

**Administration**

Office of the Regional Clerk

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July 6, 2017

**CL 9-2017, June 29, 2017**  
**PWC 8-2017, June 20, 2017**  
**Report PW 29-2017**

**LOCAL AREA MUNICIPALITIES****SENT ELECTRONICALLY**

Inter-Municipal Transit – Phase 2 Update: Triple Majority and Next Steps  
**PW 29-2017**

Regional Council, at its meeting of June 29, 2017, approved the following recommendation of its Public Works Committee:

That Report PW 29-2017, dated June 20, 2017, respecting Inter-Municipal Transit – Phase 2 Update: Triple Majority and Next Steps, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Regional Council **SELECT** the Regional Chair or designate and three (3) members of Council to sit as members of the Inter-Municipal Transit Steering Committee based on the Terms of Reference found in Appendix 2 of Report PW 29-2017;
2. That this report **BE FORWARDED** to the Councils of Niagara Falls, St. Catharines and Welland to select their mayor or designate and one other member of their respective Councils to sit as members of the Inter-Municipal Transit Steering Committee based on the Terms of Reference attached in Appendix 2 of Report PW 29-2017;
3. That Report PW 29-2017 **BE FORWARDED** to Niagara's 12 area municipalities to select their respective staff representatives to sit as members of the Inter-Municipal Transit Working Group by July 28, 2017, as outlined in the Terms of Reference found in Appendix 3 of Report PW 29-2017.

Regional Councillors Baty, Quirk and Redekop were appointed to sit as members of the Inter-Municipal Transit Steering Committee.

A copy of Report PW 29-2017 is enclosed for your information.

Yours truly,

A handwritten signature in black ink, appearing to read 'Natasha L. Devos'.

Natasha L. Devos  
Deputy Regional Clerk  
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cc: M. Robinson, Director, GO Implementation Office  
R. Tripp, Commissioner, Public Works  
N. Coffey, Executive Assistant to the Commissioner, Public Works

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**Subject:** Inter-Municipal Transit - Phase 2 Update: Triple Majority and Next Steps

**Report to:** Public Works Committee

**Report date:** Tuesday, June 20, 2017

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## Recommendations

1. That Regional Council **SELECT** four (4) members of Council to sit as members of the Inter-Municipal Transit Steering Committee based on the Terms of Reference found in Appendix 2 of Report PW 29-2017;
2. That this report **BE FORWARDED** to the Councils of Niagara Falls, St. Catharines and Welland to select two (2) of their respective members to sit as members of the Inter-Municipal Transit Steering Committee based on the Terms of Reference attached in Appendix 2 of Report PW 29-2017;
3. That Report PW 29-2017 **BE FORWARDED** to Niagara's 12 area municipalities to select their respective staff representatives to sit as members of the Inter-Municipal Transit Working Group by July 28, 2017, as outlined in the Terms of Reference found in Appendix 3 of this Report PW 29-2017.

## Key Facts

- The purpose of this report is to outline the next steps of inter-municipal transit (IMT) in Phase 2 now that triple majority has been unanimously achieved, granting the Region authority to establish, operate and maintain an IMT system.
- With triple majority, the current Niagara Region Transit (NRT) service can now transition from a pilot program to a more permanent service as part of Phase 2.
- An IMT Steering Committee comprised of elected members from the councils of Niagara Falls, St. Catharines, Welland and Niagara Region will be formed to guide and direct the implementation of the Niagara Transit Service Delivery and Governance Strategy (as outlined in a report by Dillon Consulting Ltd. entitled *Niagara Transit Service Delivery and Governance Strategy, 2017*).
- An IMT Working Group comprised of staff from each of the 12 area municipalities and the Region will be formed to undertake the work associated with implementation of the Dillon report.

- A Memorandum of Understanding between the four transit providers will be established by the Steering Committee and circulated to the four respective Councils for consideration in Q4 2017.

