

**NIAGARA TRANSIT COMMISSION  
SPECIAL MEETING AGENDA**

NTC 5-2022

Tuesday, September 13, 2022

4:00 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](http://niagararegion.ca/government/council)

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**Pages**

1. **CALL TO ORDER**
2. **ADOPTION OF AGENDA**
3. **DISCLOSURES OF PECUNIARY INTEREST**
4. **CLOSED SESSION**
  - 4.1. **Confidential NTC 17-2022**

A Matter of personal matters about an identifiable individual, including municipal or local board employees and labour relations or employee negotiations pursuant to s.239(2)(b) and (d) of the Municipal Act – Niagara Transit Commission Organizational Structure
  - 4.2. **Confidential NTC 18-2022**

A Matter of a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization pursuant to s.239(2)(i) of the Municipal Act – Niagara Transit Commission Shared Services
5. **BUSINESS ARISING FROM CLOSED SESSION**

**6. CONSENT ITEMS FOR INFORMATION**

6.1. NTC-C 2-2022

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Amalgamation Transition Costs – Federal/Provincial Support

**7. NEXT MEETING**

The next meeting will be held on Tuesday, September 27, 2022 at 3:00 p.m. in the Council Chamber, Regional Headquarters.

**8. 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](mailto:accessibility@niagararegion.ca) (email).

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**MEMORANDUM**

**NTC-C 2-2022**

**Subject: Amalgamation Transition Costs – Federal/Provincial Support**

**Date: September 13, 2022**

**To: Niagara Transit Commission Board**

**From: Bruce Zvaniga – Chair, Transit Commission Steering Committee**

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In February 2022, Niagara Region, together with its 12 municipal partners, achieved the necessary vote to establish a new, single, unified Niagara Transit Commission (NTC) to govern transit delivery for the entire Niagara region, thereby amalgamating the existing independent municipal and regional transit systems. Regional Council subsequently established the NTC by way of bylaw in May 2022 and appointed its first Transition Board at that time. Operational control of the existing independently operating transit systems in Niagara will be consolidated and move to the NTC as of January 1, 2023.

The consolidation of transit in Niagara aligns with long-standing objectives of ensuring efficient municipal service delivery through amalgamated governance models, the expansion of innovative and alternative transit service delivery, achieving economic (employment retention and attraction) and tourism growth (Niagara Falls sees over 16 million visitors annually), and supporting seamless bus-meets-rail connections to expanded GO Rail service in Niagara.

Recognizing the significant value, impact and transformation that an amalgamated transit system will have on future system growth, driving ridership increases, enabling connectivity, and enhancing mobility options for residents and visitors, financial support from the federal and provincial governments is critical and will directly affect the success of the public-facing transition.

Significant effort, resources and investments are required to move forward with the creation of a consolidated Regional transit system. The Niagara Transit Governance Study (2020) outlined a baseline of these transition costs. As the Region proceeds toward the transition date of January 1, 2023 and in conjunction with the new NTC Board and General Manager, the one-time costs of the transition to the consolidated system have now been refined as outlined in Table 1 below.

Operating Costs:		Capital Costs:		Consulting Projects:		One-Time NTC Transition Cost:
Approval Process	\$271,152	Transit System Branding	\$1,000,000	Transit Service Design / System Service Plan	\$700,000	
Commission Establishment	\$248,529	Facility and Office Improvements	\$100,000	Facilities and Strategic Asset Review	\$350,000	
Commission Setup	\$1,173,393	Technology & Equipment	\$320,000	Fleet Electrification Review & Implementation Plan	\$350,000	
Commission Service Launch	\$1,173,393	On-Demand+ Specialized Vehicles	\$7,375,000			
<b>TOTAL</b>	<b>\$2,866,466</b>		<b>\$8,795,000</b>		<b>\$1,400,000</b>	<b>\$13,061,466</b>

With the NTC Board having approved the 2022/2023 Transition Workplan, Niagara faces a significantly accelerated path to successful transition and consolidation of the new system.

