

Revised Governance Strategies Reflecting Phase 1 Consultation

LNTC-C 3-2021

Linking Niagara Transit Committee

June 30, 2021

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Overview

Objectives

The Focus is on Effective Consultation

Demonstrating how Phase 1 LAM feedback has been reflected and initiating a second round to verify and determine any outstanding barriers, challenges or concerns to the governance model as revised

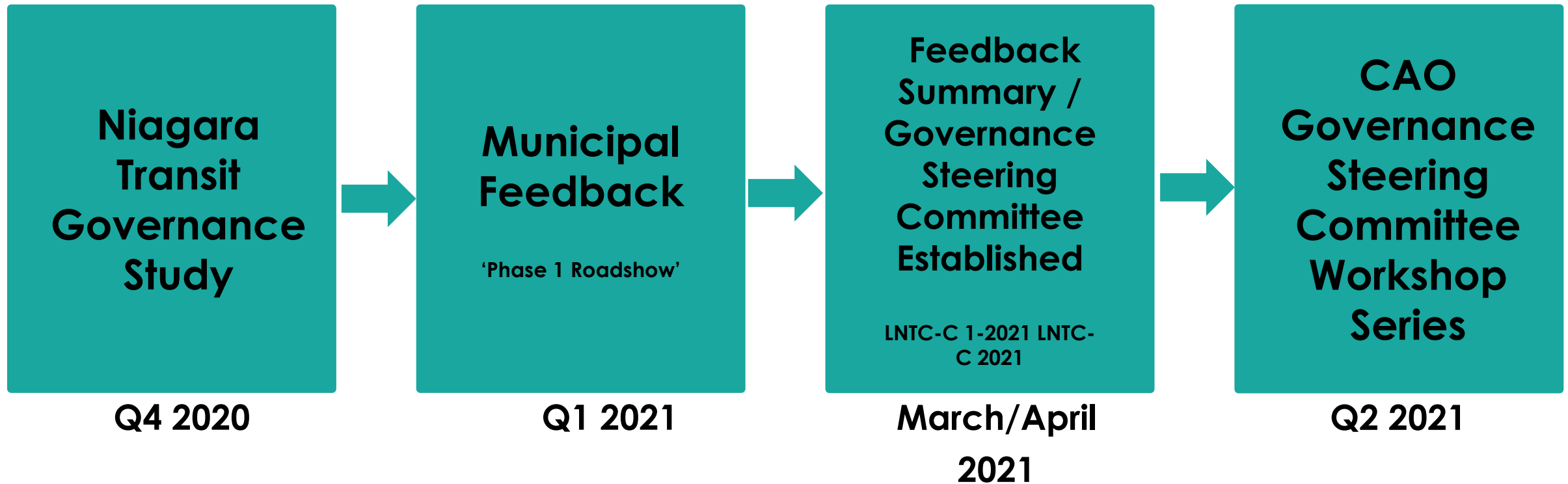
Revised Finance, Board Composition, and Service Strategies to support consolidation

