

**NIAGARA TRANSIT COMMISSION
AGENDA**

NTC 1-2022

Tuesday, June 28, 2022

5:00 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Due to efforts to contain the spread of COVID-19 and to protect all individuals, there is no public access to Niagara Region Headquarters. If you are interested in viewing this meeting or would like to speak to an item listed on the agenda please contact the Office of the Regional Clerk at clerk@niagararegion.ca.

Pages

- 1. CALL TO ORDER**
- 2. LAND ACKNOWLEDGEMENT STATEMENT**
- 3. DISCLOSURES OF PECUNIARY INTEREST**
- 4. SELECTION OF BOARD CHAIR AND VICE CHAIR**
 - 4.1. Call for Nominations for Board Chair
 - 4.2. Voting for Board Chair
 - 4.3. Call for Nominations for Board Vice Chair
 - 4.4. Voting for Board Vice Chair
- 5. PRESENTATIONS**
 - 5.1. The Road Ahead: Moving Transit Forward in Niagara
Matt Robinson, Director, GO Implementation Office
- 6. ITEMS FOR CONSIDERATION**

1 - 46

6.1.	<u>NTC 5-2022</u> Niagara Transit Commission Meeting Schedule	47
6.2.	<u>NTC 1-2022</u> Consideration and Approval of General Manager Job Description	48 - 57
6.3.	<u>NTC 6-2022</u> Niagara Transit Commission Procedural By-law and Policy Considerations	58 - 59

7. CONSENT ITEMS FOR INFORMATION

None.

8. OTHER BUSINESS

9. CLOSED SESSION

Closed session reports will be provided at the meeting.

9.1. Confidential NTC 2-2022

A matter of potential employee negotiations and related discussions that may disclose personal information regarding identifiable individuals, pursuant to s.239(2)(b) and (d) of the Municipal Act, and is properly conveyed to the Board in a confidential report - General Manager Role

9.2. Confidential NTC 4-2022

A matter of potential employee negotiations, and related discussions that may disclose personal information regarding identifiable individuals, pursuant to s.239(2)(b) and (d) of the Municipal Act, 2001 and is properly conveyed to the Board in a confidential report – Niagara Transit Commission – KPMG Proposed Organizational Structure

10. BUSINESS ARISING FROM CLOSED SESSION

11. **ADDITIONAL ITEM FOR CONSIDERATION**

11.1. **NTC 3-2022**

60 - 147

Niagara Transit Commission Shared Services

A presentation will precede the consideration of this item.

12. **NEXT MEETING**

The next meeting date is to be determined.

13. **ADJOURNMENT**

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

The Road Ahead: Moving Transit Forward

Niagara Transit Commission

June 28, 2022

Matt Robinson, Director, GO Implementation Office

niagara
transit
commission

The Road Ahead: Moving Transit Forward in Niagara

June 28, 2022

Overview

Role of the Niagara Transit Commission

An overview of the role, responsibilities, and mandate of the NTC, and how it fits into the broader picture of Niagara

The Road to Today

Establishment of the NTC, including considerations that will influence the upcoming decisions of the NTC

Transit in Niagara

An overview of the existing transit systems operating in Niagara and what the NTC will assume on Day 1

Opportunities and Challenges - Workplan

Ongoing and emerging issues facing transit in Niagara today – work currently underway, major decision points the NTC will be asked to consider both in the lead up to January 1, 2023 and beyond



Role of the Niagara Transit Commission

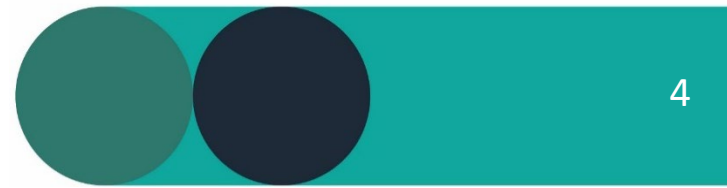


Role of the Niagara Transit Commission

One Integrated Transit System

The vision is for a single, consolidated transit system that will seamlessly integrate all existing Regional and local transit systems and services, bringing dramatic benefits to the residents of Niagara

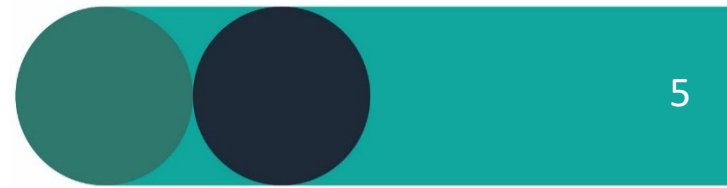
- ✓ To create **one unified transit system** for Niagara
- ✓ To break down barriers and **connect communities**, ensuring all residents in Niagara have access to transit
- ✓ To **expand and enhance service** and mobility opportunities – with new, longer, and consistent operating hours
- ✓ To implement **one, single fare** to take you anywhere in Niagara, using a new seamless customer-focused fare payment system



Role of the Niagara Transit Commission

One Integrated Transit System

- ✓ Has **one schedule**, with one website and one app to help you plan your trip
- ✓ **Connects to GO Transit** as service is expanded and enhanced in the near future
- ✓ **Supports business and economic development** by connecting employers with new customers and employees with new opportunities
- ✓ **Drives Tourism** by connecting people to all the destinations and activities that Niagara has to offer
- ✓ Connects **Seniors** to their community – to access services, see family and friends, and maintain independence
- ✓ Provides access to **Health Care** and improves social determinants of health
- ✓ Is **innovative**, using new methods to serve communities like on-demand transit and leading-edge fare payment technology
- ✓ That will create a more **accessible** and **equitable** system by ensuring all residents have similar access to service

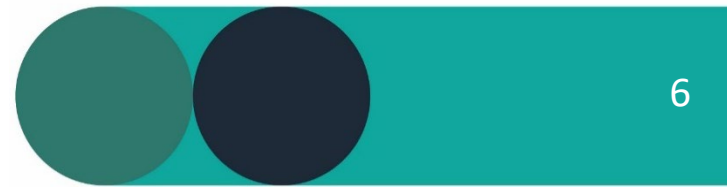


Role of the Niagara Transit Commission

One Integrated Transit System

- ✓ Will support the **environment** by reducing greenhouse gas emissions and support future moves to a zero-emission fleet
- ✓ Ensures that **Students** and **Youth** can get to school, participate in extra-curricular activities, or access jobs – a key driver in youth retention
- ✓ That is **funded fairly**, with residents only paying for the service they directly receive
- ✓ Delivers **better value for the taxpayer** through the more efficient delivery of service and eliminating duplication

This is the opportunity that the NTC has the potential to deliver



Role of the Niagara Transit Commission

One Integrated Transit System

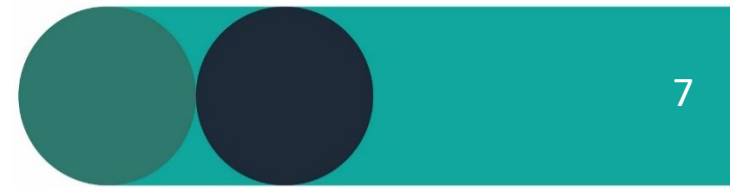
Creation of the Niagara Transit Commission

By-law No. 2022-38 establishes the NTC as a Municipal Services Board of Niagara Region and outlines its authorities and responsibilities, including:

- ✓ Exclusive authority and responsibility to provide public transit in Niagara subject to limited exceptions (e.g. WEGO, GO, private coach)
- ✓ To establish annual and long-term plans/strategies for improving transit across the region
- ✓ To establish a Public Advisory Committee
- ✓ To prepare annual operating and capital budgets
- ✓ To hire a General Manager

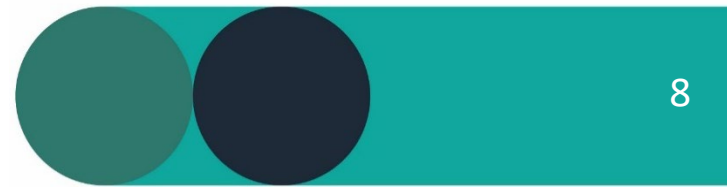
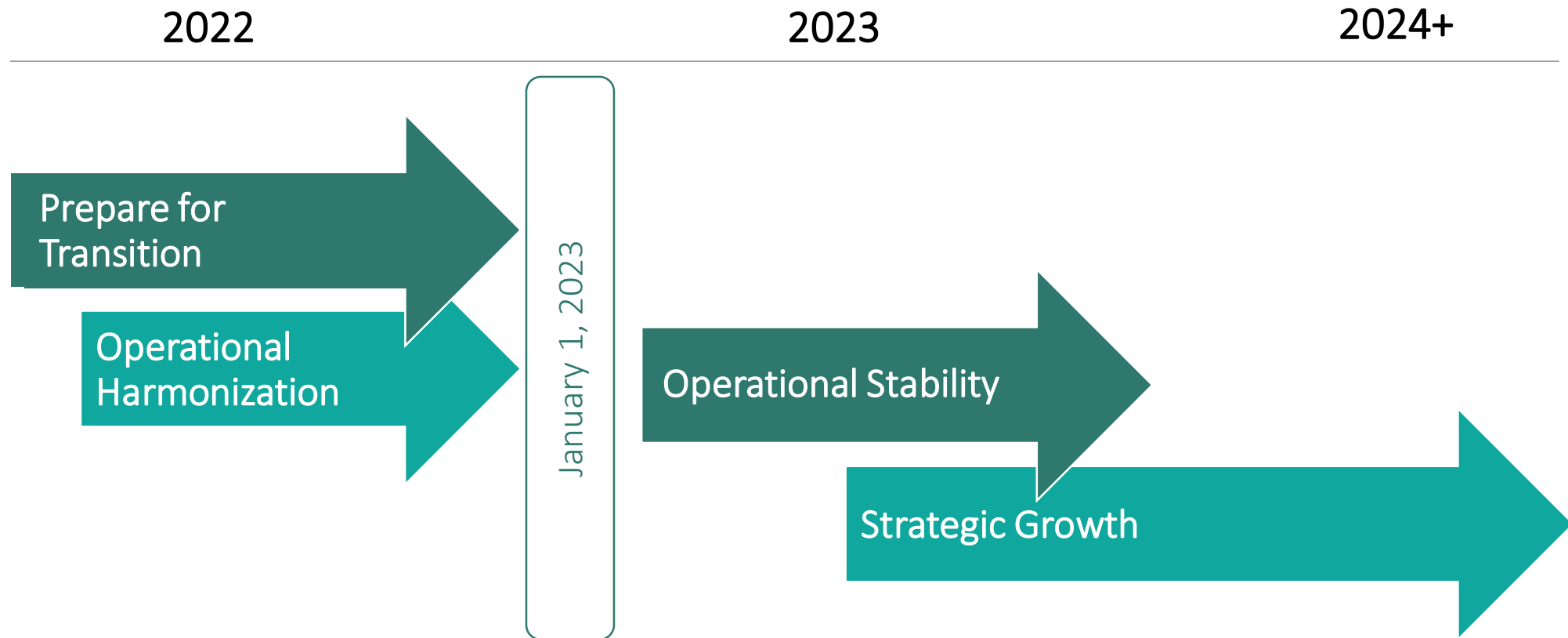
The formal mandate of the NTC is “to operate, manage and maintain a comprehensive regional transit system known as “Niagara Transit” within the region of Niagara, and provide advice to the Region on matters related to the delivery of transit across the region which could include specialized, conventional and on-demand service.”

By-law 2022-28 - Clause 3.1(a)



Role of the Niagara Transit Commission

Strategic Objectives



Role of the Niagara Transit Commission

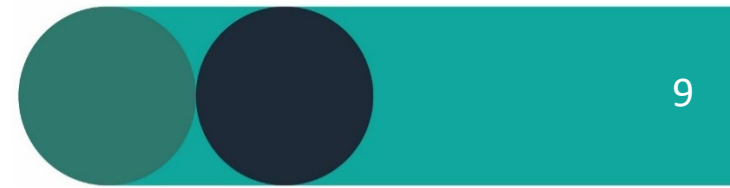
Transit Commission Steering Committee

Current Role

- TCSC was established to support creation of NTC and prepare it for the assumption of operational responsibility on January 1, 2023
- Chaired by Commissioner of Public Works and comprised of extensive senior Regional staff (Commissioner and Director levels)
- Active participation in working groups from LAM transit GMs and their senior staff, as well as LAM CAOs, legal counsel, finance and IT staff

Moving Forward

- NTC GM will formally join TCSC when appointed, to ensure consensus staff recommendations are advanced to the Board
- TCSC will continue to support Board and guide transition activities through summer 2022, until senior NTC staff are sufficiently in place to support effective transition activities (i.e. to director level)



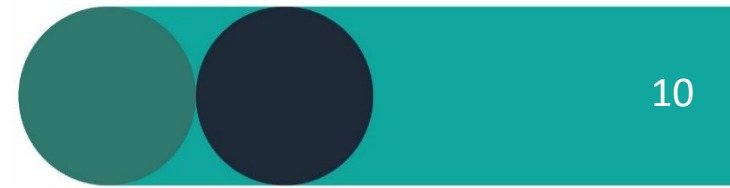
Role of the Niagara Transit Commission

Transit Commission Steering Committee

- TCSC created a series of working groups to carry out extensive program of transition activities
- Provides necessary 'horsepower' to support transition until future transfer of LAM staff to NTC
- Areas of focus include:
 - Establishment of NTC
 - Municipal Transfer Agreements
 - **Operations**
 - Contract Transfer
 - Human Resources

Example – Operations Working Group

- Chaired by third party transit professional who has held transit GM roles (including being a former transit GM in Niagara and the GTHA)
- Includes three current LAM Transit GMs
- Comprehensive Workplan:
Technology integration, fare harmonization, policy development, customer service

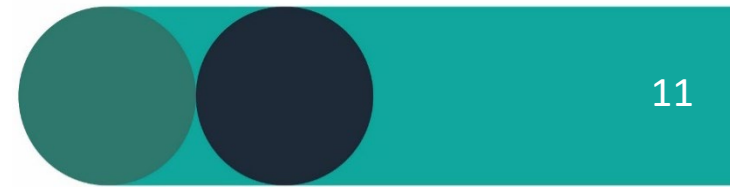


Role of the Niagara Transit Commission

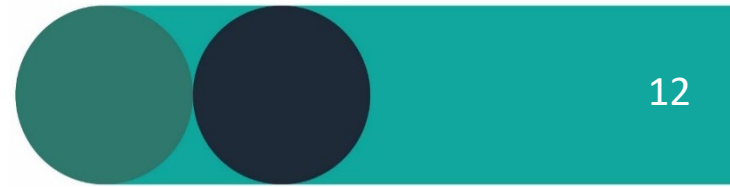
Transit Commission Steering Committee

TCSC Progress and Decisions to Date

- Creation and legal establishment of Niagara Transit Commission via By-law 2022-38
- *Niagara Transit Commission* identified as an interim name as the MSB is established
- KPMG retained to develop a recommended approach to shared services between Region and Commission
- Advancement of Municipal Transfer Agreement(s)
- Commencement of ATU engagement in accordance with *Public Sector Labour Relations Transition Act, 1997*
- Analysis/support for extension of operational contracts to ensure steady-state handover
- Development of General Manager recruitment strategy for Board approval
- Advancement of operational and technology harmonization including customer service, maintenance, and on-board systems
- Commencement of Peoplesoft integration and implementation, including engagement with third party provider



The Road to Today



The Road to Today

Transit Governance

A number of years of work in background studies, consultation, and approvals led to the creation of the NTC. This has created both a foundation for integration as well as a legacy of expectations for the Commission.



Linking Niagara Transit
Committee



Niagara Transit
Governance Study



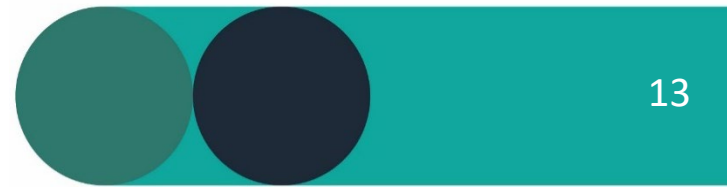
Phase 1
and 2 Consultation



Triple-Majority



NTC Establishment



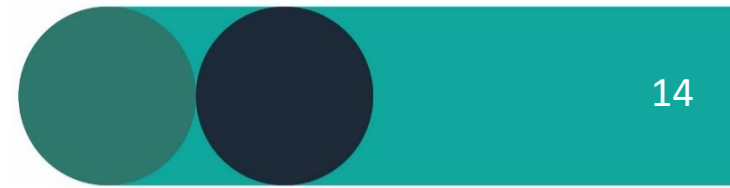
The Road to Today

Intermunicipal Transit Working Group

- Comprised of representatives from existing transit systems and every LAM, IMTWG made incredible strides in harmonizing operations and policies over the past number of years (as reported to LNTC)
- IMTWG work laid technological and operational foundation for integration of the systems under NTC and now continues in alignment with TSCS Operations Working Group

Achievements

- ✓ Established a single digital mobile platform – Transit App – providing real-time bus tracking
- ✓ Standardized on-bus customer service policies and consolidated all after-hours customer service
- ✓ Implemented a Universal Support Person Pass common to all Niagara transit systems
- ✓ Successfully coordinated the response to COVID-19 across Niagara’s major transit providers, implementing shared safety and operational responses throughout the pandemic
- ✓ Joint application for Provincial and Federal grant programs (i.e. ICIP) to facilitate upgrade to common fare payment technology



The Road to Today

Three Core Governance Strategies, Roadshow Feedback, and MTA 'Term Sheet'

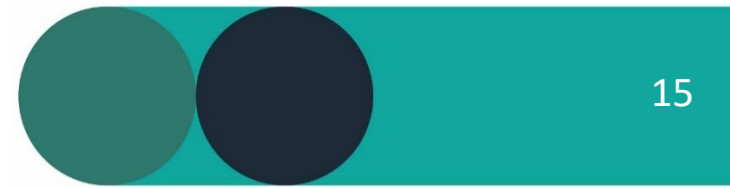
Governance Strategies

- During approvals process, three strategies developed to support formation of a Commission: financial, service standards, governance
- LAM feedback during governance roadshow influenced and shaped proposals into their final form
- As a result, elements of these strategies formed foundation of approvals received by LAMs during triple-majority process



Municipal Transfer Agreement (MTA) and By-law 2022-38

- 'Term Sheet' from triple-majority process reflected commitments (PW55-2021 Appendix 3) - guiding development of MTA
- Full negotiation of MTA is ongoing between Region and LAMs
- Some provisions will have an impact on NTC's operations or be future work of Commission; have also been incorporated in By-law 2022-38



The Road to Today

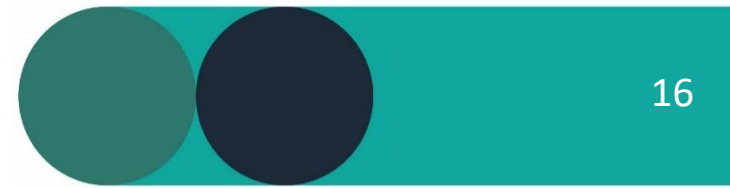
Municipal Transfer Agreement

Objectives

- Municipal Transfer Agreement (MTA) will guide how assets and personnel of existing transit systems will transfer to NTC
- Builds on principles from 'Term Sheet' that were foundational to triple-majority process:
 - Buses and other fleet will transfer to NTC;
 - Land will remain with LAMs; facilities transfer to Region to be operated and maintained by NTC
- A number of ancillary agreements will flow from the MTA – i.e. lease agreements, service delivery, licence agreements

Current Status

- MTA is currently being negotiated between LAMs and Region
- Outstanding areas of discussion include principles for transfer of staff and how 'in-flight' capital projects will be recognized, funded and delivered
- Update coming back to Regional Council in July



The Road to Today

Financial Strategy

Funding Strategy - 12 'Special Levy' Tax Rates

Existing Regional Transit

Current state remains with costs allocated based on Region-wide assessment

Local and Incremental Costs

Costs allocated to municipalities based on service hours

Key Features

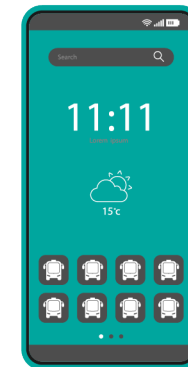
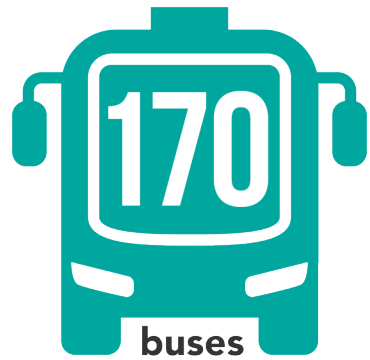
- ✓ Municipalities who realize services will be directly allocated those costs
- ✓ Service-based principle
- ✓ Incorporates service standardization costs and accounts for future capital and operating growth
- ✓ Introduces a capital reserve strategy to ensure future needs of Commission are sustainably met

