

Regional Transit Services Commission (RTSC)

Presentation of the Final Report

Strathcona County

28 January 2020



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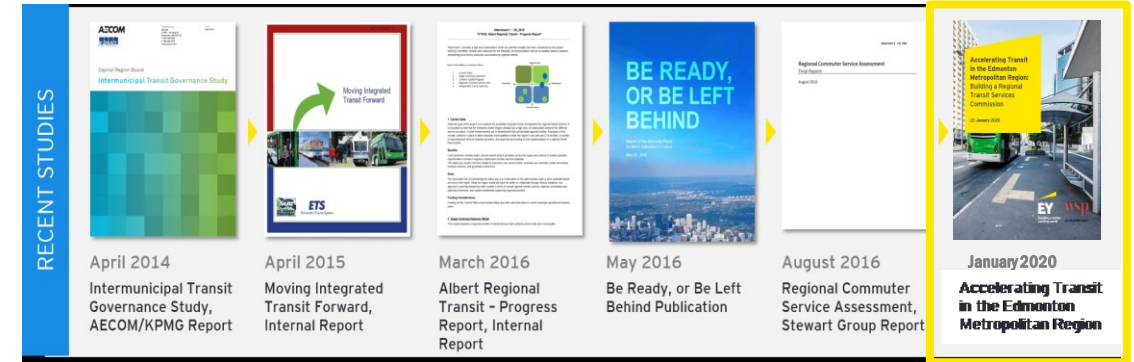
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Background

Municipalities are working together to improve transit at a regional level to enable mobility and promote a sustainable future for the Edmonton Metropolitan Region

- ▶ Many studies exploring regional transit have been done in the past, yet recent work represents a large step in the potential transition away from separate municipal transit agencies to integrated delivery under a Regional Transit Services Commission (RTSC)
- ▶ In October 2018, the Mayors from 13 municipalities signed a Memorandum of Understanding (MOU) to build a Commission with the vision of delivering transit in a more efficient and integrated way for the region
- ▶ Over 2019, work was undertaken by the RTSC Transition Team, comprised of elected officials from each municipality, to develop a Transit Commission that could
 1. **Manage the cost of delivering transit** by removing duplication
 2. **Govern decisions effectively** where all municipalities have a voice
 3. **Deliver a better integrated service** to move people across our Region



- ▶ An overarching strategy, governance and operating model, conceptual regional transit design, financials, business case and implementation plan were developed and summarized in the RTSC final report released publicly on January 22, 2020
- ▶ The twelve month process involved substantial collaboration, discussion and contribution from elected officials, members of municipal administration and operations, and with support of consultants to define how the Commission would be brought to life

Municipalities in the Edmonton Metropolitan Region are equipped with the information needed to make a decision on regional transit based on what has been developed and documented in the final report.

Case for Change

The RTSC business case provides evidence to suggest that transit services can be delivered more efficiently and effectively on a regional level, while managing the financial impact to municipalities and their residents

Meet Current and Future Mobility Needs

- ▶ **Make transit services accessible to all thirteen municipalities** to strengthen mobility of residents across the Edmonton Metropolitan Region
- ▶ **Improve the connectivity of transit services** by increasing the number of routes between municipalities and not only in and out of Edmonton
- ▶ **Increase the quality of inter-municipal transit services** by implementing specific route types that operate at higher frequencies along corridors or provide better coverage
- ▶ **Keep transit services relevant, agile and customer focused** where capacity exists to focus on strategies for mobility and innovation
- ▶ **Attract people and business investment** by way of demonstrating a region with greater mobility, higher quality of life and overall reduced congestion in the future

Use Resources More Efficiently

- ▶ **Achieve an estimated efficiency savings of \$5.5 million per year** by integrating transit services resulting in a **net realized savings of \$3.4 million per year by 2026**
- ▶ **Increase flexibility to match transit demand with fleet capacity** through the deployment of a larger consolidated fleet across an integrated regional transit network
- ▶ **Improve ability to perform transit planning alongside land-use and transportation corridor planning** that reduce long term infrastructure costs
- ▶ **Reduce complexity and effort to coordinate and deliver transit** across 13 municipalities, including working with third-parties on transit service investments and initiatives
- ▶ **Concentrate expertise and capacity to transit service delivery** by bringing together transit resources from across the region and beyond

As the region becomes more interconnected and complex, doing “more of the same” to meet the region’s mobility needs will not be sustainable over the long term.

