

**NIAGARA TRANSIT COMMISSION
AGENDA**

NTC 4-2022

Tuesday, September 6, 2022

3:00 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

To view live stream meeting proceedings, visit: niagararegion.ca/government/council

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>LAND ACKNOWLEDGEMENT STATEMENT</u>	
3. <u>ADOPTION OF AGENDA</u>	
4. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
5. <u>ADOPTION OF MINUTES</u>	
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6. <u>PRESENTATIONS</u>	
7. <u>DELEGATIONS</u>	
8. <u>ITEMS FOR CONSIDERATION</u>	
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Niagara Transit Commission Head Office Location

9. CONSENT ITEMS FOR INFORMATION

- 9.1. NTC-C 1-2022 52 - 71
Niagara Transit Commission Budget Development Road Map

10. OTHER BUSINESS

11. CLOSED SESSION

- 11.1. Niagara Transit Commission - Closed Session Minutes
Closed Session Minutes NTC 3-2022, Tuesday, August 2, 2022

12. BUSINESS ARISING FROM CLOSED SESSION

13. NEXT MEETING

The next meeting will be held on Tuesday, September 13, 2022 at 4:00 p.m. in the Council Chamber, Regional Headquarters.

14. 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).

**NIAGARA TRANSIT COMMISSION
MINUTES**

NTC 3-2022

Tuesday, August 2, 2022

Council Chamber\Video Conference

**Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Board Members: N. Arsenault (Niagara-on-the-Lake), D. Cridland (Wainfleet), A. Desmarais (Port Colborne) (via Video Conference), W. Fertich (Vice Chair) (Grimsby), B. Greenwood (Niagara Falls), G. Miller (St. Catharines) (via Video Conference), W. Olson (Pelham), J.D. Pachereva (Lincoln) (via Video Conference), W. Redekop (Fort Erie) (via Video Conference), W. Reilly (West Lincoln), W. Sendzik (Chair) (St. Catharines), M. Siscoe (St. Catharines), L. Van Vliet (Welland)

Ex-officio(Non-Voting) Members: J. Bradley (Regional Chair), R. Tripp (Chief Administrative Officer, Niagara Region)

Absent/Regrets: C. Dabrowski (Niagara Falls), T. Whalen (Thorold)

Staff: D. Gibbs, Director, Legal & Court Services, J. Hagar, Human Resources Consultant, Transit, A.-M. Norio, Regional Clerk, M. Robinson, Director, GO Implementation Office, J. Spratt, Administrative Assistant to the Regional Clerk, B. Zvaniga, Commissioner, Public Works

Others Present: R. Groves, Dentons LLP, External Legal Counsel (via Video Conference)

1. **CALL TO ORDER**

Board Chair Sendzik called the meeting to order at 3:00 p.m.

2. **LAND ACKNOWLEDGEMENT STATEMENT**

Member Cridland provided the Land Acknowledgement Statement.

3. **ADOPTION OF AGENDA**

Board Chair Sendzik requested the Board consider Confidential Report NTC 10-2022 immediately prior to Items for Consideration. There being no objections it was therefore:

Moved by M. Siscoe
Seconded by W. Reilly

That Agenda NTC 3-2022, **BE ADOPTED**, as amended.

Carried

4. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

5. ADOPTION OF MINUTES

5.1 Niagara Transit Commission Minutes NTC 2-2022

Minutes NTC 2-2022, Tuesday, July 19, 2022

Moved by W. Olson
Seconded by N. Arsenault

That Minutes NTC 2-2022 being the Open and Closed Session minutes of the Niagara Transit Commission meeting held on Tuesday, July 19, 2022, **BE ADOPTED**.

Carried

11. CLOSED SESSION

Moved by W. Olson
Seconded by L. Van Vliet

That this Board **DO NOW MOVE** into closed session for the purposes of receiving information of a confidential nature respecting:

A Matter of Personal Matters About Identifiable Individuals and Legal Advice Subject to Solicitor-Client Privilege under Section 239(2) of the Municipal Act, 2001 – NTC General Manager Recruitment - General Manager Employment Contract

Carried

The Board resolved into closed session at 3:04 p.m.

12. BUSINESS ARISING FROM CLOSED SESSION

The Board reconvened in open session at 3:23 p.m. with the following individuals in attendance:

Board Members: N. Arsenault (Niagara-on-the-Lake), D. Cridland (Wainfleet), W. Fertich (Vice Chair) (Grimsby), B. Greenwood (Niagara Falls), G. Miller (St. Catharines) (via Video Conference), W. Olson (Pelham), J.D. Pachereva (Lincoln) (via Video Conference), W. Redekop (Fort Erie) (via Video Conference), W. Reilly (West Lincoln), W. Sendzik (Chair) (St. Catharines), M. Siscoe (St. Catharines), L. Van Vliet (Welland)

Ex-officio(Non-Voting) Members: J. Bradley (Regional Chair), R. Tripp (Chief Administrative Officer, Niagara Region)

Absent/Regrets: C. Dabrowski (Niagara Falls), A. Desmarais (Port Colborne), T. Whalen (Thorold)

Staff: S. Fraser, Transportation Lead, D. Gibbs, Director, Legal & Court Services, J. Hagar, Human Resources Consultant, Transit, T. Harrison, Commissioner, Corporate Services (via Video Conference), A.-M. Norio, Regional Clerk, S. O'Brady, Associate Director, Strategic Communications & Public Affairs, M. Robinson, Director, GO Implementation Office, J. Spratt, Administrative Assistant to the Regional Clerk, B. Zvaniga, Commissioner, Public Works

Others Present: R. Groves, Dentons LLP, External Legal Counsel (via Video Conference)

12.1 Confidential NTC 10-2022

A Matter of Personal Matters About Identifiable Individuals and Legal Advice Subject to Solicitor-Client Privilege under Section 239(2) of the Municipal Act, 2001 – NTC General Manager Recruitment - General Manager Employment Contract

Moved by N. Arsenault
Seconded by B. Greenwood

That Confidential Report NTC 10-2022, dated August 2, 2022, respecting A Matter of Personal Matters About Identifiable Individuals and Legal Advice Subject to Solicitor-Client Privilege under Section 239(2) of the Municipal Act, 2001 – NTC General Manager Recruitment - General Manager Employment Contract, **BE RECEIVED** and the recommendations contained therein **BE APPROVED.**

Carried

12.2 Confidential NTC 13-2022

A Matter of Legal Advice and A Matter of Personal Information about identifiable individuals pursuant to section 239(2)(b) and (f): Update regarding Employment Matters in the Municipal Transfer Agreement

The Board did not consider Confidential NTC 13-2022.

6. **PRESENTATIONS**

There were no presentations.

7. **DELEGATIONS**

There were no delegations.

8. **ITEMS FOR CONSIDERATION**

8.1 NTC 11-2022

Interim Branding Strategy

Moved by N. Arsenault
Seconded by W. Reilly

That Report NTC 11-2022, dated August 2, 2022, respecting Interim Branding Strategy, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Niagara Transit Commission Board **APPROVE** the name of the transit system to be “Niagara Region Transit”;
2. That the Transit Commission Steering Committee **BE DIRECTED** to initiate the re-branding of the identified existing transit assets required for the launch of the new service on January 1, 2023; and
3. That Niagara Region staff **BE DIRECTED** to initiate the RFP process for re-branding.

Carried

Member Information Request(s):

Ensure accessibility considerations are part of the re-branding exercise.
Member Redekop.

9. CONSENT ITEMS FOR INFORMATION

9.1 CAO 8-2022

Moving Transit Forward: Update on Municipal Transfer Agreements

Moved by B. Greenwood
Seconded by L. Van Vliet

That Report CAO 8-2022 dated July 21, 2022, respecting Moving Transit Forward: Update on Municipal Transfer Agreements, **BE RECEIVED** for information.

Carried

Member Information Request(s):

Clarify the financial data provided in Schedule B - Municipal Debt for Transfer in Report CAO 8-2022. Member Redekop.

9.2 NTC 12-2022

Enactment of By-law to Provide for the Roles and Responsibilities of the General Manager

Moved by L. Van Vliet
Seconded by W. Olson

That Memorandum NTC 12-2022, dated August 2, 2022, respecting Enactment of By-law to Provide for the Roles and Responsibilities of the General Manager, **BE RECEIVED** for information.

Carried

10. OTHER BUSINESS

10.1 Notice of Motion – City of Welland Representation

Member Van Vliet advised he would be bringing forward a motion at the next meeting respecting increasing the City of Welland's representation on the Board.

13. BY-LAWS

13.1 Bill No. 2022-01

Moved by N. Arsenault
Seconded by M. Siscoe

That Bill 2022-01 being a by-law to provide for the roles and responsibilities of the General Manager of the Niagara Transit Commission, **BE NOW READ** and **DO PASS**.

Carried

14. NEXT MEETING

The next meeting will be held on Tuesday, September 6, 2022 at 3:00 p.m. in the Council Chamber, Regional Headquarters.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 4:02 p.m.