Transit in Niagara

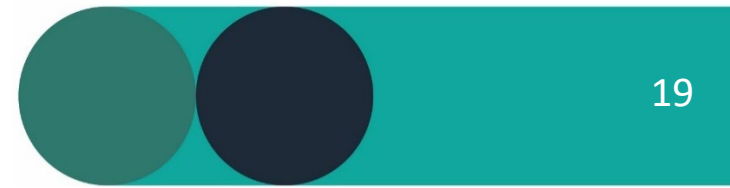


Transit in Niagara

System Summary



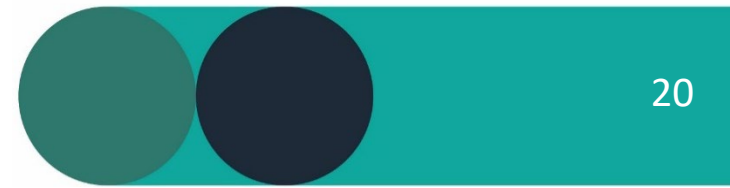
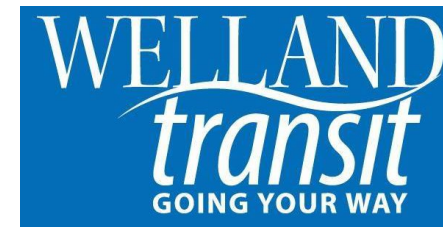
multiple
apps



Transit in Niagara

Conventional Transit Systems

- **Conventional Transit Systems** are what comes to mind when most people think about transit – a large bus that stops at defined stops, following a regular schedule
- Niagara has four current conventional systems:
 - Local Systems - Niagara Falls, Welland, St. Catharines
 - Intermunicipal System – Niagara Region Transit
- In combination, these systems represent majority of Niagara's ridership and service hours



Transit in Niagara

Alternative Transit Systems

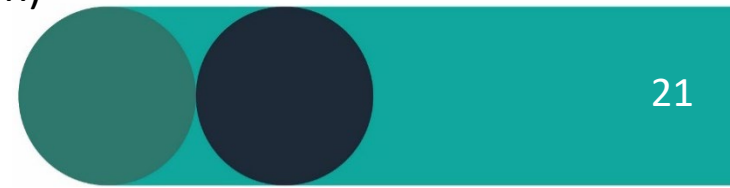
Alternative Transit Systems - where conventional/fixed route services are not the right fit because of lower demand or ridership, the need to service larger geographic areas, or to meet the demands of residents with enhanced mobility needs. Alternative transit operating in Niagara today is sub-divided into :

Demand Responsive (On-Demand) Transit

- Utilizes smaller vehicles (i.e. passenger vans) that alter routes each trip based on passenger demand without using fixed route or timetabled schedule
- Fully demand-responsive systems include the **NRT OnDemand** and **Fort Erie Transit**
- Larger systems have begun using on-demand delivery in selected cases

Specialized Transit (or Paratransit)

- Focused on assisting persons who require enhanced levels of accommodation to use transit, providing transportation from accessible door to accessible door, using vehicles with features such as lifts and accessible seating
- Includes **Chair-a-Van** (Niagara Falls), **Fort Erie Accessible Specialized Transit (FAST)**, **St. Catharines Paratransit**, and **Niagara Specialized Transit** (Niagara Region)



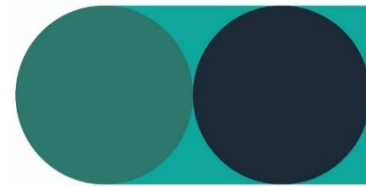
Transit in Niagara

Systems in Niagara – Outside NTC

Two public transit services that operating in Niagara not included in consolidation of existing transit services into the NTC are GO Transit and WEGO



There is a significant opportunity to coordinate service delivery between the NTC and these transit systems to provide a seamless experience to transferring riders



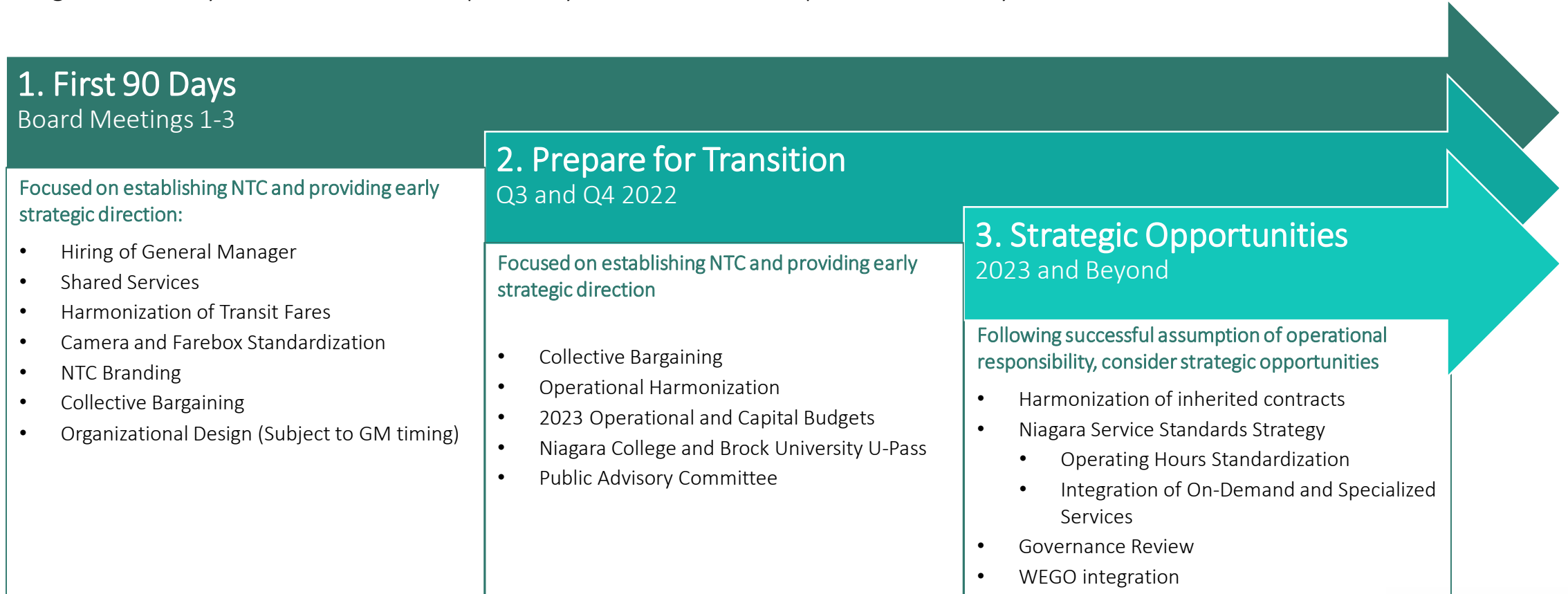
NTC Workplan



NTC Workplan

Overview

A significant body of work is to be completed by NTC both in lead-up to transition + years to come



1. The First 90 Days

Board Meetings 1-3

Focused on establishing NTC and providing early strategic direction:

- Hiring of General Manager
- Shared Services
- Harmonization of Transit Fares
- Camera and Farebox Standardization
- NTC Branding
- Collective Bargaining
- Organizational Design (Subject to GM timing)

NTC Workplan

1. First 90 Days – Inaugural Board Meeting

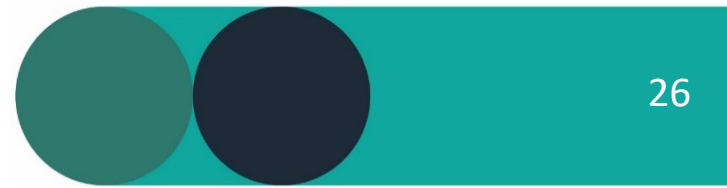
Two items of strategic business are before NTC Board at its inaugural meeting

General Manager Recruitment

Input of General Manager, as senior leader of the NTC, is fundamental to recommending to the Board a number of strategic items, including organizational design, to ensure it is successful in providing region-wide transit services commencing January 1, 2023

Shared Services

Direction with respect to corporate and administrative shared services needed to support NTC operations from Niagara Region, on a cost-recovery basis. Developed based on the 'Review of Corporate and Administrative Support Services' undertaken by KPMG intended to support the organizational design of the NTC.



NTC Workplan

1. First 90 Days – Transit Fares, Camera and Farebox Standardization

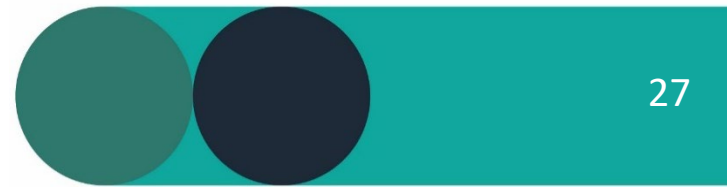
TCSC Operations Working Group (IMTWG before it) has been focused on two particular areas of harmonization and standardization between the existing systems. Bringing these decision points to the NTC Board in the early days will support implementation by January 1, 2023, anticipated to bring direct ‘Day 1’ benefits to NTC riders.

Harmonization of Transit Fares

Fare structures of existing transit systems vary in terms of types of passes offered and discounts offered to groups such as children and seniors. Standardizing fare structure across Niagara will reduce rider confusion and support seamless integration of existing systems.

Onboard Camera and Farebox Technology Equipment Standardization

IMTWG undertook a significant amount of research and work to develop options for the standardization of key on-board intelligent transportation systems such as cameras and fare-boxes. Future NTC Board report will seek approval for completing this standardization in time for Jan. 1, 2023.



NTC Workplan

1. First 90 Days – NTC Branding

Initial Brand

- ‘Niagara Transit Commission’ = legal name of Municipal Services Board and will remain as a public-facing name through transition
- NTC will be asked to consider an initial ‘look and feel’ for ‘NTC’ brand and provide direction regarding any future comprehensive re-branding exercise

Implementation

- Included will be discussion of implementation considerations: what public facing assets such as buses, bus stops, driver uniforms, websites, etc. will be re-branded and on what timeline

**niagara
transit
commission**

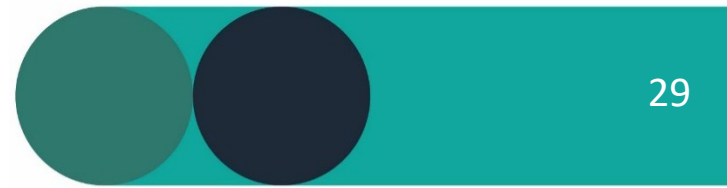


NTC Workplan

1. First 90 Days – Human Resources

Organizational Design

- Arriving at an organizational design is an important input to a number of transition tasks such as transfer and recruitment of staff and development of a an operating and capital budget
- A recommended organization structure will be presented to the Board for approval – with timing being subject to decisions regarding recruitment of General Manager



2. Prepare for Transition

Q3 and Q4 2022

Focused on establishing NTC and providing early strategic direction:

- Collective Bargaining
- Operational Harmonization
- 2023 Operational and Capital Budgets
- Niagara College and Brock University U-Pass
- Public Advisory Committee

NTC Workplan

2. Prepare For Transition – Collective Bargaining

Collective Bargaining

- Current unionized employees are part of 3 Amalgamated Transit Unions (ATU)
- Per MTA Term Sheet – all unionized employees will transfer to NTC
- Transition is governed by defined processes, including *Public Sector Labour Relations Transition Act, 1997* (PSLRTA)
- A future Board report outline preliminary discussions to date and seek direction from Board with respect to negotiations and strategy

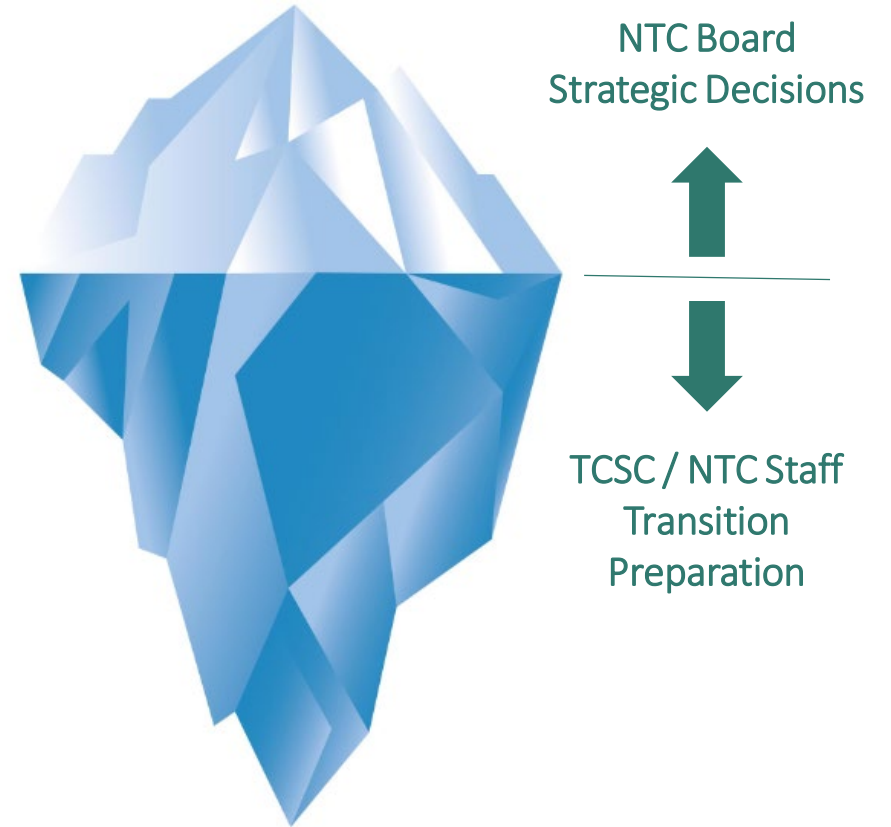


NTC Workplan

2. Prepare For Transition – Operational Harmonization

Preparing for Transition

- A significant body of work, led by the **TCSC Operations Working Group**, is underway to harmonize ‘back-of-house’ systems, policies, standards and procedures between existing transit systems in advance of January 1, 2023:
 - Maintenance Standards
 - Customer Service Integration
 - Commission Website
 - Operating Procedures and Policies
- Many of these items will be executed by staff under existing authorities as they pertain to day-to-day operations



NTC Workplan

2. Prepare For Transition – 2023 Capital and Operating Budgets

Initial Operating and Capital Budgets

- Under by-law 2022-38, NTC develops and recommends budgets, which are subject to Niagara Region approval:
 - Annual operating and capital budgets and business plans
 - Two-year forecast and ten-year capital plans
- Year 1, NTC will be initially allocated funding up to 50% of estimated financial strategy (i.e. 50% of \$48.6M) to support operations until 2023 budget approval
- NTC Operating budget anticipated to be based on aggregation of LAM 2022 operating budgets plus inflation
- Process for budget development subject to Shared Services recommendations
- Under financial strategy local and incremental costs allocated to municipalities under 12 special levies

Anticipated Considerations

- Balance available resources with implementation of 'Day 1' enhancements
- Revenue shortfalls as a result of ongoing COVID-19 impacts
- Significant Consumer Price Index (CPI) increases
- Ongoing decisions such as the MTA, Organizational Design and principles for transfer of non-union staff
- Intergovernmental Funding – Safe Restart, Provincial Gas Tax

NTC Workplan

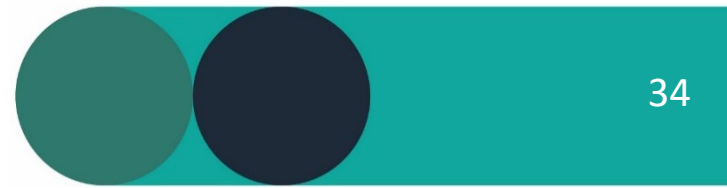
2. Prepare For Transition – Niagara College and Brock University U-Pass

Niagara College

- No current agreement in place with Niagara College
- Any future agreement is would be subject to successful student referendum
- Anticipate approach by NCSAC in 2022 seeking options as students return to fully on-campus
- If a referendum is done in the fall, agreement could be in place for Jan 2023
- Discussions currently underway with the College, but any formal requests/agreements have been deferred to NTC for consideration

Brock University

- Current agreement in place through April 2023
- Includes unlimited access to all region-wide transit services, except specialized
- NTC will need to renegotiate agreement in early 2023 for extension
- Anticipate similar approach from BUSU



NTC Workplan

2. Prepare For Transition – Public Advisory Committee

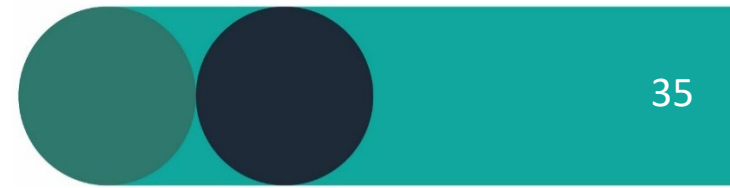
Terms of Reference and Appointment Process

- Governance strategy and By-law 2022-38 require creation of a Public Advisory Committee
- Committee would support NTC Board through provision of non-binding advice/recommendations
- NTC to consider proposed Terms of Reference for PAC, including:
 - Confirming committee membership
 - Appointment process
- Anticipated PAC be appointed in early 2023 (following 2022 municipal election)

Public Advisory Committee (Roadshow Proposed Composition)

(20) Total Public Interested Party Representatives

- (12) Niagara Residents (one per Municipality)
- (2) Members representing Accessibility Advisory Committees or other Accessibility Stakeholders
- (2) Post-Secondary Representatives (1 student union rep from Brock University + 1 from Niagara College)
- (1) Member representing Niagara's Chambers of Commerce
- (1) Senior Issues Stakeholder
- (1) Youth Issues Stakeholder
- (1) Transit Commission General Manager (ex-Officio)

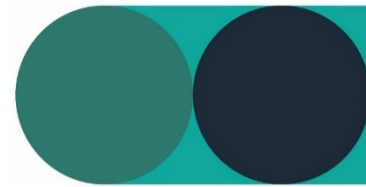


3. Strategic Opportunities

2023 and Beyond

Following successful assumption of operational responsibility, consider strategic opportunities

- Harmonization of Inherited Contracts
- Niagara Service Standards Strategy
 - Operating Hours Standardization
 - Integration of On-Demand and Specialized Services
- Governance Review
- WEGO Integration



NTC Workplan

3. Strategic Opportunities – Harmonization of Contracts

Contract Transfer

- Operational contracts supporting current day-to-day delivery of transit by LAMs will transfer to NTC
- To ensure ‘steady-state’ assumption of operations and to ensure no negative impacts to riders on Day 1, a number of existing contracts have been extended to December 31, 2023
- Avoids operational risk that would otherwise be realized by trying to harmonize contracts at the same time as operational handover

Future Harmonization

- Significant opportunity to realize efficiency through harmonization of contracts and services in future
- 2023 will need to examine which areas to focus on – which to harmonize and competitively procure



NTC Workplan

3. Strategic Opportunities – Niagara Service Standards Strategy

Service Standards Strategy demonstrated to municipalities during the triple-majority process types of enhancements they might expect to see in their communities in the future. The standards are a guideline to the NTC, for its consideration as a strategy for potential future service enhancements.