Strategy and Operations

Municipalities envision a RTSC that will transform transit and improve mobility across the region by combining the strengths of individual municipal transit agencies to provide a better service and accomplish more for citizens

- ▶ Guided by the RTSC's purpose, vision and mission, **seven strategic priorities** were developed to shape the future of transit in the region and focus RTSC resources from 2021-2026:
 1. **Customer experience:** Provide a customer centric experience that is seamless across municipal boundaries
 2. **Service Delivery:** Deliver integrated and accessible services efficiently and effectively
 3. **Future of Mobility:** Be agile to respond to changes and deliver services customers demand
 4. **Fiscal Responsibility:** Demonstrate transparency and be accountable for making responsible investments
 5. **People & Culture:** Create a workplace that excites and empowers people to deliver exceptional service
 6. **Growth & Sustainability:** Use public transit to accelerate regional growth in a sustainable manner
 7. **Safety:** Maintain a safe and welcoming environment for employees and customers
- ▶ To execute on these priorities, an operating model was developed to help RTSC leadership organize and resource the Commission to be effective over time
- ▶ It is structured around key capabilities required by a forward-thinking transit organization, such as enhanced customer service and effective transit planning/delivery



RTSC Purpose

Bringing municipal transit services **together** for the **benefit of one region**

RTSC Vision



Experience the future of mobility where you can go any place, at any time and **in the way you choose**



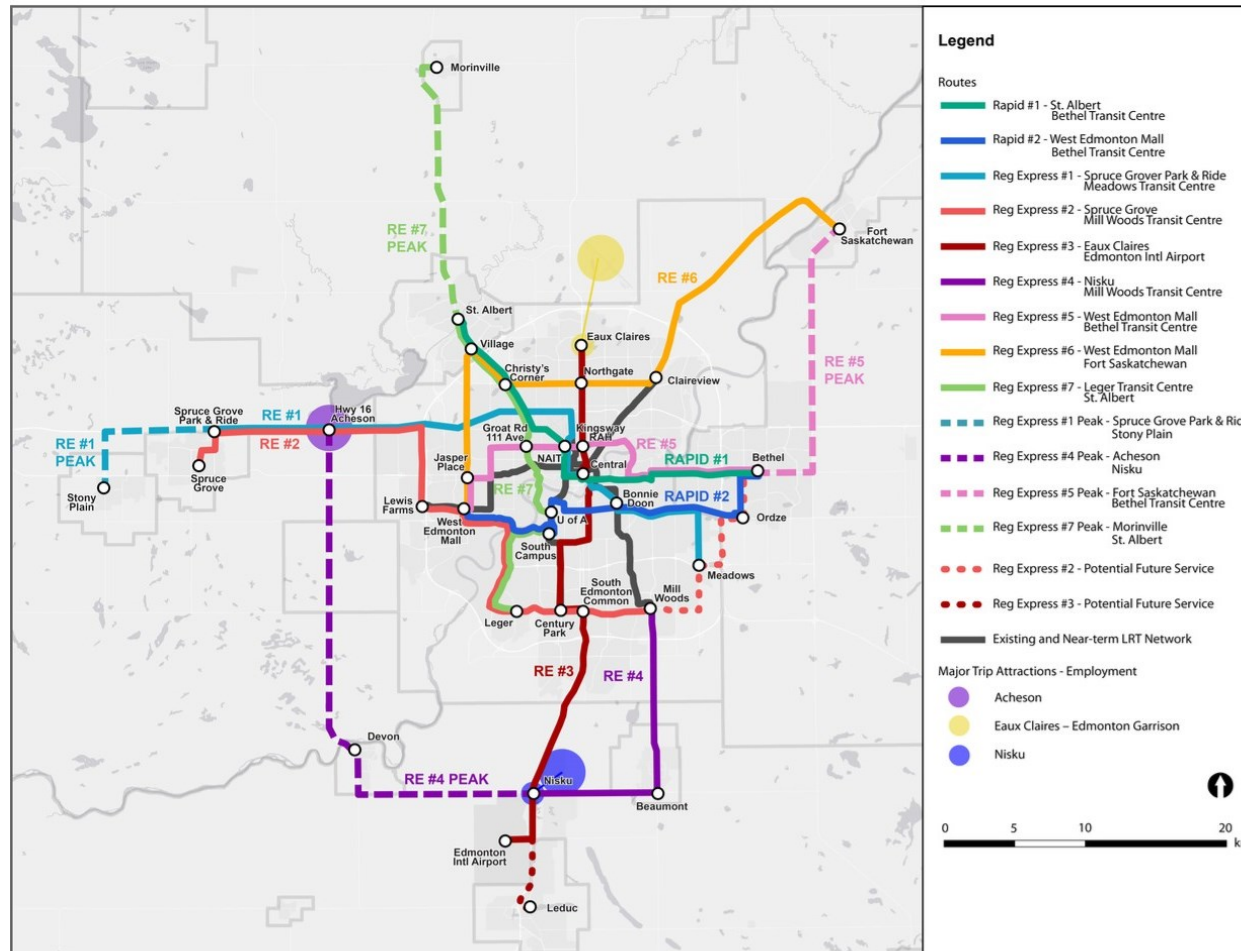
RTSC Mission

To **enable** a variety of **sustainable** mobility options that **best serve** our region's people and communities

The RTSC's value proposition will be to provide citizens of the Edmonton Metropolitan Region with a seamless transit system that provides excellent customer experience and enhanced service delivery.

Transit Service Delivery

The conceptual transit services design allows us to visualize what regionally integrated services could look like under the RTSC and was developed based on modelling current service to remove duplication, address gaps and enhance service



- ▶ This **map of conceptual transit service** demonstrates a more seamlessly connected and efficient network compared to the fragmented one that exists today
- ▶ While this design would need to be finalized through public consultation and further modelling, **it offers a series of new service enhancements and routes**
- ▶ **Approximately 6,800 weekly revenue hours of service were identified within the system for reallocation to regional routes** to be included in the RTSC (and transit model)
- ▶ Based on the conceptual design and service metrics for each route, **the transit model identified approximately 1,540 hours of savings that can realized** through the consolidation of routes and reduction in “dead-heading”
- ▶ This **consolidation of routes does not represent a reduction in service** and a contingency of about 700 service hours per week were added to the model to account for variations in hours to maintain service levels

The conceptual transit services design provides an improved service while achieving savings from efficiencies through a regional transit network.

Financials

The RTSC financial model is based on transit costs forecasted by municipal transit agencies that have been aggregated and adjusted for incremental costs and savings associated with establishing and operating the Commission

- ▶ The total RTSC funding shortfall was calculated using aggregated, annual forecasted costs of operating separate transit agencies plus one-time, start up costs of establishing the Commission, plus recurring incremental costs and less transit service efficiencies

SUMMARY OF RTSC FINANCIALS	Account	<i>In thousands \$CAD</i>	2020	2021	2022	2023	2024	2025	2026
	Base Case Funding Shortfall		-	-	55,679	56,507	57,698	58,842	59,975
	Add: One-time/Start-up Costs		864	1,877	1,141	531	-	-	-
	Add: Recurring Incremental Costs		17	2,524	1,711	2,042	2,218	2,202	2,136
	Less: Service Efficiency Savings		-	-	(1,685)	(2,322)	(3,615)	(4,907)	(5,500)
	Total RTSC Funding Shortfall		\$881	\$4,40	\$56,846	\$56,757	\$56,301	\$56,138	\$56,610
	Annual Funding Shortfall (Surplus)		\$881	\$4,40	\$1,166	\$250	\$(1,397)	\$(2,704)	\$(3,364)
	Cumulative Funding Shortfall (Surplus)		\$881	\$5,282	\$6,448	\$6,699	\$5,302	\$2,597	\$(767)

RTSC planning, one-time costs, as-is service

YEAR 0

RTSC forming, one-time costs, as-is service

YEAR 1

RTSC delivering regional transit services

YEARS 2 – 6

Net savings realized through the implementation of a regional transit system translate to an estimated \$3.4 million per year by 2026 at which time start-up costs of operating the Commission have been recovered.