Walter Sendzik
Chair, Niagara Transit Commission

Ann-Marie Norio
Regional Clerk

2022-2023

General Manager's Workplan

Niagara Transit Commission Board

NTC 14-2022

September 6, 2022

Carla Stout, General Manager, Niagara Transit Commission



2022-2023 General Manager's Workplan

NTC 14-2022

September 6, 2022

Outline

Workplan Overview

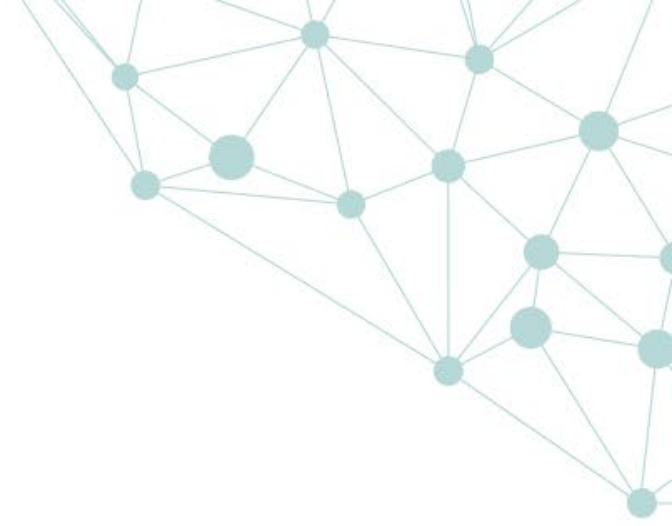
Represents the guiding principles, priorities, and overall structure of the NTC's workplan.

Getting to Day 1

With four months until the assumption of operations, a strong 'final push' is required to prepare for transition. This will encompass both decisions to be brought to the NTC board, as well as a significant number of staff-led tasks that will occur in the background.

Looking Ahead to Year 1 and Beyond

A summary of the key priorities for the NTC that will follow the successful transfer of operations - as we look to harmonize, expand, and grow transit in Niagara in 2023 and beyond.



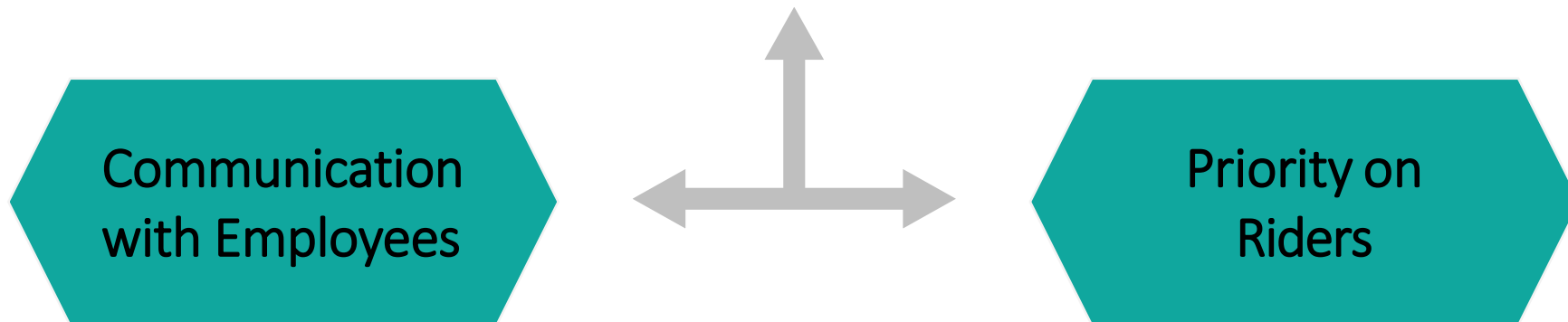
Workplan Overview

Workplan Overview

Guiding Principles

Other than new branding and harmonized fares, no one should know that there was a transition to Day 1

There should be no service issues, no employee issues, no hiccups at the farebox or interruption in information.



Workplan Overview

The First 90 Days



The First 90 Days

The NTC has already achieved a significant number of the early milestones from the TCSC Workplan presented in June:

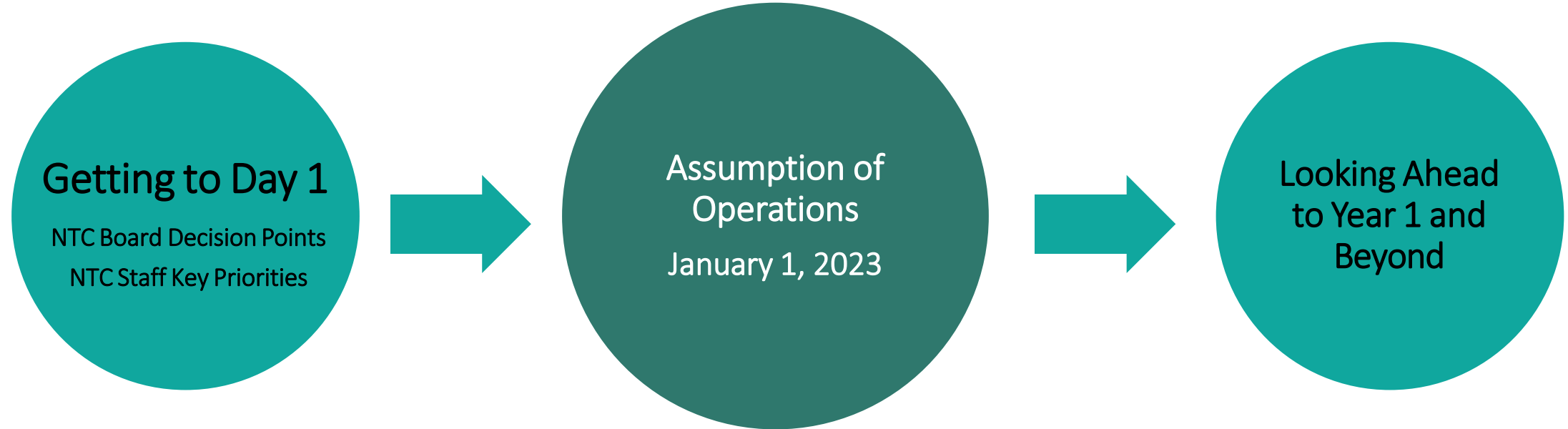
- ✓ Harmonization of Transit Fares
- ✓ Camera and Farebox Standardization
- ✓ Branding as Niagara Region Transit
- ✓ General Manager Recruitment

And will shortly accomplish the remainder of the '90 Day' priorities

- ✓ Organizational Structure
- ✓ Shared Services

Workplan Overview

Getting to Day 1 / Looking Ahead to Year 1



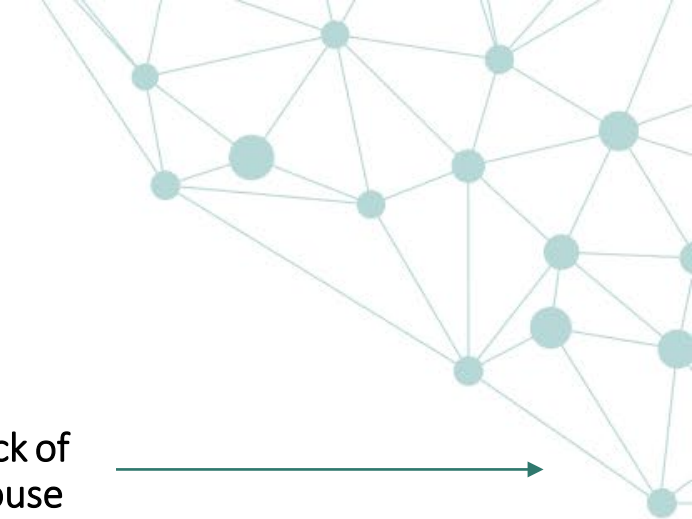
Workplan Overview

Getting to Day 1



KEY OBJECTIVES			
PEOPLE DEVELOPMENT	PRIORITY ON RIDERS: PREPARING FOR DAY 1	2023 CAPITAL AND OPERATING BUDGETS	STANDING UP THE NTC
<ul style="list-style-type: none"> • Organizational Structure • Shared Services • Collective Bargaining • GM Town Halls • “NTC is NEW to Me” staff Onboarding and Training program • Internal communications 	<ul style="list-style-type: none"> • WEGO Service Agreement • Public Information Campaign • NRT Brand Awareness Launch • NRT Website • ONE fare structure • ONE farebox • Operational Planning and Harmonization 	<ul style="list-style-type: none"> • Budget Workshop • ICIP Application • 2023 Operating and Capital Budgets – Final Consideration • Negotiate Winter Control standards and delivery of service by LAMs & Region 	<ul style="list-style-type: none"> • Approve Operating By-law • Policy Approvals • Municipal Transfer Agreement • Board Reappointment • Enterprise Systems, HRIS, Finance & Payroll delivery • Contract Transfer and Alignment • Fuel procurement