## **Financial Considerations**

As outlined in the report enabling triple majority (CAO 8-2017), there are no immediate financial impacts associated with the specific recommendations in this report; however, the Dillon report has identified a series of operating, capital and transitional financial requirements associated with the creation of a consolidated transit system which are subject to future budget deliberations (2018-2023). Analysis of these costs is found directly in the Dillon report, and highlighted in CAO 8-2017.

Any future IMT consolidation of service enhancements, system expansion and capital implications are still to be determined through the future work and recommendations of the IMT Steering Committee. These costs could range in order of magnitude, and may require an in-year budget adjustment to accommodate these multi-year costs, once determined.

Additionally, a \$3.1M pressure has been identified in the 2018 budget (\$2.6M capital, \$0.5M operating) to maintain and nominally enhance the current level of IMT service. These considerations will be examined further through the 2018 budget deliberations.

## **Analysis**

### Triple Majority

Triple majority (requiring majority support of Regional Council, support from a majority of Niagara's area municipal Councils, representing the majority of Niagara voters) was achieved unanimously with all 12 local area municipalities passing a Regional by-law granting the Region authority to establish, operate and maintain an IMT system. Appendix 1 summarizes the results of the triple majority vote by municipality.

Achieving triple majority means the Region can continue alongside St. Catharines, Niagara Falls and Welland in creating a single, consolidated transit system for Niagara and enter into Phase 2 of implementation. It also means NRT can begin to transition from a pilot program to a more permanent service. Whereas under the IMT pilot the Region is contracting local transit operators to deliver service on the Region's behalf (including funding the purchase of rolling stock for IMT delivery), with triple majority the Region can now own capital assets, and assume a formal role in the future of Niagara's consolidated transit operations.

Of note is in achieving triple majority, some municipalities passed additional motions in their consideration of the Regional by-law. These motions have all been captured and will

be considered as part of the mandate of the IMT Steering Committee and IMT Working Group (examined below).

### IMT Steering Committee

At Regional Council's direction, the Regional Chair and Mayors of St. Catharines, Niagara Falls, Welland, along with their respective CAOs, have been working together to set the course for the triple majority needed for a future consolidated transit model. In submitting the Dillon report earlier this year as a phased blueprint for Niagara's transit consolidation, the group has now completed its mandate.

As an initial first step of Phase 2 (outlined in the Dillon report) and as endorsed through CAO 8-2017, an IMT Steering Committee will be formed as an interim body with the mandate of guiding and directing the implementation of the consolidated transit model outlined in the Dillon report, over the course of the next five years. It will also oversee the work of the staff-led IMT Working Group (examined below), undertake advocacy as it relates to IMT and act as a unified voice for the future of transit in Niagara. The IMT Steering Committee will not be a permanent body. A copy of the Terms of Reference (TOR) for the IMT Steering Committee is attached as Appendix 2.

Membership of the IMT Steering Committee will comprise of two (2) members from each of the Councils of St. Catharines, Niagara Falls and Welland, and four (4) members from Niagara Region Council, chosen in a manner to be determined by each municipality and appointed at its earliest opportunity. With regard to Regional Council's representatives, as the Dillon report and long-term transit strategy covers the entire region, the recommendation for the new steering committee could include representation from across the region (4 Regional representatives) to oversee governance and financial discussion. Council could consider selecting a geographically representative membership with one selection from the north, south, east and western Niagara communities.

Additionally, in order for the IMT Steering Committee to remain focused and responsive, it is not recommended that membership expand beyond the current proposed contingent of 10 elected officials (plus the addition of four CAOs and the GO Implementation Team Director as non-voting members). Both Regional Council and the Region's Transportation Steering Committee (TSC) include representatives from all municipalities and those bodies will provide comments to the IMT Steering Committee as it relates to the IMT Steering Committee's transit recommendations. A summary of the reporting structure is found in Figure 1.

