuals 65 years of age and over
- b) authorize the Mayor and Clerk to execute the Agreement;
- c) authorize the Deputy City Manager, Neighbourhood and Community-Wide Services, or their designate to approve and amend the Schedules of the Agreement authorized and approved in part a); and,
- d) repeal By-law No. L.T.C.-54-99, By-law No. A.-7744-239 and By-law A.-7494-20.

## Executive Summary

This report presents a funding agreement to implement Phase I of the integrated subsidized transit model, approved in the 2020-2023 Multi-Year Budget through Business Case #15.

## Linkage to the Corporate Strategic Plan

The Subsidized Transit Program is aligned with the Building a Sustainable City strategic area of focus in the City of London Strategic Plan 2019 – 2023, under the outcome Londoners can move around the city safely and easily in a manner that meets their needs.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- [2020-2023 Multi-Year Budget Business Cases](#) (December 17, 2019)
- [Income-Related Subsidized Public Transit Program for Individuals 18 Years of Age and Over Evaluation](#) (October 8, 2019)
- [Adults 18 and Over Income-Related Subsidized Public Transit Program Council By-law, Agreement, and Administration Process](#) (October 11, 2017)

### 2.0 Discussion and Considerations

#### 2.1 Background and purpose

Affordable transportation enhances the quality of life for Londoners. Accessible public transit helps remove barriers that affect a person's ability to gain and maintain employment and access health care, recreational, educational, and social activities for themselves and their families.

The City of London currently supports five distinct subsidized transit programs. These programs include:

- Subsidized transit for individuals who are visually impaired;
- Subsidized transit for children 12 years of age and under;
- Subsidized transit for youth 13-17 years of age;
- Subsidized transit for individuals 65 years of age and over; and,
- Income-related subsidized transit for individuals 18 years of age and over.

Civic Administration, in collaboration with the London Transit Commission (LTC), developed a business case (#15) as part of the 2020-2023 Multi-Year Budget process to establish a single integrated subsidized transit model that addresses customer frustration associated with five separate transit subsidy programs and reduces administrative burden.

On March 2, 2020, Council approved Business Case #15 that proposed establishing the integrated subsidized transit model in two phases:

- Phase I: Develop a streamlined and simple process for the visually impaired, children 12 and under, youth 13-17, and seniors 65+; and,
- Phase II: Incorporate the income-related transit program into the streamlined and simple process identified in Phase I.

The purpose of this report is to:

- Provide an overview of Phase 1 of the integrated subsidized transit model;
- Present for approval the Phase I subsidized transit funding agreement between the City of London and the LTC; and,
- Outline next steps for Phase II of the integrated subsidized transit model.

## **2.2 Phase 1 of the integrated subsidized transit model**

Civic Administration worked with LTC staff to develop the Phase I subsidized transit funding agreement to support the following outcomes:

- Individuals who are visually impaired ride the bus for free (100% subsidy);
- Children 12 years of age and under ride the bus for free (100% subsidy);
- Youth 13 to 17 years of age have the ability to purchase a subsidized monthly bus pass (36% subsidy); and,
- Individuals 65 years of age and over have the ability to purchase a subsidized bus fare (25% subsidy).

In Phase I, LTC will continue to provide transportation at reduced fares to meet the above outcomes. The City of London will provide a grant to the LTC to cover the costs of providing transit subsidies rather than paying monthly invoices, as is current practice. The LTC will complete outcome and financial reporting on a quarterly basis, with projected costs being reconciled annually and subsequent funding adjusted to reflect actual costs incurred.

## **2.3 Phase I subsidized transit agreement**

The Phase I subsidized transit agreement is provided in Appendix A, below. The agreement has been developed with input from Legal, Risk and Finance, and in coordination with the LTC.

## **3.0 Financial Impact/Considerations**

Annual funding to support the integrated subsidized transit model was approved through the 2020-2023 Multi-Year Budget. For the Phase I subsidized transit agreement, a pro-rated amount of \$765,058 will be allocated for seven months of program delivery in 2021 pending Council's approval of the agreement.

## **4.0 Next Steps**

Contingent on Council approval, Civic Administration will implement the Phase I subsidized transit funding agreement with the LTC.

Over the next year, Civic Administration will work with the LTC to develop the second phase of the integrated subsidized transit model. This phase will add the income-related transit

subsidy to the integrated subsidized transit model, significantly streamlining the process for transit riders while further reducing administrative burden.