Key Features

- ✓ Existing levels of service maintained and improved
- ✓ Additional detail on where changes and growth may occur
- ✓ Three phases of improvements for Niagara residents
- ✓ Linked to and fully funded by Financial Strategy

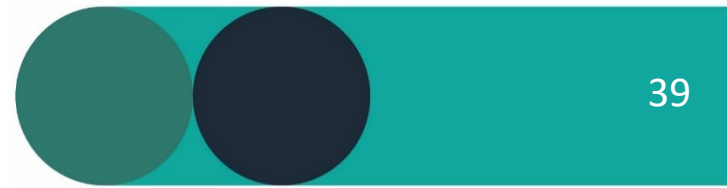
NTC Workplan

3. Strategic Opportunities – Niagara Service Standards Strategy

In **Phase 1**, NTC would implement consistent days and hours of operating service across Niagara, for all types of transit

This would ensure equity across the Region and improve inter-municipal trip planning

Monday to Saturday	6:00 AM to 12:00 AM (Midnight)
Sundays & Holidays	7:00 AM to 9:00 PM



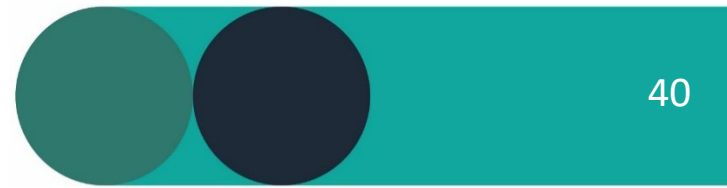
NTC Workplan

3. Strategic Opportunities – Niagara Service Standards Strategy

In **Phase 2**, NTC would introduce a consolidated transit service to deliver both demand-responsive and specialized service across Region. While these two services currently operate separately (and independently by multiple municipalities) in Niagara today, specialized and demand responsive services share many similar characteristics as they both:

- pick-up and drop-off passengers as close to their destinations as possible rather than at dedicated stops;
- and both operate on flexible routing

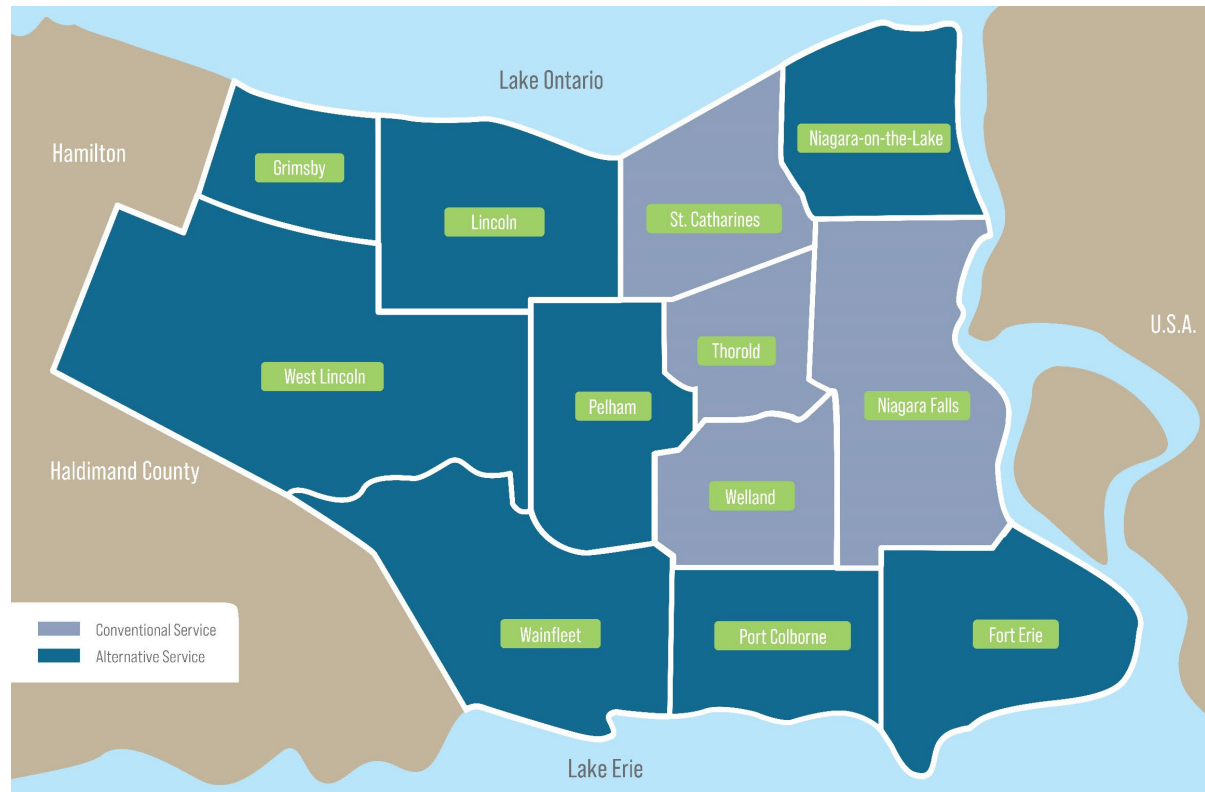
The combination of specialized and demand-responsive transit into one combined service delivery model offers an opportunity to both improve the service residents receive, while more efficiently deploying the resources available to the Commission



NTC Workplan

3. Strategic Opportunities – Niagara Service Standards Strategy

Niagara Transit Standards (Post-Phase 3)

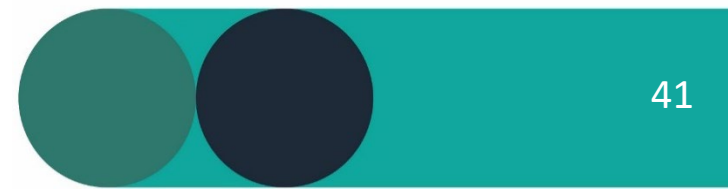


In **Phase 3**, NTC would issue a Request for Proposal for an external consultant to conduct a network design review.

The consultant would be able to review where the Commission is post-pandemic, post-amalgamation and post-service changes to determine the best course of action for transit service across the entire Niagara Region going forward.

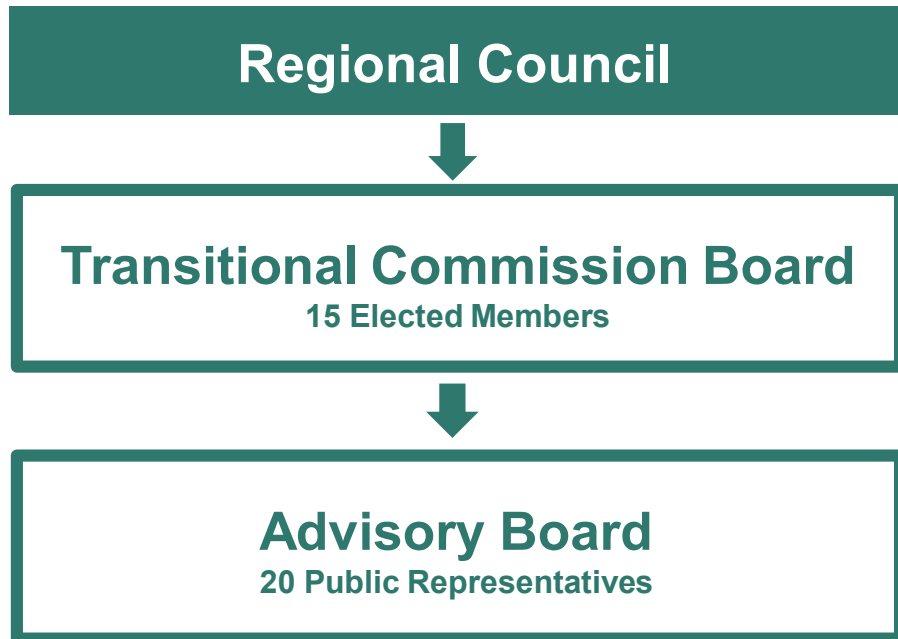
Ongoing opportunities for additional service enhancements will exist prior to **Phase 3**:

- Annual Service Reviews
- Requests for Enhanced Services



NTC Workplan

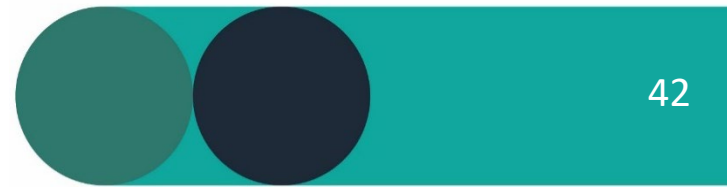
3. Strategic Opportunities - Governance Review



Governance Review

The NTC Governance Model is to be reviewed by an external third-party to make recommendations on governance model and board membership to ensure an effective governing body that is achieving the strategic objectives of the Commission.

The requirement for this review is included in By-law 2022-38 (section 4.1(b)) with the report to be submitted to Regional Council for approval in January 2026 to allow implementation for the next Council term in 2026.



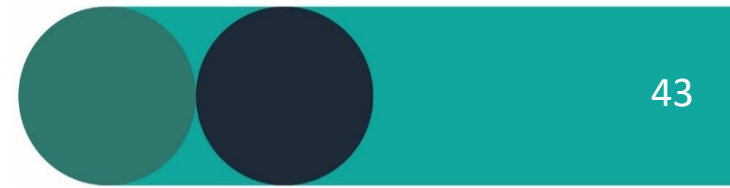
NTC Workplan

3. Strategic Opportunities – WEGO Integration

The initial exclusion of WEGO from consolidation does not preclude its future integration with the NTC, either:

- once NTC has been fully established and/or
- as existing agreements between the Niagara Parks Commission and the City of Niagara Falls come to term;

Any future decision points are subject to further dialogue with the City and Niagara Parks Commission and negotiation of an agreement to the satisfaction of all parties.



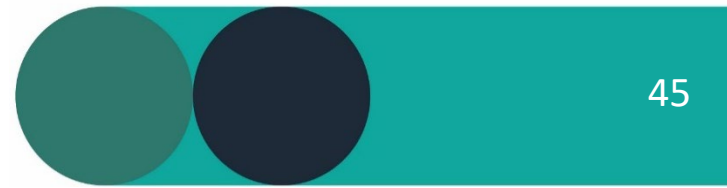
Conclusion



Conclusion

One Integrated Transit System

- ✓ The creation of one, consolidated transit system for all of Niagara has been a longstanding vision, decades in the making
- ✓ Today is a pivotal and exciting moment for the delivery of transit in Niagara
- ✓ Now established as the Niagara Transit Commission (NTC), this system is anticipated to bring dramatic benefits to Niagara's residents – breaking down barriers between communities, supporting economic development, and enhancing service



MEMORANDUM

NTC 5-2022

Subject: Niagara Transit Commission Proposed Meeting Schedule

Date: June 28, 2022

To: Niagara Transit Commission

From: Ann-Marie Norio, Regional Clerk

The following is a list of proposed dates that have been identified to hold meetings of the Niagara Transit Commission:

July 19, 2022
August 2, 2022
September 6, 2022
October 4, 2022
November 8, 2022
December 13, 2022

A resolution of the Board is required to approve the meeting dates. Suggested wording is as follows:

That the Niagara Transit Commission meetings **BE HELD** on Tuesdays at 3:00 p.m. on the following dates in 2022:

July 19, August 2, September 6, October 4, November 8, and December 13.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Subject: Consideration and Approval of General Manager Job Description

Report to: Niagara Transit Commission Board

Report date: Tuesday, June 28, 2022

Recommendations

1. That the Niagara Transit Commission General Manager Job Description attached as Appendix 1 **BE APPROVED.**

Key Facts

- The purpose of this Report is to seek the Niagara Transit Commission (NTC) Board's (the "Board") approval of the General Manager job description found in Appendix 1.
- In accordance with section 6.1(c) of By-law 2022-38 (being a By-law to establish the Niagara Transit Commission as a Municipal Service Board), the Board is responsible for the appointment of a General Manager to manage the day to day transit operations.
- The proposed General Manager job description has been developed for the Board's consideration to reflect the prevailing overall content of General Manager job descriptions of various Transit Service entities in Ontario and elsewhere in Canada.
- The proposed General Manager job description articulates the competencies applicable for such an executive level position and accurately reflects the position requirements as it pertains to education, knowledge, experience, leadership, responsibilities, special requirements, and reporting relationships.
- The General Manager recruitment strategy, process and options is also before the Board as NTC 02-2022 – this job description will prevail as the basis for the recruitment strategy outlined in NTC 02-2022.

Financial Considerations

There are no anticipated direct financial implications with the approval of the General Manager job description. In accordance with the Municipal Services Board by-law, the General Manager job description has been evaluated under the Niagara Region's Non-Union Job Evaluation process; the job description has received an interim rating of Grade 12 (Salary Range of \$150,370 to \$176,910 per annum) of the Non-Union Salary

Schedule (effective as at March 20, 2022). An interim evaluation requires the job to be revisited to confirm the initial evaluation, or make adjustments in the event duties and responsibilities have been changed, usually after the job has been in effect for at least six months. This in alignment with the salary of the former transit commission budgets on which the 2023 NTC budget will be based.

Analysis

The creation of a consolidated region-wide transit service was accomplished in February 2022 with Regional Council achieving a triple-majority approval of By-Law No. 2021-96. Subsequently, on May 26, 2022 Regional Council passed By-law No. 2022-38, to establish the NTC as a Municipal Services Board of the Region with the operational authority to provide region-wide amalgamated transit services effective January 1, 2023.

Since triple-majority approval, under the oversight of the Transit Commission Steering Committee (TCSC), various Working Groups were formed to conduct the necessary planning and issue resolution activities to assist and support the Board to be ready for the launch of the amalgamated transit service on January 1, 2023. The amalgamation primarily integrates the services formerly operated by the City of St. Catharines, City of Niagara Falls and the City of Welland. The transit-related contracts and assets of the Town of Fort Erie will also be transferred to the Commission as a part of region-wide transit consolidation.

A transitional “steady state” period will commence on July 1, 2022 with the mandate for the current municipal transit service providers to ensure continued delivery of transit operations through to December 31, 2022. This includes all budgeted 2022 operational and capital expenditures to maintain current service levels.

In accordance with section 6.1(c) of By-law 2022-38, the NTC Board has the authority to “appoint a General Manager to manage and be responsible for the day to day administration of the operations of the NTC”. The By-law further prescribes the following as General Manager Responsibilities in Section 9.1:

9.1 In addition to any duties and responsibilities assigned by the Commission, the General Manager shall be responsible to:

- a) Administer the operations of the NTC and the public transit system consistent with the approved capital and operating budget, the applicable programs, policies and procedures of the Region, and with the approved principles that formed the basis of triple majority approval included as

- Appendix 3 to Report PW 55-2021, and the policies and by-laws of the NTC and all applicable legislation;
- b) Review all operating agreements on a regular basis to ensure they are consistent with the approved budgets and with the policies of the NTC and that the Commission remains in compliance with their terms and conditions;
 - c) Employ or retain persons necessary for the business and operations of the NTC, and define their duties and remuneration having regard to all applicable policies including the job descriptions and pay scales effective at the Region at any given time;
 - d) Negotiate service level agreements with the Region for the corporate and administrative support services provided by the Region, for Board approval.

The Board has the independent responsibility and accountability to act in the appointment of the General Manager. In advance of considering individuals for this role, an approved General Manager job description is essential as it forms the basis of evaluating the respective candidate's knowledge, skill and ability to determine the individual most suitable to successfully perform the responsibilities of the job.

The prevailing General Manager job descriptions from St. Catharines and Niagara Falls, and the Transit Manager job description from Welland were reviewed and considered. They were instructive as a base line to build the job duties and qualifications of this role. With that in mind, the proposed General Manager job description was for the most part developed through a broad canvass of Transit Service Operators in Ontario and elsewhere in Canada, to identify comparable organizations and assess how they illustrate and define the General Manager role in a job description. Such organizations were London, Windsor, Durham, Waterloo, Ottawa, Hamilton, St. John's, Metrolinx, Halifax, Edmonton, Vancouver, and Montreal.

The General Manager job description has been circulated within the Niagara Region's Human Resources Division for comment, and has also been reviewed favourably by the TCSC Operations Working Group Lead who is himself, also a former General Manager of a GTA transit system. The General Manager job description is consistent with Niagara Region's job description format and content, and was subsequently evaluated under the Non-Union Job Evaluation Plan resulting in a rating at Grade 12 (Salary Range of \$150,370 to \$176,910 per annum) of the Non-Union Salary Schedule (effective as at March 20, 2022).

Approving the General Manager job description is a fundamental decision for the Board, as it starts the process for the Board to recruit its executive leadership. Once on-board, the General Manager will support the NTC in determining the appropriate organizational structure to achieve the desired future state expected by the Commission, Regional Council, Municipal Partners and the riders of the Niagara Transit service.

Alternatives Reviewed

The Board is requested to approve the job description as written, or in the alternative, approve the job description with any amendments deemed necessary by the Board. The approved job description would then be used in the recruitment of the NTC General Manager. Should the General Manager job description attached in Appendix 1 be materially changed by the Board, it may be necessary for it to be reviewed once again under the Niagara Region Non-Union Job Evaluation plan to confirm the interim rating remains a Grade 12 position as reported above, or if the amendments made by the Board result in a change.

The Board could also choose to replicate an existing General Manager job description currently in place at one of the Transit Services (i.e. St. Catharines, Niagara Falls, or Welland). This alternative is not recommended as the proposed job description was developed through a broad canvass of Transit Service Operators in Ontario and elsewhere in Canada to appropriately identify comparable organizations, including in terms of operational scope and scale, and assess how they illustrate and define the General Manager role. Also, adopting a current job description of a General Manager may be viewed as prejudicial in favour of the incumbent to that job, and viewed as a disadvantage to another General Manager performing the work under a different job description.

Other Pertinent Reports

Report CSD 19-2022 – Moving Transit Forward: Establishing the Niagara Transit Commission as a Municipal service board and authorizing the transfer of municipal transit assets to the Commission.

Report NTC 02-2022 – Niagara Transit Commission General Manager Recruitment Options

Prepared by:

Franco Meffe
Chair, Human Resources Working
Group

Recommended by:

Bruce Zvaniga, P.Eng.
Chair, Transit Commission Steering
Committee

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer, Niagara Region
Niagara Transit Commission Board Member – Ex-Officio

This report was prepared by the Transit Commission Steering Committee, which is chaired by the Niagara Region Commissioner of Public Works and is comprised of extensive senior Regional staff (Commissioner and Director levels).

Appendices

Appendix 1 - Proposed Niagara Transit Commission General Manager Job Description

**Niagara Transit Commission
General Manager
Non Union Job Description**

Job ID #XX##
Niagara Transit Commission
Standard Hours of Work 35

Job Level/Grade: 12 (Interim Rating)
Reports to NTC Board

Job Summary

Reporting to the Niagara Transit Commission Board, the General Manager provides strategic leadership, through effective and collaborative management, to a multi-functional workforce engaged in the delivery of transit services to the residents of Niagara. The General Manager advances the Niagara Transit Commission vision, priorities, and programs and develops and implements service plans and growth strategies that successfully serve the region's growing population in both urban and rural settings. The General Manager will be responsible to champion a customer focused transit service that is safe, reliable and inclusive, making Niagara Transit a seamless and attractive transportation choice in Niagara.

The General Manager recommends specific policies and long-range strategies in the delivery of services to meet mandated goals and objectives as established by the Commission Board. The General Manager is accountable for establishing and achieving departmental goals and objectives through the effective and efficient use of financial and staff resources. Uses a "best practices" approach in developing and delivering quality services in a timely and cost-effective manner by instilling a customer service focus in the Transit Commission.

Education

- Post-secondary education in Public Administration, Business Administration, Transportation Planning/Engineering or a related field. Additional courses or experience related to, inter-government relations, strategic leadership/ planning, labour relations and change management is desired.
- Progressively responsible experience with a minimum of at least 10 years senior management experience in a large, unionized, and highly diversified public or private sector organizations, including 5 years managing a similar function.

Knowledge

- Demonstrated ability to effectively manage a large multi-disciplinary staff in a results-oriented unionized environment. Ability to provide leadership and develop staff toward higher performance and effective working relationships in a team environment across the Transit Commission
- Politically astute, with excellent interpersonal and facilitation skills and ability to build relationships with elected officials, government departments, management, front-line staff, community agencies, businesses and the general public being sensitive to internal and external interests.
- Thorough knowledge and understanding of related statutes, regulations and by-laws affecting the Niagara Transit Commission – including the governing Municipal Services Board by-law
- Demonstrated employee and labour relations capabilities to manage effectively within a unionized environment with strong knowledge of collective bargaining process.
- Highly developed analytical and business planning skills with a proven track record in designing, delivering and evaluating customer focused business plans aligned to longer term visioning and strategic goals.
- Ability to use a “best practices” approach in seeking new methods, systems, research and analysis to support continuous improvement in the delivery of service.

Responsibilities

Leadership and Organizational Performance

Under the general direction of the Transit Commission Board, the General Manager provides creative leadership through consultation with an effective management team for overall performance in long-term planning, service planning, service delivery, financial planning, sustainability, organizational effectiveness, ensuring the safety, health, focusing on the well-being, and satisfaction of the public through high-quality transit services. The General Manager evaluates and reports on the Transit Commission’s service, financial, administrative and staff performance against internal and external benchmarks. The General Manager will ensure the design and implementation of strategies will improve the effectiveness and efficiency of transit services.

- Responsible for the preparation and execution of an annual Business Plan covering all mandated services of the Niagara Transit Commission, in concert with the budgeting process. The plan will detail service goals, expected service/performance outputs, resource inputs required to achieve these outputs, and the performance measures used to assess the Commission’s performance against the goals.

- As the senior administrator, responsible to lead and direct the major functions and sections of the Transit operations through the ability to articulate a vision, to lead and inspire others in support of the corporate culture. This includes developing, aligning and championing strategic business plans and manage change in an effective, visible and sustainable manner.
- Co-ordinate with Transit Commission employees the required policies, programs and processes to ensure the safe and efficient operation and maintenance of all Transit vehicles, equipment, facilities, passenger amenities, and the management of the transit fleet replacement cycle.
- Act as an advisor to the Transit Commission Board, recommend changes to existing services, policies and procedures and implement new policies and procedures as required.

Financial/Budget/Risk Management

Oversees the development and management of annual and multi-year budgets to support the Boards' objectives and the protection and maintenance of the Commission's physical assets, establishing budget plan parameters, ensuring operating and capital budgets are effectively managed and fulfilling all regulatory and legislated reporting and filing requirements.

- Provides the Board with long-term financial impacts to the Region and taxpayers of current decisions / budgets.
- Establish financial and fare management policies, practices and procedures.
- Implement and manage service contracts and agreements with partner agencies and businesses.
- Develop and manage the annual operating and capital budget. Translate the budget and annual Business Plan into departmental programs and allocate work plans to the applicable leadership team members. Provide budget performance updates to the Board.
- Manage the financial, human and physical resources of the Transit Commission in alignment with its vision and values, and in accordance with the annual Business Plan.
- Monitors financial trends and opportunities in the external environment, assessing the impact on Board's objectives and the organization's viability.
- Identify alternate sources of funding and resource support, co-ordinate funding applications to senior levels of government and other funding agencies.
- Ensure compliance with municipal, provincial and federal regulations.

