

## **SPECIAL COUNCIL MEETING REVISED AGENDA**

Date: **February 11, 2020**  
Call to Order: **1:00 p.m.**  
Location: **Council Chamber  
401 Festival Lane  
Sherwood Park, AB**

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**Pages**

**1. CALL TO ORDER AND TREATY 6 ACKNOWLEDGEMENT**

**2. ADOPTION OF AGENDA**

*2.1 Proclamation - Canada's Agriculture Day*

**3. COUNCIL PRIORITIES**

3.1 Review of Regional Transit Services Commission (RTSC) Final Report

2 - 26

To provide Council with highlights of the key areas that Administration has identified in the RTSC's final report for their consideration before voting to join or not join the RTSC.

**4. ADJOURNMENT**

**5. RELATED MATERIALS - OPEN SESSION**

**Review of Regional Transit Services Commission (RTSC) Final Report****Report Purpose**

To provide Council with highlights of the key areas that Administration has identified in the RTSC's final report for their consideration before voting to join or not join the RTSC.

**Recommendation**

None

**Our Prioritized Strategic Goals**

Goal 1 - Build strong communities to support the diverse needs of residents

Goal 5 - Foster collaboration through regional, community and governmental partnerships

**Report**

On July 17, 2018, Council approved a motion to sign onto the Memorandum of Understanding (MOU) to join the Regional Transit Services Commission (RTSC) work to develop the regulatory, technical, financial, and operational framework of a commission. Council then appointed Councillors Botterill and Anderson as the County's representatives on the RTSC Transition Team. On October 11, 2018, Mayor Frank, along with 12 other Mayors of the Edmonton Metropolitan Region, signed onto the MOU.

The inaugural meeting of the RTSC Transition Team was held on January 17, 2019. At the Transition Team's February 2019 meeting they selected EY (Ernst & Young) as the consultant to work with the Transition Team to complete Phase 2 – the establishment and transition phase of the Regional Commuter Service Phase Implementation Plan. A Working Team, comprising administrative representatives from the participating municipalities, was requested for information gathering and work plan development. Wade Coombs, Director, Transit, served on the Working Team for Strathcona County, with support from Nancy Lyzaniwski, Manager, Intergovernmental Affairs.

Overall, the project was broken into two stages. The first stage was to gather and catalogue all existing current information sources, and to develop the scope of work and detail a project plan for the second stage. The purpose of stage two was to execute on the scope of work and ultimately create the RTSC master plan (operational framework), meeting relevant requirements for a successful submission under the MGA regulation to form a regional services commission. Stage one was completed in April 2019 and stage two was completed on November 29, 2019. Council has received several closed session updates on the progress of the work over the past year.

On January 28, 2020 Priorities Committee received a presentation from the RTSC consultant EY on the final report, Accelerating Transit in the Edmonton Metropolitan Region: Building a Regional Transit Services Commission. Administration will be providing a presentation outlining further considerations, based on questions from the January 28, 2020 Priorities Committee meeting, that Council may want to consider before making their decision to join or not join the RTSC.

**Council and Committee History**

- January 28, 2020 Council received a presentation on the final report for the RTSC, Accelerating Transit in the Edmonton Metropolitan Region: Building a Regional Transit Services Commission.
- October 29, 2019 Council received an update on the work of the Regional Transit Services Commission.
- March 26, 2019 Council approved the following:  
 THAT Councillor Botterill and Councillor Anderson be appointed as the Elected Representative and Alternate, respectively, for Strathcona County to the Regional Transit Transition Team, both terms to commence effective as of the signing of the Memorandum of Understanding and ending at the sooner of the 2019 Council Organizational Meeting or the creation of the Regional Transit Services Commission by provincial regulation, and provided that the appointees continue to serve as Councillors throughout the terms of appointment.
- July 17, 2018 Council approved the following:  
 THAT the Mayor, on behalf of Council, sign the Memorandum of Understanding for the Regional Commuter Service Phase Implementation Plan; and  
  
 THAT Councillor Botterill and Councillor Anderson be appointed as the Elected Representatives for Strathcona County to the Regional Transit Transition Team, both terms to commence effective as of the signing of the Memorandum of Understanding and ending at the sooner of the 2019 Council Organizational Meeting or the creation of the Regional Transit Services Commission by provincial regulation, and provided that the appointees continue to serve as Councillors throughout the terms of appointment.
- May 8, 2018 Council received an update on the discussions taking place between the cities of Edmonton and St. Albert.
- January 23, 2018 Council received an update on the discussions taking place between the cities of Edmonton and St. Albert.
- September 9, 2014 Council formally endorsed Administration's response to the Capital Region Board regarding the Inter-Municipal Transit Study.