Bold - Board Decision Point

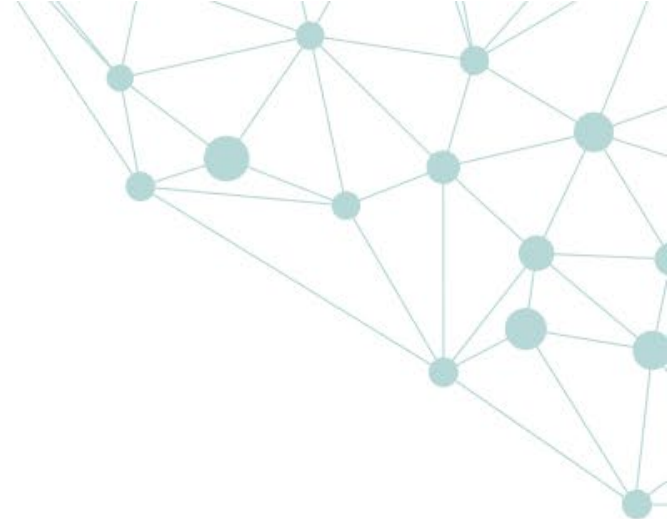


Workplan Overview

Looking Ahead to Year 1 and Beyond



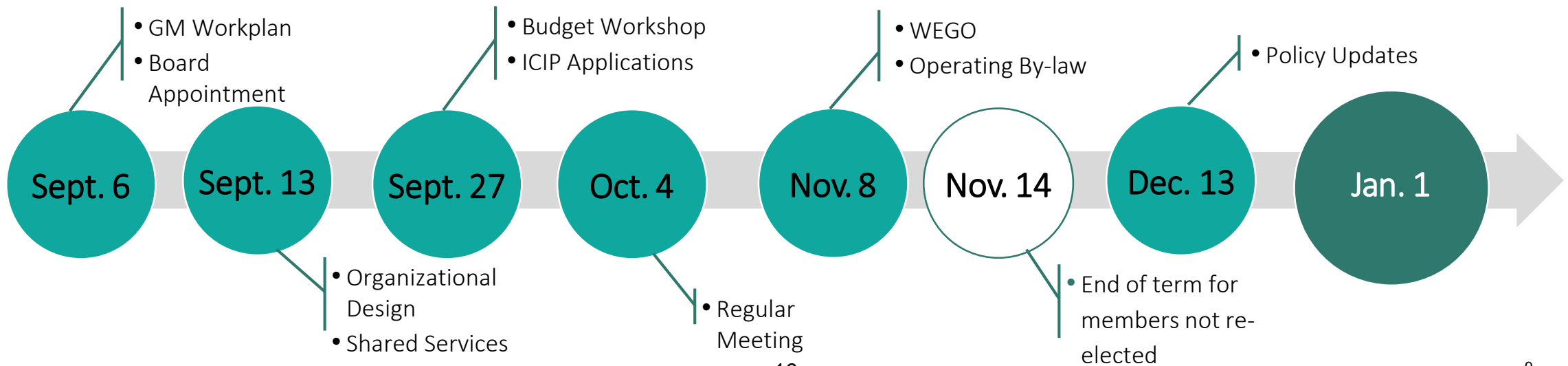
KEY OBJECTIVES			
PEOPLE DEVELOPMENT	PRIORITY ON RIDERS	STRATEGIC REVIEWS AND BUDGET DEVELOPMENT	STANDING UP THE NTC
<ul style="list-style-type: none"> Undertake a Human Resources Strategy Recruitment & training for service expansion 2023/2024 Establish JH&SC, Labour Management Relations Team Non-union /union Performance Management / Monitoring Programs 	<ul style="list-style-type: none"> Branding Strategy U-Pass for Brock University and Niagara College <i>Service Standards Plan</i>: Accelerate Phase 1 Operating Hours Alignment <i>Service Standards Plan</i>: Balance of Phase 1 Hours <i>Service Standards Plan</i>: Phase 3 - Network Review Fare Policy Review (One single flat fare, fare promotions / concessions) 15 	<ul style="list-style-type: none"> Facility Condition Assessment & Strategy Contract Harmonization 5-Year Strategic Plan (2024-2028) Asset Management Framework <i>Service Standards Plan</i>: Phase 2 – On-Demand/ Specialized Harmonization: Strategy and Procurements Develop KPI Framework Zero Emission Bus Strategy On-Street Inventory of Assets 	<ul style="list-style-type: none"> Public Advisory Committee Terms of Reference and Appointments WEGO Service negotiations with the Niagara Parks Commission <i>Service Standards Plan</i>: Phase 2 – On-Demand/ Specialized Harmonization: Recruitment and Implementation Board Governance Review Shared Services Review



Workplan Overview

NTC Board Calendar

There remains a significant amount of work to complete ahead of January 1, 2023 transition. An aggressive schedule of NTC Board meetings is necessary to bring forward the necessary decision points. This schedule will continue to evolve through the remainder of 2022.



Timing of final budget consideration will be determined following the Budget Workshop on September 27.

Workplan Overview

Transition Resource Requirements

Personnel and financial resources for ‘Getting to Day 1’:

- Senior leadership needed as soon as possible to drive key projects;
- Human Resources staff in place for Oct-Dec labour relations issues, compliment planning and coordination, assist in the procuring and delivery of payroll and HR services for Year 1;
- Transit agencies to dedicate current staff time to dedicated teams for key projects and deliverables;
- Funding application support and advocacy by Regional Finance team at the provincial Ministry level for consolidated ICIP funding supporting amalgamation;
- Regional staff assistance pre Jan 1 (IT, Risk Management, HR & payroll, financial analysis, 2023 budgeting, procurement, clerks, legal, communications).

Workplan Overview

Key Risks to Transition

- Timeline trials – there is 4 months to achieve key projects which could impact the ability to roll out service as the NTC on January 1.
- Operational harmonization challenges – GM needs Leadership team in place now.
- Supply Chain issues – could delay or impact key purchases and implementations.
- Resistance to change – delays due to opposition to key changes within the transition timeframe.
- Late notice by staff - retirements or employee exits prior to transition date creates additional stress due to employee gaps.

To mitigate the above – need to set a tone early with staff and clearly articulate the path forward and the vision

Getting to Day 1

People Development





Getting to Day 1

People Development

The people who will be moving to the NTC represent its single largest asset, and ensuring a smooth transition is essential. **Without the staff, there is no service.**

GM Town Halls

- Introduce the General Manager to union and non-union staff at all properties.
- Discuss upcoming transition activities and what staff can expect through Q4 2022.
- Initiate a “one-team” approach.
- Opportunity for staff to ask questions during time of change.

20

“NTC is NEW to Me”

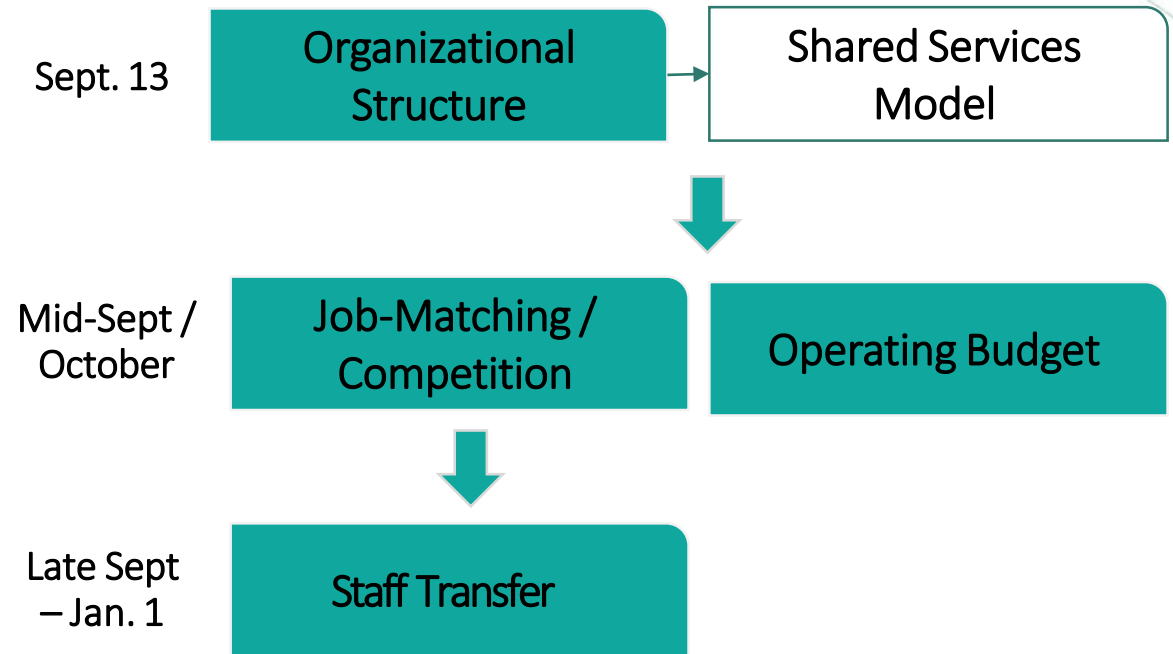
- Internal outreach and communications campaign to support transition – what staff need to know as January 1 approaches.
- Commence approximately October 1.
- Staff training and resources on updated policies and procedures.
- Formal on-boarding to NTC.

13

Getting to Day 1

People Development – Organizational Structure + Shared Services

- The development of an organizational structure is a **top transition priority** – anticipated to be brought to the NTC Board on **September 13**.
- There are a significant number of later transition tasks that depend on the org. structure:
 - **Transfer of staff** – job matching/competition;
 - **Shared services** – recommended models reflected in org. structure;
 - **Budget development** – impact on FTEs, transition costs.
- Accelerated timelines required for transfer of senior staff with role to play in transition.



Getting to Day 1

People Development – Collective Bargaining

- Current unionized employees are part of 3 Amalgamated Transit Unions (ATU).
- All unionized employees will transfer to NTC.
- Transition is governed by defined processes, including *Public Sector Labour Relations Transition Act, 1997* (PSLRTA).
- GM to meet with Locals and identify timelines from ATU International and Executives as to when their new amalgamated Local will be formed and an Executive will be available to commence bargaining.
- A future Board report will outline preliminary discussions to date and seek direction from Board with respect to negotiations.

