



THE REGIONAL MUNICIPALITY OF NIAGARA
LINKING NIAGARA TRANSIT COMMITTEE
AGENDA

LNTC 1-2019

Wednesday, February 6, 2019

2:00 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER

2. DISCLOSURES OF PECUNIARY INTEREST

3. SELECTION OF COMMITTEE CHAIR AND VICE CHAIR

3.1 Call for Nominations for Committee Chair

3.2 Motion to Close Nominations for Committee Chair

3.3 Voting for Position of Committee Chair

3.4 Call for Nominations for Committee Vice Chair

3.5 Motion to Close Nominations for Committee Vice Chair

3.6 Voting for Position of Committee Vice Chair

4. PRESENTATIONS

4.1 Niagara Transit

Matt Robinson, Director, GO Implementation Office

5. DELEGATIONS

None.

1 - 19

6. ITEMS FOR CONSIDERATION

- 6.1 LNTC-C 1-2019 20 - 34

Rationale for Municipal and Regional provincial gas tax sharing through joint Canadian Urban Transit Association (CUTA) reporting

- 6.2 LNTC-C 3-2019 35

2019 Meeting Schedule

7. CONSENT ITEMS FOR INFORMATION

- 7.1 LNTC-C 4-2019 36 - 39

Linking Niagara Transit Committee - Terms of Reference

- 7.2 LNTC-C 2-2019 40 - 42

A Memorandum from M. Robinson, Director, GO Implementation Office, dated February 6, 2019, respecting Inter-Municipal Transit Workplan Update.

8. OTHER BUSINESS

9. NEXT MEETING

To be determined.

10. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

An abstract graphic featuring a network of interconnected nodes and lines. The nodes are represented by circles of varying sizes, some in dark grey and others in teal. The lines are thin and grey, creating a web-like structure that spans the entire background. The overall color palette is dark grey and teal.

MOVING TRANSIT FORWARD

**Presentation to Linking Niagara Transit Committee
February 6, 2019**

Agenda

- Overview: Where We've Been
- Successes: What We've Achieved
- Moving Transit Forward: Where We're Going
- Workplan: What's Next



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Inter-Municipal Transit (IMT)

- Routes travelling between municipalities
- Primarily provided by Region (non-exclusive)
- 'Hub-to-hub' connections

Niagara Regional Transit (NRT)

- Operates defined IMT service
- Service delivery contracted by Region to Niagara transit providers (WL, STC, NF)

niagara region transit

NIAGARA REGION TRANSIT BACKGROUNDER

NRT is a curb-to-curb public transit service delivering inter-municipal trips between Niagara Falls, St. Catharines, Welland, Thorold, Fort Erie and Port Colborne. This service is contracted to the local transit authorities in Welland, Niagara Falls and St. Catharines. NRT vehicles contain a number of accessibility features to accommodate a range of rider needs. Some examples include low floor, kneeling buses, priority and courtesy seating, stop announcement systems and digital destination signage.

NRT achieved three major milestones in 2017: the completion of the **Niagara Transit Service Delivery and Governance Strategy Report**; Niagara Region obtained triple majority which provided it with jurisdiction to transition from a pilot to permanent service provider of inter-municipal transit in Niagara; and a transit MOU was signed between Niagara Falls, St. Catharines, Welland and Niagara Region to proceed with work toward an integrated system.

RIDERSHIP:

~500K riders
96% higher than in 2016

using a single mobile platform for all Niagara transit systems

transit

13 fleet vehicles

U-PASS AGREEMENTS:

nc Niagara College Canada + Brock University

2 link routes
Port Colborne Fort Erie

8 main routes
40/45
50/55
60/65
70/75

50K REVENUE SERVICE HOURS

NRT SERVICE PARTNERS:

Niagara Falls St. Catharines Welland

*contracted service provided by municipalities

CONNECTING MORE PEOPLE TO MORE POSSIBILITIES

Niagara Region

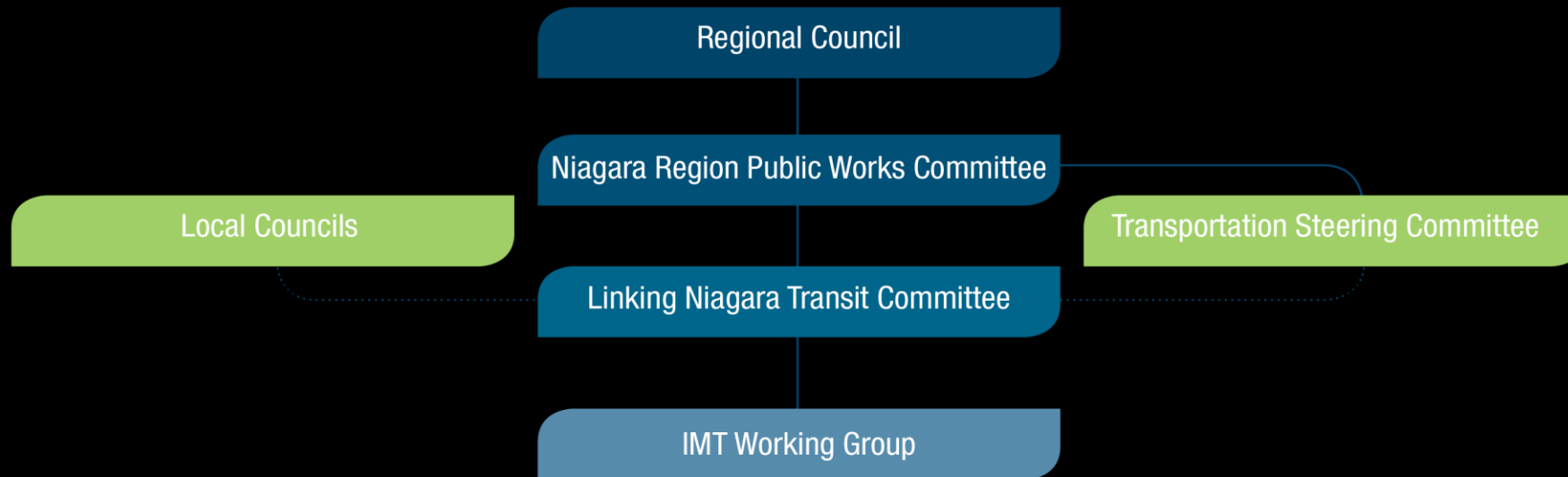
Overview: Where We've Been

Key Inter-Municipal Transit Milestones:

| | |
|------------|---|
| 2011-2017 | NRT IMT pilot service |
| Feb. 2017 | <i>Niagara Transit Service Delivery and Governance Strategy Report</i> (Dillon Consulting, “Dillon Report”) |
| June 2017 | Unanimous ‘triple majority’ achieved |
| Dec. 2017 | Unanimous transit MOU (STC/NR/NF/WE) |
| May 2018 | Unanimous 3-year ext. of NRT service |
| Sept. 2018 | IMT Service Implementation Strategy approved by PWC |
| Feb. 2019 | Regional Budget – 2019 IMT service plan |



IMT Reporting Structure



* IMTWO
from all

members
4 Regional
(s)

Milestones: What We've Achieved

LNTC/IMTWG focus is on numerous customer-facing system improvements:

- 3-year NRT operating extension – now 'permanent' service with triple majority
- Post-secondary student union contracts (U-Pass agreements)
- Sept. 2018 NRT service enhancements (mainline + Link routes)
- Single mobile platform for all systems – Transit App
- Common Service Guidelines – consistency/standardization across all systems
- Distinct route numbers to avoid customer confusion
- Backend on/off board technology merger to single provider
- Consolidated after hours customer service provider
- “Moving Transit Forward” – public awareness campaign



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transit

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TO MORE POSSIBILITIES

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Hello, Niagara Region

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Hello, Niagara Region

Are you ready for daily **GO Trains**
and **improved Transit**?

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VISIT [NIAGARAREGION.CA/TRANSIT](https://niagararegion.ca/transit) TO LEARN MORE