### Existing Funding Streams

The inaugural consolidated budget of the NTC has been developed to include all existing streams of federal and provincial funding to enable service sustainability and growth in the early years of the NTC, particularly incorporating Provincial Gas Tax (PGT) funds and Investing in Canada Infrastructure Program (ICIP) allocations. These funds are planned exclusively for capital and account for projects (replacement and growth) already identified for delivery in the 10-year capital forecast for the new NTC.

A significant gap exists between the consolidated budget and the transition phase of the amalgamation – the net new resources needed to ensure a seamless and successful transition that does not deplete funds needed for system sustainability.

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## **Operating Costs**

In 2022, the NTC will be met with significant transition costs associated with onboarding the new General Manager and getting senior employees assigned to the new organization. These transitional pressures also include insurance obligations, rebranding initiatives, human resources systems set up, and securing payroll systems transition. All one-time operating costs outside of the consolidated operating budget for 2023 have been identified as part of the transition process and are associated with net new costs to create the NTC prior to the transition date of January 1, 2023. NTC is targeting implementation of all necessary one-time operating requirements in 2022-2023, but in order to maintain seamless transit for residents, some transitional activities may run into early 2024.

## **Capital Costs**

It is important to note that transition capital costs associated with Niagara's transit amalgamation are beyond those projects encompassed in the 10-year transit capital forecast. The 10-year capital forecast has already assigned replacement/renewal projects which account for all of the aforementioned transit program allocations.

Transition-related capital costs include implementation of the full rebrand of the existing independent systems assets/fleet to a unified customer-facing look and feel. This will ensure all public-facing elements are simplified, consistent and clear, especially given the state of the disparate systems operating today. Transition costs also include renovations to the headquarters of the new NTC, which has identified that utilizing the existing St. Catharines Transit Commission HQ and repurposing its footprint to accommodate the new larger entity is its best and most effective approach.

Lastly, implementation of the enhanced service plan over the course of 2023-2025 will require the purchase of new/replacement on-demand and specialized fleet as the delivery model is harmonized under the new NTC. Given the lead time for procurement, these vehicles and the model to operate them, must be in place as outlined in the Region's System Service Plan committed to as part of the amalgamation vote. This is a critical gap for the transition and one that has significant public-facing implications for optimization and system growth. The system service plan is found below under strategic reviews.

## **Strategic Reviews**

As part of the transition, the NTC will also require a comprehensive Facilities Review to assess the terminals/garages/assets it inherits from the independent systems against the future needs, service growth and locations of the consolidated system. Prior to assigning any new capital investments to expansions or new builds, this critical review will enable the NTC to accurately and strategically

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develop a comprehensive capital expansion plan for all future facility needs, including enhanced building scopes, future expansion and any consideration of new builds.

Additionally, a similar system network review must be undertaken to assess route performance, route optimization and route coverage against the existing network and future service enhancements. The consolidation of disparate systems will create tremendous opportunity to find new ways of deploying fleet, service hours and route planning. The NTC will need to undertake this review to effectively understand where and how future investments can and should be made to expand the system and maximize investments.

Lastly, a Fleet and Electrification Review and Implementation Plan must be done system wide to ensure Niagara has a single, coordinated and strategic path forward for its green fleet transition. Although some consideration of green strategies has been undertaken by Niagara Falls and St. Catharines, these reviews have looked singularly at those independent systems – no such review has been done system wide under the consolidated model. This critical review of service, systems, infrastructure and timing will all be required in order to maximize and leverage future green investment funds for zero-emission fleet.

## **Conclusion**

Niagara Region and its municipal partners have taken the significant step forward to merge its transit systems and create a unified, singular agency that will take Niagara's transit system into the future. With an established transition date to the new NTC of January 1, 2023, there are clearly defined timelines, tasks and costs associated with this transformational decision. Transition costs totalling \$13 million will be incurred above and beyond the existing operating and capital budget needed to sustain the current service levels.

The NTC needs federal and provincial support to ensure the public realizes all of the intended benefits of this new transit amalgamation. There is significant opportunity for the federal and provincial governments to make public-facing investments that will ensure a dramatic and future-looking system can take Niagara forward for decades to come.

Respectfully submitted and signed by,

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