Regional Transit Services Commission Design

Presentation to Strathcona County Council

26 March 2019

EY

Building a better working world

Project Objectives

Create unified transit that delivers efficient and affordable transit options to all citizens and improves the movement of people.

Create an operational framework that includes the RTSC vision and strategy, transit service delivery model, target operating model, funding model, asset transfer plan, and implementation plans
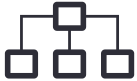
Establish a governance model for the RTSC to operate within

Build an inclusive solution that gives municipalities the ability to provide commuters with high quality transit services and a rider centric experience

Models, structures and governance for the RTSC that complies with the MGA submission requirements
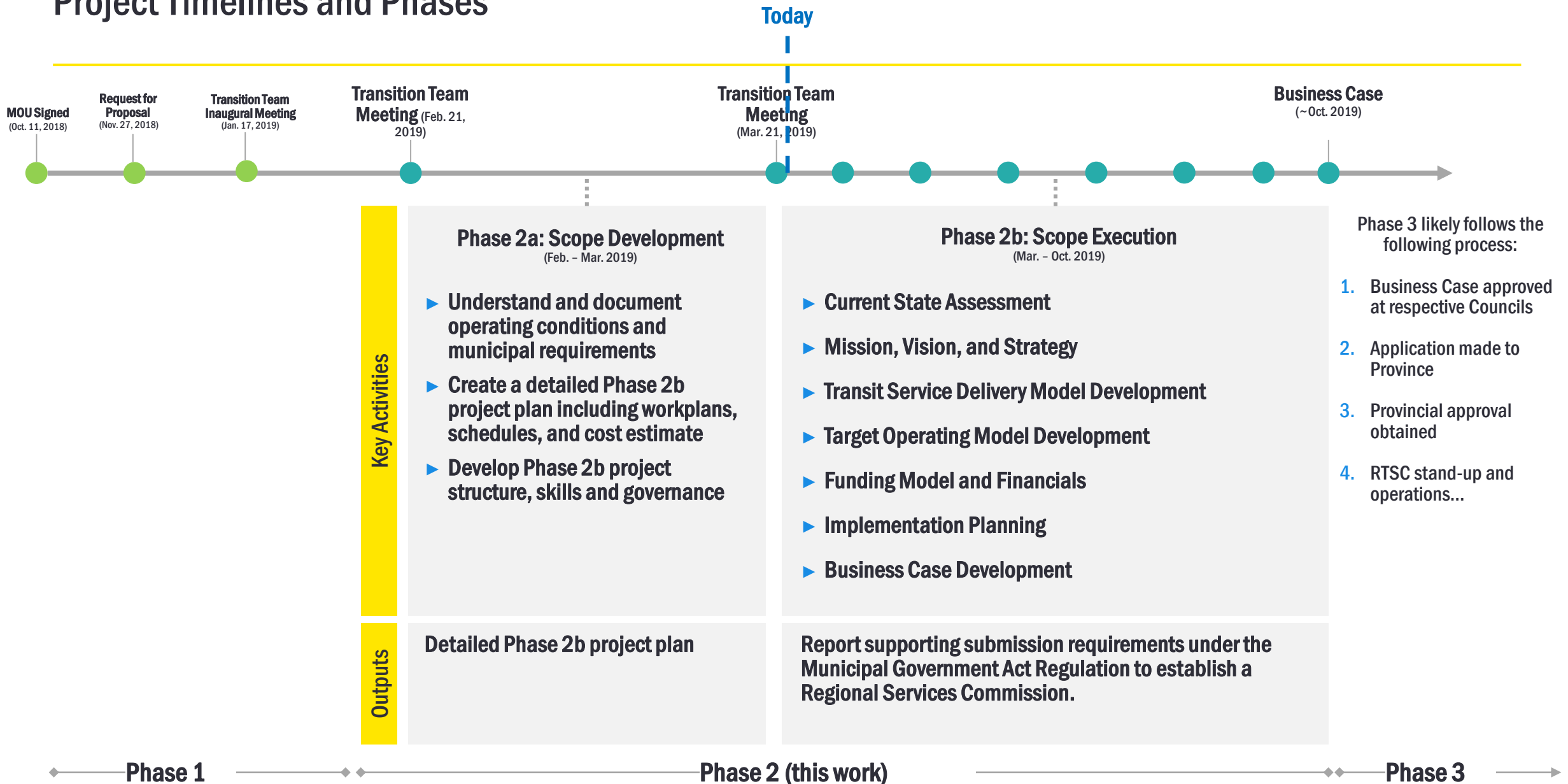
Create a comprehensive final report that can be used as a framework to stand up, operationalize and govern the RTSC

