



THE REGIONAL MUNICIPALITY OF NIAGARA SPECIAL COUNCIL AGENDA

CL 04-2017

Thursday, March 23, 2017

6:30 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER

2. ADOPTION OF AGENDA

2.1 Changes in Order of Items

3. DISCLOSURES OF PECUNIARY INTEREST

4. DELEGATIONS

4.1 Report CAO 8-2017 re Niagara Region's Transit Service Delivery and Governance Strategy (Agenda Item 12.1)

- 4.1.1 Hugo Chesshire, Government Relations Manager, and Mishka Balsom, CEO, Greater Niagara Chamber of Commerce
* The delegation package is attached to this agenda item as CL-C 23-2017.

3 - 10

5. CORRESPONDENCE

5.1 Receive and/or Refer

- 5.1.1 CL-C 24-2017
A memorandum from R. Tripp, Commissioner of Public Works, dated March 23, 2017, respecting Water & Wastewater Services Master Servicing Plan (How We Flow) Project Update – South Niagara Falls Treatment Plant Review.

11 - 53

Recommended Action: Receive.

5.1.2 CL-C 25-2017

54

A letter from D. Patterson, President, Niagara College, and A.M. Nakiwala, President, Niagara College Student Administrative Council, supporting an integrated transit system for Niagara region.

Recommended Action: Receive.

5.2 For Consideration

None.

6. **CHIEF ADMINISTRATIVE OFFICER'S REPORT(S)**

6.1 CAO 8-2017

55 - 85

Niagara Region's Transit Service Delivery and Governance Strategy

6.2 PW 18-2017

86 - 89

Initiation of Capital Budget for Inter-Municipal Transit

7. **BY-LAWS**

7.1 Bill 2017-22

A by-law to adopt, ratify and confirm the actions of Regional Council at its special meeting held on March 23, 2017.

8. **ADJOURNMENT**

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Devos, Natasha

From: PF-Mailbox-01
Sent: Tuesday, March 07, 2017 12:38 PM
To: Lotimer, Kelly; Walton, Ralph; Devos, Natasha
Subject: FW: Online Form - Request to Speak at a Standing Committee

From: Niagara Region Website
Sent: Tuesday, 07 March 2017 12:37:33 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

Name:	Hugo Chesshire
Address:	One St. Paul Street, Suite 103
City:	St. Catharines
Postal:	L2R 7L2
Phone:	9056842361
Email:	hugo@gncc.ca
Organization:	Greater Niagara Chamber of Commerce
standing committee:	Regional Council
Presentation Topic:	Inter-municipal transit
Presenation Details:	I am the Government Relations Manager at the GNCC. I will be joined by our CEO, Mishka Balsom. We wish to address Council on March 23rd to express the support of the business community for the proposal for consolidated regional public transit and to ask Council to pass a motion to continue with the initiative.
Video Consent:	Yes
button:	Submit Form

Good Evening Chair Caslin, Council, Staff and members of the public

My name is Mishka Balsom and with me is Hugo Chesshire

The issue before you tonight is whether to endorse the principle of a consolidated transit system and to commit to working with St. Catharines, Welland and the Niagara Region towards this.

Specifics will be worked out in that process with your directions to staff.

Failing to commit to merely the principle of a consolidated transit system, would be to go against what the business community, students, poverty reduction advocates, and the community as a whole is asking you to do. The plan suggested by Dillon is not binding one at this point. We would ask that you vote to move forward, and not to kill this plan before we even know all the details.

Through a business lens, improved public transit has a direct positive effect on our economy.

1. If Households can save on their cost of living, it will lead to broader impact on consumer purchasing power. Simply put, higher disposable income will result in higher spending, benefiting our economy.
2. Moving people around more efficiently means a larger labour pool. Employees, interns and students can find jobs and positions in their fields. And business productivity benefits from more reliable, motivated and interested employees
3. Our connectivity beyond Niagara's borders is crucial to our economy. The success of GO train, will depend upon the efficiency of the feeder services that bring people to and from the GO stations.

But it will cost money. There is not a single transit system in the world - and that includes looking at Hong Kong's mass transit railway, with three times the population of Toronto in a city the size of Guelph and 90% of the workforce using public transit - they don't make money.

We are not here to vote on a specific model neither do we have all the financials in front of us.

But we took a glance at it: In St. Catharines, each resident pays \$177.05 per year on transit. The increased 2018 operating costs of the consolidated model would increase that levy by 36 cents per year on a levy of \$192.74. In Niagara Falls, it would be less than two cents. Even in Welland, which must pay more owing to needing the most work done on its fleet and upgrades, the increased cost per capita is a mere \$2.84, but on existing costs of only \$94.43.

The one-time cost for the consolidated model, shared amongst the residents of the three cities, would amount to \$2.65 per resident. At the GNCC, we feel this is a small price to pay for the benefits this system would bring.

Capital costs are projected at \$9-16 million over 7 years. Some of those costs would happen regardless of consolidation and we can't forget that we now would have a chance of accessing federal infrastructure funding.

And it is important that we don't look at things in isolation.

In 2012, Niagara Community Observatory, estimated that poverty costs Niagara \$1.38 billion per year, including social transfers, private costs, and social costs.

A major part of the cost of poverty stems from lack of access to jobs and services. Investment in public transit will reduce the cost of poverty as Niagara residents are able to find work, move out of social housing, and access medical services. This means not only a reduction in social funding from taxation, but also a decrease in needed private contributions and social costs, helping to grow the local economy.

Surveys have repeatedly found that taxpayers are willing to subsidize public transit, and to pay more for a better system. Our own survey after our 2015 Niagara Economic Summit found that the business and community leaders who attended prioritized consolidated public transit with a single farebox as the most important political and economic issue for Niagara.

A year later, survey shows that Public transit was rated as one of the more important items affecting business, and nearly half of respondents said that public transit needed to receive more funding.

On behalf of Niagara's businesses, we ask you to endorse and support this plan and to help move our community forward.

Notes:

This suggested consolidated model is estimated to cost an additional \$254,700 over the status quo in 2018, with the bulk of the increase being made up by Niagara Region and Welland.

One-time costs of the consolidated model are \$704,000, *(most of which is for bus restriping and bus stop replacement)*, with a possible further \$450-740,000 for further studies and reviews as necessary.

An additional \$9-16 million in capital costs are projected in over 7 years. *This is for items such as the expansion of maintenance facilities in St. Catharines and Welland, fleet expansion, and a smart card system, which are developments that would – likely – happen regardless of consolidation.*

A consolidated system has a chance of accessing federal infrastructure funding.



Transit Consolidation Brief

The issue of public transit is of great importance to the business community. After our 2015 Niagara Economic Summit, we polled attendees to identify the top issues to emerge from that event – and integrated public transit with a single farebox was the most important issue by far.

Improved public transit offers many benefits to the business community. Moving people around more efficiently means a larger labour pool and employees who can get to work more easily. It means more students can find jobs and internships in their fields, helping better train the workforce of tomorrow, and it helps employers find motivated and interested employees for their industry. The success of the GO train, when it comes to Niagara, will depend in large part upon the efficiency of the feeder services that bring people to and from the GO stations.

Since January 2016, the Inter-Municipal Transit Working Group of Mayors, CAOs and transit managers from St. Catharines, Welland and Niagara Falls, with support from the Regional Chair and CAO, has been working together to develop options for integrated transit services for Niagara. The group has been working with Dillon Consulting to develop options for an integrated transit system that works for all of Niagara. The GNCC has partnered with the working group and with Dillon Consulting, putting together roundtables of local employers to offer their input on the future of Niagara transit.

The [final Dillon report](#) presents a governance strategy that recommends a consolidated transit model. This would see St. Catharines, Niagara Falls and Welland Transit systems combine their services into one large consolidated transit system to serve the entire Niagara region. The consolidated transit model would allow local municipalities to maintain control over transit system planning and allows the Region to be involved in the funding and decision making of inter-municipal connections.

The recommendation for consolidation calls for the creation of a new governing body such as a municipal service board or commission made up of representatives from St. Catharines, Niagara Falls, Welland and Niagara Region with advisory representation from Niagara's municipalities involved with connecting transit services.

Implementation would require “triple majority” for approval – a majority on Regional Council, and then a majority of municipalities representing a majority of the population.

The Dillon report analyzed three proposed models: the status quo; a consolidated model in which St. Catharines, Niagara Falls, and Welland merge their transit services into a single consolidated system; and a regional model, in which transit services would be handed over to Niagara Region. They recommended the consolidated model.

The consolidated model is estimated to cost an additional \$254,700 over the status quo in 2018, with the bulk of the increase being made up by Niagara Region and Welland. One-time costs of the

consolidated model are \$704,000, most of which is for bus restriping and bus stop replacement, with a possible further \$450-740,000 for further studies and reviews as necessary. An additional \$9.3-15.9 million in capital costs are projected in years 1-3, with a further \$1.2-1.3 in years 4-7. However, this is for items such as the expansion of maintenance facilities in St. Catharines and Welland, fleet expansion, and a smart card system, which are developments that would – or should – happen regardless of consolidation. Additionally, a consolidated system has a greater chance of accessing federal infrastructure funding to support such items as facility expansion and smart card access.

In St. Catharines, each resident pays \$177.05 per year on transit. The increased 2018 operating costs of the consolidated model would increase that levy by 36 cents per year on a levy of \$192.74. In Niagara Falls, it would be less than two cents. Even in Welland, which must pay more owing to needing the most work done on its fleet and upgrades, the increased cost per capita is a mere \$2.84, but on existing costs of only \$94.43. This is not unaffordable.

This increased cost delivers more service and makes some notable improvements in efficiency which would free up resources. For instance, duplicate services to Brock and Niagara College could be eliminated, allowing the expansion of off-peak service on key corridors, a new Niagara-West inter-municipal transit link integrated with GO transit, and improved connections to the forthcoming GO train such as an express service between Welland and the St. Catharines GO station. The plan would also use integrated fares and payment technology.

Remaining with the status quo would also incur costs. Annual net operating costs are projected to increase, due partially to inflation but also to the need for new mechanics to maintain reliability of the bus fleets and new maintenance facilities in St. Catharines and Welland, the need for additional supervisors and planning staff, and service growth such as the move to 30 minute peak frequency on all routes in Niagara Falls, a new cross-town route in St. Catharines, Sunday service in Welland, and service expansion in Fort Erie and the potential for new services in Grimsby, West Lincoln, and Lincoln.

When talking about transit costs, it is important to note that public transit never makes a profit. One of the only examples in the world of a profitable mass transit business is in Hong Kong, but even there, the Hong Kong MTR (Mass Transit Railway) does not make a profit from fares – even in a city where three times the population of Toronto is crammed into an area smaller than Guelph and where 90 per cent of the workforce uses the transit system to get to work. Instead, they make a profit by leasing land they own around transit stations, and are one of Hong Kong's biggest developers and landlords.

The Niagara Community Observatory [found in 2012](#) that poverty that costs Niagara \$1.38 billion per year, including social transfers, private costs, and social costs. A major part of the cost of poverty stems from lack of access to jobs and services which are consequential to a sub-optimal transit system. Investment in public transit will be met with a payoff in terms of a reduction in the cost of poverty as Niagara residents are able to find work, move out of social housing, and access medical services. This means not only a reduction in social funding from taxation, but also a decrease in needed private contributions and social costs, helping to grow the local economy.

It is also worth mentioning that the biggest transportation-related recipient of tax subsidies is, in fact, the private car. In 2016, the City of St. Catharines spent seven million dollars on maintaining roads, bridges, traffic lights, road signs, and other infrastructure necessary for private cars. This does not even include the cost of maintaining parking lots and garages, or the opportunity cost that the valuable land they occupy represents. The City of Welland spent \$2.4 million on maintaining roadways, street lighting and traffic control alone. Of Niagara Falls' \$15.5m transportation budget in 2016, nearly half - \$7 million - was spent on maintaining roadways. Most of Niagara Region's \$67.8 million capital transportation budget is spent on roads. These costs, which are paid out of general tax revenues and which are not passed on to the private drivers who make up the overwhelming majority of traffic on these streets, represent a massive taxpayer subsidy of private vehicles.

Surveys have repeatedly found that taxpayers are willing to subsidize public transit, and to pay more for a better system. Our own survey after our 2015 Niagara Economic Summit found that the business and community leaders who attended prioritized consolidated public transit with a single farebox as the most important political and economic issue for Niagara. Our 2016 municipal budget surveys found that infrastructure was a bigger issue for businesses than taxes and that businesses would much rather see investments now instead of tax cuts and deferrals. Public transit was rated as one of the more important items affecting business, and nearly half of respondents said that public transit needed to receive more funding – while less than a third felt that current funding was adequate.

The business community is willing to bear this cost because they recognize it as an investment in business development and attraction. Employers looking to grow their businesses need workforces with mobility, whether they are small-to-medium enterprises looking to scale up, or large firms moving to the region.

The various governments of the region are also investing substantially in bringing the 2021 Canada Games to Niagara, but without a consolidated transit system, it is likely that the games committee will pass over Niagara in favour of a more integrated community. It is not just the transit services while the games are being played, in which additional investment will be made, but the transit services for visitors who arrive early or stay late, who will find themselves unable to get around the region when the games-only services are not running.

The report projects that ridership will increase as a result of this consolidation, with boardings per revenue vehicle hour increasing from 14.08 in 2016/2017 to 16.92 by 2023, and boardings per capita from 1.67 to 2.25 – an increase of 33 per cent. The value of a public transit system is not in revenue but ridership. More riders mean more people accessing jobs, education, healthcare, and so on, less pollution, less congestion on public roads, etc. This is the ultimate goal of a public transit system.

The GNCC and the business community it represents therefore request that local governments proceed with the plan for transit consolidation with the best speed that can be attained while adhering to the principles of accountability and fiscal responsibility.

MEMORANDUM

CL-C 24-2017

**Subject: Water & Wastewater Services Master Servicing Plan (How We Flow)
Project Update – South Niagara Falls Treatment Plant Review**

Date: March 23, 2017

To: Regional Council

From: Ron Tripp, P.Eng., Commissioner of Public Works

This memo is to provide Regional Council with an update on the Water & Wastewater Master Servicing Plan (WWWMSP), introduce a key decision to be made by Council regarding the provision of wastewater services for Niagara Falls, Thorold, St. Catharines and Niagara-on-the-Lake, and provide a preliminary analysis of forecasted wastewater rates and development charge costs associated with that decision.

As Council is aware, the WWWMSP has been undertaken in a coordinated manner as part of the broader strategic review “Niagara 2041”. Niagara 2041 also includes a Regional Municipal Comprehensive Review that distributes growth in Niagara in a manner that is aligned with the vision of growth in each of the twelve local area municipalities strategically and a comprehensive Transportation Master Plan that identifies improvements required in the Region’s transportation network in order to accommodate such growth.

The final round of Public Information Centres (PIC’s), for the coordinated Niagara 2041, were completed late in 2016. A copy of the material, presented at PIC#3, describing the draft conclusions and recommendations for the WWWMSP have been attached as Appendix 1. The first five slides of the presentation highlight the purpose and vision of the WWWMSP, provide context regarding the master plan process, and define the foundational policies proposed for Niagara Region’s WWWMSP. The balance of the presentation slides illustrate all of the Region’s individual water and wastewater systems, describe current condition / capacity characteristics, and highlight infrastructure improvements that will be required to support the growth projections established in the Municipal Comprehensive Review. The WWWMSP presentation material can also be accessed through the following website link:

<http://niagararegion.ca/2041/master-servicing-plan/default.aspx>

In general, the recommendations from the WWWMSP work are consistent and/or an extension of improvements included in the Region’s previous WWWMSP. The primary difference between this body of work and the previously completed work is the inclusion of significantly greater growth projections and a much more strategic and coordinated effort in the determination of where the growth will occur and in what form and density.

This higher order of coordination and consideration has led to a critical decision point for the Region with respect to how wastewater services are provided for the municipalities of Niagara Falls, Thorold, St. Catharines and Niagara-on-the-Lake to 2041 and beyond. In simple terms, the Region needs to consider carefully at this time the benefits, risks and financial implications associated with the following two options for the servicing of future growth:

- Accommodate only the south Niagara Falls growth project through the existing Niagara Falls Wastewater Treatment Plant (Go North) including all necessary upgrades / upsizing of existing infrastructure.
- Construct a new south Niagara Falls Wastewater Treatment Plant (New Plant), divide the Niagara Falls service area into two, provide additional capacity suitable for the servicing of Thorold South, introduce additional capacity in the Port Weller sewer shed area of St. Catharines, create the opportunity to service future growth in the St. David's area of Niagara-on-the-Lake, and introduce significant capacity in the north sewer shed area of Niagara Falls for intensification and growth.

A presentation, including a description of these two options, an overview of the growth to be accommodated, a side by side evaluation of the benefits and risks associated with each option and a financial analysis / comparison of the options, is to be made to Council by GM BluePlan, the Consultant responsible for the work that forms the Region's WWWMSPP, at the March 23, 2017 meeting.

Staff has also prepared an analysis of how wastewater rates and development charges will be impacted by each of the two options. This analysis and the assumptions made in order to complete the analysis have been attached as Appendix 2. Comparisons have been made before and after assuming that the projects may be eligible for one third each federal and provincial funding. In summary, Option 1 has a lower capital cost but also has a shorter time frame to address budget impacts in relation to Option 2 and therefore has a higher rate impact in the earlier years. Both options, before and after external funding assumptions, would require rate increase in the range of 1.75% to 2.0% per year for the next several years. A 10 year forecast is included in Appendix 2.

At this time, the WWWMSPP includes the recommendation to include the New Plant option. Council will be required to make that final determination when the full and final WWWMSPP is presented for consideration and approval. The presentation on March 23 is intended to provide as much background as possible for this critical decision and generate dialogue within Council in advance of the full master plan. For clarity, "do nothing" is not an option for consideration for the future servicing of this area of the Region. Significant improvements will be required to accommodate growth. The

decision for Council will be in what direction the sewage flows will go and how that decision best supports growth and economic prosperity for the Region.

Respectfully submitted and signed by

Ron Tripp, P.Eng.
Commissioner of Public Works

Appendix 1 – Presentation from PIC#3
Appendix 2 – Financial Assumptions and Analysis



HOW WE FLOW

What is driving the Master Plan Strategy Update?





HOW WE FLOW

Why are we Doing a Water and Wastewater Master Plan?

- The Region of Niagara has initiated a Region-Wide Water and Wastewater Master Servicing Plan (MSP) to provide safe, sustainable and optimized Water and Wastewater services that support growth.
- The MSP will provide the business case for the need, timing and cost of servicing and infrastructure while doing so through a fully integrated process with Niagara 2041.
- The MSP will provide a detailed Regional water and wastewater capital program vetted through the comprehensive Municipal Engineers Association (MEA) Class Environmental Assessment process for Master Plans - Approach #2.





Water and Wastewater Master Servicing Plan Vision Statement

Providing for Today, Vision for Tomorrow

To establish a cost-effective infrastructure program that meets the service needs of existing users; meets regulatory and legislative requirements; supports growth; and addresses the priority areas of climate change, energy management, infrastructure optimization, system security and resiliency.

- In 2011, the Region completed a Water and Wastewater Master Servicing Plan (MSP) update which looked at planned growth to 2031.
- With an updated planning horizon to 2041, the MSP needs to be updated to determine how the Region's Water and Wastewater Infrastructure will support growth in a sustainable and financially responsible manner.
- The MSP will develop a long-term servicing strategy and capital forecast to ensure the maintenance of services for existing residents and businesses as well as to support future growth in the community.

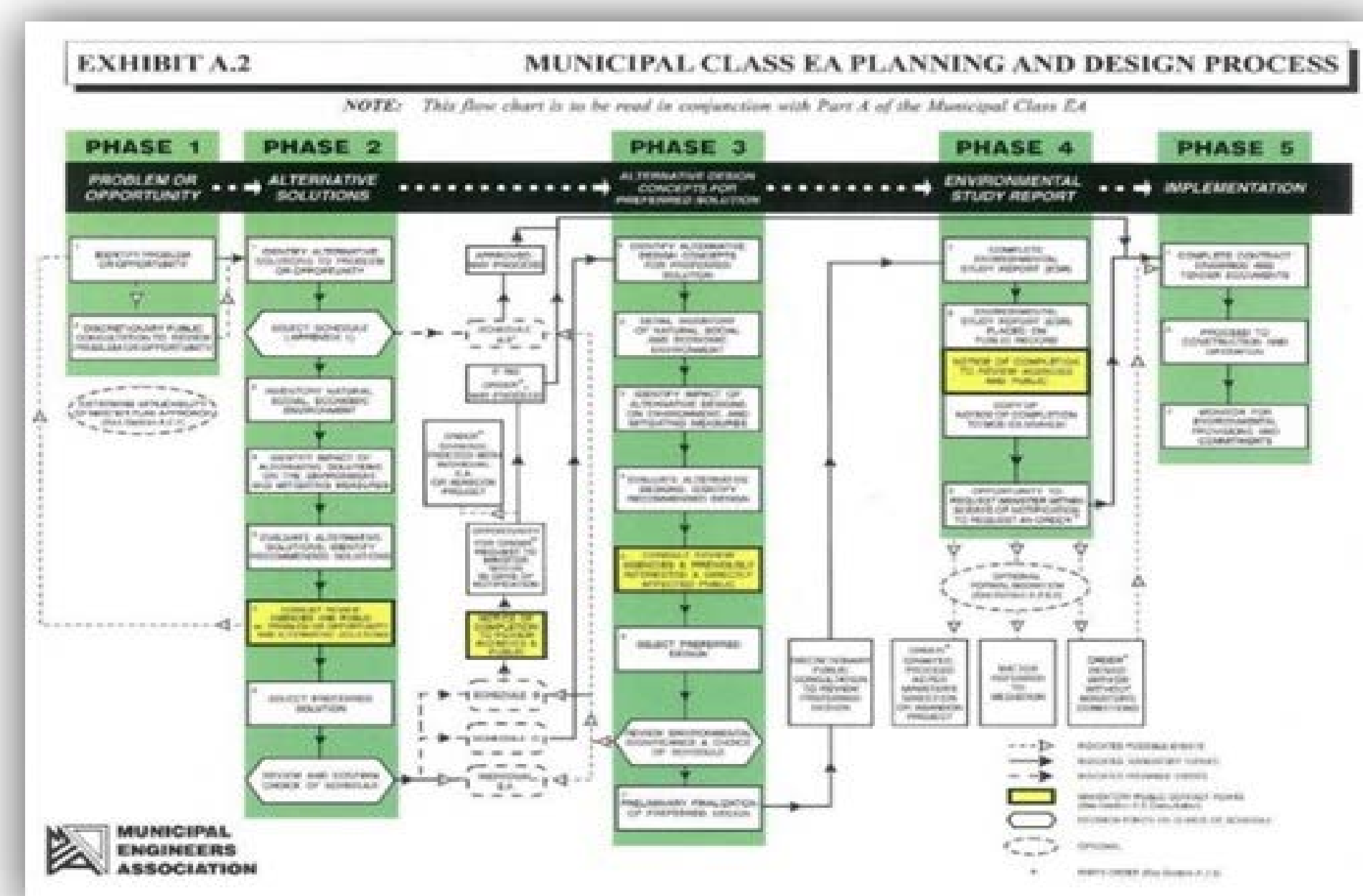




HOW WE FLOW

Environmental Assessment Process & Consultation

- The study follows the Master Plan process as outlined in Section A.2.7 of the Municipal Engineers Association (MEA) Municipal Class Environmental Assessment (Oct 2000, as amended in 2007 and 2011).
- The Master Plan will be filed under Approach #2 of the MEA Class EA Approach for Master Planning.
- The Master Servicing Plan will meet the planning requirements for Schedule A, A+ and select Schedule B projects and provide the basis for future investigations of identified Schedule B and C projects.



PHASE 1
Identify & describe the
Problem/Opportunity Statement

Notice of Commencement
and PIC #1
Public Consultation/Review
agency contact point
November 2015

PHASE 2
Complete Study Area Inventory
Identify Alternative Solutions and
Growth Strategies

PIC #2
Public Consultation/Review
agency contact point
June 2016

PHASE 3
Evaluate Alternative Solutions
Establish Preferred Solutions

PIC #3
Public Consultation/Review
agency contact point
Summer/Early Fall 2016

We Are
Here



Niagara Region
Water and Wastewater
Master Servicing Plan

Notice of Completion
(Mandatory Contact Point)
November 2016





WATER AND WASTEWATER MASTER SERVICING PLAN KEY PRINCIPLES AND POLICY

Development of water and wastewater principles and policies are integral to provide guidelines and direction to the Master Servicing Plan Update process, as well as to the identification and evaluation of servicing strategies.

- Niagara Region will endeavor to maintain sufficient reserve capacity in its water and wastewater infrastructure and facilities to provide operational flexibility and meet potential changes in servicing conditions
- Niagara region shall endeavor to provide reliability, redundancy and security in its water and wastewater systems with attention to high risk and critical areas
- Niagara Region shall be aware of and consider the potential impact of climate change on the planning and sizing of infrastructure
- Niagara region shall design water and wastewater facilities with consideration to energy use
- Niagara Region will consider levels of storage beyond MOE Guidelines where appropriate in order to provide operational flexibility, energy management and system security
- Niagara Region will review a combination of servicing strategies including infrastructure and non-infrastructure (e.g. i/i reduction) solutions to meet wet weather level of service and provide sufficient wastewater capacity
- Niagara Region will approach Guidelines F-5-5 and F-5-1 such that new development will not put the Region out of compliance with regulations and the Region will consider opportunities to not increase wet weather overflows beyond current conditions





HOW WE FLOW

WATER SERVICING

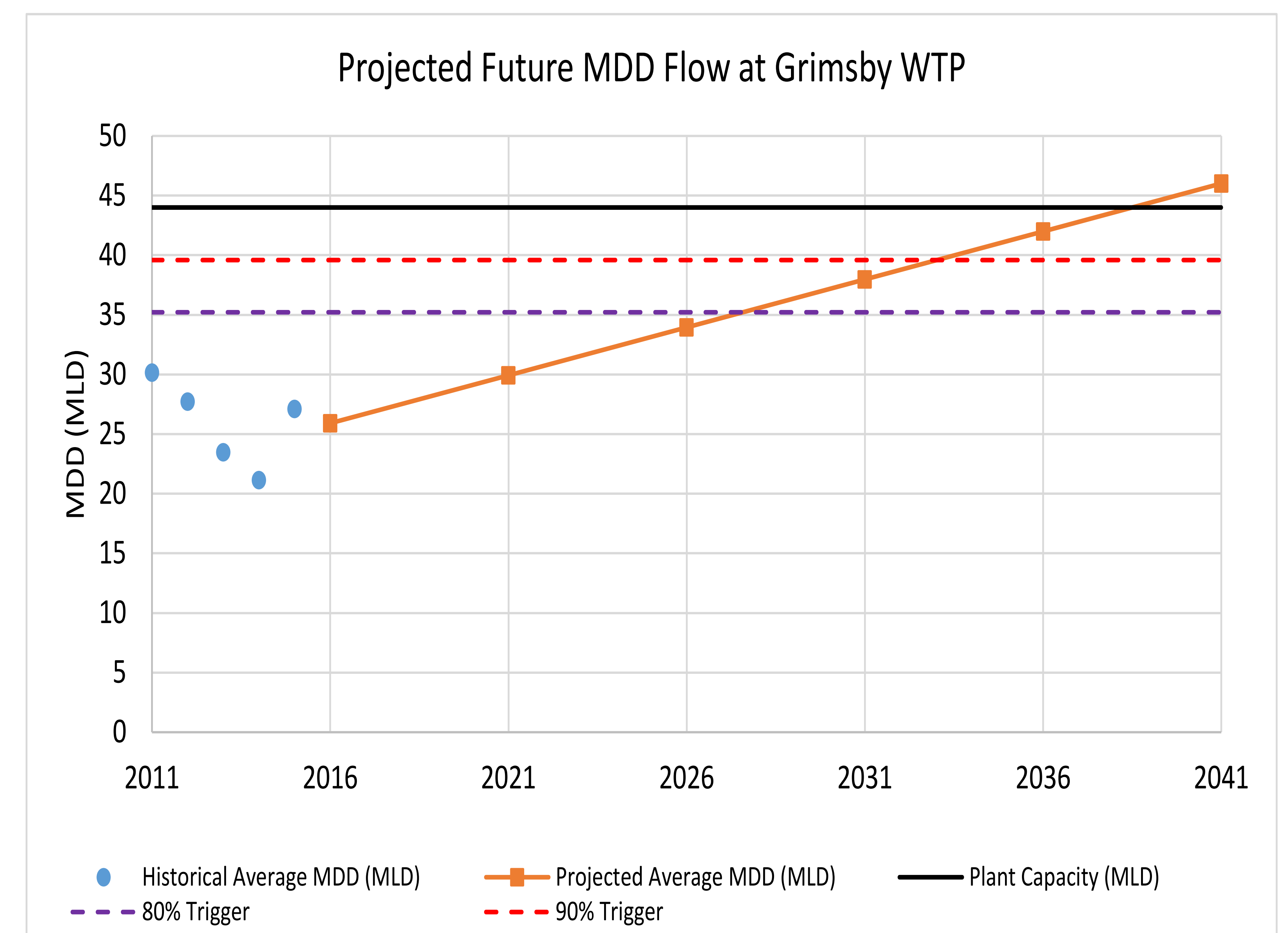
GRIMSBY WATER TREATMENT PLANT SYSTEM

Grimsby | Lincoln | West Lincoln

- Treatment: **Deficit**
- Pumping: **Deficit**
- Storage: **Surplus**
- Pressures:
 - » Majority **50-90 psi**
 - » High (> 90 psi) minimum pressures in Grimsby and Lincoln
 - » **< 40 psi** in Smithville with growth
- Fire Flow:
 - » Issues in Smithville
- Security of Supply:
 - » Single branch trunk system

Challenges

- Significant growth
- Pumping capacity and treatment plant capacity limitation
- High pressures in Grimsby and Lincoln
- Conveyance capacity in Smithville
- Single branch trunk system