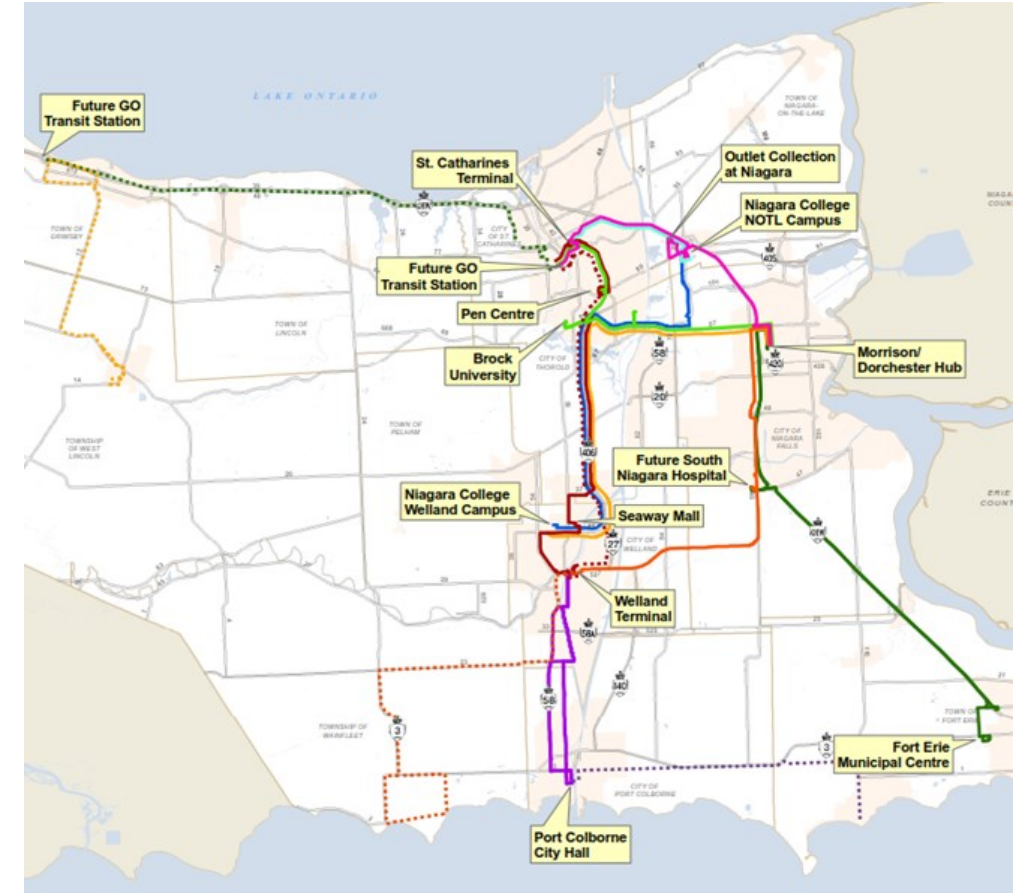
Niagara  Region

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Niagara  Region

Moving Transit Forward: Where We're Going

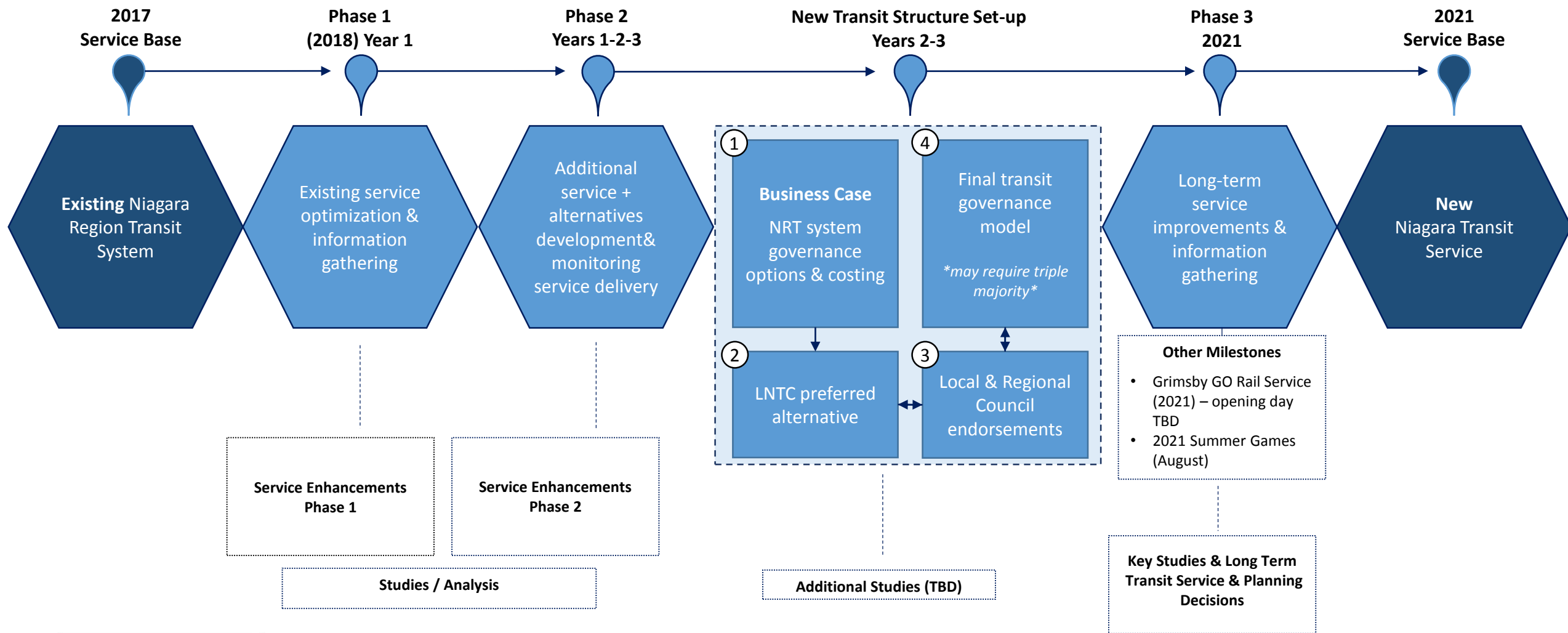
- Rationalization of remaining duplicate IMT post-sec routes
- Better integration with municipal transit (30 minute Service, Sunday and Holiday Service)
- Upload of Port/Fort Link routes
- New Niagara-West Link (integration with GO bus/train)
- New Link route extensions (Lincoln/Pelham)
- New dynamic transit services for low-demand areas
- Improved connections to GO Train service
- Integrated fares and payment technology (mobile ticketing)
- New or enhanced amenities (Wi-Fi, bus shelters, etc.)

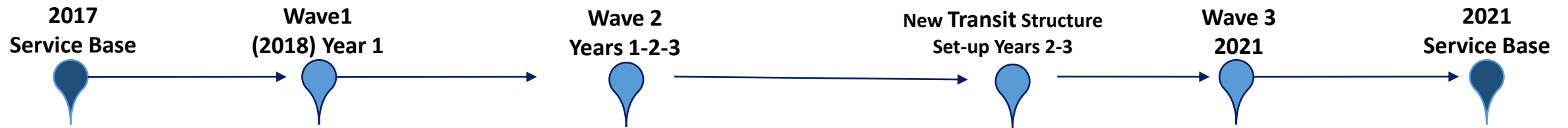


Workplan: What's Next

| | |
|--|---|
| Business Case Complete - Q1 2020 Current state financial and asset valuation analysis Common fare strategy (incl. financial analysis) Specialized transit review Phase 1 Branding and communication strategy approach Human resources study/review Legal Review of legislative requirements Financial impact analysis (governance options) | Summer 2019 Fall 2019 Fall 2019 Fall 2019 Fall 2019 Fall 2019 Q1 2020 |
| Operational & Customer Service Enhancements* - Q1 2020 Options for integrated customer call centre Integrated route map/rider Streamline all data inputs Technology enhancements (real-time tracking, wifi, etc.) All NRT mainline routes to 30 minute peak headway Introduce NRT (IMT portion) West Niagara service New Link feeder connections to Lincoln and Pelham | Summer 2019 Summer 2019 Fall 2019 Q1 2020 Q1 2020 Q1 2020 Q1 2020 |
| MTO PGT transition/consolidation strategy and response | Summer 2019 |
| Integrated capital forecast/commitment | Spring 2019 |

*(budget and logistics permitting)





Customer Service Enhancements

Studies/ Analysis

- Uniform customer service policies
- Support person pass
- Single point after-hour call handling

- One Customer Call Centre

- Gas Tax impacts
- Specialized Transit Study
- Branding Strategy & communications approach

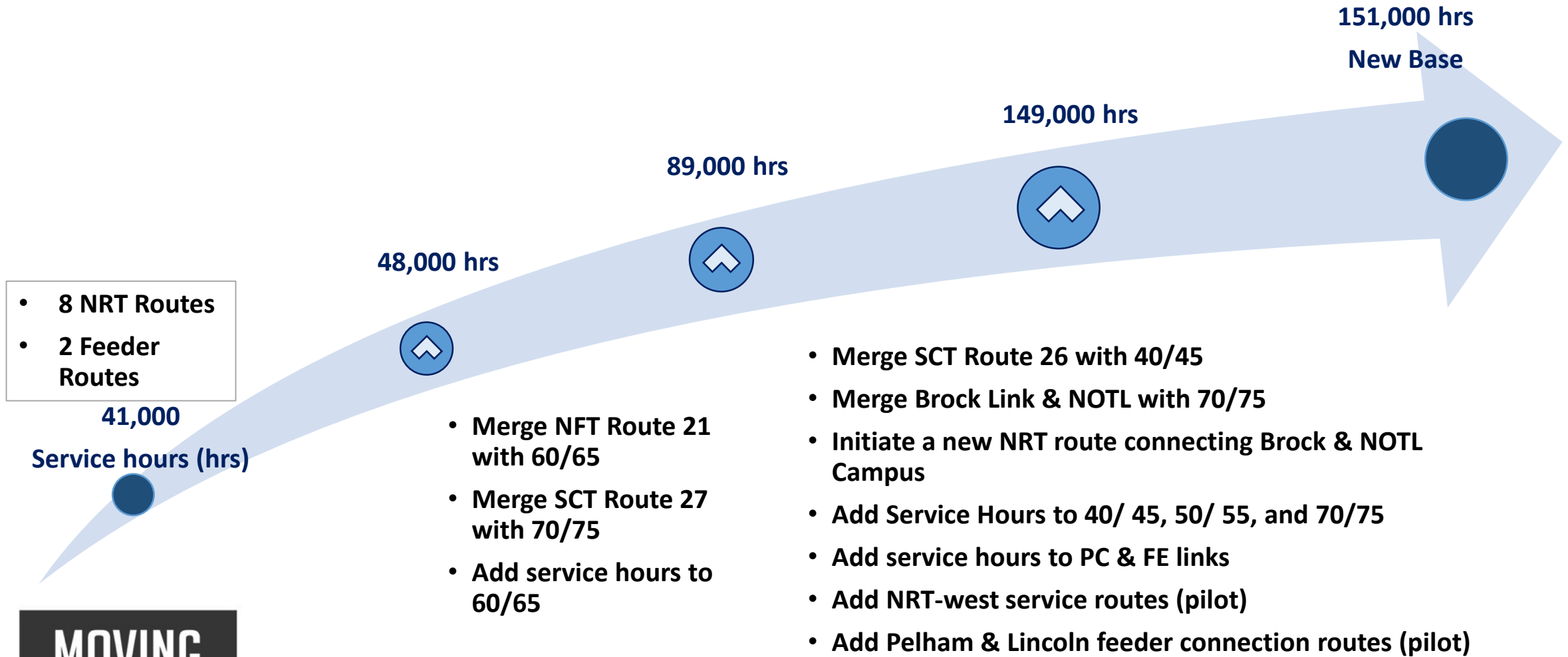
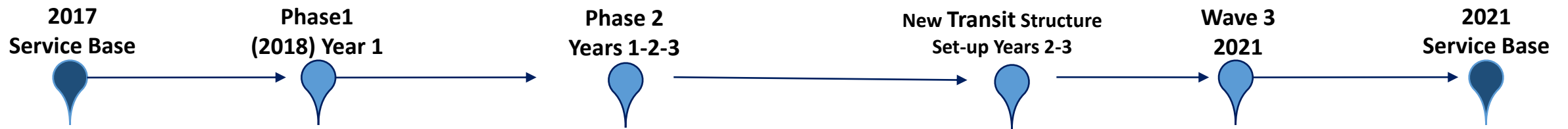
- Transit Assets Inventory Study
- Financial Study/ Operations Study
- Human Resources Study
- Business case development

