

**NIAGARA TRANSIT COMMISSION
SPECIAL MEETING AGENDA**

NTC 6-2022

Tuesday, September 27, 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>ADOPTION OF AGENDA</u>	
3. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
4. <u>PRESENTATIONS</u>	
4.1. <u>Niagara Transit Commission Proposed 2023 Budget</u>	1 - 15
Carla Stout, General Manager, Niagara Transit Commission	
5. <u>OTHER BUSINESS</u>	
6. <u>NEXT MEETING</u>	
The next meeting will be held on Tuesday, October 4, 2022 at 3:00 p.m. in the Council Chamber, Regional Headquarters.	
7. <u>ADJOURNMENT</u>	

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).

TWENTY23

NIAGARA REGION BUDGET

Niagara Transit Commission

2023 Budget Workshop

September 27, 2022

Agenda

1. 2023 Niagara Transit Commission (NTC) Operating Budget and 2023 One-Time Costs
2. 2023 Requisition Summary
3. 2023 NTC Capital Budget
4. Questions

I. 2023 NTC Budget and One-Time Costs

Methodology

- 2023 Budget will be sum of LAM 2022 Budgets (Transitional)
 - With adjustments to align with triple majority strategy
- 12 Special Levies for 2023 – one for each LAM
 1. Local net transit costs and incremental capital will be allocated based on proportion of service hours
 2. Intermunicipal Regional Transit services will continue to be allocated based on municipal share of Region wide assessment

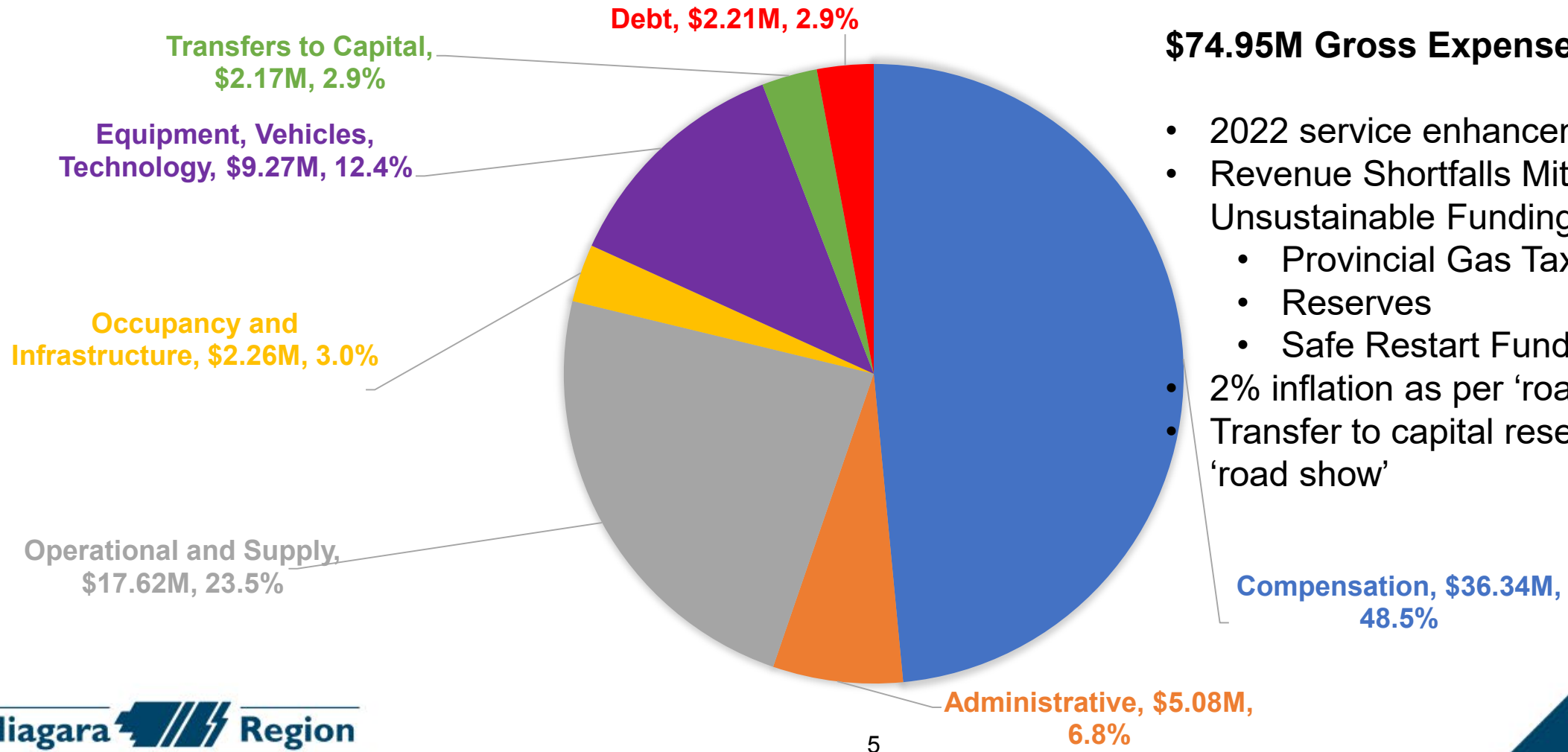
2023 NTC Operating Budget

By Operating Expenditure (\$ Millions)

Operating Expenditure	Amount	%
Compensation	\$36.34	48.5%
Administrative	5.08	6.8%
Operational and Supply	17.62	23.5%
Occupancy and Infrastructure	2.26	3.0%
Equipment, Vehicles, Technology	9.27	12.4%
Transfers to Capital	2.17	2.9%
Debt	<u>2.21</u>	<u>2.9%</u>
Total Gross Expenses	\$74.95	100%
Revenues	<u>(17.79)</u>	
Total Net Expenditures	\$57.16	
One-Time Levy (EFB)	<u>1.92</u>	
Total Operating Budget	\$59.08	