## IMT Reporting Structure



Figure 1: IMT Reporting Structure

Regular reporting from the IMT Steering Committee will occur through Regional Public Works Committee, enabling milestones, activities and decision points throughout the phases of the implementation process to be communicated to Regional Council and subsequently shared with local Councils. Additionally, the TSC will also serve as a sounding board for the IMT Steering Committee from time to time, enabling a broader dialogue on transit issues as directed by the IMT Steering Committee, as outlined in the TOR in Appendix 2.

### IMT Working Group

To ensure all municipal interests are incorporated into the future phases of the transit model and to drive the implementation of the Dillon report, as endorsed in CAO 8-2017, a staff-led IMT Working Group will be formed with one staff representative from each of Niagara's 12 municipalities. The IMT Working Group will report directly to the IMT Steering Committee, and undertake direction from the IMT Steering Committee in its implementation of the Dillon recommendations as outlined in Figure 1.

The staff-led IMT Working Group will serve as the technical source of operational and planning matters, focused on improving the current IMT model (i.e. route optimization and coordination, developing consistency of standard operating procedures, coordination with community stakeholders such as post-secondary institutions, local area municipalities, local transit providers, etc.), coordination with other transit providers outside Niagara (i.e. GO Transit, Metrolinx, Hamilton HSR), as well as providing recommendations to the IMT Steering Committee related to the implementation of the recommendations contained in the Dillon report.

The work of the IMT Working Group will commence immediately, once the 12 area municipal staff representatives have been determined. It is recommended these staff

appointments be made by July 28, 2017 in order for the IMT Working Group to commence its work. A copy of the TOR for the IMT Working Group is attached as Appendix 3.

Creation of the IMT Steering Committee and IMT Working Group was recommended in the Dillon report, and their composition recommended by the CAOs. It is also recommended these bodies and their membership be formally approved by the respective Councils.

### Memorandum of Understanding

As part of the triple majority process, development of a Memorandum of Understanding (MOU) was committed in CAO 8-2017 that would outline the principles and agreement under which the current transit authorities (St. Catharines, Niagara Falls, Welland and Niagara Region) would formally agree to proceed forward with the consolidated transit model.

The MOU will be developed as the first task undertaken by the newly-constituted IMT Steering Committee and is envisioned to be presented in Q4 2017 for each of the four respective municipal Council's consideration. Signing of the MOU will allow the IMT Steering Committee to proceed forward to develop the longer-term implementation plan and subsequent phases as outlined in the Dillon report.

### Phase 2 Transition and Next Steps

Over the course of 2017, the IMT Steering Committee and IMT Working Group will focus on developing for approval, the consolidated IMT plan outlined in the Dillon report. This timeline strategically and purposefully aligns with the current delivery of commuter GO train expansion to Grimsby by 2021 and St. Catharines and Niagara Falls by 2023. Creating these alignments between IMT consolidation and GO expansion will ensure Niagara's overall transit network over the next five years will connect people with mobility options in new ways. Successful implementation of the Dillon report will ensure GO train expansion is successful on opening day at Grimsby in 2021 in St. Catharines and Niagara Falls through 2023.

As part of Phase 2, work will be done with transit providers and local municipalities to a financial plan for the consolidated model.

Additionally, advocacy with the federal and provincial governments related to the Gas Tax program – a key funding consideration for the current and future service, as well as the one-time transition capital and operating costs of the consolidated model outlined in the Dillon report – has already begun and will accelerate in earnest under the direction of the IMT Steering Committee and IMT Working Group.

Once established, the IMT Working Group will turn its attention to a number of improvements to the current transit services outlined in the Dillon report, including issues

related to shared service maps, customer service synergies, integrated rider-focused online tools, and exploring common marketing and branding opportunities.

Regular consultation with Niagara's local municipalities will be key to ensuring clear communication, active and participatory consultation throughout the consolidation process, and ultimately to the successful implementation of the Dillon recommendations. Through effective use of the local elected representatives on the IMT Steering Committee and staff on the IMT Working Group, Council presentations where requested or needed, and receipt of all IMT-related reports from Regional Public Works Committee, municipal councils will remain informed and active to the extent they wish throughout the five-year implementation phase.