Communication and Community Outreach

- Build trust and confidence of elected officials, government departments, management, front-line staff, community agencies, businesses and the general public.
- Communicates effectively being sensitive to internal and external interests, prepares and delivers effective presentations to governing bodies, the public and through the media.
- Participate in work of related professional and community organizations so as to ensure that the activities of the Commission are integrated with those of other municipal partners, senior levels of government, and with related agencies and associations.
- Manages and resolves issues involving multiple interests through highly effective leadership, facilitation, conflict resolution communication and interpersonal skills
- Responsible to act as spokesperson as authorized by the Board.
- *Perform other related duties and responsibilities as assigned or required.*

Special Requirements

- The Niagara Transit Commission expects all employees to work in an environmentally friendly way in all the tasks that they do; to work in a manner that is safe for themselves and others and to be aware of their health & safety obligations; to continually look for opportunities to improve their job that will result in excellence in municipal government and; to recognize the uniqueness of the individuals they come into contact with, and to treat them with dignity and respect.
- In accordance with the Corporate Criminal Record Check Policy, this position requires the incumbent to undergo a Criminal Records check and submit a Canadian Police Clearance certificate.
- May be required to support emergency operations under the incident management structure.
- Transit Commission staff strive to enable the strategic priorities of the Board and the organization through the completion of their work. Staff carry out their work by demonstrating the corporate values.

Supervision

# of Reports	Direct: TBD	Indirect: TBD
Titles of Direct Reports		

Working Conditions

- Comply with the *Occupational Health and Safety Act* and the policies, procedures and practices developed by Niagara Transit Commission and takes an active role in protecting and promoting health and safety at work.
- Typical office environment.
- Must maintain ability to travel in a timely manner to work locations or sites as authorized by the Commission for business reasons
- Regular attendance at Board, Committee and/or Council (evening) meetings

Approvals

By approving this job description, those signing are agreeing that the above describes the appropriate qualifications and principal functions and responsibilities for the position.

	Name	Signature	Date
Chair, Niagara Transit Commission			

IMPORTANT NOTE

The Niagara Transit Commission reserves the right to change, amend or disuse this job description at any time. This document is intended to provide an overview of the required responsibilities and qualifications.

May 2022

MEMORANDUM

NTC 6-2022

**Subject: Niagara Transit Commission Procedural By-law and Policy
Considerations**

Date: June 28, 2022

To: Niagara Transit Commission

From: Ann-Marie Norio, Regional Clerk

In accordance with section 6.1(n) of By-law 2022-38, being A By-law to Establish the Niagara Transit Commission as a Municipal Service Board, the Board has the authority to establish certain policies and procedures as the Board determines are appropriate that will align with the Region's programs, by-laws, policies and procedures, namely including related to Accountability and Transparency, Execution of Documents, Delegation of Authority, Inventory Procedures, Disposal of Surplus Assets, Employee Travel and Expense Policy, Accounts Receivable, Cost Allocation, Hiring of Employees; Employee ID and Dress Code; Performance Management, Flexible Work Arrangements; Attendance Support Program, Video Surveillance, Commencement of Litigation, Media Relations, Emergency Building Closures; and Procedural by-law.

Given that a number of the by-laws/policies are required to be in place pursuant to the Municipal Act (i.e. procedural by-law, employee hiring) and/or for operational purposes, and the development of such policies will require some time, it is recommended that the Board adopt the Regional policies as listed in section 6.1(n) of the By-law (as noted above), on a temporary basis, until such time as the General Manager is appointed and develops a workplan for the development of NTC policies as appropriate for approval of the Board.

If the Board is supportive of proceeding with the adoption of the above noted policies and the Region's Procedural By-law, the following motion would be in order:

That the Niagara Transit Commission **ADOPT** the following policies, procedures or by-laws of the Niagara Region; namely, Accountability and Transparency, Execution of Documents, Delegation of Authority, Inventory Procedures, Disposal of Surplus Assets, Employee Travel and Expense Policy, Accounts Receivable, Cost Allocation, Hiring of Employees; Employee ID and Dress Code; Performance Management, Flexible Work Arrangements; Attendance Support Program, Video Surveillance, Commencement of Litigation, Media Relations, Emergency Building Closures; and Procedural by-law, with such amendments as may be necessary to make them applicable to the Board, until such time as the Board establishes such policies and procedures as the Board determines may be appropriate.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Review of Corporate and Administrative Support Services

Niagara Transit Commission Board

NTC 03-2022

June 28, 2022

Oscar Poloni, KPMG Office Managing Partner



Niagara Transit Commission

Review of Corporate and Administrative Support Services

Presentation to the Niagara Transit
Commission Board of Directors

June 28th, 2022



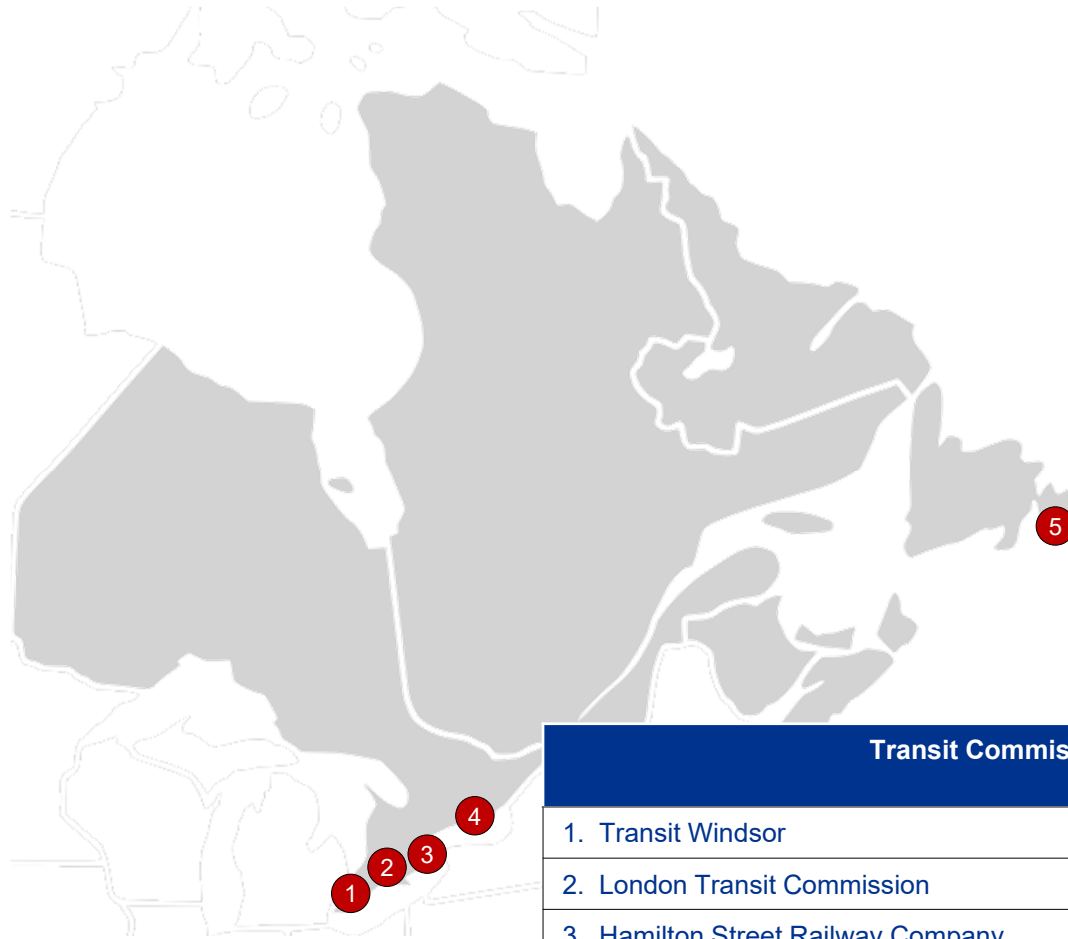
Introduction

- At the request of the Region of Niagara, KPMG has undertaken a review of potential delivery models for corporate and administrative support services to the Niagara Transit Commission

Personnel	Financial	Information Technology
<ul style="list-style-type: none"> • Recruitment • Employee relations • Employee programs • Timekeeping • Payroll, pension and benefits • Compensation planning 	<ul style="list-style-type: none"> • Transaction processing (revenue and expenditure) • Budgeting • Financial reporting (internal and external) • Audit (internal and external) • Asset management planning 	<ul style="list-style-type: none"> • Operational systems and technology (e.g. scheduling and time keeping systems, farebox system, automated vehicle locating/monitoring systems) • Backbone systems and technology (e.g. PeopleSoft ERP, cybersecurity systems, Office 365, data centre) • User help desk support

Maintenance	Corporate
<ul style="list-style-type: none"> • Fleet maintenance • Facilities maintenance 	<ul style="list-style-type: none"> • Procurement • Legal • Insurance and risk management • Communications • Corporate secretariat and administration

Jurisdictional Review



- Transit commissions range from true stand-alone entities to corporate shells
- Regardless of structure, core functions are embedded within transit as opposed to the municipality
 - Critical to service delivery
 - Complexity of transit operations

Transit Commission	Annual Ridership (2019)
1. Transit Windsor	8,430,749
2. London Transit Commission	24,599,655
3. Hamilton Street Railway Company	21,659,817
4. Durham Region Transit	11,083,538
5. St. John's	3,277,811

Option Analysis

1. Full integration with the Region
2. Hybrid delivery model
 - Critical or complex services delivery by Commission
 - Other services delivered by Region or Commission
3. No integration with the Region

Option Evaluation

- Does the proposed service delivery model support a focus on customer service for transit?
- Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?
- Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commissions?
- Does the proposed service delivery model maximize cost efficiencies for transit services?

Proposed Organizational Structure

- Positions customer-facing and more complex responsibilities within the Commission so as to ensure service quality
 - Fleet maintenance
 - Facility maintenance
 - Operational IT systems
 - Scheduling
 - Timekeeping
 - Recruitment
 - CBA negotiation
 - Training
 - Employee relations
 - Communications
- Identifies dedicated Regional resources for financial management
- Integrates other corporate services with the Region
 - Provides commonality with Regional policies and practices
 - Seeks to achieve economies of scale
 - In certain instances, involves additions to the Region's staffing complement to accommodate the Commission's requirements



kpmg.ca



© 2022 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

NTC Shared Services

Niagara Transit Commission

NTC 03-2022
June 28, 2022

Matt Robinson, Director, GO Implementation Office

niagara
transit
commission

NTC Shared Services

Presentation to NTC Board re: NTC 03-2022

June 28, 2022

Background: A Case for Shared Services

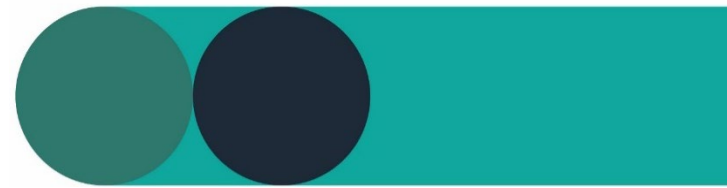
- Niagara Transit Governance Study (Optimus SBR)
 - Governance Model options: Department / Limited Commission / Full Commission
 - Full Commission → NTC should have “high degree of independence” while ensuring opportunity for efficiency
 - Balanced approach to front of house and back of house
- KPMG Report
 - KPMG used to inform both Regional Council and NTC Board
 - Inform extent/degree of shared services based on peer comparators + cost efficiency
 - Recommended model for back of house enterprise services
 - NTC has responsibility for all services considered critical to delivery of transit services
- Regional Council → discretion given to NTC
 - Opted to enable NTC to decide which services to share (Schedule ‘B’ NTC MSB Bylaw)
 - Impacts to further analysis and MTAs



Existing Shared Services

- Community partners have requested shared services partnership with Niagara Region:
 - Niagara Regional Police
 - Niagara Regional Housing
 - Niagara Court Services (JBM)
 - Niagara Catholic District School Board
 - Niagara Region Broadband Network
 - Numerous municipalities
- Niagara Region provides the following shared services:
 - Employee payroll processing
 - Financial management software
 - Human resources selection support
 - GIS platforms
 - Data centre
 - Legal support

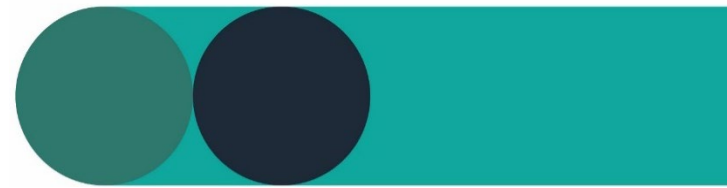
Niagara Sustainability Review (2020): integration of service delivery across Niagara (incl. between LAMs and Region) expected to provide enhanced efficiencies and economies of scale, leading to cost reductions.



Ensuring Operational Independence

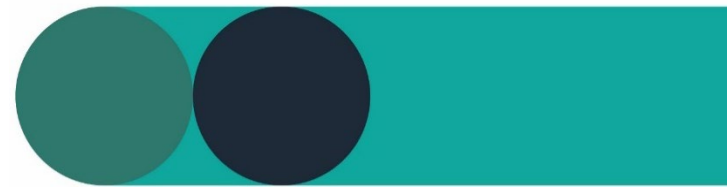
NTC will have full responsibility for services considered critical to delivery of transit services:

- Human Resources (All front-facing operational decisions)
 - Staff recruitment, union collective bargaining, employee relations, training
- Information Technology (All transit-specific operational tech)
 - Scheduling, cameras, CAD/AVL, apps, radios, fare payment tech
- Communications
- Fleet operations and maintenance
- Facilities operations and maintenance



Recommended Shared Services

- Corporate Secretariat (Clerk function)
 - Meetings, Procedural bylaw, Integrity Commissioner, Records/MFIPPA
- Human Resources (back-end enterprise functions only)
 - HRIS (Peoplesoft), pension and benefits admin, payroll processing
- Financial Services (dedicated resources)
 - Financial reporting, budgeting, policy alignment
- Information Technology (enterprise supports)
 - Leverage network, servers, cybersecurity, corporate hardware, help desk)
- Procurement / Realty
- Legal/Risk Mgmt



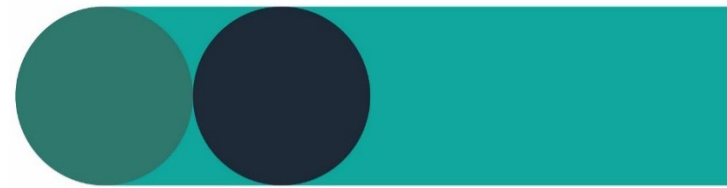
Timing/Transition Implications

- Critical path to January 1, 2023 – Day 1
- Seamless and necessary transition must occur – service, employee, and operational continuity is imperative
- Significant lead time and cost to procure, secure, set up and on-board/operationalize critical path systems and services
- Availability of NTC staff to undertake work/process/procurement
 - Delicate balance – continued service delivery through 2022
 - Dedicated staff to undertake work
- Does not preclude NTC from reviewing
 - NTC has ability to pivot as necessary in the future

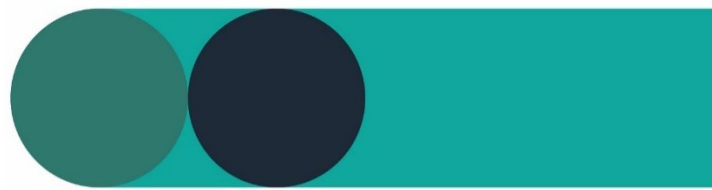


The Path Ahead

- Shared enterprise services will ensure independence of NTC on all matters specific to delivery of transit
- Achieve opportunities for cost-efficient delivery
- Region would provide on cost-recovery basis only
- Allows NTC to focus resources on front-facing investments for system enhancements and growth
- Ensure seamless and successful transition to Day 1 through Year 1
- Allow NTC to focus on front-facing customer focused improvements
- Allow Board to carry out mandate immediately
 - Does not inhibit Board/NTC's ability to make changes in the future



Questions?



Subject: Niagara Transit Commission Shared Services

Report to: Niagara Transit Commission Board

Report date: Tuesday, June 28, 2022

Recommendations

1. The Niagara Transit Commission (NTC) Board **APPROVES** the provision of the corporate and administrative services outlined in Appendix 2 by Niagara Region to the NTC on a cost-recovery basis.
2. The Niagara Transit Commission Board **AUTHORIZE** the General Manager to negotiate and execute a service level agreement(s) with Niagara Region for the shared services outlined in Appendix 2.

Key Facts

- The purpose of this report is to seek NTC Board approval of the corporate and administrative shared services needed to support NTC operations from Niagara Region, on a cost-recovery basis.
- The recommended suite of shared services (Appendix 2) has been developed based on the 'Review of Corporate and Administrative Support Services' undertaken by KPMG (Appendix 1 – Redacted Version).
- The KPMG report considered best practices of peer transit organizations, balancing that the NTC should have a high degree of independence with respect to services specific to the delivery of transit, combined with opportunities to access enterprise-related services delivered by the Region more cost-efficiently.
- The KPMG report also proposed an initial staffing organizational structure to illustrate the proposed division of services. This element of the KPMG report has been redacted from Appendix 1 and is being presented in the companion confidential report NTC 04-2022, recognizing the sensitivity of considerations regarding future staffing arrangements and related implications for current LAM transit employees.
- It is critical that the NTC confirm the shared services model and negotiate a shared services agreement with the Region immediately, so that all necessary processes,

recruitment and systems setup can be undertaken in Q3/Q4 2022 to ensure seamless and successful operational transition occurs January 1, 2023.

Financial Considerations

KPMG recommended a fully shared-services or hybrid-shared services model with respect to six service areas as discussed in this report. Some services such as HR and IT are recommended to be split while others would be provided by the Commission or the Region. The recommendation considered the service structure, expertise, leadership and cost of using existing corporate services versus unique transit-related expertise more appropriately provided by the Commission.

The KPMG recommendation would require seven incremental Regional staff resources to deliver the noted shared services, estimated at a cost of \$747,000 that would be hired by Regional corporate and administrative support divisions and charged back fully and funded by the Commission. This cost is anticipated to represent a savings of approximately \$180,000 over costs of the standalone delivery of the same services by the Commission.

It is anticipated that regardless of the approach taken by the NTC board that it is likely that the majority of these corporate administrative and support services positions may be filled by current staff from the LAMs.

Analysis

Overview

The creation of the NTC requires establishing the operational relationship between Niagara Region and the NTC, which is a Municipal Services Board (MSB) of the Region. The authority and responsibilities of the NTC were determined by Regional Council at its meeting of May 26, 2022 as contained in By-Law 2022-38.

Since the earliest discussions regarding transit consolidation, it has been identified that a regional transit agency would share corporate and administrative services with Niagara Region in order to deliver services as efficiently as possible and facilitate the approved budget framework. Avoiding unnecessary duplication of administrative and corporate support services will allow the NTC to optimize its available resources to increase the levels of transit service it is able to provide.

The decision before the Board is which services should be shared between the Region and NTC, and to what degree. Developing this recommendation requires balancing two factors:

- **Ensuring a High Degree of Independence** – the Niagara Transit Governance Study (NTGS) examined a range of potential governance models for the creation of the NTC, arriving at the recommendation of a Full Commission.

A primary factor in this recommendation was that the independence provided by a Commission would foster a transit-focused organization, best positioned to serve Niagara’s transit riders. Feedback received from Local Area Municipalities (LAMs) during the governance ‘roadshows’ in 2021 reinforced the importance of this independence. It is important to note that allowing for the sharing of corporate and administrative services and expertise does not impede the operational independence of the Commission, as also noted by KPMG in its analysis.

- **Opportunity for Efficiency** – while prioritizing independence, the NTGS further “recommended that the Commission review the opportunity to share services for back office functions such as Finance, IT, Human Resources and Labour Relations. Both staff and software resources can be shared between the Region and the Commission to gain efficiencies through economies of scale” (NTGS Transition Plan. PG 17). This is consistent with how transit is delivered in Niagara today, where all existing LAM transit services are supported at least in-part by their “parent” municipal corporate services.

The Region undertook the *Niagara Service Sustainability Review (2020)* which identified that integration of service delivery across Niagara – including between the Region and LAMs – is “expected to provide enhanced efficiencies and economies of scale, leading to cost reductions”.

Presently, a number of LAMs have already entered into shared services agreements with Niagara Region to provide LAMs with corporate and administrative back of house services. Examples of LAMs and other agencies purchasing shared services from the Region include: employee payroll processing for the Niagara Regional Police, financial management software platform (Peoplesoft) with the City of St. Catharines, human resources selection support, GIS platforms, and data centre services for the Niagara Catholic District School Board, Niagara Region Broadband Network and Niagara Regional Police.

Recommended Shared Services

The establishing by-law for the NTC (Regional By-law 2022-38) divides corporate and administrative services into two categories, summarized as:

- **NTC Responsibility** – (By-law 2022-38 “Schedule C”) are services specific to the delivery of transit that will be the full responsibility of the NTC to deliver.

These include services such as human resource (HR) responsibilities regarding staff recruitment and collective bargaining; information technology (IT) related to operational transit systems; communications; clerical support; fleet maintenance; and facilities maintenance.

- **Proposed Shared Services (to be provided by the Region)** - (By-law 2022-38 “Schedule B” - reproduced in this report as Appendix 2) are services that KPMG had recommended be provided to NTC by the Region which Regional Council has determined the NTC has discretion to choose which “...may be provided by the Region to NTC on a cost recovery basis”.

These services include: corporate secretariat services; HR responsibilities related to backend systems and payroll processing; finance services related to budget planning, enterprise resource planning, audit, and asset management planning; back-end and office IT systems; procurement and realty management services; and legal and risk management services. Additional detail regarding these services, including rationale in support of the recommendation for each to be shared, is provided later in this report.