Consensus recommendations of Governance Steering Committee

Significant updates to directly address feedback from LAMs

Overview

Milestones Achieved



Overview

Report Outline



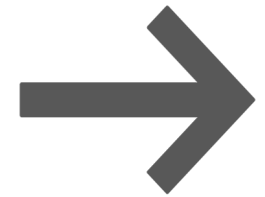
Financial Strategy



Board Composition



Service Standards
Strategy



Next Steps

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Financial Strategy

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Financial Strategy

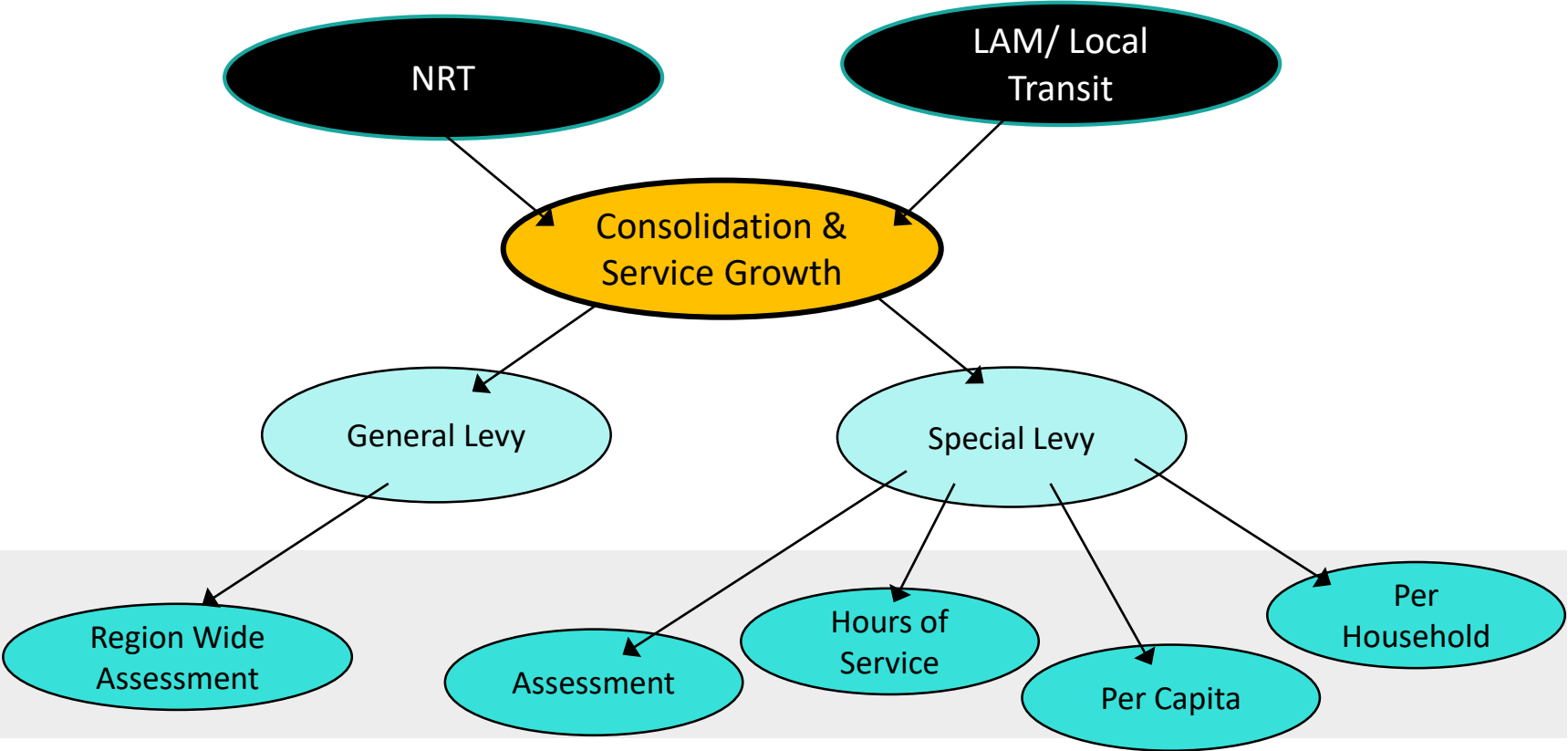
Recovery Considerations

Current cost
In Municipal Budgets

Commission Budget

Regional Recovery
from Municipalities

Basis for Levy and tax
rate to residents



Financial Strategy

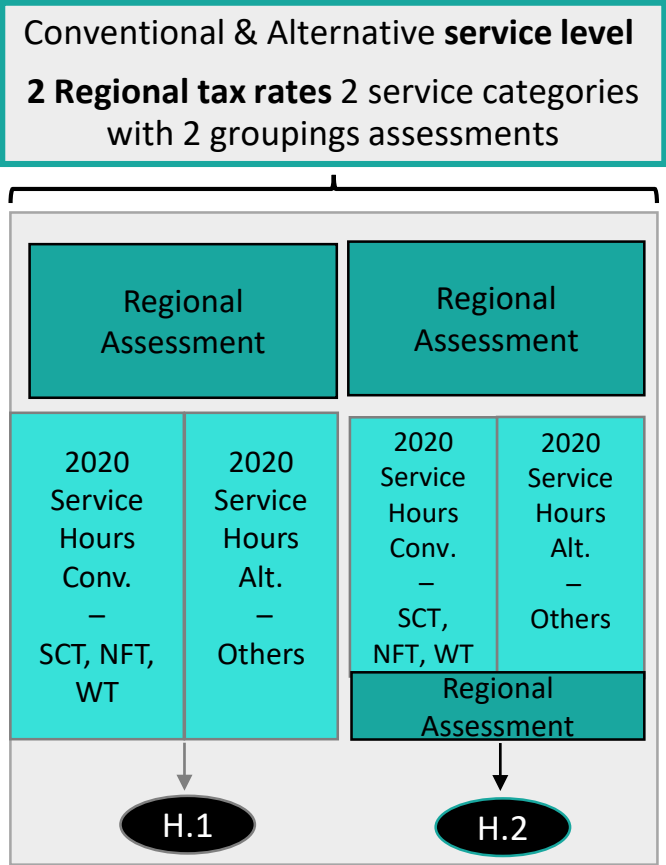
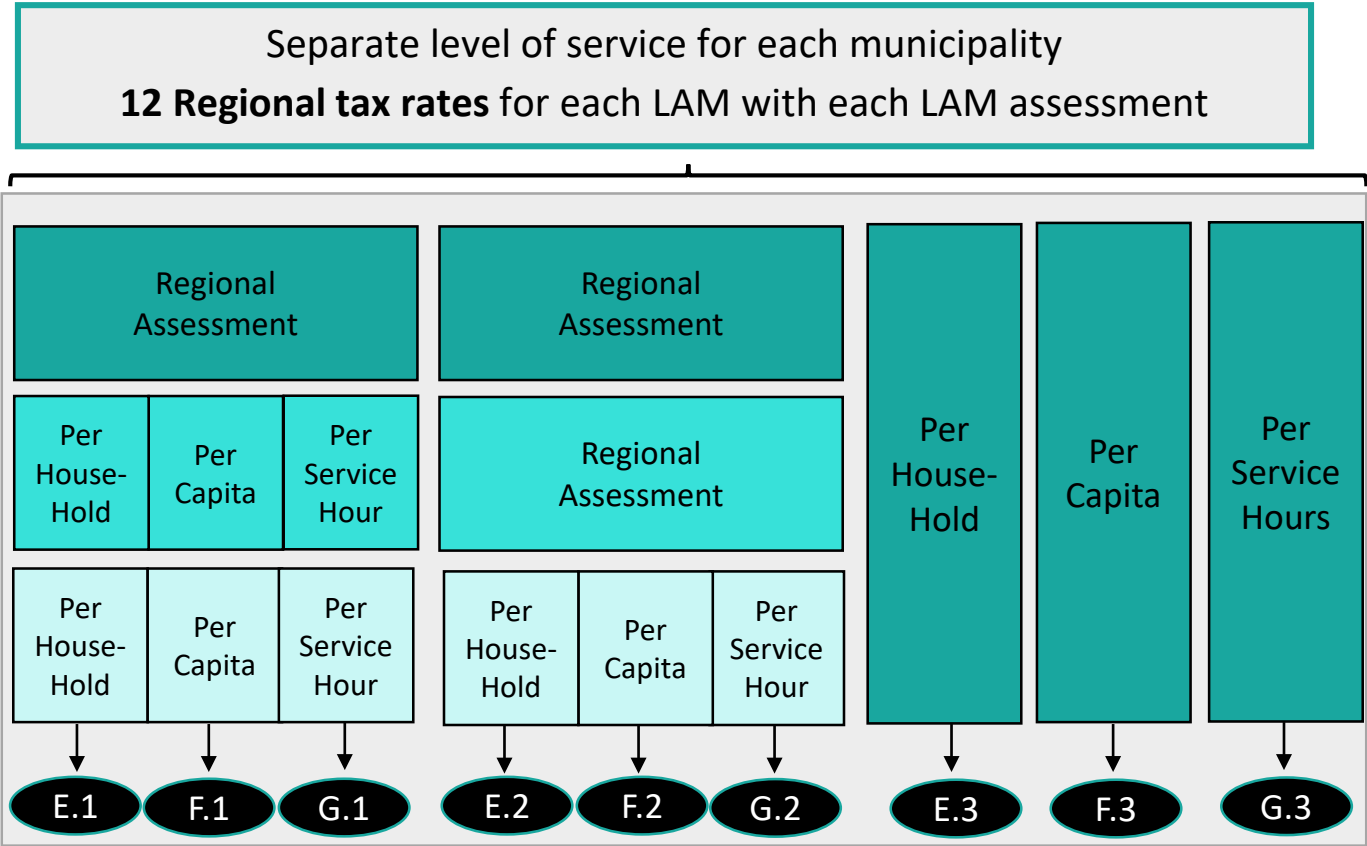
Eleven Special Levy Options Examined

Niagara Region Transit

Local Transit

Incremental Costs

Strategy #



Financial Strategy

Option G.1 - 12 Special Levy Tax Rates

Allocates 65% of 2023 net transit costs based on **service hours**

NRT remains allocated based on Region-wide assessment

Local net operating costs + incremental costs (incl. capital) allocated per service hour

Service Strategy and future growth, subject to future budget approvals; will directly impact the proportion of costs a municipality is apportioned