Governance Decision

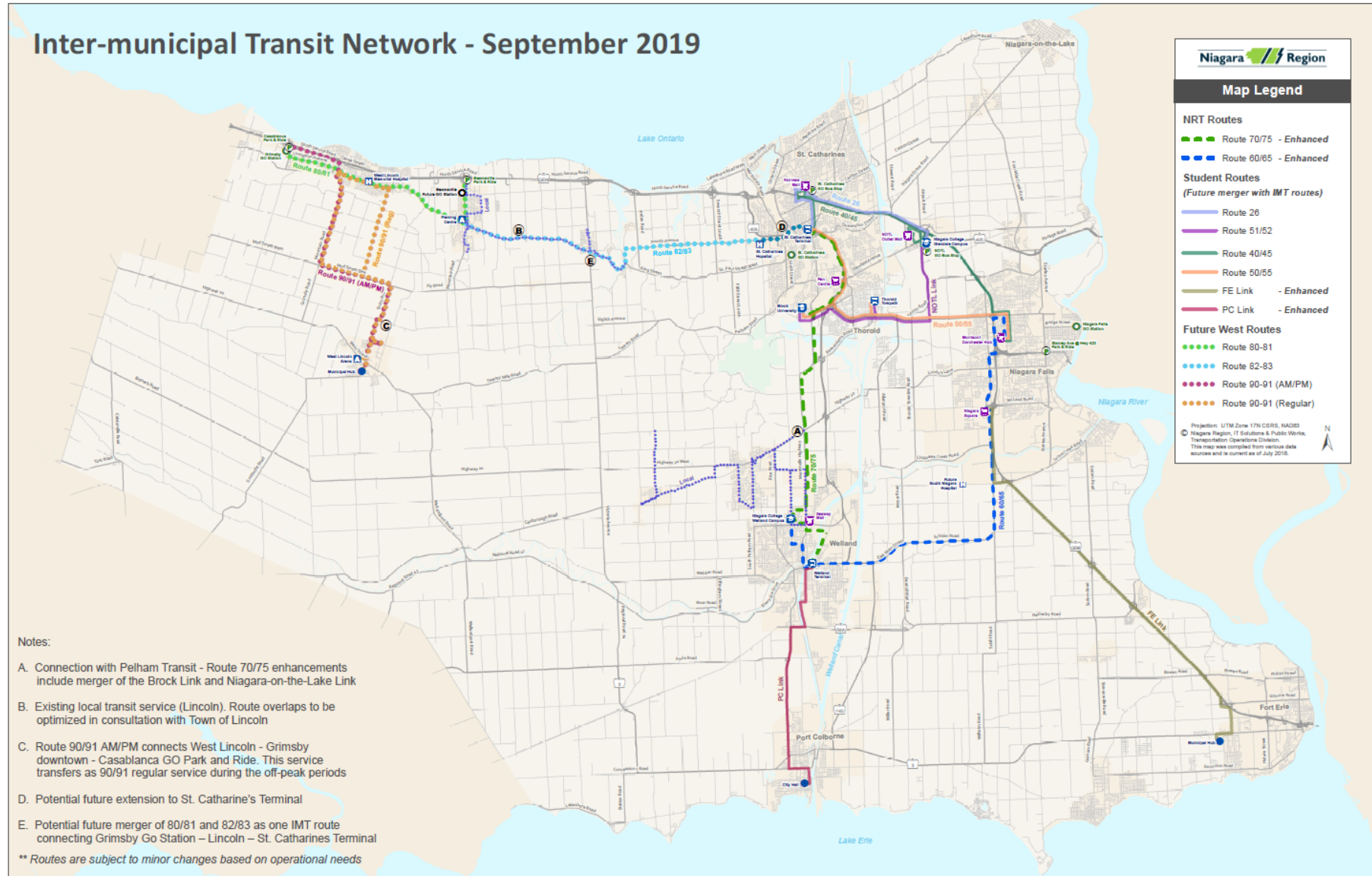
- Additional Studies if Required

- Wave 3 Customer Service Improvements

- 10-Year Strategic Plan
- Fare box integration
- Transit maintenance garage and operations centre
- Transit ITS improvements
- Mobility management initiatives (first & last mile)



Inter-municipal Transit Network - September 2019



An Accelerated Path to Connectivity

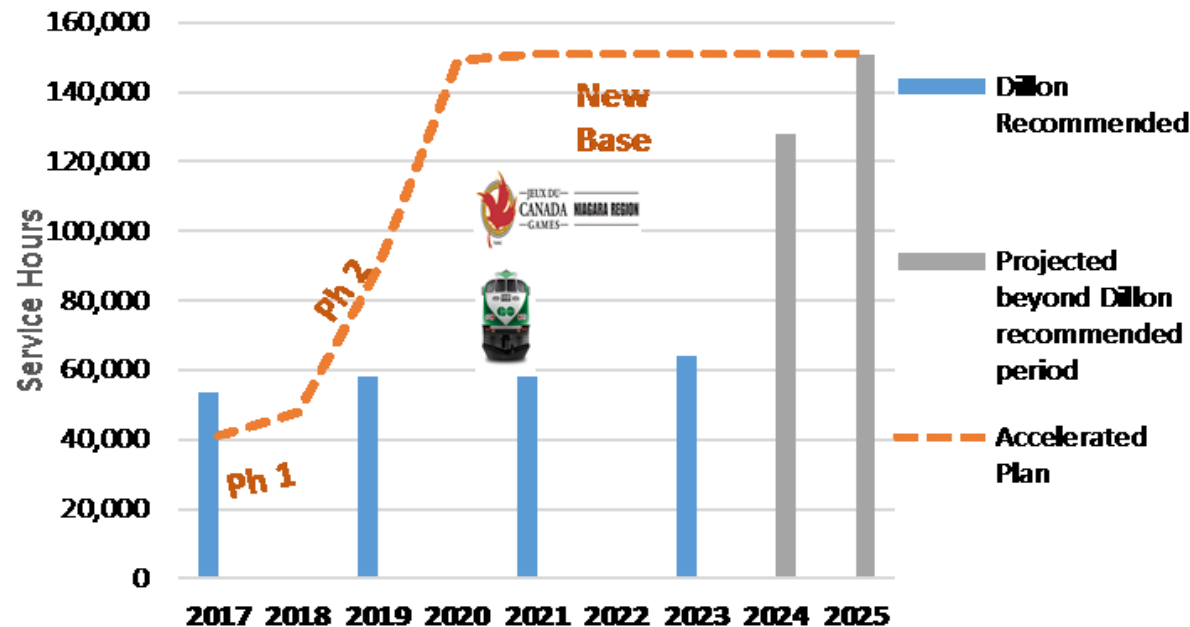
Daily GO Train Expansion to Niagara (2021-2023)

LNTC - Transit Coordination and Working Group Deliberations

- 30 minute IMT Mainline Service | Weekend & Holiday Service
- IMT West Niagara Service
- Feeders
- Customer Service improvements
- Business case for governance decision

Post-Secondary Student Union Negotiations

Region Equal Partner in Governance Discussions



NRT 2019 Budget Strategy

2019 Budget Consideration

Support regional integration, GO Service & Economic Development through *Separate Transit Levy*

- \$11.5M total operating budget increase over 2 years to support the proposed NRT service enhancements
- Increase of \$7.9M or 2.3% separate levy in 2019 for operating and capital costs

| | 2018 | 2019 | 2020 |
|-------------------------------|-------------|--------------|--------------|
| Net Operating Costs | 3.6M | 10.1M | 12.7M |
| Debt Financing | | 1.4M | 1.4M |
| Total Operating Costs | 3.6M | 11.5M | 14.1M |
| Incremental cost (incl. debt) | | 7.9M | 2.6M |
| Separate Transit Levy | | 2.3% | 0.7% |
| Capital | 3.3M | 13.9M | 1.5M |

- Supports \$13.9M in 2019 capital assets
 - 14 additional buses (6 required to replace local fleet & 8 for service enhancement /expansion)

NRT Revenue Outlook

Regional transit relies heavily on post-secondary students

- Proposed route consolidation will transfer NCSAC charter service expenditures into NRT U-Pass revenue
- Increased ridership results in increased PGT

| | 2018 | 2019 | 2020 |
|---------------------------------|------|------|------|
| NRT U-Pass Revenue (BUSU+NCSAC) | 0.7M | 2.9M | 3.8M |
| Other Cash, Pass Revenue | 0.7M | 0.7M | 1.1M |
| Total Revenue | 1.4M | 3.7M | 5.0M |
| Provincial Gas Tax | 0.7M | 0.8M | 0.9M |

Future Transit Revenue Growth

- Continue to work with Post Secondary Institutions to ensure appropriate contributions for enhanced service
- Expansion to support GO will generate additional ridership and revenue
- Provincial PGT announcement to double municipal allocations by 2022 should generate sufficient funding for 2 bus lifecycle replacements annually