## **Conclusion**

The integrated subsidized transit model will support affordable transit for Londoners in a way that is simple and easy to access while reducing the administrative burden for both the City and the LTC. The subsidized transit agreement outlined in this report is a major step toward making transit easier to access for Londoners.

**Prepared by:** Alexis Kampman, Specialist II Municipal Policy and Kristen Pawelec, Manager, Neighbourhood and Community Initiatives

**Submitted by:** Trevor Fowler, Manager, Neighbourhood Strategic Initiatives and Funding

**Recommended by:** Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

## Appendix A: By-law to Support Subsidized Transit Program

Bill No.  
2021

By-law No. A.- \_\_\_\_\_

A by-law to approve a new Funding Agreement between The Corporation of the City of London and the London Transit Commission, authorize the Mayor and City Clerk to execute the Agreement and the Deputy City Manager, Neighbourhood and Community-Wide Services, or designate, to approve and amend the Schedules of the Agreement, delegate authority under the new Agreement, and repeal By-law No. L.T.C.-54-99, By-law No. A.-7744-239, and By-law A.-7494-20

**WHEREAS** section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

**WHEREAS** the City has the capacity, rights, powers, and privileges of a natural person for the purposes of exercising its authority pursuant to the provisions of section 9 of the *Municipal Act, 2001*, S.O. 2001, as amended;

**AND WHEREAS** s. 107 of the *Municipal Act, 2001*, S.O. 2001, c. 25, provides that a municipality may make grants, on such terms and conditions as to security and otherwise as the council considers appropriate, to any person, group, or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality;

**AND WHEREAS** the London Transit Commission is a body corporate and a local board continued under By-law No. A.-6377-206;

**AND WHEREAS** pursuant to the provisions of Section 14 of By-law No. A.-6377-206, the parties desire to enter into an arrangement for the Commission to provide transportation at reduced fares;

**AND WHEREAS** the Council of The Corporation of the City of London wishes to repeal by-laws related to subsidized transit fares for visually impaired individuals, children 12 years of age and under, youth 13 to 17 and seniors 65 years of age and older in their entirety;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law No. L.T.C.-54-99 being a by-law to authorize the London Transit Commission to reduce the fare amount for individual bus trips for seniors aged 65 and over, to approve an agreement with the London Transit Commission for the City to provide a grant to reimburse LTC for the costs of the reduced fare amount, and to authorize the Mayor and City Clerk to execute the agreement is hereby repealed.
2. By-law No. A.-7744-239 being a by-law to approve an agreement with the London Transit Commission for the establishment of a Youth Bus Pass for individuals 13 years of age up to and including 17 years of age, and to authorize a grant to the London Transit Commission for such purpose, and to authorize the Mayor and City Clerk to execute the agreement is hereby repealed.

3. By-law No. A.-7494-20 being a by-law to approve an agreement with the London Transit Commission for free bus transportation for individuals 5 years of age to and including 12 years of age, and to authorize a grant to the London Transit Commission, and to authorize the Mayor and City Clerk to execute the agreement is hereby repealed.
4. The Funding Agreement between The Corporation of the City of London and the London Transit Commission, attached as Schedule A is hereby approved.
5. The Mayor and the City Clerk are hereby authorized to execute the above-noted Agreement.
6. The Deputy City Manager, Neighbourhood and Community-Wide Services or their designate is hereby delegated the authority to approve and amend the Schedules of the above-noted Funding Agreement.
7. The authority of the Deputy City Manager, Neighbourhood and Community-Wide Services or their designate to act under section 4 of this By-law, is subject to the following:
  - i. such actions are consistent with the requirements contained in the Funding Agreement approved in section 2 above;
  - ii. such actions are in accordance with all applicable legislation;
  - iii. such actions do not require additional funding or are provided for in the City's current budget; and,
  - iv. such actions do not increase the indebtedness or liabilities of The Corporation of the City of London.
8. This by-law shall come into force and effect on the date it is passed.