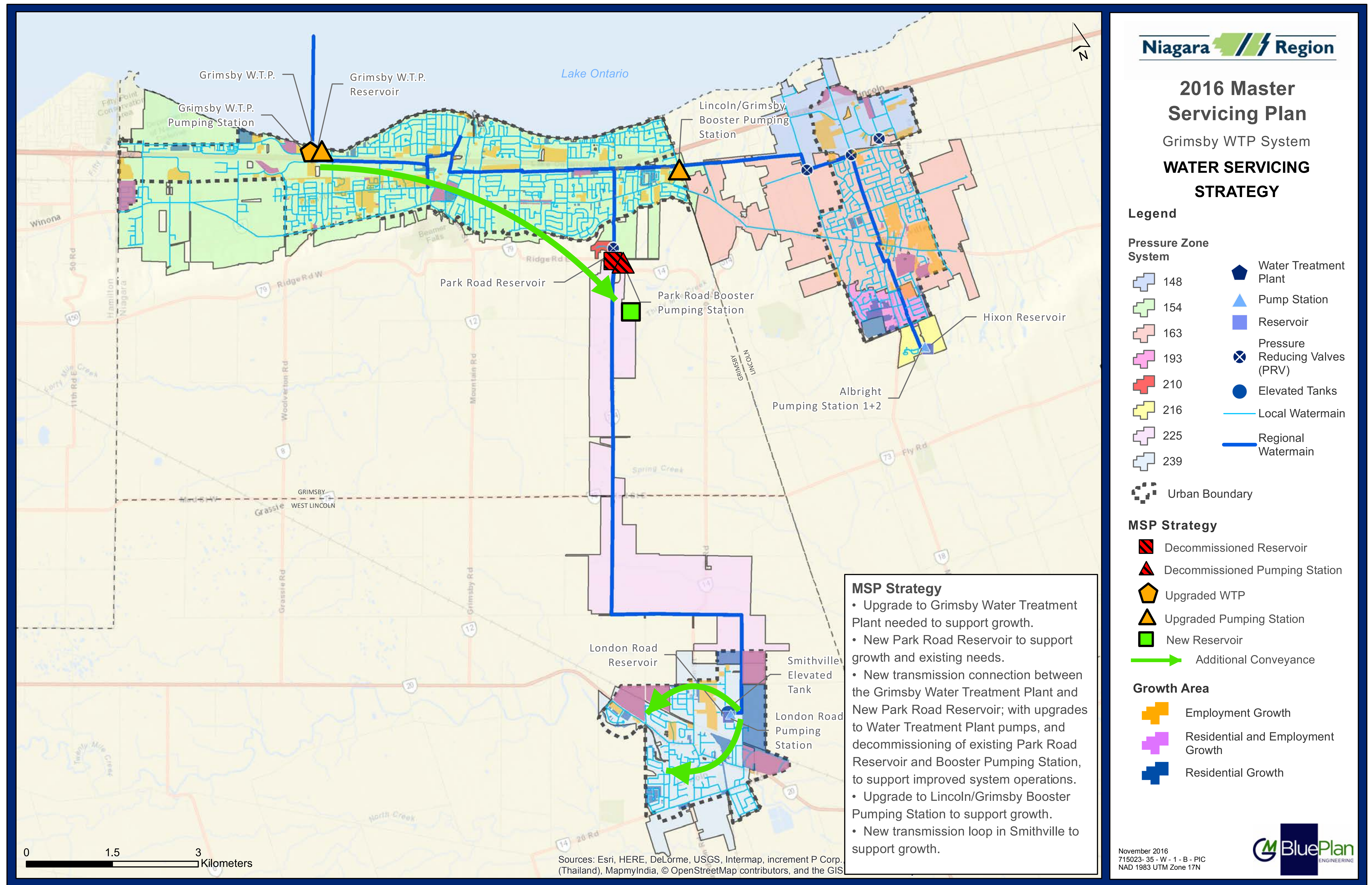
	2014	2041	Growth
Equivalent Population	62,468	101,442	38,974





HOW WE FLOW

Grimsby Water Treatment Plant System



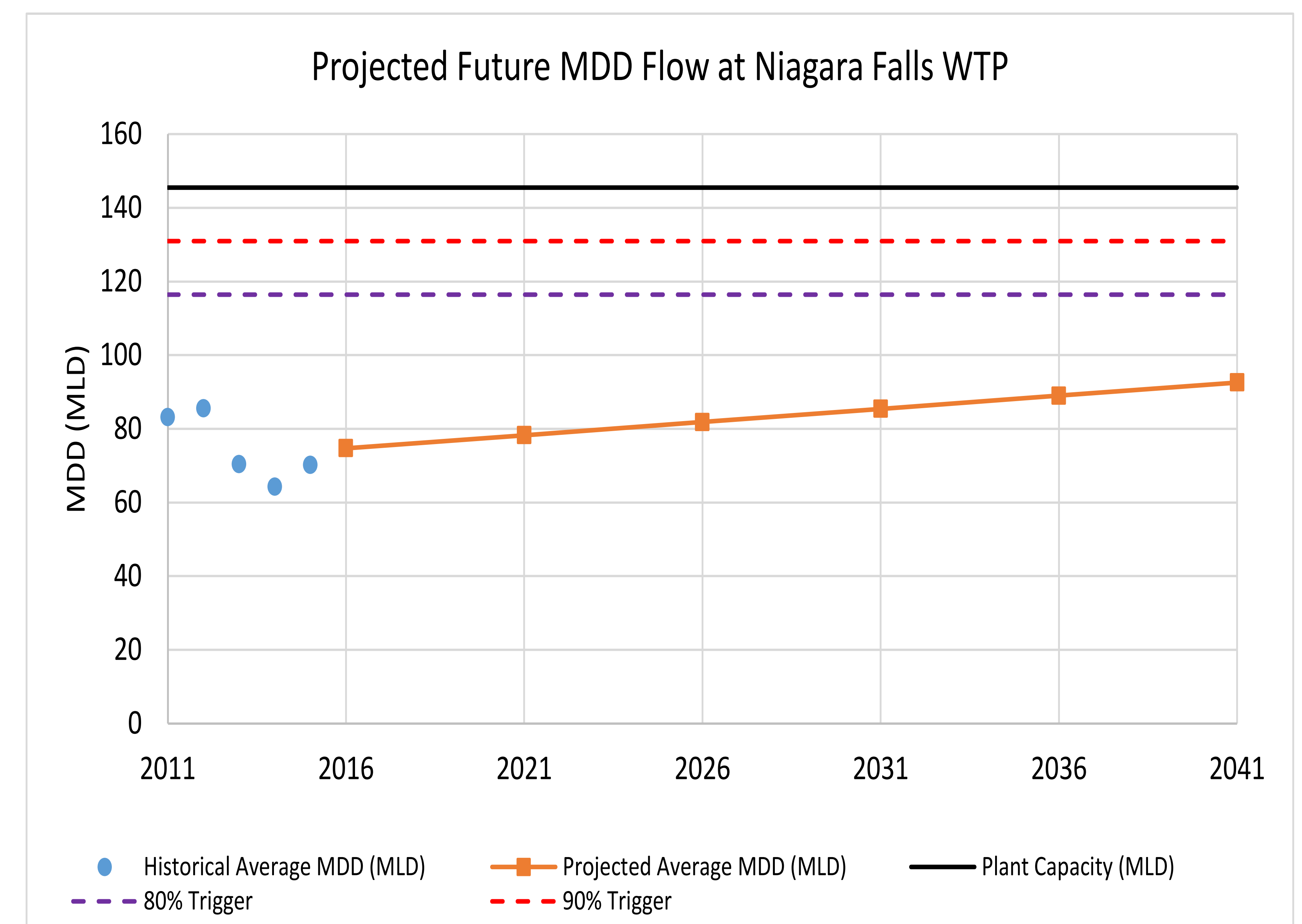


HOW WE FLOW

WATER SERVICING

NIAGARA FALLS WATER TREATMENT PLANT SYSTEM Niagara Falls | Niagara-on-the-Lake | Thorold

- Treatment: **Surplus**
- Pumping:
 - » Existing **surplus**
 - » Future peak pumping **deficit**
- Storage:
 - » Existing **surplus**; balancing storage **deficit**
 - » Future **deficit**
- Pressures: **50-90 psi**
- Fire Flow:
 - » Adequate capacity within the local system
- Security of Supply:
 - » Connections to growth in South
 - » Additional trunk lines to Decew
 - » High friction losses in distribution system



Challenges

- Significant growth in South
- Future storage deficit and existing balancing storage deficit = stress on existing pump capacity at treatment plant

	2014	2041	Growth
Equivalent Population	131,081	185,070	53,989





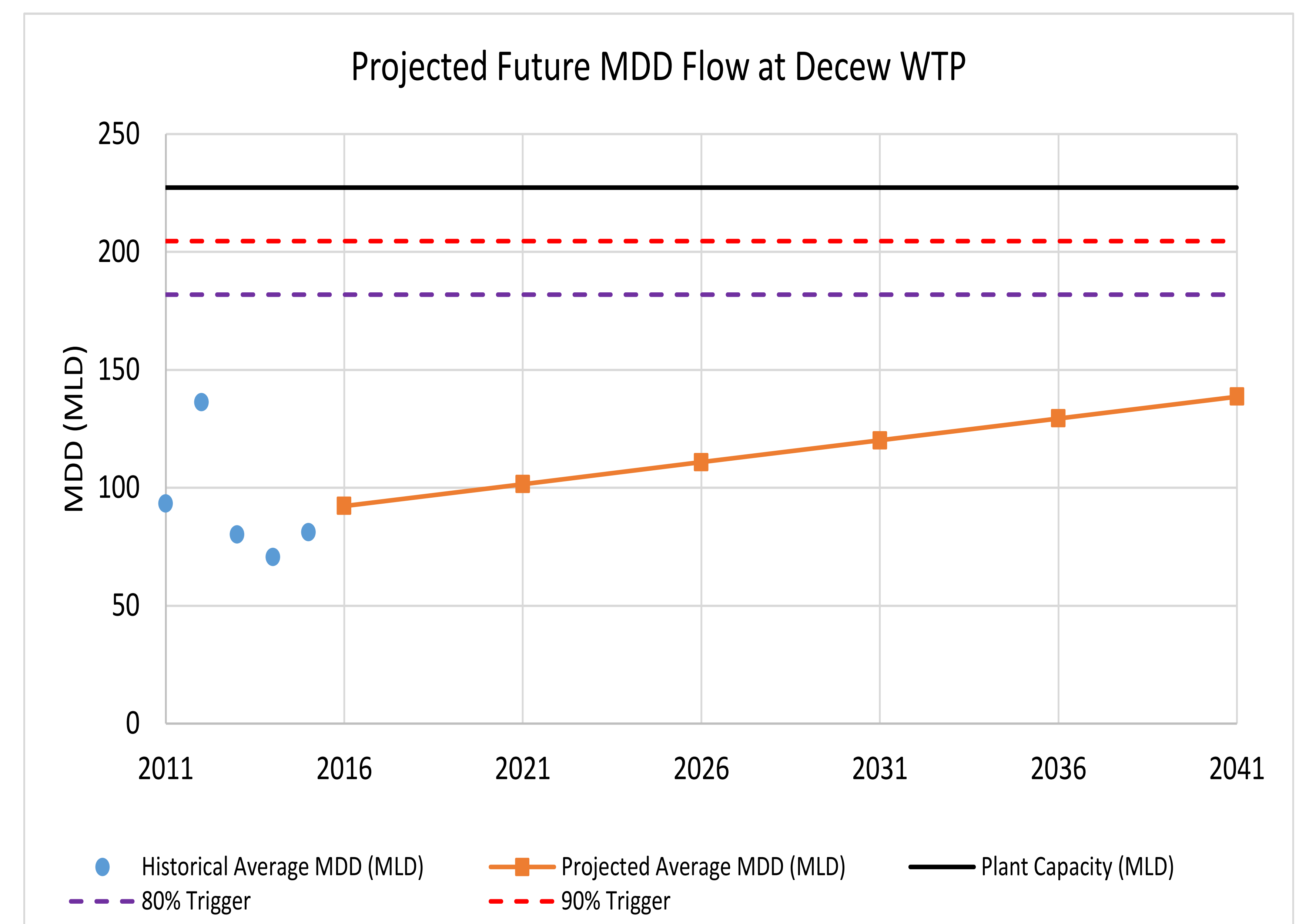
HOW WE FLOW

WATER SERVICING

DECEW WATER TREATMENT PLANT SYSTEM

Niagara-on-the-Lake | St. Catharines | Lincoln | Thorold

- Treatment: **Surplus**
- Pumping: **Surplus**
- Storage:
 - » **Surplus** in I54 and I64
 - » **Deficit** in all other zones
- Pressures: **50-90 psi**
- Fire Flow:
 - » Adequate capacity within the local system
- Security of Supply:
 - » Single trunk to Niagara-on-the-Lake
 - » Single trunk to Lincoln



Challenges

- Significant built boundary growth
- Managing storage deficits via pumping and conveyance
- Conveyance and storage to Niagara-on-the-Lake
- Growth related conveyance limitations

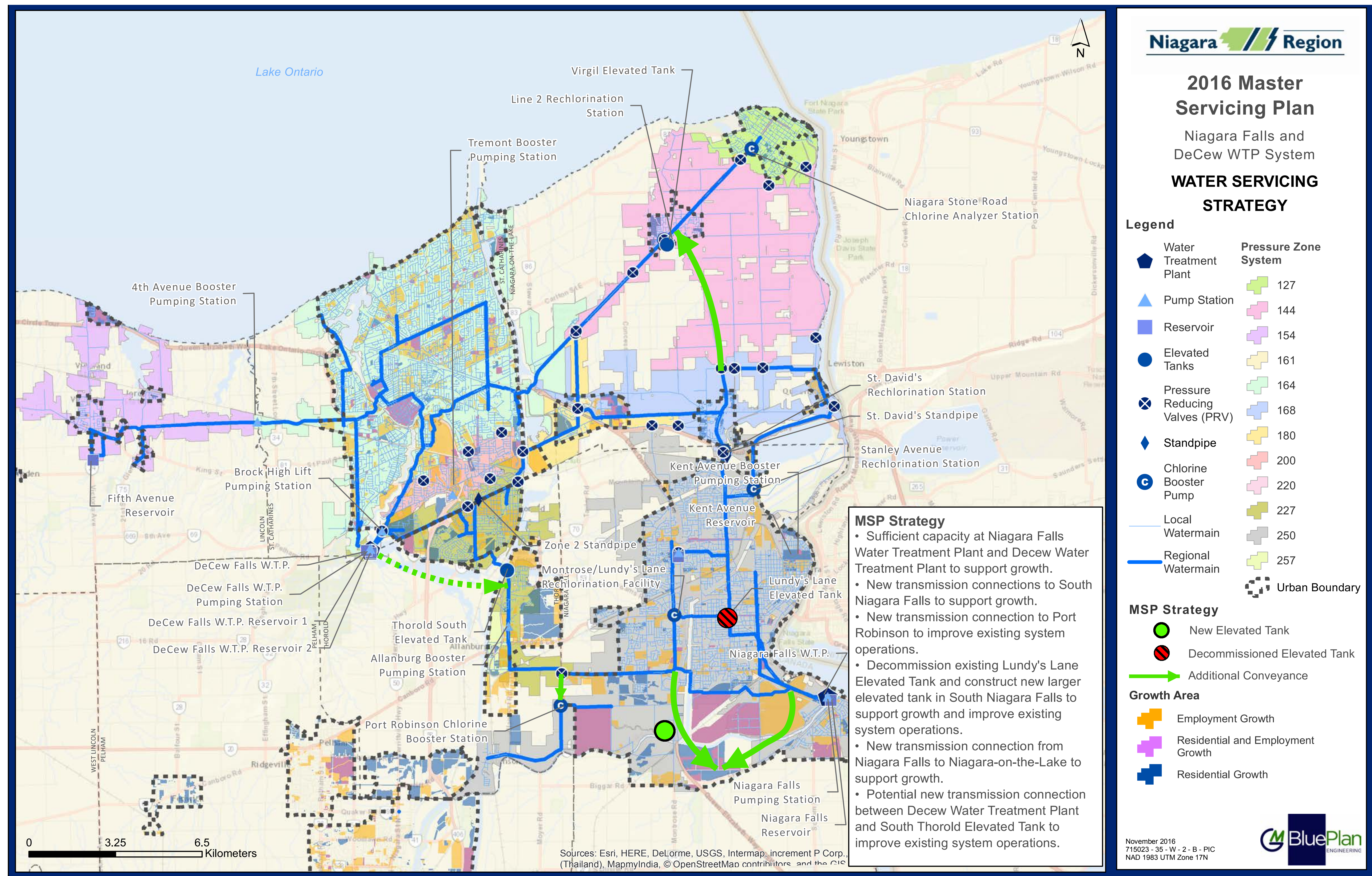
	2014	2041	Growth
Equivalent Population	264,332	342,669	78,337





HOW WE FLOW

Niagara Falls and Decew Water Treatment Plant System





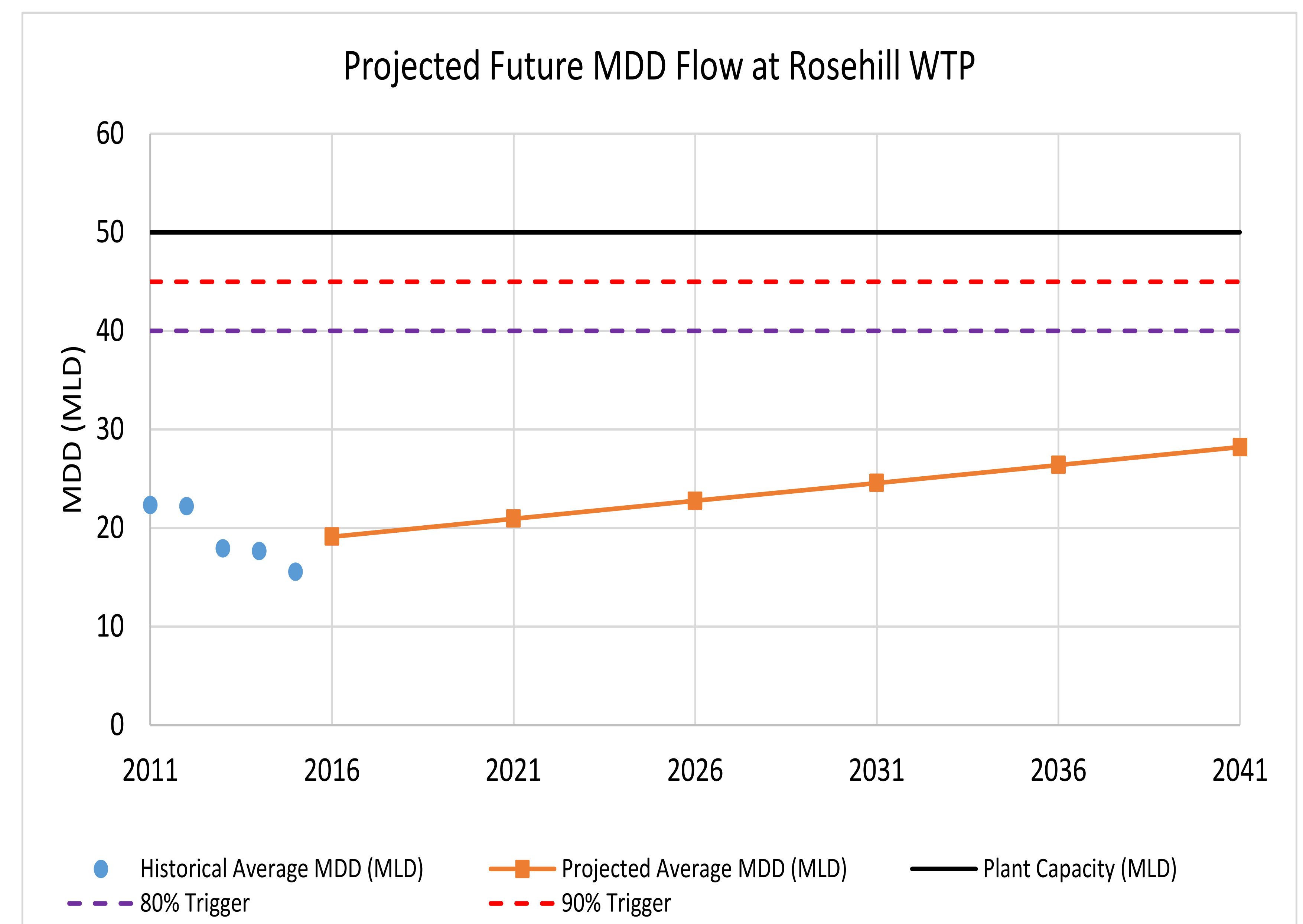
HOW WE FLOW

WATER SERVICING

ROSEHILL WATER TREATMENT PLANT SYSTEM

Fort Erie

- Treatment: **Surplus**
- Pumping: **Surplus**
- Storage: **Deficit**
- Pressures: **50-90 psi**
- Fire Flow:
 - » < 40 psi along trunk
 - » Adequate capacity within the local system
- Security of Supply:
 - » Single trunk feed to Downtown
 - » Single trunk feed to Crystal Beach



Challenges

- Significant growth
- Large employment growth in central Fort Erie
- Limited floating storage = sub-optimal pumping strategy and energy management
- Existing and increasing storage deficit

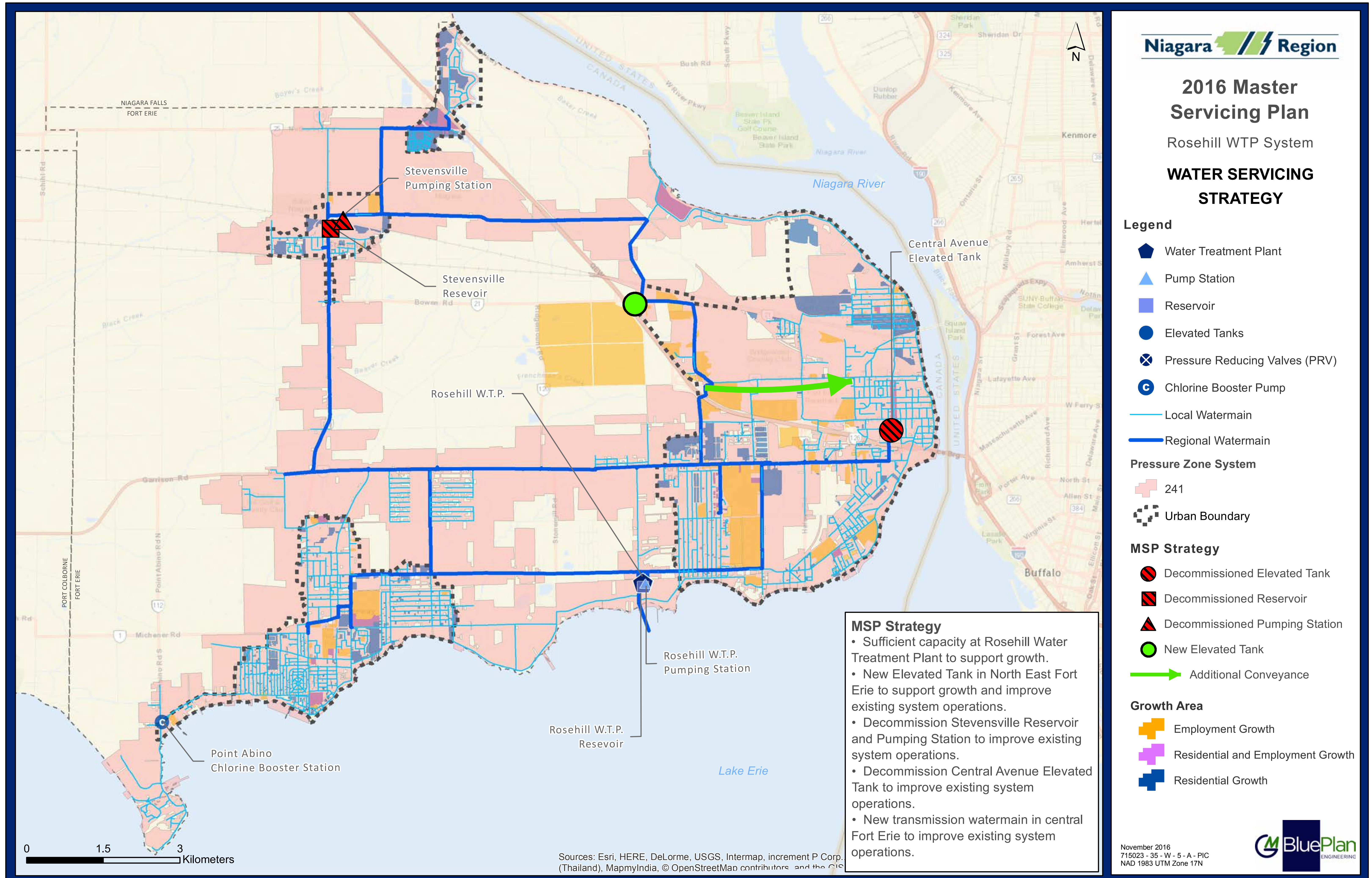
	2014	2041	Growth
Equivalent Population	43,008	61,792	18,784





HOW WE FLOW

ROSEHILL WATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WATER SERVICING

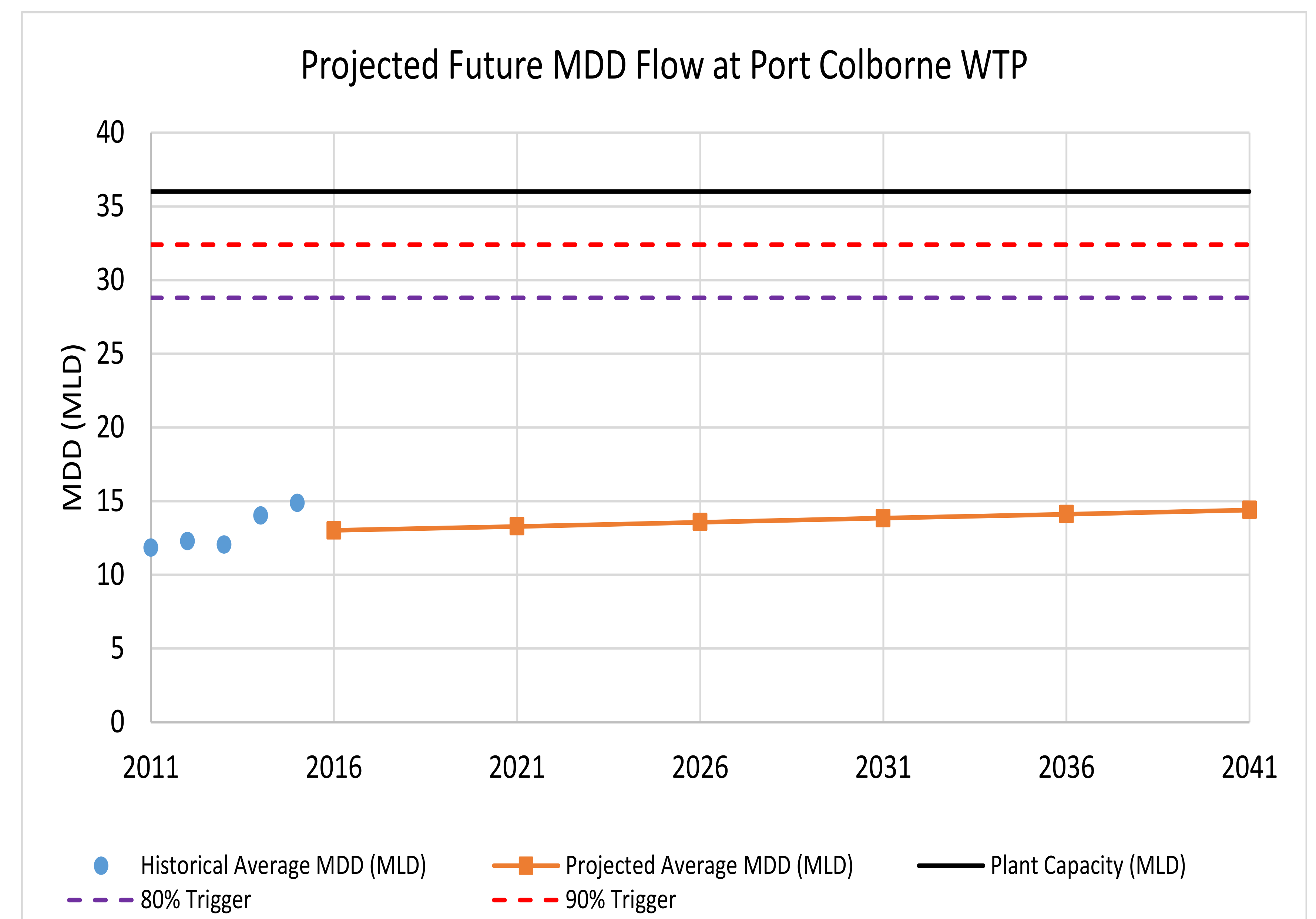
PORT COLBORNE WATER TREATMENT PLANT

SYSTEM Port Colborne

- Treatment: **Surplus**
- Pumping: **Surplus**
- Storage:
 - » Existing **deficit***
 - » Future surplus
- Pressures:
 - » Majority **50-90 psi**
 - » Localized 40-50 psi
- Fire Flow:
 - » < 40 psi in NE
 - » Limitations in NE growth area
- Security of Supply:
 - » **Single trunk feed to East** side of canal
 - » **No storage on East** side of canal

Challenges

- Limited floating storage = sub-optimal pumping strategy and energy management
- Low pressure areas
- Limited security of supply to East of canal