As part of the mandates of the IMT Steering Committee and IMT Working Group, ongoing collaborative engagement with Niagara transit stakeholders will occur related to the current and future transit operations. This includes, but is not limited to, discussions with post-secondary institutions and their student unions, local area municipalities, area transit providers, business, and other interests keen to actively engage with the expansion of transit services in Niagara. Engagement and service planning for both current and future service planning will not be done in isolation of these groups, who will be actively involved in shaping the work of the IMT Steering Committee and IMT Working Group.

With triple majority now achieved, as part of Phase 2 the current NRT service can transition from a pilot program to a more permanent service. The current NRT service will see a refresh and re-launch during this transition and together with the transit operators, work to make improvements to enhance the user experience, service delivery and resources required to successfully operate, maintain and expand transit provision. Throughout the transition, local municipalities and service operators will be actively part of the decision-making process, with an outcome of consolidation being a cooperative, joint effort.

## **Alternatives Reviewed**

This report outlines enabling actions previously endorsed as part of Report CAO 8-2017. Alternatives to these actions were previously considered at that time and have been endorsed unanimously by Niagara's 12 area municipalities.



## **Relationship to Council Strategic Priorities**

The enabling actions outlined in this report will allow Niagara to proceed forward with the next steps toward a consolidated transit model, directly related to Regional Council's Strategic Priority: "...support municipalities in developing a long-term solution for inter-municipal transit".

## **Other Pertinent Reports**

CAO 8-2017 – Niagara Region's Transit Service Delivery and Governance Strategy

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### **Prepared by:**

Matt Robinson  
Director, GO Implementation Project  
Public Works Department

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### **Recommended by:**

Ron Tripp, P. Eng.  
Commissioner  
Public Works Department

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### **Submitted by:**

Carmelo D'Angelo, BSc, MPA  
Chief Administrative Officer

*This report was prepared in consultation with Ron Tripp, P. Eng., Commissioner of Public Works, Sean O'Brady, Communications Consultant, Helen Chamberlain, Director, Financial Management and Planning & Deputy Treasurer, and the CAOs of St. Catharines, Niagara Falls and Welland.*

## **Appendices**

Appendix 1	Summary of Triple Majority local area municipal motions
Appendix 2	Terms of Reference – IMT Steering Committee
Appendix 3	Terms of Reference – IMT Working Group

## Response Summary

### Niagara Region's Transit Service Delivery and Governance Strategy

\*requires majority consent from area municipalities representative of the majority of electors as established in the revised list of electors for the 2014 municipal election

Support	Municipality	Dated	Response
Yes	Fort Erie	April 13, 2017	Consents to the passage of By-law No. 2017-21
Yes	Grimsby	April 19, 2017	Consents to the passage of By-law No. 2017-21
Yes	Lincoln	May 18, 2017	Consents to the passage of By-law No. 2017-21 and asks the Niagara Region to establish an Inter-Municipal Transportation Working Group and Steering Committee that includes broad representation from ALL lower tier municipalities within the Region to ensure that recommendations and decisions regarding inter-municipal transit be appropriately informed by existing and evolving circumstances in each of the lower tier municipalities
Yes	Niagara Falls	May 31, 2017	At Council April 25, 2017, it was recommended that Council consent to the passage of By-law No. 2017-21
Yes	Niagara-on-the-Lake	May 10, 2017	Consents to the passage of By-Law No. 2017-21 on the condition that an alternative to the assessment based funding formula be provided.
Yes	Pelham	April 5, 2017	Consents to the passage of By-law No. 2017-21
Yes	Port Colborne	May 15, 2017	Consents to the passage of By-law No. 2017-21
Yes	St. Catharines	April 20, 2017	Consents to the passage of By-law No. 2017-21
Yes	Thorold	April 6, 2017	Consents to the passage of By-law No. 2017-21
Yes	Wainfleet	June 1, 2017	Consents to the passage of By-law No. 2017-21
Yes	Welland	April 7, 2017	Consents to the passage of By-law No. 2017-21
Yes	West Lincoln	May 24, 2017	Consents to the passage of By-law No. 2017-21

## **Inter-Municipal Transit (IMT) Steering Committee - Terms of Reference**

### **PROJECT BACKGROUND**

Municipalities across the Niagara Region have identified the importance of public transit to enhance the economic development of the Region.

