

2025 Operating Budget

Niagara Transit Commission

October 17, 2024

Agenda

- Services
- Overall Transit Ridership
- NTC Snapshot & Performance Measures and Results
- 2025 NTC Operating Budget
- Efficiencies
- 2025 Budget Investments
- 2025 FTE Summary
- 2025 Mitigations & Risks
- Other Budget Considerations
- 2025 Requisition and Special Levy

Services

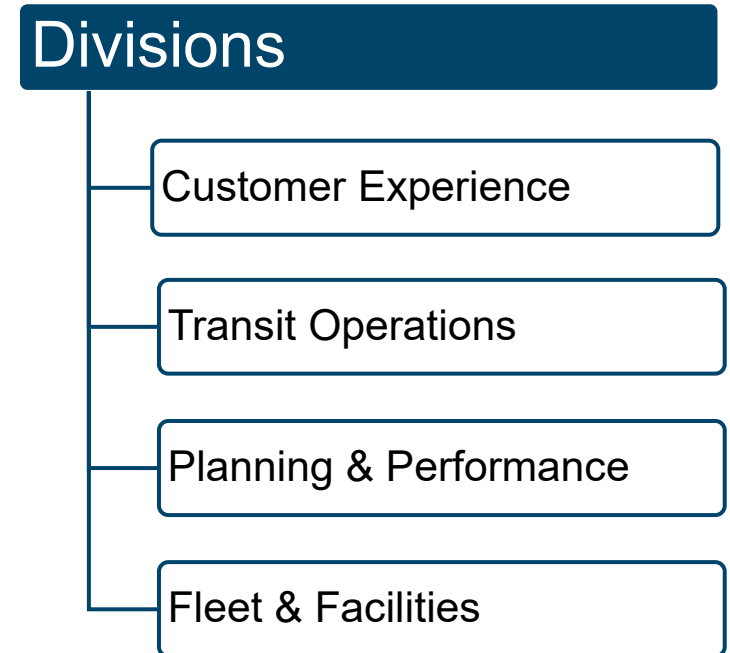
- **Vision:** Connecting Niagara by moving forward together.
- **Mission:** To provide safe, reliable, and sustainable transit service in Niagara.

The Niagara Transit Commission is responsible for the operation, management and maintenance of Niagara's comprehensive regional transit system.

Service Delivery Model

How we do it

- Conventional bus service
 - Welland, St. Catharines, Niagara Falls (local and intermunicipal buses)
 - 1 intermunicipal bus each to/from Fort Erie and Port Colborne
- Microtransit
 - shared-ride service where bus routes don't reach
 - comingled contract with specialized service
- 2-tier fare structure



