

Niagara Transit Commission

This report is to be read in conjunction with the 2021 Corporate Asset Management Plan as approved by the Regional Council through CSD 7-2022.

1.1 Introduction

Regional Council formally established the Niagara Transit Commission (Transit Commission) as a municipal service board through By-law No. 2022-38, passed on May 26, 2022, under the Municipal Act. The Transit Commission board composition includes representation from Regional and Local Municipal Councilors, ensuring all municipalities have a voice in this transformative endeavor.

Effective January 1, 2023, the Transit Commission assumed responsibility for all public transit routes and services within Niagara (WEGO excluded).

Assets utilized to provide the services include:

- 226 transit vehicles
- 1,129 IT devices
- 56 fleet-related equipment
- 3 transit facilities
- 1 transit terminal
- 1,835 bus stops

The Transit Commission and Regional Council, through reporting updates and the Transit Commission's vision, mission, and strategic core values, provide direction for service delivery. The mission statement is to provide safe, reliable, and sustainable service in Niagara. Other legislation and documents that guide service delivery include the following:

- Niagara Region By-Law 2022-38- Establish the Niagara Transit Commission as a Municipal Service Board
- Niagara Region Transit Governance Study
- Niagara Region Transportation Master Plan
- Niagara Region Transportation Master Plan – Transit strategy technical paper
- Niagara Transit Service Delivery and Governance Strategy
- Niagara Specialized Transit Study
- Inter-Municipal Transit Service Implementation Strategy

1.2 Transit Commission demand drivers

Demand drivers are the underlying factors that direct change in the demand for the service. Drivers and their influence help define and measure the changing requirements for services, and the activities and assets required to support those services. Most of the drivers for the Transit Commission result in changes to operational requirements and assets required to support the service. The estimated significance of the impact on service is summarized in Table 1.

Table 1: Transit Commission demand drivers

Demand driver	Divisional significance
Population change	High
Legislation and upper levels of government	Moderate
Social issues and trends	Moderate
Customer expectations	Low
Economic factors	Moderate
Other service provider changes	Moderate
Asset management	High

1.2.1 Planned asset portfolio growth and enhancements

The expected growth in the population of Niagara will place significant pressure on the capacity of existing assets and create demand for new assets. The Transit Commission is in the process of completing their first consolidated Transit Master Plan that will help guide the future direction of transit in the Niagara Region. The anticipated completion of the Niagara Transit Master Plan is 2025.

1.3 Transit Commission levels of service

Table 2 summarizes information on customer and technical measures for levels of service (LOS) that relate to the operation, maintenance, and renewal of assets for the sustainment of the Transit Commission's current LOS.

Table 2: Transit Commission LOS summary

Customer LOS	Technical LOS	Measure
Accessible ridership	Annual boardings	9.1 million ridership

1.3.1 Legislated levels of service

Regulations govern many aspects of service delivery at the program level, and much of it is very technical. Some examples of regulations and their impact on the Transit Commission are as follows:

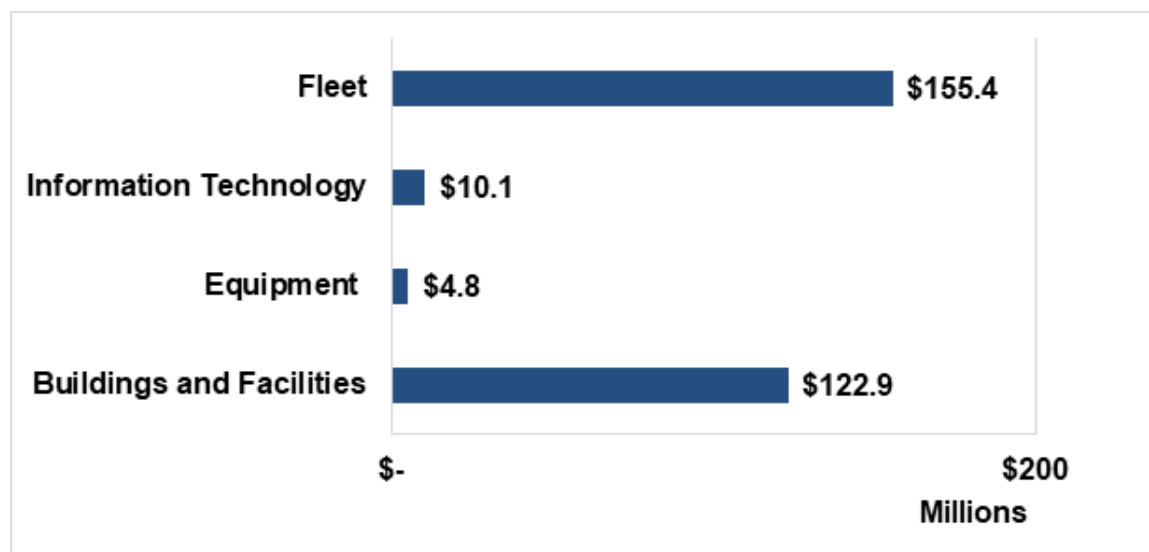
- Environmental Protection Act R.S.O. 1990
 - The purpose of this Act is to provide for the protection and conservation of the natural environment. The Act makes provisions for the improved control of pollution to the air, water and land by regulating the management of waste and the control of emissions.
- Highway Traffic Act
 - This is an Ontario regulation describing the rules of operating vehicles on public roads including types of operators, drivers and loads.
- O. Reg. 424/97: Commercial motor vehicle operators' information
 - The Ministry of Transportation has developed an annual renewal program whereby Commercial Vehicles Operators Registration (CVOR) holders are required to update their operating information on an annual basis.