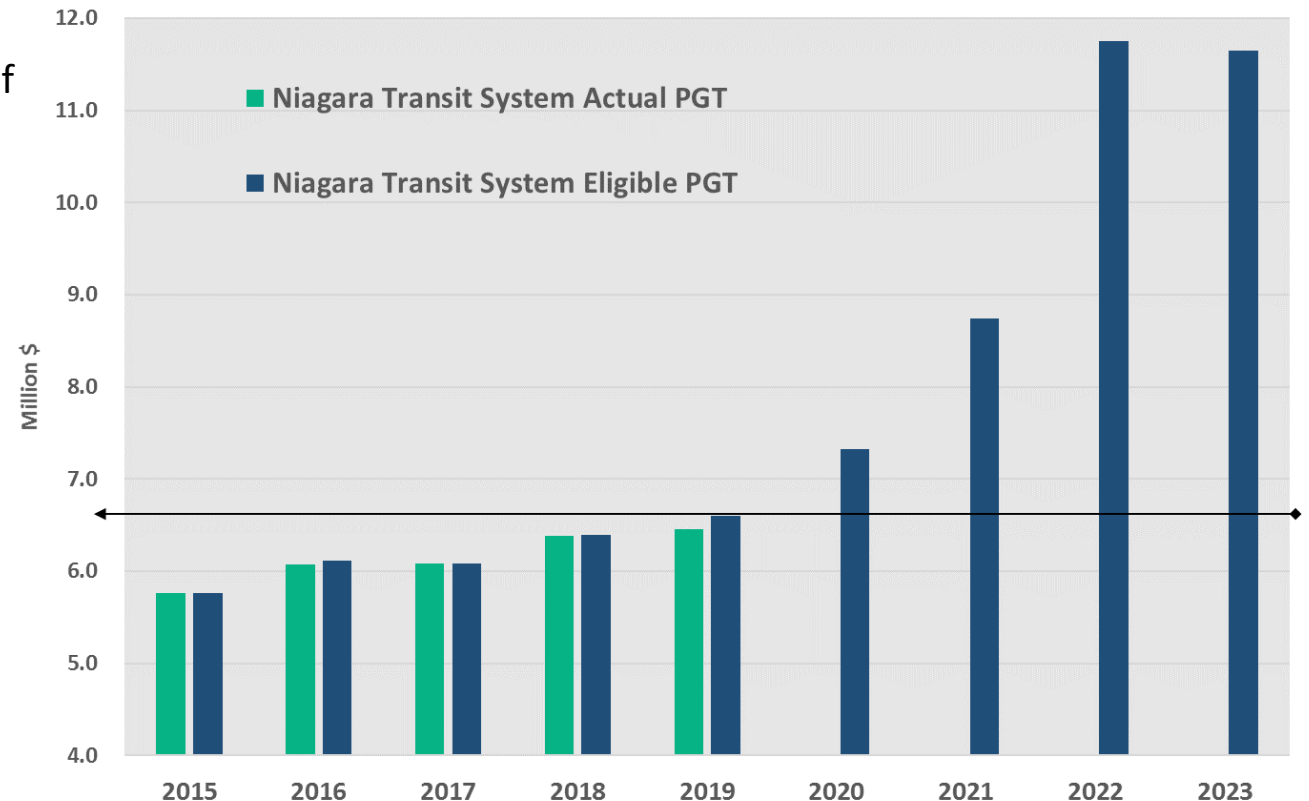
Provincial Gas Tax Outlook & Opportunity

Independent CUTA reporting from small local transit operators will not generate sufficient operating costs and municipal contributions to ensure they receive the maximum amount of eligible Provincial Gas Tax (PGT)

Benefits of Joint CUTA reporting:

- Local transit operators could apply PGT funding towards net operating expenses without limiting future PGT allocations.
- Local transit operators could increase transit spending without incremental tax burdens on residents.
- Niagara Region would receive a share of the population portion of the annual PGT allocation based the relative proportion of demand/ridership.

Niagara Transit System Provincial Gas Tax
2015 - 2023



Transit Jurisdictional Comparison

Proposed transit investment consistent with other southern Ontario jurisdictional comparisons

- IMT Ridership growth will increase over time with better integration with GO Transit and local services through 30 min daily service and additional of Sunday and Holiday services

| 2017 CUTA Transit Statistics | Waterloo Region | Hamilton | London | Durham | Niagara Transit System | |
|--------------------------------------|-----------------|----------------|----------------|----------------|------------------------|------------------|
| | | | | | 2017 | 2020 Proposed |
| Ridership | 19.7M | 21.4M | 22.9M | 10.2M | 8.9M | 9.6M |
| Total Direct Operating Expenses | \$86.3M | \$89.5M | \$64.9M | \$70.5M | \$45.6M | \$62.3M |
| Total Operating Revenues | \$34.3M | \$41.7M | \$32.3M | \$26.6M | \$21.9M | \$25.7M |
| Net Operating Costs | \$52.0M | \$47.7M | \$32.5M | \$43.9M | \$23.8M | \$36.6M |
| R/C Ratio | 40% | 47% | 50% | 38% | 48% | 41% |
| Service Hours | 770,136 | 875,028 | 667,669 | 545,774 | 625,535 | 737,111 |
| Approx. Full Time Student Population | 52,000 | 41,000 | 50,000 | 21,000 | 27,000 | |

A background network diagram consisting of a series of interconnected nodes and lines, forming a complex web-like structure. The nodes are represented by small circles, and the lines are thin, connecting the nodes in a non-uniform pattern. The overall color scheme is dark gray with teal accents.

MOVING TRANSIT FORWARD

THANK YOU - QUESTIONS?

Subject: Rationale for Municipal and Regional provincial gas tax sharing through joint Canadian Urban Transit Association (CUTA) reporting

Report to: Linking Niagara Transit Committee

Report date: Wednesday, February 6, 2019

Recommendations

1. That Regional Council **AGREE IN PRINCIPLE** that Niagara Region report transit statistics in consolidation with local area municipalities operating smaller transit systems to maximize provincial gas tax (PGT) funding from MTO.
2. That staff **BE AUTHORIZED** to develop agreement terms in consultation with local area municipalities outlining the framework for consolidated reporting and the PGT as well as cost distribution between participating municipalities and Niagara Region.

Key Facts

- The purpose of this report is to seek authorization to develop a Memorandum of Understanding (MoU) with local area municipalities operating smaller transit systems for consolidated reporting of Canadian Urban Transit Association (CUTA) statistics by Niagara Region in light of the financial benefits outlined in this report.
- Total loss in PGT between 2019 and 2022 without proposed joint CUTA reporting is estimated at \$1.0M.
- Independent CUTA reporting from small local transit operators will not generate sufficient operating costs and municipal contributions to ensure they receive the maximum amount of eligible PGT at their current and projected funding levels.
- Benefits of Joint CUTA reporting:
 - Local transit operators could apply PGT funding towards net operating expenses without limiting future PGT allocations.
 - Local transit operators could increase transit spending without incremental tax burdens on residents.
 - Niagara Region would receive or share the population portion of the annual PGT allocation based the relative proportion of demand/ridership.
- “Fiscal Responsibility and Affordability with no negative impacts on local transit revenues” was a guiding principle from the *Niagara Transit Service Delivery and Governance Study* (Dillon Report, 2017) and the subsequent MoU signed in 2017. Staff continues to quantify the impacts to PGT as well as the operating and capital costs resulting from the route consolidations outlined in LNTC-C 21-2018.
- A discussion about provincial funding and the importance of investment in Niagara's future transit, including the GO expansion, was advanced at the recent AMO

conference in a meeting with the new Minister of Transportation. Discussions are ongoing with MTO at both the political and staff levels.

Financial Considerations

The proposed Niagara Region Transit (NRT) operational plan, including both service enhancements for existing routes and new service connections to Niagara West, Pelham, Crystal Beach and Wainfleet, once fully implemented will require an additional \$11.5M in net operating costs plus \$13.9M for new capital (LNTC-C-22-2018 and LNTC-C-23-2018). Local populations rely on both local and inter-municipal transit connections, however under the current MTO allocation methodology, population statistics can only be applied to and received by one transit operator. Options for sharing PGT between local and inter-municipal transit links were evaluated based on the ability to maintain a constant annual transit investment while enhancing and/or expanding service levels with no tax levy impact.

PGT is intended to fund expenditures that support ridership growth and are incremental to transit spending, and is not intended to replace or reduce the municipal contributions to transit. Smaller local transit providers generally operate a reduced level of service as compared to major transit operators. Based on the local population census data, the transit providers within Niagara with annual operating costs less than \$250,000 may not be eligible for the full PGT allowable through the MTO methodology. In addition, if a municipality reduces their spending on transit through reduced transit investment or inclusion of PGT funds to offset the municipal contribution, they would receive a reduced PGT allocation in the subsequent program year if they did not maintain the minimum municipal contribution percentage. Joint CUTA reporting provides an opportunity to ensure the region as a whole receives all eligible PGT funding.

Under the PGT funding program, municipalities qualify for PGT if they contribute financially to public transit services, with the total share determined by a formula of 70 percent based on ridership and 30 percent based on population. The 2018-2019 provincial envelope, based on this formula, generated approximately \$0.27 cents per transit ride and \$9.15 per capita. Despite the majority of the provincial funding envelope being allocated through ridership, the annual allocations for small transit operators depend heavily on population due to comparatively low ridership on these systems. This is especially true for the smaller transit operators in Niagara.

The total 2018 PGT allocation to the region was \$6.4M with an estimated \$4.0M (62%) being generated by the 447,876 census population. By 2022, the Provincial Government intends to increase the PGT funding from the current 2.0 cents per litre to 4.0 cents per litre, thus making Niagara's municipalities eligible for an estimated \$8.0M annually based on their population alone. The three largest municipalities, St. Catharines, Niagara Falls and Welland generate 47% of their \$5.0M in PGT from

population, where as the remaining municipalities realize 94% of their \$1.45M in PGT from population and based on the MTO methodology may not receive all eligible funds. The PGT allocated to NRT is derived from only those municipal populations which do not have local transit. In 2017, Pelham received their first year of PGT which reduced the PGT funding for NRT since the population statistics can only be applied to and received by one transit operator. Despite increasing investment and expansion of NRT services, the introduction of local transit services such as Grimsby and Lincoln will result in additional NRT PGT reductions (estimated at \$475,000 annually).

Under the proposed NRT operational plan outlined in LNTC-C-21-2018, 100% of Fort Erie and Port Colborne Link route services are to being transferred to Niagara Region. The decrease in net operating costs realized by Port Colborne will drive the municipal transit spending below the necessary spending threshold to receive all eligible PGT funding. This risk is further compounded when the allocated PGT funding is used to offset the remaining operating costs as illustrated in the example below. Through joint CUTA reporting, these risks would be mitigated and ensure that all eligible funding is received.