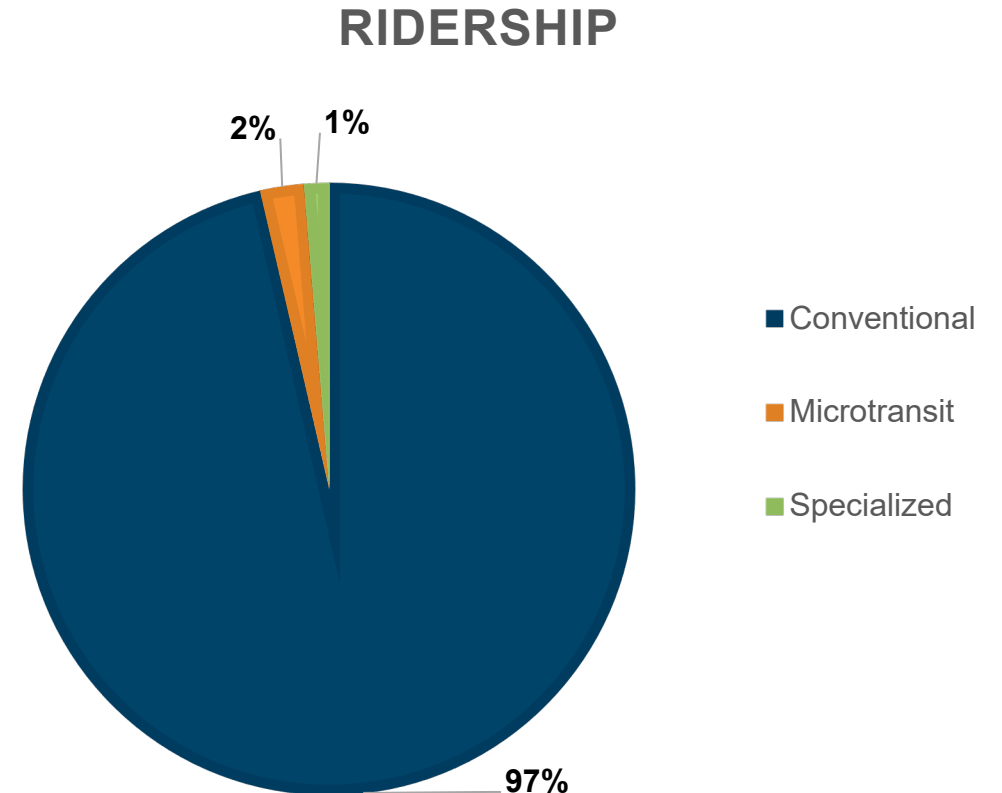
Key Service

Essential Service –

MTA transferred services
(Conventional bus (local and intermunicipal routes) & Microtransit (OnDemand) services in Fort Erie)

