

MEMORANDUM OF UNDERSTANDING

REGIONAL TRANSIT SERVICES COMMISSION

THIS MEMORANDUM OF UNDERSTANDING entered into this 11th day of October, 2018

BETWEEN:

THE TOWN OF BEAUMONT
("Beaumont")

THE TOWN OF DEVON
("Devon")

THE CITY OF EDMONTON
("Edmonton")

THE CITY OF FORT SASKATCHEWAN
("Fort Saskatchewan")

THE CITY OF LEDUC
("Leduc")

LEDUC COUNTY
("Leduc County")

THE TOWN OF MORINVILLE
("Morinville")

PARKLAND COUNTY
("Parkland")

THE CITY OF SPRUCE GROVE
("Spruce Grove")

THE CITY OF ST. ALBERT
("St. Albert")

THE TOWN OF STONY PLAIN
("Stony Plain")

STRATHCONA COUNTY
("Strathcona")

STURGEON COUNTY
("Sturgeon")

WHEREAS:

A. The Edmonton City Council resolved on 11 October 2016 that Edmonton should proceed towards the creation of an entity that will provide transit services throughout the Metro Edmonton Region;

B. The St. Albert City Council resolved on 26 September 2016 that St. Albert should proceed towards the creation of an entity that will provide transit services throughout the Metro Edmonton Region;

C. Edmonton and St. Albert have created a Joint Task Force to explore and identify the governing principles and mandate of a regional transit service entity;

D. The Joint Task Force has determined that a regional services commission, under Part 15.1 of the *Municipal Government Act*, RSA 2000, c. M-26 (the "Act"), is the preferred model for the regional transit service entity; and

F. The Parties now wish to outline the regulatory, technical, financial, and operational framework of a Regional Transit Services Commission ("RTSC") to serve the Metro Edmonton Region;

NOW THEREFORE the Parties enter into this non-binding Memorandum of Understanding (the "MOU") to describe both their respective intentions and their mutual intentions:

1. TERM

- 1.1 The Term of this MOU shall commence at the date first above written and shall continue until such time as the RTSC, having been established via provincial regulation, has duly adopted its bylaws, or for a period of five (5) years. In the event that the RTSC has not duly adopted its bylaws within five (5) years from the date first above written, the Parties may agree to renew the Term of this MOU for five (5) additional one (1) year periods, provided that the total Term of this MOU including any renewals shall not exceed ten (10) years.
- 1.2 Notwithstanding Clause 1.1 herein, if this MOU is not approved by both the City Council of the City of Edmonton and by the City Council of St. Albert, then the MOU shall terminate immediately.
- 1.3 A Party may terminate its participation in the creation of the RTSC by way of a duly passed resolution of its respective municipal council.

2. PARTIES ARE MUNICIPAL AUTHORITIES

- 2.1 The Parties understand and agree that the Municipal Council of each respective Party must approve this MOU before such Party may proceed on the terms set forth in this MOU.
- 2.2 Nothing in this MOU restricts the Parties, their respective municipal councils, officers, servants, or agents in the full exercise of any and all powers and duties vested in them as municipal governments, councils, and as the officers, servants, and agents of municipal governments.
- 2.3 The RTSC will assume responsibility for service operation only after the Municipal Council of each Party has approved the proposed draft Bylaws of the RTSC and the Transit Services Transition Plan.

3. ADDING PARTIES

- 3.1 The Parties acknowledge that any other municipality within the Metro Edmonton Region may agree to become a party to this MOU, subject to the approval of the Transit Services Transition Team.

4. REGIONAL TRANSIT SERVICES COMMISSION VISION

- 4.1 The Parties intend that the RTSC will be established in accordance with the following vision:
 - (a) The RTSC will be a regional services commission as defined under Part 15.1 of the Act;

- (b) The RTSC will help to ensure the provision of a fast, convenient, simple, reliable, efficient, and affordable transit service, that is seamlessly integrated with other modes of transportation;
 - (c) The RTSC will provide an appreciably faster commute time when compared against other modes of transportation;
 - (d) The RTSC will create a better customer experience by combining strengths and implementing new technologies;
 - (e) The RTSC will initially provide inter-city bus transit service;
 - (f) In the future, the RTSC may expand to provide additional transit services including, but not limited to:
 - (i) local intra-city service;
 - (ii) specialized transit service, including DATS and Handibus service; and
 - (iii) light rail transit;
 - (g) The RTSC will support long-term regional development and growth plans and will act as a partner in transportation and land use planning in the Metro Edmonton Region;
 - (h) The RTSC will serve as a transit backbone that will help to connect communities and support a stronger, greener, and more prosperous Metro Edmonton Region;
 - (i) The RTSC will provide more convenient service across municipal boundaries, which in turn will allow the public to access employment opportunities that better match their needs;
 - (j) The RTSC will help to alleviate traffic congestion, decrease greenhouse gas emissions, and improve air quality;
 - (k) The RTSC will allow the Parties to realize procurement savings for transit related products and services; and
 - (l) The RTSC will be a full participant in regional transit initiatives designed to enhance the integration of administrative functions and improve customer service interfaces.
- 4.2 The RTSC will operate in accordance with Regional Service Standards to be mutually agreed upon by the Parties. Notwithstanding the foregoing, either Party may, at its own cost, elect to acquire services from the RTSC that exceed the Regional Service Standards.