Conduct ongoing engagement to ensure all are informed and invested in the development of the RTSC and can shape the future of regional transit

Project Timelines and Phases

Today

MOU Signed
(Oct. 11, 2018)

Request for Proposal
(Nov. 27, 2018)

Transition Team Inagural Meeting
(Jan. 17, 2019)

Transition Team Meeting (Feb. 21, 2019)

Transition Team Meeting
(Mar. 21, 2019)

Business Case
(~Oct. 2019)

Key Activities

Phase 2a: Scope Development
(Feb. – Mar. 2019)

► Understand and document operating conditions and municipal requirements

► Create a detailed Phase 2b project plan including workplans, schedules, and cost estimate

► Develop Phase 2b project structure, skills and governance

Phase 2b: Scope Execution
(Mar. – Oct. 2019)

► Current State Assessment

► Mission, Vision, and Strategy

► Transit Service Delivery Model Development

► Target Operating Model Development

► Funding Model and Financials

► Implementation Planning

► Business Case Development

Phase 3 likely follows the following process:

1. Business Case approved at respective Councils

2. Application made to Province

3. Provincial approval obtained

4. RTSC stand-up and operations...

Outputs

Detailed Phase 2b project plan

Report supporting submission requirements under the Municipal Government Act Regulation to establish a Regional Services Commission.

Phase 1 — **Phase 2 (this work)** — **Phase 3**

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Common Themes From Workshops

In our detailed report we provided you with common themes from our first two workshops focusing on the areas of current state, transit service delivery and funding. We encourage you to go back and read them in detail but we have provided the highlights here:

Current State Insights

1 *Today, municipalities are collaborating,* partnering, and are keen to further integrate their services.

2 Municipalities currently providing transit services are already providing, and paying for, regional transit

3 A handful of municipalities are *holding off on transit service enhancements and capital investments while the RTSC process unfolds*

4 **Costs are continuing to rise for transit users today** which decreases the benefit of using the service and increases the case for driving

Transit Service Delivery

1 The RTSC needs to address *fare integration, not just a common fare-card,* to maintain/lower costs for riders

2 *The benefits of a RTSC model must be clearly demonstrated* compared to maintaining the status quo for both municipalities and transit users

3 Being involved in the RTSC *cannot compromise the current level of service or user experience* provided by municipalities

4 *Support from the Province* is essential to the success of the RTSC

5 Some municipalities believe that the RTSC needs to *potentially take everything, local and commuter services,* for it to be successful (all or nothing)

6 The RTSC could *potentially serve as a regulator of mobility services*

7 Potential for *smaller areas to get on board with smaller scale service offerings* or integrated service with larger municipalities

Funding Considerations

1 *Transparency and clarity will be extremely important for the funding model* to understand exactly how funds are allocated to service delivery

2 The funding model for the RTSC needs to *consider sharing fares on commuter service*

3 Local transit is heavily subsidized by commuter so some form of *subsidy must be maintained to continue local operations effectively*

4 General concern about the **impact on taxpayers**

What Needs To Be Solved?
RTSC Transit Vision

With the RTSC there is a potential to achieve:

- ▶ Support a *greater level of public investment in transit*
- ▶ *More efficient delivery* of coordinated service
- ▶ A *higher overall level of service*
- ▶ *Economies of scope and scale*
- ▶ *New regional services* that were previously not possible
- ▶ **Social, environmental** and **economic benefits** to the entire region

Municipal participants will define an overall vision for the RTSC:
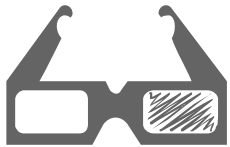
- ▶ What kind of future are we trying to build?
- ▶ What does the region look like in 2025? 2035? 2065?
- ▶ What will Citizens expect of the transit system in the future?
- ▶ How might we improve life for citizens in the region through public transit?
- ▶ How can we deliver transit service to communities more efficiently?
- ▶ What are the unique strengths/ aspects of each system that we want to keep?
- ▶ How do new mobility offerings impact the scope of service of the RTSC?

It is critical to develop further details on a potential regional transit service including identifying:

Who will it serve?

What types of mobility services will be offered?

How will those services will be delivered?

RTSC in the Future

The rapidly shifting mobility landscape mandates that consideration be given to establishing a RTSC that can manage future challenges and opportunities. The RTSC will need to be agile and flexible to adapt as it grows and mobility changes.

1 How much does the RTSC mandate shift from transit service provider to mobility manager regulator?

2 What new partnerships should be explored with new mobility providers?

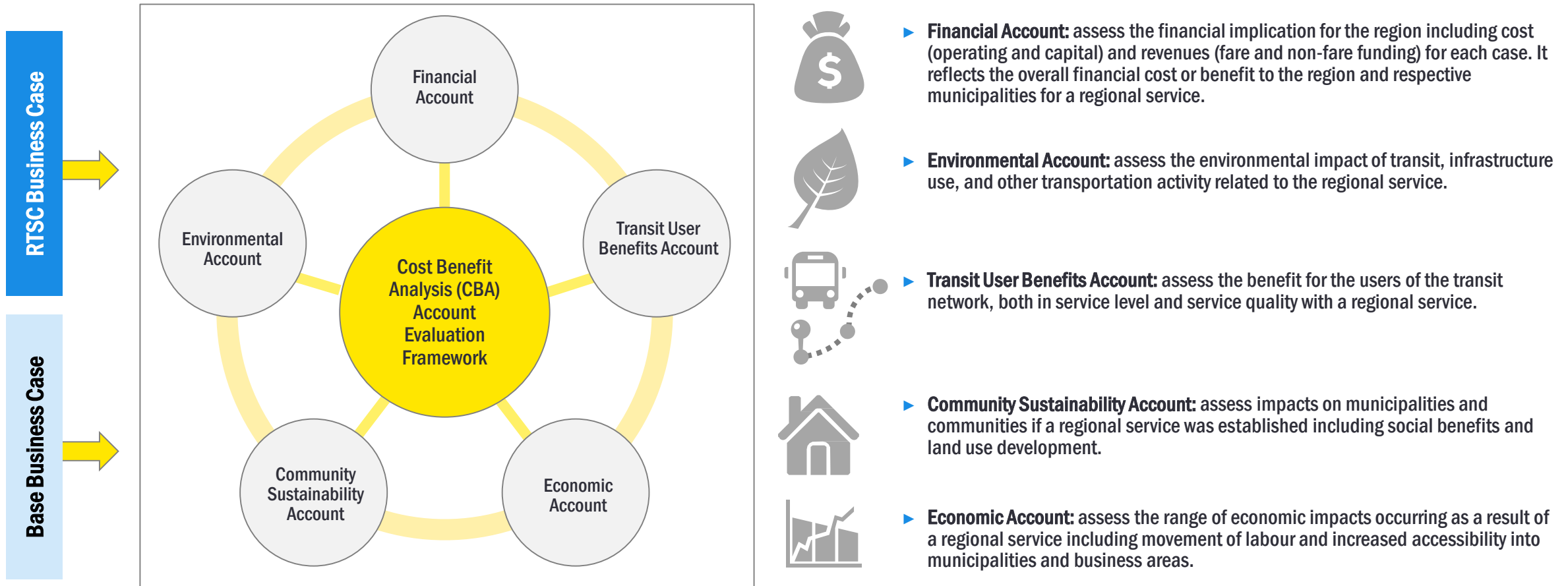**3** How can the RTSC leverage technology to meet its objectives?

4 How are transit users' expectations changing?

5 What disruptive forces might prevent a RTSC from meeting its objects?

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Cost Benefit Analysis Account Evaluation Framework

The Multiple Accounts Evaluation (MAE) Framework below is a tool to evaluate project options or cases across several factors using a mix of quantitative and qualitative considerations. This is one of the evaluation tools to assess the business case for the RTSC. When using the framework, a cost benefit analysis does not produce a single conclusion, but rather a conclusion for each evaluation account, recognizing that there is no single measure of benefit for the RTSC project, but multiple.

RTSC Business Case

Base Business Case

Financial Account

Environmental Account

Transit User Benefits Account

Cost Benefit Analysis (CBA) Account Evaluation Framework

Community Sustainability Account

Economic Account

▶ **Financial Account:** assess the financial implication for the region including cost (operating and capital) and revenues (fare and non-fare funding) for each case. It reflects the overall financial cost or benefit to the region and respective municipalities for a regional service.

▶ **Environmental Account:** assess the environmental impact of transit, infrastructure use, and other transportation activity related to the regional service.

▶ **Transit User Benefits Account:** assess the benefit for the users of the transit network, both in service level and service quality with a regional service.

▶ **Community Sustainability Account:** assess impacts on municipalities and communities if a regional service was established including social benefits and land use development.

▶ **Economic Account:** assess the range of economic impacts occurring as a result of a regional service including movement of labour and increased accessibility into municipalities and business areas.

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High-level Project Schedule

A high-level project schedule with phasing of key workstreams that will be conducted is presented in the figure below, including identification of Transition Team Meetings and proposed workshops. All workstreams are interdependent and iterative, with check points added throughout to ensure model alignment and consider implications of model options as we proceed.

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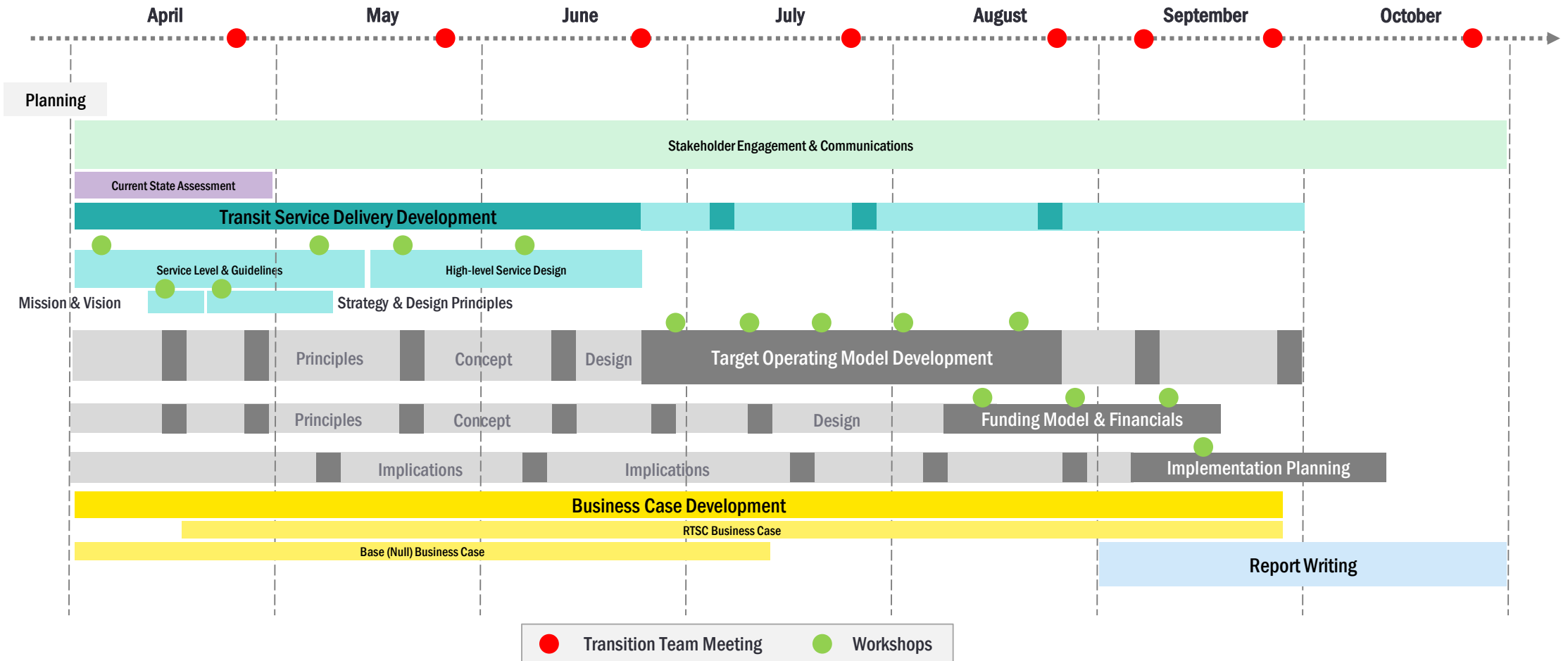
Project Governance Structure

1 RTSC and Municipal Councils work closely to align with each other

2 EY project team works across all tiers, accountable to the Transition Team and coordinating efforts of working team and specialists, government and other stakeholders to achieve program outcomes

5 RTSC project team does not mandate outcome or work, rather they manage project protocols and administration

6 The Transition Team and EY will engage with the GoA to ensure a shared dialog occurs regarding transit services, funding options and alignment to MGA requirements

3 Working team brings together municipal knowledge, specialists and supports delivery of work with the EY team
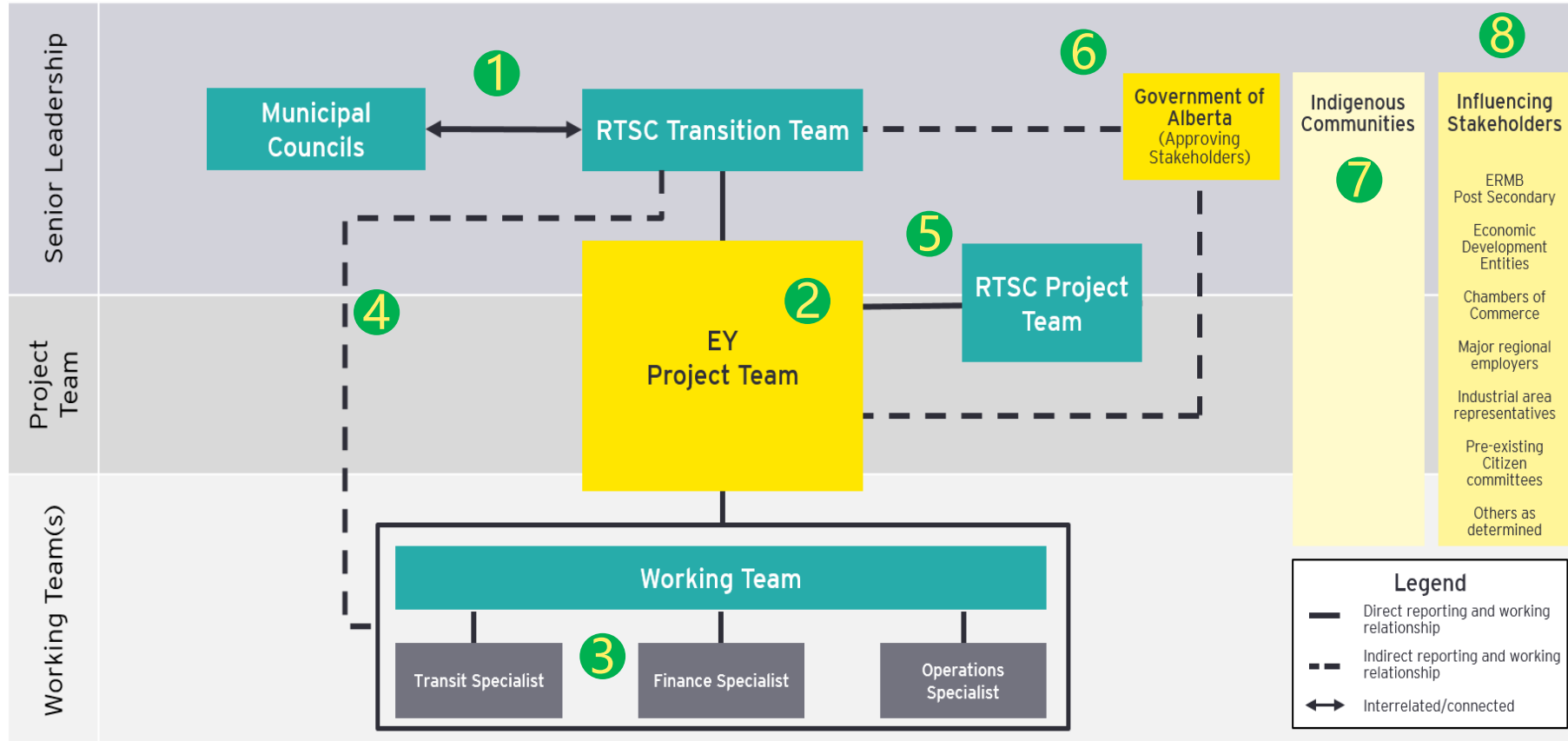
7 Regional indigenous communities involvement in the RTSC is recognized and valued and they have been invited to participate in the development of the RTSC either as Transition Team members or through other engagement forms as they see appropriate

Diagram

Senior Leadership
- Municipal Councils **1** ↔ RTSC Transition Team **6** ⇢ Government of Alberta (Approving Stakeholders) **8**
- Indigenous Communities **7**
- Influencing Stakeholders:
  - ERMB Post Secondary
  - Economic Development Entities
  - Chambers of Commerce
  - Major regional employers
  - Industrial area representatives
  - Pre-existing Citizen committees
  - Others as determined

Project Team
- **2** EY Project Team — **5** RTSC Project Team
- **4**

Working Team(s)
- Working Team **3**
  - Transit Specialist
  - Finance Specialist
  - Operations Specialist

Legend
- —— Direct reporting and working relationship
- - - - Indirect reporting and working relationship
- ←→ Interrelated/connected

4 While the working team activities are coordinated by EY, they also work directly with their respective members of the Transition Team, relaying information between groups to stay aligned and informed

8 Regional influences are significant and go well beyond only the municipalities themselves and while they are indirectly represented by municipal councils their voice in planning and delivery of regional transit is an important consideration for this work

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Discussion / Questions

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