Getting to Day 1

Priority on Riders

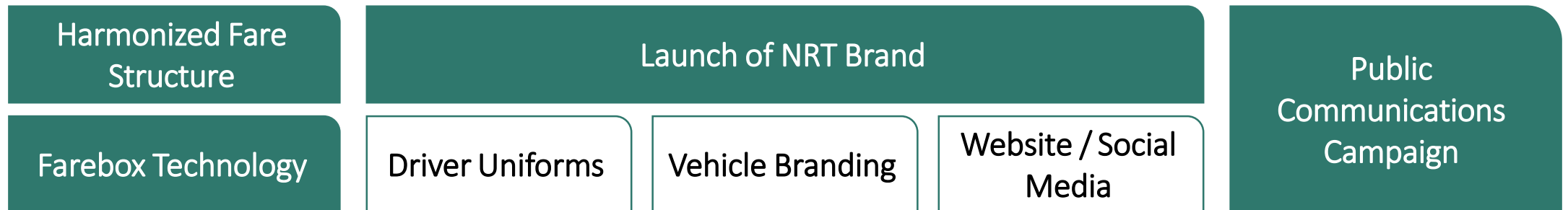


Getting to Day 1

Priority on Riders – What to Expect on Day 1?

Guiding Principle: Other than new branding and a harmonized fare, no one should know that there was a transition to Day 1

The NTC has already provided the necessary approvals for the majority of the public-facing measures that will take effect for January 1st – its now about planning and execution by staff.



Getting to Day 1

Priority on Riders – Operational Planning and Harmonization

- A significant body of work, led by the **TCSC Operations Working Group**, is underway to harmonize operational systems, policies, standards and procedures between existing transit systems in advance of January 1, 2023.
- This work takes place ‘behind-the-scenes’ but has a **direct impact on the rider** - these tasks are critical to ensuring the successful operation of a combined system:
 - Common Maintenance Standards
 - Customer Service Integration
 - Commission Website
 - Harmonized Operating Procedures and Policies



NTC Board
Strategic Decisions



TCSC / NTC Staff
Transition
Preparation

Getting to Day 1

WEGO Service Agreement

- NTC and the City of Niagara Falls are anticipated enter into a service agreement for the provision of operators to deliver the continued contracted City of Niagara Falls WEGO routes.
- Preliminary discussions have occurred through the MTA process, but the agreement requires finalization.
- A future NTC Board report will outline the key terms of the operating agreement.

Getting to Day 1

2023 Capital and Operating Budgets

Getting to Day 1

2023 Capital and Operating Budgets

- The development of the initial operating and capital budgets for the NTC is an important milestone, one that must reflect the priorities and strategic objectives of the Commission, while balancing resources and affordability.
- The NTC Board has not yet been presented with a comprehensive overview of:
 - the financial strategy advanced through triple-majority;
 - how that relates to the development of the 2023 budgets; or
 - the incoming pressures (i.e. MTA obligations, inflationary pressures).
- The NTC's initial 2023 budget will be developed by consolidating the 2022 LAM budgets, and making known recommended adjustments such as the removal of PGT funding from operations, organizational staffing requirements, addition of capital funding reserve, and MTA obligations such as Employee Future Benefits (EFBS).



Getting to Day 1

2023 Capital and Operating Budgets

September 27, 2022 Budget Workshop - hold a dedicated budget workshop session with the NTC Board. This workshop would provide an opportunity for the GM to lead the Board through a presentation outlining 2023 budget principles and key considerations, broken down into:

- *Core Funding*: 2022 LAM consolidated budgets + inflationary guidance
- *MTA Obligations and Pressures*: EFBs, asset impacts, PGT, Safe Restart Funding, etc.
- *Discretionary + Business Cases*: risks and opportunities for 2023.

The final consideration of the operating budget by the Board will be determined at a date in October 2022.



Getting to Day 1

Standing Up the NTC



Getting to Day 1

Standing Up the NTC – Additional Approvals

- **Policy Updates** – as part of the establishment of the NTC, a number of Regional policies were identified as applying on an interim basis until such time as the NTC has an opportunity to review and develop its own policies where necessary. The GM will be asked to review these temporary policies and may either adopt as permanent or identify specific policies for update by staff and report back to the Board in 2023.
(See CSD 19-2022, Appendix 1, Schedule A).
- **Operating By-law** – a draft operating by-law has been circulated within the Operations Working Group for review, to reflect completed Operators Manual (in-progress). Subsequent NTC Board adoption required, anticipated for November 8, 2022.

Getting to Day 1

Agreements with Municipalities

Municipal Transfer Agreement

- While formal authority for the final negotiation and execution of the MTA rests with Niagara Region, the NTC GM will need to play a pivotal role as the agreement is finalized given the direct operational impacts to the NTC.
- As of August 2022, outstanding items for discussion include treatment of Employee Future Benefits (EFBs) and the status of future improvements to the Welland Transit facility.

Contract Assignment

- Existing agreements between LAMs and third-party vendors will need to be transferred the NTC. These range from direct service contracts such NRT On-Demand, through to utility and facility use agreements.
- Work has been completed to identify contracts, extend where necessary to support operations, and examine opportunities for early harmonization.
- Work remains to formally execute transfer – give notice to vendors of contract assignment, and ensuring no disruption of service on January 1.

Getting to Day 1

Standing Up the NTC – Reappointment of NTC Board

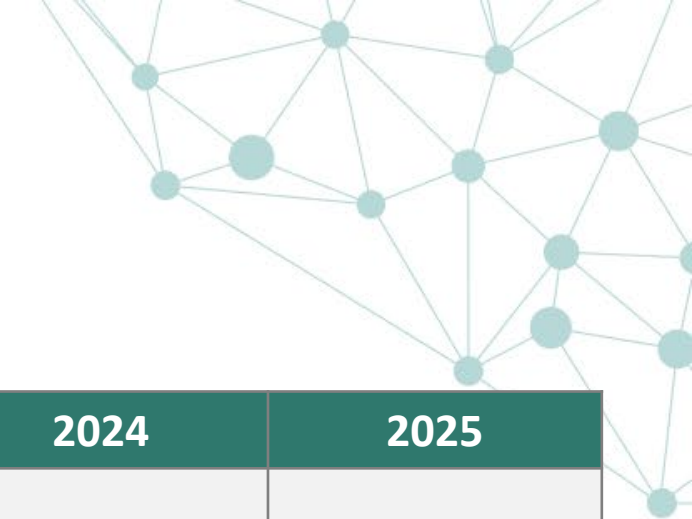
- The term of the current interim NTC Board will conclude on January 31, 2023, and accordingly a new slate of NTC Board members will be appointed by Regional Council.
- LAMs will be asked by Regional Council to nominate new NTC board members as part of the appointment process for all Regional ABCs post-election.

Note: As NTC Board members must be elected officials, any current members who are not re-elected will have their term of office end on November 14. Accordingly, there is risk of having insufficient members to meet quorum at the end of the year.

Looking Ahead to Year 1 and Beyond

Looking to Year 1 and Beyond

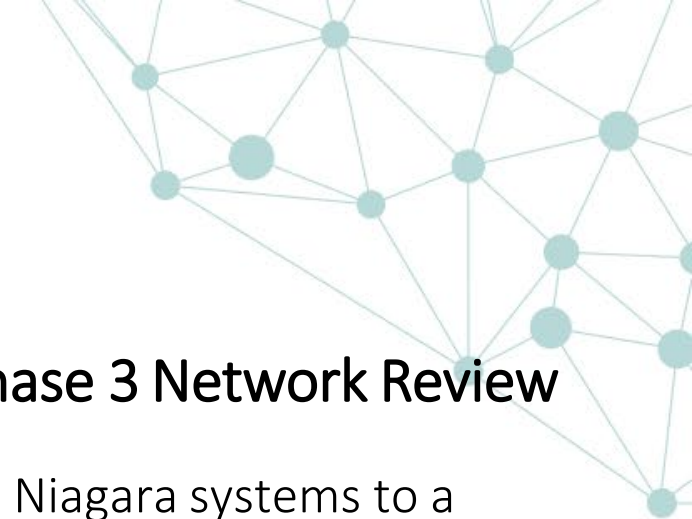
Strategic Milestones



Priority	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2024	2025
People Development	<ul style="list-style-type: none"> Initiate Human Resources Strategy Establish JH&SC, LR Team 	<ul style="list-style-type: none"> Recruitment and Training for 2023/2024 Service Enhancements 		<ul style="list-style-type: none"> Performance Management and Monitoring Programs 		
Priority on Riders	<ul style="list-style-type: none"> Initiate Branding Strategy RFP Continue NC / Brock U-Pass Discussions 		<ul style="list-style-type: none"> <i>Service Standards: Accelerated Phase 1</i> Fare Policy: Promotions 		<ul style="list-style-type: none"> <i>Service Standards: Balance of Phase 1 Hours</i> 	<ul style="list-style-type: none"> <i>Service Standards: Phase 3 Network Review</i> Fare Policy: One-Fare / Concessions
Strategic Reviews and Budget Development	<ul style="list-style-type: none"> Initiate Facility Condition Assessment & Strategy RFP Initiate Contract Harmonization 	<ul style="list-style-type: none"> Initiate 5-Year (2024-2028) Strategic Plan RFP Initiate Asset Management Framework Develop KPI Framework 	<ul style="list-style-type: none"> Initiate ZEB Strategy <i>Service Standards: Phase 2 – Initiate Fleet and Systems Procurement</i> 	<ul style="list-style-type: none"> Initiate On-Street Inventory of Assets 		
Standing up the NTC	<ul style="list-style-type: none"> PAC Terms of Reference 	<ul style="list-style-type: none"> PAC Appointment 	<ul style="list-style-type: none"> Initiate WEGO Discussions 		<ul style="list-style-type: none"> <i>Service Standards: Phase 2 – Operator Recruitment</i> 	<ul style="list-style-type: none"> <i>Service Standards: Phase 2 – Implementation</i> Governance Review Shared Services Review

People Development

- A comprehensive **Human Resources Strategy** is required to guide how NTC staff will continue to integrate as one team in order to deliver the consolidated transit system, and how it will grow and expand to meet the future demands for staffing that will come as a result of planned service enhancements:
 - 50,000+ new service hours from operating hour standardization
 - Move to consolidated On-Demand and Specialized Service
- The HR Strategy will explore a '**centres of excellence**' concept in the creation of designated sites for teams (Senior Management, Dispatch, Customer Service, Finance, IT/ ITS, Planning & Scheduling, Training, Fleet management)
- Establish Joint Healthy & Safety Committee and Labour Management Relations Team
- **Performance management** (non-union) and **performance monitoring** (ATU) programs will be developed to ensure staff continue to meet objectives for service delivery and to provide clear opportunities for career growth.