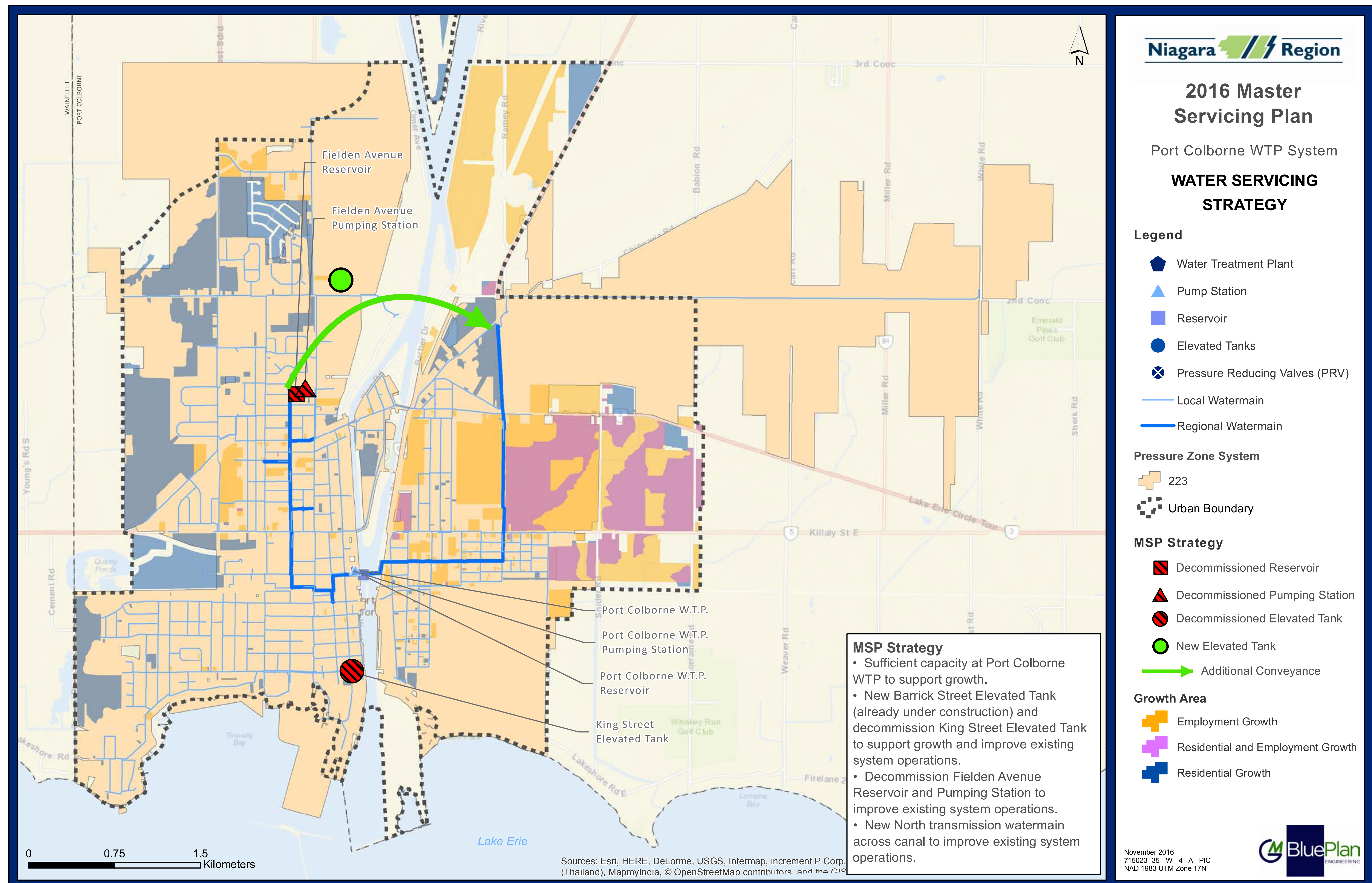
	2014	2041	Growth
Equivalent Population	24,891	29,527	4,635





HOW WE FLOW

PORT COLBORNE WATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WATER SERVICING

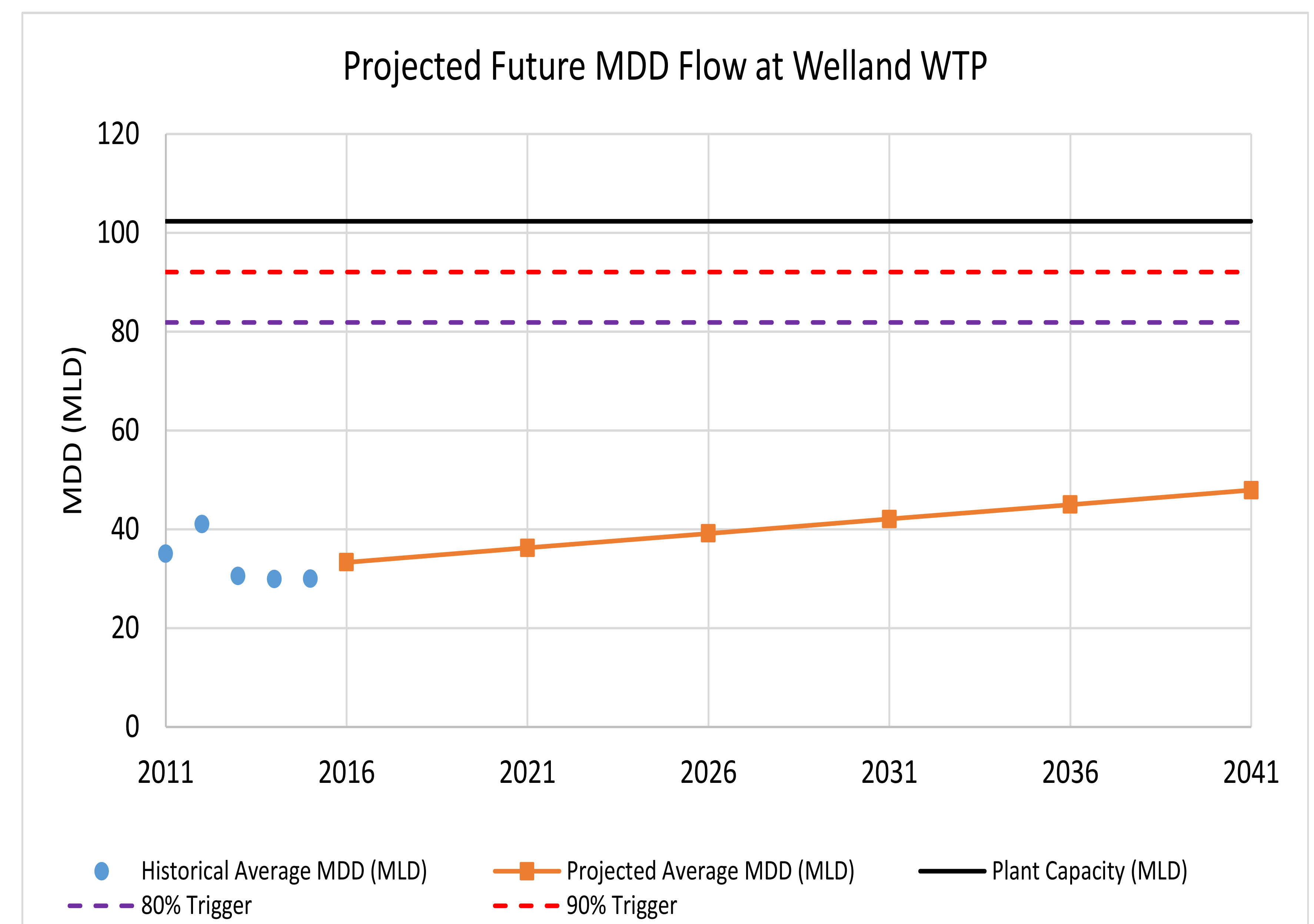
WELLAND WATER TREATMENT PLANT SYSTEM

Welland | Pelham

- Treatment: **Surplus**
- Pumping:
 - »Upper zones (Pelham) **deficit**
 - »Lower zone (Welland) **surplus**
- Storage:
 - »Upper zones (Pelham) **deficit**
 - »Lower zone (Welland) **surplus**
- Pressures:
 - »Majority **50-90 psi**
 - »Growth pressure issue in Fonhill
 - »Pressures outside optimal along zone boundaries
- Fire Flow:
 - »< 40 psi in North
 - »FF limitations in Pelham
- Security of Supply:
 - »Single trunk feed to Fenwick

Challenges

- Pumping and storage deficits in upper zones (Pelham)
- Shoalt's Pumping Station operational limitations
- Bemis Elevated Tank operational issues
- Limited distribution capacity in Fonhill
- Pressures outside optimal along zone boundaries

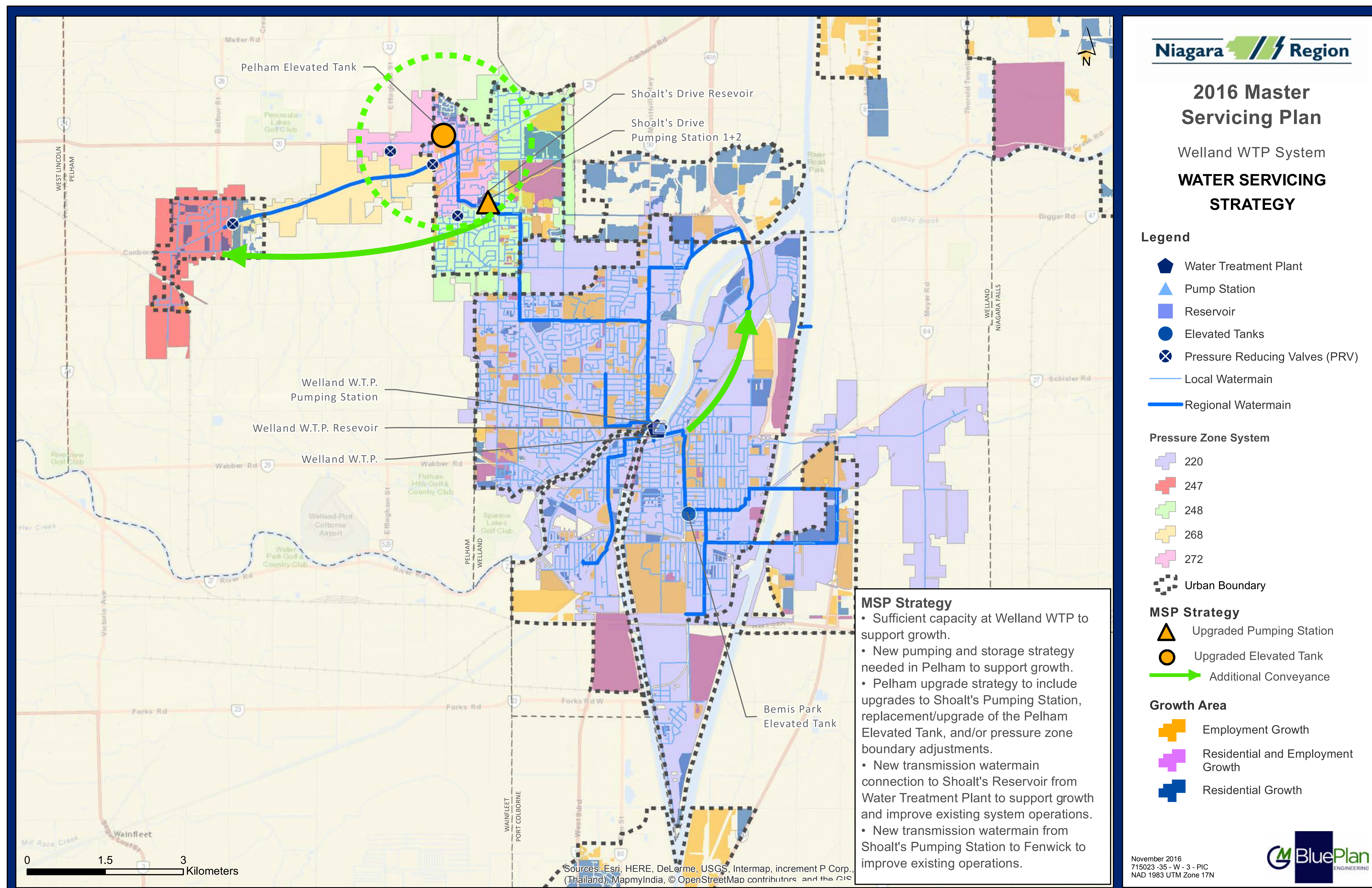


	2014	2041	Growth
Equivalent Population	97,321	129,532	32,211





WELLAND WATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WASTEWATER SERVICING

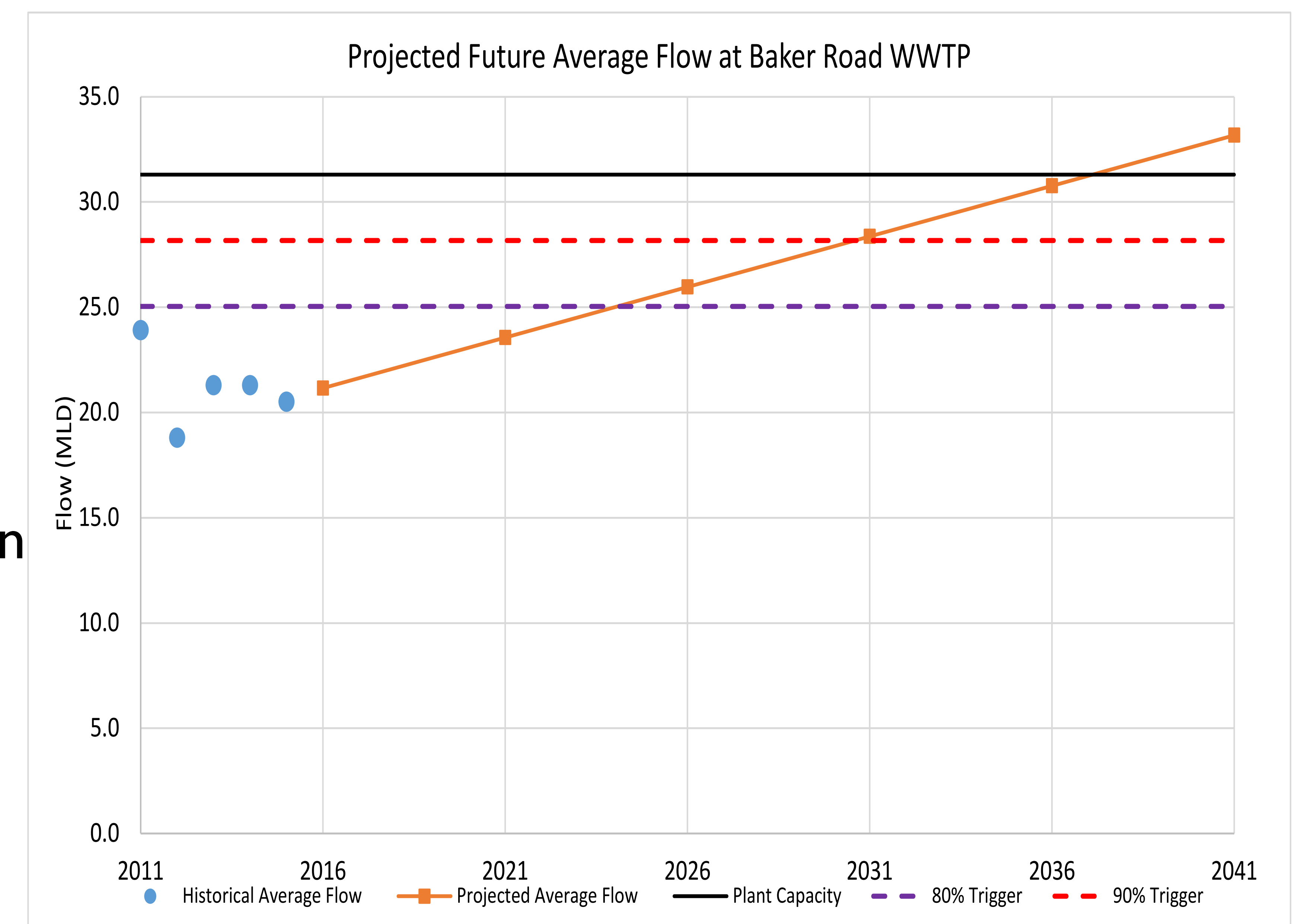
BAKER ROAD WASTEWATER TREATMENT PLANT SYSTEM

Grimsby | Lincoln | West Lincoln

- Treatment: **Deficit**
- Pumping Stations:
 - » Several PS **impacted** under criteria
 - » Numerous pumping stations
- Conveyance: Greatest impact downstream of Smithville
- Wet Weather Commentary:
 - » West Grimsby: Pockets of High Inflow and Infiltration
 - » Smithville: Demonstrated Inflow and Infiltration impacts
 - » Lincoln: High Inflow and Infiltration

Challenges

- Residential and employment growth spread out along highway and service road corridors
- Large number of pumping stations and cascading impact
- Significant growth in Smithville impacting pumping station and forcemain
- Areas of high Inflow and Infiltration



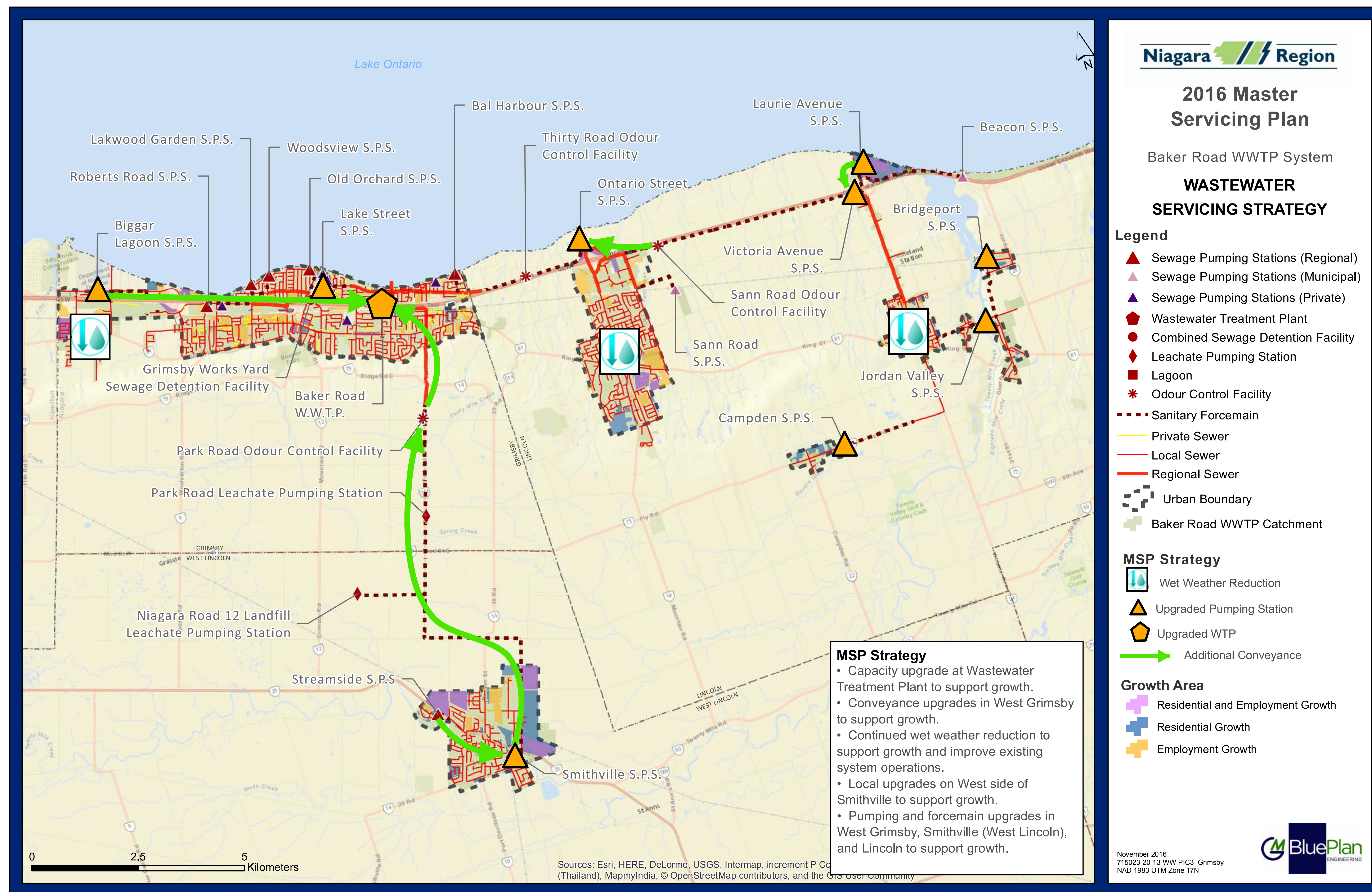
	2014	2041	Growth
Equivalent Population	75,773	119,441	43,667





HOW WE FLOW

GRIMSBY WASTEWATER TREATMENT PLANT SYSTEM





HOW WE FLOW

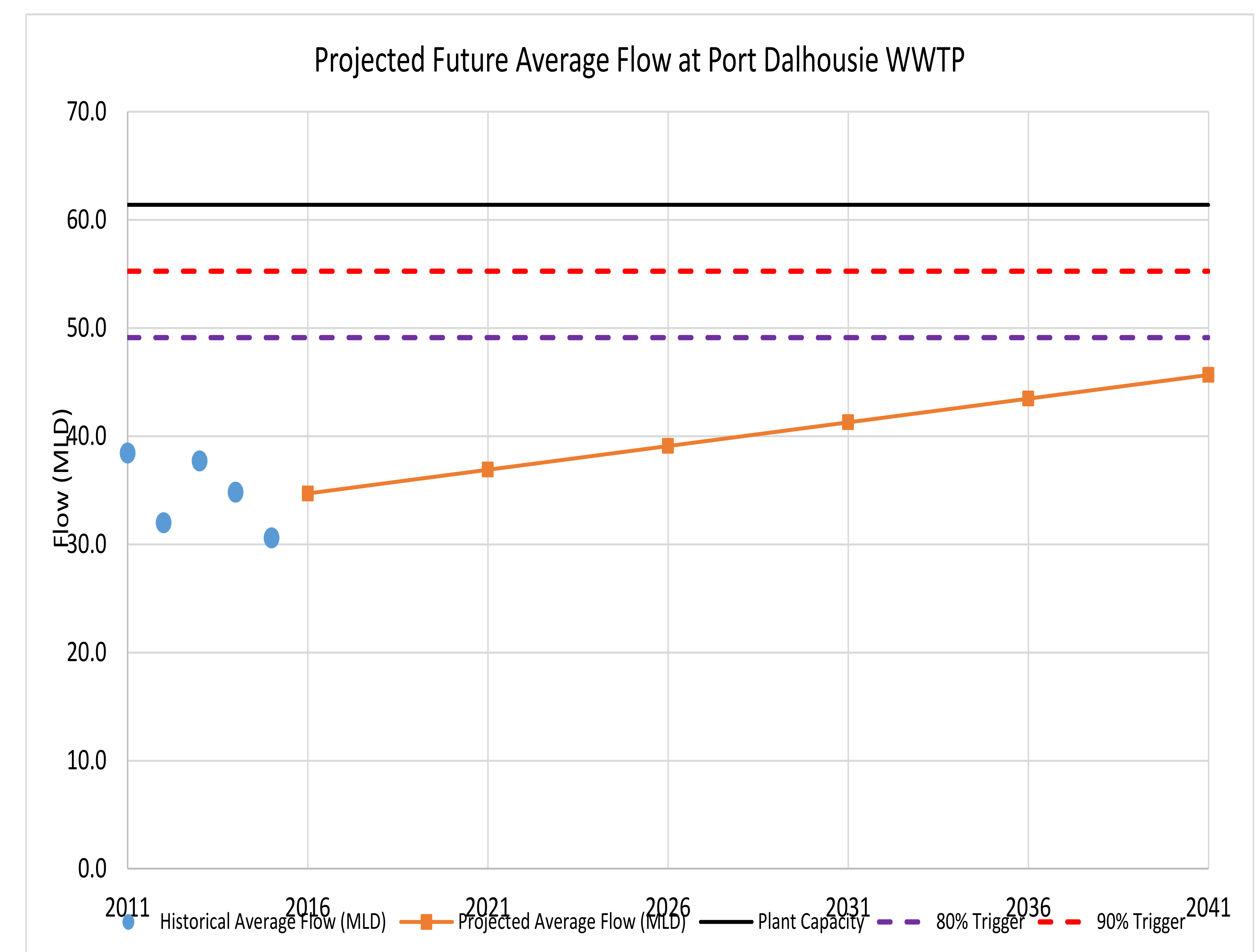
WASTEWATER SERVICING

PORT DALHOUSIE WASTEWATER TREATMENT PLANT SYSTEM St. Catharines | Thorold

- Treatment: **Okay**
- Pumping Stations:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Significant combined areas
 - » **Very high** wet weather impacts
 - » Greater need for inter-municipal solutions

Challenges

- Primarily built boundary growth
- Significant combined areas
- Trunk follows river system and in escarpment area



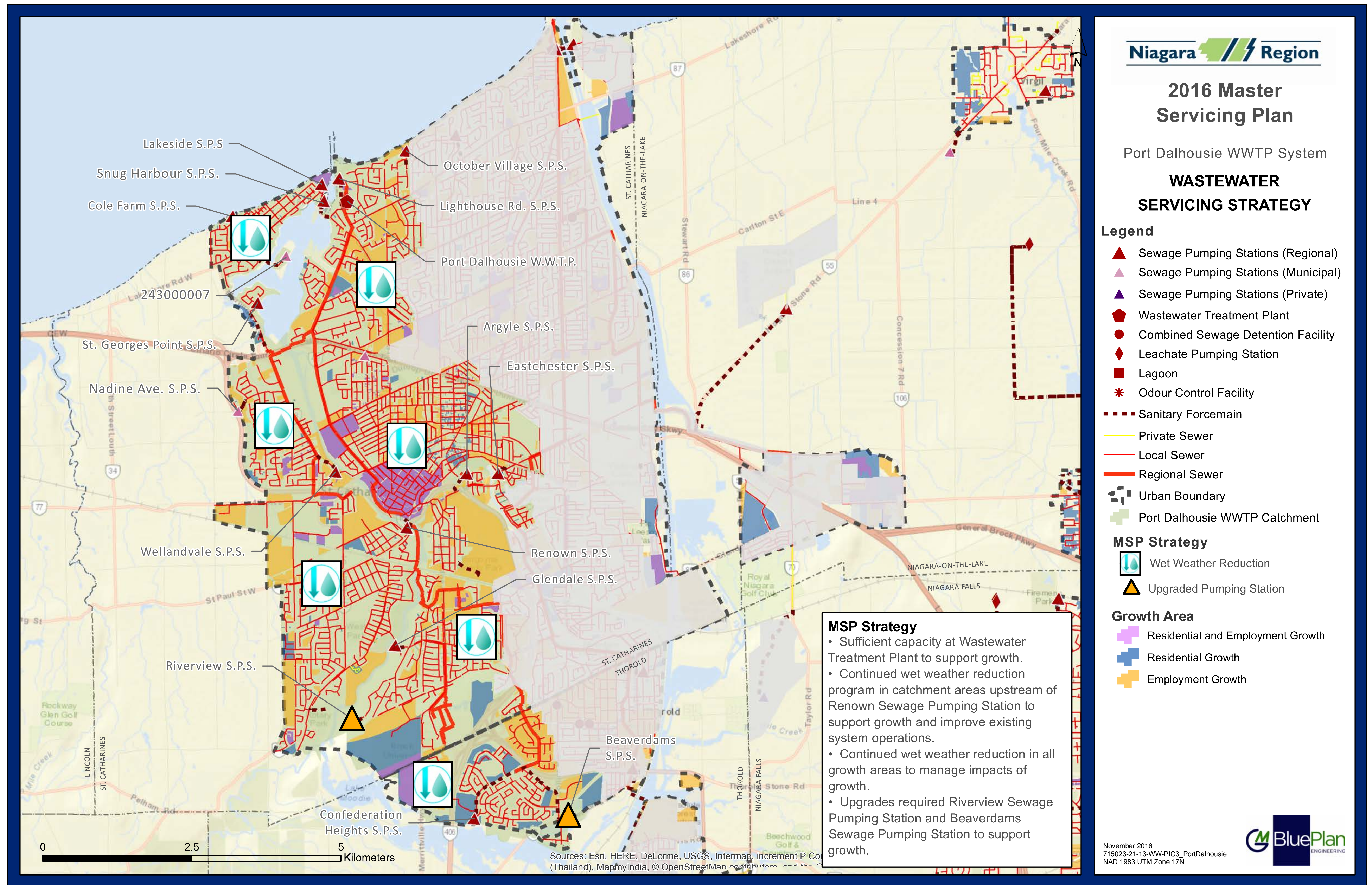
	2014	2041	Growth
Equivalent Population	116,309	156,164	39,852





HOW WE FLOW

PORT DALHOUSIE WASTEWATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WASTEWATER SERVICING

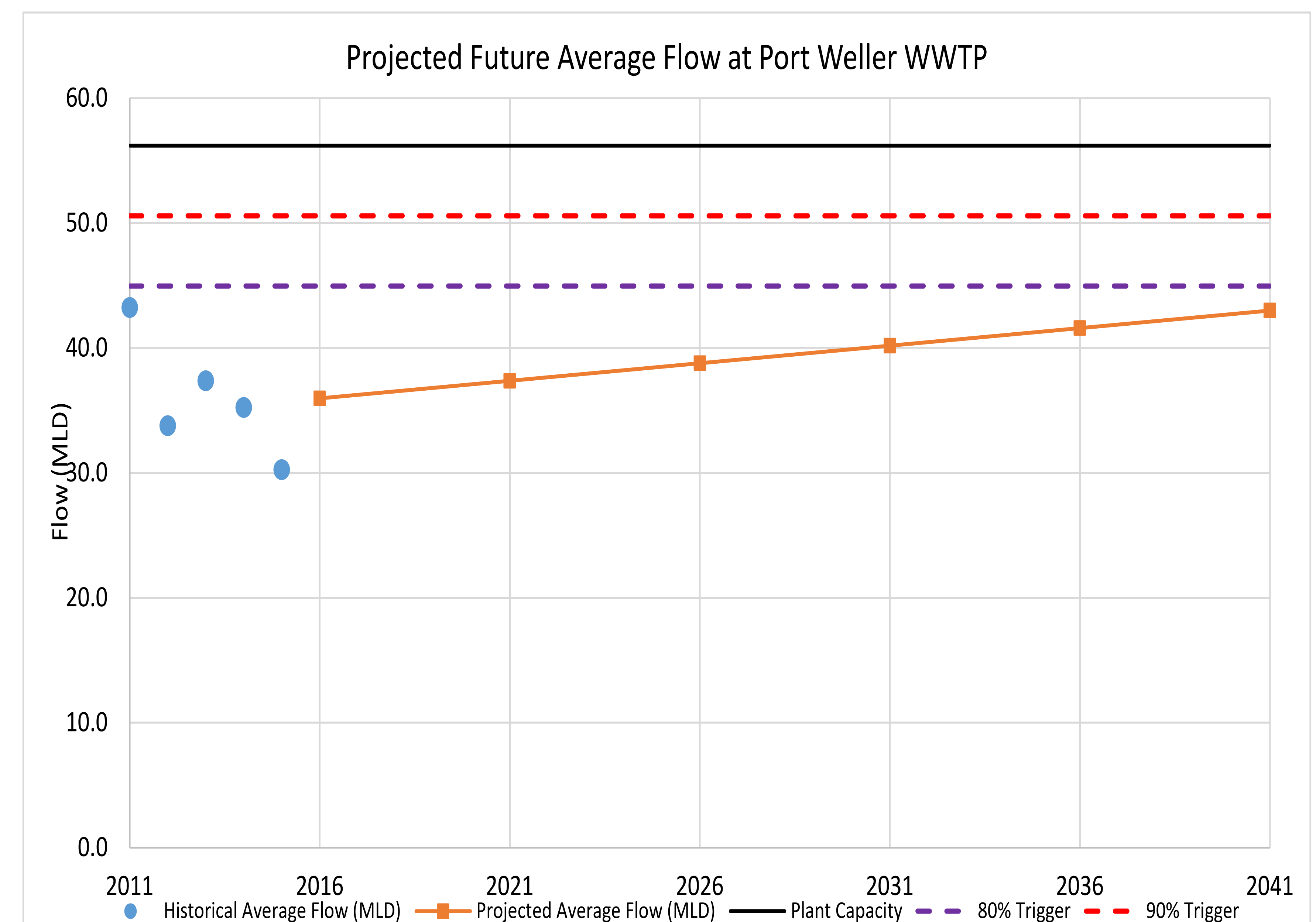
PORT WELLER WASTEWATER TREATMENT PLANT SYSTEM