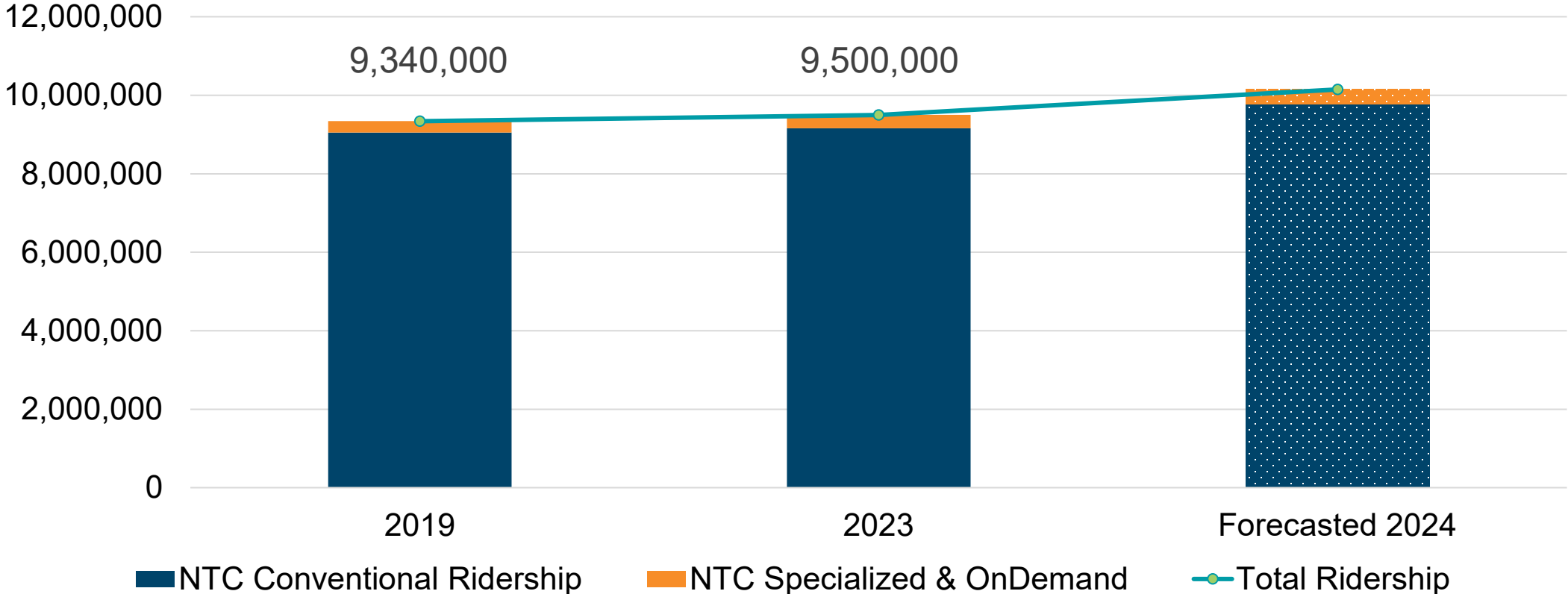
Mandatory Service –

Specialized service per AODA



Overall Transit Ridership

- 2023 total ridership surpassed pre-pandemic levels
- 2024 total ridership is forecasted to exceed 2023 ridership



NTC Snapshot – Q3 2024

Number of Local Routes	88
Number of IMT Routes	11
2025 Staff ¹	453
Number of 40' buses	143
Number of 60' buses	20
Average age of 40' and 60' bus	8
Number of specialized transit buses	23
Average age of specialized buses	6
Number of support vehicles	40
Number of Contracted Vehicles	37
Est 2024 Kilometers Driven (in house)	10,142,000

1. 2025 Budgeted Full Time Equivalent staff including temporary staff, excluding shared services staff

Performance Measures and Results

- Scheduled Service Delivery Rate for Conventional Transit is 99%

- | On Time Performance | 2023 | Q3 2024 |
|------------------------------------|------|---------|
| Conventional | 83% | 83% |
| <i>Conventional – Peer average</i> | 79% | |
| Specialized & Microtransit | 91% | 91% |

Customer Feedback

- 91% of our riders gave a 3 and above rating and said they ‘Felt safe while riding’
- 88% of our riders gave a 3 and above rating and said their ‘Driver was good at their job’

2025 NTC Operating Budget

Methodology

- 2025 Budget is based on 2023 and 2024 year-to-date actuals
 - ‘Right sizing’ labour budget after finalizing Collective Agreement
 - Adjustments for inflationary increases
 - Adjustments to reflect expected price increases to diesel
 - Annual reduction to unsustainable funding specific to Provincial Gas Tax (PGT)
 - Annual increase to transfer to Capital Reserve
 - Service levels remain neutral