Priority on Riders

Niagara Service Standards Strategy: Phase 1 Operating Hours + Phase 3 Network Review

- **Phase 1** of the Niagara Service Standards Strategy focused on elevating all Niagara systems to a common set of operating hours by 2025.
- There is a **strategic opportunity** to accelerate the original timeline for these enhancements in municipalities with sufficient conventional fleet and operators – as early as Q4 2023
- Where acceleration is not possible, harmonization will remain on original timeline of full implementation by 2025.

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

- Followed by the Phase 3 Network Review – examining opportunities for harmonization and expansion of the network

Priority on Riders

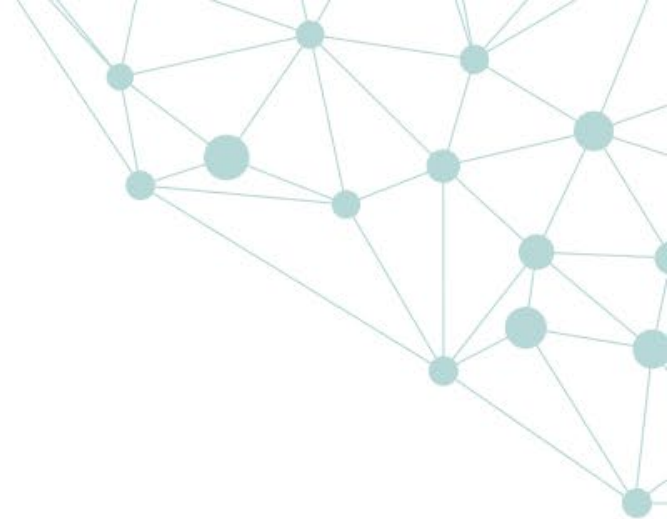
Niagara's Post-Secondary Institutions

- Brock University – Current agreement Includes unlimited access to all region-wide transit services, except specialized. Current term ends April 2023, at which time it will require negotiation or extension.
- Niagara College – Pre-COVID baseline service levels will return in September 2022. Previous agreements for enhanced service were not extended through COVID – discussions with the College on a potential new agreement are ongoing.

Priority on Riders

Branding Strategy

- The NTC has confirmed that it will operate as Niagara Region Transit starting on January 1, 2023
- A future RFP will be undertaken that will determine if Niagara Region Transit should remain as the long-term brand. This will return to the NTC board in 2023.
- In parallel, initial 'Day 1' rebranding of selected assets such as transit passes, social media channels, and driver uniforms is underway.
- Full fleet and current contracted services rebranding remains a 2023 strategy and objective.



That Report NTC 11-2022, dated August 2, 2022, respecting Interim Branding Strategy, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Niagara Transit Commission Board **APPROVE** the name of the transit system to be "Niagara Region Transit" ;
2. That the Transit Commission Steering Committee **BE DIRECTED** to initiate the re-branding of the identified existing transit assets required for the launch of the new service on January 1, 2023.
2. That staff **BE DIRECTED** to initiate the RFP process for the rebranding process.

Priority on Riders

Fare Policies

The NTC has previously supported the harmonization of existing fares for January 1, 2023, bringing into alignment the legacy LAM and Regional transit fares, products, and policies in place across the existing systems in Niagara. These changes have now been approved as part of the Region's 2023 fees and charges by-law.

However, this change focused on short-term harmonization to facilitate transition – in 2023 and beyond consideration will now be given to strategic opportunities.

Move to One Single Regional Fare

- The move to a [single-flat fare for all trips](#), regardless of crossings of municipal boundaries, remains a core objective for the NTC.
- The triple-majority financial strategy anticipated implementation in 2025 (preliminary estimate \$2.6M – LNTC-C 3-2021).

Fare Promotions

- The 'Kingston Model' of a youth education and outreach program coupled with a discounted or free transit pass.

Fare Concessions

- Examine 'Seniors Ride Free' concession request from Niagara Falls Council.
- Low-income product and program, to be reviewed in parallel with one single regional fare strategy.

Strategic Reviews and Budget Development

- **Facilities and Strategic Asset Review** – review of current state and function of NTC facilities and fleet - examining future role and function
- **Contract Harmonization** - examine efficiencies through the harmonization of contracts and other services that have historically been procured independently by LAMs – such as third-party service delivery, fuel, street furniture, driver uniforms, and software licenses.
- **5 Year (2024-2028) Strategic Plan** – examine the medium and long term priorities for the NTC extending from where this initial workplan concludes.
- **Asset Management Plan** – integrate and harmonize existing asset management practices.
- **Key Performance Indicators** – inventory what information is available today; examine what metrics the NTC should be tracking; identify gaps in data collection and storage capabilities; and recommend a future KPI reporting regime.
- **Zero Emission Bus Fleet Strategy** – identify fleet requirements, capital planning over the 10-Year forecast, infrastructure needs, funding applications, or potential pilot opportunities.
- **On-Street Inventory of Assets** – verify existing on-road assets across Niagara – stops, shelters, and other facilities.

Standing Up the NTC

Niagara Service Standards Strategy: Phase 2 On-Demand and Specialized Harmonization

Phase 2 of the Niagara Service Standards strategy considered the introduction of a consolidated transit service to deliver both demand-responsive and specialized service across Region will be considered. *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*

- Planning for a combined, in-house service delivery model will commence in 2023.
- The NTC board will be asked to consider and confirm this planned direction at a future point, once preliminary planning is complete.
- *This is a significant undertaking* – requires new fleet (approx. 2 year process from initiation to delivery), the hiring and training of a substantial number of new operators, and procurement and implementation of a variety of in-house systems to support.
- Anticipated implementation no earlier than 2025.

Standing Up the NTC

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)

Standing Up the NTC

Long-Term Governance

Consider 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 (to commence in 2023) and negotiation of an agreement to the satisfaction of all parties.

Governance Review

The NTC Governance Model (Board composition) is to be reviewed by an external third-party to ensure an effective governing body that is achieving the strategic objectives of the Commission. Report to be completed to allow implementation of any recommendations for the next Council term in 2026.

Shared Services Agreement Renewal

Evaluate and consider any recommended modifications to the shared-services model between the NTC and Region, following the initial term of the agreement.

Conclusion

Conclusion

- The **primary focus** remains achieving a successful transition on January 1st, 2023.
 - Other than new branding and harmonized fares no one should know that there was a transition to Day 1. There should be no service issues, no employee issues, no hiccups at the farebox or interruption in information.
 - This happens through a focus on **communication with employees** and a **focus on riders**.
- Following transition, there will be **a shift to more strategic objectives in 2023 and beyond**: delivering the expanded service hours, considering on-demand and specialized harmonization, implementing new fare policies, and undertaking other enhancements.

Draft Motion

1. That the Niagara Transit Commission Board **ENDORSE** the General Manager's Workplan as presented in NTC-14 2022.
2. That the General Manager **BE REQUESTED** to provide annual updates on the Workplan to the NTC Board.

In accordance with the notice and submission deadline requirements of Sections 18.1 (a) and 11.3, respectively, of Niagara Region’s Procedural By-law, the Regional Clerk received from Member Van Vliet a motion to be brought forward for consideration at the September 6, 2022 Board meeting respecting City of Welland representation.

Whereas the Niagara Region has established a Niagara Transit Commission which will integrate the existing local transit systems into a single organization that operates public transit; and

Whereas the current board composition requires one (1) representative from the City of Welland.

NOW THEREFORE BE IT RESOLVED:

1. That the Niagara Transit Commission **AMENDS** the board composition to include two (2) representatives from the City of Welland; and
2. That this resolution **BE SENT** to the City Clerk of Welland to include on the next Council agenda for an appointment to the Niagara Transit Commission.

Subject: Niagara Transit Commission Head Office Location
Report to: Niagara Transit Commission Board
Report date: **Tuesday, September 6, 2022**

Recommendations

1. That the Niagara Transit Commission Board **APPROVE** 2012 First Street Louth, St. Catharines, Ontario as the head office for the Niagara Transit Commission.

Key Facts

- Identifying a head office for the Niagara Transit Commission (NTC) is required to facilitate a number of day-to-day operations and transactions such as vehicle licensing, legal agreements, intergovernmental funding, and procurements.
- The selection of 2012 First Street Louth, St. Catharines, Ontario (existing St. Catharines Transit Commission (SCTC) Head Office) is recommended, as it is the largest of the facilities transferring to the Commission and has operated previously as the headquarters for an independent transit organization in Niagara.
- A future Facilities and Strategic Asset Review has been identified in the GM's workplan, which will examine the current state and function of all NTC facilities. This report is anticipated to make recommendations on the future role and function of each individual NTC facility.

Financial Considerations

There are no direct financial considerations arising from the recommendation of this report as the SCTC facility will be assumed by the NTC, and costs included in the budget uploaded, regardless of whether or not the site is identified as the NTC head office.