St. Catharines | Thorold

- Treatment: **Okay**
- Pumping Stations:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Conveyance:
 - » Generally okay under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Significant combined areas
 - » **Very high** wet weather impacts
 - » Greater need for inter-municipal solutions

Challenges

- Primarily built boundary growth
- Significant combined areas
- Trunk within built up areas with known CSO issues
- Thorold growth impacts Port Weller system
- Growth in South Thorold



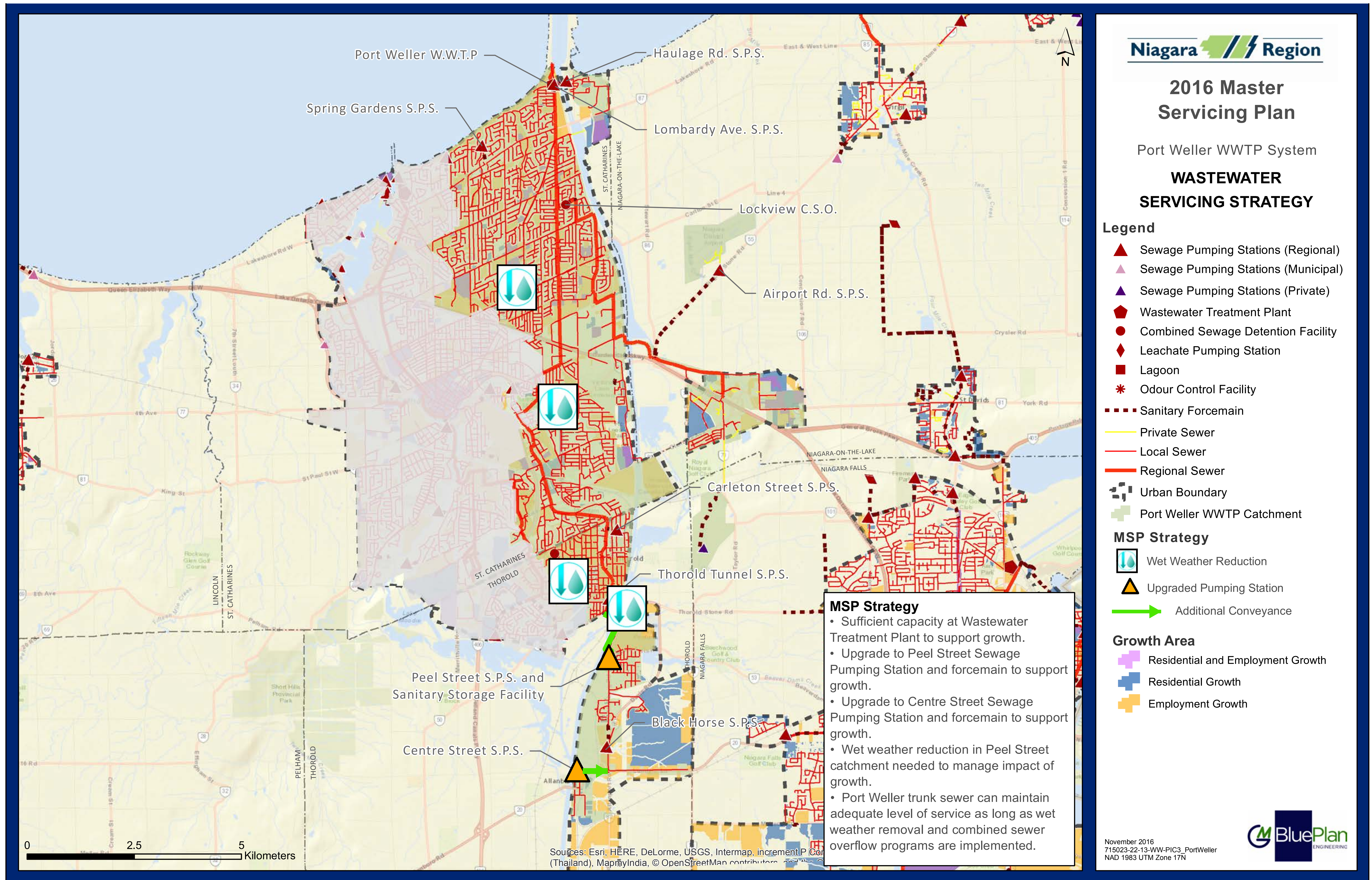
	2014	2041	Growth
Equivalent Population	116,309	156,164	39,852





HOW WE FLOW

PORT WELLER WASTEWATER TREATMENT PLANT SYSTEM





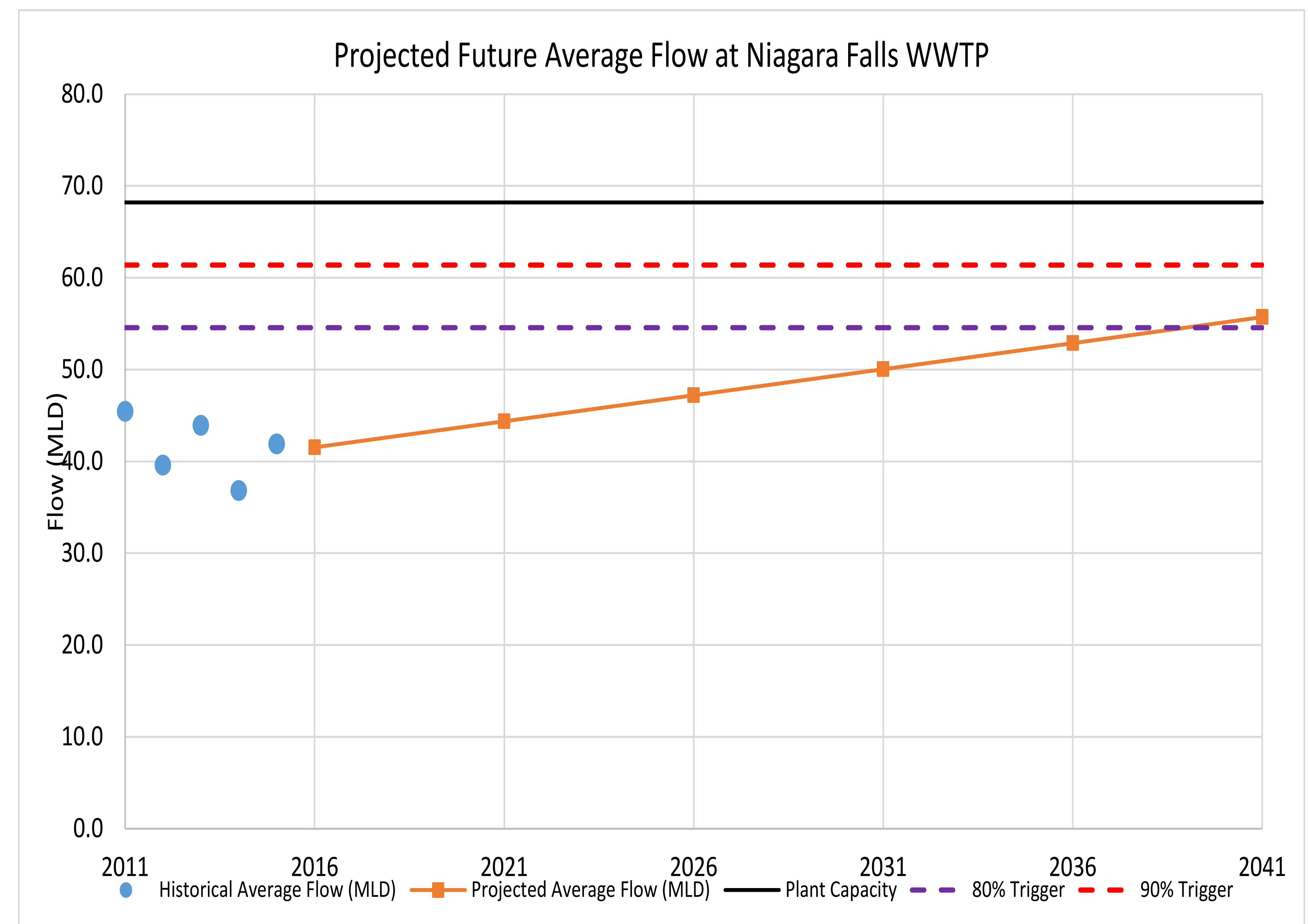
HOW WE FLOW

WASTEWATER SERVICING

NIAGARA FALLS WWTP SYSTEM

Niagara Falls

- Treatment: **Approaching** capacity
- Pumping Stations:
 - » Capacity **impacts** under design criteria
 - » **Significant** wet weather impacts
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Existing combined areas
 - » **Very high** wet weather impacts
 - » Greater need for inter-municipal solutions



Challenges

- Significant greenfield growth areas in South – at upstream limit of existing system
- Significant cascading impacts due to size of system
- Constraints in neighbouring systems – could require integrated solutions with Niagara Falls

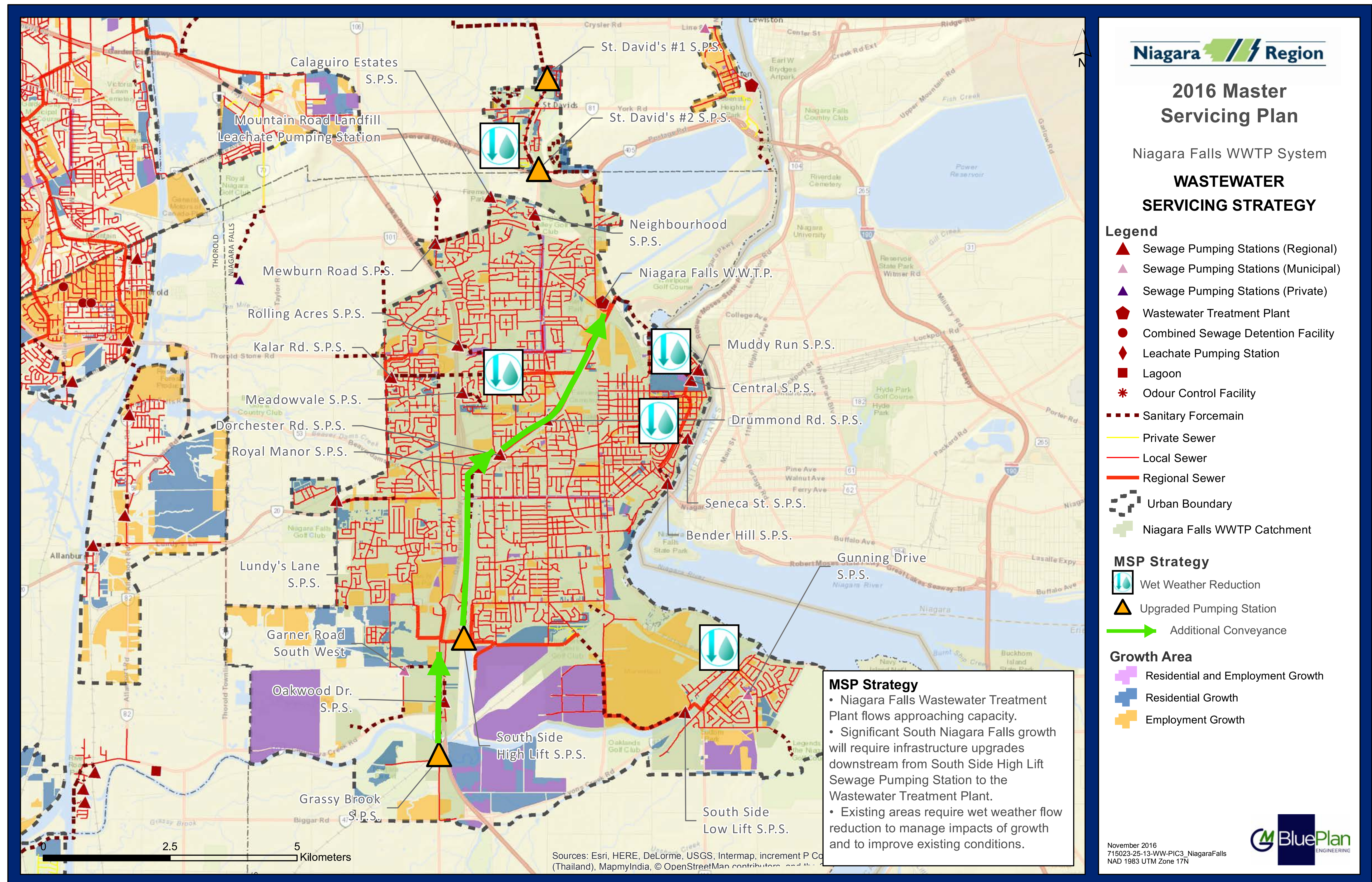
	2014	2041	Growth
Equivalent Population	128,263	179,848	51,585





HOW WE FLOW

NIAGARA FALLS WASTEWATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WASTEWATER SERVICING

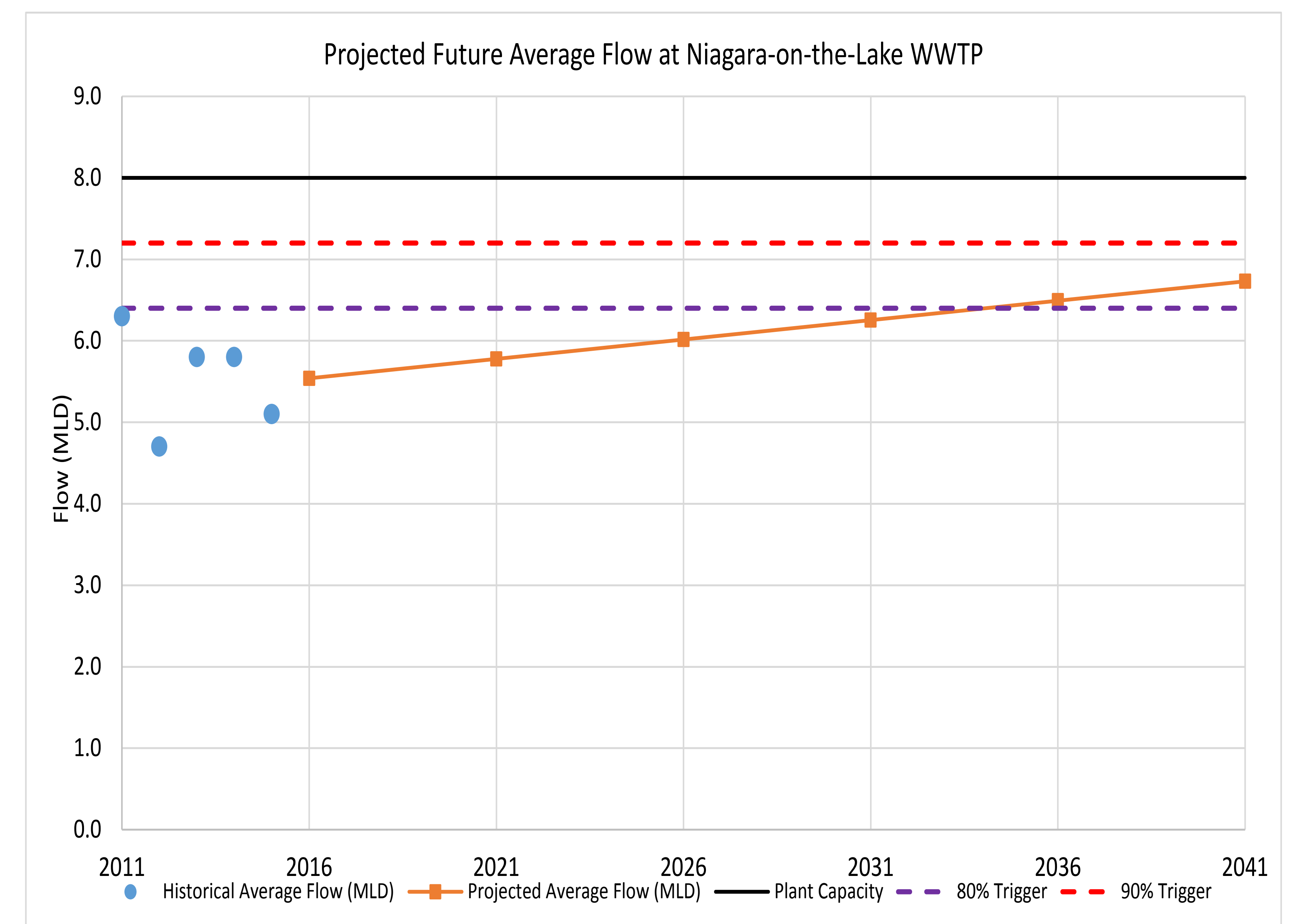
NIAGARA-ON-THE-LAKE WASTEWATER TREATMENT PLANT SYSTEM

Niagara-on-the-Lake

- Treatment: **Approaching** capacity
- Pumping Stations:
 - » Virgil: **Impacted** by growth
 - » Old Town: **Good** under criteria
- Conveyance:
 - » Generally **okay** under criteria
 - » Impacted under wet weather
- Wet Weather Commentary:
 - » Virgil: **Impacted** under wet weather
 - » Old Town: Wet weather **in line** with criteria

Challenges

- Development outside of urban boundary
- Pump discharges to WWTP
- Joint ownership pump stations



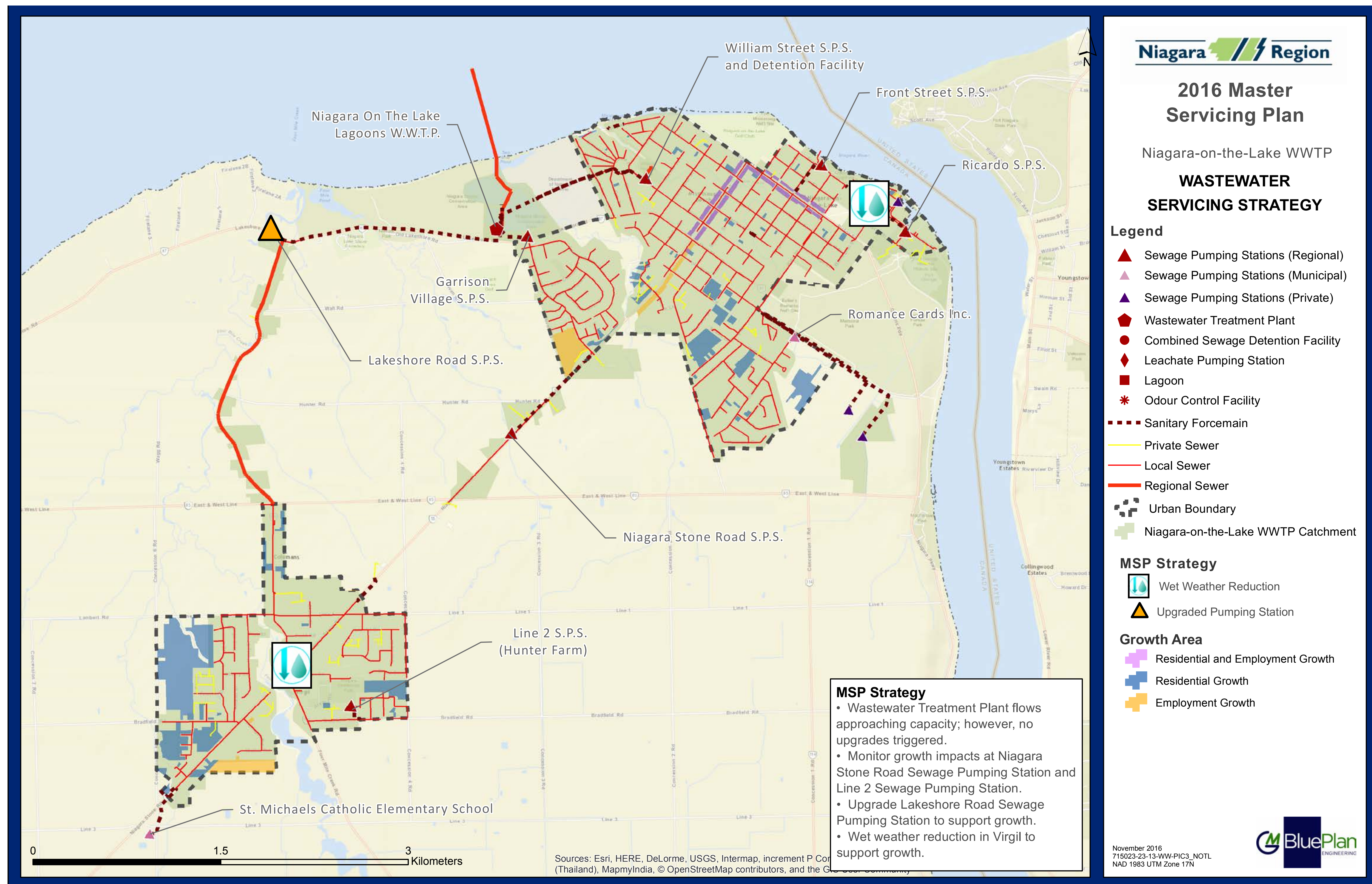
	2014	2041	Growth
Equivalent Population	17,204	21,532	4,328





HOW WE FLOW

NIAGARA-ON-THE-LAKE WASTEWATER TREATMENT PLANT SYSTEM



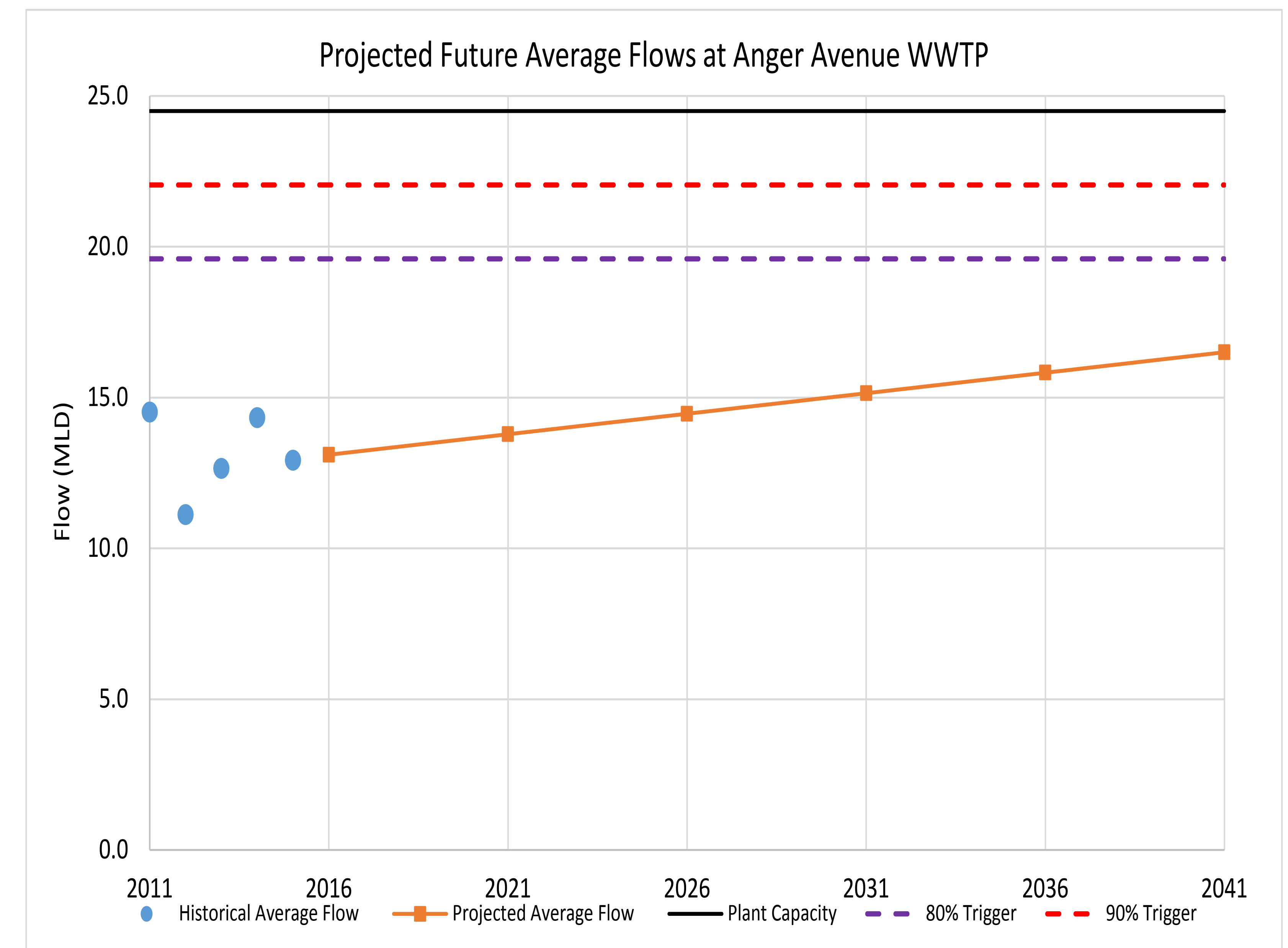


HOW WE FLOW

WASTEWATER SERVICING

ANGER AVENUE WASTEWATER TREATMENT PLANT SYSTEM Fort Erie

- Treatment: **Okay**
- Pumping Stations:
 - » Alliston: **Impacted** by growth
 - » East Fort Erie: Wet weather **impacts**
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » **High** Inflow and Infiltration to Eastern pumping stations



Challenges

- Servicing of Northwest growth areas
- Trunks through existing built areas

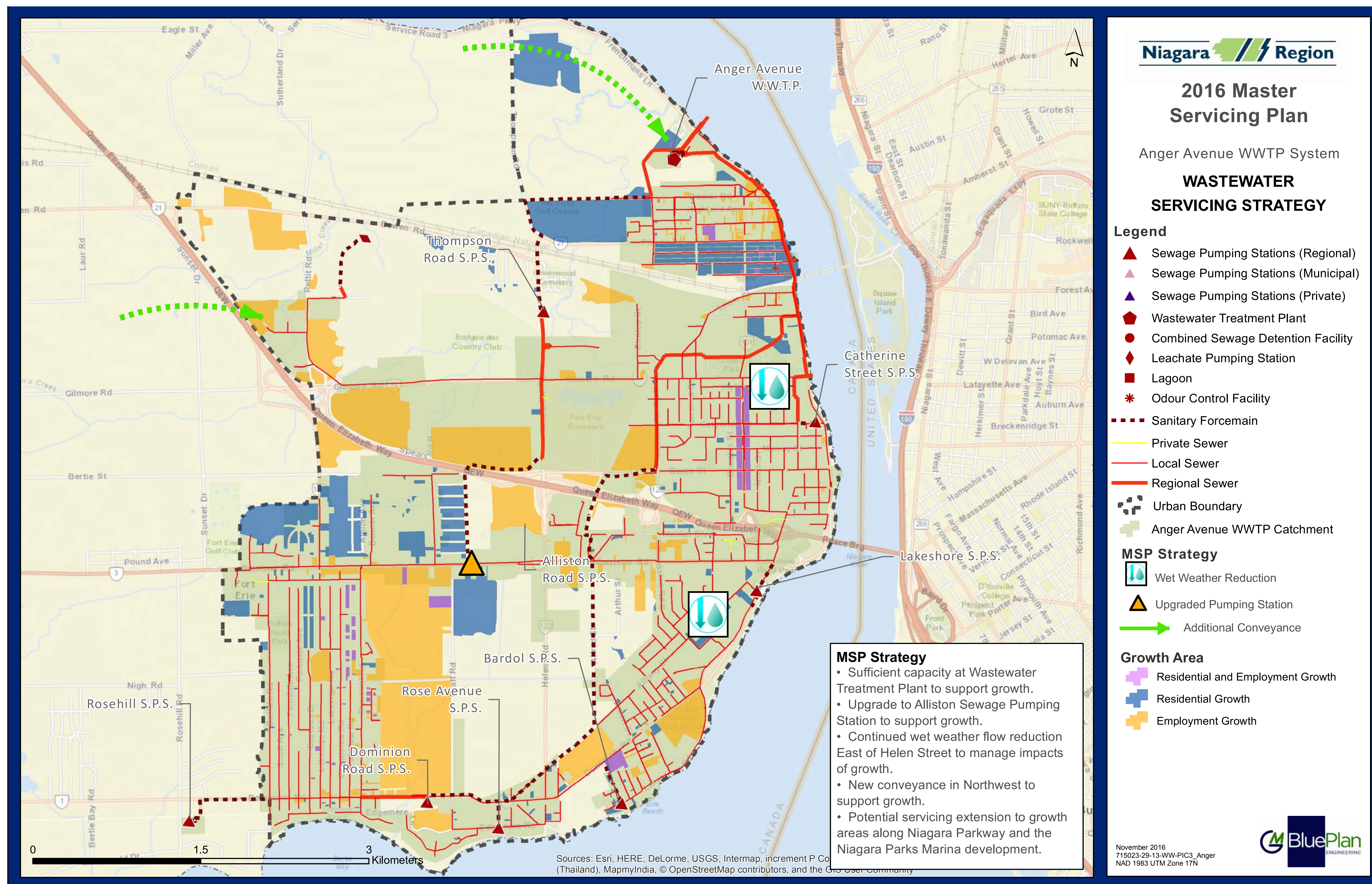
	2014	2041	Growth
Equivalent Population	25,148	37,507	12,359