Original Strategy		Baseline				12 Special Levy		
General Levy		2020 Net Transit Budget				2023 Operating Projection ¹		
		Local Portion	Regional Portion	Total	% of Service Hours	Local Portion	Regional Portion	Total
12.0	St. Catharines ⁴	13.1	4.2	17.3	44%	12.9	4.4	17.3
9.8	Niagara Falls ⁴	8.6	3.5	12.1	30%	8.7	3.6	12.3
3.8	Welland ^{2,4}	3.1	1.4	4.4	11%	3.3	1.4	4.7
4.0	NOTL ³	0.4	1.4	1.8	2%	0.5	1.5	2.0
1.5	Port Colborne ³	0.3	0.5	0.8	2%	0.5	0.5	1.0
2.0	Pelham ³	0.2	0.7	0.9	1%	0.4	0.7	1.1
1.9	Thorold	0.6	0.7	1.3	3%	1.0	0.7	1.7
2.9	Fort Erie ³	1.1	1.0	2.1	5%	1.4	1.1	2.5
3.5	Grimsby ³	0.3	1.2	1.5	1%	0.4	1.3	1.7
2.8	Lincoln ³	0.2	1.0	1.2	1%	0.4	1.0	1.4
1.5	West Lincoln	0.0	0.5	0.5	0%	0.0	0.5	0.5
0.7	Wainfleet	0.0	0.2	0.2	0%	0.0	0.3	0.3
46.4	Total	27.8	16.4	44.2	100%	29.4	17.1	46.4
Incremental Regional Levy to be offset at Municipal level						7.3%		
55%	Conventional	89%	55%	77%	85%	85%	55%	74%
45%	Alternative	11%	45%	23%	15%	15%	45%	26%

1. 2023 Net Operating costs are based on inflationary adjustment for all other LAMS + removal of \$0.3M in PGT used for Operating expenditures

2. Welland Local Transit Cost above is different than transit costs reported in Welland tax levy as the City recovers some of it's corporate overhead in its charge to Region for NRT services included in the Regional tax levy.

3. On-Demand/Local Transit investment increasing between 2020 and 2023.

4. Transit expenditures include debt payments

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Special Levy: Service Standardization

Standardizing transit service requires an additional **58,500** service hours by 2025 (\$5.4M)

22,500 Niagara Region Transit
+ 36,000 Local Transit

Municipalities who realize services will be allocated costs of those services

Service Based Principle

Conventional/ Alternative service level costs adjust based on proportion of service hours

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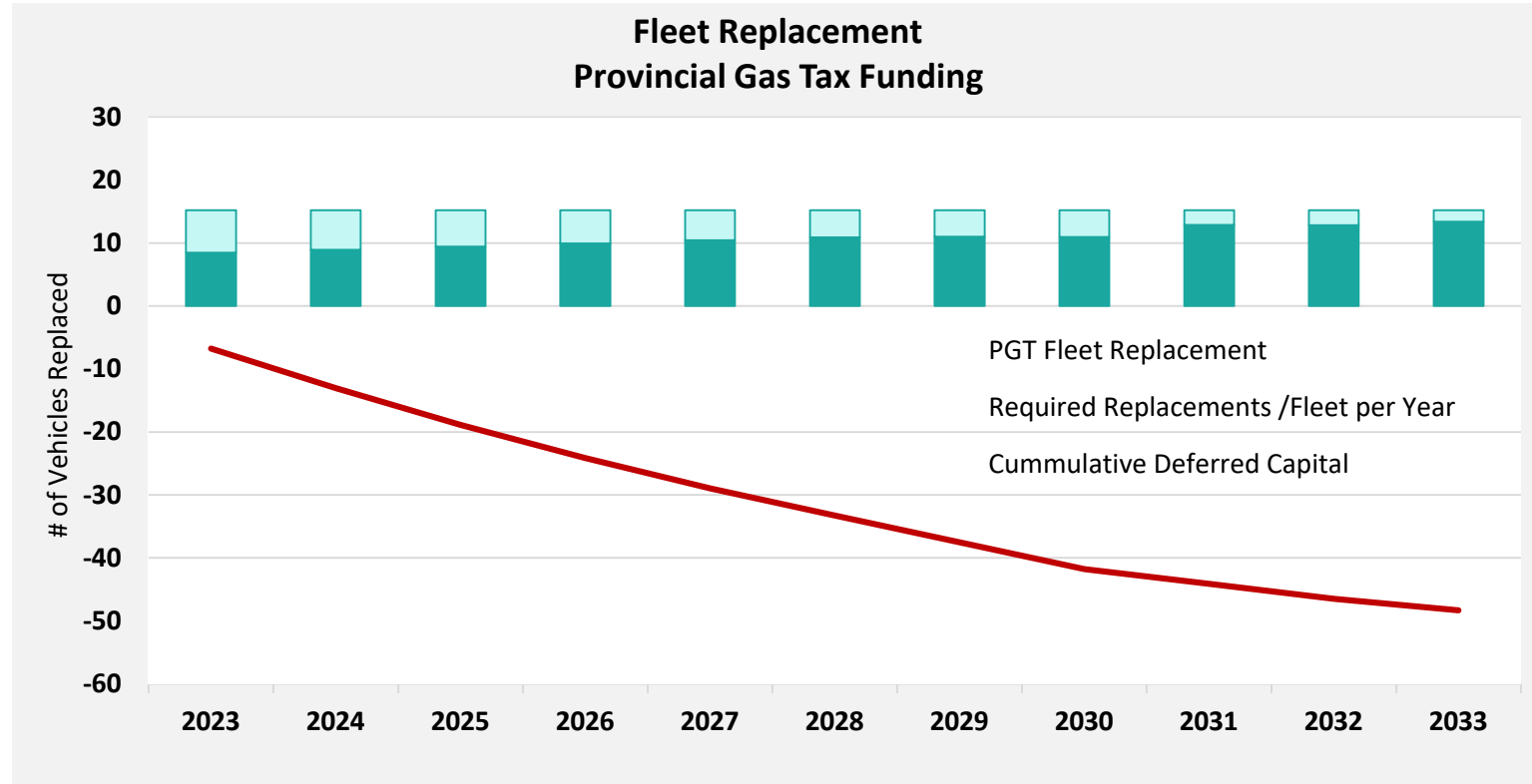
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	Net Operating Projections ¹			
	2020 % of Service Hours	2023 Year 1 (M\$)	2025 % of Service Hours	Phase 1 Year3 Service Standards (M\$)
St. Catharines	44%	17.3	41%	19.4
Niagara Falls	30%	12.3	28%	14.1
Welland	11%	4.7	12%	6.0
NOTL	2%	2.0	3%	2.7
Port Colborne	2%	1.0	2%	1.4
Pelham	1%	1.1	2%	1.4
Thorold	3%	1.7	3%	1.9
Fort Erie	5%	2.5	5%	3.0
Grimsby	1%	1.7	2%	2.1
Lincoln	1%	1.4	2%	1.8
West Lincoln ²	0%	0.5	0%	0.6
Wainfleet ²	0%	0.3	0%	0.3
Total	100%	46.4	100%	54.7
Regional Budget increase		7.3%		2.1%
Conventional	85%	74%	82%	72%
Alternative	15%	26%	18%	28%