Division Priority Projects or Initiatives

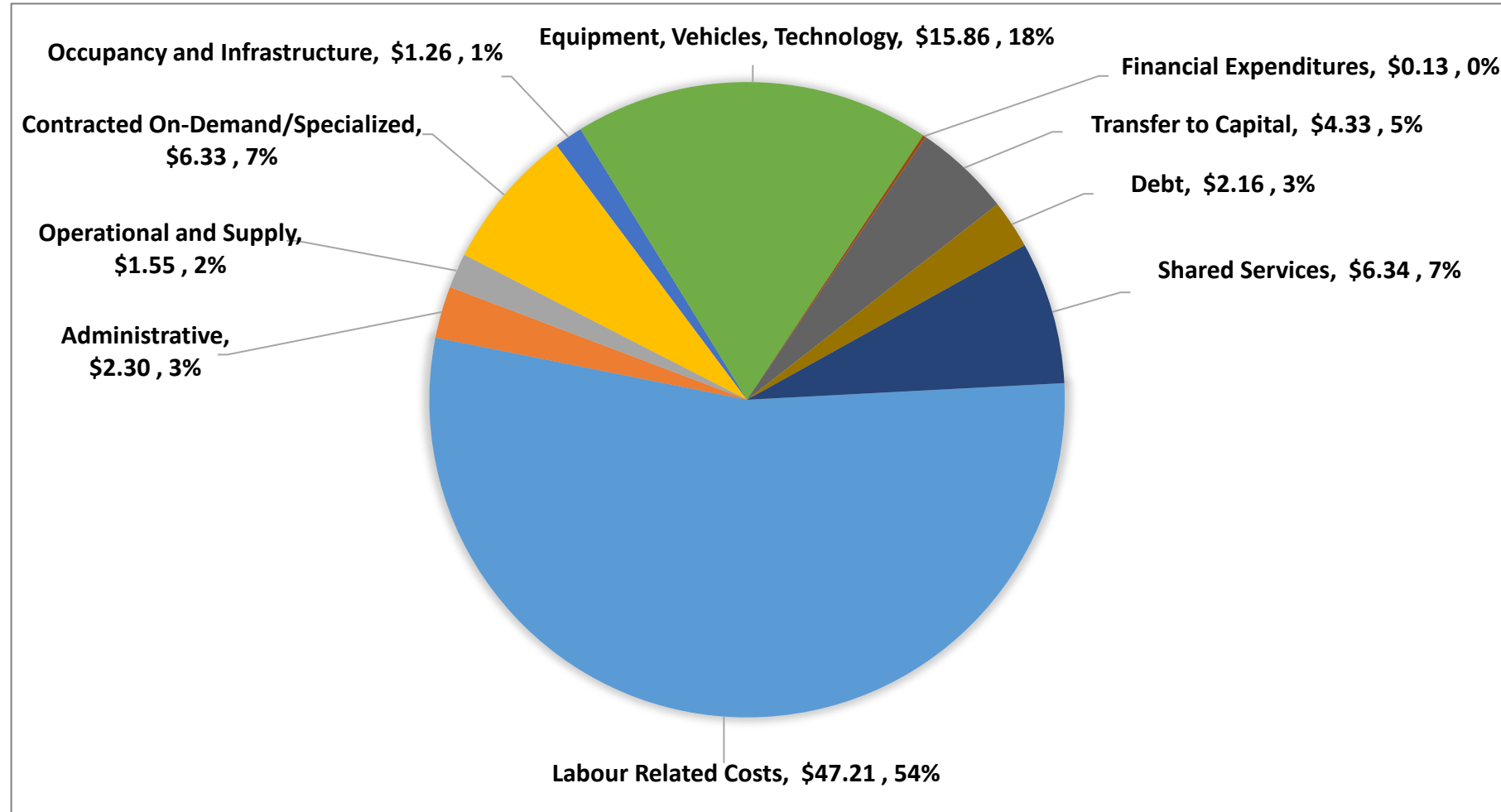
- Sustainable Capital Financing
 - Triple Majority Strategy to increase the transfer to capital by \$2.17 million for three years in order to sustain capital replacements
- Sustain Provincial Gas Tax
 - Reduction of \$300 thousand in 2025 to fund operations to support capital requirements going forward
- Fare Harmonization
 - Beginning July 1, 2025 - one cash fare (\$3.50) for any level of service in Niagara
- 2026 Budget Investment
 - Low-Income Transit Benefit

2025 Budget Strategy vs 2025 Proposed Budget

By-Law Category	Budget Strategy	2025 Budget	Variance
Base Pressures	3.93%	3.16%	0.77%
PGT Strategy	0.51%	0.51%	0.00%
Net Base Service	4.44%	3.67%	0.77%
Capital Financing	<u>3.71%</u>	<u>3.71%</u>	<u>0.00%</u>
Total before Assessment Growth	8.15%	7.38%	0.77%
Estimated Assessment Growth	<u>-1.50%</u>	<u>-1.50%</u>	<u>0.00%</u>
Total	6.65%	5.88%	0.77%

2025 NTC Operating Budget (in Millions)

Where does the money go? Gross Budget = \$87.5M



Efficiencies

Efficiencies in 2025 Budget	(\$)	Qualitative
Comingled Specialty Contract Savings	1,661,784	Consolidation to one OnDemand/Specialized Supplier
Fare Revenue	1,516,152	Increased Ridership - returning to pre-covid numbers
Supplemental Tax Reconciliation	744,676	Not budgeted in 2024
Consulting	233,601	Reduction based on required consulting (higher in 1 st two years due to amalgamation)
Total	4,156,213	