Analysis

Under the establishing by-law for the Niagara Transit Commission (NTC), the Board is required to “establish a head office for the Commission that shall be located in the region of Niagara” (Region By-law No. 2022-38, 6.1.f).

Formal designation of a head office is required to support the day-to-day operation of the NTC. There are a number of agreements, transactions and other practical considerations that require the identification of a head office and associated mailing address for the NTC. Examples include:

- the transfer of commercial vehicle licenses to the NTC;
- the execution or transfer of legal agreements with the NTC;
- future Investing in Canada Infrastructure Program (ICIP) and other intergovernmental funding program applications; and
- issuance of future procurements.

The existing SCTC headquarters at 2012 First Street Louth, St. Catharines, Ontario is recommended as the head office for the NTC, given:

- it is the largest of the facilities that will transfer to the NTC in terms of office space; and
- has previously operated as the headquarters for the SCTC as an independent transit organization and accordingly has the capacity for required back-office and support functions.

A future Facilities and Strategic Asset Review has been identified in the GM's workplan, to examine the best strategic and operational use for all facilities that will transferred to the NTC, including the First Street Louth office. Should this report recommend that the headquarters for the NTC be housed at a facility other than the First Street Louth office, future approval will be required from the NTC to change the headquarters location.

Alternatives Reviewed

The selection of either the Niagara Falls or Welland office facilities as the head office of the NTC was not recommended given their relatively smaller office capacity and that these locations have previously operated as municipal divisions, sharing some corporate and administrative services with the parent municipality rather than operating more independently as is the case in St. Catharines.

The use of Niagara Region headquarters as the head office for the NTC was not recommended given the NTC's role as an independent transit organization and due to office capacity restraints.

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:

Carla Stout, DPA
General Manager
Niagara Transit Commission

Submitted by:

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

This report was reviewed 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) and the NTC General Manager.

MEMORANDUM

NTC-C 1-2022

Subject: NTC Budget Development Roadmap
Date: September 6, 2022
To: Niagara Transit Commission
From: Carla Stout, General Manager

As a municipal services board of the Region, the Niagara Transit Commission (NTC) is required to submit to the Region its recommended annual operating and capital budget, as well as two (2) year forecast and ten (10) year capital plans, as part of the Region's budget planning and approval process.

Niagara Region has circulated Report [CSD 22-2022 – 2023 Budget Planning and Timetable](https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=27596) (<https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=27596>) (Appendix 1) which outlines the key directions and milestones adopted by Regional Council for the 2023 budget cycle, including:

- January 19, 2023 – Budget Review Committee of the Whole - NTC
- February 23, 2023 – Regional Council Budget Approval

The development of the initial operating and capital budgets for the NTC is an important milestone, one that must reflect the priorities and strategic objectives of the Commission, while balancing resources and affordability.

As outlined in the General Manager's Workplan (NTC-14 2022) the process for the NTC Board to consider and recommend its 2023 operating and capital budgets will include:

- Budget Workshop – September 27, 2022 – this workshop will present a draft capital and operating budget, and include background on the considerations that have influenced its development such as the triple-majority financial strategy. Participating in these workshops in advance of the Budget Review meetings provides an opportunity for an informal question and answer period with staff before the formal budget deliberation process. These are informal and educational workshops only:
 - Questions may be asked on operations, etc;

- No decisions will be made;
 - No directions will be given to staff; and
 - No minutes will be taken.
- Budget Recommendation – October 2022 – the final consideration of the operating budget by the Board will be determined at a date in October 2022. A preliminary list of capital projects to be submitted for the next round of the Investing in Canada Infrastructure Program (ICIP) will also be presented and discussed. Submission of the projects for Board approval will follow in 2024.

The final NTC recommended budget will be advanced to Regional Council for its consideration and approval.

Respectfully submitted and signed by,

Carla Stout, DPA
General Manager
Niagara Transit Commission

Appendices

Appendix 1 Region Correspondence CLK-C 2022-101 / CSD 22-2022 – 2023
Budget Planning and Timetable



August 29, 2022

CL 15-2021, August 25, 2022
BRCOTW 1-2022, July 21, 2022
CSD 22-2022, July 21, 2022

DISTRIBUTION LIST

SENT ELECTRONICALLY

2023 Budget Planning and Timetable
CSD 22-2022

Regional Council, at its meeting held on August 25, 2022, passed the following recommendation of its Budget Review Committee of the Whole:

That Report CSD 22-2022, dated July 21, 2022, respecting 2023 Budget Planning and Timetable, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2023 budget timetable, attached as Appendix 1 to Report CSD 22-2022, **BE APPROVED**;
2. That an incremental transfer to the Capital Levy Reserve of \$10.5 million or 2.5% of the levy and an incremental transfer to the Water & Wastewater Capital Reserves of \$6.6 million or 5.0% of the 2023 net Water & Wastewater Operating budget, **BE CONSIDERED** for 2023 Budget Planning; and
3. That this report **BE CIRCULATED** to agencies, boards and commissions (ABCs) in accordance with By-Law No. 2017-63 "Budget Control".

A copy of CSD 22-2022 is enclosed for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann Marie Norio".

Ann-Marie Norio
Regional Clerk

:kl
CLK-C 2022-101

Distribution List

Niagara Transit Commission
Niagara Regional Housing
Niagara Regional Police Services Board
Niagara Peninsula Conservation Authority
cc: T. Harrison, Commissioner, Corporate Services
H. Chamberlain, Director, Financial Management & Planning, Deputy Treasurer
M. Murphy, Associate Director, Budget Planning and Strategy

Subject: 2023 Budget Planning and Timetable

Report to: Budget Review Committee of the Whole

Report date: Thursday, July 21, 2022

Recommendations

1. That the 2023 budget timetable, as attached as Appendix 1 to Report CSD 22-2022, **BE APPROVED**;
2. That an incremental transfer to the Capital Levy Reserve of \$10.5 million or 2.5% of the levy and an incremental transfer to the Water & Wastewater Capital Reserves of \$6.6 million or 5.0% of the 2023 net Water & Wastewater Operating budget, **BE CONSIDERED** for 2023 Budget Planning; and
3. That this report **BE CIRCULATED** to agencies, boards and commissions (ABCs) in accordance with By-Law No. 2017-63 "Budget Control".

Key Facts

- The purpose of this report is to initiate the 2023 budget process, approve the Budget Review Committee of the Whole timetable, and to propose the strategy for the preparation and presentation of the 2023 Tax Levy, Water, Wastewater, and Waste Management Operating, and Capital Budgets.
- The focus of this budget will be to balance the Budget Planning By-law's priorities of sustainability and affordability and include the principles of the Capital Financing Strategy.
- The 2023 budget strategy is to maintain base services delivery in light of considerable inflationary pressures, support the capital funding gap reported in the "2021 Asset Management Plan", and address the operating budget in 2022 funded with reserves.
- A recommendation has been included to address the capital requirements in preparation for the necessity to establish a sustainable financial plan by 2024 that supports the priority of Responsible Growth and Infrastructure Planning.
- The 2023 Budget will introduce a special levy for newly established Niagara Transit Commission, including the upload of transit budgets from the Local Area Municipalities (LAMs) to the Region.
- The 2022 municipal election, will result in the approval of the budget in 2023 by the new Council; the strategy in this report is will be used by staff for general direction as this Council cannot make decisions that bind the next Council.

Financial Considerations

By-law 2019-79 “Budget Planning” is used to structure Niagara Region’s budget strategy each year. The principles in the By-law support sustainability, however staff recognize the importance of balancing service levels with taxpayer affordability, and have proposed options to mitigate the needs in accordance with the By-law. The four areas of budget development included in the By-law are:

1. Base services: Ongoing costs and revenues that are influenced by multi-year contracts, collective agreements and significant inflationary pressures are estimated at this time in appendix x at 4.4% for Levy, 3.2% for Water & Wastewater, and 9.1% for Waste Management.
2. Capital program: requirements of the Asset Management Plan (AMP) should be funded in accordance with the Capital Financing Strategy and with a separate operating budget increase of no less than 2.5% for Levy and 5.0% for Water & Wastewater to address the capital backlog over the next 50 years.
3. New programs: no new programs are being proposed for 2023 in order to focus financial sustainability on base services heavily impacted by inflation.
4. Growth Funded Programs: After Tax Increment Grants (TIGs) are funded, the by-law prioritizes the costs of growth. In the 2023 budget, it is proposed that consideration be given to utilizing assessment growth to partially offset inflationary impacts on the base budget as well.

The analysis section speaks to each of the principles in detail, and explains the strategy to address each and the financial implications are summarized in Appendix 2 to Report CSD 22-2022, “Budget Planning Strategies”.

Analysis

Budget for Base Services

The Budget Planning By-law recommends that the base services be adjusted for inflation and the Core Consumer Price Index (CPIX) may be used as a measure of inflation. The costs to maintain current service levels has been influenced by the increasing rate of inflation, which may put pressure on the level of service. Per Statistics Canada data at the time of preparing this report, CPIX at May 2022 is 6.1% (3.3% 4-year average), compared to the 0.5% decrease in the 2022 budget for base services (0.1% Levy 4-year average). Appendix 3 to Report CSD 22-2022, includes a graph comparing 4 years of inflation against increases for base services.

Analysis of initial estimates was completed to guide the 2023 budget strategy; Appendix 4 to Report CSD 22-2022, includes the detail by object of expenditure with identification of the key drivers. The estimated increases required to maintain base services are 4.4% for Levy departments & ABCs, 3.2% for Water & Wastewater, and 9.1% for Waste Management. To minimize the inflationary impacts included in these estimates, preparation of the operating budgets will focus on maintaining existing service levels while undertaking a line-by-line review of discretionary items.