This proposed division of services between ‘NTC Responsibility’ and ‘Proposed Shared Services’ was developed based on the ‘*Review of Corporate and Administrative Support Services*’ discussed below and provided as Appendix 1.

This report recommends the NTC approve that it receives the ‘Proposed Shared Services’ corporate and administrative services identified in Appendix 2 from the Region, and that the General Manager be authorized to negotiate and execute a service level agreement with the Region for said shared services.

KPMG Report - Review of Corporate and Administrative Support Services

The Region's Transit Commission Steering Committee (TCSC), comprised of executive and senior management-level Regional staff supporting the establishment and transition of transit operations to the NTC, retained KPMG to undertake an independent assessment of the appropriate division of shared services between the NTC and the Region. It was developed to serve as the foundation of the recommendations contained in the May 26, 2022 report to Regional Council and this report to the NTC Board.

KPMG's report incorporated and considered the organization of Niagara's current transit providers; the Region's available corporate services; and a jurisdictional scan of best practices from comparator transit commissions (i.e. London, Ottawa, Edmonton, Durham, St. John's).

In summary, KPMG recommended that "the allocation of responsibilities [reflect] the general principles...:

- The Commission [has] responsibility for those services that are considered to be critical to the delivery of transit services; and
- The Region [has] responsibility for those services that are common to the Region and do not require a different level of knowledge, skill set of resource availability and/or are more cost efficient to deliver through a shared [delivery] model". (Review of Corporate and Administrative Support Services, KPMG 2022, Pg. 45)

In the case of some services, such as HR and IT, a hybrid-approach was recommended – sub-dividing responsibility for these services into components to be delivered by both the Region and NTC.

Information with respect to the current delivery of service from Niagara's LAMs was gathered through respective CAO offices and through the Chair of the TCSC Operations Working Group – a consultant retained by the Region who is a third party transit professional. The current LAM GMs and other transit staff were not engaged directly in the development in the study, given the reasonable likelihood that a majority of LAM transit staff, either by appointment or competition, would be joining the NTC. The TCSC determined that direct consultation with those employees who would be affected by the recommendations of the KPMG work may create an area of potential conflict. However, the information relevant to how services are delivered by the LAM systems today was obtained and included in the analysis by KPMG.

Recommended Shared-Services

The KPMG report recommended a total of six services be delivered either under a fully shared-services or hybrid-shared services model.

This section discusses each of these services in turn, summarizing both the rationale provided by KPMG as well as other practical implementation considerations as identified by staff in support of the recommendation for it to be shared.

- **Corporate Secretariat Services** – more generally referred to as the Clerk’s Office and role. Given the NTC, as a MSB of the Region, is subject to many of the same administrative requirements as the Region under the *Municipal Act, 2001* (posting of information and reports, holding open and accessible public meetings, rules governing confidential sessions, minutes, access to records, etc.), KPMG recommended that the Regional Clerk provide this service on behalf of the NTC.

The NTC must have a Procedural Bylaw governing its Board meetings that complies with the same *Municipal Act* requirements that municipal councils must comply with respecting matters such as open meetings. Having the Regional Clerk provide significant and strategic interpretation and administration of the bylaw to the Board and its Chair would make for efficient and streamlined meetings. In addition, By-law 2022-38 identifies that the Regional Clerk shall serve as the corporate secretariat for the Commission, as well as be the NTC head for purposes of legislative requirements such as the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*.

Under the recommended shared-services model, the Regional Clerk’s office is proposed to be responsible for functions such as administrating NTC Board meetings (posting agendas, meeting coordination, meeting accessibility, taking/posting meeting minutes, etc.), guiding records retention, and other statutory and legal duties.

- **Human Resources (HR)** – KPMG has recommended that HR responsibilities be shared between the NTC and Region based on the nature of service to be provided. The NTC will be responsible for services that relate to day-to-day or front line transit operations, such as staff recruitment, union collective bargaining, employee relations, and employee training.

The NTC would leverage through shared-services the Region's back-end HR support. For example, using the Region's HR management software systems, pension and benefits administration, and payroll processing. This approach will allow the NTC to leverage existing systems and processes in place with the Region to save time, resources, and avoid duplication – while maintaining independence with respect to services that have a transit-specific character.

Of note, the recommendation in Appendix 2 differs from the original KPMG report with respect to Attendance and Disability management. Where KPMG recommended these be Regional services, given the front-line nature of this responsibility, these services would be best placed with the NTC.

- **Financial Services** – support from the Region's finance function has been recommended to achieve economies of scale and support alignment between the NTC and Region with respect to budgeting and strategy, financial reporting and analysis, special tax levy and rate setting. Under the recommended model, the Region would assign a dedicated Program Financial Specialist (PFS) and Program Financial Analyst to the NTC. These positions would provide corporate expertise and leadership with a "dotted-line" reporting relationship to the NTC senior management. They would directly support the Commission in the development of its financial reporting and analysis, asset management planning, and budget development. An additional Accounts Payable clerk would be fully integrated in Regional Accounting Services with costs allocated to the Commission for all billing, banking, external audit, development charges and debt services leveraging existing resources. As a MSB of the Region, the NTC would be governed by a number of the Region's financial policies. As such, the synergies gained by an integrated financial model would allow for the NTC to focus on day-to-day service delivery within its approved budget, while other corporate functions like reporting and analysis would more effectively reside with the Region to ensure maximum efficiency and avoid duplication and misalignment.

This approach will allow the NTC to leverage the existing PeopleSoft financial systems of the Region, including disbursement and revenue transaction processing, avoiding the need for the NTC to establish duplicate systems independently. KPMG further identified that integration of financial-decision making and policy development between the NTC and Region could avoid potential escalations for the cost of transit service through inconsistencies with respect to "debt financing, fare setting, new initiatives, and other key financial strategies".

Corporate Service Committee recently approved Regional staff to proceed with a shared service delivery model for PeopleSoft ERP services to the City of St. Catharines. The Region's systems are best in class and current Regional corporate staff can be leveraged most efficiently to provide financial services using this platform.

In addition, the efficiency of service delivery can be compared to that provided to Niagara Regional Housing and Court Services as the model recommended by KPMG is very consistent with the financial support to these staff and Boards.

- **Information Technology (IT)** – a hybrid approach has been recommended with respect to IT systems, with the NTC responsible for determining system needs, administration and maintenance of operational systems and technology (i.e. transit critical and on-board systems such as drivers scheduling systems, cameras, CAD/AVL, route mapping, on-board radio systems, and fare payment technology), with the Region providing back-end IT infrastructure and user help desk responsibilities (i.e. admin network connections, servers, cybersecurity, procurement of computer hardware, etc.).

This approach will allow the NTC to leverage the existing Regional network infrastructure, supports, and corporate-wide procurements, while maintaining the NTCs full control over those systems that are critical to the day-to-day delivery of transit.

- **Procurement + Realty Services** – KPMG identified that Regional support for procurement by the NTC would be consistent with the “approach adopted by the Current Transit Providers and the majority of organizations included in the jurisdictional review”. This also includes land acquisition, disposal and real estate transactions undertaken through the Region's Realty division. It is further consistent with how the Region currently supports other Boards and Commissions such as the Niagara Region Police Service (NRPS) and is therefore recommended as a model for NTC.
- **Legal and Risk Management** – based on its jurisdictional scan, KPMG did not identify any examples where transit organizations maintained separate legal counsel, determining that the level of required legal activity tends to be below that required to support a full-time dedicated legal in-house resource. As a result, it is recommended that the Region's Legal Services division would support the NTC with

respect to services such as litigation, insurance and non-insurable claims, risk management, real estate transactions, and contracts. Also, the costs and demands of risk and insurance can be handled at a lower cost by keeping these responsibilities integrated (similar to the inclusion of NRPS in the Region's insurance program).

In addition to the elements of the hybrid-services identified above that would rest with the NTC, a number of other corporate and administrative services were identified as being best delivered fully by the NTC given they are specific to the delivery of transit. These include communications (both internal to employees; and external to riders and media), clerical support, fleet maintenance, and transit facilities maintenance.

KPMG NTC Organizational Structure

As part of its analysis, KPMG was requested to undertake a high-level assessment of the staff resource implications arising from the various shared-service models considered.

The purpose of this analysis was to determine if there were substantial differences with regard to the total staffing complement required to realize the staffing for each model, and to illustrate any potential additions to Region's staffing required to resource the shared-services model.

This element of the KPMG report has been redacted from Appendix 1 and is being presented in the companion confidential report NTC 04-2022, as it contains information that may disclose personal information regarding identifiable individuals. Under the Province's Audit and Accountability Fund – Phase 3 from which the KPMG report was funded, the Region is obligated to publicly post the results of the full report and will do so once the LAMs have had sufficient opportunity to engage with their transit staff.

It should be emphasized that this structure is not being recommended as the final organizational structure of the NTC, and instead will be provided to the General Manager for their consideration in the development of a recommended organizational structure to be returned to the Board for approval as part of a future report later this year. The input of the General Manager, as the senior leader of the NTC, is fundamental to recommending to the Board the form and structure of the NTC organization to ensure it is successful in providing region wide transit services commencing on January 1, 2023.

In the interim, the preliminary organizational structure developed by KPMG is being used by the TCSC as guidance in order to advance discussions related to the transfer of Non-Union staff from the LAMs to the NTC as part of the negotiation of the Municipal Transfer Agreements (MTA). The outcomes of those discussions will be reflected in reports back to Regional Council with respect to the negotiation of the MTA, and to the NTC Board as part of a future HR Strategy report.

Decision Timing and Transition Implications

The decision on what shared-services to receive from the Region is being brought to the NTC board immediately as there are significant resourcing and timing implications associated with arriving at a final shared-services relationship.

Workbacks from January 1, 2023 Transition

Many of the shared-services functions identified in this report are critical to the day-to-day operation of the NTC and as such, must be established and functional well in advance of January 1, 2023 to allow the NTC to successfully assume operational responsibility for the delivery of transit. Examples of critical 'Opening Day' items include:

- The development of the Human Resources Information System (HRIS) Peoplesoft;
- the ability to process payroll according to proper pay rules and statutory government requirements;
- administer benefits such as pension and employee assistance programs;
- undertake disbursement and revenue transaction processing;
- secure insurance coverage for the assets, employees, and operations of the NTC;
- negotiate and execute the transfer to the NTC of operational agreements currently in place with LAMs (i.e. winter maintenance or fuel contracts);
- build a 2023 capital and operating budget; and
- undertake procurements.

Determining responsibility for these functions between the NTC and Region now is critical to allow the background and system setup work necessary to be prepared to provide these services to the NTC by January 1, 2023. There are significant lead-times and transition costs associated with establishing these shared services that must be planned for. These can include procuring or extending software licenses for enterprise platforms, planning for seamless transition of on-board and backend IT systems, and development of policies and procedures.

Absent short-term direction as to which organization will hold ultimate responsibility for the delivery of these services, staff will be unable to successfully plan for January 1, 2023 transition.

Under By-law 2022-38, the Region has granted discretion to the NTC to consider the approach to the provision of shared-services identified in Appendix 2, subject to Regional Council approval of budget in its discretion. Should, in the future, the NTC seek to amend the delivery model for these services, it will have the authority to do so recognizing the inherent staffing and financial implications that would need to be considered. This includes significant up-front costs associated with one-time systems setup (i.e. HR Information System) that would not be recoverable and would be custom-built for NTC purposes.

NTC Resources

The recommendation that the NTC request the Region to deliver the above-noted corporate and administrative services is further based upon the availability of NTC staff to otherwise establish these services and prepare for transition independently.

It is anticipated to be likely that current LAM transit staff will fill the vast majority of staff positions within the NTC. However, given the need to maintain current transit operations through the remainder of 2022, the majority of these staff will not transfer to the NTC until late 2022 or at January 1, 2023. This will significantly impact the ability of dedicated NTC staff to undertake transition-related work and set-up, and establish required services independently (if required) with enough lead time to be prepared for January 1, 2023.

Shared Services Agreement

Subject to the direction that the NTC receive shared-services from the Region, it will be necessary to negotiate a Shared Services Agreement between the Region and NTC to govern the provision of these services. This report seeks to delegate to the General Manager, once appointed, the authority to negotiate and enter into that agreement.

Conclusion

Approving that Niagara Region provide to the NTC on a cost-recovery basis, the corporate and administrative services identified in Appendix 2 will:

- Maintain the appropriate level of independence of the NTC, reserving to the Commission those services that are specific to the delivery of transit;
- Achieve opportunities for cost-efficient delivery, where services are substantially similar to those already provided by the Region;
- Provide required direction to the TCSC to allow for necessary planning and systems implementation work to be completed to achieve the successful transition of operation on January 1, 2023; and
- Provide the resources and ability for the Board to begin carrying out its mandate while at the same time, not infringe on the NTC's ability to make future changes to the delivery model of the identified shared services.

Alternatives Reviewed

The KPMG report considered three potential shared-service models for each corporate and administrative services examined: Region shared-services delivery; hybrid-delivery (split between NTC/Region); and NTC delivery. These alternatives were reviewed for alignment with four key criteria, including: focus on customer service for transit; best practices; alignment with current Regional delivery; and cost efficiency. The full KPMG report provides analysis as to why each model was recommended, and why alternative models were not recommended.

The NTC could elect to not receive from the Region some or all of the corporate and administrative services recommended in Appendix 2, and instead plan to deliver these services independently by NTC staff. This approach is not recommended as it would introduce significant risk of duplication of services – resulting in increased operating costs, FTEs, and both immediate and future budget pressures in conflict with what has been proposed to Councils through triple majority; in addition to operational risk in terms of readiness to assume operational responsibility for transit as of January 1, 2023. As a MSB of the Region, the NTC is subject to the annual budget process and guidance set by Regional Council. As a result, Regional Council may not see fit to

approve of the NTC budget and/or FTEs required for the NTC to independently deliver services at a higher cost than through shared services.

The NTC could elect to defer making a determination with respect to shared-services at this time, for example until the General Manager is hired and has the opportunity to provide input. This approach has not been recommended as the timing for the on-boarding of the GM is not anticipated to provide sufficient lead-time to then implement the required systems in advance of January 1, 2023. If in the future the General Manager should recommend to the NTC board that the delivery model of shared services be amended, the NTC will have the discretion under By-law 2022-38 to revisit the existing model, and seek to negotiate a new model with the Region.

Should the NTC Board elect to defer the decision on corporate and administrative services shared services, it is recommended that direction be provided to the TCSC to carry forward with implementation of the following items that, if delayed, would represent a significant risk to transition activities and the success of Day 1 hand-off, or that will apply regardless of the approach to shared services ultimately recommended:

- That the Regional Clerk continue to support the NTC board in the conduct of its meetings and other legislative obligations as identified in this report;
- The implementation of the Human Resources Information System (HRIS) Peoplesoft continue; and
- That the TCSC secure insurance coverage, pension, and employee assistance programs on behalf of the NTC.

Other Pertinent Reports

Region Report CSD 19-2022

Moving Transit Forward: Establishing the Niagara Transit Commission as a municipal services board and Update regarding the transfer of municipal transit assets to the Commission

Prepared and Recommended by:

Bruce Zvaniga, P.Eng.
Chair – Transit Commission Steering Committee

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer – Niagara Region
Niagara Transit Commission Board Member – Ex-Officio

This report was prepared by the Transit Commission Steering Committee, which is chaired by the Commissioner of Public Works and is comprised of extensive senior Regional staff (Commissioner and Director levels).

Appendices

- | | |
|------------|--|
| Appendix 1 | KPMG Review of Corporate and Administrative Services (Redacted Version) |
| Appendix 2 | Niagara Transit Commission - Corporate and Administrative Support Services |



Niagara Transit Commission

Review of Corporate and Administrative Support Services

Final Report

April 21, 2022

Redacted



Disclaimer

This report has been prepared by KPMG LLP (“KPMG”) for the Regional Municipality of Niagara (the “Region”) pursuant to the terms of our Agreement with the Region dated March 3, 2022.

This report is not intended for general use. KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than the Region or for any purpose other than set out in the Engagement Agreement. If this report is received by any party other than the Region, the recipient is placed on notice that this report has been prepared solely for the Region’s benefit and its own use. KPMG does not authorize the recipient or any other party to rely on this report and any such reliance will be at the recipient’s sole risk. Therefore, KPMG shall have no liability or responsibility in respect of the advice, recommendations, or other information in this report to recipient or any other party other than the Region.

This report is based on information and documentation that was made available to KPMG at the date of this report. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly. This report and the observations expressed herein are valid only in the context of the whole report. Selected observations and recommendations should not be examined outside of the context of the report in its entirety.

Our review was limited to, and our recommendations are based on, the procedures conducted. The scope of our engagement was, by design, limited and therefore the observations and recommendations should be in the context of the procedures performed. In this capacity, we are not acting as external auditors and, accordingly, our work does not constitute an audit, examination, attestation, or specified procedures engagement in the nature of that conducted by external auditors on financial statements or other information and does not result in the expression of an opinion.

This report may include or make reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommended opportunities as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the Region. KPMG has not and will not perform management functions or make management decisions for the Region.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the Region nor are we an insider or associate of the Region and its management team. Accordingly, we believe we are independent of the Region and are acting objectively.



Introduction

A. Background to the review

The Regional Municipality of Niagara (the “Region”), in conjunction with ten local area municipalities (“LAMs”), has approved the establishment of a local board that will consolidate the delivery of transit services into a single organization. The use of a transit commission is intended to provide a range of benefits to riders, including but not limited to the delivery of transit in a more integrated and seamless service and greater consistency in terms of route schedules and operating hours. At the same time, a consolidated approach to service delivery is intended to achieve operating efficiencies through the realization of economies of scale and the elimination of duplication within the multiple transit systems in the Region, providing the potential for greater value for money and increased capacity for strategy development, planning and analysis and the delivery of additional services.

Currently, conventional transit services are delivered by ten LAMs, with the City of Niagara Falls (“Niagara Falls”), the City of St. Catharines (“St. Catharines”) and the City of Welland (“Welland”) (collectively the “Current Transit Providers”) providing transit services directly through the use of municipal personnel and other resources¹. Both Niagara Falls and Welland have structured transit services as municipal departments, while St. Catharines has established an independent transit commission. The remaining LAMs, as well as the Region, provide transit services either through (i) contractual arrangements with other municipalities or third party service provided.

Direct Delivery	Inter-Municipal Agreements	Third Party Service Providers	No Conventional Transit Services
<ul style="list-style-type: none"> Niagara Falls St. Catharines Welland 	<ul style="list-style-type: none"> Region (contracts with Niagara Falls, St. Catharines and Welland for inter-municipal routes) City of Thorold (contracts with St. Catharines) 	<ul style="list-style-type: none"> Town of Lincoln Town of Fort Erie Town of Pelham Town of Niagara-on-the-Lake City of Port Colborne Town of Grimsby 	<ul style="list-style-type: none"> Township of Wainfleet Township of West Lincoln

¹ Pursuant to the terms of our engagement, we have limited our analysis to the Current Transit Providers as the level of corporate and administrative support services required for the delivery of transit through third party arrangements is considered to be limited.

Introduction

In connection with the establishment of the Niagara Transit Commission (the “Commission”), the Region has retained KPMG LLP (“KPMG”) to undertake an analysis of potential options for the delivery of corporate and administrative services to the Commission, which includes:

- An evaluation as to the assignment of responsibility for service delivery between the Region (through shared service arrangements) and the Commission (i.e. directly delivery) in order to identify a preferred model for service delivery;
- The development of a suggested organizational structure that reflects the allocation of responsibility for service delivery;
- An analysis of the financial implications of the suggested organizational structure and service delivery model; and
- Potential courses of action that could be considered by the Region and LAMs in connection with the implementation of the proposed organizational structure and service delivery model.

While the suggested courses of action identified through our review are intended to assist with the establishment of the Commission, we understand that the ultimate responsibility for establishing the organizational structure of the Commission will be the responsibility of its Governance Board and executive leadership, which have yet to be established. As a result, the ultimate structure of the Commission may vary from the model outlined in our report.

Current State Overview

A. Corporate and administrative services defined

For the purposes of our review, we have considered the following functions to be included within the definition of corporate and administrative support services:

Personnel	Financial	Information Technology
<ul style="list-style-type: none"> Recruitment Employee relations Employee programs Timekeeping Payroll, pension and benefits Compensation planning 	<ul style="list-style-type: none"> Transaction processing (revenue and expenditure) Budgeting Financial reporting (internal and external) Audit (internal and external) Asset management planning 	<ul style="list-style-type: none"> Operational systems and technology (e.g. scheduling and time keeping systems, farebox system, automated vehicle locating/monitoring systems) Backbone systems and technology (e.g. PeopleSoft ERP, cybersecurity systems, Office 365, data centre) User help desk support

Maintenance	Corporate
<ul style="list-style-type: none"> Fleet maintenance Facilities maintenance 	<ul style="list-style-type: none"> Procurement Legal Insurance and risk management Communications Corporate secretariat and administration

Current State Overview

B. Current structure of transit services

Included as Appendix A are organizational charts for each of the Current Transit Providers which depict lines of reporting, staffing levels and an indication of the nature of job functions. As noted in the organizational charts and as summarized below, the levels of staffing and internal capacities are reflective of the overall size of the transit operations.