5. REVENUE PRINCIPLES

- 5.1 The RTSC will define its funding model by way of a bylaw.

- 5.2 A reasonable portion of the RTSC's funding will come directly from transit users through fare recoveries in a manner consistent with the current transit funding models in use by the Parties.
- 5.3 The RTSC will endeavor to secure non-fare funding sources that are stable, predictable, and sufficient to support the RTSC's current and projected operational needs.
- 5.4 Non-fare funding sources for the RTSC's current and projected capital needs should be clearly defined and should recognize the importance of maintaining and improving the RTSC's service.
- 5.5 A portion of the RTSC's funding requirements will be requisitioned from member municipalities representing the shared investment and shared benefit of the RTSC.

6. GOVERNANCE STRUCTURE

- 6.1 Notwithstanding that the RTSC has yet to have been created as a commission, the Parties agree that the RTSC's corporate governance shall reflect the structure as outlined in Article 6 of this MOU.
- 6.2 The RTSC will be governed by a board of directors, and each member municipality shall directly appoint up to 2 directors to the board. Only elected representatives from the respective municipality may be appointed to the board.
- 6.3 The board of directors will make decisions via a double majority, consisting of:
 - (a) A two thirds majority of all the board members; and
 - (b) A two thirds majority of all of the available Weighted Vote Factors.
- 6.4 The Weighted Vote Factor (Wf) of each member municipality will be calculated as follows:

$$Ff + Rf = Wf$$

where Ff (Financial Contribution Factor) equals the percentage of that member's financial contribution to the total financial contribution of all members, multiplied by 0.5, and rounded to the nearest whole number; and

where Rf (Ridership Contribution Factor) equals the percentage of that member's ridership contribution to the total ridership contribution of all members, multiplied by 0.5, and rounded to the nearest whole number.

- 6.5 The Ff and Rf factors of each municipality will be recalculated at the first annual board meeting in each year, based upon the data available from the most recent fiscal year of the RTSC. In the RTSC's first fiscal year, the Ff and Rf factors will be calculated using the projected financial and ridership data for that first fiscal year.

- 6.6 Where a municipality appoints two directors, that municipality's Wf will be divided equally among both such directors.

7. TRANSIT SERVICES TRANSITION

- 7.1 Each Party will appoint two (2) elected representatives and may appoint up to two (2) administrative representatives to a Transition Team, which will act as an interim board of directors of the RTSC until the coming into force of a Provincial regulation creating the RTSC.

- 7.2 The Transition Team will:

- (a) appoint a chairperson from among the administrative representatives;
- (b) serve as the interim board of directors until such time as the RTSC is created by way of provincial regulation;
- (c) create the proposed draft Bylaws of the RTSC to be recommended to the Province;
- (d) recommend to the Province those persons who should serve as the appointees to the first board of directors;
- (e) engage with other regional municipal partners to encourage participation in the RTSC; and
- (f) prepare a three (3) year start-up plan which will outline the RTSC's operational plan and budget.

- 7.3 The Transition Team will create a Transit Services Transition Plan.

8. MUTUAL EFFORTS

- 8.1 Each Party will present the proposed draft Bylaws and the Transit Service Transition Plan to its Municipal Council for approval.
- 8.3 The Parties will engage the Government of Alberta to ensure that the ultimate legal structure of the RTSC meets with the requirements for incorporation.
- 8.4 The Parties will petition the Government of Alberta to provide financial support for the establishment of the RTSC.
- 8.5 Each party will provide an estimate to the Transition Team of all costs incurred with respect to any services which are not intended to be borne by the RTSC.
- 8.6 Each party intends that its respective transportation planning and operations departments, units, and branches will make reasonable accommodations to support the RTSC. Notwithstanding the foregoing, the RTSC will be responsible for any capital expenditures reasonably required to improve the access, speed, and reliability of RTSC services.

8.7 The Parties will make reasonable efforts to cooperate in planning for the development of transit station sites for the RTSC's use.

8.8 The Parties will make reasonable efforts to expedite planning and approval processes that encourage or create community revitalization opportunities at or near RTSC transit sites.