2023 NTC Operating Budget

Where does the money go? Gross Budget = \$74.95M



\$74.95M Gross Expense Includes:

- 2022 service enhancements
- Revenue Shortfalls Mitigated With Unsustainable Funding Removed:
 - Provincial Gas Tax (PGT)
 - Reserves
 - Safe Restart Funding (SRA)
- 2% inflation as per 'road show'
- Transfer to capital reserve as per 'road show'

2023 Budget vs. Financial Strategy (\$Millions)

\$8.6M Increase Over Original Strategy

\$57.2M Net 2023 Draft Budget vs. **\$48.6M** Financial Strategy

1. \$5.7M PGT/SRA Revenue shortfall offset (11.7% increase)

- SCT @ \$2.4M
- NFT @ \$2.0M
- WT @ \$1.3M

2. \$1.3M Service Enhancements (2.7% increase)

- NOTL @ \$0.8M transit enhancements
- FE @ \$0.4M transit enhancements
- PC @ \$0.1M

3. \$1.6M Historical PGT used in Operating removed for capital projects (3.3% increase)

2023 Budget One Time Costs

\$1.9M Estimate For Employment Liabilities

- Any non-union termination costs and union and non-union employee future benefits costs have not been included in previous base budgets
- These incremental costs will be added to the NTC Levy for 2023 in accordance with the Municipal Transfer Agreements (MTA)
- To be levied directly back to the respective Local Area Municipality (LAM)
- Funds will be held by Region/NTC in Reserve for future use

2. 2023 NTC Operating Budget

Requisition Summary (\$ Millions)

Special Levy Requisition Component	Service Hour Allocation	Regional Assessment Allocation	Direct Municipal Allocation	Total
Local (Intramunicipal) Transit Costs*	31.03			31.03
Transfer to Capital Reserve	2.17			2.17
2020 Provincial Gas Tax	1.61			1.61
2022 Unsustainable Revenue			5.70	5.70
Termination and EFB Costs			1.91	1.91
Regional (Intermunicipal) Transit Costs		16.66		16.66
Totals	34.81	16.66	7.61	59.08

* Includes \$1.3M in previously approved service increases

2023 Requisition by Municipality (\$Millions)

Municipality	Service Hour Allocation	Regional Assessment Allocation	Direct Municipal Allocation	Total
St. Catharines	14.72	4.25	3.68	22.65
Niagara Falls	9.94	3.51	2.38	15.83
Welland	3.74	1.38	1.55	6.67
Niagara-on-the-lake	1.14	1.44	0.00	2.58
Port Colborne	0.71	0.53	0.00	1.24
Pelham	0.45	0.71	0.00	1.17
Thorold	1.09	0.71	0.00	1.80
Fort Erie	2.12	1.04	0.00	3.16
Grimsby	0.45	1.27	0.00	1.73
Lincoln	0.45	1.02	0.00	1.48
West Lincoln	0.00	0.53	0.00	0.53
Wainfleet	0.00	0.25	0.00	0.25
Total	34.81	16.65	7.61	59.08

2023 Mitigation Opportunities

- Lobby Federal/Provincial government for transitional funding
- 2023 Farebox revenues may come in higher than budget
 - U-PASS agreements
 - Regular ridership increases
- Employee one-time levy for termination costs / EFBs can be repurposed in future years towards service enhancements
- Use of reserves/PGT for any one-time transitional costs or operational pressures
- No increase in service levels in 2023 as per the triple majority strategy

2023 Risks

- Increased student demand may drive increase service and costs
- Line by line review of local budgets not yet completed
- Inflation in excess of 2% such as fuel and insurance, however it is recommend that real inflationary pressures be managed post budget once operational staff onboard and we have line of sight to all pressures and opportunities
- Strategic supports may not have adequate resourcing i.e. communications, performance measurement etc.
- PGT/reserves used in operating limits the NTC's capital program

3. 2023 NTC Capital Budget

Strategy

- 2023 capital plan will consist only of previously approved, unfinished projects (“in flight” projects) included in the MTA
- Operating budget includes \$2.17M Capital Reserve Contribution as per triple majority process to be increased over 3 years to \$6.5M annual transfer
- Investing in Canada Infrastructure (ICIP) Funding to be transferred to the NTC pending approval
- Currently PGT to be fully utilized to support capital budget
- Region to begin collecting Development Charges (DC’s) to support growth capital costs (net of LAM balances to be transferred to Region)

NTC Capital Forecast (\$ Millions)

Source	Gross 2023	10 year forecast 2024-2034	Total
In-flight	52.1		52.1
Additional Niagara Falls	2.0		2.0
Welland Facility		15.0	15.0
10 Year forecast		212.1	212.1
Growth forecast	<u>1.7</u>	<u>40.3</u>	<u>42.1</u>
Total GROSS CAPITAL	55.8	267.4	323.2
Total External Funding (ICIP/PGT/DC's)	<u>(52.6)</u>	<u>(189.3)</u>	<u>(242.0)</u>
Net FUNDING (Reserves)	3.2	78.1	81.3

2023 NTC Capital Budget

Other Considerations

- New Welland transit facility \$15M
 - Facility review in GM workplan
- Niagara Falls new ICIP request of \$2M for farebox related costs
 - Ontario Ministry of Transportation/Provincial/Federal Funders currently reviewing this project application

Questions?