Example: Reductions in eligible PGT funding

| | Scenario 1 | Scenario 2 |
|---------------------------------------|-------------------|-------------------|
| A Operating Costs | \$ 200,000 | \$ 200,000 |
| B Revenue | \$ 20,000 | \$ 20,000 |
| C Donations | \$ 10,000 | \$ 10,000 |
| D PGT used in Operating | | \$ 100,000 |
| E Net Operating Cost | \$ 170,000 | \$ 70,000 |
| F Municipal Contribution (E+B+C-D) | \$ 200,000 | \$ 100,000 |
| Maximum PGT allowable (0.75*F) | \$ 150,000 | \$ 75,000 |

The loss in PGT over the next four years is provided in Table 1 below and is estimated at approximately \$1.0 million for existing transit operators. The loss in PGT funding is expected to increase as local transit services begin in Lincoln, Grimsby, West Lincoln and Wainfleet. As local transit services expand and municipal contributions increase beyond \$250,000 annually, the estimated loss would decrease.

Table 1: Estimated combined loss in PGT through independent CUTA reporting

| | 2019 | 2020 | 2021 | 2022 | 2019 -2022 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Fort Erie | \$ - | \$ - | \$ - | \$ - | \$ - |
| Port Colborne | \$ 40,628 | \$ 50,189 | \$ 182,761 | \$ 259,563 | \$ 533,142 |
| Niagara on the lake | \$ - | \$ - | \$ - | \$ 31,845 | \$ 31,845 |
| Welland | | | | | |
| Niagara Falls | | | | | |
| St. Catharines | | | | | |
| Pelham | \$ 26,287 | \$ 100,343 | \$ 88,704 | \$ 191,050 | \$ 406,385 |
| Estimate Lost PGT (Existing Transit Operations) | \$ 66,915 | \$ 150,533 | \$ 271,465 | \$ 482,458 | \$ 971,371 |

Together with other municipal partners, Niagara advanced a discussion about provincial funding and the importance of investment in Niagara's future transit and GO expansion at the recent AMO conference in a meeting with the new Minister of Transportation. Discussions are ongoing with MTO at both the political and staff levels. In the meantime, the development of a PGT sharing methodology could be established on a case by case basis and would be evaluated based on equity and fairness across the Niagara Region.

Analysis

Regional staff analysed each municipality independently and the opportunities were identified based on their ability to maintain the current level of transit investment and simultaneously allow for transit service expansions and enhancements.

Port Colborne and Fort Erie established Link routes to Welland and Niagara Falls respectively, but with limited service hours. In 2011, the service levels on the Link routes were enhanced through a pilot project funded by Niagara Region. The local routes have always been funded by the local municipality. In 2017, following the successful and unanimous triple majority process, the current Link routes were made a permanent component of inter-municipal transit (IMT). These routes are well established with historic baselines for service hours, operating costs and ridership however a distribution model for new local and IMT connections will be more difficult to determine since a start-up cost framework has not been established, nor is there a baseline for comparable service hours, operating costs and ridership. The options for sharing PGT, while rooted on the same premise that the populations within local boundaries benefit from both local and IMT connections, may require differing methodologies for allocating PGT. Therefore unique proposals for PGT sharing were provided for each of the following groups:

- Existing local and IMT routes
- New local and IMT routes

A. Existing Local and IMT Routes

Existing local and IMT Link routes have established operating costs and ridership and therefore provide the baseline for future PGT sharing opportunities. Options were evaluated based on the ability to maintain a consistent transit investment over the next four years and were not based on realizing operational cost savings (Table 2). In addition, opportunities were identified where service expansion at both the local and regional level could be realized without financial impacts to the tax levy.

Table 2: Options based on maintaining 2018 municipal contributions over next 4 years

| Opportunity / Target | | Benefit | Risk |
|----------------------|---|---|--|
| Option A | vary PGT applied to operating; holding tax levy constant at 2018 rate | - PGT funding available for NRT capital replacement /investment | -no funding for local transit re-investment |
| Option B | hold PGT applied to operating at the 2018 level | - cost savings realized from the Region Link upload to the Region provide funds for local transit re-investment - remaining PGT used for Link capital investment | - could result in large fluctuations in PGT funding year over year - funds may be in excess of service requirements - no PGT available for Link capital investment |
| Option C | apply all available PGT funds to operating | - could provide largest Local transit re-investment opportunity | - could result in large fluctuations in PGT funding year over year - funds may be in excess of service requirements - no PGT available for Link capital investment |
| Option D | Joint CUTA reporting - apply formula of ridership proportions to allocate PGT between Local & Link | - Captures all available PGT funds - ensures PGT distribution between local and regional transit proportionate to the demographic/population usage - provides tax levy no greater than 2018 base - allows for local and regional service expansion | - re-estimation of PGT sharing conducted annually |

Based on the criteria of maintaining a constant local transit tax levy over the next 4 years, Option D above, provides the greatest opportunity for local transit service expansion plus PGT funding for NRT capital investment. Therefore, it is the recommendation of this report that joint CUTA reporting through Option D be the appropriate methodology for sharing the population portion of the PGT.

Existing Smaller Transit Operators

Fort Erie

Current operating costs and municipal contributions for Fort Erie Transit are sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 95% of the annual PGT is received through the population portion of the formula, while the remaining 5% is through ridership.

Fort Erie residents receive both local and Link transit services, therefore the preferred option for sharing PGT between Fort Erie and Niagara Region would be through

allocations based on the proportion of local and Link ridership, Option D. Applying the current estimated ridership proportion of 80% local and 20% link results in an annual estimate of \$238,000 in PGT remaining within Fort Erie and \$60,000 going to Niagara Region. Assuming the relative transit ridership remains constant, the 2022 estimates (including the proposed increase of the Provincial PGT envelope) projects \$418,000 to Fort Erie (annually) and \$105,000 for the Niagara Region (annually). Through joint CUTA reporting, annual PGT distribution would reflect actual ridership proportions each year to account for individual growth differences.

Table 3: Fort Erie Options for PGT Sharing through Joint Reporting

| Fort Erie | Opportunity / Target | Municipal \$ Contribution | 2019 - 2022 Total Impact | |
|-----------------|---|--|---|-------------|
| | | | PGT Received | PGT Lost |
| Option A | holding tax levy constant at 2018 rate | \$4.11 M Total (all Base service) | - \$0.6 M used for FE Operating (no excess PGT for local Transit Re-Investment) - \$0.93 M used for FE Link Capital | No Lost PGT |
| Option B | hold PGT applied to operating at the 2018 level | \$4.11 M Total (\$3.57 M Base \$0.54 M Reinvestment) | - \$1.14 M used for FE Operating (incl. \$0.54 M PGT for local Transit Re-Investment) - \$0.40 M used for FE Link Capital | No Lost PGT |
| Option C | apply all available PGT funds to operating | \$4.11 M Total (\$3.18 M Base \$0.93 M Reinvestment) | - \$1.54 M used for FE Operating (incl. \$0.93 M PGT for local Transit Re-Investment) - \$0.0 M used for FE Link Capital | No Lost PGT |
| Option D | Joint CUTA reporting | \$4.11 M Total (\$3.48 M Base \$0.63 M Reinvestment) | - \$1.23 M used for FE Operating (incl. \$0.63 M PGT for local Transit Re-Investment) - \$0.31 M used for FE Link Capital | No Lost PGT |

Note: the proportion of PGT allocated to NRT, assuming the increased provincial envelope would cover the capital investment required to service the Fort Erie Link route. Also assumes that the PGT doubles by 2022, as planned.

Based on Option D above, Fort Erie would generate an additional \$0.63M over the next 4 years to re-invest in local transit while holding the existing tax levy constant at 2018 levels. Niagara Region would receive sufficient funding to purchase one bus every 12 years at current PGT funding levels and two buses every 12 years if funding levels double. No other option provides this benefit.

Port Colborne

Current operating costs and municipal contributions for Port Colborne Transit are not sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 97% of the annual PGT is received through the population portion of the formula, while the remaining 3% is through ridership.

Table 4: Port Colborne Options for PGT Sharing through Joint Reporting

| Port Colborne | | 2019 - 2022 Total Impact | | |
|-----------------|---|--|--|----------|
| | Opportunity / Target | Municipal \$ Contribution | PGT Received | PGT Lost |
| Option A | holding tax levy constant at 2018 rate | Total \$0.41 M | - \$0.06 M used for PC Operating (no excess PGT for local Transit Re-Investment) - \$0.38 M used for PC Link Capital | \$0.38 M |
| Option B | hold PGT applied to operating at the 2018 level | Total \$0.41 M (\$0.19 M Base \$0.22 Reinvestment) | - \$0.27 M used for PC Operating (incl. \$0.22 M PGT for local Transit Re-Investment) - \$0.0 M used for PC Link Capital | \$0.53 M |
| Option C | apply all available PGT funds to operating | Total \$0.41 M (\$0.19 M Base \$0.22 Reinvestment) | - \$0.27 M used for PC Operating (incl. \$0.22 M PGT for local Transit Re-Investment) - \$0.0 M used for PC Link Capital | \$0.53 M |
| Option D | Joint CUTA reporting | Total \$0.41 M (\$0.18 M Base \$0.23 M Reinvestment) | - \$0.28 M used for PC Operating (incl. \$0.23 M PGT for local Transit Re-Investment) - \$0.53 M used for PC Link Capital | No Loss |

Note: the proportion of PGT allocated to NRT, assuming the increased provincial envelope would cover the capital investment required to service the Port Colborne Link route. Also assumes that the PGT doubles by 2022, as planned.

Port Colborne's current operating practice, Option C, applies all available PGT funds towards reducing the tax levy requirements for transit operating costs. If this practice continues after NRT uploads 100% of Link service costs (which are currently 60% of Port Colborne's annual transit budget), the majority of allowable PGT will become ineligible. Port Colborne residents receive both local and Link transit services, therefore the preferred option for sharing PGT between Port Colborne and Niagara Region would be through allocations based on the proportion of local and Link ridership, Option D.

Through joint reporting and PGT sharing under Option D, Port Colborne would realize a consistent and lower year over year budget and ensure all eligible PGT funds are received. Applying the current estimated ridership proportion of 35% local and 65% Link would result in an annual estimated \$54,000 in PGT remaining within Port Colborne and an estimated \$100,000 going to Niagara Region. Assuming the relative transit ridership remains constant, the 2022 estimates including increases in the Provincial PGT

envelope, projects \$99,000 for Port Colborne and \$183,000 for the Niagara Region. Through joint CUTA reporting, annual PGT distribution would reflect actual ridership proportions each year to account for individual growth differences.