1.4 Transit Commission state of infrastructure

1.4.1 Transit Commission asset inventory and replacement cost

The estimated cost to replace the assets of the Transit Commission is \$293.3 million, as summarized in Figure 1.

Figure 1: Transit Commission inventory and replacement cost



1.4.2 Transit Commission asset age distribution

The Transit Commission's assets are approximately halfway through useful expected life (UEL). The average age and estimated service life of Transit Commission assets, weighted by replacement value, are summarized by asset category in Figure 2 and Table 3.

Figure 2: Transit Commission average age by asset category

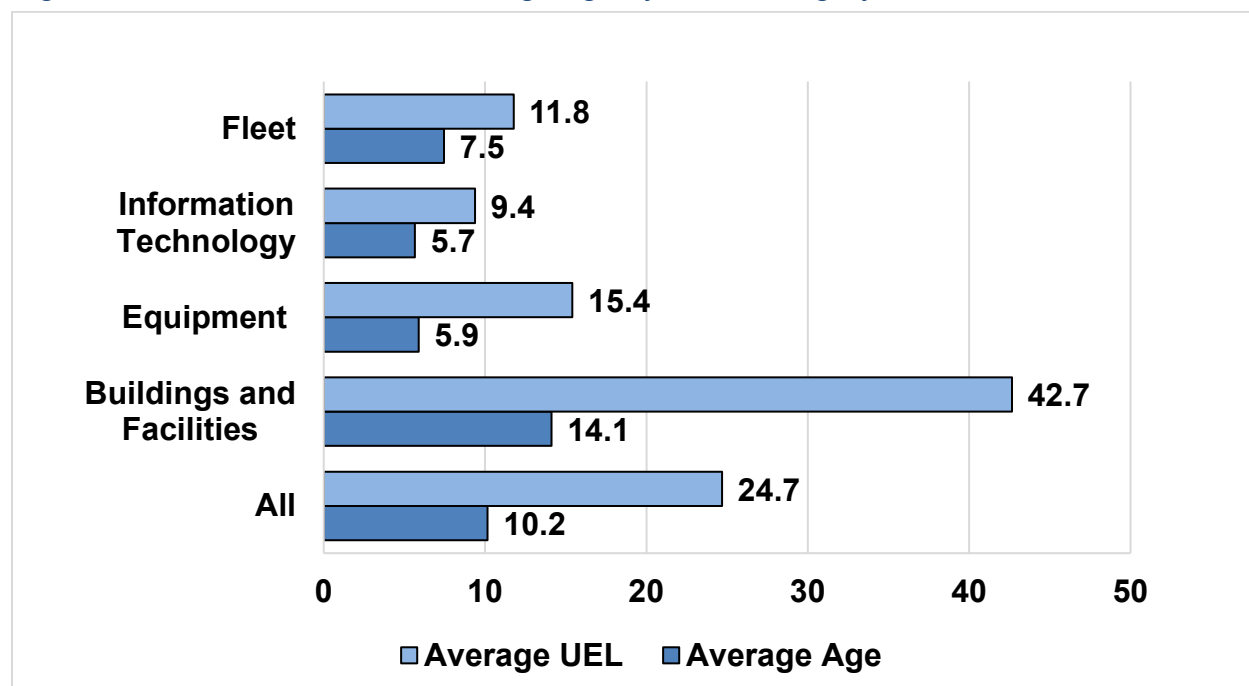


Table 3: Transit Commission average age by asset category

Asset Category	Average Age	Average UEL	Average Remaining Life
Fleet (**)	7.5	11.8	4.3
Information Technology	5.7	9.4	3.7
Equipment	5.9	15.4	9.5
Buildings and Facilities (*)	14.1	42.7	28.5
All	10.2	24.7	14.5