HOW WE FLOW

ANGER AVENUE WASTEWATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WASTEWATER SERVICING

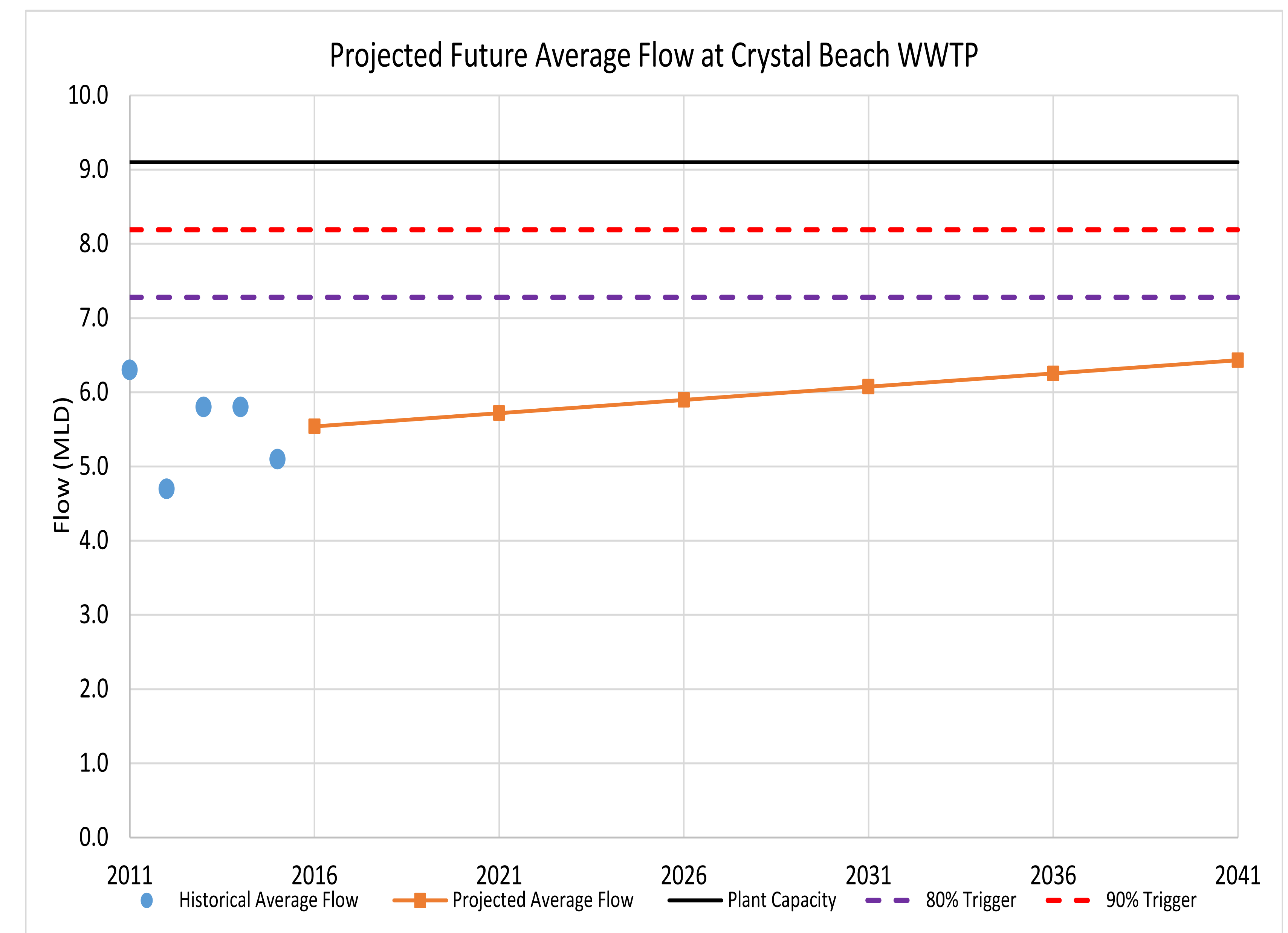
CRYSTAL BEACH WASTEWATER TREATMENT PLANT SYSTEM

Fort Erie

- Treatment: **Okay**
- Pumping Stations:
 - » Generally **okay** under criteria
 - » Shirley Rd: **Not meeting criteria**
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Erie Road and Nigh Road **impacted** under wet weather

Challenges

- Primarily built boundary growth



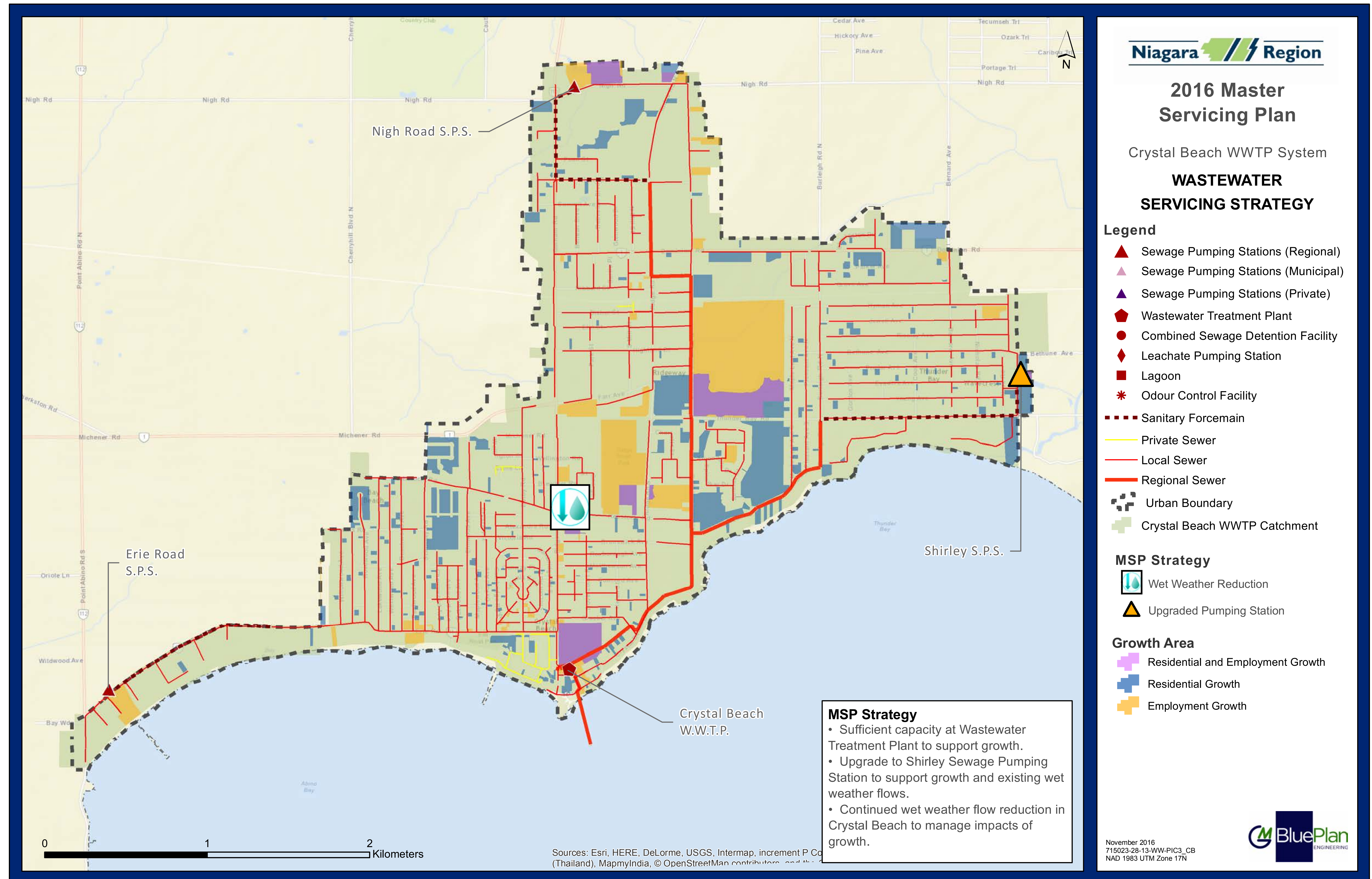
	2014	2041	Growth
Equivalent Population	10,918	14,163	3,246





HOW WE FLOW

CRYSTAL BEACH WASTEWATER TREATMENT PLANT SYSTEM



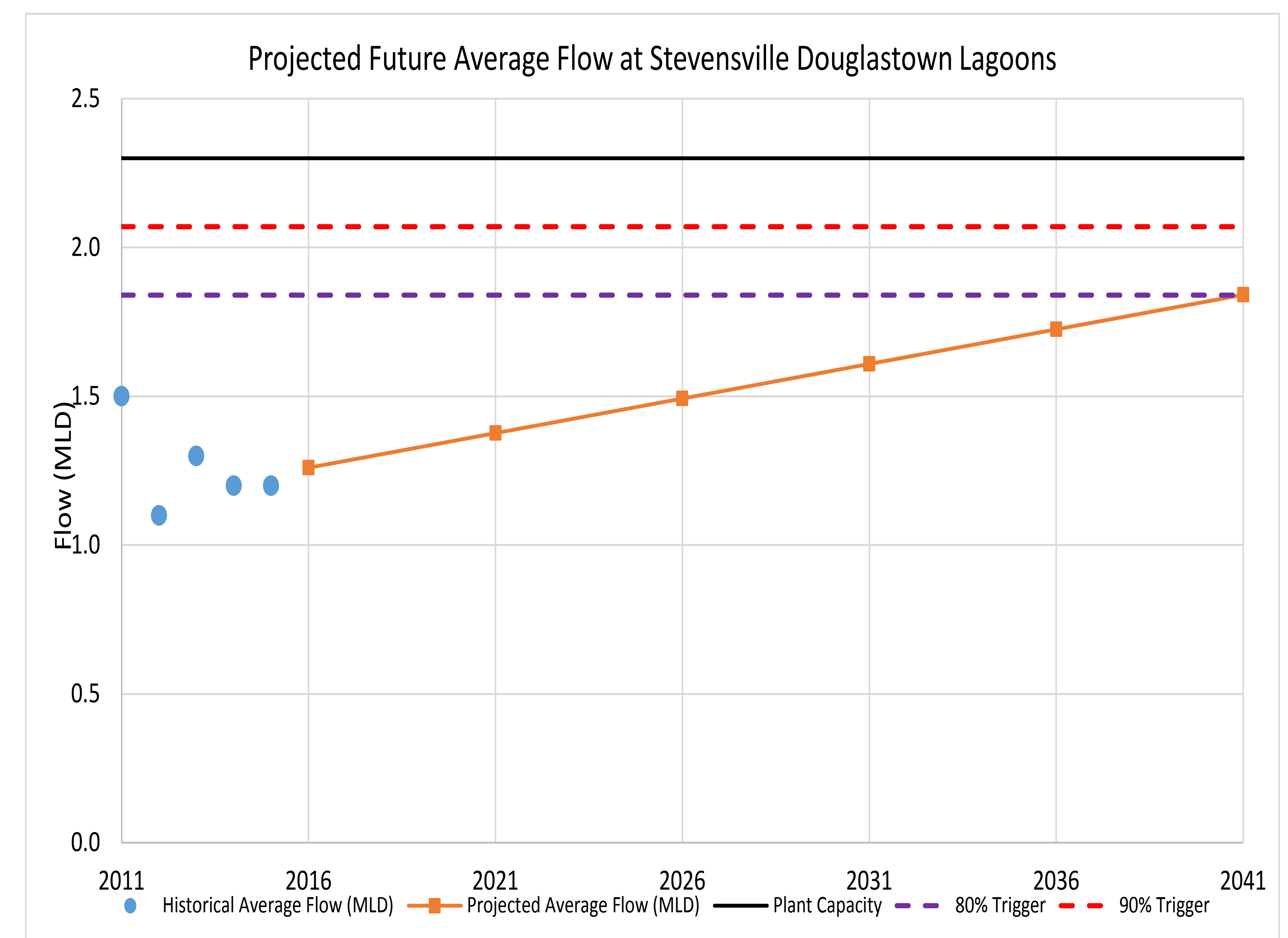


HOW WE FLOW

WASTEWATER SERVICING

STEVENSVILLE AND DOUGLASTOWN WASTEWATER TREATMENT SYSTEM Fort Erie

- Treatment: **Okay**
- Pumping Stations:
 - » Douglastown: Generally **okay** under criteria
 - » Stevensville: **Impacted** under criteria
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Inflow and infiltration reduction opportunity



Challenges

- Limited growth capacity

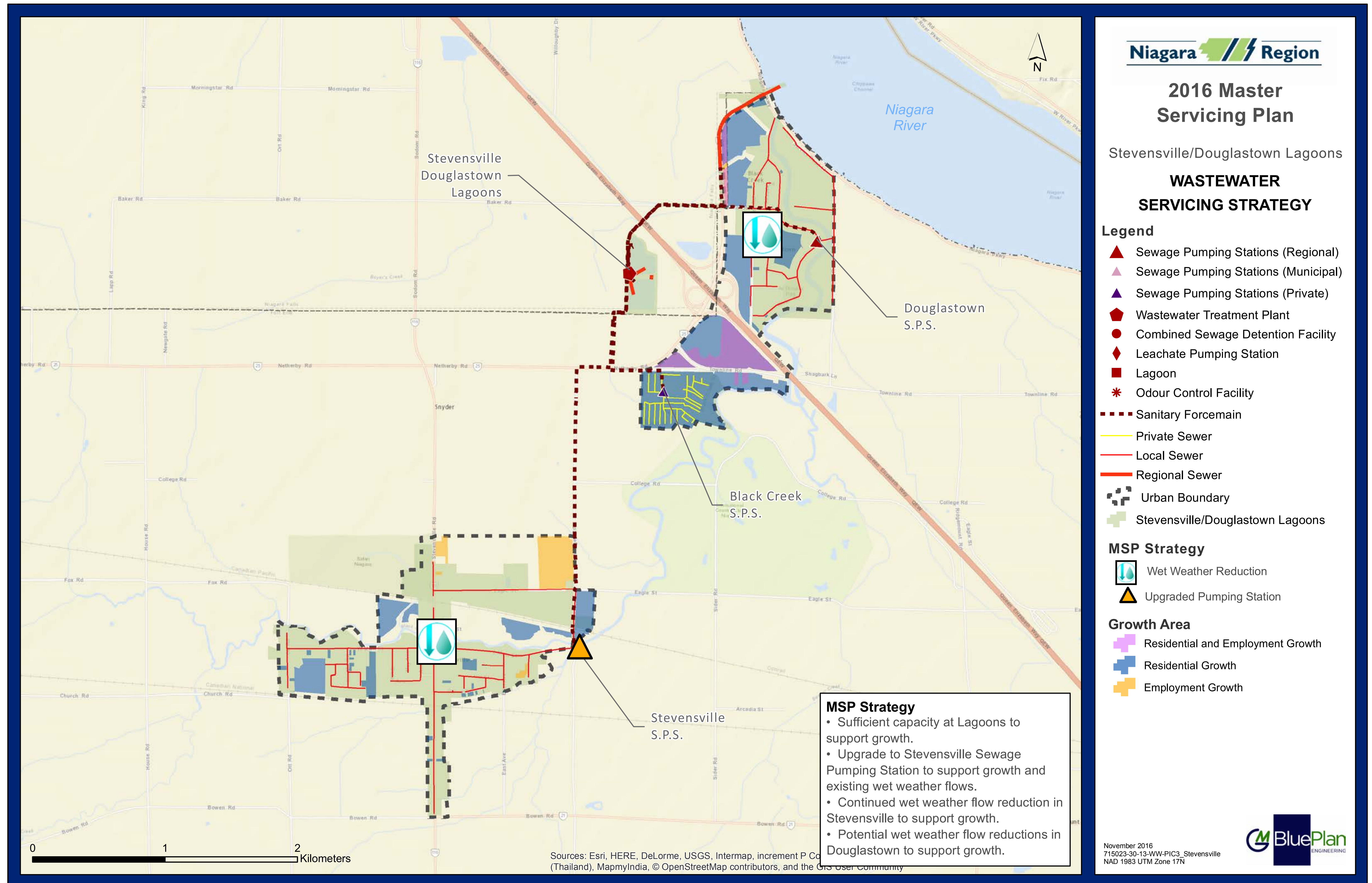
	2014	2041	Growth
Equivalent Population	5,294	7,408	2,114





HOW WE FLOW

STEVENSVILLE | DOUGLASTOWN LAGOONS





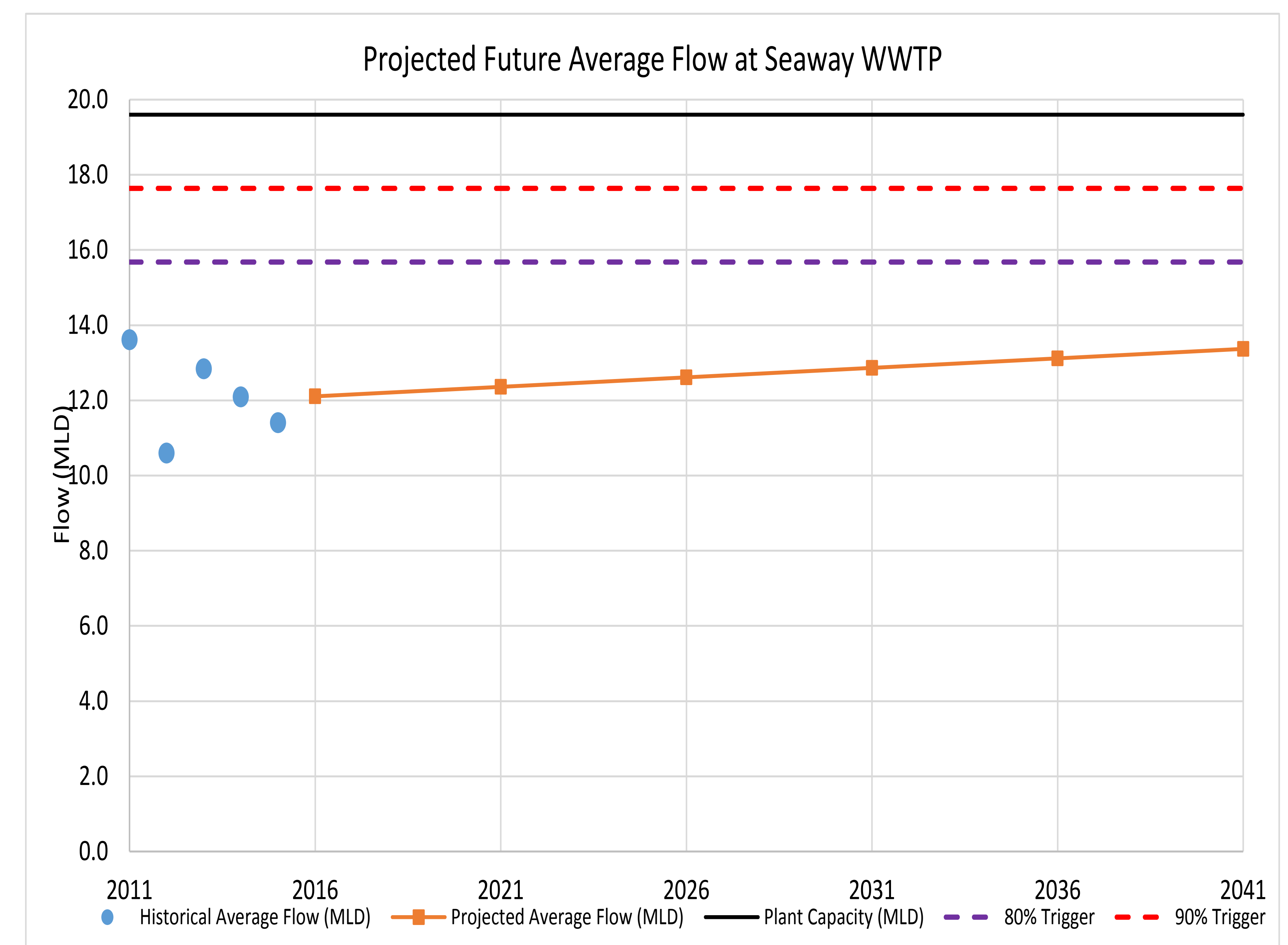
HOW WE FLOW

WASTEWATER SERVICING

SEAWAY WASTEWATER TREATMENT PLANT SYSTEM

Port Colborne

- Treatment: **Okay**
- Pumping Stations:
 - » **Impacted** by growth
 - » Existing capacity **limitation** at Steele and Rosemount South
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » Large growth land area relative to growth population



Challenges

- Small growth attribute to large areas
- Large greenfield areas potential to trigger Inflow and Infiltration related upgrades
- Canal crossing capacity to service East side growth

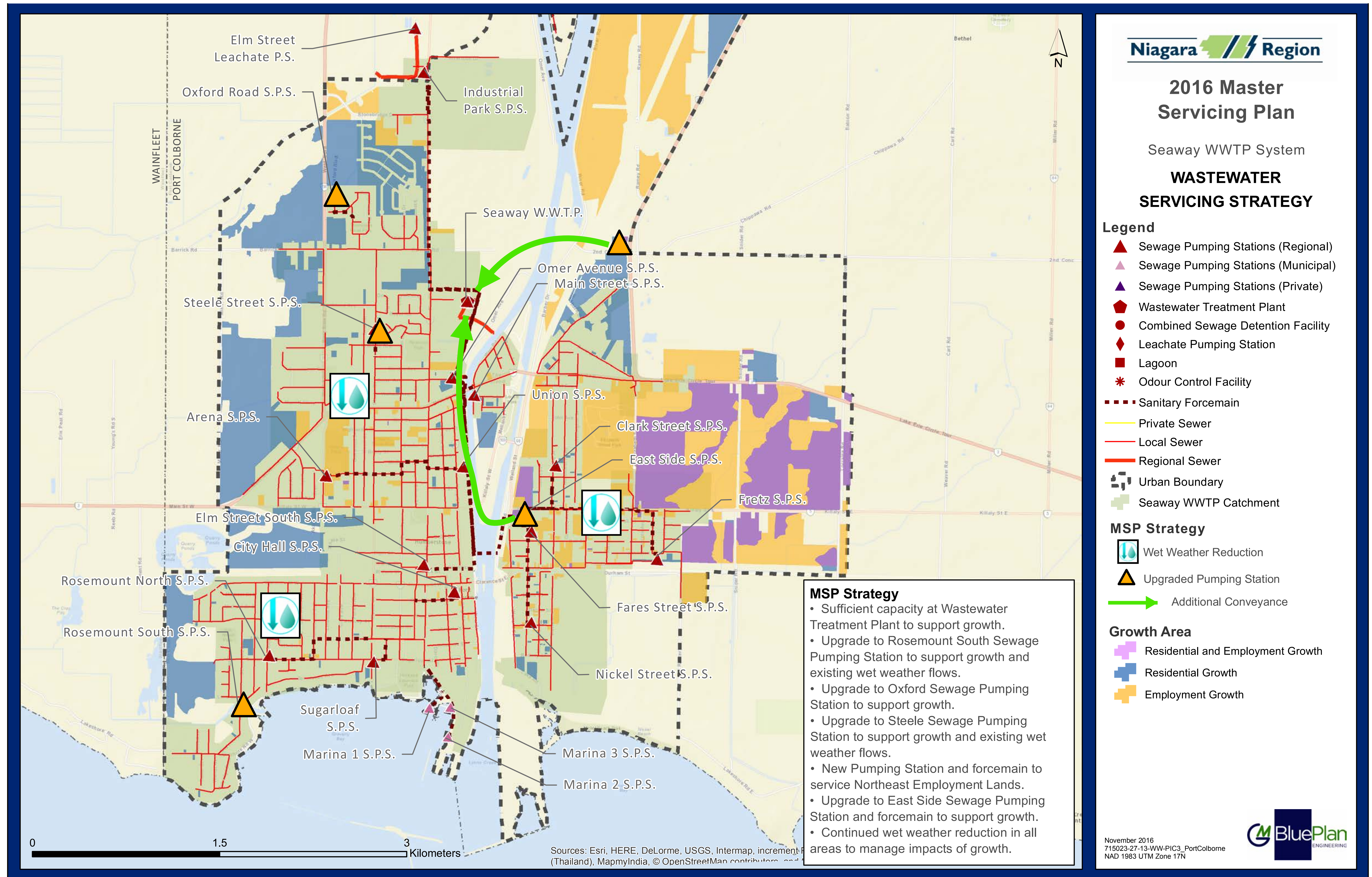
	2014	2041	Growth
Equivalent Population	24,087	28,678	4,591





HOW WE FLOW

PORT COLBORNE WASTEWATER TREATMENT PLANT SYSTEM





HOW WE FLOW

WASTEWATER SERVICING

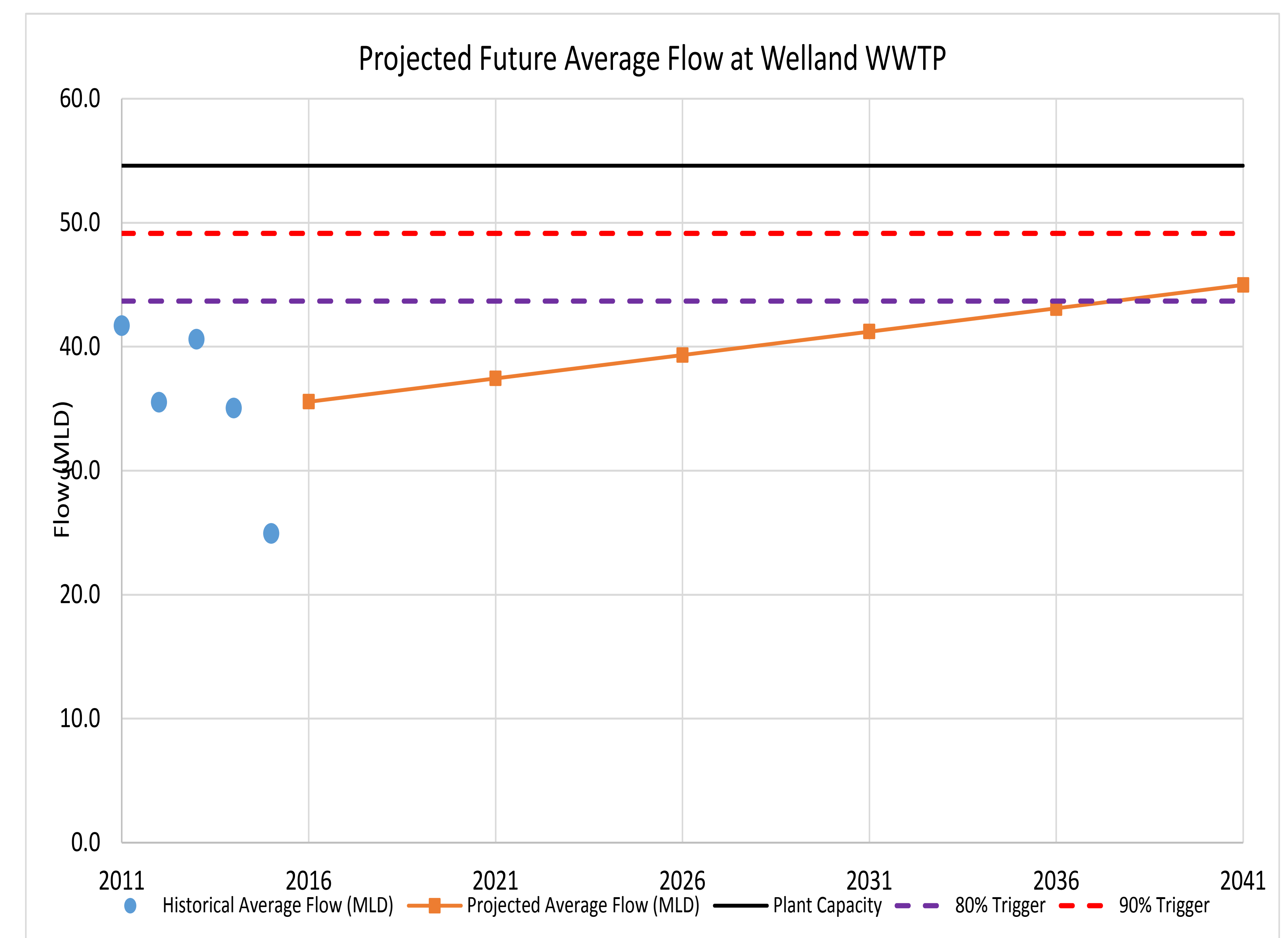
WELLAND WWTP SYSTEM

Welland | Pelham

- Treatment: **Approaching capacity**
- Pumping Stations:
 - » **Impacted** by growth
 - » Existing capacity **limitations** at Park Lane and Foss under design
- Conveyance:
 - » Generally **okay** under criteria
 - » **Impacted** under wet weather
- Wet Weather Commentary:
 - » **High** wet weather impacts
 - » **Significant** combined areas