Based on Option D above, Port Colborne would generate an additional \$0.23M over the next 4 years to re-invest in local transit while holding the existing tax levy constant at 2018 levels. Option D also prevents the loss of PGT relating to the 75% threshold. Niagara Region would receive sufficient funding to purchase two buses every 12 years at current PGT funding levels and three buses every 12 years if funding levels double.

Niagara-on-the-Lake

Current operating costs and municipal contributions for Niagara-on-the-Lake Transit are sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 97% of the annual PGT is received through the population portion of the formula, while the remaining 3% is through ridership.

Niagara-on-the-Lake Transit does not currently operate a Link route, but instead connects with other IMT routes within its municipal boundary which gives its residents access to both local and IMT routes. NRT route 40/45 generated approximately 73,000 boardings in 2017, the relative percentage of resident trips using NRT was 73% with the remaining 17% utilizing local transit services. Table 5 below estimates \$101,229 of the total 2018 PGT allocation would be eligible to Niagara Region for services delivered to Niagara-on-the-Lake. Alternatively, MTO could contribute an incremental \$101,229 in PGT to Niagara Region based on the current 2.0 cents per litre currently apportioned for PGT funding.

Table 5: Niagara-on-the-Lake Option D - Population Servicing Methodology for PGT Sharing

| | 2017 adj. Boardings | | Option D. Transit Ridership /Population | 2018 PGT Allocation | Estimated Population Portion of PGT | 2018 PGT population share to NR |
|------|---------------------|------------------|---|------------------------|---|---------------------------------------|
| | Local Ridership | NRT Ridership | | | | |
| NOTL | 27,303 | 73,200 | 72.8% | \$143,487 | \$ 138,987 | \$ 101,229 |

The current operating structure does not appear to realize any benefits to reporting jointly with Niagara Region. Future opportunities may develop as the consolidation framework unfolds.

Existing Large Transit Operators

The 2018 NRT proposed operational plan including the IMT route consolidations have estimated the financial impacts associated with the transfer of ridership and subsequent PGT funding from the municipalities to Niagara Region. The estimated PGT share within this report are to be included in the larger financial discussion regarding the total

financial impacts resulting from the proposed route consolidations outlined in the Dillon Report.

Welland

Current operating costs and municipal contributions for Welland Transit are sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 67% of the annual PGT Welland receives is generated through the population portion of the formula, while the remaining 33% is through ridership.

Table 6: Welland Option D - Population Servicing Methodology for PGT Sharing

| | 2017 adj. Boardings | | Option D. Transit Ridership /Population | 2018 PGT Allocation | Estimated Population Portion of PGT | 2018 PGT population share to NR |
|---------|---------------------|------------------|---|------------------------|---|---------------------------------------|
| | Local Ridership | NRT Ridership | | | | |
| Welland | 1,025,622 | 90,410 | 8.1% | \$691,259 | \$ 465,035 | \$ 37,672 |

Welland residents have direct access to both local and IMT routes. NRT routes 60/65 and 70/75 generated approximately 90,000 boardings in 2017, the relative percentage of resident trips using NRT was 8.0% with the remaining 92.0% utilizing local transit services. Table 6 above estimates \$37,672 of the total 2018 PGT allocation would be eligible to Niagara Region for services delivered to Welland. Alternatively, MTO could contribute an incremental \$37,672 in PGT to Niagara Region based on the current 2.0 cents per litre currently apportioned for PGT funding.

Niagara Falls

Current operating costs and municipal contributions for Niagara Falls Transit are sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 54% of the annual PGT Niagara Falls receives is generated through the population portion of the formula, while the remaining 46% is through ridership.

Table 7: Niagara Falls Option D - Population Servicing Methodology for PGT Sharing

| | 2017 adj. Boardings | | Option D. Transit Ridership /Population | 2018 PGT Allocation | Estimated Population Portion of PGT | 2018 PGT population share to NR |
|---------------|---------------------|------------------|---|------------------------|---|---------------------------------------|
| | Local Ridership | NRT Ridership | | | | |
| Niagara Falls | 2,310,328 | 163,797 | 6.6% | \$1,401,055 | \$ 762,310 | \$ 50,468 |

Niagara Falls residents have direct access to both local and IMT routes. NRT routes 40/45, 50/55 and 60/65 generated approximately 164,000 boardings in 2017, the relative percentage of resident trips using NRT was 6.6% with the remaining 93.4% utilizing local transit services. Table 7 above estimates \$50,468 of the total 2018 PGT allocation would be eligible to Niagara Region for services delivered to Niagara Falls. Alternatively, MTO could contribute an incremental \$50,468 in PGT to Niagara Region based on the current 2.0 cents per litre currently apportioned for PGT funding.

St. Catharines

Current operating costs and municipal contributions for St. Catharines Transit are sufficient to ensure full receipt of PGT at current and projected funding levels. It is estimated that 48% of the annual PGT St. Catharines receives is generated through the population portion of the formula, while the remaining 52% is through ridership.

Table 8: St. Catharines Option D - Population Servicing Methodology for PGT Sharing

| | 2017 adj. Boardings | | Option D. Transit Ridership /Population | 2018 PGT Allocation | Estimated Population Portion of PGT | 2018 PGT population share to NR |
|----------------|---------------------|------------------|---|------------------------|---|---------------------------------------|
| | Local Ridership | NRT Ridership | | | | |
| St. Catharines | 5,842,960 | 155,140 | 2.6% | \$2,882,397 | \$ 1,371,573 | \$ 35,475 |

St. Catharines residents have direct access to both local and IMT routes. NRT routes 40/45, 50/55 and 70/75 generated approximately 155,000 boardings in 2017, the relative percentage of resident trips using NRT was 2.6% with the remaining 97.4% utilizing local transit services. Table 8 above estimates \$35,475 of the total 2018 PGT allocation would be eligible to Niagara Region for services delivered to St. Catharines. Alternatively, MTO could contribute an incremental \$35,475 in PGT to Niagara Region based on the current 2.0 cents per litre currently apportioned for PGT funding.

B. New Local and IMT Routes

For municipalities which do not have local service or that have recently initiated local service or supporting IMT connections, baseline statistics are not available. Thus the start-up cost sharing framework including baseline service hours, operating costs, and ridership are not fully known. Using other local start-up operations as a reference, it is assumed that new local transit operations will not incur large capital expenditures since services will be contracted out to third party providers who transfer the cost of capital through fixed operating rates. The reduced capital pressures will likely result in the PGT funding being used to reduce municipal operating contributions and the subsequent tax levy impact. Therefore opportunities to share PGT between local and IMT providers may be based on a minimum municipal spending threshold plus assurance of a minimum PGT funding to cover NRT capital requirements. Determinations on the appropriate sharing methodology would be established through relative assessments based on the established guiding principle of equity and fairness across Niagara region.

Pelham

It is estimated that 99% of annual PGT will be received through the population portion of the formula, while the remaining 1% is through ridership. Pelham residents currently receive local transit service which includes one IMT stop, accounting for approximately 20% of the total route time. The current demand for the IMT portion of the route is not sufficient to warrant a conventional fixed route feeder service, however alternative service delivery options could meet the demand in a more cost effective solution.

Table 9: Pelham Required Municipal Transit Spend to Receive 100% of Eligible PGT

| | Pelham | |
|---|------------|------------|
| | 2019 | 2022 |
| Eligible Population PGT | \$ 160,189 | \$ 281,425 |
| Required Municipal Own Transit Spending* (75% threshold) | \$ 213,586 | \$ 375,233 |
| *Municipal own spending includes passenger revenues, donations if applicable, and municipal contributions to operating and capital expenses | | |

The 2017 CUTA reported statistics estimate that the Pelham transit municipal contribution is insufficient to ensure Pelham receives 100% of eligible PGT funding in 2018. The net operating costs plus revenues and donations do provide sufficient transit investment to receive full funding however, the inclusion of the PGT funding to offset operating expenses reduces the municipal contribution and therefore reduces the subsequent years PGT allocation. The required municipal transit contribution (spending in excess of the PGT funding used for operating expenses) to receive 100% of the eligible PGT is presented in Table 9 above.

Prior to 2017, the Pelham population base was included in the NRT PGT allocation and accounted for an estimated \$150,000 annually. Comparing the 2017 Pelham budget with their estimated 2018 transit budget (Table 9), illustrates the dilemma that small transit operators face when applying all PGT funding towards operating costs. Holding transit investment constant at 2018 service levels, this approach projects large year over year fluctuations in the annual budgeted tax levy ranging from \$90,000 to \$150,000. This results in a total four year transit tax levy of \$0.51M, and eliminates the potential for surplus funding to be used for transit expansion as well as an estimated loss of \$0.44M in PGT funding from the province. The recent provincial announcement of the 2018/2019 PGT allocation supports this analysis with Pelham realizing a reduction of \$100,000 over last year's PGT allocation. This represents an overall financial loss to Niagara.

Table 10: Pelham Options for PGT Sharing through Joint Reporting

| Pelham | Opportunity / Target | Municipal \$ Contribution | 2019 - 2022 Total Impact | |
|--|----------------------|---|--|----------|
| | | | PGT Received | PGT Lost |
| Current Outlook: Option A, B & C all the Same | | Total \$0.51 M (all Base Service) | - \$0.40 M used for Pelham Operating (no excess PGT for local Transit Re-Investment) - \$0.0 M used for Pelham Link Capital | \$0.44 M |
| Option D | Joint CUTA reporting | Total \$0.4 M (\$0.03 M Base \$0.37 M Reinvestment) | - \$0.64 M used for Pelham Operating (incl. \$0.37 M PGT for local Transit Re-Investment) - \$0.17 M used for Pelham Link Capital | No Loss |

Note: assumes that the PGT doubles by 2022, as planned.

There exists an opportunity to receive 100% of all eligible PGT funding and stabilize Pelham's annual budgeting requirements through Option D outlined in Table 10 above. Through the development of a transit strategy and the formation of a partnership between Pelham and the Region, both would be financially better off than working independently. The partnership would include joint CUTA reporting, a minimum local annual transit contribution, a 20% cost share from Niagara Region towards the IMT portion of the service and a portion of the Pelham PGT funding. For example, assuming a minimum levy-supported transit investment by Pelham equal to \$100,000 (the average of the last two years tax levy based on 2017 and 2018), this partnership would result in a four year total transit tax levy of \$400,000, allow for \$372,000 in local transit expansion, and direct \$167,000 of PGT towards the Region for capital replacement.

Lincoln

It is estimated that 99% of annual PGT will be received through the population portion of the formula, with the remaining 1% through ridership. Lincoln residents currently only receive a piloted local transit service; however the 2019 Lincoln operational plan includes a permanent local transit service plus an IMT Link extending from Lincoln to St. Catharines with an annual net operating budget of \$585,000 plus up to \$1.5M in capital.

The required municipal transit contribution by the Town to receive 100% of the eligible PGT is presented in Table 11 below. The proposed 2019 operational budget for Lincoln Transit is \$263,550 with an estimated \$2,000 in potential fare revenue. The total transit municipal contribution of \$265,550 results in an estimated PGT of approximately \$199,000, which is \$23,000 below the full eligible PGT funding (\$222,000). Since Lincoln Transit uses a contracted third party to operate its transit, the municipality does not have capital expenditures. If the estimated \$199,000 PGT funds were used to offset the 2019 operational expenses, the subsequent year PGT funding would decrease from \$199,000 to \$50,000, an additional \$149,000 loss in eligible funding.

Table 11: Lincoln Required Municipal Transit Spend to Receive 100% of Eligible PGT

| | Lincoln | |
|---|------------|------------|
| | 2019 | 2022 |
| Eligible Population PGT | \$ 222,702 | \$ 391,248 |
| Required Municipal Own Transit Spending* (75% threshold) | \$ 296,936 | \$ 521,664 |
| *Municipal own spending includes passenger revenues, donations if applicable, and municipal contributions to operating and capital expenses | | |

The current PGT funding for the Lincoln population is being allocated to NRT for all IMT services. This is because Lincoln does not currently charge a fare which is an eligibility requirement for PGT. If the local transit service's net operating budget is less than the required municipal transit spending or the PGT funding is used to reduce the local municipal transit spending below the required threshold, the lost funding would result in a net decrease to the region as a whole. Currently the population base for Lincoln is included in the PGT allocation to Niagara Region and therefore, when removed, will result in an estimated \$220,000 reduction in funding to the Region.

Through joint reporting and the sharing of the PGT funding, 100% of the eligible PGT funding for the Lincoln population base would be allocated to the Region. The PGT allocation would be shared between Lincoln and the Region based on an agreed upon ridership/ population percentage similar to other smaller systems. The local transit budget would be consistent and known year over year plus the former losses in eligible PGT would become available and provide funding for IMT capital requirements associated with the proposed West Niagara expansion of IMT Link service.

Without historic baseline data for local and Link services driving ridership proportions, determination on the agreement for relative PGT shares would need to ensure equity and fairness among all transit providers as well as consistency and transparency to tax payers. The formula for allocation could be modified over time to reflect actual ridership data on both systems

Grimsby

It is estimated that 99% of annual PGT will be received through the population portion of the formula, with the remaining 1% through ridership. Grimsby residents currently do not receive any transit services however the NRT 2019 operational plan includes an IMT Link extending from Grimsby to St. Catharines with an annual net operating budget of \$585,000 plus up to \$3.5M in capital.

Table 12: Grimsby Required Municipal Transit Spend to Receive 100% of Eligible PGT

| | Grimsby | |
|---|------------|------------|
| | 2019 | 2022 |
| Eligible Population PGT | \$ 255,723 | \$ 449,260 |
| Required Municipal Own Transit Spending* (75% threshold) | \$ 340,964 | \$ 599,013 |
| *Municipal own spending includes passenger revenues, donations if applicable, and municipal contributions to operating and capital expenses | | |

Currently the population base for Grimsby accounts for an estimated \$250,000 annually in the PGT allocation to Niagara Region and supports all IMT services. If the budgeted municipal transit spend is less than the required municipal transit spend for 100% PGT funding there will be a net loss of PGT funding to the region as a whole. The required annual municipal contribution to receive all eligible PGT funding (based on the Grimsby population) would be \$341,000 which is greater than current spending in Pelham, Lincoln, and Port Colborne. This suggests that the initial transit investment in Grimsby would be insufficient to receive 100% of PGT funding.

Through joint reporting and the sharing of the PGT funding, 100% of the eligible PGT funding for the Grimsby population base would be allocated to the Region. The PGT allocation would be shared between Grimsby and the Region based on an agreed upon ridership/ population percentage similar to other smaller systems. The local transit budget would be consistent and known year over year plus any former losses in eligible PGT would become available and provide funding for IMT capital requirements associated with the proposed West Niagara expansion of IMT Link service.

Without historic baseline data for local and link services driving ridership proportions, determination on the agreement for relative PGT shares would need to ensure equity and fairness among all transit providers as well as consistency and transparency to tax payers. The formula for allocation could be modified over time to reflect actual ridership data on both systems.

Remaining Municipalities

Currently West Lincoln and Wainfleet do not operate local transit services. Based on the existing population base, independent locally operated transit services would not be fiscally prudent. Future operational plans combining local and IMT services using alternative deployment strategies (i.e. on-demand transit) may provide a more cost effective solution.

Alternatives Reviewed

An alternative to the proposed strategy would be to not report CUTA statistics jointly and continue to apply PGT towards offsetting local transit operating costs and realize year-over-year fluctuation in PGT allocations from the province. The estimated loss in PGT funding of \$1.0 M over the next four years would result in negative impacts to the taxpayer and prevent local and IMT agencies from expanding services without further negative impacts on the taxpayer.

Relationship to Council Strategic Priorities

This proposal aligns with Council strategic priority of achieving results under Doing Business Differently. This proposal also aligns with Council strategic priority of Moving People and Goods and directly advances the following key Council Strategic Priorities:

- Provincial commitment to GO Rail expansion in Niagara
- Support local municipalities in developing long-term solution for transit.

Other Pertinent Reports

- LNTC-C 21-2018 IMT Service Implementation Strategy
- LNTC-C 22-2018 IMT Financial Impact Analysis
- LNTC-C 23-2018 IMT Capital Plan 2019
- PW 19-2018 Niagara Region Transit 2018 Service Agreement

Prepared by:

Heather Talbot
Financial & Special Projects Consultant
Financial Planning and Management,
Corporate Services

Recommended by:

Todd Harrison
Commissioner
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared by Heather Talbot, Financial and Special Project Consultant, Financial Management and Planning, in consultation with the Transit Operators and the Inter-Municipal Transit Working Group; Matt Robinson, Director, GO Implementation Office, Kumar Ranjan, Transportation Lead GO Implementation Office, Robert Salewysch, Transit Planning Coordinator; and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.

LINKING NIAGARA TRANSIT COMMITTEE

2019 MEETING SCHEDULE

| |
|---|
| Meetings take place WEDNESDAYS in the Council Chamber at 2p.m. |
|---|

March 6

April 24

May 29

June 26

July 24

August 28

September 25

October 23

November 20

RULES OF PROCEDURE

1. No oral updates are permitted as per Council direction.
2. Materials must be submitted per the CAO's deadline.
3. Proceedings must adhere to the Region of Niagara's Procedural Bylaw No. 120-2010, as amended.

MEMORANDUM

LNTC-C 4-2019

Subject: Linking Niagara Transit Committee – Terms of Reference

Date: February 6, 2019

To: Linking Niagara Transit Committee

From: Ann-Marie Norio, Regional Clerk

In 2017, the Inter-Municipal Transit (IMT) Steering Committee was renamed the Linking Niagara Transit Committee (LNTC) to reflect the broader approach to transit in Niagara. The Terms of Reference for the Committee have not been reviewed since this change.

As the February 6, 2019 LNTC meeting will be the first committee meeting of the 2018-2020 Term of Council, a copy of the Terms of Reference (attached as Appendix 1) have been provided for information purposes.

The Terms of Reference have been updated to reflect the following housekeeping items:

- IMT Steering Committee was revised to read Linking Niagara Transit Committee;
- A statement respecting the committees name change was added; and
- Clarification was provided with respect to the Committee membership.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Linking Niagara Transit Committee - Terms of Reference

PROJECT BACKGROUND

Municipalities across the Niagara Region have identified the importance of public transit to enhance the economic development of the Region.

Since January 2015, an inter-municipal transit group comprised of the Mayors, Chief Administrative Officers (CAOs) and staff from Niagara Falls, St. Catharines, Welland and the Region of Niagara, in consultation with local area municipalities, have been working together to improve inter-municipal transit services throughout the Region and develop governance options for inter-municipal transit.

In 2016, the working group hired Dillon Consulting to develop potential options for the future delivery of inter-municipal transit services.

The Dillon report (*Niagara Transit Service Delivery and Governance Strategy, 2017*) was completed in early 2017 and the findings were presented to the Councils represented on the working group: St. Catharines, Niagara Falls, Niagara-on-the-Lake and the Region of Niagara.

The four respective municipal councils recommended that the Dillon report be endorsed and that two groups be created: Inter-Municipal Transit Steering Committee and the Inter-Municipal Transit Working Group.

In 2017, IMTSC members agreed the work of the committee should reflect a broader approach to transit and not simply focus on inter-municipal routes only. To this end, the IMTSC was renamed the Linking Niagara Transit Committee to reflect the broader lens by which transit would be viewed for the work and mandate of the committee and create a more inclusive discussion for all Niagara transit systems.

MEMBERS/COMPOSITION

The Linking Niagara Transit Committee is a politically-appointed Committee comprised of 10 elected representatives as follows:

- St. Catharines - 2 representatives
- Niagara Falls - 2 representatives
- Welland - 2 representatives
- Region of Niagara - 4 representatives

The Members of this Committee shall be political appointments from the respective municipal Councils, ***which may include the mayors from St. Catharines, Niagara Falls and Welland should they choose to sit as one of the two local representatives.*** The four representatives from the Region of Niagara are meant to provide representatives on the Committee from those municipalities across the Region, which are not parties to the agreement.

