

Moving Transit Forward

Special Council Meeting

November 25, 2021

Agenda

Why Integrate?

**MOVING
TRANSIT
FORWARD**

The road to today, and what the benefits of a consolidated transit system for Niagara could be

The Plan



The 'how' of integration – the final governance, financial, and service strategies that outline how a Commission would be formed

Significant Consultation



An overview of how municipalities, interested parties, and the public have been involved in the process

Next Steps



What the road forward would be – the LAM triple-majority process and initial transition activities

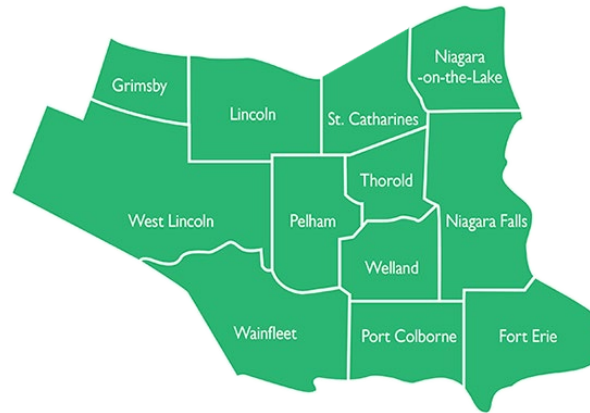
Why Integrate?

Moving Transit Forward

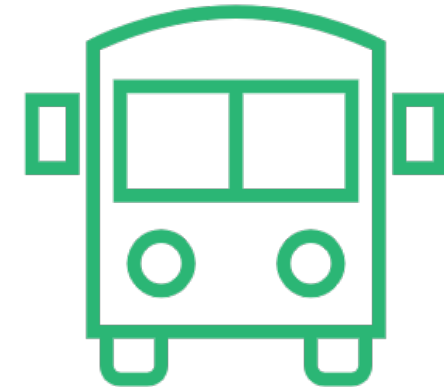
The vision is for a single, consolidated transit system, in the form of a new Transit Commission, that would formally integrate all existing Regional and local transit systems, and that will bring dramatic benefits to the residents of Niagara.



Connect to GO



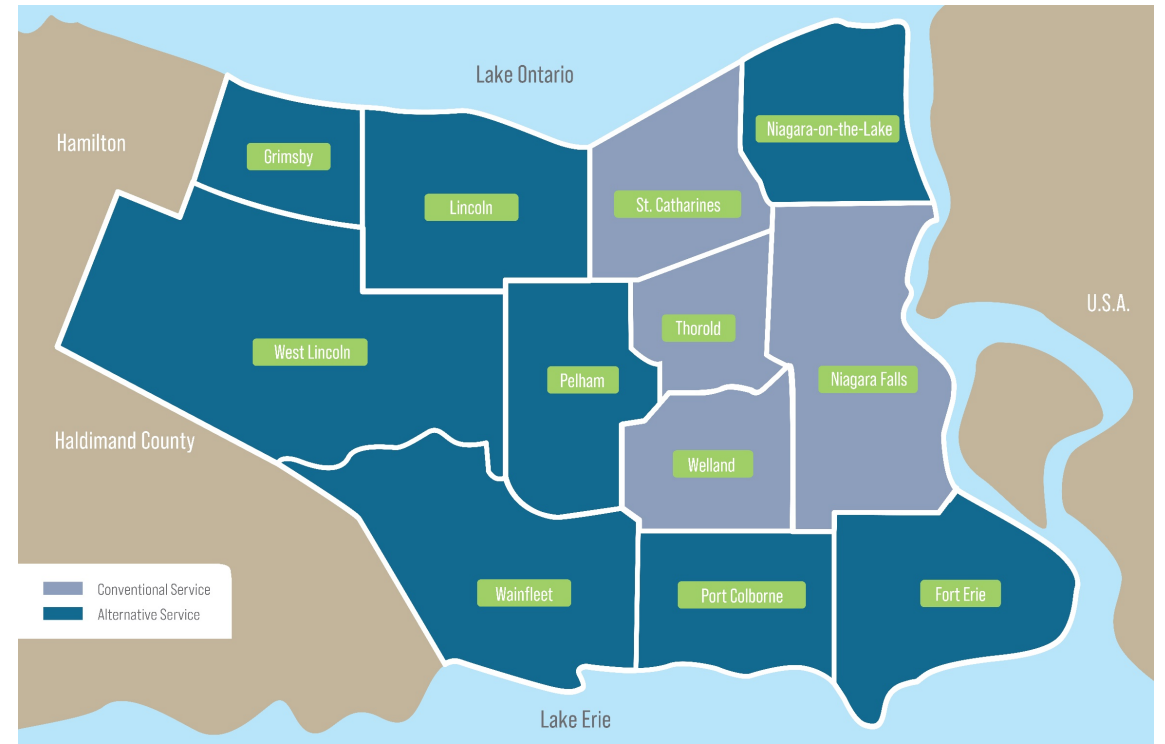
Connect Niagara



Enhance Service

Why Integrate?

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



Why Integrate?

- ✓ To have **one schedule**, with **one website** and **one app** to help you plan your trip.
- ✓ To **connect to GO Transit** as service continues to be expanded and enhanced.
- ✓ To **support business and economic development** by connecting employers with new customers and employees with new opportunities.
- ✓ To **drive tourism** by connecting people to all the destinations and activities that Niagara has to offer.
- ✓ To make travel easy and seamless for **Seniors** to access services, see family and friends, and maintain independence.
- ✓ To provide direct access to **Health Care**, and improve social determinants of health.
- ✓ To ensure **innovation**, using new methods to serve communities like on-demand transit and open fare payment technology make travel easier.
- ✓ To create a more **accessible** and **equitable** system by ensuring all residents have similar access to transit and mobility options no matter where they live, work or play.

Why Integrate?

- ✓ To support the **environment** by reducing greenhouse gas emissions, reducing vehicles on the road, and support future moves to a cleaner, greener, zero-emission transit fleet.
- ✓ To ensure that **Students** and **Youth** have freedom and independence to safely get to school, participate in extra-curricular activities, or access a job.
- ✓ To ensure transit is **funded fairly and sustainably**, with residents only paying for the service they receive directly.
- ✓ To deliver **better value for all Niagara taxpayers** through more efficient delivery of service and eliminating duplication.
- ✓ To ensure **focused leadership and governance** will guide Niagara's transit transformation into the future.

It is only through the move to one consolidated transit agency for all of Niagara that these outcomes can be fully achieved.

Why Integrate?

Change and Growth is Coming to Niagara

2031 Projections - 2019 Municipal Growth Plan

 **19%**

Population Growth

 **16%**

Employment Growth

- Peer jurisdictions have already made the move: Waterloo, Durham and York – as well as de-facto Region-wide systems such as in Hamilton and Windsor.
- People and businesses have an expectation of region-wide, GTHA-like transit systems when considering relocation both to or from Niagara.

A move to a consolidated Region-wide transit agency is critical for ensuring that Niagara remains a competitive destination for people and businesses, and is able to retain those already here

Why Integrate?

The Status Quo is not an option. Operational integration has reached its limit – further enhancement requires transformative and meaningful change.

Without consolidation, Niagara will face:

- **Inconsistent investment**, service levels, policy and impacts to transit riders;
- Uncertain or uncoordinated **connections to GO Transit**;
- Perpetuating unnecessary **jurisdictional boundaries**;
- Unsustainable **funding pressures** on LAMs to meet current and future challenges;
- **Inability to pivot** existing systems rapidly to meet evolving community demands; and
- Fewer and/or **uncoordinated connections** to HSR.

The IMTWG has made incredible strides to harmonize as much as possible – to improve, integrate, and coordinate the existing systems in Niagara.

However only through a single Commission model – **a single decision making authority for transit** – can the benefits of these next steps be realized.

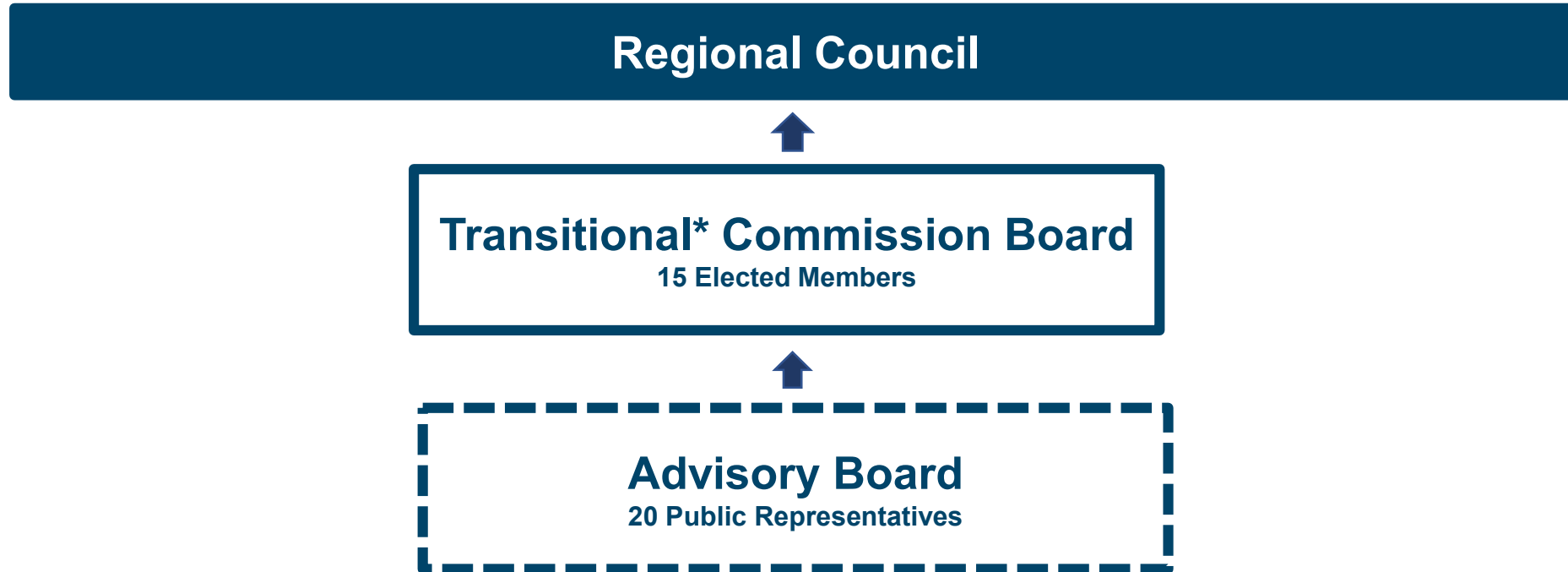
The Plan

The Plan - Governance



The Full Commission model brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region

The Plan - Governance



** Reviewed 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. The requirement for this review will be confirmed as part of the Municipal Transfer Agreements. Implementation to coincide with the next municipal election cycle (2026).*

The Plan – Niagara Service Standards

The Service Standards Strategy demonstrates to municipalities the types of enhancements they can expect to see in their communities in the future



Key Features

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

The Plan – Financial Strategy

Funding Strategy - 12 Special Levy Tax Rates

Existing Regional Transit

Current state remains with costs allocated based on Region wide assessment

Local and Incremental Costs

Costs allocated to municipalities based on service hours

Key Features

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

The Plan – Financial Strategy

**Current
State**

2020

**Opening
Day**

2023

**Phase 1 Service
Enhancement**

2025



**\$44.2 M
Region-wide Transit
Operating Costs**

- ✓ \$27.8M Local levies
- ✓ \$16.4M Regional levy

**+ \$2.2 M
Region-wide Transit
Operating Costs**

- ✓ Local levy costs transitioned to Regional levy (Incl. inflation costs to 2023)
- + \$2.2M Capital Reserve Strategy

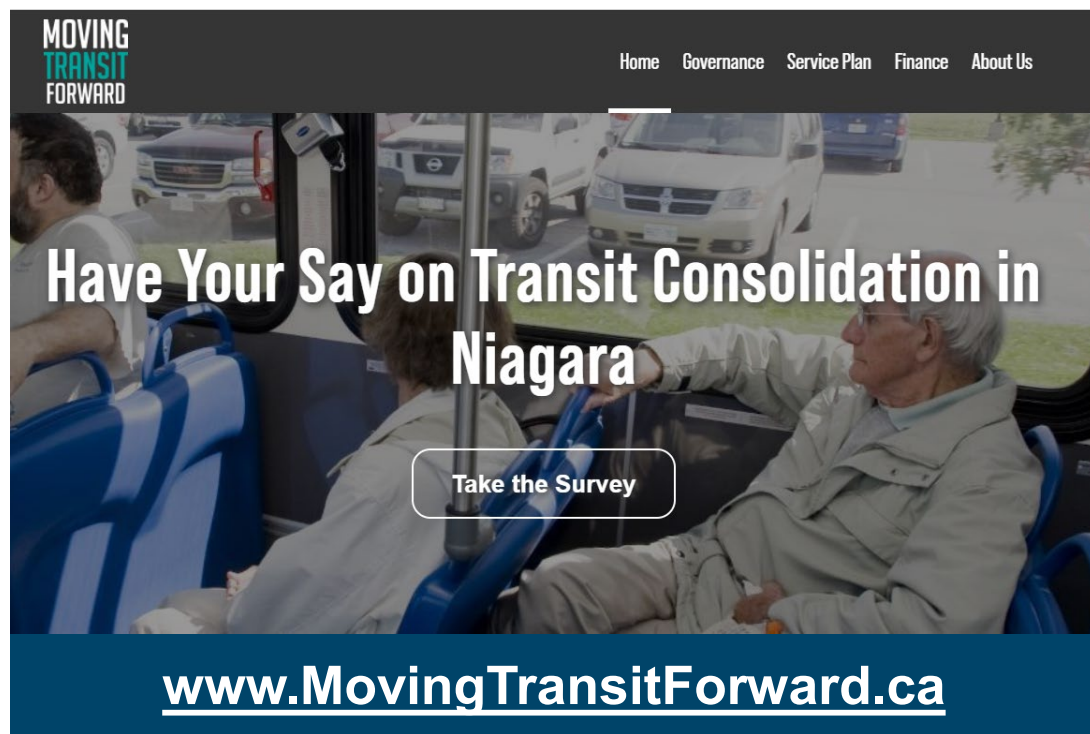
**+ \$8.3 M
Region-wide Transit
Operating Costs**