PASSED in Open Council on May 25, 2021.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading – May 25, 2021  
Second Reading – May 25, 2021  
Third Reading – May 25, 2021

**DRAFT**  
**THIS AGREEMENT MADE THIS X DAY OF May, 2021**

**BETWEEN**

**London Transit Commission**  
(“the Commission”)

**AND**

**The Corporation of the City of London**  
a municipality incorporated under the laws  
of the Province of Ontario:  
(“the City”)

**WHEREAS** the City has the capacity, rights, powers, and privileges of a natural person for the purposes of exercising its authority pursuant to the provisions of section 9 of the *Municipal Act, 2001*, S.O. 2001, as amended;

**AND WHEREAS** s. 107 of the *Municipal Act, 2001*, S.O. 2001, c. 25, provides that a municipality may make grants, on such terms and conditions as to security and otherwise as the council considers appropriate, to any person, group, or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality;

**AND WHEREAS** the Commission is a body corporate and a local board continued under By-law No. A.-6377-206;

**AND WHEREAS** pursuant to the provisions of Section 14 of By-law No. A.-6377-206, the parties desire to enter into an arrangement for the Commission to provide transportation at reduced fares as per the schedules attached, and for the City to provide grants to the Commission to cover the costs of providing such transportation at reduced fares;

**AND WHEREAS** Municipal Council resolved at its budget meeting March 2, 2020 that additional investments as outlined in Business Case 15 for the Subsidized Transit Program 2020 – 2023 BE APPROVED;

**NOW THEREFORE** in consideration of the mutual covenants contained herein the parties agree as follows:

**1. DEFINITIONS**

1.1 In this Agreement and all Schedules to this Agreement, words will be defined in accordance with the applicable legislation, unless otherwise defined in an Schedule. In this Agreement:

“**Funding Year**” means the period commencing on the Effective Date and ending on the following December 31.

“**Funds**” means the money the City provides to the Commission pursuant to the Agreement.

“**Base Funds**” means the base amount of funding the City will provide the Commission under the Agreement as set out in Schedule “A”.

“**Notice**” means any communication given or required to be given pursuant to the Agreement.

“**Program**” means the undertaking described in Schedule “B”.

“**Reports**” means the reports described in Schedule “E”.

## **2. SCHEDULES FORMING PART OF AGREEMENT AND SCOPE OF AGREEMENT**

2.1 The following Schedules form part of this Agreement:

<b>Schedule A:</b>	Program Specific Information and Addition Provisions
<b>Schedule B:</b>	Program Description
<b>Schedule C:</b>	Budget
<b>Schedule D:</b>	Payment Schedule
<b>Schedule E:</b>	Reports

## **3. TERM**

3.1 This Agreement shall take effect on signing by both parties and will continue until it is replaced or superseded by a subsequent agreement or until it is terminated pursuant to the termination provisions of this Agreement. The completion of obligations under a Schedule to this Agreement does not terminate any obligations or the validity of this Agreement or any of the other Schedules.

## **4. THE COMMISSION/CITY RELATIONSHIP**

4.1 The City will pay funding to the Commission, in accordance with this Agreement, for the purposes of implementing the Program.

4.2 If funding is allocated for the Program during the City's public annual or update budgeting process, the amounts will be reflected in the applicable Schedule(s) hereto.

4.3 The amount, if any, shall be determined by the City on an annual basis, based on ridership projections, at intervals as identified by the City in consultation with the Commission.

4.4 The Commission, in fulfilling its obligations under this Agreement, shall be solely responsible for all of its statutory obligations, including but not limited to the payment of CPP, WSIB, and taxes.

4.5 The parties hereto are each independent of the other and this Agreement shall not operate to create a partnership, joint venture, employment arrangement, master servant relationship or any other similar relationship between the City and the Commission or between the City and any employees, agent or contractor of the Commission.

## **5. TERMINATION**

5.1 This Agreement may be terminated by either party, for any reason, only within sixty (60) days of the annual City budget approval and upon giving sixty (60) days' notice, in writing, without penalty or cause.

5.2 If an event of default or non-performance occurs, the City may, at any time and in its sole discretion, take any of the following actions:

- (a) initiate any action the City considers necessary in order to facilitate the successful continuation or completion of the Program;
- (b) provide the Commissions with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the City determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Commission the payment of any Funds remaining in the possession or under the control of the Commission;
- (g) demand from the Commission the payment of an amount equal to any Funds the Commission used, but did not use in accordance with the Agreement; and,

(h) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the City upon giving Notice to the Commission in accordance with section 12.

5.3 Each of the following events will constitute an event of default or non-performance:

- (a) in the opinion of the City, the Commission breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
  - (i) carry out the Program;
  - (ii) use or spend Funds; or
  - (iii) provide, in accordance with Schedule E, reports or such other reports as may have been requested.
- (b) the Commission makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Commission bankrupt, or applies for the appointment of a receiver;

5.4 Consequences of Termination on Notice by the City. If the City terminates the Agreement pursuant to either section 5.1 or 5.2, the City may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand from the Commission the payment of any Funds remaining in the possession or under the control of the Commission; and
- (c) determine the reasonable costs for the Commission to wind down the Program, and do either of the following:
  - (i) permit the Commission to offset such costs against the amount the Commission owes pursuant to section 5.3; and,
  - (ii) subject to section 4, provide Funds to the Commission to cover such costs.