	Region	Welland	Niagara Falls	St. Catharines	Total
Conventional transit ridership	1,065,933	649,720	2,590,032	5,078,779	9,384,464
Revenue vehicles (conventional only)	21	18	45	73	157
Total staff ³	3	55	105	203	367
Staffing levels for selected corporate and administrative support functions:					
• Human resources (includes payroll)	–	–	–	2	2
• Finance	– ⁴	1	1	3	5
• Information technology	–	–	2	1	3
• Fleet maintenance	–	4	25	26	55
• Facilities maintenance	–	–	–	1	1
• Communications	–	–	–	1	1
• Planning and analysis	1	–	–	2	3

With the exception of St. Catharines, corporate and administrative functions for transit services appear to be delivered predominantly by municipal resources with the exception of fleet maintenance and some aspects of information technology (operational systems such as scheduling and time keeping systems, farebox system, automated vehicle locating/monitoring systems).

³ Staffing levels are derived from the Operational and Jurisdictional Findings Report dated March 25, 2020 prepared by Optimus SBR. In certain instance, variances were identified between the report, staffing levels listed in the organizational charts and staff listings provided by the Current Transit Providers. However, we do not consider this variances to be material to our review.

⁴ While the Region has assigned a Program Financial Specialist to transit on a full-time basis, we understand that this individual is primarily responsible for project-based analysis and advice (e.g. transit consolidation, GO Transit Initiatives) as opposed to supporting the Region's delivery of transit services.



Jurisdictional Review



As part of our review, we have undertaken a review of the organizational structures and staffing for selected transit commissions, the purpose of which was to determine:

- Approaches adopted by other organization delivery of corporate and administrative support services, specifically whether delivered by the commissions respective municipa
- Organizational structures used by the selected trans commissions, which could provide insight potential models that could be adopted
- Indicators as to the number of staff required Commission following the consolidation services in Niagara

Transit Commission	Annual Ridership (2019)
1. Transit Windsor	8,430,749
2. London Transit Commission	24,599,655
3. Hamilton Street Railway Company	21,659,817
4. Durham Region Transit	11,083,538
5. St. John's	3,277,811

Jurisdictional Review

Key themes from the jurisdictional review include the following:

1. There appear to be three models for the delivery of transit services adopted by the comparator organizations:
 - **Fully stand-alone transit commissions (London, St. John's).** In these instances, the transit commissions are responsible for the full range of governance and operating activities associated with transit. While there is some coordination between the transit commissions and their respective municipalities (e.g. adherence to municipal procurement policies, coordination on asset management and capital financing), the commissions utilize their own resources for corporate and administrative support services.
 - **Hybrid transit commissions (Durham).** Similar to St. Catharines, Durham Transit has adopted a model whereby the commission is responsible for fleet maintenance, with finance, facilities maintenance and information technology services partially undertaken by the commission. Based on our review of the commission's organizational chart and budget, it appears that other corporate support services, including human resources, legal and planning are undertaken by the Region of Durham.
 - **Shell transit commissions (Windsor, Hamilton).** In these instances, transit commissions are effectively shell corporations, with municipal staff responsible for the delivery of transit services on behalf of the commission. For example, the Hamilton Street Railway Company retains ownership of transit vehicles but has no staff, while Windsor Transit is structured as a component of the City's Infrastructure Services department.
2. Regardless of the model adopted, there appears to be a degree of commonality in that certain functions, particularly fleet maintenance, facilities maintenance, finance and information technology either (i) embedded within the transit function (which may reside within the municipality as opposed to the commission); or (ii) provided by the City through teams that are exclusively dedicated to transit. Based on our discussions with representatives of the transit commissions included in our analysis, we understand that this reflects both:
 - The importance of these functions to service delivery for transit, with fleet maintenance, scheduling, dispatch and the operation of key systems (e.g. fare box systems) cited as critical elements for maintaining scheduled transit service. In the case of the Hamilton, we understand that fleet maintenance was previously provided by the City's fleet maintenance function but was transferred to transit due to concerns over service levels; and
 - The degree of complexity associated with aspects of transit operations, specifically with respect to provisions for bus operators under the collective bargaining agreements with the Amalgamated Transit Union that impact scheduling, timekeeping and payroll processing.

With the exception of those services that have the potential to directly impact service delivery, and other than the stand-alone transit commissions, corporate and administrative support services such as legal, procurement and human resources are generally delivered through a shared arrangement with the respective municipality.

Jurisdictional Review

3. From an organizational design perspective, the current organizational structures of Niagara Falls and St. Catharines are generally consistent with the transit commissions selected for the jurisdictional review, with separate functional units established for operations and maintenance, and in the case of St. Catharines financial services.
4. In addition, staffing levels for corporate and administrative support services appear to be generally consistent with the selected comparator transit authorities. With respect to finance, the staffing complement of the combined Current Transit Providers is arguably more reflective of a standalone transit commission as opposed to an integrated finance function.

Redacted

Option Analysis

For the purposes of our review, we have identified three potential options that could be considered by the Region for the delivery of corporate and administrative support services by the Commission:

- **Option 1 – Full Integration.** Similar to the so-called shell transit commissions, this option would involve the Region delivering all corporate and administrative support services to the Commission. Additionally, this model considers that the Region would not establish dedicated teams for the Commission but rather would fully integrate the Commission's requirements into the Region's existing corporate and administrative support functions.
- **Option 2 – Hybrid Service Delivery.** Under this option, corporate and administrative support services would be shared between the Region and the Commission, based on the following considerations:
 - Services that are considered to be critical to the delivery of transit services would be delivered by dedicated resources, either (1) staff employed directly by the Commission; and (2) dedicated teams within the Region. Services are considered to be critical in nature if a limitation on their delivery has the potential to disrupt transit services and may include:
 - Services that are delivered at a different level/schedule than the Region and as such, require resources at different times than otherwise available through the Region; and/or
 - Services that are inherently unique or complicated due to the nature of transit services and as such, require specific knowledge and/or expertise.
 - Other corporate and administrative support services that would be delivered by the Region through a shared service arrangement. These services would generally include services that are common to the Region and do not require a different level of knowledge, skill set or resource availability.
- **Option 3 – Full Stand-Alone.** Under this option, the Commission would be responsible for all corporate and administrative support services, with linkages to the Region to coordinate activities and matters of common interest⁵.

For the purposes of our report, we have evaluated the potential options on a service-by-service basis.

⁵ Examples of matters of common interest would include administration of Provincial Gas Tax funding (which would be received by the Region and flowed to the Commission) and strategies for the use of debt that could potentially impact the Region's debt capacity limits.

Option Analysis

Our evaluation of each of the potential options is based on the following considerations:

- **Does the proposed service delivery model support a focus on customer service for transit?** Transit services are arguably recognized as a customer-facing essential service given their importance on transporting individuals for employment, education and other purposes in an affordable manner. Accordingly, service delivery models should attempt to minimize potential disruptions in service delivery – for example, key operating technologies and systems such as scheduling software and farebox systems are seen as critical to ensure adherence to transit schedules, thereby requiring an appropriate level of resources and priority assigned to these services. We understand that the issues of resource availability and responsiveness are seen as particularly important for transit services given the scheduled operating hours (e.g. weekends, before and after regular business hours).
- **Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?** As noted in the jurisdictional review, different approaches have been adopted for the delivery of corporate and administrative support services that, with the exception of standalone commissions, involve a sharing of responsibilities with their respective municipality. The different approaches to allocating responsibilities for corporate and administrative support services can provide an indicator as potential options that can be employed by the Commission.
- **Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commissions?** The Region has already established approaches to service delivery for both internal departments and outside agencies (e.g. Niagara Regional Police Service), providing another indicator of potential best practices.
- **Does the proposed service delivery model maximize cost efficiencies for transit services?** While the direct delivery of corporate and administrative services would allow the Commission to control service levels and in doing so, ensure alignment with a focus on customer service, to the extent that the Commission does not possess a critical mass for certain functions (e.g. in-house legal counsel), the cost of a direct delivery model may be higher than a more cost efficient strategy of sharing resources with the Region. We believe this is particularly relevant for services that are not transactional in nature or which are not consistently and frequently required to support transit services.

For each of the options identified, we have considered the extent to which the option addresses the above-noted considerations, based on the following rating scale:

- Most effective in meeting the consideration ◐ Partially effective in meeting the consideration ○ Least effective in meeting the consideration

The results of our evaluation, and the suggested service delivery model for corporate and administrative support services, are provided in the following chapters.





Niagara Transit Commission

Evaluation of Service Delivery Options

Human Resources

Redacted



Human Resources

A. Overview of the service

Human resources encompasses a range of personnel-related activities and services, including but not limited to:

- Staff recruitment
- Collective bargaining agreement negotiation
- Employee relations
- Employee records and administration
- Human resources management systems
- Employee timekeeping
- Payroll processing
- Pension and benefits administration
- Employee training and development
- Personnel and performance management
- Occupational health and safety
- Compensation planning for non-unionized personnel (management and non-management)
- Personnel policy development and administration
- Attendance and disability management
- Employee assistance program

B. Current approach to service delivery

Based on the organizational charts and other information provided by the Current Transit Providers, there appears to be a reliance on the respective municipalities for human resources, with only St. Catharines having human resource positions and payroll positions identified.

C. Jurisdictional review results

The results of the jurisdictional review indicate that with the exception of standalone transit commissions, the respective municipalities provide support to transit for human resources functions. While transit functions are generally responsible for training, scheduling, recruitment and timekeeping, services that are less transactional in nature and/or common to the municipality are generally undertaken by the municipality and not the transit function.

D. Regional approach to service delivery

We understand that the Region's human resources services are delivered through the following models:

- Timekeeping is the responsibility of operational departments, with the Region's human resources function providing support for time and attendance encoding;
- Payroll processing is undertaken through a centralized team within the human resources function, including payroll processing for the Niagara Regional Police Service ("NRPS");
- Other services are the responsibility of the Region's human resources function, working in conjunction with individual Regional departments. We understand that the NRPS is responsible for human resource services other than payroll processing, although they will request assistance from the Region with respect to specific issues or initiatives.



Human Resources

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to human resources services:

- **Option 1 – Full integration with the Region’s human resources function.** Under this option, the Commission would be treated as an operating department of the Region, with most services provided by the human resources functions. Consistent with other departments, the Commission would have responsibility for timekeeping.
- **Option 2 – Hybrid service delivery.** Under this option, the responsibility for human resources would be divided between the Commission and the Region based on the nature of the service provided. This option envisions that the Commission would be responsible for those aspects of human resources that are considered to be critical to the ongoing operation of transit services and/or which have a degree of complexity due to the provisions of the ATU collective bargaining agreement. Other human resources services would be provided through the Region’s human resources function. A suggested allocation of responsibility for human resources under this option (which reflects the current state review, the results of the jurisdictional review and discussions with Regional representatives) is provided below.

Commission Responsibilities	Region Responsibilities
<ul style="list-style-type: none"> • Staff recruitment • Collective bargaining agreement negotiation • Employee relations • Employee timekeeping • Employee training and development • Personnel and performance management • Occupational health and safety 	<ul style="list-style-type: none"> • Employee records and administration • Human resources management systems • Payroll processing • Pension and benefits administration • Compensation planning for non-unionized personnel (management and non-management) • Personnel policy development and administration • Employee assistance program • Attendance management • Disability management

- **Option 3 – Standalone human resources function.** Under this option, the Commission would be responsible for all aspects of human resources management, including the development of duplicate services (e.g. employee assistance programs, human resource management systems).

As summarized on the following page, Option 2, which involves a shared approach to service delivery, is identified as the preferred model for human resources given the anticipated level of human resources required as a result of the complexities of transit services.

Human Resources

	Option 1 Regional Responsibility	Option 2 Shared Responsibility	Option 3 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Human resources management is viewed as a critical component of service delivery for transit given the high degree of reliance on bus operators and transit personnel. We understand that the administration of the provisions of the ATU collective bargaining agreements requires a specific understanding of and experience with transit operations. Options 2 and 3 assign responsibility for recruitment and employee relations, as well as other activities influenced by the collective bargaining agreements, with the Commission, thereby providing a linkage between operations and human resources.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The results of the jurisdictional review indicate a range of service delivery models for human resources, ranging from a relatively high degree of reliance on the municipality for human resources to a fully standalone model whereby all services are delivered by the commission. Each of the identified options has elements that are consistent with other transit providers and as such, have been ranked as being partially effective in meeting the consideration.
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Option 1 is most consistent with the Region's approach to the delivery of human resources services to Regional departments, which reflects a centralized approach for services except for timekeeping. Option 2 is considered to be generally consistent with the approach to human resources for the NRPS, although this involves a higher degree of reliance on the Region for corporate-level human resources.
Does the proposed service delivery model maximize cost efficiencies for transit services?	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Given the Commission's level of staff and the complexities associated with the ATU collective bargaining agreement, we anticipate that the Region would be required to increase the level of human resources staff to accommodate the Commission's needs. As such, Option 1 and 2 are considered to result in the same level of incremental staffing and costs. Option 3, however, is expected to result in duplication of corporate-level human resource capabilities, resulting in an overall increase in the cost of human resource services. In addition, the potential exists under Option 3 for the Commission to adopted personnel-related strategies (including compensation levels and benefits coverage) that are inconsistent with the Region, resulting in future cost increases.



Niagara Transit Commission

Evaluation of Service Delivery Options

Finance

Redacted



Finance

A. Overview of the service

Financial services encompasses a range of activities, including but not limited to:

- Accounts payable processing
- Revenue transaction processing
- Budgeting
- Internal financial reporting
- External financial reporting
- Financial analysis
- Internal audit
- External audit
- Asset management planning

B. Current approach to service delivery

Based on the organizational charts and other information provided, differences existing with respect to embedded finance capacity within each of the Current Transit Providers., with St. Catharines having the most developed finance function with two employees.

C. Jurisdictional review results

The results of the jurisdictional review indicate that transit functions have some financial capabilities either within the organization or through dedicated teams that are assigned to transit by the respective municipality.

D. Regional approach to service delivery

We understand that the Region has adopted a centralized approach for financial services that includes:

- Centralized transaction processing for revenues and expenditures which incorporates technologies to achieve operating efficiencies (e.g. the use of optical character recognition to automate accounts payable processing);
- Program Finance Specialists (“PFS”) that are dedicated to functional departments within the Region and provide management-level support for budgeting, financial reporting and financial analysis; and
- Functional units for asset management planning and internal audit that provide services across the Region.

Finance

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to financial services:

- **Option 1 – Full integration with the Region’s finance function.** Under this option, the Commission would be treated as an operating department of the Region, with all financial services provided by the Region. Specifically:
 - The Region would integrate disbursement and revenue transaction processing into its finance function;
 - The Region would assign a dedicated PFS to transit;
 - Asset management planning would be provided by the Region’s asset management planning function; and
 - Audit services would be provided through the Region’s internal audit function and external audit contract.
- **Option 2 – Hybrid service delivery.** Under this option, the responsibility for financial services would be divided between the Commission and the Region based on the nature of the service provided. Under this option envisions that the Commission would be responsible for transaction processing and financial analysis and reporting, while the Region would provide asset management planning and audit services.
- **Option 3 – Standalone finance function.** This option reflects the responsibility of all finance activities within the Commission, with some coordination between the Commission and Region on elements of common interest such as debt financing and Provincial Gas Tax.

As summarized on the following page, Option 1, which involves the Region providing financial services to the Commission, is identified as the preferred model for financial services given the ability to achieve economies of scale with respect to transaction processing and ensuring consistency between financial strategies and decision-making between the Commission and the Region.

Finance

	Option 1 Regional Responsibility	Option 2 Shared Responsibility	Option 3 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	●	●	●	Under all options, it is anticipated that the Commission will have access to requisite skills sets for financial analysis, either through a Commission employee or a dedicated PFS. In addition, transaction processing under any option is not expected to be a constraint on the Commission's operations given (1) the presence of dedicated resources under Option 2 and 3; and (2) the current operating efficiencies of the Region's transaction processing function.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	◐	◐	◐	Similar to human resources, the results of the jurisdictional review indicate a range of service delivery models for financial services, with some organizations having relatively limited financial capacities (instead relying on their respective municipalities) to fully standalone models whereby all financial services are delivered by the commission. Each of the identified options has elements that are consistent with other transit providers and as such, have been ranked as being partially effective in meeting the consideration.
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	●	○	●	Options 1 and 3 are consistent with the Region's delivery of financial services to Regional departments and the NRPS, respectively and as such, both are considered to be consistent with the Region's existing delivery model for financial services.
Does the proposed service delivery model maximize cost efficiencies for transit services?	●	○	○	Under Options 2 and 3, the Commission would be responsible for the majority or all finance functions, reducing the ability to achieve economies of scale due to the absence of integration into the Region as well as the need to establish duplicate systems and processes. In addition, the absence of a linkage between the Commission and Region with respect to financial decision-making and policy development could potentially result in inconsistencies with respect to debt financing, fare setting, new initiatives and other key financial strategies, resulting in potential escalations of costs for transit services.



Niagara Transit Commission

Evaluation of Service Delivery Options

Information Technology

Redacted



Information Technology

A. Overview of the service

For the purposes of our review, we have delineated information technology services for transit into three categories:

- Operational systems and technology (e.g. scheduling and time keeping systems, farebox system, automated vehicle locating/monitoring systems). This element of the Commission's information technology infrastructure is considered essential to the delivery of transit services;
- Backbone systems and technology (e.g. PeopleSoft ERP, cybersecurity systems, Office 365, data centre), which are necessary to support the corporate and administrative requirements of the Commission; and
- User help desk support.

B. Current approach to service delivery

The organizational charts and other information provided by the Current Transit Providers identifies a limited number of positions associated with information technology, which we understand are predominantly involved in operational systems and technology.

C. Jurisdictional review results

Similar to human resources, the results of the jurisdictional review indicate that with the exception of standalone transit commissions, the majority of transit organizations have some internal resources for the maintenance of operational systems and technology, with their respective municipalities providing support for backbone systems and technology. Based on discussions with representatives of the comparator organizations, we understand the use of in-house resources for the maintenance and support of operational systems and technology is reflective of their importance to the delivery of transit services and the need for immediate responsiveness in the event of a technology issue.

D. Regional approach to service delivery

While the responsibility for information technology services within the Region rests with its Information Technology function, we understand that certain departments that have significant operational systems and technology (e.g. SCADA for water and wastewater services, maintenance management systems for transportation and water and wastewater) are responsible for daily support and administration of these services.

The degree of integration and resource sharing of information technology services with outside boards and commissions is relatively limited. While the NRPS utilizes the Region's PeopleSoft ERP system for finance and human resources, there are no other shared services with respect to information technology.

Information Technology

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to human resources services:

- **Option 1 – Full integration with the Region’s information technology function.** Under this option, the Commission would be treated as an operating department of the Region, with all information technology requirements and services (including both operational and backbone systems and technology) provided the Region’s information technology function.
- **Option 2 – Hybrid service delivery.** This option considers an allocation of information technology requirements between the Commission and the Region that is similar to other departments with significant operational systems and technologies (e.g. water and wastewater, transportation) whereby (1) the Commission would be responsible for the administration and maintenance of operational systems and technology; and (2) the Region’s information technology function would be responsible for backbone systems and technology and user help desk responsibilities.

Commission Responsibilities		Region Responsibilities
<ul style="list-style-type: none"> • Scheduling software • Driver management and timekeeping system • Planning system • Automated stop announcement system • CAD/AVL system • Automated vehicle monitoring system • Automatic passenger counters 	<ul style="list-style-type: none"> • Transit radio system • On-board CCTV system • Farebox system • Paratransit scheduling software • Paratransit AVL system • Other operational systems and technologies 	<ul style="list-style-type: none"> • ERP (finance and human resources) • Cybersecurity systems • Desktop technologies and applications • Data centre/servers/SANs • Data analytics • Administrative peripherals • User help desk • Other corporate backbone systems and technologies

- **Option 2 – Standalone information technology function.** Under this option, the Commission would be responsible for all aspects of information technology services, including operating systems and technology as well as corporate information technology services. Similar to the arrangement for the NRPS, we have assumed that the Commission would utilize the Region’s PeopleSoft ERP system for finance and human resources under this model.

As summarized on the following page, Option 2, which involves a hybrid approach to service delivery that distinguishes between operational and backbone requirements, is identified as the preferred model for information technology services as it provides a direct connection between the Commission’s operational systems and technology and the delivery of transit services while at the same time maximizing the efficiency of shared backbone systems and technology.



Information Technology

	Option 1 Regional Responsibility	Option 2 Hybrid Service Delivery	Option 3 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Service delivery for transit is highly reliant on operating systems and technology and as such, options with resources dedicated to the maintenance and operation of these systems (Options 2 and 3) have been ranked as being fully effective in meeting this consideration. The absence of dedicated personnel under Option 1 has the potential to adversely impact service delivery in the event of a system outage.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	The results of the jurisdictional review indicate that all transit organizations surveyed have some form of information technology capabilities dedicated exclusively to transit, whether in a hybrid delivery model (Option 2) or standalone model (Option 3).
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	The Region's current approach to the delivery of information technology services for Regional departments with significant operational systems involves a hybrid approach that is similar to Option 2 whereby responsibility for the day-to-day operation and administration of operational systems rests with the functional department, with the Region's information technology function responsible for all other services. With respect to the NRPS, the Region has adopted a standalone model that is consistent with Option 3.
Does the proposed service delivery model maximize cost efficiencies for transit services?	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Option 1 and 2 are expected to result in the similar resource requirements as both options provide for the sharing of backbone infrastructure and services within the Region, resulting in the realization of economies of scale. Under a standalone model (Option 3), the Commission would be required to establish its own backbone infrastructure and services, resulting in a duplication of efforts and costs where commonality exists with the Region.