**Other Impacts**
**Policy:** N/A

**Legislative/Legal:** N/A

**Interdepartmental:** Participation in a Regional Transit Commission could impact Fleet Services and Strathcona County Transit.

**Master Plan/Framework:** N/A

Author: Wade Coombs, Transit

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Director(s): Wade Coombs, Transit, Laura Probst, Financial Services, Debra Smith, Human Resources

Associate Commissioner: Gord Johnston, Community Service Division, Greg Yeomans, Financial and Strategic Management Division, Lori Cooper, Corporate Services Division

Lead Department: Transit

**Communication Plan**

A communication strategy is in place to communicate Council's decision to opt in or opt out of the RTSC, including internal communication tactics (through affected departments) as well as external tactics, including but not limited to, key messages, media releases, web posting, social media.

**Enclosure(s)**

1. Presentation – To be distributed at meeting.

# **Review of Regional Transit Services Commission's final report**

February 11, 2020

# Agenda

- Overview
- Strathcona County Transit: today
- Areas of consideration
  - Service
  - Capital
  - Finance
  - Staff
- Next steps

# Overview

- Purpose: highlight key areas for consideration that Administration has identified in the Regional Transit Services Commission's (RTSC) final report
- Notes:
  - proposed service is conceptual, a comprehensive review and analysis around future potential impacts is not possible at this point in time.
  - In depth regional financial analysis beyond information given in the report was not possible.

# Timelines to date

- September, 2017 Edmonton and St. Albert signed an MOU to begin taking steps toward to develop a Regional Transit Commission
- October 11, 2018 Mayor Frank, along with the other 12 Mayors of the Edmonton Metropolitan Region, signed the MOU.
- January 17, 2019 Inaugural meeting of the RTSC Transition Team
- February 21, 2019 EY (Ernst & Young) selected as the consultant to work with the Transition Team.
- Through 2109 Work of the RTSC Transition Team took place
- January 28, 2020 EY made a presentation on the final report to Priorities Committee of Strathcona County Council.
- Jan/Feb/Mar 2020 EY presentations to all 13 EMRB member signatories to the MOU



# Strathcona County Transit: Today

- Conventional service
  - Provided 1,720,000 trips
  - Traveled over 3,000,000 kilometers
  - 6 commuter routes
  - 17 local routes
  - 5 evening/weekend routes



## Mobility Bus

- Provided 26,437 trips
- Traveled over 362,000 kilometers

# Strathcona County Transit: Today

- 89 buses (\$48M)
  - 24 double decker buses
  - 52 Nova buses
  - 13 Mobility Buses
- 4 facilities (\$50M)
  - Bus garage, operations and maintenance building
  - Bethel Transit Terminal
  - Ordze Transit Centre
  - Administration building (leased office space)



# Strathcona County Transit: Today

- 173 Transit staff
  - 153 conventional transit staff
  - 20 Mobility Bus staff
- Total full time staff - 138
- Total hourly staff - 35
- Supported by about 10 Fleet Services staff



# Strathcona County Transit: Today

- New Transit Master Plan approved by Council in February 2019
  - Provides direction on the delivery of transit service for the next 10 years.
  - Included a comprehensive engagement strategy with input from over 1,200 residents, both transit riders and non-riders.
  - Key opportunities identified:
    - Improve the effectiveness of evening and weekend local service
    - Improve evening and weekend service to Edmonton
    - Improve mobility options for persons with disabilities
    - Address mobility challenges in the rural service area



# Strathcona County Transit: Today

<b>2020 Transit Operating Budget</b>	
Revenues	\$ 4,860,558
Expenses	\$ 20,490,103
Net Revenues/(Expenses)	\$ (15,629,545)
Transfer to Reserve	\$ 2,645,843
<b>Net Impact for Budget</b>	<b>\$ 18,275,388</b>

# Proposed Transit budget in the RTSC

2020 Transit Budget	\$ 18.3 M
Less Mobility Bus	\$ 2.1 M
Less transfers to reserves	\$ 2.2 M
Transfer to RTSC	\$14 M

# EY report areas of consideration: Service

- Changes from current service - destinations:
  - Direct all day service to NAIT and West Edmonton Mall
  - Direct connection between Bethel Transit Terminal and Ordze Transit Centre
  - Direct peak period connection to Fort Saskatchewan
  - No direct service proposed to Government Centre
- Changes from current service – service span:
  - Longer service span and additional weekend service to U of A
  - More frequent service to downtown
  - Longer weekday and Sunday service span
  - Shorter service span on Saturdays

# EY report areas of consideration: Service

- Changes from current service:
  - Likely longer travel times for most County customers due to added bus stops
  - Connections from local to regional service could be challenging due to different frequencies (20 minutes regional versus 30 minute local)
  - Decreased seating capacity on high ridership trips when non-County buses used (articulated versus double decker buses)
  - Regional fleet may not have enough buses to address unplanned capacity concerns



# EY report areas of consideration: Service

- Mobility Bus:
  - The model does not include specialized transit services (Mobility Bus) which would be transitioned at a later time:
    - As a stand alone we will have additional costs to address road support, customer service support, administrative support, bus cleaners, on board camera maintenance/trouble shooting
    - Additional costs are unknown at this time
    - Anticipated time frame to transfer to RTSC is unknown

# EY report areas of consideration: Capital

- County buses will become part of the RTSC
  - Asset Transfer Framework still has unknowns
- Capital costs are not part of the financial analysis, only operating costs
  - Lifecycle costs for bus replacements, technology, and other capital assets have not been accounted for
  - Costs of future growth/upgrades have not been addressed for items like new or expanded facilities, park-and-rides, expansion buses, or technology changes
- RTSC will need to combine the individual municipal capital requirements into a consolidated long-term plan that addresses regional service needs and identifies the necessary investments

# EY report areas of consideration: Finance

- RTSC estimated to operate at a lower cost than the consolidated costs for the existing systems continuing to deliver their own individual services
  - Estimated savings of about 850 revenue hours per week
  - Additional efficiencies possible through a reduction of non-revenue hours
  - EY forecasted about \$3.4 million in annual regional net savings, after ongoing incremental costs added - starting in 2026
- RTSC savings are projected to be reinvested back into the RTSC; so no planned expense reductions for Strathcona County

# EY report areas of consideration: Finance

- Key financial risk is the use of estimated costs / savings and their timing
  - Some of the most significant costs are based on an estimated cost allocation rather than actuals
- Revenue is assumed to remain the same, even though a regional fare structure would need to be established
  - County residents currently pay some of the lowest fares and could end up paying more to ride transit
- EY Business case only covers five years, no detailed analysis was done on when all of Edmonton Transit Services would come onboard

# EY report areas of consideration: Finance

## Direct Financial Impacts for Strathcona County:

- Budget decisions would be decided by the RTSC
  - Committed to fund a proportionate share of the regional services as determined by RTSC
  - 100% of funding for local service within Municipalities equal to or enhanced from the minimum standards established by RTSC are the responsibility of those Municipalities.
  - May not have autonomy to adjust for future economic changes or financial downturns
- It is likely that a proportionate share of the RTSC financial position will be consolidated with Strathcona County's financial statements, to be confirmed with final agreements
  - The impacts of debt are unknown at this time

# EY report areas of consideration: Staff

- Initial implementation of the RTSC could impact about 150 employees in the Transit department (permanent and hourly)
- About 20 employees from Mobility Bus could be impacted in a future phase (date still to be determined)
- About 10 employees could be impacted from the Fleet department
  - RTSC would finalize the short and long-term plan for maintenance after it is established (maintenance could be contracted back to each municipality in the short term)
- Other staff impacts would need to be assessed as the RTSC is established (e.g. impacts on supporting departments and the resources required to support the relationship with the RTSC)

# EY report areas of consideration: Staff

- If the County joins the RTSC, full impacts to Strathcona County employees cannot be determined until the RTSC is established and begins planning its operations.
- If Strathcona County opts to join the RTSC, we will support our staff and treat them fairly throughout the transition of Transit services to the RTSC

# EY report areas of consideration: Staff

- Strathcona County would have an obligation to provide appropriate notice to impacted staff
- Appropriate notice is based on Employment Standards legislation and individual years of service
  - Employment standards would require a minimum of 12 weeks notice
- Notice could be reduced if comparable employment (e.g. pay and benefits) as well as an initial guarantee of employment was offered by the RTSC
- Strategies to retain staff up to the transition date may also have to be considered.



# Next steps

- Potential Council voting dates
  - February 3 St. Albert
  - February 11 Strathcona County
  - February 19 Edmonton
  - Last week of February City of Leduc, Devon, Stony Plain  
Parkland County, Beaumont, Morinville,  
Leduc County, Sturgeon County
  - Early March Spruce Grove, Fort Saskatchewan

# Questions