## **6. INDEMNIFICATION**

6.1 The Commission undertakes and agrees to defend and indemnify the City and hold the City harmless, at the Commission's sole expense, from and against all claims, demands, suits, losses, costs, damages and expenses that the City may sustain or incur by reason of:

- (a) any breach of this Agreement by any of the Commission's, the Commission's employees, any subcontractor of the Commission, or persons for whom the Commission is responsible for (including volunteers);
- (b) any loss or misuse of funds held by the Commission, the Commission's employees, any subcontractor of the Commission, or persons for whom the Commission is responsible for (including volunteers);
- (c) the acts or omissions of the Commission, the Commission's employees, any subcontractor of the Commission, or persons for whom the Commission is responsible for (including volunteers) in performing the services or otherwise carrying on the Commission's business, including any damage to any and all persons or property, whether deliberate, accidental or through negligence, and all tickets, fines and penalties;
- (d) any claim or finding that any of the Commission, the Commission's employees,



any subcontractor of the Commission, or persons for whom the Commission is responsible for (including volunteers) are employees of, or are in an employment relationship with, the City or are entitled to Employment Benefits of any kind;

- (e) any liability on the part of the City under any statute (including but not limited to the *Income Tax Act* or an employment benefits statute), to make contributions, withhold or remit any monies or make any deductions from payments, or to pay any related interest or penalties by virtue of any of the following being considered to be an employee of the City, from Commission: the Commission's employees, any subcontractor of the Commission, or persons for whom the Commission is responsible for (including volunteers); and,
- (f) any and all claims, assessments, charges, taxes, or other penalties or demands which may be made by the Canada Revenue Agency, the Minister of National Revenue or other official of the Government of Canada, requiring the Corporation to pay income tax, charges or penalties under the *Income Tax Act* (Canada) in respect of any claims, demands and amounts payable in accordance with the contract which may be made by, on behalf of, or related to Services Canada Skills Development and Human Resources Development Canada or by any other government agency under any applicable statute and regulation with respect to any amounts which may in the future be found to be payable by the City on the Commission's behalf.

**7. LIABILITY INSURANCE**

7.1 The Commission undertakes and agrees that throughout the term of this Agreement, the Commission shall maintain:

- (a) general liability insurance on an occurrence basis covering the Commission, its officers, servants, contractors, and agents for an amount not less than Five Million (\$5,000,000.) dollars to cover any liability resulting from anything done or omitted by the Commission or its employees, agents or participants, with respect to the services it provides and shall include the City as an additional insured, such policy to include non-owned automobile liability, personal liability, personal injury, broad form property damage, contractual liability, owners' and contractors' protective, products and completed operations, contingent employers liability, cross liability and severability of interest clauses and further this policy will not contain an exclusion of coverage relating to physical, sexual or emotional abuse claimed against the Commission; and,
- (b) automobile insurance for any owned or leased vehicle used by the Commission for the provision of services in an inclusive limit of not less than Five Million (\$5,000,000.) dollars against statutory liability and accident benefits.

7.2 In addition, the Commission shall furnish the City with evidence of Crime, Employee Dishonesty or Bond A policy or equivalent Fidelity Bond in the amount not less than the minimum amount set out in the chart below. The City shall be shown on the Policy as a named Obligee with respect to any loss or misuse of funds held by the Commission as described in this Agreement.

<b>Amount of Funding</b>	<b>Minimum Crime Insurance Limit</b>
Less than \$30,000	\$5,000
\$30,001 - \$100,000	\$25,000
Greater than \$100,000	\$100,000

7.3 The Commission shall submit prior to signing this Agreement and thereafter on an annual basis, and prior to insurance expiry, a completed standard Insurance Certificate (Form #0788, or as amended from time to time), which provides for a minimum of thirty (30) days' notice in advance of cancellation of such insurance.

7.4 Failure to procure and maintain any insurance under this Agreement or Schedules

shall constitute a default under this Agreement.

## **8. PUBLICATION, CONFIDENTIALITY, EMPLOYEES AND AGENTS**

- 8.1 The Commission shall treat all confidential and proprietary information communicated to or acquired by the Commission or disclosed by the City in the course of carrying out the Program provided for herein in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*. No such information shall be used by the Commission on any other project without the prior written approval of the City.
- 8.2 The Commission shall require each of its employees and agents, who work under this Agreement or who have access to confidential information of the City, to comply with the requirements of this Agreement with respect to confidentiality.

## **9. ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT (AODA) TRAINING**

- 9.1 The Commission shall ensure that it and all of its volunteers, employees or agents, if they deal with members of the public under this Agreement, receive training about the provision of services to persons with disabilities in compliance with the *Accessibility for Ontarians with Disabilities Act, 2005* and its Regulations.

## **10. INTELLECTUAL PROPERTY**

- 10.1 Where the Commission develops a work or a product under this Agreement, the Commission hereby assigns to the City, and confirms that the Commission has assigned all, and not less than all, of its right, title and interest throughout the world, including reversionary interests and rights of renewal and other rights, in and to the copyright and all other rights in the work and in the product including the right to create derivative works which modify or alter the work and the product in any manner whatsoever.
- 10.2 Where the Commission develops a work or a product under this Agreement, the Commission hereby waives the whole of its moral rights in the work and in the product.
- 10.3 Where the Commission develops a work or a product under this Agreement, the Commission;
- (a) represents and warrants that the use of the work or product does not violate any copyright or infringe third party intellectual property rights;
  - (b) covenants that the use of the work or product will not violate any copyright or infringe third party intellectual property rights;
  - (c) agrees to indemnify the City of any liability, injury or damage, including legal costs or expenses incurred by the City as a result of any breach or alleged breach of a term, warranty, representation or covenant in this Agreement by the Commission;
  - (d) agrees that the indemnities herein set forth shall survive in perpetuity; and,
  - (e) agrees not to institute any action against the City on the grounds that the use of the work or product constitutes an infringement of its moral rights.

## **11. RELATIONSHIP OF AGREEMENT TO SCHEDULES**

- 11.1 Where there is a conflict between the terms or obligations of the Agreement and a Schedule, the more restrictive term shall apply.
- 11.2 A default under any of the Schedules also constitutes a default under the Agreement.
- 11.3 In accordance with the By-law authorizing this Agreement, the ability to edit the terms of the Schedules has been delegated to the Deputy City Manager, Neighbourhood and Community-Wide Services or their designate.

## 12. NOTICE

- 12.1 Any notice, report, direction, request or other documentation required or permitted to be given to either party hereto shall be in writing and shall be given to the contact as indicated in the applicable Schedule.
- 12.2 Notice with respect to the terms of this Agreement (as distinct from a notice required under a Schedule) shall be in writing and shall be given by personal service or by mailing by registered mail, with postage thereon fully prepaid, in a sealed envelope, to be addressed as follows:
- If for the City:
- To: The City Clerk  
Address: 300 Dufferin Avenue  
London, Ontario N6A 4L9
- If for the Commission:
- To: London Transit Commission  
Address: 450 Highbury Ave N.  
London, ON, N5W 5L2
- 12.3 Either party may by notice in writing, advise of a new address for notice, which shall then be used by the party to whom it is addressed.
- 12.4 Any notice, report, direction, request or other document delivered personally in accordance herewith shall be deemed to have been received when given to the addressee on the day of delivery. Any notice, report, direction, request or other document mailed as aforesaid shall be deemed to have been received by and given to the addressee on the second (2<sup>nd</sup>) business day following the date of mailing, provided that for such purposes no day during which there shall be a strike or other occurrence which shall interfere with normal mail service shall be considered a business day.

## 13. CONFLICT OF INTEREST

- 13.1 The Commission shall disclose in writing to the Deputy City Manager any outside interest and commitments that may generate a conflict of interest before commencing work under this Agreement and thereafter upon any such outside interest or commitment coming to the Commission's attention. "Conflict of Interest" means a situation in which the interests of the Commission or the Commission's staff or any outside interest or commitment of the Commission comes into conflict, or appears to come into conflict, with the interests of the City and includes both non-pecuniary and pecuniary interests (direct or non-direct). The Deputy City Manager shall review the conflict promptly after disclosure by the Commission and shall give the Commission notice in writing of their determination as to whether any outside interest or commitment raises a potential conflict of interest with respect to the Commission's commitments identified in the Schedules to this Agreement, and the decision of the Deputy City Manager shall be final. Disclosures of conflicts by the Commission to the Deputy City Manager shall be kept confidential except to the extent necessary to review, consider and resolve any conflict and as permitted by the *Municipal Freedom of Information and Protection of Privacy Act*. A conflict of interest may be resolved by the Commission amending its obligations under one or more Schedules to this Agreement, or by terminating one or more Schedules to this Agreement, upon the written direction of the Deputy City Manager or by the termination of the contract in accordance with section 5.

## 14. COMMUNICATIONS REQUIREMENTS

- 14.1 Unless otherwise directed by the City, the Province, and the Government of Canada, the Commission will:
- (a) acknowledge the support of the City and the Province (where applicable) for the Program; and,
  - (b) ensure that the acknowledgement is in a form and manner as directed by the City or the Province (where applicable).

14.2 The Commission will indicate, in any of its Program-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Commission and do not necessarily reflect those of the City.

## **15. FUNDS AND CARRYING OUT THE PROGRAM**

### **15.1 Funds Provided**

The City will:

- (a) Provide the Commission with Funds based on projected costs for the purposes of carrying out the Program, in accordance with the applicable Schedule(s) attached hereto;
- (b) Notwithstanding the applicable Schedule(s), Projected costs will be reconciled annually and funding adjusted to actual costs incurred each year;
- (c) provide the Funds to the Commission in accordance with the payment plan attached to the Agreement as Schedule "D"; and,
- (d) deposit the Funds into an account designated by the Commission provided that the account:
  - (i) resides at a Canadian financial institution; and,
  - (ii) is in the name of the Commission.

### **15.2 Limitation on Payment of Funds**

Despite section 17.1:

- (a) The City is not obligated to provide any Funds to the Commission until the Commission provides the certificates of insurance or other proof as the City may request;
- (b) the City will adjust the amount of Funds it provides to the Commission in any Funding Year based upon the annual reconciliation process.

### **15.3 Use of Funds and Carry Out the Program**

The Commission will do all of the following:

- (a) Carry out the Program in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Program;
- (c) spend the Funds only in accordance with the Budget; and,
- (d) not use the Funds to cover any specific cost that has or will be funded or reimbursed by any third party, ministry, agency or organization of the Government of Ontario.

### **15.4 Interest Bearing Account**

If the City provides Funds before the Commission's immediate need for the Funds, the Commission will place the Funds in an interest-bearing account in the name of the Commission at a Canadian financial institution.

### **15.5 Rebates, Credits and Refunds**

The Commission will report to the City any rebates, credits or refunds received in relation to the programs in this Agreement for the purposes of annual reconciliation.

## 15.6 Schedules

In each Funding Year subsequent to the first Funding Year, new Schedules A, B, C, D, and E (the “**Schedules**”) to the Agreement shall be established according to the following process:

- (a) the City shall provide the Commission with draft Annual Schedules intended to replace Schedules A, B, C, D, and E to the Agreement; and,
- (b) upon receipt by the City of approval of the draft Annual Schedules by the Commission, the draft Annual Schedules shall be deemed to be Schedules A, B, C, D, and E in relation to the Funding Year to which they apply.

## 15.7 When Annual Schedules Not Ready Prior to Beginning of Funding Years

In the event the Annual Schedules are not finalized prior to the beginning of the new Funding Year:

- (a) the City may continue to provide Funds to the Commission in accordance with the Payment Plan set out in Schedule “D” for the previous Funding Year;
- (b) if the City decides to continue to provide Funds, base funds for the previous Funding Year shall be increased by the additional amount of Funds flowed pursuant to 15.8(a).
- (c) if the City decides to provide Funds, the Commission shall continue to carry out the Program described in Schedule “B”, use the Funds in accordance with the Budget set out in Schedule “C” and provide Reports in accordance with Schedule “E” applicable to the previous Funding Year;
- (d) until such time as the Annual Schedules are finalized or this Agreement is terminated.

## 16. REPORTING, ACCOUNTING AND REVIEW

### 16.1 Preparation and Submission

The Commission will:

- (a) submit to the City all Reports in accordance with the timelines and content requirements as provided for in Schedule “E”, or in a form as specified by the City from time to time;
- (b) submit to the City any other reports as may be requested by the City in accordance with the timelines and content requirements specified by the City;
- (c) ensure that all Reports and other reports are completed to the satisfaction of the City; and,
- (d) ensure that all Reports and other reports are signed on behalf of the Commission by an authorized signing officer.

### 16.2 Record Maintenance

The Commission will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Program in a manner consistent with generally accepted accounting principles; and,
- (b) all non-financial documents and records relating to the Funds or otherwise to the Program.

### 16.3 Disclosure

To assist in respect of the rights set out in section 17.3, the Commission will disclose any information requested by the City, any authorized representatives, or any independent auditor identified by the City, and will do so in the form requested by the City, any authorized representative, or any independent auditor identified by the City,

as the case may be.

**16.4 No Control of Records**

No provision of the Agreement will be construed so as to give the City any control whatsoever over the Commission's records.

**16.5 Auditor General**

For greater certainty, the City's rights under Article 17 are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

**17. GENERAL PROVISIONS**

**17.1 Assignment**

Neither party may assign this Agreement without the prior consent in writing of the other.

**17.2 Entire Agreement**

This Agreement and Schedules constitutes the entire Agreement between the Parties with respect to the subject matter contained herein and supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to this Agreement.

**17.3 Time**

The Commission shall perform its obligations with respect to the Program expeditiously to meet the requirements of the City and shall complete any portion or portions of the Program in such order as the City may require.

**17.4 Waiver**

The failure of either party at any time to require performance by the other party of any provisions shall in no way affect the full right to require such performance at any time thereafter, nor shall waiver by either party of any breach of the provisions be taken or held to be a waiver of any succeeding breach of such provisions or as a waiver of the provision itself.

**17.5 Applicable Law**

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and Canada and the parties hereto hereby agree to the jurisdiction of the Courts of Ontario.

**17.6 Circumstances Beyond the Control of Either Party**

Neither party shall be responsible for damage caused by delay or failure to perform under the terms of this Agreement resulting from matters beyond the control of the parties including but not limited to strike, lockout or any other action arising from a labour dispute, fire, flood, act of God, war, riot, or other insurrection, lawful act of public authority, or delay or default caused by a common carrier which cannot be reasonably foreseen or provided against.

**17.7 Survival**

All representations and warranties and obligations of confidentiality and indemnification and the reporting requirements pursuant to this Agreement shall survive termination or expiry of this Agreement.

**17.8 Joint and Several Liability**

Where the Commission is comprised of more than one entity, all such entities will be jointly and severally liable to the City for the fulfillment of the obligations of the Commission under the Agreement.

**IN WITNESS WHEREOF** the parties have caused to be executed, this Agreement SIGNED SEALED AND DELIVERED;

**The Corporation of the City of London**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ed Holder, Mayor

Date

\_\_\_\_\_  
Catharine Saunders, City Clerk

**London Transit Commission**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Per:  
Signature

\_\_\_\_\_  
Print Name, Title  
I have authority to bind the Corporation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature

**SCHEDULE "A"**  
**PROGRAM SPECIFIC INFORMATION AND ADDITION PROVISIONS**

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<b>Base Funds</b>	<b>\$765,058</b>
<b>Term of Agreement</b>	June 1, 2021 to December 31, 2021
<b>City Contact information for program specific information</b>	<p>The Corporation of the City of London  300 Dufferin Avenue, PO Box 5035  LONDON, ON N6A 4L9</p> <p><b>Attention:</b> Deputy City Manager, Neighbourhood and Community-Wide Services</p> <p><b>Fax:</b> (519) 661-5793</p> <p><b>Email:</b> csmith@london.ca</p>
<b>Commission contact information for program specific information</b>	<p>London Transit Commission  450 Highbury Ave N.  London, ON, N5W 5L2</p> <p><b>Attention:</b> _____</p> <p><b>Fax:</b> _____</p> <p><b>Email:</b> _____</p>

**Additional Provisions:**

The Commission will operate in accordance with the policies, guidelines and requirements of the City, as communicated to it.



**SCHEDULE “B”  
PROGRAM DESCRIPTION**

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**B1.0 PHASE I FUNDING OBJECTIVES**

One Integrated Affordable Transit Program that supports subsidized transit for Londoners:

- will reduce the current administration of the program both for the City and the Commission; and,
- will be based on measurable outcomes and will have a permanent budget that sustains the program.

The Commission will provide transportation at reduced fares to meet the funding objectives and the City will provide grants to the Commission to cover the costs of providing such transportation at reduced fares for the following:

- (a) Individuals who are visually impaired ride the bus for free (100% subsidy);
- (b) Children 12 years of age and under ride the bus for free (100% subsidy);
- (c) Youth 13 to 17 years of age have the ability to purchase a subsidized monthly bus pass (36% subsidy); and
- (d) Individuals 65 years of age and over have the ability to purchase a subsidized bus fare (25% subsidy).

**B1.1 Expectations**

- (a) The Commission is responsible for the management, operation, and administration of the Integrated Subsidized Transit program as outlined in this agreement.
- (b) The Commission shall provide to the City, from time to time, such information in addition to the service data elements as required for the City to fulfill its municipal policy and standard setting responsibilities.
- (c) Outcomes and metrics will be reviewed annually and the City and Commission will review projected ridership and costs, and will adjust future budgets accordingly.

**B2.0 COMMISSION GOVERNANCE**

B2.1 The Commission must have governance structures and accountability processes to properly administer and manage public funds and to provide services to clients.

**B3.0 SUBSIDIZED TRANSIT PROGRAM**

B3.1 Program Management  
The Commission shall:

- (a) Align planning, programming, and operations with the current City of London Strategic Plan.
- (b) Inform the City of London of any permanent or significant operating changes to the program throughout the year prior to implementation.
- (c) Deliver the Program in accordance with By-laws established

**B4.0 MEASUREMENT**

B4.1 The Commission shall provide measurement and reporting for the following data elements (**mark with an x all that apply**): (See below: Data Elements and Definitions).

Data Elements	
X	Number of Visually Impaired Passes sold at 100% subsidy
X	Number of Child Passes sold at 100% subsidy
X	Number of Youth Passes sold at 36% subsidy
X	Number of Senior Tickets sold at 25% subsidy
X	Total cost of Visually Impaired Passes sold at 100% subsidy
X	Total cost of Child Passes sold at 100% subsidy
X	Total cost of Youth Passes sold at 36% subsidy
X	Total cost of Senior Tickets sold at 25% subsidy

The Commission shall: Use data collection templates and tools provided by the City of London, and report data to the City of London in a manner deemed acceptable by the City of London when requested.

### Data Elements and Definitions

<b>Name:</b> Number of Visually Impaired Passes sold at 100% subsidy <b>Definition:</b> Number of passes sold at 100% subsidy to individuals that qualify as visually impaired.
<b>Name:</b> Number of Child Passes sold at 100% subsidy <b>Definition:</b> The number of passes sold at 100% subsidy to children 12 years of age and under.
<b>Name:</b> Number of Youth Passes sold at 36% subsidy <b>Definition:</b> The number of passes sold at 36% subsidy to youth 13 to 17 years of age.
<b>Name:</b> Number of Senior Tickets sold at 25% subsidy <b>Definition:</b> Total number of passes sold at 25% subsidy to individuals 65 years of age or older.
<b>Name:</b> Total cost of Visually Impaired Passes sold at 100% subsidy <b>Definition:</b> The total subsidy cost of passes sold at 100% subsidy to individuals that qualify as visually impaired.
<b>Name:</b> Total cost of Child Passes sold at 100% subsidy <b>Definition:</b> The total subsidy cost of passes sold at 100% subsidy to children 12 years of age and under.
<b>Name:</b> Total cost of Youth Passes sold at 36% subsidy <b>Definition:</b> The total subsidy cost of passes sold at 36% subsidy to youth 13 to 17 years of age.

**SCHEDULE "C"**  
**BUDGET**

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2021 Seven Month Allocation

<b>2021 Subsidized Transit Program:</b>	<b>City of London Contribution</b>
Total Subsidized Transit Program Allocation	<b>\$ 765,058</b>

**SCHEDULE "D"**  
**PAYMENT**

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In 2021, the grant will be payable as follows, subject to the Commission's compliance with the provisions of this Agreement:

- 1) First payment of grant funds to be paid within 30 days of the execution of this Agreement in the amount of \$255,019;
- 2) Second payment of grant funds to be paid within 30 days of receiving 1<sup>st</sup> Quarterly Report as described in Schedule E satisfactory to the City in the amount of \$255,019;
- 3) Third payment of grant funds to be paid within 30 days of receiving 2<sup>nd</sup> Quarterly Report as described in Schedule E satisfactory to the City, in the amount of \$255,020.

The City may adjust the entitlement and the resulting grant payments to reflect forecasted or actual under-spending that is reported in Quarterly Reports described in Schedule E.

**SCHEDULE "E"**  
**REPORTS**

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The Agency must provide the following submissions to the City as per the following cycle:

Report Type	Description	Due Date
Quarterly Report	Quarter to date and year to date outcome and financial reporting of data elements	July 16, 2021 October 15, 2021 January 21, 2022