Since January 2015, an inter-municipal transit group comprised of the Mayors, Chief Administrative Officers (CAOs) and staff from Niagara Falls, St. Catharines, Welland and the Region of Niagara, in consultation with local area municipalities, have been working together to improve inter-municipal transit services throughout the Region and develop governance options for inter-municipal transit.

In 2016, the working group hired Dillon Consulting to develop potential options for the future delivery of inter-municipal transit services.

The Dillon report (*Niagara Transit Service Delivery and Governance Strategy, 2017*) was completed in early 2017 and the findings were presented to the Councils represented on the working group: St. Catharines, Niagara Falls, Niagara-on-the-Lake and the Region of Niagara.

The four respective municipal councils recommended that the Dillon report be endorsed and that two groups be created: Inter-Municipal Transit Steering Committee and the Inter-Municipal Transit Working Group.

### **MEMBERS/COMPOSITION**

The IMT Steering Committee is a politically-appointed Committee comprised of 10 elected representatives as follows:

- St. Catharines - 2 representatives
- Niagara Falls - 2 representatives
- Welland - 2 representatives
- Region of Niagara - 4 representatives

The members of this Committee shall be political appointments from the respective municipal Councils. The four representatives from the Region of Niagara are meant to provide representatives on the Committee from those municipalities across the Region which are not parties to the agreement.

The four CAOs from St. Catharines, Niagara Falls, Welland, and the Region, in addition to the Director of the GO Implementation Team, as non-voting members of the Committee.

The Director of the GO Implementation Team and one CAO will act as a liaison between the IMT Steering Committee and the IMT Working Group.

The Committee shall elect a Chair and Vice-Chair annually from its members and may be re-elected to serve for subsequent terms.

The Committee will meet on a monthly basis, and otherwise at the call of the Chair. A meeting schedule will be determined at the beginning of each calendar year.

Agendas/Minutes will be circulated to all members of the IMT Steering Committee and the IMT Working Group in advance of the meeting.

A quorum shall be the majority of the Committee members and all matters shall be decided by a majority vote of the voting members in attendance each of whom shall have one (1) vote, including the Chair. In the event of a tie vote, the vote shall be deemed to have been denied or defeated.

The Region of Niagara, through the GO Implementation Team, shall provide secretariat support to the Committee.

## **ROLES/RESPONSIBILITIES OF THE COMMITTEE**

The IMT Steering Committee, when making decisions related to inter-municipal transit in Niagara, will be guided by the following set of principles:

- Customer focused: continuously improve, respect local service
- Local service levels will not be adversely impacted
- Fiscal responsibility and affordability with negative impacts on local transit revenues
- Integrated/seamless source throughout the region and connecting to GO and other modes of transportation
- Improving economic development opportunities across the region
- Fair: respect existing investments of communities, collective agreements and respect for taxpayers
- Unconventional solutions should be investigated and leading edge technologies explored.

The IMT Steering Committee shall be responsible for the following:

- Directing/Overseeing the work of the IMT Working Group
- Approval authority for any recommendations emanating from the IMT Working Group that deals exclusively with implementation of inter-municipal transit and recommendations emanating from the Dillon report
- Coordinating marketing and branding of inter-municipal transit
- Government relations and advocacy to senior orders of government (provincial/federal) as it relates to inter-municipal transit
- Act as a unified voice for transit in Niagara

The IMT Steering Committee shall not have any jurisdiction over the local transit routes, funding, capital expenditures, or day-to-day operations. The decisions rest solely with the local Council of each individual municipality:

Recommendations from the IMT Steering Committee that require Regional Council approval will be presented to the Regional Public Works Committee and ultimately Regional Council for approval.