1. estimates based on 2020 budgets adjustments may be necessary prior to 2023 to reflect most recent financials; Service Strategy and future growth, subject to future budget approvals

2. West Lincoln and Wainfleet have not been allocated local service in Service Standards strategy

Special Levy: Capital Requirements



Total PGT allocated to Niagara **\$6.8M**

In 2020 \$1.6M utilized for operating

Financial Strategy *removes* operating PGT over 5 years beginning in 2023 and directs towards capital replacements

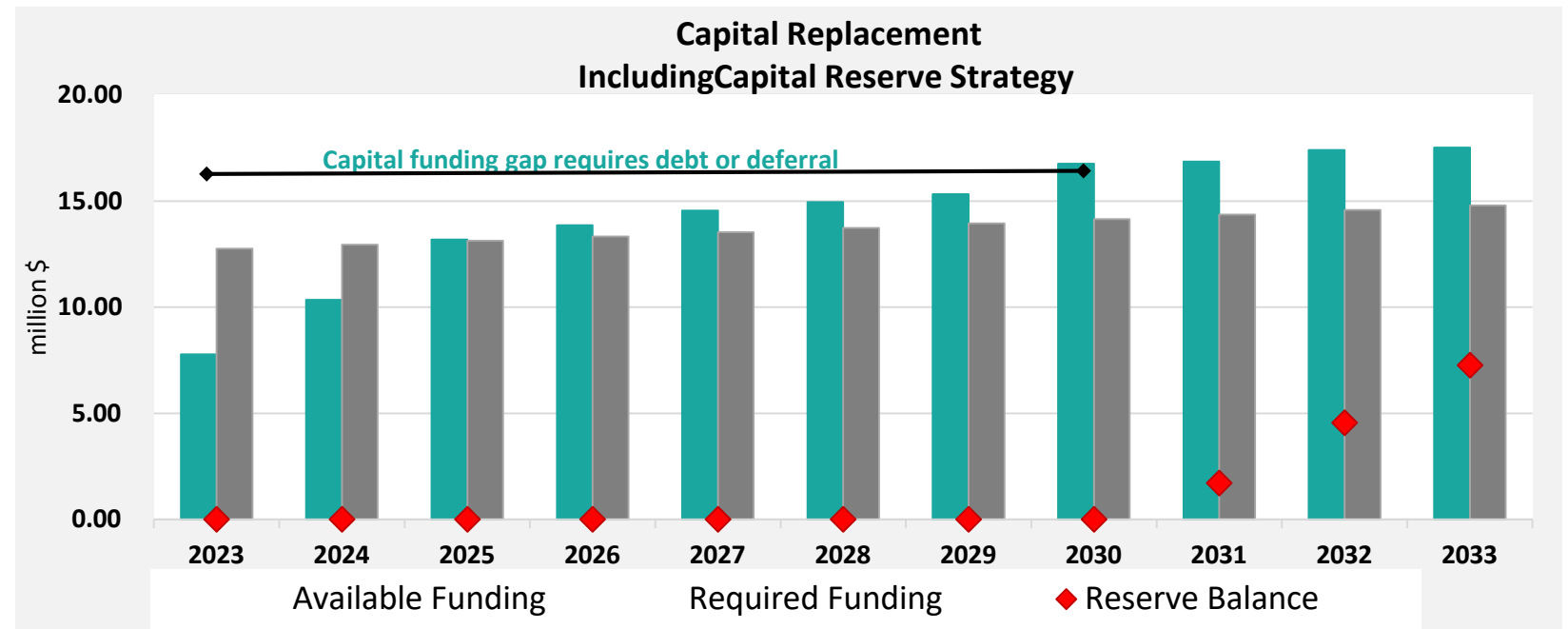
PGT funding contributes 65% of annual fleet requirements

Note: PGT provides for fleet replacement only and does not provide for any other incremental capital at this time

Special Levy:

Capital Reserve Strategy: 3 Year Phase-In

12 Special Levy Option (existing capital only)		
	% of Service Hours 2020	2025 Yr3
St. Catharines	44%	2.7
Niagara Falls	30%	1.9
Welland	11%	0.8
NOTL	2%	0.2
Port Colborne	2%	0.1
Pelham	1%	0.1
Thorold	3%	0.2
Fort Erie	5%	0.3
Grimsby	1%	0.1
Lincoln	1%	0.1
West Lincoln	0%	0.0
Wainfleet	0%	0.0
Total	100%	6.5
Incremental Regional Budget Requirement		1.6%



Annual Transfer to Reserve for existing capital @ 6.5M
 Three year phase-in @ 0.5% incremental increase on Regional Levy each year
Sufficient Reserve for Annual Fleet replacement by 2025 and all capital requirements by 2030

Special Levy:

Compliance with Municipal Act re: Section 326 Special Services

Defining “Special Service” (section 326 (2) (b)) “service or activity being provided or undertaken at **different levels** or in a **different manner** in different part of the municipality”

Options for defining ‘special service’	(12) Special Levies requires 12 service levels Option G.1	
	2023	2025 →
Service Hours per Household	All different	Few different - Standardizing baseline services intended to reduce variability between levels /manner of service for “Alternative Service” Municipalities
Service Hours per Capita	Most different	
Frequency of Service	Few different	Ability to maintain 12 special levies to be monitored annually as part of service strategy and consideration given to fewer levies as service level becomes aligned.
Type of Service: Conventional, On-Demand, Specialized, Blend	Few different	



Board Composition

Board Composition

Phase 1 Feedback

The NTGS recommended a nine (9) member hybrid board model with a mix of political and public representation. Feedback received from LAMs during Phase 1 included:

Representation should be proportional to ridership, population, or assets being transferred

Requests for an enhanced proportion, full-time, or permanent representation

Municipalities being asked to contribute financially without consistent representation

Consideration should be given to representation by geographical area such as “Niagara West” or “Niagara South”

Board Composition

GSC Core Principles Considered

**More frequent and direct
representation for all
municipalities**



**Maintaining representation for
larger municipalities
proportional to their ridership
and financial contributions**

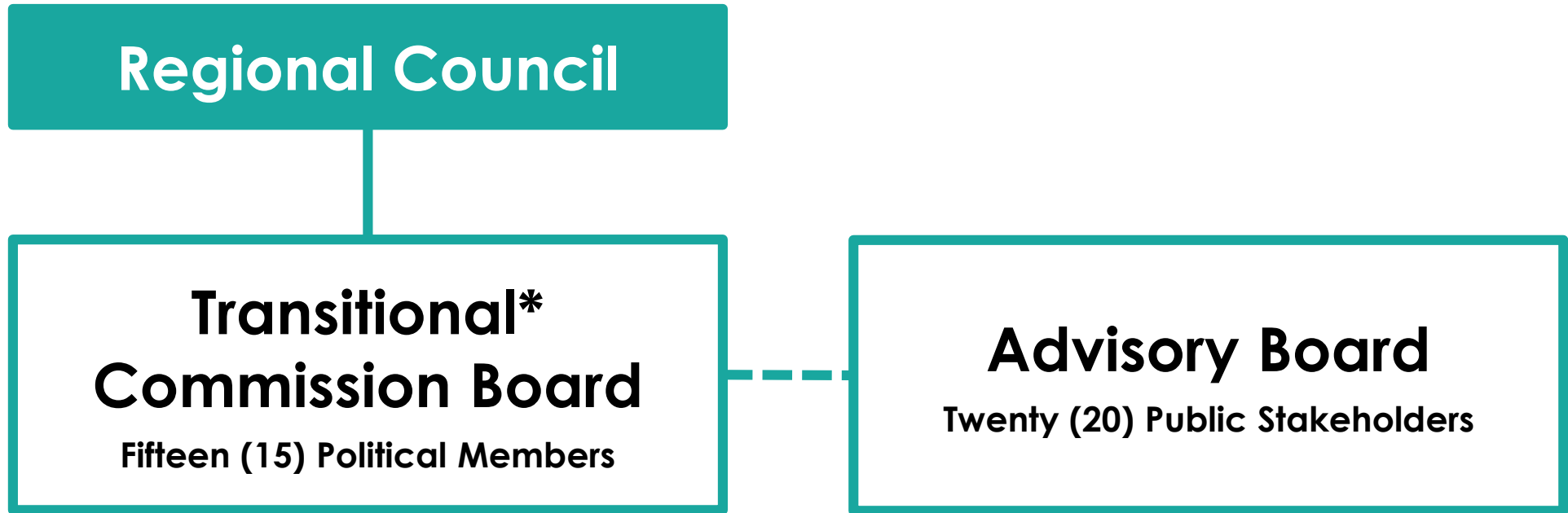
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Board Composition

Governance Structure



** Reviewed after three (3) years by an external third-party to ensure that composition, size, and share of representation has resulted in an effective governing body that is achieving the strategic objectives of the Commission*

Board Composition

Transitional Commission Board

15 Member Board



(3) St. Catharines

(2) Niagara Falls

(1) Fort Erie

(1) Grimsby

(1) Lincoln

(1) Niagara-on-the-Lake

(1) Pelham

(1) Port Colborne

(1) Thorold

(1) Wainfleet

(1) Welland

(1) West Lincoln

Features

- Fifteen (15) member transitional Commission Board comprised exclusively of elected representatives
- Municipal representatives recommended by each local Council, and can be either Regional or local Councillors:
 - final responsibility to appoint, reject or remove members rests with Regional Council to ensure compliance with Public Sector Accounting Board standards

Board Composition

Advisory Board

Twenty (20) Public Stakeholder Representatives

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

**Resident members recommended by local Councils, all members appointed by the Transit Commission Board*



Service Standards Strategy

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Service Standards Strategy

Overview

The purpose of the Service Standards Strategy is to outline how transit in Niagara could be enhanced, should the combination of the existing transit services take place.

Today, transit in Niagara is delivered through a mix of services and by different levels of government and transit agencies.

Integrating into one transit system serving all of Niagara represents an opportunity combine resources to deliver more and better service, providing easier connections between towns and cities



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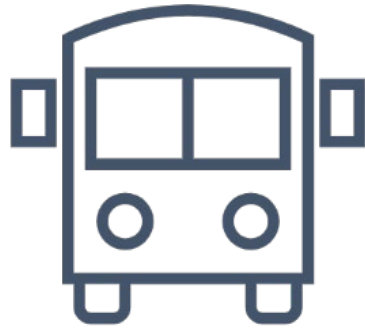
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Service Standards Strategy

Types of Transit

Conventional Transit



What comes to mind when most people think about transit - a large bus that stops at the corner that comes by on a regular schedule

Alternative Transit



Where conventional 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

Includes

- Community Bus
- Demand Responsive
- Specialized Transit

Service Strategy

Phase 1 – Standard Operating Hours

In **Phase 1**, the new Commission 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

Service Strategy

Phase 2 – Combine Specialized and Demand-Responsive Service

In **Phase 2**, the new Commission would introduce a consolidated transit service to deliver both demand responsive and specialized service across the 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:

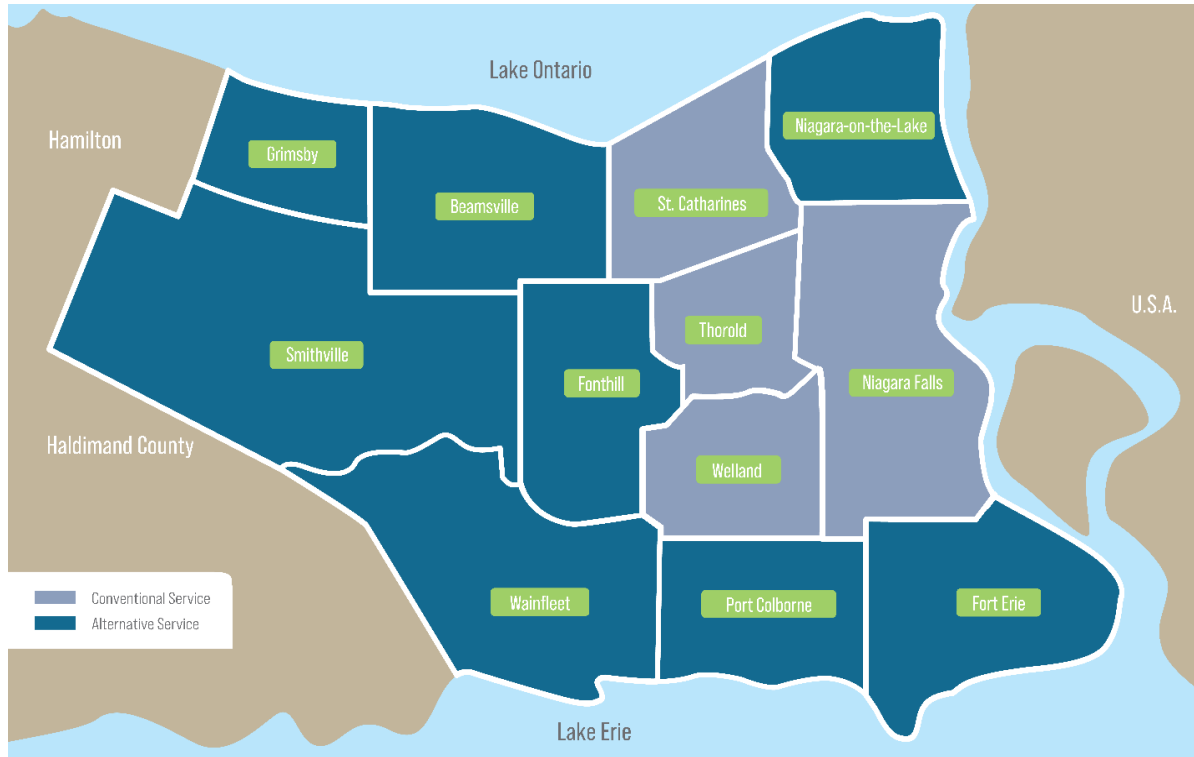
- pick-up and drop-off passengers as close to their destinations as possible rather than at dedicated stops;
- and both operate on flexible routing

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

Service Strategy

Phase 3 – Network Review Study

Niagara Transit Standards (Post-Phase 3)



In **Phase 3**, the new Commission 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

