



Subject: Niagara Transit Governance

To: Council

From: Corporate Services Department

Report Number: 2021-39

Meeting Date: February 8, 2021

Recommendation:

That Corporate Service Department Report 2021-39 be received;

That Council endorse, in principle, the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system, taking into account that Niagara Region will commit to and address:

- a. That the City of Port Colborne service levels set out in the report Transit Enhancement Opportunity (Report 2021-15) dated January 11, 2021 are maintained and improved upon;
- b. That the proposed financial model be amended to address concerns presented by the City of Port Colborne; and
- c. That Regional Council consider geographical areas, such as Niagara South, when selecting two additional Councillors for the Full Commission; and

That Council direct the Director of Corporate Services / Treasurer and the Chief Administrative Officer to continue to work with other municipal CAOs and Regional staff on the Regional financial structure of the consolidation of Niagara's public transit system, which will be presented to Council with a targeted timeframe of Q2 2021.

Purpose:

The purpose of this report is to provide Council with the results of the Niagara Transit Governance Study and seek Council support, in principle, of a Full Commission Model for Niagara's consolidated public transit system.

During preparation of this report, staff reviewed similar reports presented to municipal councils in Niagara, in particular the Town of Grimsby. Staff share some of the same concerns as staff from these municipalities and have modeled this report on the reports that were presented to those councils.

Background:

The transit consolidation process was first initiated in 2015 with a partnership in the form of an inter-municipal transit group between the City of St. Catharines, Niagara Falls, Welland and the Region of Niagara to improve inter-municipal transit (IMT) service delivery.

The Niagara Transit Service Delivery and Governance Strategy Report identified several recommendations for service improvements, including the implementation of an IMT service strategy.

The Linking Niagara Transit Committee (LNTC) was established to guide the overall IMT consolidation strategy. The mandate of the LNTC was to lead the harmonization and integration of operational and policy regimes to the existing transit properties, as well as advance a consolidated governance model. The Inter-municipal Transit Working Group (IMTWG) was established to support the direction of the LNTC.

In 2019, the LNTC directed accelerated timelines for developing a consolidated transit governance model and directed the creation of a team of CAOs to oversee the recommendation for a preferred model.

In November 2020, the LNTC circulated the LNTC correspondence to Council, which included recommendations on a preferred governance model and operating model for a new IMT. Please see Appendix A for the full Regional Report CLK-C 2020-209 (LNTC-C 4-2020)

Discussion:

Regional Report CLK-C 2020-209 (LNTC-C 4-2020)

The report recommends that existing municipal transit systems be transferred to a newly created Commission, thereby consolidating the Region's individual transit system to one that is more comprehensive and serves the entire region.

Although a motion is requested for consideration, this is only intended for local Councils to agree to non-binding "in principle" support for consolidation and more importantly, provide feedback on where the municipality sees improvements or interests in what has been recommended.

Once all of the Niagara Councils have provided feedback on the model, a subsequent and final triple majority report will be brought forward in the late spring/early summer. This will be the vote that determines the final position by each municipality.

Governance Structure

The LNTC report indicates that the Full Commission governance model would be comprised of nine members, including five Regional Councillors, one from St. Catharines, Niagara Falls and Welland and two additional Councillors from the remaining municipalities, and four citizen appointees.

The City of Port Colborne recommends that the two additional Councillors from the remaining municipalities be selected based on geographical location (i.e. Niagara South) to ensure proportionate representation.

The Full Commission model is recommended as it is expected to result in an enhanced degree of independence that will support effective decision making, as well as provide more efficient and cost-effective service delivery through being restricted to funding all operations and unanticipated changes within its annual budget approved by Council.

Cost Structure

The LNTC report indicates that a final funding strategy will be recommended in Q2 2021, which will incorporate feedback from municipalities. The City of Port Colborne's CAO and Treasurer will continue to work with other CAOs on the Regional finance model to address common concerns of the smaller municipalities involved.

Economic Impacts

Expanding Niagara's transit corridors to service new employment centres will not only promote ridership but will contribute to the City's economic security and competitive ability to attract new business.

Environmental Impacts

While there are no immediate impacts to climate change as a result of a new IMT, there are potential longer-term positive effects with respect to the reduction of greenhouse gases and minimizing carbon footprint.

Specifically, an amalgamated IMT offers the opportunity for better, more integrated service which could drive ridership and therefore reduce the need for individual vehicles and trips throughout the region. Environmental benefits would be directly related to the increase of ridership and widespread use of the new IMT.

Alignment with City of Port Colborne Transit Enhancement Opportunity (Report 2021-15)

On January 11, 2021 Council approved Report 2021-15 that provided direction for the City to move towards NRTOnDemand which would align with other local area municipalities in the Niagara Region and the transit system work identified in this report. At the time of writing this report, these discussions are underway. Staff report that while

financial costing in Report 2021-15 illustrated a transition to NRTOnDemand as early as June 2021, a transition may not occur until December 31, 2021 to better align with activities of the transit system work addressed in this report.

Financial Implications:

There are no immediate financial implications associated with this report. An updated financial model regarding the implementation of a new IMT and the projected transitional and operational costs is expected to be presented to Council in Q2 2021.

Initial modelling highlights the City's transit cost of \$165,700 currently on the City's levy would be uploaded (removed from the City's levy) in 2023 and replaced with a Regional levy that would be phased in between 2023 and 2027. The 2023 cost in current value dollars is estimated at \$141,000 growing to approximately \$878,000 by 2027.

Staff identify that this cost compares with the estimated (net) cost of \$510,700 to run the proposed NRTOnDemand service identified in Report 2021-15 and approved on January 11, 2021.

Conclusion:

Report LNTC-C 4-2020 presents a roadmap for a new IMT in the Niagara Region. While staff are supportive of the Full Commission model, staff have provided commentary and requested additional information addressing other items within the report.

Appendices:

- a. Appendix A – Regional Report CLK-C 2020-209 (LNTC-C 4-2020)
- b. Appendix B – Regional Report CLK-C 2020-221 (PWC-C 50-2020)

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.