One-time budgetary pressures will be addressed through use of one-time reserve draws. The multi-year budget strategy adopted for the Waste Management requisition in Report CSD 67-2021 - "2022 Budget", includes significant use of Waste Management Stabilization reserve funding to phase-in the budget increase over three years, resulting in a net 5.5% increase.

The 2022 Levy base services includes \$6.0 million unsustainable reserve funding as per a motion from BRCOTW to reduce the net levy operating budget from 4.35% to 2.87%. In support of taxpayer affordability, staff are proposing that 2023 use of reserves be reduced from \$6.0 million to \$3.0 million to mitigate the impact on the 2023 budget. This will result in budget pressures of 0.7% in 2023 and 2024 instead of a 1.4% pressure in 2023.

Assessment Growth

Assessment growth for 2023, is forecasted at 1.5% or \$6.3 million estimated based on actual MPAC assessment growth data to May 31st. This is consistent with the prior 5-year average of 1.47%. The Budget Planning By-law prioritizes growth revenue first to tax increment grants (TIGs), then operating costs of growth as well as costs to fund new and growth capital assets. Due to the significant inflationary pressure expected in 2023, staff is recommending that up to 1.0% of assessment growth be used to help offset increases required to maintain base service levels. This will still provide for \$2.1 million to address costs of growth.

New Programs

The Budget Planning By-law requires that new programs be funded with separate increases to ensure base services are not eroded. Over the last number of years, separate levy increases of 1.4% in 2019, 0.5% in 2020, and 0.5% in 2022 have been approved to support new programs; these average 0.6% per year. Details of the separate increases are available in Appendix 5 to Report CSD 22-2022. In contrast to

these increases, the 2023 budget strategy proposes no new programs in order to focus on the high cost of inflation affecting the delivery of current services.

Capital Program

In alignment with Council's priority of responsible growth and infrastructure planning and legislative requirements for asset management planning, Council approved Report CSD 7-2022 - "2021 Asset Management Plan". The AMP is a systematic and tactical plan to improve asset utilization, manage asset life cycle risk, adhere to compliance and legislative requirements and improve accuracy of inventory. This plan has updated the replacement value of all Region's assets to \$9.8 billion (2016 - \$7.4 billion) and the backlog of projects to \$2.4 billion (2016 - \$0.5 billion). The AMP also provides funding targets known as the Annual Average Renewal Investment (AARI), which is the basis for developing a capital financing strategy. The AARI is calculated as the average annual capital expenditures required to achieve sustainability over a specified time horizon. The 2021 AMP provides a 10, 50, and 100-year AARI.

While the capital program has been progressing towards sustainability, given the increased backlog and replacement values, the previous recommended strategy of 2.16% for Levy and 3.15% for Water & Wastewater combined rate and requisition has increased. Per Report CSD 7-2022, to achieve sustainability now requires increases to the annual levy of 3.82% (including ABCs), and to the annual Water & Wastewater combined rate and requisition of 7.22% over a ten-year period. For the Waste Management budget, no increases are required. While the annual Waste Management contributions will need to increase to \$10 million in 50 years, this is expected to be achieved within the annual budget strategy. The capital contributions given this capital financing strategy would be \$437 million at the end of ten years. This strategy increases the contributions to remove the backlog over 10 years.

While the AMP recommendation maximizes asset sustainability, staff are proposing a capital financing strategy to eliminate the backlog over 50 years with a target of \$290 million. This revised strategy recognizes constraints with accelerating project timelines such as available project management resources, development charge collected and co-ordination of timing with external parties. This requires an increase in funding of 2.5% on the levy and 5% on the water and wastewater combined rate and requisition. A summary of the Capital Financing Strategy contributions at the end of 10 years is illustrated in table 1. A summary of the increases on the levy and Water & Wastewater combined rate and requisition is illustrated in Appendix 6 to Report CSD 22-2022.

Table 1: Capital Financing Strategy Contributions (in millions)

Program	Current State (2022 Budget)	(10-year AARI + Backlog) Sustainability	(50-year AARI) Affordability
Levy	\$32	\$269	\$158
Water/ Wastewater	\$40*	\$164	\$122
Waste Management	\$4	\$5	\$10
Total	\$76	\$437	\$290

*For Wastewater, \$3 million is dedicated for South Niagara Falls operating impacts when the plant is in service.

The Water & Wastewater financial plan is legislatively required to be updated in 2024 and the updated 2022 asset management requirements will be reflected in that plan. However, annual budget updates until then should consider the incremental requirement.

In continuing to align to council strategic priorities, the process to incorporate Health Equity Informed Planning developed last year continues to be implemented for the 2023 Capital Budget.

Pandemic and Recovery costs

The 2023 budget planning strategy will focus on the recovery from COVID-19. Short-term services will continue to be funded from reserves and provincial contributions; at this time, there has been no indication of continued relief funding.

Niagara Transit Commission

A Niagara Transit Commission (NTC) special levy will be introduced for the 2023 budget. The estimated 2023 NTC budget as outlined in Report PW 55-2021, was \$48.6 million. This represents the consolidated budget of local and regional transit services adjusted for inflation and capital funding. The share of the budget relating to the upload of local municipal service budget, inflation, and capital funding was previously estimated with the triple majority process to be \$32.2 million, which represents 7.6% of the 2022 levy.

Budget Timetable

The proposed timetable is provided in Appendix 1 to Report CSD 22-2022, resulting in the 2023 Budget being approved by the new Council in February of 2023, aligning with the Budget Planning By-law. The Transit Commission is recommended to be presented separately to address the new structure of the 2023 budget.

Alternatives Reviewed

The purpose of this report is to inform Council of the 2023 proposed strategy to support the development of the operating and capital budget for 2023. Information will continue to be developed, analyzed and summarized for the Budget Review Committee to facilitate decision-making. Council will have the opportunity to consider all options throughout the budget process.

Relationship to Council Strategic Priorities

The 2023 Budget will provide the financial framework to achieve Council's Strategic Priorities.

Other Pertinent Reports

CSD 7-2022	2021 Asset Management Plan
CSD 67-2021	2022 Budget-Waste Management Services Operating Budget and Rate Requisition

Prepared by:

Helen Chamberlain, CPA, CA
Director Financial Management and
Planning, Deputy Treasurer
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with Tyler Potts, Senior Budget Analyst, and Ricci Cheung, Senior Budget Analyst, and reviewed by Pamela Hamilton, Supervisor Corporate Budgets, and Margaret Murphy, Associate Director Budget Planning and Strategy.

Appendices

Appendix 1	2023 Budget Timetable
Appendix 2	2023 Budget Planning Strategies
Appendix 3	Historical CPI and Base Budget Increases
Appendix 4	Estimated 2023 Budget Increases
Appendix 5	Historical Separate increases for new programs
Appendix 6	Levy and Water & Wastewater combined rate requisition increases