- ✓ Implementation of expanded service hours, common fare strategy (incl. inflation costs to 2025)
- + \$4.3M Capital Reserve strategy

Significant Consultation

Significant Consultation

Website + Public Survey



2,252

Total Respondents

82%

Governance
Strategy
Support

85%

Service
Strategy
Support

79%

Financial
Strategy
Support

Significant Consultation

Interested Party Information Sessions

- Online, virtual direct engagements with diverse stakeholder groups in all municipalities
- 9 thematic sessions + additional direct outreach sessions, engaging approx. 125 individuals
- Youth advisory committees, business groups (Chambers, BIAs), Brock & Niagara College, environmental groups, etc.
- Coordinated and suggested through direct outreach to all 12 local municipalities

Thematic Sessions

Environment
Seniors
Transportation
Business
Diversity/Inclusion
Health Services
Youth
Libraries
Post-Secondary
Transit Unions

Significant Consultation

Municipal Feedback – The Roadshow

Municipal input was key to NTGS recommendations and associated financial model, as well as subsequent revised strategies developed by the GSC. Significant change occurred from the initial proposal to the revised strategies as a direct result of municipal feedback

Phase 1 LAM Consultation



Revised Strategies



Phase 2 LAM Consultation



Final Strategies



Significant Consultation

City of Welland Input

The City of Welland has outlined a series of what it believes are ongoing concerns with the proposed transit governance strategy.

- The consultation process to date has been extensive, extending over multiple years.
- Welland has been provided significant opportunities to provide feedback and input.
- Numerous specific inputs have already been accommodated within the revised proposals.

A companion memorandum has been prepared that outlines the outstanding discussion points raised by the City of Welland and how these items were acknowledged, weighed, considered and responded to throughout the current process.

Significant Consultation

City of Welland Input

Net Baseline Operating Costs for Welland Transit

- Niagara Region currently contracts the City of Welland for the delivery of Niagara Regional Transit (NRT) routes on an hourly basis.
- By charging an hourly rate greater than the cost of actual service delivery Welland overcharges Niagara by approximately \$600,000 per year

| Municipality | Direct Transit OH (% of total operating budget) | Direct Cost / Hr including Transit OH/Admin | + Indirect Corporate OH | Cost / Hour including Corp OH | Charge invoiced to Region | Total Recovery/Hr over Direct Cost of Service | Total Recovery/Hr over Direct Cost |
|----------------|--|---|-------------------------|-------------------------------|---------------------------|---|------------------------------------|
| St. Catharines | 9.7% | \$112.20 | N/A | \$112.20 | \$110.00 | -\$2.20 | -2.0% |
| Niagara Falls | 1.6% | \$98.56 | 1.2% | \$100.40 | \$100.40 | \$1.84 | 1.9% |
| Welland | 13.4% | \$84.91 | 15.0% | \$97.64 | \$105.00 | \$20.09 | 23.7% |

Significant Consultation

City of Welland Input

Selection of 2020 as Base Year for Budget

- The City of Welland has requested that the financial model be updated to use 2022 as the baseline budget year.
- This was not recommended as it would result in undervaluing the full costs of delivering transit in the future and require the Commission to make significant changes to its budget estimates in the first few years of existence

Capital Funding / Use of the Cummings Principle

- The CAO GSC has continually confirmed that the Cummings Principle should be applied in the case of Niagara's transit consolidation (as it has guided all other municipal asset uploads in Ontario since the 1950s)
- Very minimal amounts of municipal levy funds have been expended to purchase transit capital in Niagara (majority funded by federal/provincial \$)

Significant Consultation

City of Welland Input

Transitional Commission Board Representation

- The request for additional representation was considered by the CAO GSC
- All twelve municipalities across Niagara had strong input regarding preferred composition of the Board
- Providing additional representation to Welland would have either:
 - Disadvantaged other larger municipalities, or
 - Required significant expansion of the total size of the board to accommodate and balance the premise of Welland's request

Next Steps

Next Steps – Triple Majority

Regional Council

- The purpose of this report is to seek Regional Council approval for the triple-majority by-law.
- Authority to operate *intra-municipal* (local) transit, having previously obtained authority for inter-municipal transit.