Recommendations from the IMT Steering Committee that require approval by St. Catharines City Council will be referred to the St. Catharines Transit Commission and ultimately St. Catharines City Council for approval.

Recommendations from the IMT Steering Committee that require approval by Niagara Falls City Council will be referred directly to Niagara Falls City Council.

Recommendations from the IMT Steering Committee that require approval by Welland City Council will be referred directly from the IMT Steering Committee to Welland City Council.

## **Inter-Municipal Transit (IMT) Working Group - Terms of Reference**

### **PROJECT BACKGROUND**

Municipalities across the Niagara Region have identified the importance of public transit to enhance the economic development of the Region.

Since January 2015, an inter-municipal transit group comprised of the Mayors, Chief Administrative Officers (CAO)s and staff from Niagara Falls, St. Catharines, Welland and the Region of Niagara, in consultation with local area municipalities, have been working together to improve inter-municipal transit services throughout the Region and develop governance options for inter-municipal transit.

In 2016, the working group hired Dillon Consulting to develop potential options for the future delivery of inter-municipal transit services.

The Dillon report (*Niagara Transit Service Delivery and Governance Strategy, 2017*) was completed in early 2017 and the findings were presented to the Council's represented on the working group: St. Catharines, Niagara Falls, Niagara-on-the-Lake and the Region of Niagara.

The four respective municipal councils recommended that the Dillon report be endorsed that two groups be created: the IMT Steering Committee and the IMT Working Group.

### **MEMBERS/COMPOSITION**

The IMT Working Group (hereafter referred to as the Working Group) shall be comprised of one staff representative from each of the following:

- Fort Erie
- Grimsby
- Lincoln
- Niagara Falls
- Niagara-on-the-Lake
- Pelham
- Port Colborne
- Region of Niagara
- St. Catharines
- Thorold
- Wainfleet
- Welland
- West Lincoln
- Other technical support staff resources may participate on the Committee as required by the Working Group.

The staff representative from each municipality will be the key contact for the municipality related to the matters of the Working Group and all meeting notices, meeting agenda, minutes etc. will be provided to that contact.

The Region of Niagara will provide staff resources through the GO Implementation Team and serve as the secretariat to the Working Group.

## **GOVERNANCE/REPORTING AUTHORITY**

The Working Group reports directly to the IMT Steering Committee (Steering Committee). One of the four Steering Committee CAOs and the Region's Director of the GO Implementation Team shall act as the staff liaisons between the Steering Committee and the Working Group.

## **WORK PLAN**

The Dillon report has been referred to the Working Group for implementation. The report includes recommendations related to, but not limited to the following:

- Procurement/Purchasing transit capital needs
- Development of proposals for fare boxes, technology, policies, customer service structure, service guidelines
- Route optimization and coordination
- Coordination with other transit providers (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 Working Group will be responsible for providing recommendations to the Steering Committee related to the implementation of the recommendations contained in the Dillon report or other IMT-related matters arising from day to day operational issues.

Minor operational issues resulting from the Dillon report and not requiring financial approvals will be dealt with at the Working Group level.

## **GOVERNANCE**

The Director of the GO Implementation Team will serve as Chair of the Working Group.

The Working Group is an advisory/technical support group who will make recommendations related to the Dillon report and any other matter that is referred to it by the Steering Committee.

Recommendations from the Working Group will be referred to the Steering Committee for endorsement and, where applicable, referral to the local transit providers for their consideration and approval, except those financial decisions which require local council approval.

Minor operational issues not requiring financial commitments or approvals will be dealt with by the Working Group and not require approval of the Steering Committee.

Recommendations will be developed through a consensus amongst members of the Working Group.