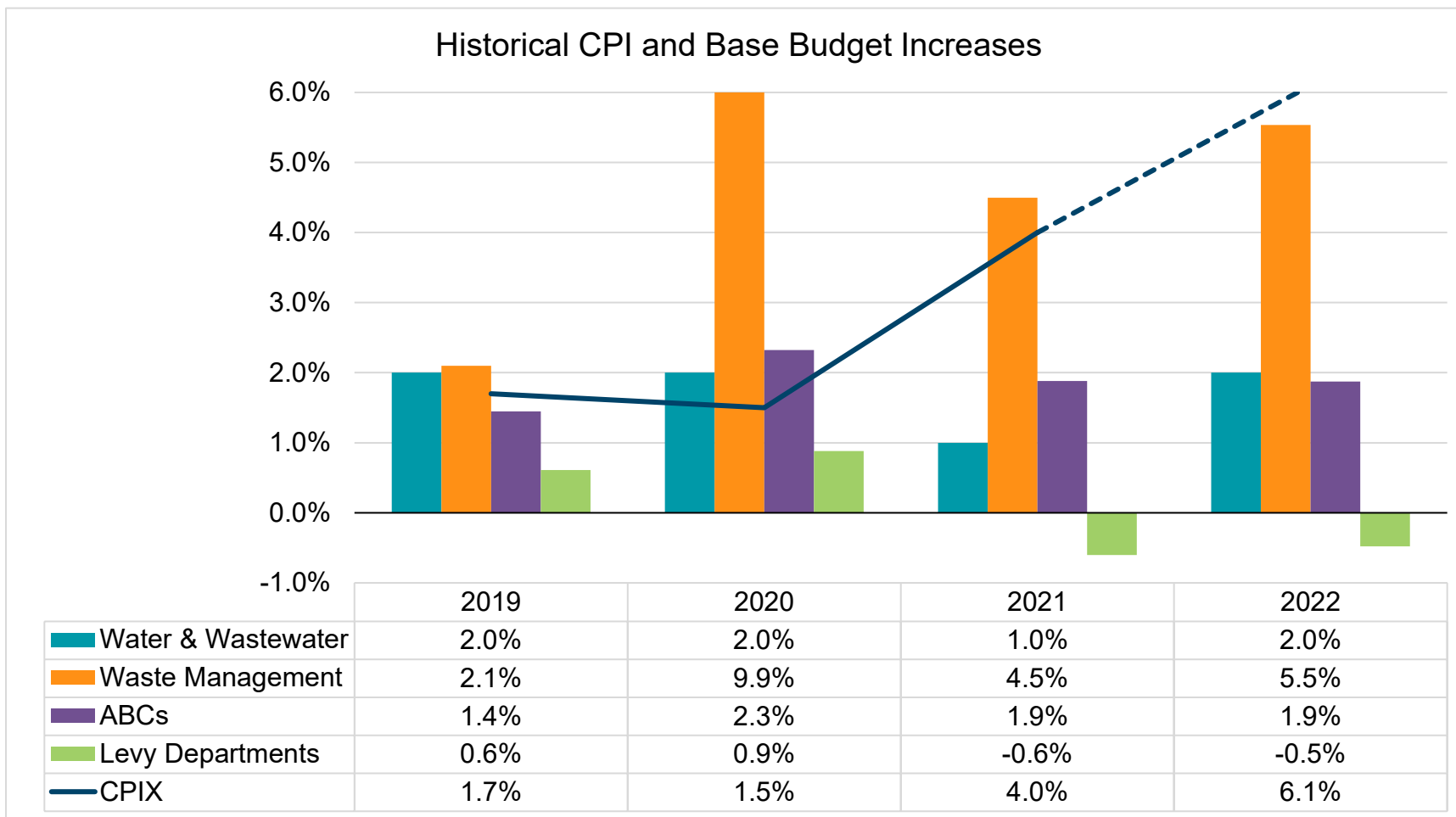
Appendix 1: 2023 Budget Timetable

Meeting Type	Subject/Topic	Date
BRCOTW	Budget Planning	July 21, 2022, 4:00 p.m.
Budget Workshop	Budget 101	December 8, 2022, 4:00 p.m.
BRCOTW	Capital	January 5, 2023, 6:30 p.m.
BRCOTW	Rate	January 12, 2023, 6:30 p.m.
Council	Rate By-laws	January 19, 2023, 6:30 p.m.
BRCOTW	Transit Commission	January 19, 2023, 4:00 p.m.
BRCOTW	ABCs	January 26, 2023, 6:30 p.m.
BRCOTW	Levy	February 9, 2023, 6:30 p.m.
Council	Budget Approval	February 23, 2023, 6:30 p.m.

Appendix 2: 2023 Budget Planning Strategies

Budget Planning Category	Tax Levy Increase	Water & Wastewater Increase	Waste Management Increase
2023 Base Services (Appendix 4)	4.4%	3.2%	9.1%
2022 Base Reserve Draw	1.4%	N/A	5.7%
Reserve draw phase out	(0.7%)	N/A	(9.3%)
Sustainable Funding Solution	0.7%	N/A	(3.6%)
New Programs	0.0%	0.0%	0.0%
Growth funded incentive programs	0.5%	0.0%	0.0%
Estimated Assessment Growth	(1.5%)	N/A	N/A
Net Assessment Growth	(1.0%)	0.0%	0.0%
Asset Management Plan Recommendation	3.8%	7.2%	0.0%
Fund backlog over 50 years (as opposed to 10)	(1.3%)	(2.2%)	0.0%
Capital Program (Recommendation 2)	2.5%	5.0%	0.0%
Strategy Total	6.6%	8.2%	5.5%

Appendix 3: Historical CPI and Base Budget Increases



Excludes increases for new programs and capital financing

Appendix 4: Estimated 2023 Budget Increases (in millions)
Consolidated Levy including ABCs

Object of Expenditure	2022 Adjusted Budget	2023 Budget Increase for Base Services	2023 Budget Increase %
Labour Related Costs ¹	\$443.5	\$15.3	3.4%
Administrative ²	29.8	2.0	6.7%
Operational & Supply	30.3	0.8	2.7%
Occupancy & Infrastructure ³	31.3	1.1	3.6%
Equipment, Vehicles, & Technology ^{4,5}	19.0	2.4	12.7%
Community Assistance	194.1	3.9	2.0%
Partnership, Rebates, & Exemptions	20.5	0.2	1.1%
Financial Expenditures	73.7	0.0	0.0%
Intercompany Charges	(2.1)	(0.0)	2.1%
Transfers to Funds	43.5	0.0	0.0%
Allocations to Capital	(0.1)	(0.0)	2.0%
Total Expenditures	883.3	25.6	2.9%
Taxation	(17.2)	(0.3)	2.0%
Federal & Provincial Grants	(332.1)	(4.5)	1.4%
By-Law Charges & Sales	(16.0)	(0.2)	1.4%
Other Revenue	(77.4)	(2.1)	2.7%
Transfers from Funds	(8.6)	0.0	0.0%
Total Revenue	(451.2)	(7.1)	1.6%
Net Budget before Allocations	432.1	18.5	4.3%
Allocation Recovery (Rate)	(26.0)	(0.5)	2.0%
Net Levy Budget	\$406.1	\$18.0	4.4%

Distribution of Levy increase between Regional Departments and ABCs

Departmental Grouping	2022 Adjusted Budget	2023 Budget Increase for Base Services	2023 Budget Increase %
Regional Departments	\$228.4	\$9.7	4.2%
Agencies, Boards, and Commissions	177.7	8.3	4.7%
Net Levy Budget	\$406.1	\$18.0	4.4%

Notes:

1. Regional departments labour related costs increase is estimated to at 2.8%
2. Insurance premiums increases are estimated at 30%
3. Utilities increases are estimated between 7% and 10%
4. Fuel prices are estimated to increase at 40%
5. Software support cost increases are estimated at 18%

Water & Wastewater

Object of Expenditure	2022 Adjusted Budget	2023 Budget Increase for Base Services	2023 Budget Increase %
Labour-related costs	\$25.2	\$0.7	2.8%
Administrative	2.3	0.0	2.0%
Operational & Supply ¹	15.0	1.6	10.7%
Occupancy & Infrastructure ²	18.3	(0.3)	-1.6%
Equipment, Vehicles, & Technology	6.4	0.3	5.3%
Partnership, Rebates, & Exemptions ³	3.2	0.9	28.6%
Intercompany Charges	2.0	0.2	7.9%
Transfers to Funds	40.6	0.8	2.0%
Total Expenditures	112.9	4.3	3.8%
By-Law Charges & Sales	(1.5)	(0.0)	2.0%
Other Revenue ⁴	(1.9)	(0.5)	23.3%
Total Revenue	(3.5)	(0.5)	13.9%
Net Budget before Allocations	109.4	3.8	3.5%
Allocation Recovery (Rate)	22.1	0.4	2.0%
Net Levy Budget	\$131.5	\$4.2	3.2%

Notes:

1. Chemical cost increases are estimated at 20%
2. Electricity rates are estimated to reduce 13% compared to the 2022 budgeted rates
3. Combined Sewer Overflow (CSO) program increased to return to \$4 million
4. Development Charge revenue increased as a result of CSO program increase

Waste Management

Object of Expenditure	2022 Adjusted Budget	2023 Budget Increase for Base Services	2023 Budget Increase %
Labour Related Costs	\$4.0	\$0.1	2.3%
Administrative ¹	1.4	(0.4)	-26.4%
Operational & Supply ¹	54.9	(2.4)	-4.4%
Occupancy & Infrastructure ¹	1.5	(1.0)	-61.9%
Equipment, Vehicles, & Technology ¹	1.2	(0.9)	-74.3%
Partnership, Rebates, & Exemptions	0.2	0.0	2.0%
Intercompany Charges	0.2	0.0	6.2%
Transfers to Funds ²	4.1	(3.0)	-72.5%
Total Expenditures	67.5	(7.5)	-11.1%
By-Law Charges & Sales ¹	(17.1)	11.7	68.7%
Other Revenue	(6.5)	(0.8)	-11.8%
Transfers from Funds	(2.8)	0.4	13.7%
Total Revenue	(26.4)	11.3	42.9%
Net Budget before Allocations	41.1	3.8	9.3%
Allocation Recovery (Rate)	1.7	0.1	3.3%
Net Levy Budget	\$42.8	\$3.9	9.1%

Notes:

1. Anticipated reduction in operating expenditure and revenue associated with the Material Recovery Facility opportunity review and divestiture.
2. One-year temporary reduction in capital reserve contribution as identified in CSD 67-2021.

Appendix 5: Historical Separate Increases for New Programs

Year	Program Name	Gross Budget	Net Budget	Budget Increase %
2019	Niagara Regional Transit	8,472,918	3,587,215	1.03%
2019	Niagara Investment in Culture	250,000	250,000	0.07%
2019	Council Remuneration	198,000	198,000	0.06%
2019	eLearning	25,000	22,348	0.01%
2019	Asset Management Governance	853,653	408,988	0.12%
2019	Internal Notification System	85,000	85,000	0.02%
2019	Contract Administrators & Inspector	268,041	80,412	0.02%
2019	Extend Engineering Technician	1,459	1,459	0.00%
2019	Permits Technologist	89,550	89,550	0.03%
Total 2019		10,243,621	4,722,972	1.36%
2020	EMS System Transformation	683,168	209,836	0.06%
2020	Coalition of Inclusive Municipalities	142,000	142,000	0.04%
2020	Transportation Integrated Services Manager	127,159	127,159	0.03%
2020	Suicide Prevention Initiative	185,678	185,678	0.05%
2020	Costs of Growth	6,690,323	1,499,354	0.41%
Total 2020		7,828,328	2,164,027	0.59%
2022	South Niagara Hospital Contribution	715,000	715,000	0.18%
2022	Hospice Niagara Contribution	1,000,000	1,000,000	0.25%
2022	McNally House Hospice Contribution	220,000	220,000	0.05%
Total 2022		1,935,000	1,935,000	0.48%

Appendix 6: Historical Proposed Capital Increases

A summary of 10 year capital financing strategies to align with the Asset Management Plan for Levy, Water & Wastewater and Waste Management is illustrated in the graph below:

