

To:	Warden Matrosovs and Members of Grey County Council
Committee Date:	September 25, 2025
Subject / Report No:	EDTC-CW-09-25
Title:	Ontario Transit Investment Funding (OTIF) Grant
Prepared by:	Stephanie Stewart, Manager of Community Transportation
Reviewed by:	Savanna Myers, Director of Economic Development, Tourism and Culture
Lower Tier(s) Affected:	

Recommendation

1. That report **EDTC-CW-09-25 regarding Ontario Transit Investment Funding (OTIF) Grant be received; and**
2. That staff include the anticipated **2026 County levy requirement of \$145,000 in the 2026 draft budget for Council consideration; and**
3. That the **Warden and Clerk be authorized to sign the Transfer Payment Agreement (TPA); and**
4. That the **Warden and Clerk be authorized to sign the applicable partnership agreements with partners Bruce County, Dufferin County, and Saugeen Mobility and Regional Transit (SMART).**

Executive Summary

Grey County, in collaboration with Bruce County, Dufferin County, and Saugeen Mobility, has secured up to \$9.5 million in funding through the Ontario Transit Investment Funding (OTIF) to develop a unified regional transit network. This initiative builds on previous transit planning efforts, leveraging past insights and recommendations to develop a seamless, inclusive, and equitable system that meets the diverse needs of the region.

Earlier this year, Council endorsed report EDTC-CW-05-25 which accepted federal funds to complete a proof-of-concept study for a unified regional transit network. Since then, OTIF funding was announced, which will also support the study, and County of Wellington requested to participate in the study through a mutually beneficial buy-in.

The purpose of this report is to bring an update to Council on study timelines, deliverables and set early expectations. Staff are seeking approval to allocate anticipated funds in the 2026 budget and 2027 forecast for consideration during budget deliberations, as well as Council endorsement for the Warden and Clerk to sign the OTIF transfer payment agreement (TPA) and the applicable partnership agreements with the partners.

Background and Discussion

On June 6, 2025, the Province announced \$9.5 million in funding to support the development of a unified regional transit network across Grey, Bruce and Dufferin Counties, in partnership with Saugeen Mobility and Regional Transit (SMART).

On June 12, 2025, Council approved report EDTC-CW-05-25 to accept Federal funding to initiate a proof-of-concept study.

On August 14, 2025, Grey, Bruce, Dufferin, and SMART released a Request for Proposal (RFP) to engage qualified vendors to design and cost a regional transit network for Council consideration.

On August 25, 2025, the TPA was received from the province for review and signing.

On September 3, 2025, Wellington County was added to the RFP through a request and mutually beneficial buy-in, specifically examining opportunities to integrate service along the Highway 6 and the Highway 9 corridor and into neighbouring border communities. The study will explore how Wellington's Ride Well service can be leveraged to establish optimal connection points, enhancing regional mobility and connectivity.

On September 19, 2025, the RFP is scheduled to close.

Proof of Concept Request for Proposal (RFP)

The Proof-of-Concept RFP was developed with partnering Counties and SMART and shared publicly on August 14. This initiative is meant to build on previous transit planning efforts, leveraging past insights and recommendations to develop a seamless, inclusive, and equitable system that meets the diverse needs of the region with a single fare structure, service provider, and fleet. The long-term goal being to improve operational efficiency, enhance the rider experience, increase ridership, address service gaps, and strengthen regional connections.

The study will give staff and Council the information necessary to make informed decisions about the future potential of a unified regional transit network. The study itself is expected to take approximately six months, followed by presentations to each Council and board for consideration in the spring of 2026.

The study will include important and necessary work such as community and provider engagement, needs assessment and justification, governance, legislative compliance, transit network, service and fleet plan and a fully costed financial plan including fare structure and sustainability.

The study will also include a comprehensive review of SMART, assessing how its infrastructure and operations can support the broader network, as well as software integration for SMART and Home & Community Support Services (HCSS) to streamline bookings, eliminate double dispatches, and improve coordination.

OTIF

The Transfer Payment Agreement (TPA) was received on August 25. The budget schedule outlines a year-by-year breakdown covering all five years of the proposed program. Although

the agreement is being presented for signature today, with a five-year budget, no formal decision on implementation of the unified regional transit network will be requested from Councils until the study is complete.

Provincial staff have confirmed to Grey County that the financial figures presented for years two through five are preliminary estimates with an upset limit of provincial funding. True estimates will be understood through study completion by March 2026, at which time Grey County Council and partners will receive a comprehensive report that includes both a financial and service plan. All parties understand that this project is comprised of two phases: study and implementation.

As outlined in the TPA, the project can be changed and year-over-year funding can be adjusted through amendments to the TPA, if both parties agree. This means changes can be made by mutual agreement as needed once the financial and service plan is finalized. These two factors enable Councils the flexibility to accept the funding, complete the study and determine the scope of future commitment once all information is in hand.

Eligible costs in the TPA include:

- Year one (2025-26): administration, proof of concept study and service continuity of GTR Route 2.
- Year two (2026-27): administration, service continuity of GTR Route 2 and GOST during the study period.
- Year two through five: administration, transportation, marketing

Timeline Expectations

- Study Period: September 2025 to March 2026
- Council Presentations, Reports and Decision: Spring 2026
- Second RFP issued: Summer 2026 to select a vendor to implement the study's recommendations and bring the new transit network to reality.
- New regional transit begins: Fall 2026

Budget Considerations & Next Steps

To complete the study, support service continuity, and prepare for potential operations in 2026, staff are seeking preliminary budget consideration for Grey County's 2026 financial contribution to the unified regional transit network. As estimated in the TPA, Grey County's contribution towards the regional project is expected to be \$145,000 in 2026.

Since the full budget will not be fully understood until March 2026, after the 2026 budget has been approved, staff recommend allocating a preliminary amount toward the project.

Once the study is complete, a detailed five-year implementation plan will be brought forward to Council, outlining how the funds will be allocated. No funds will be spent on a new system until Council has reviewed and approved the final plan. This plan will include exact costs for years two through five, service levels that can be provided and a forecast of potential costs beyond the grant, prepared in collaboration with finance staff. This will ensure Council has a clear understanding of the long-term financial implications of operating the unified transit system.

The Province has indicated its support of OTIF funds to sustain service continuity for GTR Route 2 and GOST during the study period and until the new service, however it looks, is in place. With this knowledge, staff are currently engaging County partners to determine shared interest and will return with a subsequent report for Council consideration.

Financial and Resource Implications

Grey County contributions towards the TPA, year one, have already been committed through the approved 2025 budget. Staff recommend allocating the estimated year two and year three contributions for Council consideration of the 2026 budget and 2027 forecast. Until the study is complete, the true opportunity and costs will not be known.

The 2025 levy contribution is \$101,300. The recommended levy contribution for Council consideration in the draft 2026 budget is \$145,000, an increase of \$43,700. The forecasted amount for 2027 is \$213,150 which will be refined and updated as part of the study to be completed in 2026.

Appendices

Provincial Transfer Payment Agreement ([linked](#))