9. NON-BINDING MOU

9.1 This MOU is not to be construed as constituting a legally binding agreement between Edmonton and St. Albert and is merely to serve as a description of the Parties' intentions with respect to advancing towards the ultimate creation and operation of the RTSC.

10. GENERAL

10.1 No partnership is created by this MOU. Nothing contained in this MOU shall or shall be deemed to constitute the Parties as partners, as an agent of the other, or as entering into any other relationship whereby either could be held liable for any act or omission of the other. Neither Party shall have any authority to act for the other or to incur any obligation on behalf of the other.

10.2 The Parties will, with reasonable diligence, hold all meetings, perform all acts, execute and deliver all documents and instruments, and do all such things and provide all such reasonable assurances as may be reasonably necessary or desirable to give effect to the provisions of this MOU.

10.3 The Parties acknowledge that they are each separate public bodies having certain obligations respecting the collection and distribution of personal information pursuant to the *Freedom of Information and Protection of Privacy Act*, RSA 2000, c F-25 and that each party must adhere to the provisions of such legislation.

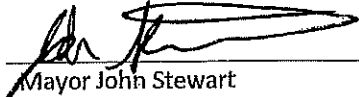
10.4 This MOU and any amendment or supplement may be executed in any number of counterparts and delivered by facsimile or electronically by pdf with the same effect as if all members hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same original document.

10.5 All sums listed in this MOU are in Canadian dollars.

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Each of the Parties hereto, having duly approved the terms of the within Memorandum of Understanding, have executed this Memorandum of Understanding effective as at the date first above written.

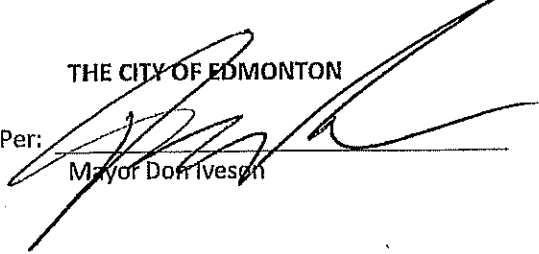
THE TOWN OF BEAUMONT

Per: 
Mayor John Stewart

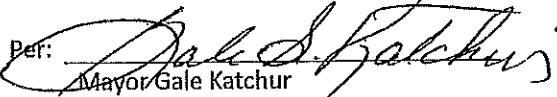
THE TOWN OF DEVON

Per: 
Mayor Ray Ralph

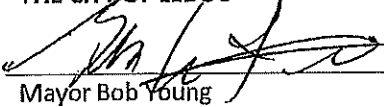
THE CITY OF EDMONTON

Per: 
Mayor Don Iveson

THE CITY OF FORT SASKATCHEWAN

Per: 
Mayor Gale Katchur

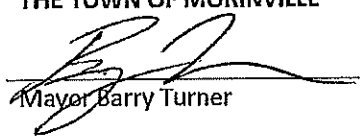
THE CITY OF LEDUC

Per: 
Mayor Bob Young

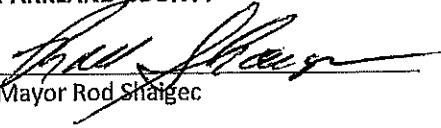
LEDUC COUNTY

Per: 
Mayor Tanni Doblanko

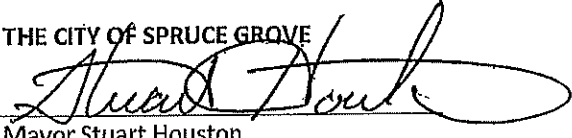
THE TOWN OF MORINVILLE

Per: 
Mayor Barry Turner

PARKLAND COUNTY

Per: 
Mayor Rod Shaigec

THE CITY OF SPRUCE GROVE

Per: 
Mayor Stuart Houston

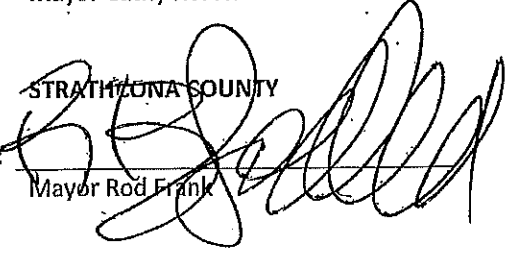
THE CITY OF ST. ALBERT

Per: 
Mayor Cathy Heron

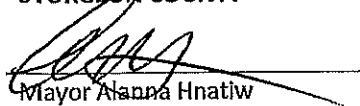
THE TOWN OF STONY PLAIN

Per: 
Mayor William Choy

STRATHCONA COUNTY

Per: 
Mayor Rod Frank

STURGEON COUNTY

Per: 
Mayor Alanna Hnatiw