2025 Budget Investments

- Enhanced Capital Financing
 - Triple Majority Strategy approved through Municipal Transfer Agreement
 - Increase transfer to capital reserves by \$2.17 million for three years
 - Zero reserves upon amalgamation for capital replacement/investment
 - Build the capital reserve over three years to sustain assets
 - At end of 2025 there will be \$0 Capital reserves
- Fare Harmonization
 - Consistent fare across all services
 - Effective July 1, 2025
 - Estimated annual increase in fare revenues of \$350 thousand (2025 impact of \$175 thousand)
 - Requirement included in the MTA

2025 Capital Financing Strategy

Year	Transfer from Operating (Triple Majority Reserve Strategy)	Committed to Capital Use per 10-year Capital Budget	Closing Reserve
2024			1,567,308
2025	4,333,334	(3,994,000)	1,906,642
2026	6,500,000	(7,179,274)	1,227,368
2027	6,500,000	(6,474,772)	1,252,596
2028	6,500,000	(6,849,420)	903,176
2029	6,500,000	(2,914,550)	4,488,626
2030	6,500,000	(2,980,185)	8,008,441
2031	6,500,000	(2,429,411)	12,079,030
2032	6,500,000	(9,813,120)	8,765,910
2033	6,500,000	(10,901,939)	4,363,971
2034	6,500,000	(10,828,182)	35,788

Year	Transfer from Operating (No incremental contribution)	Committed to Capital Use per 10-year Capital Budget	Capital Shortfall
2024			1,567,308
2025	2,166,667	(3,994,000)	(260,025)
2026	2,166,667	(7,179,274)	(5,272,632)
2027	2,166,667	(6,474,772)	(9,580,737)
2028	2,166,667	(6,849,420)	(14,263,490)
2029	2,166,667	(2,914,550)	(15,011,373)
2030	2,166,667	(2,980,185)	(15,824,891)
2031	2,166,667	(2,429,411)	(16,087,635)
2032	2,166,667	(9,813,120)	(23,734,088)
2033	2,166,667	(10,901,939)	(32,469,360)
2034	2,166,667	(10,828,182)	(41,130,876)

2025 FTE Summary

Full-Time Equivalents by Division	2025 Permanent	2024 Permanent	Variance
Corporate	2.0	2.0	-
Fleet & Facilities	68.0	68.0	-
Operations	338.3	338.3	-
Planning & Performance	14.0	14.0	-
Customer Experience	29.0	29.0	-
Total NTC FTEs	451.3	451.3	-
Shared Services	14.0	12.0	2.0
TOTAL FTE	465.3	463.3	2.0

Full-Time Equivalents by Division	2025 Temporary	2024 Temporary	Variance
Corporate	1.0	1.0	-
Planning & Performance	1.0	1.0	-
Total NTC FTEs	2.0	2.0	-
Shared Services	0.0	1.0	(1.0)
TOTAL FTE	2.0	3.0	(1.0)

2025 Mitigations & Risks

- Fuel price volatility
- Fluctuations in year-end local area municipality reconciliations of Supplemental Tax revenue and Tax write-offs
- 2025 budget does not take into consideration any phased-in service hour alignments for conventional or specialty services based on the triple majority strategy to increase services by 2025.
- Ridership - Potential for continued increases in ridership recovery or changes related to implementation of fare harmonization
- Vehicle Maintenance costs

Other Budget Considerations

Additional Budget Considerations:	Estimated Cost \$	Increase to Budget
One new Conventional Route Fort Erie	839,560	1.4%
Transfer to Capital - New Bus Fort Erie	Up to 1,000,000	1.7%
Harmonization of Conventional Operating Hours	1,957,398	3.4%
Sunday & Holiday Service - IMT Routes	976,128	1.7%
Harmonization of Operating Hours and Sunday/Holiday Service - Contracted Routes (Specialty Services)	863,200	1.5%
TOTAL	5,636,286	9.7%

Pending results of Master Plan (Service, Route, Strategic Asset & Facility Review (Fall 2025))