The four CAOs from St. Catharines, Niagara Falls, Welland, and the Region, in addition to the Director of the GO Implementation Team, as non-voting members of the Committee.

The Director of the GO Implementation Team and one CAO will act as a liaison between the ***Linking Niagara Transit Committee*** and the Inter-Municipal Transit (IMT) Working Group.

The Committee shall elect a Chair and Vice-Chair annually from its members and may be re-elected to serve for subsequent terms. The Committee will meet on a monthly basis, and otherwise at the call of the Chair. A meeting schedule will be determined at the beginning of each calendar year.

Agendas/Minutes will be circulated to all members of the ***Linking Niagara Transit Committee*** and the IMT Working Group in advance of the meeting.

A quorum shall be the majority of the Committee members and all matters shall be decided by a majority vote of the voting members in attendance each of whom shall have one (1) vote, including the Chair. In the event of a tie vote, the vote shall be deemed to have been denied or defeated.

The Region of Niagara, through the GO Implementation Team, shall provide secretariat support to the Committee.

ROLES/RESPONSIBILITIES OF THE COMMITTEE

The ***Linking Niagara Transit Committee***, when making decisions related to inter-municipal transit in Niagara, will be guided by the following set of principles:

- Customer focused: continuously improve, respect local service
- Local service levels will not be adversely impacted
- Fiscal responsibility and affordability with negative impacts on local transit revenues
- Integrated/seamless source throughout the region and connecting to GO and other modes of transportation
- Improving economic development opportunities across the region
- Fair: respect existing investments of communities, collective agreements and respect for taxpayers
- Unconventional solutions should be investigated and leading edge technologies explored.

The ***Linking Niagara Transit Committee*** shall be responsible for the following:

- Directing/Overseeing the work of the IMT Working Group
- Approval authority for any recommendations emanating from the IMT Working Group that deals exclusively with implementation of inter-municipal transit and

- recommendations emanating from the Dillon report
- Coordinating marketing and branding of inter-municipal transit
- Government relations and advocacy to senior orders of government (provincial/federal) as it relates to inter-municipal transit
- Act as a unified voice for transit in Niagara

The ***Linking Niagara Transit Committee*** shall not have any jurisdiction over the local transit routes, funding, capital expenditures, or day-to-day operations. The decisions rest solely with the local Council of each individual municipality

Recommendations from the ***Linking Niagara Transit Committee*** that require Regional Council approval will be presented to the Regional Public Works Committee and ultimately Regional Council for approval.

Recommendations from the ***Linking Niagara Transit Committee*** that require approval by St. Catharines City Council will be referred to the St. Catharines Transit Commission and ultimately St. Catharines City Council for approval.

Recommendations from the ***Linking Niagara Transit Committee*** that require approval by Niagara Falls City Council will be referred directly to Niagara Falls City Council.

Recommendations from the ***Linking Niagara Transit Committee*** that require approval by Welland City Council will be referred directly from the Linking Niagara Transit Committee to Welland City Council.

MEMORANDUM

LNTC-C 2-2019

Subject: Inter-municipal Transit Workplan Update

Date: February 6, 2019

To: Linking Niagara Transit Committee

From: Matt Robinson, Director – GO Implementation Office

This memo provides an update on the Inter-Municipal Transit Working Group (IMTWG) / Linking Niagara Transit Committee (LNTC) 2019 Workplan activities and initiatives. The IMTWG has advanced a number of key elements related to the implementation of the *Niagara Transit Service Delivery and Governance Strategy, 2017* prepared by Dillon Consulting (Dillon Report) under the direction of the LNTC.

2018 SUCSESSES / HIGHLIGHTS

Together with our transit partners and members of the IMTWG, the following key components have been completed or substantially completed:

- Standardized and consistent on-bus customer service policies deployed across all four large transit systems effective April 1, 2018
- Effective March 1, 2018, all Niagara transit systems' routes are available to riders on a single digital mobile platform – Transit App – enabling riders to find route, schedule and bus information, including a new promotional campaign
- Implementation of the 'Moving Transit Forward' campaign on all NRT buses (interior and exterior) and on local buses (interior) effective May 2018 aimed at raising public awareness to transit integration activities
- Consolidated after-hours customer service call handling to a single external provider
- Completed comprehensive Provincial Gas Tax analysis and engagement with MTO on route rationalization and impacts to local providers
- Finalized a multi-year extension of NRT operations in partnership with the Transit Service Providers to take operations through 2020
- Finalized the NRT U-Pass agreement summer 2018
- Implementing a Universal Support Person Pass common to all Niagara transit systems
- Rationalization of two post-secondary charter routes with existing inter-municipal routes including service enhancements effective September 2018
- Enhanced Fort Erie and Port Colborne NRT Link route service enhancements effective September 2018

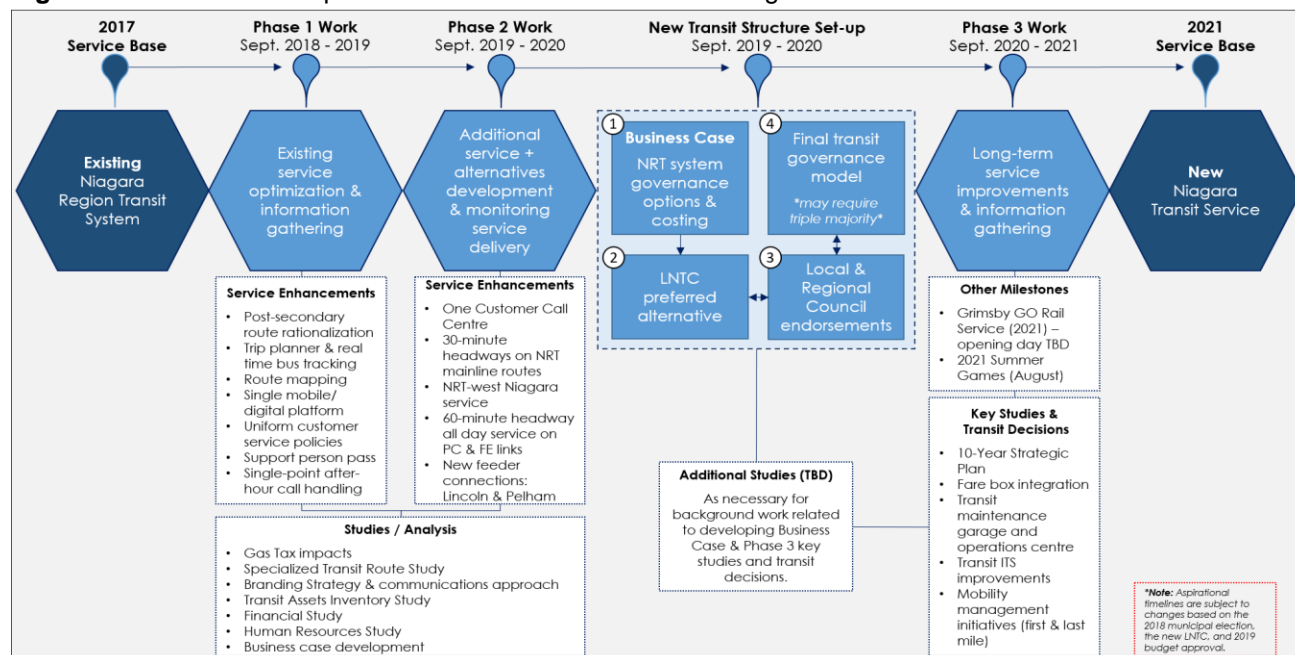
NEXT STEPS – 2019 Workplan

Under the direction of the LNTC, the IMTWG is working to advance a number of key enabling actions as outlined in LNTC-C 21 2018. The Phase 1 work is underway and includes the following aspirational delivery schedule, as outlined in Figure 1 below:

- Business Case development for transit governance options (background reports) **(complete Q1 2020)**
 - Current state financial and asset valuation analysis (together with municipal partners) related to identified governance options **(Summer 2019)**
 - Develop a common fare strategy, including financial analysis for any required Council approvals (precursor work to enabling a common fare technology) **(Fall 2019)**
 - Specialized transit review Phase 1 - ridership and service demand projection, scan of jurisdictional comparators and industry best practices, along with future potential operational models **(Fall 2019)**
 - Branding and communication strategy approach **(Fall 2019)**
 - Human resources study/review **(Fall 2019)**
 - Financial impact analysis related to governance options (follows from current state financial and asset valuation) **(Q1 2020)**
- Operational and Customer Service Enhancements (*budget and logistics permitting*) **(complete Q1 2020)**
 - Streamline all data inputs and establish a process to ensure all trip planning tools including Google trip planner, Triplinx, Transit App have up-to-date and accurate information **(Fall 2019)**
 - Options for an integrated customer call centre to serve all transit needs **(Summer 2019)**
 - Developing an integrated route map/rider guide to serve all major transit providers **(Summer 2019)**
 - Service enhancements on NRT mainline routes to 30 minute peak headway **(Q1 2020)**
 - Introduce NRT (IMT portion) West Niagara service **(Q1 2020)**
 - Introduce new Link feeder connections – Lincoln and Pelham **(Q1 2020)**
- Securing an MTO response to keep Niagara transit systems financially whole during any future transition and/or route consolidation through the Gas Tax program **(Summer 2019)**

- Work collaboratively with Operators to determine a robust capital forecast/commitment relative to the recent Provincial/Federal funding allocations **(Spring 2019)**

Figure 1 – IMT Service Implementation and Governance Guiding Framework



Niagara's 12 municipalities, through the IMTWG and under the direction of the LNTC, are working closely to ensure a seamless and integrated system that incorporates the core systems (St. Catharines, Niagara Falls, Welland, Niagara Region) with the smaller feeder systems (Fort Erie, Lincoln, Pelham, Port Colborne, Niagara-on-the-Lake) in a highly collaborative partnership.

Many of these initiatives are led by members of the IMTWG, with significant leadership from the Transit Operators.

Respectfully submitted and signed by,

Matt Robinson
Director, GO Implementation Office