Niagara Transit Commission

Evaluation of Service Delivery Options

Fleet Maintenance

Redacted



Fleet Maintenance

A. Overview of the service

Fleet maintenance involves a range of maintenance services undertaken on the transit fleet (and other vehicles), including but not limited to preventative and periodic maintenance and servicing activities, repairs (including body work) and bus cleaning.

B. Current approach to service delivery

Based on the organizational charts and other information provided by the Current Transit Providers, fleet maintenance appears to be undertaken through dedicated teams that are either (1) embedded within either the transit department (Niagara Falls and Welland); or (2) employees of the commission (St. Catharines), with limited interaction apparent with their respective municipalities.

C. Jurisdictional review results

The results of the jurisdictional review indicate that fleet maintenance is provided directly by transit operations (either through a dedicated team within the transit function or through the standalone commission), with no examples of fleet maintenance integrated within the municipality's fleet maintenance function. While we understand that Hamilton had previously had an integrated model whereby the transit fleet was serviced by the municipality's fleet maintenance function, this model was discontinued due to concerns over service levels and the responsiveness of fleet maintenance to transit's needs.

D. Regional approach to service delivery

The Region currently maintains a fleet maintenance function within Transportation Services that is responsible for the purchasing, maintenance and replacement functions of the Region's fleet for operating units that utilize vehicles and moveable equipment. We understand that fleet maintenance functions are not currently provided by the Region to the NRPS.

Fleet Maintenance

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to fleet maintenance services:

- **Option 1 – Full integration with the Region’s fleet maintenance function.** Under this option, the Commission would be treated as an operating department of the Region, with the transit fleet considered to be part of the overall Regional fleet.
- **Option 2 – Dedicated Regional team.** Under this option, the Region would be responsible for the maintenance of the transit fleet; however, the Region would establish a dedicated maintenance and servicing team for transit vehicles as opposed to integrating the transit fleet into the Region’s fleet.
- **Option 3 – Standalone fleet maintenance function.** Under this option, the Commission would be responsible for fleet maintenance activities through its own employees.

Please note that the adoption of a hybrid model, which would involve the separation of fleet maintenance between the Region and the Commission, was considered to be impractical given the nature of the transit fleet and was therefore excluded from our analysis.

As summarized on the following page, Option 3 – with the Commission directly responsible for fleet maintenance activities through its own resources – is identified as the preferred model for fleet maintenance activities given its consistency with other transit organizations and the importance of fleet maintenance on the delivery of transit service.

Fleet Maintenance

	Option 1 Regional Responsibility	Option 2 Dedicated Regional Team	Option 3 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Commission responsibility has been identified as the highest rated option as this ensures a direct line of oversight and responsibility for fleet maintenance, which is considered to be essential to avoiding disruptions in transit service and ensuring sufficient resources to meet the operational requirements for transit services.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	As noted earlier, all of the comparators included in the jurisdictional review embed fleet maintenance into transit (either the municipal department or commission).
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Fleet maintenance functions for outside boards and commissions are typically delivered by these organizations, as opposed to the Region's fleet maintenance function. While the Region does provide fleet maintenance for internal departments through a centralized approach, we note that the size of the Commission's fleet (157 vehicles) may make an integrated approach to fleet management problematic.
Does the proposed service delivery model maximize cost efficiencies for transit services?	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Regardless of the option identified, the size of the Commission's fleet will require a level of staff that is consistent with that currently employed by the Current Transit Providers. As such, the cost of the different options is considered to be the same.



Niagara Transit Commission

Evaluation of Service Delivery Options

Facilities Maintenance

Redacted



Facilities Maintenance

A. Overview of the service

Facilities maintenance involves general cleaning and custodial services, as well as minor repairs to transit facilities, including maintenance garages and terminals.

B. Current approach to service delivery

Based on the information provided, there appear to be differences in the approaches adopted by the Current Transit providers with respect to facilities maintenance, with Niagara Falls relying on the municipality for facilities maintenance while St. Catharines has a caretaker position identified in their organizational chart. We also note that some job descriptions for maintenance personnel list custodial functions within the scope of work for the position.

C. Jurisdictional review results

The results of the jurisdictional review indicate that facilities maintenance is generally provide directly by transit operations (either through a dedicated team within the transit function or through the standalone commission), the exception being Hamilton which relies on the municipality for facilities maintenance.

D. Regional approach to service delivery

The Region currently provides facilities maintenance on an integrated basis to all Regional departments (including public works yards) as well as the NRPS. We note, however, that the Region currently budgets for dedicated staff for facilities maintenance functions for the NRPS and Regional Headquarters, with a pooled staffing model adopted for facilities maintenance of other facilities.

Facilities Maintenance

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to facilities maintenance services:

- **Option 1 – Full integration with the Region’s facilities maintenance function.** Under this option, the Commission would be treated as an operating department of the Region, with transit facilities maintained by the Region’s facilities maintenance function. This option is consistent with the current approach to facilities maintenance adopted by Niagara Falls.
- **Option 2 – Standalone facilities maintenance function.** Under this option, the Commission would be responsible for facilities maintenance activities through its own employees. This option is consistent with the approach adopted by St. Catharines.

Please note that the adoption of a hybrid model, which would involve the separation of transit facilities between the Region and the Commission, was not considered given the limited number of transit facilities and was therefore excluded from our analysis.

As summarized on the following page, Option 2 – with the Commission directly responsible for facilities maintenance activities through its own resources – is identified as the preferred model for facilities management given its consistency with other transit providers and the ability to align facilities management with the operational requirements of the Commission.

Facilities Maintenance

	Option 1 Regional Responsibility	Option 3 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	<input type="radio"/>	<input checked="" type="radio"/>	Commission responsibility has been identified as the highest rated option as this ensures a direct line of oversight and responsibility for facilities maintenance, including custodial services over customer service areas. This also provides the opportunity for facilities maintenance resources to be aligned with the operating schedule for transit facilities, including the need for 24-hour responsiveness for fleet maintenance facilities.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	<input type="radio"/>	<input checked="" type="radio"/>	As noted earlier, only one of the comparators included in the jurisdictional review rely on their respective municipality for facilities maintenance service, with the other comparators having their dedicated facilities maintenance resources.
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	<input checked="" type="radio"/>	<input type="radio"/>	The Region is currently responsible for facilities maintenance functions for all departments and the NRPS through an integrated facilities maintenance function. We note, however, that the Region has budgeted dedicated staff for the NRPS, which is consistent with the Commission having a dedicated team for facilities maintenance.
Does the proposed service delivery model maximize cost efficiencies for transit services?	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Given the custodial and facilities maintenance requirements associated with the Commission's maintenance facilities and transit terminals, incremental staffing will be required regardless of the option identified and as such, the costs associated with either option are considered to be consistent.



Niagara Transit Commission

Evaluation of Service Delivery Options

Procurement

Redacted



Procurement

A. Overview of the service

Procurement assists with the purchasing of goods and services and inventory management through the issuance of purchase orders, requests for tenders and requests for proposal. Inventory management, including the replenishment of parts and other stores, is considered to be an operational responsibility that will rest within the Commission.

B. Current approach to service delivery

Based on our review of the documentation provided, we have not identified dedicated resources for procurement within the Current Transit Providers. Rather, we understand that procurement is either provided by their respective municipality or is undertaken by staff as part of their general responsibilities.

C. Jurisdictional review results

The results of the jurisdictional review indicate that procurement resources may be present within standalone transit commissions, with commissions that are structured as either hybrid or shell commissions tend to rely on their respective municipalities for procurement. As part of the jurisdictional review, a dedicated procurement resource for transit was identified as preferred in order to ensure the timely procurement of goods and services necessary for the delivery of transit services.

D. Regional approach to service delivery

Procurement services for Regional departments are currently provided on a centralized basis, with the procurement and strategic acquisitions function responsible for the purchasing of goods and through the issuance of purchase orders and the management of request for proposals, tenders and other competitive procurement processes.

Procurement

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect to facilities maintenance services:

- **Option 1 – Full integration with the Region’s procurement function.** Under this option, the Commission would be treated as an operating department of the Region, with purchasing undertaken by the Region’s procurement function. This option is consistent with the current approach adopted by the Current Transit Providers and the majority of organizations included in the jurisdictional review.
- **Option 2 – Standalone procurement function.** Under this option, the Commission would be responsible for managing its own procurement activities in accordance with the Region’s procurement policies.

Please note that the adoption of a hybrid model, which would involve the separation of procurement between the Region and the Commission, was not considered given the commonalities between operating and capital procurement.

As summarized on the following page, Option 1 – with the Region directly responsible for procurement activities through its own resources – is identified as the preferred model for procurement given the consistency of this model with the Region’s approach to procurement for other departments and the NRPS.

Procurement

	Option 1 Regional Responsibility	Option 2 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	<input type="radio"/>	<input checked="" type="radio"/>	Commission responsibility has been identified as the highest rated option as this ensures a direct connection between procurement and operations, avoiding the potential redirection of procurement resources to other priorities and supporting consistency with respect to parts supplies necessary for fleet maintenance.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	<input checked="" type="radio"/>	<input type="radio"/>	The results of the jurisdictional review have identified only one instance where procurement resources are embedded within transit, with the other organizations relying on their respective municipalities for procurement services.
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	<input checked="" type="radio"/>		The Region provides procurement on a centralized basis for departments and the NRPS.
Does the proposed service delivery model maximize cost efficiencies for transit services?	<input checked="" type="radio"/>	<input checked="" type="radio"/>	The incremental costs associated with either option are considered to be consistent given the expectation that additional resources would be required in the event that the Region's procurement function is tasked with managing procurement on behalf of the Commission. In addition, we understand that the Commission will be required to adhere to the Region's procurement policies (including approval thresholds and the no PO/no pay requirement) and, when combined with other integrated services, the potential for cost escalations under Option 2 are expected to be reduced.



Niagara Transit Commission

Evaluation of Service Delivery Options

Communications

Redacted



Communications

A. Overview of the service

For the purposes of our review, communications is considered to include the development and dissemination of printed, electronic and other forms of communication for internal and external purposes, which may include social meeting postings, notices of route changes and internal staff messaging.

B. Current approach to service delivery

We note that St. Catharines currently has a designated communications specialist for transit services.

C. Jurisdictional review results

Based on the results of the jurisdictional review, we note that communications services are either provided through:

- Communications staff embedded within the transit organization (London);
- Communications staff within the municipal communications function but dedicated exclusively to transit (Hamilton); or
- Communications staff within the municipal communications function that provide support to transit services and other departments (Durham, Windsor).

D. Regional approach to service delivery

The Region's strategic communications and public affairs function develops communications strategies on behalf of all Regional departments except for public health, which maintains its own communication function. We understand that the NRPS maintains its own communications function independent of the Region.

Communications

E. Potential options for consideration

For the purposes of our evaluation, we have considered the following options with respect communications services:

- **Option 1 – Full integration with the Region’s communication function.** Under this option, the Commission would be treated as an operating department of the Region, with communications services provided by the Region’s communications and public affairs function.
- **Option 2 – Standalone communication function.** Under this option, the Commission would be responsible for managing its own communications activities.

As summarized on the following page, Option 2 – with the Commission directly responsible for communications activities through its own resources – is identified as the preferred model for communications given the results of the jurisdictional review (which indicate that preference for dedicated communications resources) and the ability to directly link communications activities with the Commission’s operations through the proposed model.

Redacted

Communications

	Option 1 Regional Responsibility	Option 2 Commission Responsibility	Comments
Does the proposed service delivery model support a focus on customer service for transit?	◐	●	While reliance on the Region's communications and public affairs function would provide communications resources and capacity to the Commission, the potential risk of competition for staff resources may arise given the overall level of demand within the Region for communications.
Is the proposed service delivery model aligned with common practice as identified through the jurisdictional review?	●	●	The results of the jurisdictional review have identified an equal number of instances where communications are provided (1) by dedicated/embedded resources; and (2) by municipal communications resources that are not exclusively assigned to transit. As such, both options are considered to be consistent with the results of the jurisdictional review.
Is the proposed service delivery model aligned with the Region's approach to service delivery with internal departments and outside boards and commission?	●	◐	While the majority of Regional departments rely on the Region's communications and public affairs function, Public Health and the NRPS maintain their own communications function.
Does the proposed service delivery model maximize cost efficiencies for transit services?	●	●	The incremental costs associated with either option are considered to be consistent given the expectation that additional resources would be required to meet the communications needs of the Commission.



Niagara Transit Commission

Evaluation of Service Delivery Options

Legal, Insurance and Risk Management

Redacted



Legal, Insurance and Risk Management

Based on the results of the jurisdictional review, we did not identify any instances where transit organizations (including standalone transit commissions) maintained in-house legal counsel, which we believe reflects (1) the absence of legal activity at a level that would support an in-house legal counsel specifically for transit; (2) the ability to rely on in-house legal counsel within their respective municipality; and/or (3) the reliance on insurers and/or external legal counsel for legal and risk management services. This is similar to the Current Transit Providers, none of which have identified in-house legal counsel within their transit functions.

With the Region, legal and court services provides a broad scope of advice and support to the Region's functional units and NRPS (as well as the former Niagara Regional Housing) on a wide range of matters, including but not limited to litigation, insurable and non-insurable claims, risk management, real estate, contracts and litigation. Legal services utilizes in-house counsel primarily for the management of claims against the Region, the review of all documents to be executed by the Chair, Clerk, CAO or Commissioner of Corporate Services/Treasurer or which require financial securities or proof of insurance as required by the Region's Document Execution By-Law, the review of Council reports supporting resolutions that require agreements that require review by legal services and ad hoc advice to Region departments on a variety of legal matters. External legal counsel is most often used for non-insurable claims and for specialized legal services (e.g. labour law), although Region lawyers are assigned to these files in a monitoring capacity and to facilitate the provision of information and the retention of corporate knowledge.

The delivery of legal and risk management services through the Region's legal services (including external legal counsel where appropriate) is identified as the preferred model given:

- The absence of in-house legal counsel in any of the transit organizations including in the jurisdictional review;
- The relative size of the transit commission, which likely precludes in-house legal counsel from a cost perspective;
- The consistency of the integrated approach with the NRPS.

Similar, we suggest that the Commission's insurance be managed through the Region as a means of ensuring a consistent approach to coverage and claims management. In addition, the Region's involvement in the delivery of certain services to the Commission may have implications from an insurance perspective that support an integrated approach to insurance management. For example, cybersecurity coverage for the Commission will be determined in large part by the Region's involvement in backbone systems and technology.



Niagara Transit Commission

Evaluation of Service Delivery Options

Corporate Secretariat Services

Redacted



Corporate Secretariat Services

Based on our discussions with the Region, we understand that various administrative requirements associated with municipalities will also be applicable to the Commission, including but not limited to:

- The requirement to provide notices for meetings of the Board of Directors;
- Making minutes of meetings publicly available;
- Provincial legislation relating to freedom of information requests (Municipal Freedom of Information and Protection of Privacy Act); and
- Provincial legislation relating to the accessibility of publicly available information (e.g. WCAG 2.0 standards).

Given the consistency of these services with the Region, the delivery of corporate secretariat services through the Regional Clerk function has been identified as the preferred service delivery model. However, for certain administrative functions (e.g. minutes of board meetings), clerical staff employed by the Commission could provide this function.

Redacted



Niagara Transit Commission

Overall Conclusions

Redacted



Overall Conclusions

We have summarized below the suggested responsibilities for corporate and administrative support services based on the results of our analysis. The allocation of responsibilities reflects the general principles outlined earlier in our report:

- The Commission having responsibility for those services that are considered to be critical to the delivery of transit services; and
- The Region having responsibility for those services that are common to the Region and do not require a different level of knowledge, skill set or resource availability and/or are more cost efficient to deliver through a shared deliver model.

Category	Service	Region (Integrated Delivery)	Region (Dedicated Resource)	Commission
Human Resources	Staff recruitment			✓
	Collective bargaining agreement negotiation			✓
	Employee relations			✓
	Employee timekeeping			✓
	Employee training and development			✓
	Personnel and performance management			✓
	Occupational health and safety	✓		
	Attendance and disability management	✓		
	Employee records and administration	✓		
	Human resources management systems	✓		
	Payroll processing	✓		
	Pension and benefits administration	✓		

Overall Conclusions

Category	Service	Region (Integrated Delivery)	Region (Dedicated Resource)	Commission
Human Resources (continued)	Compensation planning for non-unionized personnel (management and non-management)	✓		
	Personnel policy development and administration	✓		
	Employee assistance program	✓		
Finance	Accounts payable processing	✓		
	Revenue transaction processing	✓		
	Budgeting		✓	
	Internal financial reporting		✓	
	External financial reporting		✓	
	Financial analysis		✓	
	Internal audit	✓		
	External audit	✓		
	Asset management planning	✓		
Information Technology	Scheduling software			✓
	Driver management and timekeeping system			✓
	Planning system			✓
	Automated stop announcement system			✓

Overall Conclusions

Category	Service	Region (Integrated Delivery)	Region (Dedicated Resource)	Commission
Information Technology (continued)	CAD/AVL system			✓
	Automated vehicle monitoring system			✓
	Automatic passenger counters			✓
	Transit radio system			✓
	On-board CCTV system			✓
	Farebox system			✓
	Paratransit scheduling software			✓
	Paratransit AVL system			✓
	Other operational systems and technologies			✓
	ERP (finance and human resources)	✓		
	Cybersecurity systems	✓		
	Desktop technologies and applications	✓		
	Data centre/servers/SANs	✓		
	Data analytics	✓		
	Administrative peripherals	✓		
	User help desk	✓		
	Other corporate backbone systems and technologies	✓		

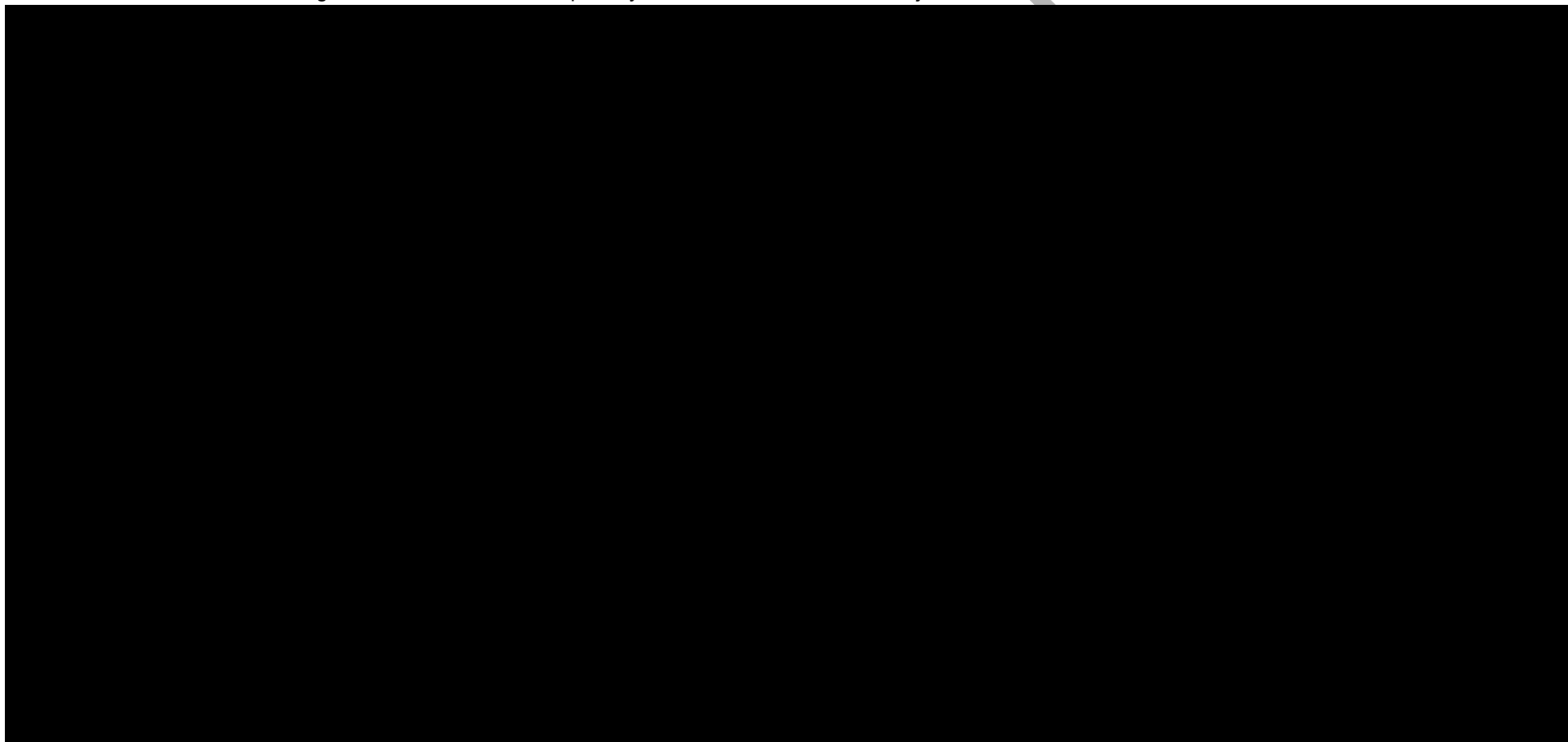
Overall Conclusions

Category	Service	Region (Integrated Delivery)	Region (Dedicated Resource)	Commission
Maintenance Activities	Fleet maintenance			✓
	Facilities maintenance			✓
Other	Procurement	✓		
	Legal	✓		
	Communications			✓
	Corporate secretariat	✓		