2025 NTC Requisition

Methodology

- NTC will determine 12 requisitions for 2025 – one for each LAM
- Requisition Methodology based on sum of:
 1. Local net transit costs and incremental capital will be apportioned based on proportion of **service hours**
 2. Intermunicipal Regional Transit service cost apportioned based on municipal share of Region wide **assessment**
 3. Adjustments for 2022 Direct Revenue Shortfalls funded through one-time funding

*** Financial Strategy approved by Regional Council and local area municipalities through amalgamation ***

2025 NTC Special Levy

Methodology

- Region will determine Special Levy Tax Rate required to recover each municipal requisition
- Municipal tax bills to property owners will include a separate line for Transit Special Levy Taxes
 - Tax rate set by Region just like Regional General Levy rate and Waste Management Special Levy Rate
- LAMs will pay the Region the amount of the requisition in four instalments (like taxes) and collect the Transit special levy from property owners to recover the amount paid to Region

2025 Requisition by Municipality

Municipality	2024		2025					
	2024 Service Hours	2024 Service Hours Allocation %	2025 Service Hours	2025 Service Hour allocation %	2025 Service Hour Allocation	2025 Regional Assessment Allocation ¹	2025 Direct Municipal Allocation ²	2025 Special Levy Requisition
Fort Erie	25,444	5.6%	32,294	7.0%	3,054,552	1,119,755	0	4,174,307
Grimsby	8,483	1.9%	8,741	1.9%	826,774	1,326,855	0	2,153,629
Lincoln	5,980	1.3%	8,251	1.8%	780,427	1,084,485	0	1,864,912
Niagara Falls	130,411	28.6%	130,411	28.2%	12,335,020	3,653,361	513,744	16,502,125
Niagara-on-the-lake	15,912	3.5%	12,599	2.7%	1,191,686	1,494,386	0	2,686,072
Pelham	2,545	0.6%	2,520	0.5%	238,356	756,004	0	994,360
Port Colborne	5,655	1.2%	6,420	1.4%	607,240	554,269	0	1,161,509
St. Catharines	193,924	42.6%	193,924	41.9%	18,342,444	4,387,624	592,500	23,322,568
Thorold	14,647	3.2%	14,647	3.2%	1,385,397	822,138	0	2,207,535
Wainfleet	-	0.0%	-	0.0%	0	263,017	0	263,017
Welland	52,565	11.5%	52,565	11.4%	4,971,899	1,483,306	318,750	6,773,955
West Lincoln	-	0.0%	-	0.0%	0	551,607	0	551,607
Total	455,566	100.0%	462,372	100.0%	43,733,795	17,496,807	1,424,994	62,655,596

2025 vs 2024 Requisition by Municipality

	2024 Approved Budget	2025 Approved Budget	Change in \$	Change in %	Estimated Forecasted Assesment Growth ¹	Change net of Estimated Assessment Growth
Fort Erie	3,216,271	4,174,307	958,036	29.8%	1.5%	28.3%
Grimsby	2,017,945	2,153,629	135,684	6.7%	1.5%	5.2%
Lincoln	1,570,406	1,864,912	294,506	18.8%	1.5%	17.3%
Niagara Falls	15,595,172	16,502,125	906,953	5.8%	1.5%	4.3%
NOTL	2,815,212	2,686,072	(129,140)	-4.6%	1.5%	-6.1%
Port Colborne	1,019,075	1,161,509	142,434	14.0%	1.5%	12.5%
Pelham	946,537	994,360	47,823	5.1%	1.5%	3.6%
St. Catharines	21,863,873	23,322,568	1,458,695	6.7%	1.5%	5.2%
Thorold	2,004,606	2,207,535	202,929	10.1%	1.5%	8.6%
Wainfleet	256,677	263,017	6,340	2.5%	1.5%	1.0%
Welland	6,497,598	6,773,955	276,357	4.3%	1.5%	2.8%
West Lincoln	548,338	551,607	3,269	0.6%	1.5%	-0.9%
Total Base Budget	58,351,710	62,655,596	4,303,886	7.4%	1.5%	5.9%

Questions?