* St. Catharines Facility (built in 1990 and additional building in 2016); Niagara Falls WEGO Facility (built in 2012), Welland Facility (built in 1974 and additional building in 1997), Welland Transit Terminal (built in 1993)

** For additional context, the average age of fleet sub-asset categories is provided in Table 4 below.

Table 4: Transit Commission average age by fleet sub-category

Fleet Sub-category	Average Age	Average UEL	Average Remaining Life
Conventional	7.5	12.0	4.5
Specialized	6.0	8.0	2.0
Non-revenue	7.0	8.0	1.0
Fleet All	7.5	11.8	4.3

1.4.3 Transit Commission asset condition

Condition for the Transit Commission assets are based on a combination of condition assessment, age or mileage, depending on the asset category. ‘Very poor’ assets for fleet based on age do not necessarily indicate an imminent failure but are indicative of assets that are beyond their expected lifecycle and past the time-based renewal period. 66% of Transit Commission’s assets are rated as good and very good. The condition of Transit Commission assets, weighted by replacement value, is summarized by asset category in Figure 3 and Table 5.

Figure 3: Transit Commission asset condition as % of value

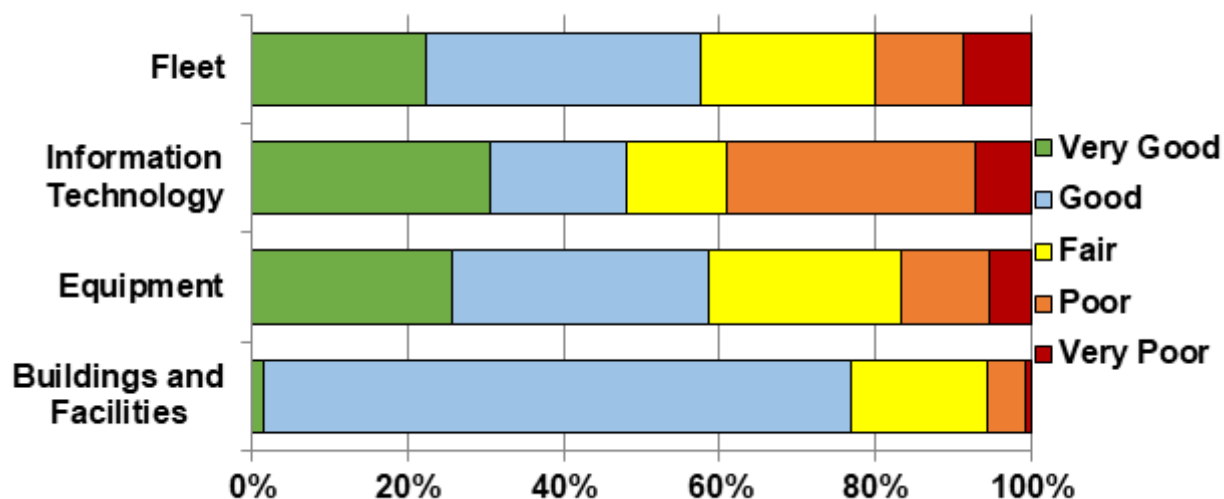


Table 5: Transit Commission asset condition as % of value

Condition rating	Total	Fleet	Information Technology	Equipment	Buildings and Facilities
Very good	13.9%	22.3%	30.6%	25.7%	1.5%
Good	51.6%	35.4%	17.3%	32.8%	75.5%
Fair	20.0%	22.4%	13.1%	24.7%	17.3%
Poor	9.4%	11.2%	31.9%	11.4%	5.1%
Very poor	5.1%	8.6%	7.1%	5.3%	0.6%

1.4.4 Transit Commission risk

Table 6 is a standardized risk matrix that presents the Transit Commission's assets with their current replacement value according to the risk of asset failure.