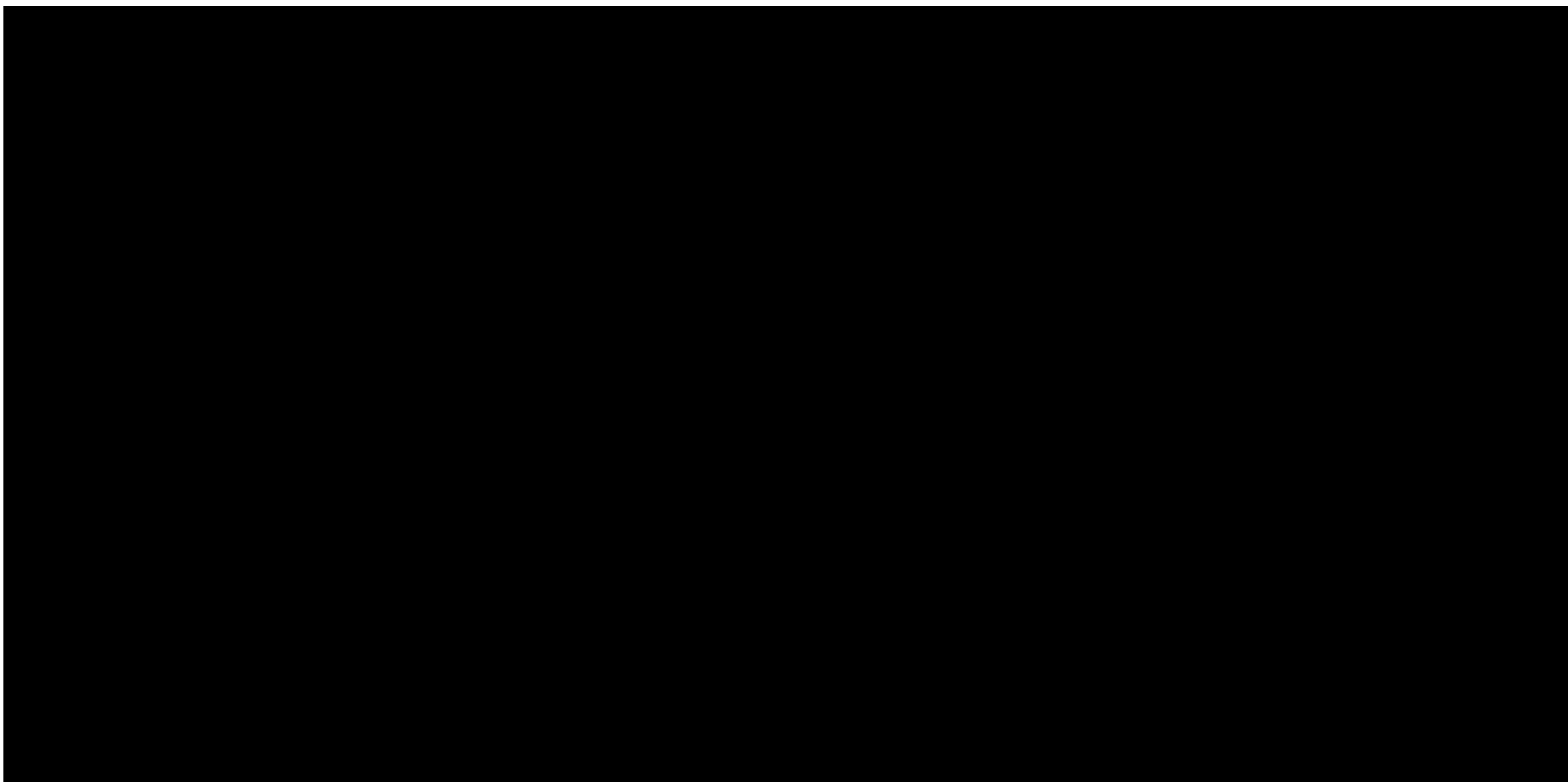
Redacted

Overall Conclusions

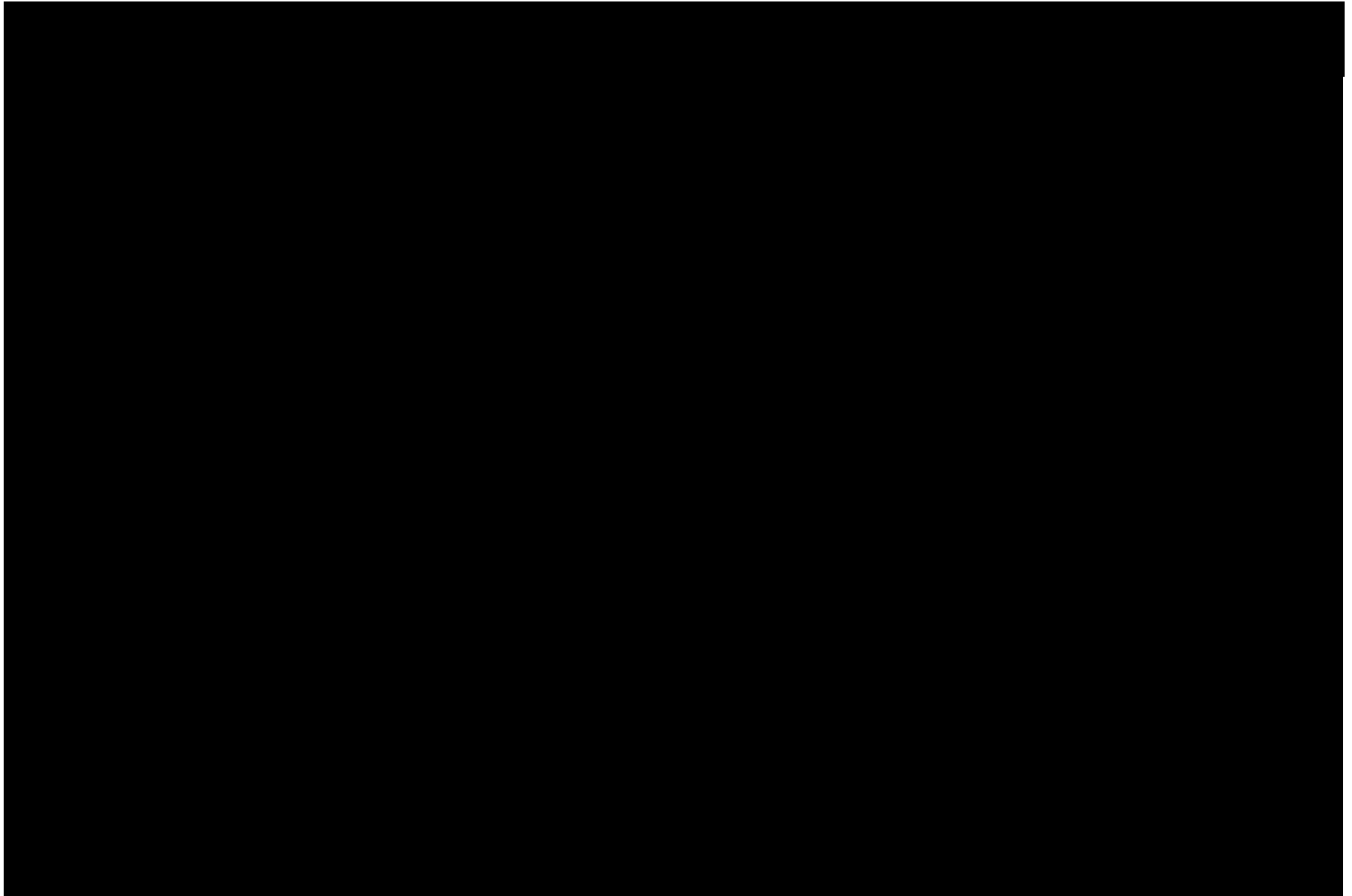
While we understand that the organizational structure of the Commission will be determined by its senior leadership and may evolve in response to changes in transit services, we have suggested an organizational structure that reflects both the proposed model for corporate and administrative services as well as organizational structures adopted by commissions included in the jurisdictional review.



Overall Conclusions



Overall Conclusions





Niagara Transit Commission

Appendix A Organizational Charts

City of Niagara Falls

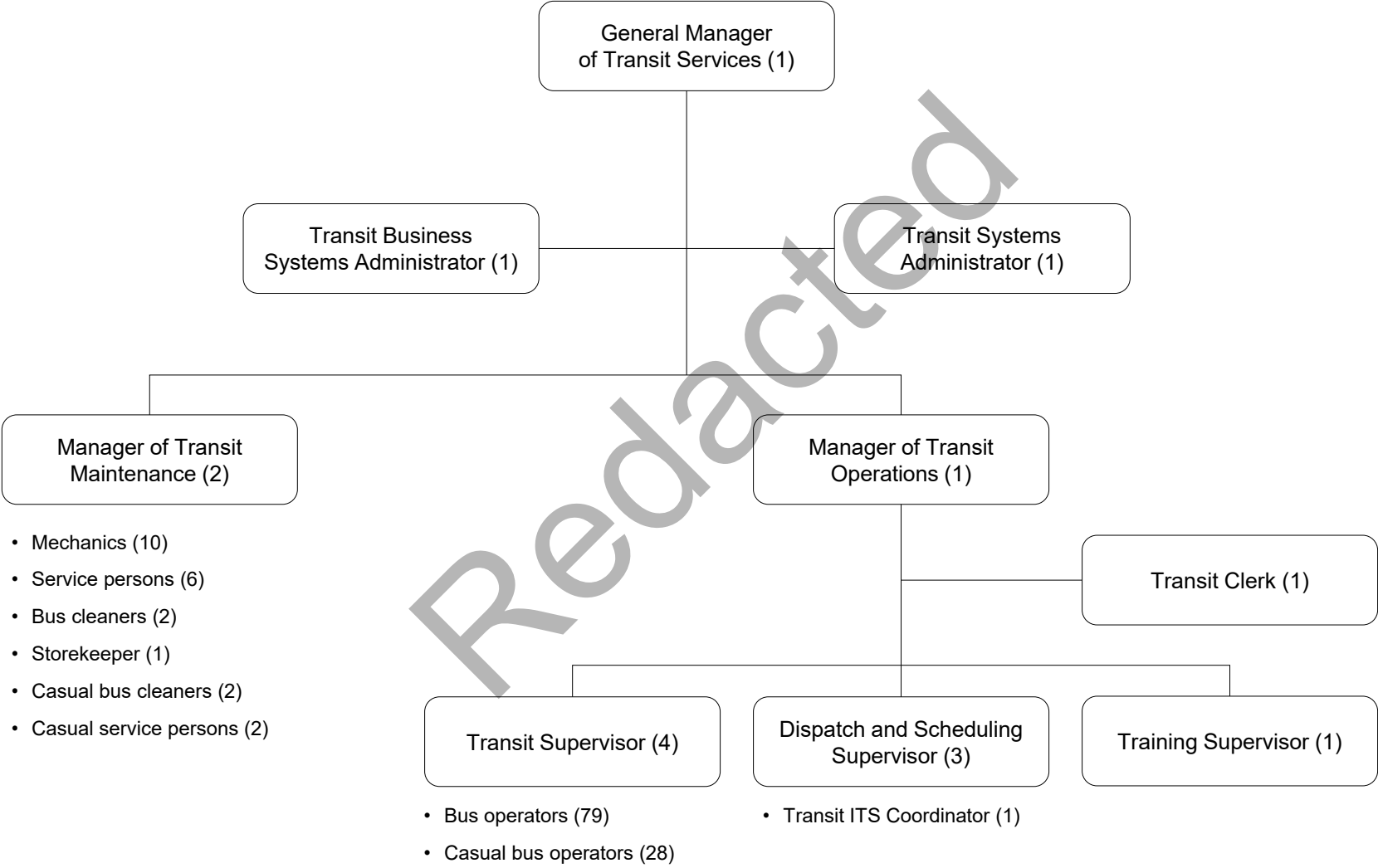
St. Catharines Transit Commission

City of Welland

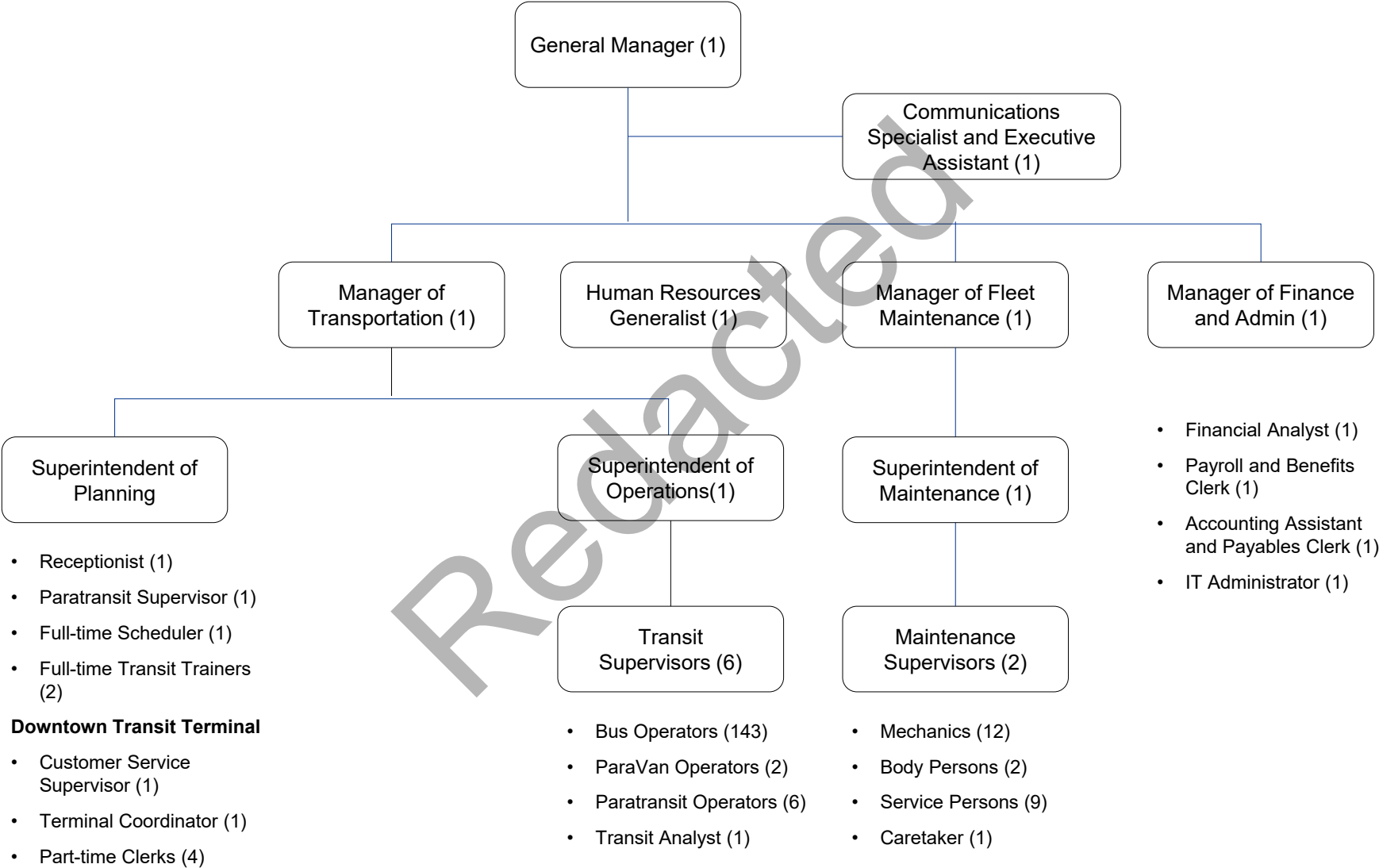
Redacted



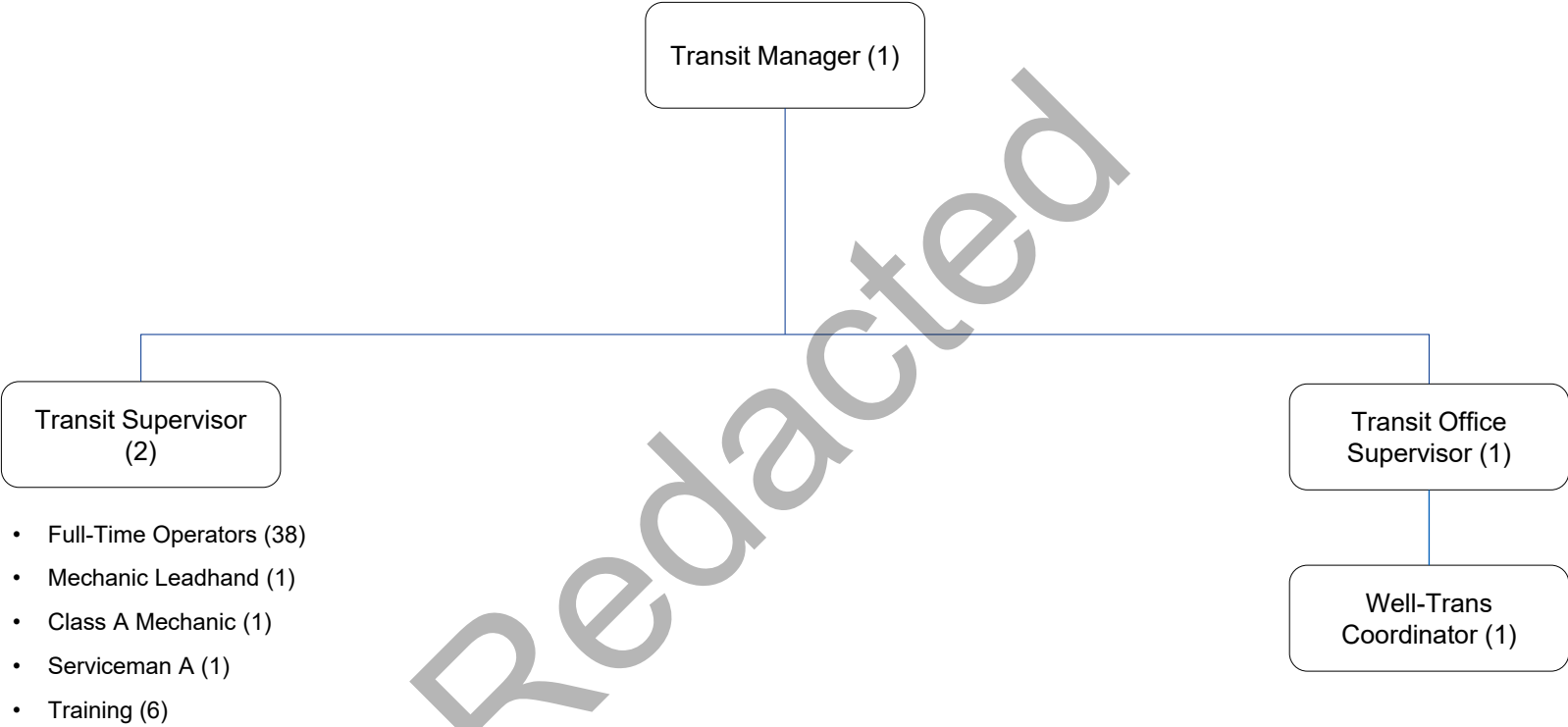
Current State - City of Niagara Falls



Current Organizational Structure - City of St. Catharines



Current State - City of Welland



Redacted



kpmg.ca



© 2022 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Niagara Transit Commission - Corporate and Administrative Support Services

The following support services may be provided by the Region to NTC on a cost recovery basis:

1. Corporate secretariat services, including responsibility for updating and interpreting the NTC's procedural by-law, providing notices for meetings, preparing minutes of meetings, carrying out NTC's responsibilities under the *Municipal Freedom of Information and Protection of Privacy Act* and records management.
2. Human Resources responsibilities regarding Human Resources Management Systems (Peoplesoft HRIS), payroll processing, pension and benefits administration, compensation planning for non-unionized personnel (management and non-management), personnel policy development, employee records and administration, and administration and overseeing an employee assistance program.
3. Finance services regarding budgeting, internal financial reporting, external financial reporting, financial analysis, accounts payable processing, revenue transaction processing, Peoplesoft ERP financial system support, internal audit, external audit, and asset management planning.
4. Information Technology services respecting cybersecurity systems, desktop technologies and applications, data centre/servers/SANS, data analytics, administrative peripherals, user help desk, other corporate backbone systems and technologies as adopted from time to time.
5. Procurement and Realty Management services.
6. Legal and Risk Management (including insurance) services.