Challenges

- Combined areas
- Areas of high Inflow and Infiltration
- Canal crossing



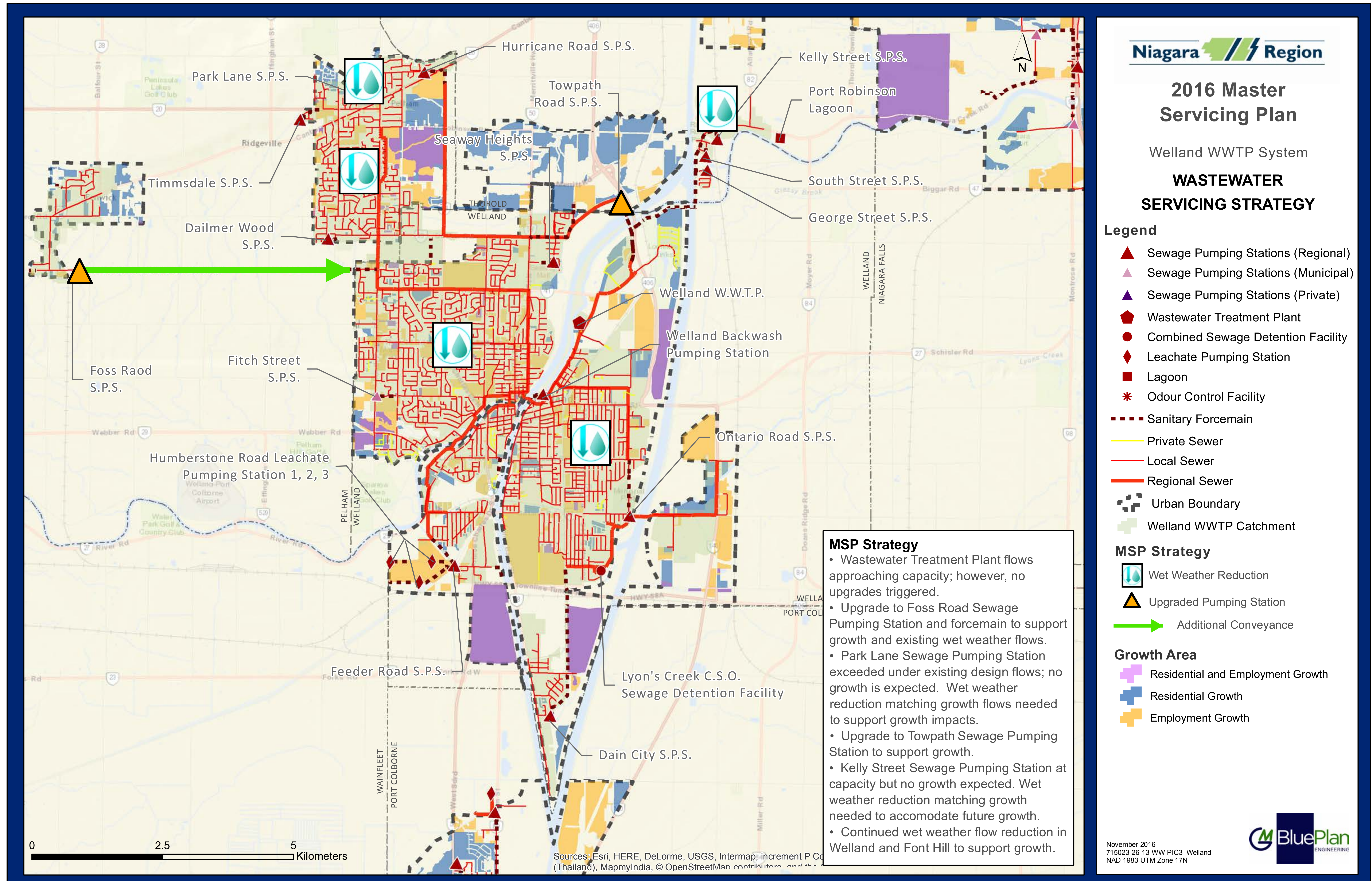
	2014	2041	Growth
Equivalent Population	98,686	132,953	34,267





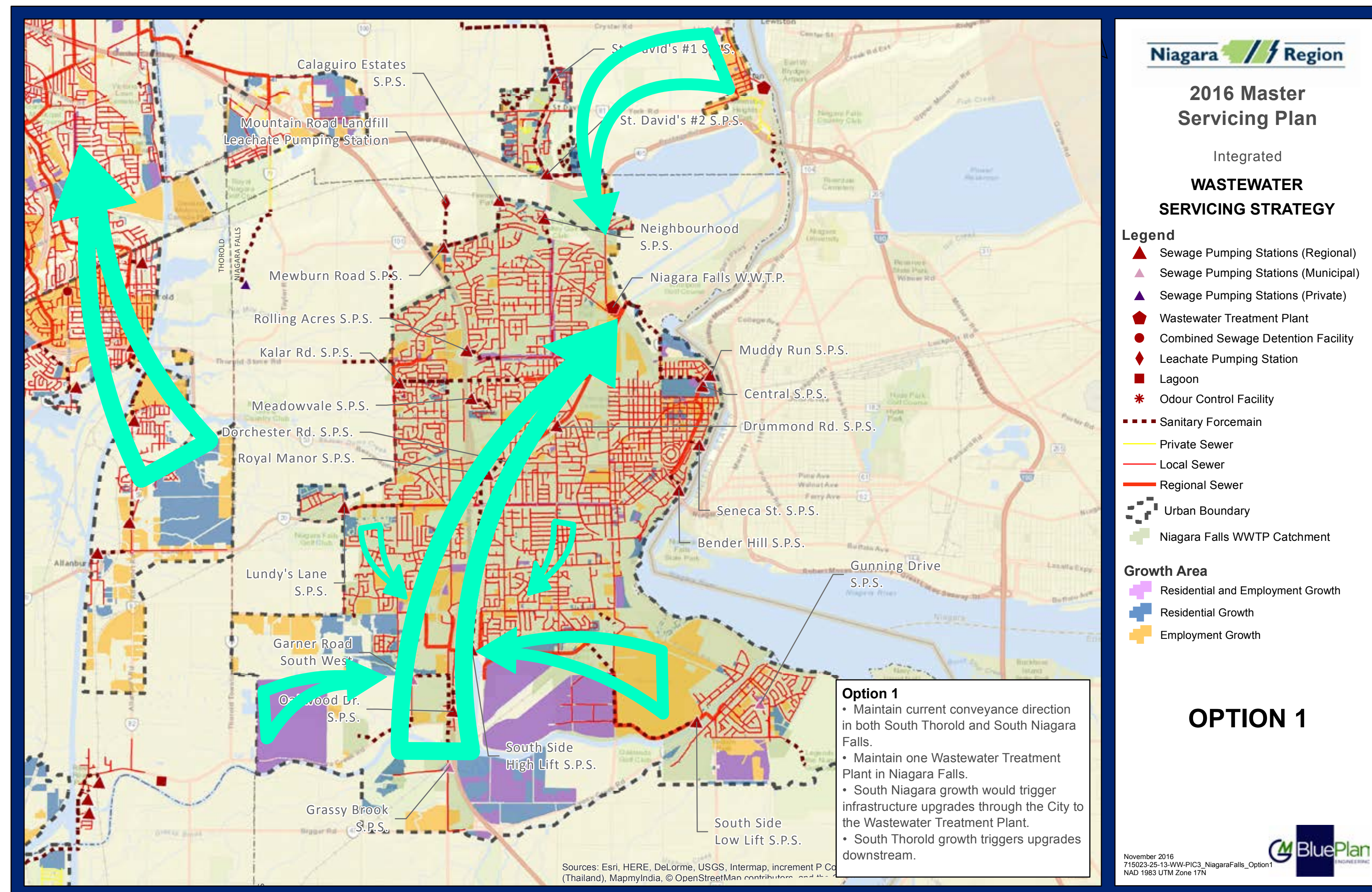
HOW WE FLOW

WELLAND WASTEWATER TREATMENT PLANT SYSTEM

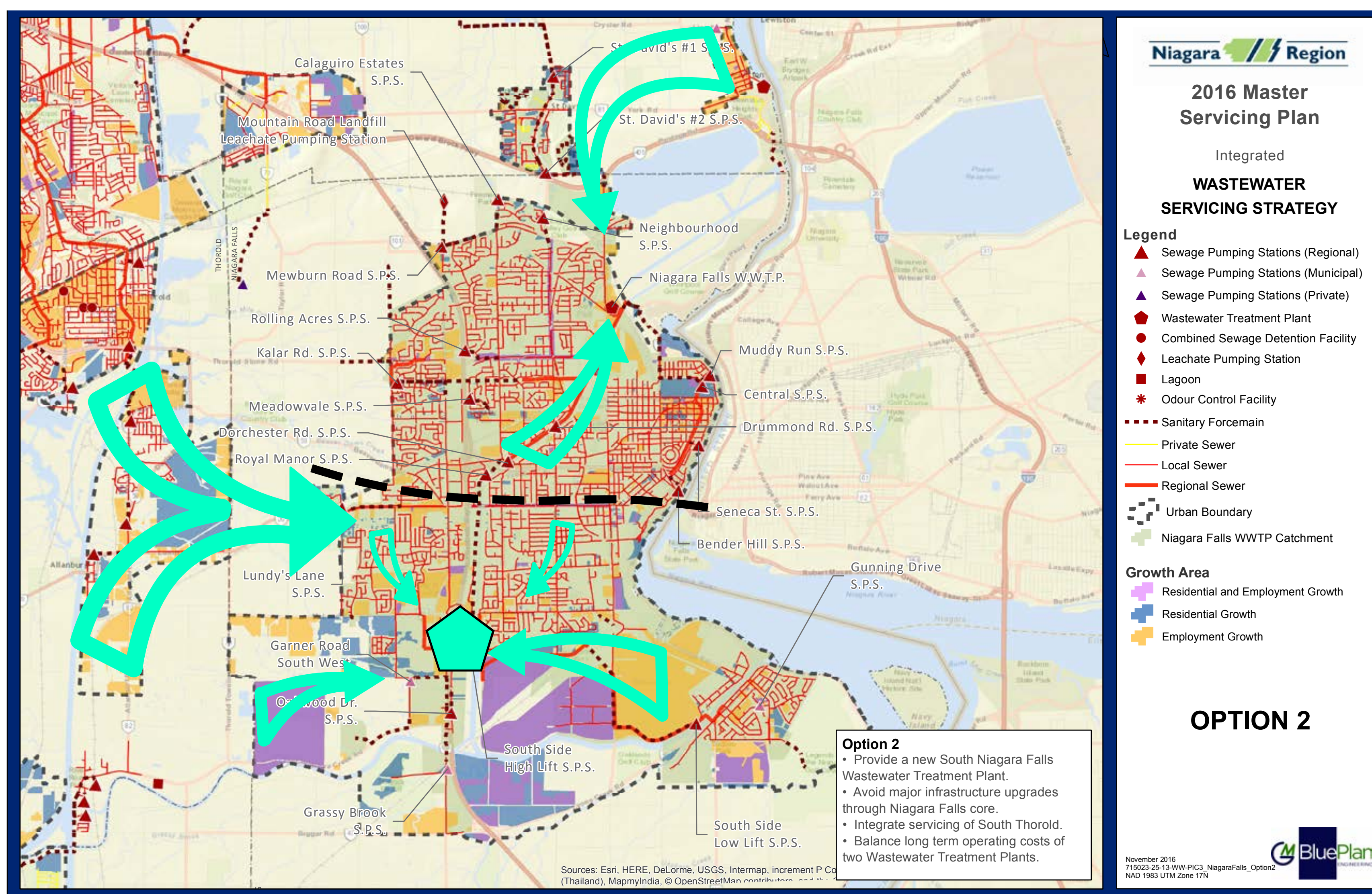




HOW WE FLOW



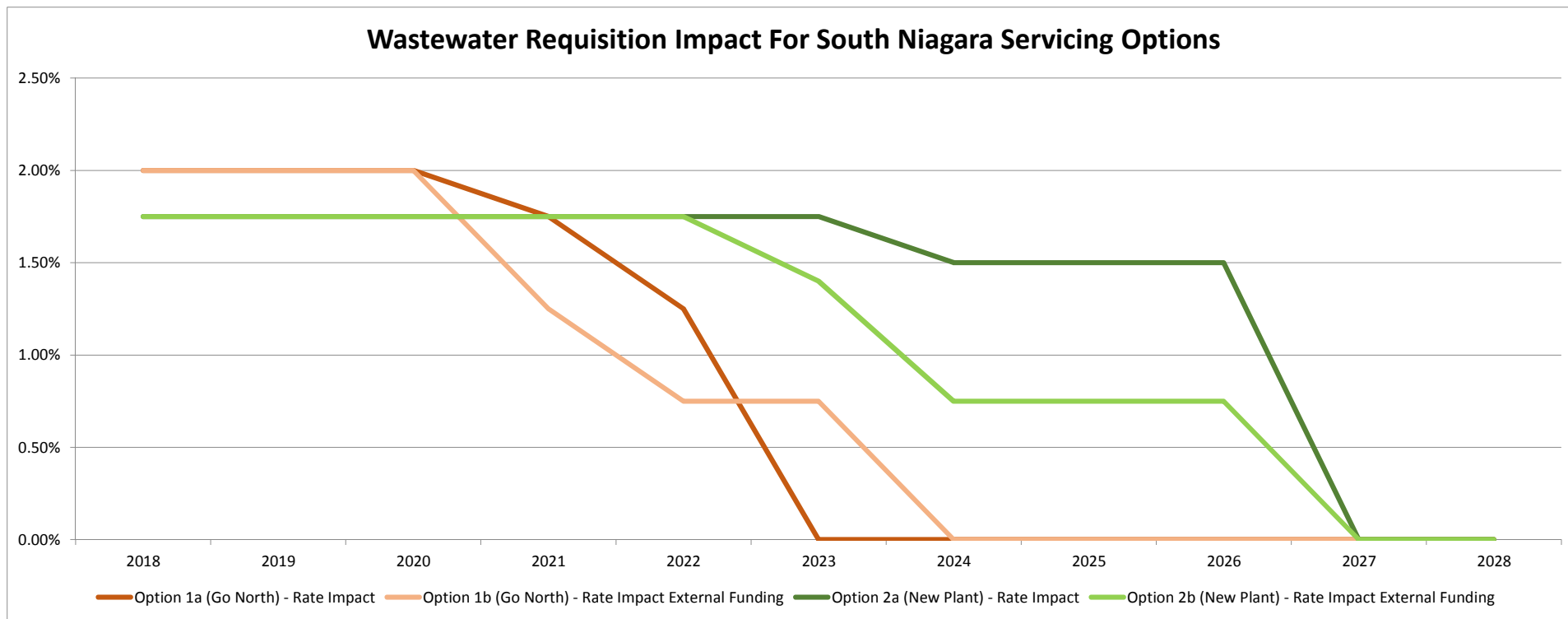
Integrated South Niagara Falls Servicing Concepts



2016 Water Wasterwater Master Servicing Plan Update – South Niagara Servicing Option Analysis

The funding strategy has been prepared using the following assumptions:

- 1) Consultants cost estimates for Option 1 and Options 2
- 2) Inflation at a rate of 2% per year.
- 3) Future budget increases have been estimated at an additional 1% allocated for operating expenses exclusive of infrastructure needs.
- 4) Analysis is for the funding of two south Niagara servicing options only. It does not include any other options in the Master Servicing Plan or those of the broader Asset Management Plan which may have incremental impacts.
- 5) 2017 budget forecasts and recent Asset Management Plan data confirm that current infrastructure reserves levels and base funding allocations are inadequate to fund the Region's share being the "benefit to existing" development therefore debt financing has been assumed with:
 - a) 30 year debt
 - b) 4.0% interest rate
- 6) Forecast operating budget impact includes:
 - a) Cost of debt financing construction cost that is "benefit to existing" development. Includes principal and interest from date of decision to construct. Budget accrued prior to construction completion is held in reserve as a 'debt charge placeholder' and any accumulated balance is utilized to reduce the debt required. Option 1 also includes the cost of debt financing \$35 million of the \$85 million investment that will benefit growth post 2041 (referred to as Out of By-law or Post Period Benefit). This cannot be included in Development Charge (DC) calculation at this time, but may be recovered from DCs in the future.
 - b) Estimated annual operating costs as per consultant. Included from date of decision to construct. Budget accrued prior to construction completion is held in reserve and will be utilized to reduce the debt required.
 - c) Life cycle reserve at 0.5% to 1.0% of asset costs as per consultant. Included from date of decision to construct. Budget accrued prior to construction completion is held in reserve and will be utilized to reduce debt required.
- 7) The rate impact was calculated based on estimated annual funding requirement and then adjusted to moderate the annual amount, taking advantage of lead time and avoiding dramatic one time rate increases.
- 8) Options 1(b) and 2(b) provide additional scenarios to include potential one third each provincial and federal funding for the Stanford interceptor in Option 1 and plant construction in Option 2.



Wastewater Development Charges
Preliminary Draft Rates

	Capital Cost (in millions)	Residential	Commercial	Industrial
		Per Dwelling	Per Sq Ft	Per Sq Ft
Current By-law		\$ 3,349.00	\$ 4.02	\$ 1.79
Option 1:	\$ 143.4	4,620.00	2.51	
Option 2:	128.5	4,403.00	2.40	
Difference	\$ (14.9)	\$ (217.00)	(0.11)	

Niagara Region

Analysis of Wastewater Requisition Impact for South Niagara Servicing Options

In Thousands of Dollars (\$000's)

(in '000's)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Option 1a (Go North) - Rate Impact										
Total Capital Cost	\$ 22,950	\$ 68,562	\$ 6,367	\$ 6,495	\$ 118,137	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Costs	\$ 250	\$ 3,270	\$ 3,447	\$ 3,628	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357
Proposed Wastewater Requisition Impact										
% Increase to Accommodate Option 1 Operating Impact	2.00%	2.00%	2.00%	1.75%	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Annualized Operating Impact From Increase	1,337	2,714	4,132	5,411	6,349	6,349	6,349	6,349	6,349	6,349
Revised WW Requisition	\$ 68,852	\$ 70,918	\$ 73,045	\$ 75,054	\$ 76,743	\$ 77,510	\$ 78,285	\$ 79,068	\$ 79,859	\$ 80,657

Option 1b (Go North) - Rate Impact External Funding

Total Capital Cost	\$ 22,950	\$ 68,562	\$ 6,367	\$ 6,495	\$ 41,204	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Costs	\$ 250	\$ 3,270	\$ 3,447	\$ 3,628	\$ 5,205	\$ 5,205	\$ 5,205	\$ 5,205	\$ 5,205	\$ 5,205
Proposed Wastewater Requisition Impact										
% Increase to Accommodate Option 1 Operating Impact	2.00%	2.00%	2.00%	1.25%	0.75%	0.75%	0.00%	0.00%	0.00%	0.00%
Annualized Operating Impact From Increase	1,337	2,714	4,132	5,045	5,606	6,176	6,176	6,176	6,176	6,176
Revised WW Requisition	\$ 68,852	\$ 70,918	\$ 73,045	\$ 74,689	\$ 75,996	\$ 77,326	\$ 78,099	\$ 78,880	\$ 79,669	\$ 80,465

Difference: Option 1b vs. 1a (benefit of funding) 0.00% 0.00% 0.00% -0.50% -0.50% 0.75% 0.00% 0.00% 0.00% 0.00%

Option 2a (New Plant) - Rate Impact

Total Capital Cost	\$ 6,120	\$ 47,338	\$ 4,245	\$ 4,330	\$ 4,416	\$ -	\$ 149,329	\$ 21,031	\$ -	\$ -
Total Operating Costs	\$ 193	\$ 1,759	\$ 1,877	\$ 1,997	\$ 2,120	\$ 2,120	\$ 10,642	\$ 11,175	\$ 11,175	\$ 11,175
Proposed Wastewater Requisition Impact										
% Increase to Accommodate Option 1 Operating Impact	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.50%	1.50%	1.50%	0.00%
Annualized Operating Impact From Increase	1,170	2,372	3,607	4,876	6,180	7,520	8,699	9,909	11,149	11,149
Revised WW Requisition	\$ 68,685	\$ 70,574	\$ 72,515	\$ 74,509	\$ 76,558	\$ 78,663	\$ 80,630	\$ 82,645	\$ 84,712	\$ 85,559

Option 2b (New Plant) - Rate Impact External Funding

Total Capital Cost	\$ 6,120	\$ 47,338	\$ 4,245	\$ 4,330	\$ 4,416	\$ -	\$ 53,896	\$ 21,031	\$ -	\$ -
Total Operating Costs	\$ 193	\$ 1,759	\$ 1,877	\$ 1,997	\$ 2,120	\$ 2,120	\$ 8,545	\$ 9,078	\$ 9,078	\$ 9,078
Proposed Wastewater Requisition Impact										
% Increase to Accommodate Option 1 Operating Impact	1.75%	1.75%	1.75%	1.75%	1.75%	1.40%	0.75%	0.75%	0.75%	0.00%
Annualized Operating Impact From Increase	1,170	2,372	3,607	4,876	6,180	7,252	7,840	8,438	9,047	9,047
Revised WW Requisition	\$ 68,685	\$ 70,574	\$ 72,515	\$ 74,509	\$ 76,558	\$ 78,395	\$ 79,767	\$ 81,163	\$ 82,583	\$ 83,409

Difference: Option 2b vs. 2a (benefit of funding) 0.00% 0.00% 0.00% 0.00% 0.00% -0.35% -0.75% -0.75% -0.75% 0.00%

Option 1 compared to option 2:

Difference: Option 2a vs. 1a (before funding)	-0.25%	-0.25%	-0.25%	0.00%	0.50%	1.75%	1.50%	1.50%	1.50%	0.00%
Difference: Option 2b vs. 1b (after funding)	-0.25%	-0.25%	-0.25%	0.50%	1.00%	0.65%	0.75%	0.75%	0.75%	0.00%



Dear Councillors,

As the presidents of Niagara College and the Niagara College Student Administrative Council (NCSAC), we are writing to voice our strong support for an integrated transit system for Niagara.

A transit system that links Niagara's municipalities is crucial for Niagara College students to get to class, to their co-op placements, part-time work and to businesses and other appointments throughout our region. As Ontario's postsecondary landscape becomes more competitive, an effective integrated transit system is an important tool for attracting young people to our region, and for keeping them here when they graduate with the skills and experience that will help drive the key sectors of our local economy.

As you may be aware, NCSAC provides Niagara College students with a mandatory universal transit pass (UPASS). The UPASS was approved via a student referendum in 2007. Since that time, maintaining the UPASS has required our students to overcome unique challenges, including:

- The need to negotiate nine contracts with six different transit providers in Niagara. This creates logistical and financial challenges for our student government, as well as service variances, fare box inconsistencies and transfer misalignments;
- Annual increases of 5-10% among Niagara's transit providers, where, as per the UPASS referendum, NCSAC can only increase its annual fees by 5%. Over the past four years, this has resulted in financial loss of almost \$800,000 for our student government;
- Service variances among Niagara's transit providers that often necessitates the negotiation of custom routes and changes in frequency and routing all within NCSAC's annual budget; and
- Inconsistency in how students use their UPASS with different providers (ie: tap vs swipe, etc.) and transfer misalignments that create inefficiencies and wait times of up to 40 minutes for our students.

An integrated transit system for the Niagara region would help to alleviate many of the challenges our students face as they travel to our campuses, to their places of employment and to businesses in Niagara. The proposed framework that you will consider at your March 23 meeting is an important step to improve transit not only for our students, but for all of Niagara. A vote in favour of this proposal is a vote to move this important conversation forward, a vote for the thousands of students who rely on public transit to learn and to work, and a vote for economic development in Niagara, which will benefit significantly from enhanced mobility for students and workers alike. We ask you to support the framework for consolidated transit in Niagara.

Respectfully,

Dan Patterson, PhD
President, Niagara College

AliceMary Nakiwala
President, NCSAC

Subject: Niagara Region's Transit Service Delivery and Governance Strategy

Report to: Regional Council

Meeting date: March 23, 2017

Recommendations

1. That Niagara Regional Council **ENDORSE IN PRINCIPLE** the creation of a consolidated public transit system in partnership with the City of Niagara Falls, St. Catharines Transit Commission, the City of Welland, and the Region of Niagara in order to develop a regionally integrated transit system;
2. That Regional Council **ADOPT** a Bill (referenced in Appendix #5) to provide Niagara Council with the authority to establish, operate and maintain an inter-municipal passenger transportation system for the Region, and such Bill, if adopted, to come into force and effect on June 1, 2017, provided that:
 - a. a majority of the councils of the local area municipalities pass resolutions consenting to the Bylaw; and,
 - b. the total number of electors in the local municipalities that have passed resolutions in support of the Bill form a majority of all electors in the Region of Niagara as established in the revised list of electors for the municipal election held in the year 2014.
3. That, subject to the adoption of the aforementioned Bill, a copy of the Bill and Report CAO 8-2017 **BE FORWARDED** to the clerks of the 12 local area municipalities with a request that their councils adopt the following resolution and advise the Regional Clerk of the results of that consideration, no later than May 31, 2017:

“That the Council of (name of municipality) consents to the passage of By-law No. 49-2016 of the Regional Municipality of Niagara, being a by-law to provide Niagara Region with the authority to establish, operate and maintain an inter-municipal passenger transportation system for the Niagara Region.”
4. That Niagara Regional Council **DIRECT** staff to develop a Memorandum of Understanding (MOU) between Niagara Falls, St. Catharines, Welland and Niagara Region in the development of a governance framework and specify how key issues are to be addressed by all parties along with next steps and timelines;
5. That Council **SUPPORT** the formation of the Transit Working Group, with representatives from the twelve (12) Local Area Municipalities and the Region of

Niagara, to work towards the implementation of the operational improvements outlined in the Dillon report; and,

6. That Council **SUPPORT** the transition of the current Inter Municipal Working group to a Transit Steering Committee until a new governance framework is established in the pending Memorandum of Understanding.

Key Facts

- The respective Councils of the City of Welland, City of St. Catharines and the City of Niagara Falls unanimously supported in principle the creation of a consolidated transit system within the Niagara region and moving forward with the creation of a Memorandum of Understanding as the next step in the process.
- As per Section 189 of the Municipal Act an upper-tier municipality may pass a by-law for the transfer of power for the transfer of “all or part” of the public transportation subject to a triple majority described within the legislation.
- As a component of “Moving People and Goods” of Niagara Region’s Strategic Plan, the Niagara Transit Service Delivery and Governance Strategy (also known as Inter-Municipal Transit) is a key deliverable.
- Support for a consolidated transit system has been communicated by many community groups and agencies, including representation from the business, health care, education and social sectors.
- A consolidated transit system in Niagara Region is a vital component to the success of interfacing with GO Transit and other neighbouring transit systems.

Considerations

Financial

While there is no immediate financial impact to moving forward with the recommendations presented in this staff report, the Dillon report (See Appendix #1) has identified a series of potential costs in the creation of a consolidated transit system.

These costs can be categorized into three areas:

1. Operating Costs
2. Capital Costs; and
3. Transitional Costs

Although the Dillon report provides details on these expected costs, the associated costs will continue to be refined as the process towards a consolidated transit system continues.

Operating Costs

As identified in the Dillon report, the existing (2015) net operating costs (operating cost minus revenue) for all transit systems in Niagara Region was approximately \$18,477,000 (includes St. Catharines Transit, Niagara Falls Transit, Welland Transit, Niagara Region Transit, Fort Erie Transit, Port Colborne Transit and Niagara-on-the-Lake Transit).

Further, as per the report, it is important to note that simply staying with the Status Quo Model will see an increase in the average hourly operating cost and net operating costs over the next few years. This is due to:

- An estimated increase of 2% per year to account for the cost of inflation; and
- Other improvements to a number of transit systems, including:
 - the addition of maintenance staff,
 - the need for additional supervisors and planning staff in Welland and St. Catharines, and
 - increased operating costs based on the planned expansion of the transit garage in St. Catharines.

Adding to the operating costs is the fact that service hours for each system are planned to grow, such as:

- St. Catharines Transit will implement a new crosstown route;
- Niagara Falls Transit is phasing in the introduction 30 minute peak period service on all its routes;
- Welland Transit is introducing Sunday service; and
- Niagara Region Transit introduced Route 40/45 and will implement additional extensions of inter-municipal services (as recommended in the Dillon report).

The growth in the hourly operating cost and increase in service hours is estimated to see an increase in net operating cost from all local and inter-municipal transit systems in the Region from \$18,477,000 in 2015 to approximately \$24,421,900 by 2018. This represents a 34% increase in net operating costs across all systems in the region.

Municipality		Net Operating Costs	
	Status Quo Model (2015)	Status Quo Model (2018)	Consolidated Model (2018)
Niagara Region	\$2,216,000	\$3,076,300	\$3,138,400
St. Catharines	\$8,831,800	\$10,736,400	\$10,783,800
Niagara Falls	\$4,409,700	\$5,860,200	\$5,861,500
Welland	\$1,986,200	\$2,534,700	\$2,678,600
Other Municipalities	\$1,033,000	\$2,214,300	\$2,214,300
Totals	\$18,476,700	\$24,421,900	\$24,676,600

The move to the Consolidated Transit Model will see approximately \$255,000 increase in net operating costs from the 2018 Status Quo Model, shared between all four service providers. This only represents a 1 percent increase over the Status Quo Model (2018 rate).

A financial plan for the recommended inter-municipal transit service strategy was also developed. Forecasted net operating costs (minus revenue) distributed to each municipality, should they decided to offer inter-municipal transit services, is identified below. The increase in net operating costs is due both to service expansion recommendations and an increase in the average hourly operating cost on an annual basis (a 2 percent annual increase due to inflation was assumed).

Municipality	Links	2016/2017	2019
Niagara Region	Inter-Municipal and Rural Links	\$2,972,120	\$3,848,460
Port Colborne	Port Colborne and Crystal Beach	\$69,040	\$96,760
Fort Erie	Fort Erie and Crystal Beach	\$75,640	\$102,280
Grimsby	Grimsby/Beamsville	-	\$50,240
Lincoln	Grimsby/Beamsville	-	\$50,240
West Lincoln	Smithville	-	\$69,760
Wainfleet	Wainfleet	-	\$64,560
Totals		\$3,116,800	\$4,282,300

In addition to this municipal investment, between \$440,000 and \$1,800,000 annually is required to operate a smart card system (depending on the smart card alternative selected).

Capital Costs

Capital costs for the short-term (years 1-3) period is estimated to be in the range of \$9,262,000 to \$15,900,000 to fund inter-municipal transit fleet expansion, expansion of maintenance facilities in St. Catharines and Welland (primarily due to local transit needs) and implementation of a smart card system. Capital costs for the medium-term (years 4-7) is estimated to be in the range of \$1,220,000 to \$1,250,000 to fund further inter-municipal transit fleet expansion and the development of a mobile app for Dynamic Transit.

Overall the total capital costs are within the \$10,482,000 – \$17,150,000 range and in addition to funding from local area municipalities, the associated regional costs is estimated at \$3,763,000 - \$6,130,000.

Transitions Costs

There will be additional transitions costs (planning, consulting and community outreach) experienced by the Transit Working Group and the Transit Steering Committee as they collectively implement the recommendations contained in the Dillon report.

To fund the consolidated public transit system, the following opportunities arise:

- User fees (fare rates);
- Municipal property levies;
- Development charges; and
- Funding from senior levels of government.

In addition, the Dillon report identified the Federal Public Transit Infrastructure Fund as a possible funding source that could fund 50% of eligible capital projects, rehabilitation of transit systems and planning studies for future transit expansion.