Table 6: Transit Commission risk distribution

COF	Very low	Low	Moderate	High	Very high
POF					
Very high	\$-	\$0.02	\$12.39	\$0.48	\$-
High	\$-	\$9.45	\$10.47	\$0.75	\$-
Moderate	\$4.75	\$7.70	\$172.82	\$24.47	\$0.04
Low		\$6.48	\$21.94	\$15.92	\$-
Very low	\$0.48	\$4.22	\$0.12	\$0.80	\$-

Table 7 represents the percentage of total asset replacement value according to the risk of asset failure.

Table 7: Transit Commission risk exposure summary

Risk category	Asset value (\$ million)	% of assets
Very low	\$4.7	1.6%
Low	\$11.3	3.9%
Moderate	\$55.8	19.0%
High	\$221.0	75.3%
Very high	\$0.5	0.2%
Total	\$293.3	100.0%

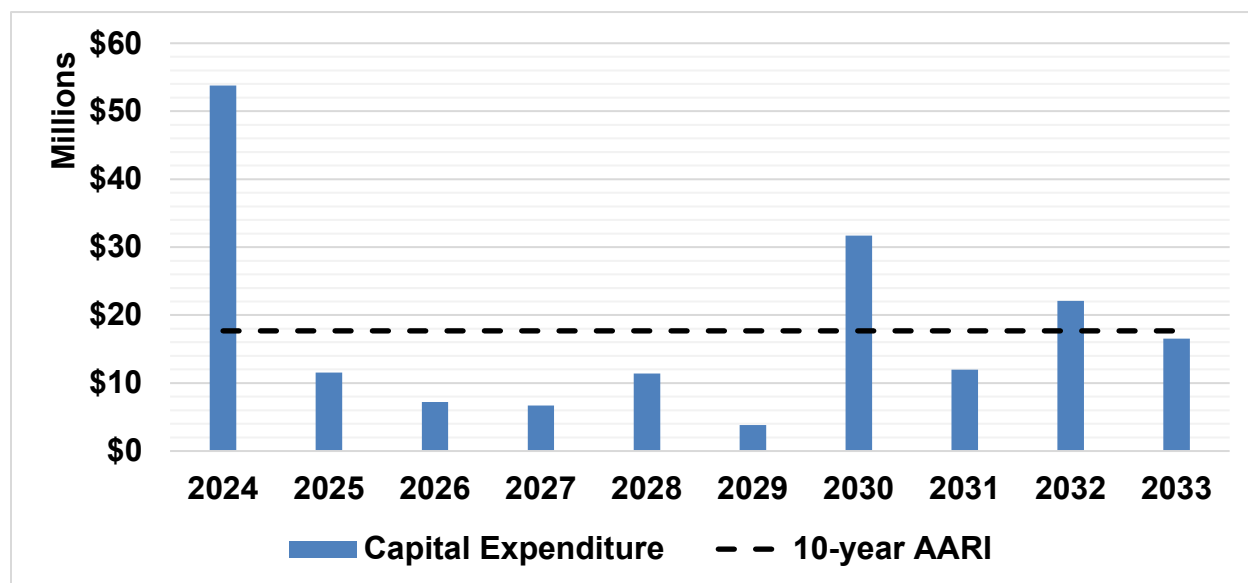
1.5 Lifecycle strategies

The lifecycle asset strategies (LAS) for the Transit Commission is to replace at the end of UEL, which is informed by manufacturer recommendations and studies when available, such as building condition assessments for facilities.

1.6 Financial strategy

Figure 4 presents the average annual renewal investment (AARI) necessary to support existing assets and current levels of service for the Transit Commission of \$17.7 M in the 10-year forecast. This includes both annual requirements for the 10 years, as well as addressing the calculated capital spending backlog of \$52.4 M during the same period.

Figure 4: Transit Commission AARI and capital expenditure



1.6.1 Transit Commission cost to deliver service

The cost-of-service delivery for the Transit Commission includes operating expenses, capital expenditures and revenues. A summary of the Transit Commission budget is presented in Table 8 below.

Table 8: Transit Commission summary of costs to deliver services

Area of expenditure	2024 budget (in millions)
Staffing	\$43.3
Utilities	\$0.6
Diesel & Gasoline	\$10.0
Maintenance & operations	\$19.1
Other	\$5.2
Capital reserve transfers	\$2.2
Debt charges	\$2.2