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→ Next Steps

Next Steps

Model Comparison

Strategy	GSC Recommendation	NTGS and Original Financial Recommendation
Financial	<ul style="list-style-type: none"> • Twelve (12) Special Levies. • Regional transit costs will be allocated to Special Levy based on local share of Regional assessment. • Local transit costs will be allocated to Special Levy based on local service hours. 	<ul style="list-style-type: none"> • Single Regional Levy. • Costs distributed to the LAMs based on Regional property assessment.
Board Composition	<ul style="list-style-type: none"> • Fifteen (15) member board comprised of political representatives. • Full-time representation for smaller LAMs. 	<ul style="list-style-type: none"> • Nine (9) member hybrid board. • Two (2) rotating representatives for smaller LAMs.
Service Standards	<ul style="list-style-type: none"> • Niagara wide service standards • Short-term Phase 1 and Phase 2 enhancements precede a Phase 3 Network Service Review 	<ul style="list-style-type: none"> • NTGS growth projections from Future State assessment. • Network Service Review prior to service launch

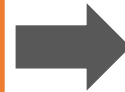
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Summer and Fall Workplan

Municipal Feedback

- LAMs provided opportunity to provide additional feedback to shape final recommendations
- Feedback required by **August 25**

Summer 2021



Triple-Majority

- Feedback reflected in final recommendations
- Triple-Majority process commencing in early Fall
- Conclusion within 2021

Fall / Winter 2021

Next Steps

Communications and Engagement Strategy

Objectives

Further education, awareness and engagement on the move towards a region-wide single transit system will be undertaken:

- Provide councils with confidence that residents had the opportunity to understand the recommendations and provide their comments
- Provide transit stakeholders and supporters with the information and resources they need to engage in the conversation about consolidated transit for Niagara; and
- Support the consideration of the triple majority vote to establish a new transit model for Niagara.

Audiences

Niagara residents

- Transit users in municipalities that have existing traditional transit service
- Transit users in municipalities that do not have regular, frequent traditional service
- Niagara residents in areas with no service
- Niagara residents who currently do not use public transit

Transit supporters

Community - interested parties

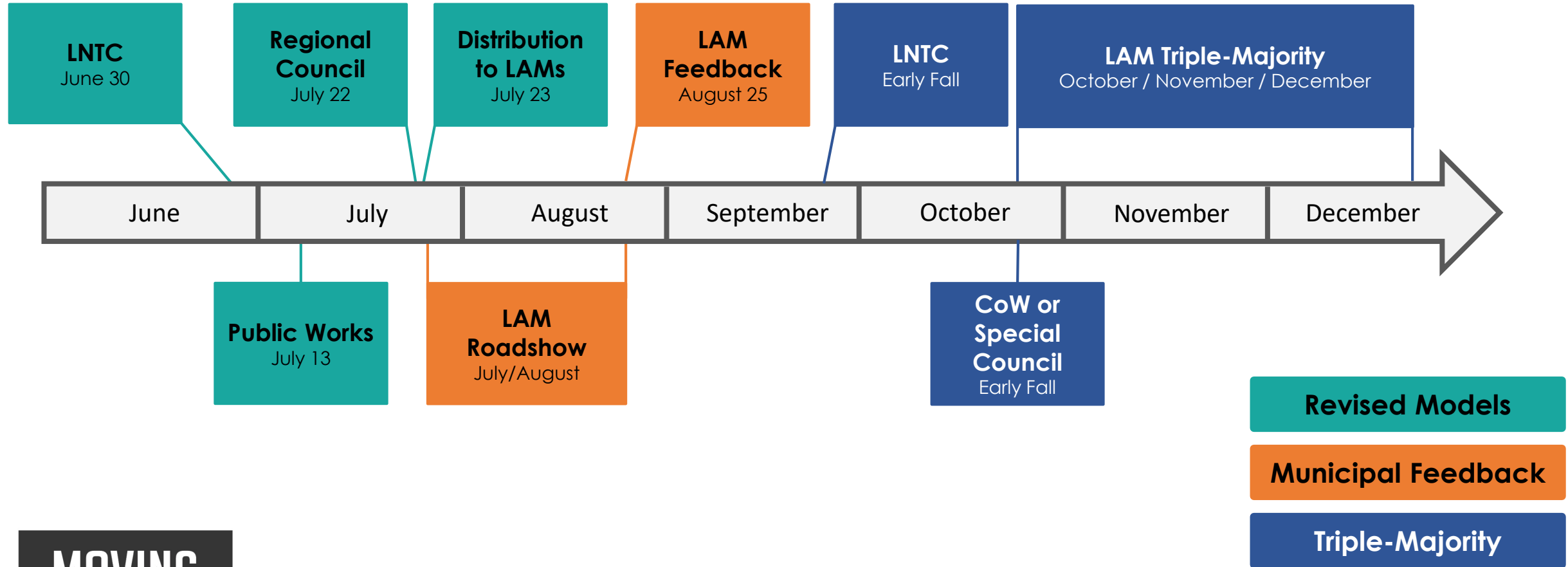
- Businesses, chambers of commerce
- Post-secondary
- Community agencies and organizations

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Transit Governance 2021 Workplan



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Discussion

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