Corporate

The continued participation in the creation of a consolidated regional inter-municipal public transit model will require the ongoing involvement and support from regional staff.

Governmental Partners

The Niagara Transit Service Delivery and Governance Strategy Report provide strategic recommendations for the improvement of transit services throughout Niagara. The governance strategy presented in the report calls for the consolidation of Welland, Niagara Falls and St. Catharines transit systems into one entity with the support of Niagara Region to provide inter-municipal transit service to the entire region and local transit service to Welland, Niagara Falls and St. Catharines. The consolidated transit model will allow local municipalities to maintain control over local transit service planning and allows Niagara Region to be involved in the funding and planning of inter-municipal transit connections.

On February 21, 2017 Welland City Council unanimously endorsed in principle the creation of a consolidated transit system, they also approved recommendations for the development of a Memorandum of Understanding (MOU), the requests that Niagara Region become an official transit provider as per the *Municipal Act*, the formation of a Transit Working Group, and the transition of the current Inter-Municipal Working Group to a Transit Steering Committee (See Appendix #2).

Thereafter on February 22, 2017 St. Catharines City Council also unanimously supported the consolidated public transit model and associated parameters which were similar to Welland City Council. In addition, St. Catharines City Council also provided direction that the Transit Working Group have meaningful dialogue with union

representatives of the St. Catharines Transit employees, that the integration of the GO Bus system be included in the process, and that any costs associated with initiatives identified by the Inter-Municipal Working Group be approved by the City Council prior to moving forward (See Appendix #3).

The following week, on March 28, 2017 Niagara Falls City Council unanimously supported the consolidated public transit model that were similar to the common provisions approved by Welland City Council and St. Catharines City Council (See Appendix #4).

Public and/or Service Users

The inter-municipal transit system involves community members and businesses from all local area municipalities, and supports tourism.

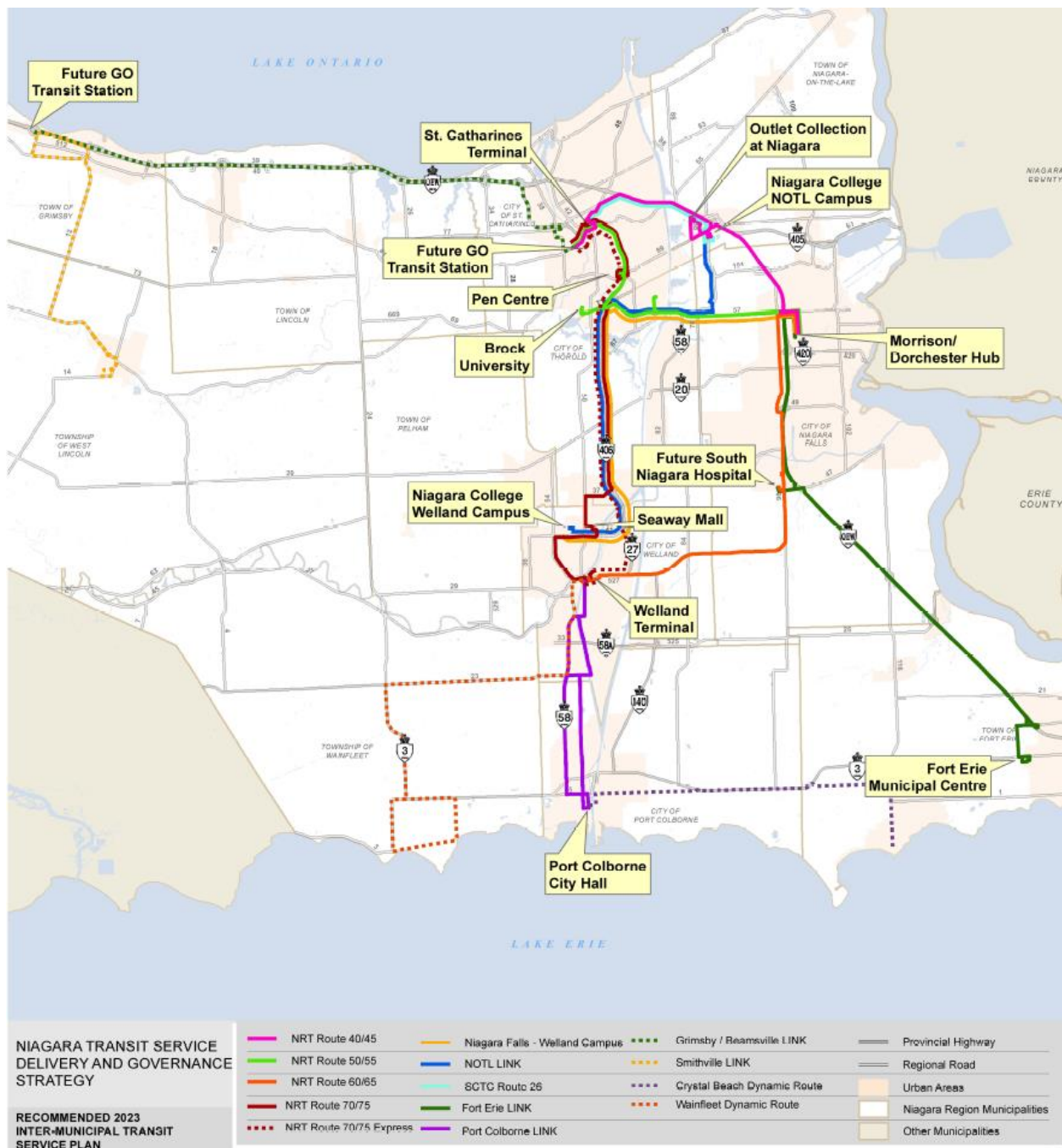
Analysis

As per the Dillon report, Inter-Municipal Transit has a number of benefits to the Region, each local municipality, and its residents. Notably, the introduction, improvement and expansion of inter-municipal transit:

- Provides cross-boundary mobility to education, employment and medical and other services;
- Supports transit ridership to future GO Train service in Niagara (reducing local congestion near GO stations);
- Facilitates economic development by businesses that are seeking a connected workforce;
- Contributes to a high quality of life for Niagara residents; and
- Supports sustainable community development.

To further enhance these benefits, the Dillon report also recommends improvements to inter-municipal transit services in Niagara by:

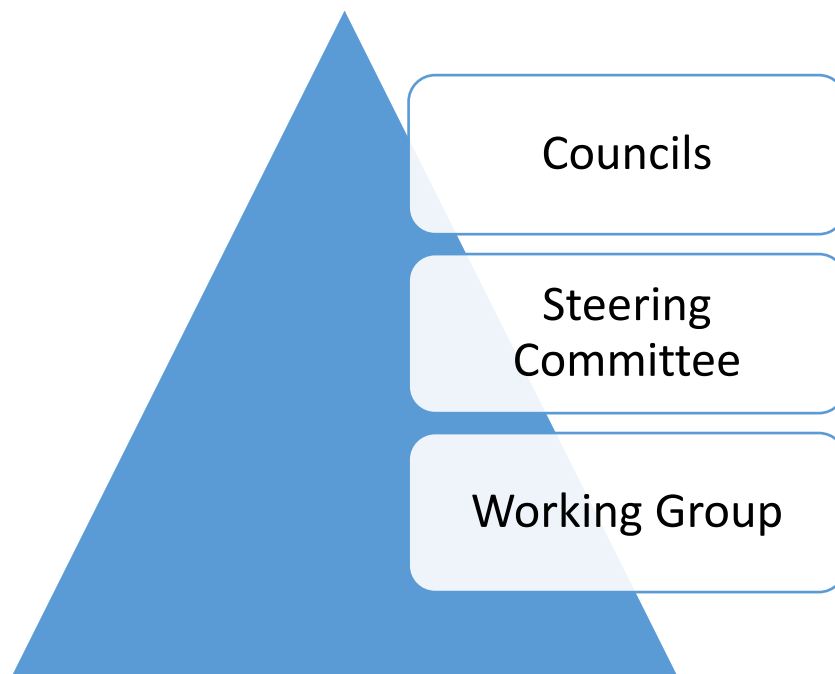
- Increasing the frequency of inter-municipal service so that buses arrive every 30 minutes during peak periods;
- Extending service hours so that transit is available later in the evening;
- Extending full weekend service that would have inter-municipal transit operating on Sundays;
- Eliminating duplicate routes and services to be reinvested;
- Improving integration with other municipal transit systems;
- Creating a new Niagara-West inter-municipal transit link;
- Adding new dynamic transit services for low-demand and rural areas; and
- Integrating fare strategy, payment technology and trip- planning.



If Regional Council approves the consolidated public transit model in principle; the identified next steps are:

1. Achieve a triple majority of consent in the transfer of authority from the local area municipalities to Niagara Region to establish, operate and maintain an inter-municipal transit system in Niagara.

2. Prepare a Memorandum of Understanding (MOU) between Niagara Falls, St. Catharines, Welland and Niagara Region in the development of a governance framework and specify how key issues are to be addressed by all parties along with next steps and timelines;
3. The Transit Working Group, with representatives from the twelve (12) Local Area Municipalities and the Region of Niagara, will work towards the implementation of the operational improvements outlined in the Dillon report; and
4. The Transit Steering Committee continues until a new governance framework is established in the pending Memorandum of Understanding.



Transit Working Group and Transit Steering Committee

The creation of a Transit Working Group and Transit Steering Committee was done to ensure that the future of inter-municipal transit in Niagara would be reflective of the entire region and include all municipalities.

The Transit Working Group consists of thirteen (13) inter-municipal staff and will report to the Transit Steering Committee. The inter-municipal staff will be represented by:

- Transit Manager from St. Catharines Transit, Welland Transit and Niagara Falls Transit (3)
- Staff person from each other Niagara municipality (9)
- Staff person from Niagara Region (1)

The responsibilities of the Transit Working Group are:

- Determine procurement/ purchasing transit capital needs
- Development of proposals for fare boxes, technology, customer service and polices
- Route optimization and coordination
- Coordination with other transit providers (such as: GO transit, Metrolinx, Hamilton Street Railway)
- Coordination with post-secondary schools and private carriers
- Liaise with economic development and planning offices
- Union contracts and standardization of standard operating procedures (SOPs)

The Transit Steering Committee is a governing body consisting of the following representatives:

- 2 from City of Niagara Falls (such as Mayor/Councillor and CAO)
- 2 from City of St. Catharines (such as Mayor/Councillor and CAO)
- 2 from City of Welland (such as Mayor/Councillor and CAO)
- 2 from Region of Niagara (such as Chair/Councillor and CAO) and
- 2 from Region of Niagara (Mayor/Councillor and CAO representing municipalities which do not operate their own transit service).

The Transit Steering Committee directs the Transit Working Group, and thereafter, reports to the respective Councils (Welland, St. Catharines, Niagara Falls and Niagara Region) with the following:

- The work and recommendations of the Transit Working Group;
- The Memorandum of Understanding (MOU) for approval
- Coordination of the branding and marketing of transit service
- Government relations and advocacy; and
- Unified Niagara voice for transit

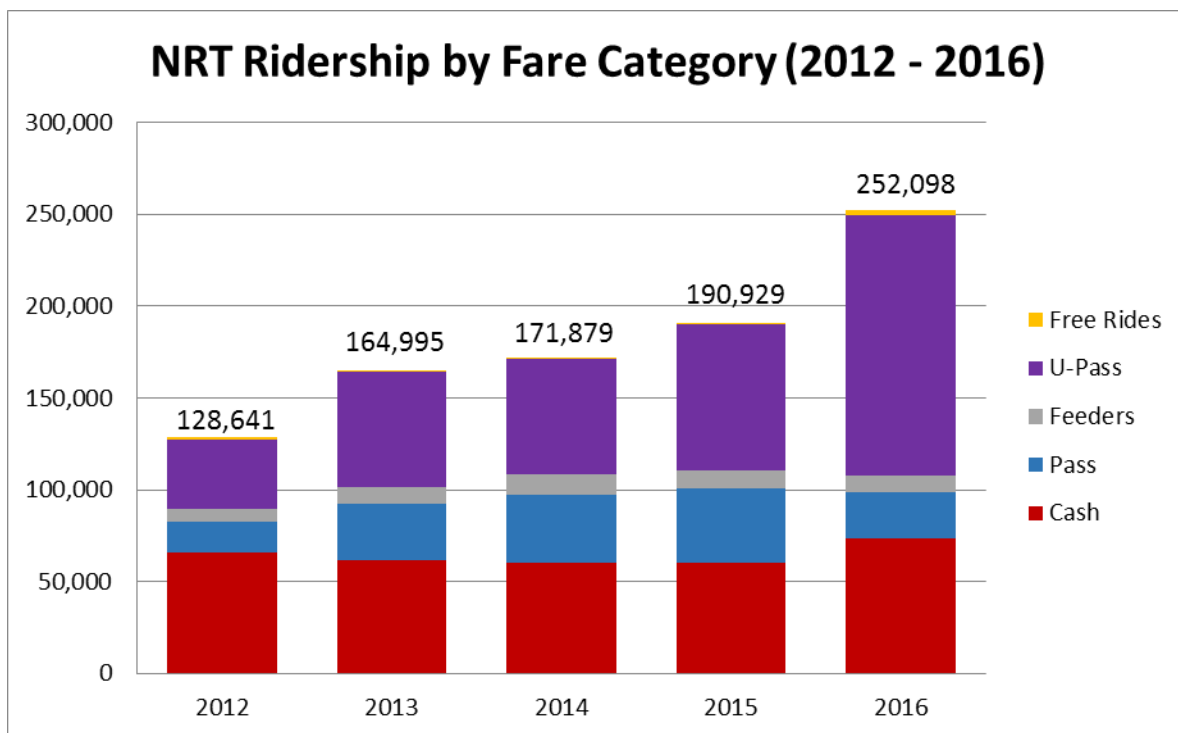
It is anticipated that the Transit Steering Committee will be disbanded once the MOU has been developed with a preferred governance model, and, the MOU is approved by the respective Councils.

The need for a triple majority

Currently in Niagara the authority to operate and provide transit services rest with local area municipalities and is not under the authority of Niagara Region. In order for Niagara Region to be part of a consolidated transit entity along with St. Catharines, Niagara Falls and Welland and have decision making authority as well as funding ability, the Region requires the authority to be a transit operator uploaded to it from local area municipalities. Based on the Dillon report, the Region can seek this authority specifically for the provision of funding and decision making as it relates to the operation and delivery of inter-municipal services and not for operation and delivery of local transit services.

Current status of Niagara Region Transit

Niagara Region Transit carried over 250,000 passengers in 2016. This number has increased steadily since its first full year of service in 2012. Major route modifications were implemented in September 2016 to further improve service. These changes included streamlining Route 50/55 between Niagara Falls and St. Catharines by removing the stop at the Outlet Mall and adding a stop on the Brock university campus. A new Route 40/45 was added, also connecting Niagara Falls and St. Catharines, using the QEW to make stops at Niagara College Glendale Campus, the Niagara-on-the-Lake Outlet Mall Collection, and the Fairview Mall to create a connection to the GO Transit buses. These route changes allowed the removal of the Brock Rapid service between Niagara Falls and Brock University. These improvements are expected to continue to increase ridership in 2017.



Note: Free rides comprises of rides taken by CNIB card holders and passengers using a 2 ride card ticket. The 2 ride cards are sold by the Region to community service groups in Niagara. Money is collected from these passes, but not from the passenger.

In addition to the 6 routes provided by Niagara Region Transit (40/45, 50/55, 60/65, 70/75, Port Colborne Link, and the Fort Erie Link), there were an additional 15 routes in operation in 2016 that cross municipal boundaries within Niagara; 6 are paid for by BUSU, 6 by NCSAC, 1 is jointly shared by BUSU and NCSAC, 1 is run by Pelham Transit, and 1 by the St. Catharines Transit Commission (to Thorold). Together, these 21 routes provided approximately 1,500,000 inter-municipal passenger trips in 2016.

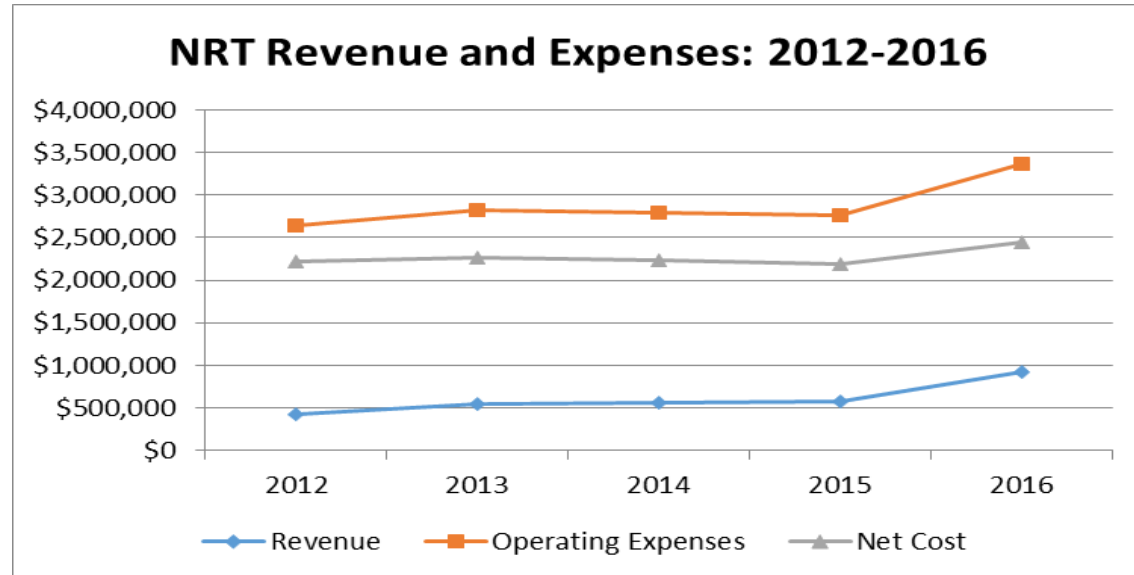
Two of these routes no longer exist due to efficiencies realized in the system in late 2016, as well as with the addition of Route 40/45.

As greater efficiencies can be realized and more service improvements can be made, the ridership is expected to continue to grow. Growth in revenue collected by the system will also be realized as the ridership grows. The current financial trends mimic the ridership trends and show significant improvement.

	2012	2013	2014	2015	2016
Revenue	\$419,781	\$548,726	\$564,563	\$575,520	\$926,380
Operating Expenses	\$2,639,566	\$2,819,259	\$2,798,697	\$2,762,065	\$3,373,580
Net Cost	\$2,219,786	\$2,270,533	\$2,234,134	\$2,186,545	\$2,447,200
R/C Ratio*	16%	19%	20%	21%	27%

Note: *R/C (Revenue/Cost) Ratio is the total revenues divided by the total costs, expressed as a percentage, and is generally considered the most strategic measure of performance.

Niagara Region Transit's R/C Ratio has typically operated around 20% but is expected to approach 30% in 2017.



Alternatives Reviewed

In addition to the consolidated model, Dillon Consulting also reviewed the potential for the continuation of the status quo and/or the development of a regional transit model. After their analysis, the consolidated model was recommended as the preferred option.

In May 2015, prior to formalizing Niagara Region Transit as a permanent inter-municipal transit service and initiating the process to upload responsibilities for inter-municipal transit service from local area municipalities to Niagara Region, Regional Council requested Niagara's three largest transit operators (Welland, Niagara Falls and St. Catharines) to work together to present a new operating model for transit that would service the entire region.

Since January 2016, the Inter-municipal Transit Working Group made up of mayors and CAOs from St. Catharines, Welland and Niagara Falls with the support of the Regional Chair and Niagara Region CAO, have been working cooperatively to develop options for inter-municipal transit services in Niagara. The group engaged Dillon Consulting to develop a recommended strategy and service enhancements for future transit service in Niagara.

Origin of Report

This report was brought forward by staff as a recommendation of the Inter-municipal Transit Working Group and the subsequent motions received from the Councils of Welland, St. Catharines and Niagara Falls.

Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Ron Tripp, Commissioner of Public Works, Ralph Walton, Regional Clerk, Sterling Wood, Action Director of Legal Services, and Sean O'Brady, Communications Consultant.

Appendices

- Appendix 1 Dillon Report - Niagara Transit Service Delivery and Governance Strategy (Executive Summary)
- Appendix 2 City of Welland Letter re: February 21, 2017 Motion
- Appendix 3 City of St. Catharines Letter re: February 22, 2017 Motion
- Appendix 4 City of Niagara Falls Letter re: February 28, 2017 Motion
- Appendix 5 Inter-Municipal Transit By-law



in association with...



NIAGARA REGION

Niagara Transit Service Delivery and Governance Strategy

Final Report

January 2017

16-3664



Executive Summary

Introduction

Since January 2016 the Inter-municipal Transit Working Group has been developing options for an integrated transit system that works for all of Niagara. The Inter-municipal Transit Working Group is led by the Mayors and CAOs from St. Catharines, Niagara Falls and Welland with the support from the Niagara Regional Chair, Niagara Region CAO and technical staff.

Dillon Consulting Limited, in association with McNeil Management Services and the Gooderham Group, was retained to assess the existing inter-municipal transit service in Niagara Region and develop potential options for future delivery of inter-municipal transit services for consideration by the Niagara IMT Working Group. This included an assessment of options for service delivery, governance, fare integration, fare payment technology and trip planning.

This report presents a service delivery strategy with recommendations for:

- The elimination of duplicate services servicing post-secondary institutions and the expansion of off-peak services on key inter-municipal corridors;
- Better integration with other municipal transit systems;
- New Niagara-West inter-municipal transit link; and
- New dynamic transit services for low-demand areas.

The report also recommends that a Consolidated Transit service delivery and governance structure is implemented, integrating the planning and delivery of local and inter-municipal transit services in St. Catharines, Niagara Falls and Welland into one large consolidated system. Integrated planning and operations would take place through a consolidated governing body, board or commission (***from here on out termed “consolidated governing body”***) while final decisions on local transit interests would continue to be made by each local council for transit services within their own jurisdiction. This maintains the control of local councils to set their own budgets and focus on local priorities while still benefiting from integrated aspects of consolidation.

The Region would continue to be involved in funding and decision-making and supporting inter-municipal connections within and outside of the Consolidated Transit Service Area. For this to occur, a triple majority vote would need to be achieved priority to the expiration of the inter-municipal pilot program in May 2017 outlining the Region’s role in the planning and funding of inter-municipal transit services.

Local transit services outside of St. Catharines, Niagara Falls and Welland (e.g. Port Colborne and Pelham) would continue to be planned and delivered by local municipalities. They would connect to the Consolidated Transit Model through representation on the governing body and would contribute in the planning of seamless inter-municipal services throughout the region (e.g. set policies on fare integration). The Region would also continue to provide partial funding for various capital purchases that would create a more seamless network (e.g. a common smart card and dynamic transit app) and the implementation and operation of inter-municipal link routes connecting local transit services in the region.

The Need for Inter-municipal Transit (IMT)

Inter-municipal transit has a number of benefits to the region, each local municipality and its residents. Notably, the introduction, improvement and expansion of inter-municipal transit:

- Provides cross-boundary mobility to education, employment and medical and other services;
- Supports transit ridership to future GO Train service in Niagara (reducing local congestion near GO stations);
- Facilitates economic development by businesses that are seeking a connected workforce;
- Contributes to a high quality of life for Niagara residents; and
- Supports sustainable community development.

Service Delivery

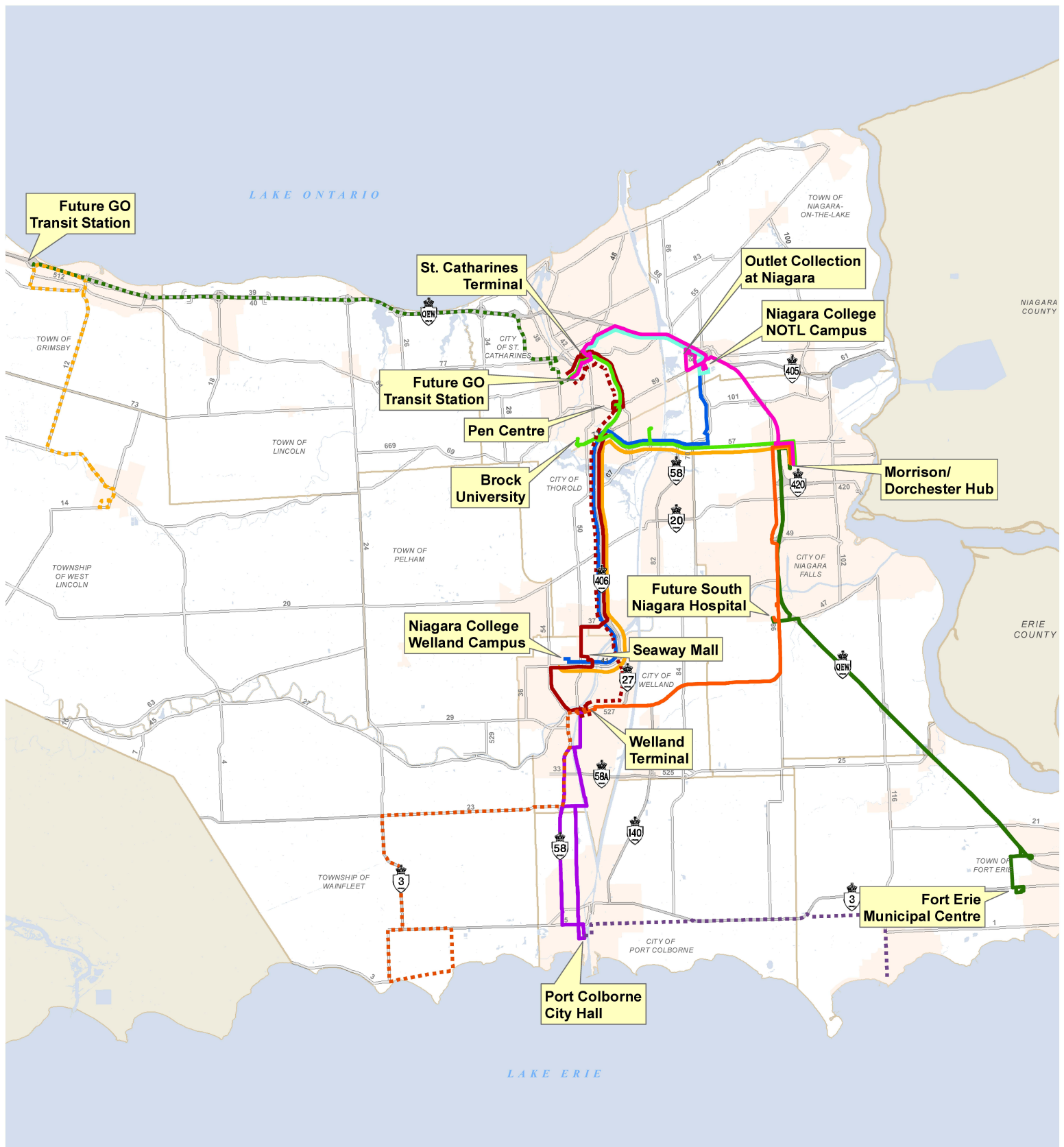
A seven-year Inter-municipal Transit Plan was developed based on the recommended Consolidated Transit Model being in place. The plan is based on a strategy to optimize existing inter-municipal transit services and improve service levels by reducing duplication between existing Niagara Region Transit and U-Pass funded post-secondary services within the Consolidated Transit Service Area. The optimization of these routes results in the ability to increase peak period service frequency (every 30 minutes), extend evening service and introduce Sunday service on a number of routes without a significant increase in revenue service hours. Improvements are also recommended to better connect to the new GO Train stations and enhance service levels on routes connecting to Port Colborne and Fort Erie.

A number of inter-municipal service extensions were also recommended. Service extensions include connections to growing municipalities using fixed-route services (West Lincoln), integration with existing GO Bus services (Grimsby/Lincoln) as well as the use of Dynamic Transit service concepts in low demand areas (including two pilot projects in Wainfleet and Crystal Beach). Improved connections between local services and inter-municipal services are also recommended, including fare integration with Pelham Transit, expanding the Dynamic Transit service concept to Niagara-on-the-Lake and service integration with WEGO. **Figure E-1** illustrates the entire recommended inter-municipal transit network in Niagara Region by 2023.

An inter-municipal fare strategy was developed that includes recommendations for an integrated fare structure, fare payment technology and a methodology for fare sharing. To facilitate seamless travel throughout Niagara Region, a regionally-integrated trip planning platform is highly desirable. This will help customers navigate the multiple transit networks, display relevant schedules and connections, and show the most efficient routes between origins and destinations. It is recommended that each transit system in the region sign a formal letter of intent to participate in the TripLinx platform, a one-stop trip planner and information resource that provides information on all Greater Toronto Hamilton Area (GTHA) transit systems. Each system should also explore feeding data into TransitApp. This will provide three options for customers to comprehensively plan inter-municipal transit trips.

Governance

A key objective of this study is to assess the Status Quo service delivery and governance structure and determine whether this model is the most appropriate to deliver on the mobility needs and aspirations of residents based on the five guiding principles identified by the Niagara IMT Working Group.



NIAGARA TRANSIT SERVICE DELIVERY AND GOVERNANCE STRATEGY

RECOMMENDED 2023 INTER-MUNICIPAL TRANSIT SERVICE PLAN

FIGURE E-1

NRT Route 40/45	Niagara Falls - Welland Campus	Grimsby / Beamsville LINK	Provincial Highway
NRT Route 50/55	NOTL LINK	Smithville LINK	Regional Road
NRT Route 60/65	SCTLINK Route 26	Crystal Beach Dynamic Route	Urban Areas
NRT Route 70/75	Fort Erie LINK	Wainfleet Dynamic Route	Niagara Region Municipalities
NRT Route 70/75 Express	Port Colborne LINK		Other Municipalities



MAP DRAWING INFORMATION:
DATA PROVIDED BY NIAGARA REGION, MNR AND ESRI

MAP CREATED BY: SMB
MAP CHECKED BY: DK
MAP PROJECTION: NAD 1983 UTM Zone 17N

G:\GIS\163664 Niagara Transit Service Delivery\GIS
Data\MXD
Figure5 2023 System-Wide.mxd

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PROJECT: 163664

STATUS: DRAFT

2016-12-19

Niagara Region was originally established as a regional municipality without any jurisdiction over transit. Once the pilot program has expired, the Region would need to pass a by-law to upload all or part of the 'lower-tier' municipal jurisdiction to establish, operate and maintain¹ a public transit system to the 'upper-tier' municipality, conditional upon obtaining a triple majority vote. This triple majority vote is required even if the Region stays involved at the current 'Status Quo' service delivery model where the Region provides funding and supports decision-making of inter-municipal transit services. With this in mind, three service delivery and governance models were assessed that involve the Region's continued involvement in conventional transit.