Local Councils

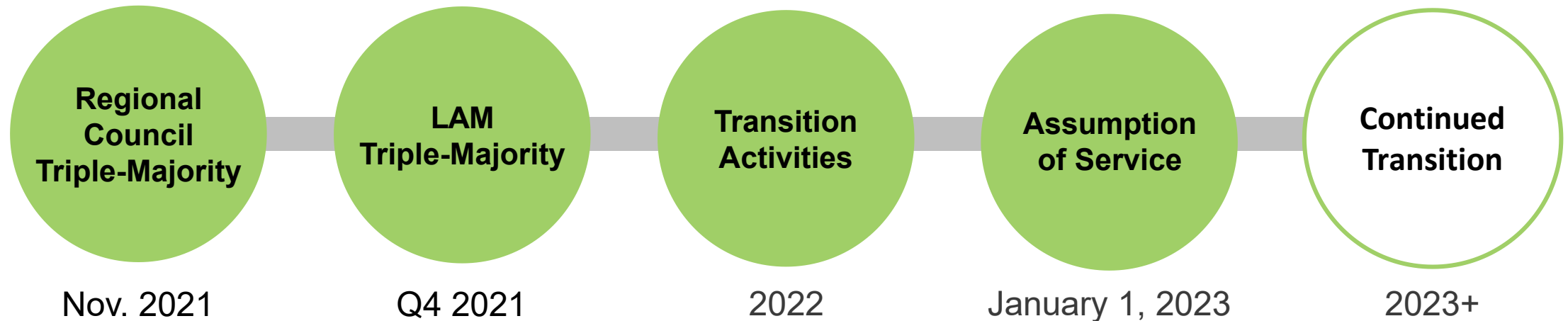
- If approved by Region – subsequent approval to be sought from all 12 Local Area Municipalities
- Represents Local approval to consolidate

Triple majority support consists of:

- A simple majority of all votes on upper-tier council [Regional Council];
- A simple majority of all the lower-tier [LAM] councils passing resolutions consenting to the by-law; and
- The total number of electors in the lower-tier [LAM] municipalities that have passed resolutions consenting to the by-law form a majority of the electors in the upper-tier municipality.

Next Steps – Establish the Commission

Should triple-majority be achieved, an approximate one year transition period would commence during which the Commission would be established in advance of the assumption of day-to-day operations on January 1st, 2023



Next Steps

Establish Municipal Services Board

Q1 2022

- Created via future by-law adopted by Regional Council to formalize Board composition
- Establish relationship between Commission and Region, including financial and reporting relationship

Appointment of Board

Q1 2022

- Each municipality asked to forward Regional Council a recommendation for both elected representative to Commission Board and public/citizen representative for Transit Advisory Committee

Next Steps

Major Agreements (MTA, WEGO)

End Q1 2022

- Municipal Transfer Agreements (MTAs) guide how existing assets transfer to new Transit Commission
- Agreement for exclusion of WEGO from consolidation (at this time)

Transition of Staff

Q3 and Q4 2022

- Open competition for General Manager
- All unionized employees employed as of June 30, 2022 will transfer
- Non-union employees will A) be directly offered a position or B) have opportunity to apply for new roles within Commission

Next Steps – Opening Day

**Assumption
of Service**

January 1, 2023

A New Transit Commission for Niagara:

- ✓ One Unified System
- ✓ Consistent Operating Hours
- ✓ One Brand
- ✓ Connecting Niagara
- ✓ More Inclusive
- ✓ Better Value
- ✓ Linking to GO Transit
- ✓ Supporting Business
- ✓ Driving Tourism
- ✓ Integrated Fares
- ✓ Environmentally Sustainable
- ✓ Youth and Seniors

The Time is Now

Why Integrate?

**MOVING
TRANSIT
FORWARD**

The benefits to Niagara of integrating transit are numerous, very clear, and extremely compelling

The Plan



Enormous and in-depth analysis has been done to conclude the financial, service and governance models to ensure success

Significant Consultation



Municipalities, interested parties and the community have all helped positively shape this proposal

Next Steps



The time is now to make a decision on whether Niagara will transform transit for the future and create a single transit system

Discussion