1. **Status Quo Model:** Local transit continues to be funded by each municipality while inter-municipal transit services are funded by the Region or through a direct agreement with a post-secondary institution as part of the U-Pass initiative. The Status Quo is enhanced to meet basic planned and recommended operating requirements (e.g. new mechanic in Welland, need for new service planning staff in St. Catharines, etc.) as well as planned service improvements in each municipality (e.g. new cross-town route in St. Catharines, transition to 30 minute peak period headways in Niagara Falls).
2. **Consolidated Transit Model:** The St. Catharines, Niagara Falls and Welland Transit systems combine their services into one large Consolidated Transit system, providing integrated planning and delivery of local and inter-municipal services through a consolidated governing body. Decision-making on local transit services would continue to be made by each local council for transit services within their own jurisdiction. This maintains the control of local councils to set their own budgets and focus on local priorities while still benefiting from integrated aspects of consolidation. The Region continues to be involved in funding and decision-making and supporting inter-municipal connections within and outside of the Consolidated Transit Service Area. Local transit services outside of St. Catharines, Niagara Falls and Welland would continue to be planned and delivered by local municipalities. They would connect to the Consolidated Transit Model through representation on the governing body and would contribute in the planning of seamless inter-municipal services throughout the region.
3. **Regional Transit Model:** The Region plans, funds and delivers all local and inter-municipal transit, with the amalgamation of the multiple local municipal transit systems throughout Niagara. Transit is planned and delivered for the entire region by one body, providing opportunities for service integration and the development of a seamless network.

The three models were reviewed and evaluated using a business-case approach. Based on the evaluation of the three service delivery and governance models, the Consolidated Transit Model is recommended.

The Consolidated Transit Model strikes a balance between local and inter-municipal transit needs. Approximately 80 percent of existing transit trips in Niagara Region are local in nature and the recommended model allows for a greater focus on local needs than the Regional Transit Model.

¹ For the purposes of this discussion, the term 'establish' means the creation of a transit system; the term 'operate' includes any act necessary for the managing of the transit service or the operation of a transit vehicle; and the term 'maintain' includes the ongoing function of keeping the transit system active.

Continued involvement by the Region within this new corporation will provide needed funding and decision-making input to ensure inter-municipal connectivity objectives continue to be met.

It is recommended that the Region establish a special funding arrangement with adjacent municipalities outside the Consolidated Transit Service Area to assist in establishing inter-municipal transit links. This type of arrangement could include the Region funding 100 percent of fleet capital costs and 60 percent of the operating cost of inter-municipal services, subject to Council approved service guidelines being met and the service being integrated with services in the Consolidated Transit Service Area. It is also recommended that a Technical Advisory Committee is formed which includes representation from these adjacent municipalities (including representation on the consolidated governing body). This will allow the interests of all municipalities in the region to be considered in the decision-making process.

Transit Investment Plan

The Inter-municipal transit investment plan outlines the short and medium-term steps necessary to move to the Consolidated Transit Model and implement the recommended inter-municipal transit service plan, fare strategy and integrated transit trip planner strategy.

The Consolidated Transit Model will improve inter-municipal transit service through better connectivity, increased frequency and the overall enhancement of the customer experience. To achieve these enhancements there will be an increased annual operating cost.

The existing (2015²) net operating costs (operating cost minus revenue) for all transit systems in Niagara Region is approximately \$18,477,000 (includes St. Catharines Transit, Niagara Falls Transit, Welland Transit, Niagara Region Transit, Fort Erie Transit, Port Colborne Transit and Niagara-on-the-Lake Transit).

Table E-2 below illustrates the relative increase in annual net operating costs, moving from the existing (2015) Status Quo Model to three alternative models:

- Maintain the Status Quo Model, but with various approved and planned service level improvements, staffing increases and facility expansion (2018 operating year);
- Implement the Consolidated Transit Model (2018 operating year), building on the above noted improvements in the Status Quo Model;
- Implement the Regional Transit Model (2018 operating year), building on the above noted improvements in the Status Quo Model.

It is important to note that simply staying with the Status Quo Model will see an increase in the average hourly operating cost and net operating costs over the next few years. The hourly operating cost for each transit system was estimated to increase by 2 percent per year to account for the cost of inflation. In addition to this, other improvements to a number of transit systems were in the calculation of the hourly operating cost, including the addition of maintenance staff (e.g. the new mechanic in Welland), the need for additional supervisors and planning staff in Welland and St. Catharines, and increased operating costs which come with the planned expansion of the transit garage in St. Catharines. These improvements were already identified as a need by staff and/or local councils outside of any recommendations in this study.

² Note: At the time of writing this report, complete annual data for all the systems identified was not available for 2016.

In addition to this, service hours for each system are planned to grow. St. Catharines Transit will implement a new crosstown route; Niagara Falls Transit is phasing in the introduction 30 minute peak period service on all its routes, Welland Transit is introducing Sunday service and the Region recently introduced Route 40/45 and (through the recommendations in the report) will implement additional extensions of inter-municipal services. In addition to this, Pelham Transit system was recently introduced and Grimsby, West Lincoln and Lincoln are all considering the implementation of local transit services.

The growth in the hourly operating cost and increase in service hours was estimated to see an increase in net operating cost from all local and inter-municipal transit systems in the Region from \$18,477,000 in 2015 to approximately \$24,421,900 by 2018. This represents a 34 percent increase in net operating costs across all systems in the region.

The cost of moving to the Consolidated Transit Model was calculated and compared against this 'enhanced' Status Quo Model (using 2018 rates) and the Regional Transit Model. The comparison assumed that the service hours remained constant across for all three models.

The change in cost between the three models is due primarily to a change in hourly operating rates as a result of different governance structures. In the Consolidated Transit Model, the largest increase in cost is the need to standardize wages for transit operators and maintenance staff between all three systems. In the Regional Transit Model, this occurs for all transit systems (including smaller systems in Niagara-on-the-Lake, Port Colborne, Fort Erie, Pelham and future systems in Grimsby, Lincoln and Grimsby that typically have much lower rates).

Table E-2: Anticipated Operating Net Cost Increases with Consolidation

Municipality	Net Operating Costs			
	Status Quo Model (2015 rate)*	Status Quo Model (2018 rate)	Consolidated Transit Model (2018 rate)	Regional Transit Model (2018 rate)
Niagara Region	\$2,216,000	\$3,076,300**	\$3,138,400**	\$3,143,600**
St. Catharines	\$8,831,800	\$10,736,400	\$10,783,800	\$10,913,900
Niagara Falls	\$4,409,700	\$5,860,200	\$5,861,500	\$5,869,900
Welland	\$1,986,200	\$2,534,700	\$2,678,600	\$2,679,800
Outer Municipalities	\$1,033,000	\$2,214,300**	\$2,214,300**	\$2,536,600**
Total	\$18,476,700	\$24,421,900	\$24,676,600	\$25,143,800

***Note:** Net operating cost estimates are based on a high-level estimate and will need to be further refined in the next phase of the move to the Consolidated Transit Model.

**** Note:** For this high-level analysis, the Region's share of rural inter-municipal link routes that connect to outer municipalities was fully allocated to the 'Outer Municipalities' row in the table. A more detailed allotment of net operating costs based on the proposed funding model is included in Table E-3.

Based on this calculation, the move to the Consolidated Transit Model will see approximately \$255,000 increase in net operating costs from the 2018 Status Quo Model, shared between all four service

providers³. This only represents a 1 percent increase over the Status Quo Model (2018 rate). In contrast, moving to a Regional Transit Model would likely see a \$722,000 increase in annual net operating costs from the 2018 Status Quo Model. This represents a 3 percent increase in net operating costs from the 2018 Status Quo Model.

The largest increase in cost when moving from the Status Quo Model (2018) to the Consolidated Transit Model will happen in Welland, as it currently has the lowest operating rate. How this cost increase is distributed between all four municipalities would still need to be determined during the implementation phase. It is important to note that this cost increase of moving to the Consolidated Transit Model could also be off-set over time by increases in ridership and revenue, as the move towards consolidation will increase the ability of each municipality to create a more integrated transit network.

A financial plan for the recommended inter-municipal transit service strategy was also developed. Forecasted net operating costs (minus revenue) distributed to each municipality is illustrated in **Table E-3**. The increase in net operating costs is due both to service expansion recommendations and an increase in the average hourly operating cost on an annual basis (a 2 percent annual increase due to inflation was assumed). The financial plan does not account for any growth in the average fare. As a next step, a more detailed fare strategy should be conducted to determine potential modifications to the fare structure. This may help lower the overall municipal investment noted below.

Table E-3: Inter-municipal Transit Net Operating Costs (Municipal Investment) by Municipality

Municipality	2016/2017*	2019	2023
Niagara Region (<i>Inter-municipal and share of rural link routes</i>)	\$2,972,120	\$3,848,460	\$5,091,520
Port Colborne (<i>share of Port Colborne Link and Crystal Beach Dynamic Link</i>)	\$69,040	\$96,760	\$129,840
Fort Erie (<i>share of Fort Erie Link and Crystal Beach Dynamic service</i>)	\$75,640	\$102,280	\$131,920
Grimsby (<i>share of Grimsby/Beamsville Link</i>)	-	\$50,240	\$89,900
Lincoln (<i>share of Grimsby/Beamsville Link</i>)	-	\$50,240	\$89,900
West Lincoln (<i>share of Smithville Link</i>)	-	\$69,760	\$73,680
Wainfleet (<i>share of Wainfleet Dynamic Link</i>)	-	\$64,560	\$70,240
TOTAL	\$3,116,800	\$4,282,300	\$5,677,000

***Note: Net Operating Cost based on service in place as of September 2016 (annualized over a one year period)**

In addition to this municipal investment, between \$440,000 and \$1,800,000 annually is required to operate a smart card system (depending on the smart card alternative selected). This will be split between the municipalities using the smart card technology within and outside of the Consolidated Transit Service Area based on vehicle ownership/use.

³ Note: This is based on a high-level analysis and would require a more detailed assessment of operating costs of each system to confirm the average rate increase under the Consolidated Transit Model.

Capital costs for the short-term (years 1-3) period is estimated to be in the range of \$9,262,000 to \$15,900,000 to fund inter-municipal transit fleet expansion, expansion of maintenance facilities in St. Catharines and Welland (primarily due to local transit needs) and implementation of a smart card system. Capital costs for the medium-term (years 4-7) is estimated to be in the range of \$1,220,000 to \$1,250,000 to fund further inter-municipal transit fleet expansion and the development of a mobile app for Dynamic Transit. **Table E-4** illustrates the cost distribution by municipality.

In addition to property taxes, dedicated funds flowing from upper levels of government can help support the above noted capital costs. The Federal Public Transit Infrastructure Fund will fund 50 percent of eligible capital projects, rehabilitation of transit systems and planning studies for future transit expansion. Development charges can contribute to help fund the capital cost of additional transit services required as a result of population and employment growth.

Table E-4: Inter-municipal Capital Cost Requirements

Expense	Total Cost (phasing)			Cost Distribution by Municipality			
	Year 1-3	Year 4-7	Total	Niagara Region	St. Catharines	Niagara Falls	Welland
Fleet Expansion (40 ft vehicles)*	\$1,800,000 - \$3,600,000	\$1,200,000	\$3,000,000 - \$4,800,000	\$3,000,000 - \$4,800,000	-	-	-
Fleet Expansion (cutaway)	\$300,000	-	\$300,000	\$300,000	-	-	-
Smart card system	\$3,162,000 - \$7,000,000	-	\$3,162,000 - \$7,000,000	\$442,000 - \$980,000	\$1,581,000 - \$3,500,000	\$717,000 - \$1,590,000	\$443,000 - \$980,000
Dynamic Transit Mobile App	-	\$20,000 - \$50,000	\$20,000 - \$50,000	\$20,000 - \$50,000	-	-	-
St. Catharines Transit Maintenance Facility Expansion	\$2,500,000	-	\$2,500,000	-	\$2,500,000	-	-
Welland Transit Maintenance Facility Expansion	\$1,500,000 - \$2,500,000	-	\$1,500,000 - \$2,500,000	-	-	-	\$1,500,000 - \$2,500,000
TOTAL	\$9,262,000 – \$15,900,000	\$1,220,000 - \$1,250,000	\$10,482,000 – \$17,150,000	\$3,763,000 - \$6,130,000	\$4,081,000 - \$6,000,000	\$717,000 - \$1,590,000	\$1,943,000 - \$3,480,000

* Fleet cost includes existing buses required for Route 40/45 and the extra spare bus required for Welland Transit

Next Steps

The move towards the Consolidated Transit Model and implementation of the inter-municipal transit service strategy will require a number of steps. Senior staff need to be intimately involved in the various steps to bring the Consolidated Service Model together. Many of the actions required can occur simultaneously or can be done incrementally depending upon staff resources and funding availability. Some of the major elements of the next steps to consolidate transit services within the major urban areas of Niagara will include the following:

1. **Approve Consolidated Transit Model**

The move to a Consolidated Transit Model will first require an agreement and commitment by all municipalities involved to work together and implement this strategic direction. This can be achieved through an approval from each Council of the recommended strategy contained in this report or a signed Memorandum of Understanding between all municipalities that wish to move forward with the Consolidated Transit Model and further develop the implementation plan.

2. **Reach Triple Majority for Region's Involvement in Transit**

Once a decision has been made to implement the Consolidated Transit Model, the Region's role in the planning and funding of transit services will need to be defined and approved through a triple majority vote. This should occur before the expiry of the inter-municipal transit pilot program in May 2017.

3. **Consolidated Transit Model Implementation Plan**

There are a number of steps that are still required to implement the Consolidated Transit Model once triple majority is achieved confirming the Region's future involvement in transit services. It is anticipated that it will take approximately one year to work through the various implementation details. The following actions are required to implement the model:

- **Phase 1 (1-3 month period):** Confirm legal requirements, cost distribution, revenue sharing and decision-making process and investigate the role of specialized transit services in the Consolidated Transit Model.
- **Phase 2 (4-9 month period):** Confirm organizational structure including staffing, representation on the governing body and negotiation with unions. At this stage, the communications and marketing study should also be initiated to develop a common brand for all transit.
- **Phase 3 (10-12 month period):** Implement the strategy. This includes rebranding of buses and stops, developing a common fare structure, conducting a business plan (based on a common vision) and adopting the common service guidelines.

4. **Implement Inter-municipal Transit Service Strategy**

The implementation of the inter-municipal transit service strategy can occur independently of the Consolidated Transit Model. However, it is recommended that this does not take place until the detailed structure of the Consolidated Transit governing body is known. This will help create a more seamless system, identify any local modifications to support the new inter-municipal structure, and create more buy-in for customer service improvements that support a seamless traveller experience (e.g. a common smart card system).

There would be a one-time cost associated with implementing the new consolidated transit system. This includes various follow-up studies (specialized transit study, marketing and branding strategy, legal fees, development charges study, etc.) that would be completed in 2017 and 2018 at a cost of approximately \$450,000 to \$740,000. This cost could be reduced depending on the availability of staff resources to complete a number of these tasks or the availability of federal or provincial grants. In addition to this, there will be some one-time implementation costs including communications, bus restriping, bus stop replacement (with new brand), website development, new map and schedule production, etc. This would likely be budgeted for 2018 and cost approximately \$700,000. These implementation costs would need to be distributed to each participating municipality based on an agreed to formula.



City of Welland
Legislative Services
Office of the City Clerk
60 East Main Street, Welland, ON L3B 3X4
Phone: 905-735-1700 Ext. 2159 | **Fax:** 905-732-1919
Email: clerk@welland.ca | www.welland.ca

February 23, 2017

File No. 17-13

Office of the Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Attention: Ralph Walton, Regional Clerk

Dear Mr. Walton:

Re: February 21, 2017 – WELLAND CITY COUNCIL

At its meeting of February 21, 2017, Welland City Council passed the following motion:

“THAT THE COUNCIL OF THE CITY OF WELLAND receives for information the presentation by Gary Long, Chief Administrative Officer and Alfred Stockwell, Transit Manager regarding Niagara Transit Service and Governance Strategy; and

THAT Welland City Council endorses in principle the creation of a consolidated transit system in partnership with the cities of Niagara Falls, St. Catharines, and the Region of Niagara to develop a regionally integrated transit system; and

THAT staff be directed to develop a Memorandum of Understanding (MOU) between Niagara Falls, St. Catharines, Welland and Niagara Region to develop a governance framework and specify how key issues are to be addressed by all parties along with next steps and timelines; and

THAT Welland City Council hereby requests that Niagara Region become formally involved in and supportive of the consolidated transit model as recommended in the January 2017 Niagara Transit Service Delivery and Governance Strategy Report and endorsed by the Inter-Municipal Transit Working Group; and

THAT Council supports the formation of a Transit Working Group, with representatives from the 12 Municipalities and the Region of Niagara, to work towards the implementation of a consolidated transit model; and

THAT Council supports the transition of the current Inter-Municipal Working Group to a Transit Steering Committee until a new governance framework is established in the pending Memorandum of Understanding; and

THAT Council reconfirm the guiding principles for Welland's involvement of and support for inter-municipal transit.

Yours truly,

A handwritten signature in cursive script that reads "T. Stephens".

Tara Stephens
City Clerk

TS:kl

c.c.: Gary Long, CAO
Dean Iorfida, City Clerk, City of Niagara Falls
Bonnie Nistico-Dunk, City Clerk, City of St. Catharines



Legal and Clerks Services

Office of the City Clerk
PO Box 3012, 50 Church Street
St. Catharines, ON L2R 7C2

Phone: 905.688.5600
Fax: 905.682.3631
TTY: 905.688.4TTY (4889)

February 23, 2017

Regional Council
c/o Ralph Walton, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Sent electronically via email to:
ralph.walton@niagararegion.ca

**Re: Motion of Council – Niagara Transit Service Delivery and Governance Strategy
Our File No.: 35.23.11**

Please be advised that the Council of the City of St. Catharines, at the Special meeting of February 22, 2017, unanimously approved the following motion:

“That St. Catharines City Council endorse in principle the creation of a consolidated transit system in partnership with St. Catharines Transit Commission, the cities of Niagara Falls, Welland and the Regional Municipality of Niagara to develop a regionally integrated transit system, as outlined in the St. Catharines Strategic Plan 2015-2025; and

That St. Catharines City Council hereby requests that the Regional Municipality of Niagara Region become formally and directly involved in the provision of public transit through a Triple Majority process and supportive of the consolidated transit model as recommended in the January 2017 Niagara Transit Service Delivery and Governance Strategy Report and endorsed by the Inter-Municipal Transit working group; and

That staff be directed to develop a Memorandum of Understanding (MOU) between the cities of Niagara Falls, St. Catharines, Welland and the Regional Municipality of Niagara including a governance framework, communication and implementation plan and specify how key issues are to be addressed by all parties along with next steps and timelines by the end of 2017; and

That Council supports the transition of the current Inter-Municipal Working group to a Transit Steering Committee made up of representatives of the cities of St. Catharines, Niagara Falls, Welland and the Regional Municipality of Niagara until a new governance framework is established in the pending Memorandum of Understanding; and

That Council supports the formation of a Transit Working Group with representation from the 12 area municipalities and the Regional Municipality of Niagara, to further the implementation of a consolidated transit model; and

That the costs associated with any initiatives identified by the Inter-Municipal Working Group be approved by City of St. Catharines Council prior to moving forward; and

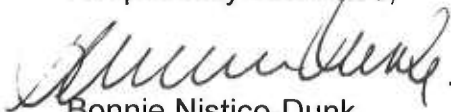
That the Transit Working Group meaningfully consult with St. Catharines Transit employees as represented by their local union; and

That the integration of the GO Bus system be included in the process; and

Further that the Steering Committee consider all of the options. FORTHWITH”

Should you have any questions, please do not hesitate to contact the Office of the City Clerk at Extension 1517.

Respectfully submitted,



Bonnie Nistico-Dunk
City Clerk

Cc: St. Catharines Transit Commission
City of Welland
City of Niagara Falls
MP Chris Bittle
MP Vance Badawey
MPP Jim Bradley
Transportation and Environmental Services
Planning and Building Services



March 1, 2017

Mr. Ralph Walton, Regional Clerk
The Regional Municipality of Niagara
2201 St. David's Road, P.O. Box 1042
Thorold ON L2V 4T7

Dear Mr. Walton:

Re: Niagara Transit Service Delivery and Governance Strategy

At their meeting last evening, Niagara Falls City Council unanimously passed the following motion related to the matter noted above:

Niagara Falls City Council endorses in principle the creation of a consolidated transit system in partnership with the City of Niagara Falls, St. Catharines Transit Commission, the City of Welland, and the Region of Niagara to develop a regionally integrated transit system; and

Staff be directed to develop a Memorandum of Understanding (MOU) between Niagara Falls, St. Catharines, Welland and Niagara Region to develop a governance framework and specify how key issues are to be addressed by all parties along with next steps and timelines; and

Niagara Falls City Council hereby requests that Niagara Region become formally involved in and supportive of the consolidated transit model as recommended in the January 2017 Niagara Transit Service Delivery and Governance Strategy Report (Dillon Report) and endorsed by the Inter-Municipal Transit working group; and

Council supports the formation of the Transit Working Group, with representatives from the twelve (12) Municipalities and the Region of Niagara, to work towards the implementation of the operational improvements outlined in the Dillon report; and

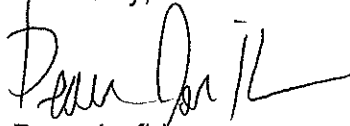
Council supports the transition of the current Inter Municipal Working group to a Transit Steering Committee until a new governance framework is established in the pending Memorandum of Understanding.

Working Together to Serve Our Community

Clerks Department
Ext 4271 Fax 905-356-9083
diorfida@niagarafalls.ca

Please bring forward to Regional Council for their consideration. If you have any questions, feel free to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dean Iorfida', written over the printed name.

Dean Iorfida
City Clerk

- c. Bonnie Nistico-Dunk, City Clerk, St. Catharines
- Tara Stephens, City Clerk, Welland

WHEREAS Niagara Region Council deems it expedient and beneficial to address transit issues in Niagara Region; and

WHEREAS a component of Niagara Region's Strategic Plan, "Moving People and Goods" the Niagara Transit Service Delivery and Governance Strategy (also known as Inter-Municipal Transit), is a key deliverable, and

WHEREAS Niagara Region seeks to join with the municipalities of St. Catharines, Niagara Falls and Welland in the creation of a consolidated transit system to service Niagara; and

WHEREAS the Councils of the City of Welland, City of St. Catharines and the City of Niagara Falls unanimously supported in principle the creation of a consolidated transit system within the Niagara region; and

WHEREAS under this new consolidated system, Niagara Region would plan and operate only the inter-municipal transit routes throughout Niagara Region; and

WHEREAS Section 11 under the Municipal Act grants exclusive jurisdiction over the operation of transit services to lower-tier municipalities in Niagara Region; and

WHEREAS Section 189 of the Municipal Act provides an upper-tier municipality with the ability to pass a bylaw for the transfer of all or part of a lower tier power to the upper tier municipality, subject to certain rules regarding consideration by the lower tier municipalities;

NOW THEREFORE the Council of the Regional Municipality of Niagara enacts as follows:

1. THAT the authority to establish, operate and maintain an inter-municipal passenger transportation system for Niagara Region be provided to Niagara Region.
2. THAT this bylaw shall come into force and effect on June 1, 2017, provided that:
 - a. A majority of the councils of the lower-tier municipalities forming part of Niagara region have passed resolutions consenting to the bylaw;
 - b. The total number of electors in the lower-tier municipalities that have passed resolutions form a majority of all electors in the region of Niagara as established in the revised list of electors for the municipal election held in the year 2014.
3. In this by-law, the term "inter-municipal passenger transportation system" shall means a public transportation services system operating between any two or more of the 12 lower-tier municipalities which comprise the region of Niagara.
4. The Regional Municipality of Niagara does hereby assume all lower-tier municipalities comprising the region of Niagara, those parts of the lower-tier power to provide public transportation systems, other than highways, necessary to operate an inter-municipal passenger transportation system as contemplated by this by-law.

Subject: Initiation of Capital Project for Inter-municipal Transit

Report to: Regional Council

Meeting date: March 23, 2017

Recommendations

1. That financing in the amount of \$1,340,000 gross and \$1,250,000 net **BE APPROVED** and **INITIATED** from the Public Works Transportation capital budget for the Inter-Municipal Transit (IMT) Capital Acquisition (project 1ZSS1502) and that the project **BE FUNDED** as follows:

General Capital Levy	\$1, 250,000
Provincial Gas Tax	90,000

Key Facts

- On January 19, 2017 Regional Council extended the Niagara Region Transit (NRT) pilot program.
- In 2016 Council approved PW 32-2016 to improve transit connections with post-secondary institutions. Route 40/45 was created as a new route connecting the Morrison/Dorchester hub in Niagara Falls, Niagara College, the Outlet Collection and the Fairview Mall GO bus terminal.
- This report is seeking Council approval to initiate \$1,340,000 gross and \$1,250,000 net for the purchase of two transit buses for the St. Catharines Transit Commission and the City of Niagara Falls to deliver the NRT route 40/45 between St. Catharines and Niagara Falls.
- Route 40/45 hosted over 42,500 passengers during its first four months of operation between September and December 2016; 36% of the total ridership on the 4 main NRT routes during this time period.
- Route 40/45 replaced the service provided by Niagara Falls Transit between Niagara Falls and Niagara College, with the addition of extra service to the college during peak periods.
- In order to temporarily defer the capital costs for new buses in 2016, St. Catharines Transit Commission and the City of Niagara Falls agreed to provide one bus each from their fleets until May 2017 to operate Route 40/45.

Considerations

Financial

This report seeks approval and initiation of capital project funding in the amount of \$1,340,000 per capital project 1ZSS1502 for the purchase of two new 40 foot transit buses to deliver NRT route 40/45. Niagara Region Transit is operated by St. Catharines Transit Commission, Welland Transit and Niagara Falls Transit. As with existing NRT buses, these two new 40 foot buses would be integrated into the existing St. Catharines (one bus) and Niagara Falls (one bus) transit fleets.

Adequate funding support for annual operational costs associated new route 40/45 have been approved in Budget 2017 per CSD 74-2016.

Corporate

Currently, Niagara Region provides grant funding to St. Catharines Transit, Niagara Falls Transit and Welland Transit for the delivery of NRT services. Supporting local municipalities in developing a long-term solution for inter-municipal transit is identified as a Strategic priority of Council. To that end, an Inter-Municipal Transit Working Group (IMTWG) has been established consisting of local municipal mayors and CAOs with support for Niagara Region.

The Capital Asset Management Policy currently identifies that approval of the capital budget by Council constitutes approval of the capital expenditures of the comprising departmental programs. However initiation is required to request approval to make an allocation of the capital budget for a departmental program to a particular project as well as for the required financing.

Governmental Partners

Niagara Region and the transit operators from St. Catharines Transit Commission, Niagara Falls Transit and Welland Transit continue to work together with the IMTWG on the further of inter-municipal transit services in Niagara.

Public and/or Service Users

The purchase of these two new buses will allow Niagara Region Transit to continue to operate Route 40/45. The addition of new buses also allows for potential increased flexibility for further route enhancements as these buses would be dedicated to NRT and would replace the current buses on loan that are reaching the end of their service life. Current and future users of the NRT system will benefit from these investments to improve transit in Niagara and make more seamless travel possible.

Analysis

These assets will enhance system reliability and leverage new technology to enhance the customer experience and make taking transit more efficient and integrated. It will allow for Niagara Falls Transit and the St. Catharines Transit Commission to maintain their NRT bus spare ratio. This is important so that the service is delivered under a consistent brand to remove confusion among passengers due to changes in branding of the vehicles. Additionally, as identified by the local transit managers in report PWA 79-2010/CSD 90-2010, buses can temporarily be taken out of service for a number of reasons including:

- Bus inspection, requirements which are in accordance with manufacturer's specifications, the transit operators own preventative maintenance protocol and MTO regulations
- Maintenance, repair and overhaul (major components, air conditioning, etc.)
- Farebox, stop announcement, or other technological updates or repair
- Unscheduled damage repair caused by accidents

That report also noted service interruptions can also result in a need to insert an additional bus into service in order to minimize major delays. Such interruptions could include:

- Road construction or detours
- Bad weather
- Road accidents
- Passenger injury or illness
- Bus breakdown or involvement in collision
- Disruptive passenger

The purchase of these two buses will allow the St. Catharines Transit Commission and Niagara Falls Transit fleets to regain the buses they have been allowing NRT to use for Route 40/45, without creating any of the above challenges and risks, and will also improve the statistics captured related to the NRT service. Additionally, this will remove the potential for stress to be added to the local fleets by reducing the number of buses available for local routes.

Alternatives Reviewed

No further alternatives were reviewed as the purchases identified in this report allow for the continued delivery of NRT service and the continued enhancement and integration of transit services in Niagara. As indicated in PW 32-2016, the creation of route 40/45 was done in consultation with BUSU and NCSAC. PW 32-2016 identified that, should Regional Council wish to continue with these routes beyond May 2017, then the buses currently on loan from Niagara Falls and St. Catharines would need to be replaced.

Origin of Report

As required by the Capital Asset Management policy, C3.C16, section 4.0.

Other Pertinent Reports

CSD 01-2015	2015 Capital Budget
PW 32-2016	Update on Inter-municipal Transit Working Group – Improving Transit Connections with Post-Secondary Institutions

Submitted by:

Ron Tripp, P. Eng., Commissioner
Public Works Department

Approved by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared by Sean O'Brady, Communications Consultant, Administration and Sarah Holmes, Niagara Region Transit Representative, Transportation Planning and Sustainability, and reviewed by Ron Tripp, Commissioner, Public Works, and Beth Brens, Manager, Program Financial Support, Corporate Services, in consultation with Brian McMahon, Program Financial Specialist, Corporate Services, and Michael Breadner, Senior Budget Analyst, Corporate Services.