Cost Allocation

The chosen approach to allocating the RTSC funding shortfall across municipalities was iteratively developed to adhere to the principles of cost equity, clarity, administrative feasibility, mobility effectiveness, and durability

- Each municipality is allocated a portion of the annual RTSC funding shortfall, which is comprised of the following:
 1. **A Base Fee** (small fixed component and variable component based on population)
 2. **Regional Service Allocation** (distribution of the collective RTSC regional service routes)
 3. **Local Service Allocation** (local service uploaded to the Commission for the benefit of the specific municipality)
 4. **Enhanced Service Allocation** (cost of additional services developed in consultation with a municipality and allocated to the requesting municipality)

Municipality	2022	2023	2024	2025	2026	Total	Average	%of Total	MUNICIPAL COST ALLOCATION
City of Edmonton	23,356	23,692	24,195	24,675	25,147	121,065	24,213	41.93%	
Strathcona County	14,464	14,686	15,001	15,305	15,605	75,061	15,012	26.00%	
City of St. Albert	10,621	10,774	11,009	11,232	11,451	55,086	11,017	19.08%	
City of Spruce Grove	1,954	1,984	2,025	2,065	2,104	10,132	2,026	3.51%	
Parkland County	656	666	678	691	703	3,394	679	1.18%	
City of Leduc	1,177	1,199	1,221	1,244	1,268	6,109	1,222	2.12%	
City of Fort Saskatchewan	1,358	1,380	1,408	1,435	1,462	7,044	1,409	2.44%	
Sturgeon County	191	194	196	199	202	981	196	0.34%	
City of Beaumont	314	319	324	329	334	1,619	324	0.56%	
Town of Stony Plain	595	604	615	626	637	3,076	615	1.07%	
Leduc County	685	698	710	723	737	3,554	711	1.23%	
Town of Morinville	180	182	184	187	190	923	185	0.32%	
Town of Devon	129	130	132	133	135	658	132	0.23%	
Total <i>In thousands \$CAD</i>	\$ 55,679	\$ 56,507	\$ 57,698	\$ 58,842	\$ 59,975	\$ 288,701	\$ 57,740	100.00%	

Annual contributions by municipalities to the RTSC are estimated to be comparable to the forecasted cost of operating transit services separately with any increases in cost due to the addition of new services.

Governance

The governance structure outlines how the RTSC makes decisions and delivers services on behalf of the region while also maintaining balance across the member municipalities, stakeholders and other decision-making bodies

How would the RTSC be established?

- ▶ The Regional Transit Services Commission (RTSC) would be established under the Municipal Government Act (MGA)
- ▶ This model allows the RTSC to provide services seamlessly across the member municipalities, without regard to the individual municipal borders that currently require individual transit agencies to strike multiple service agreements

How would it be governed?

- ▶ Governed by a Board and led day-to-day by an Executive Team
- ▶ The Board would be comprised of one elected member of Council from each of the 13 municipalities
- ▶ Bylaws and Transit Services Guidelines are tools the Commission would use to guide decision-making
- ▶ The Board's voting structure balances regional and municipal interests, as **each municipality holds one vote** and a double 2/3 majority is needed for major financial and strategic decision whereas all other decisions require a simple majority

- ▶ **Bylaws have been drafted in accordance with the MGA** and will form part of the application
- ▶ The RTSC governance model **will include mechanism(s) to inject non-elected, skills-based resources** into the RTSC governance structure
- ▶ **An independent governance review will be conducted 24 months from inception** to examine aspects such as board size, composition and efficiency to support continuous improvement

A governance model has been established to provide member municipalities with a voice in decision-making, while preserving the Commission's ability to manage mobility on a regional level.

RTSC Business Case

Using a multiple account framework evaluation approach, all six of the following accounts were directionally assessed as positive



Financial Account

The forecasted funding shortfall of operating transit services under the RTSC is lower than that of operating services separately, despite savings calculations only including service hour efficiencies and reduction in non-revenue hours.



Transit User Account

A regional transit services network provides more seamless and efficient movement of people across municipal boundaries resulting in a better customer experience as a result of factors such as increased directness, speed of travel and simplicity of trip planning.



Service Provider Account

A regional transit services provider is more equipped to action on regional objectives and engage with stakeholders to enlist support in transit for the purposes of improving service delivery and facilitating regional mobility on a larger scale.



Community Account

Through the delivery of regional transit services, people can become less reliant on personal vehicle use and have more choice when it comes to where they want to live, work and play, which equates to a higher quality of life and community prosperity.



Economic Account

Regional transit services improve the connectivity and economic growth of the region by increasing access to employment opportunities, attractiveness of the region for business investment, and reduced infrastructure costs to municipalities and the province.



Environmental Account

A regional transit service allows for the more efficient deployment and management of assets across the network to reduce waste and emissions across the system, and supports a mode shift away from personal vehicles reducing overall environmental impact to the region.

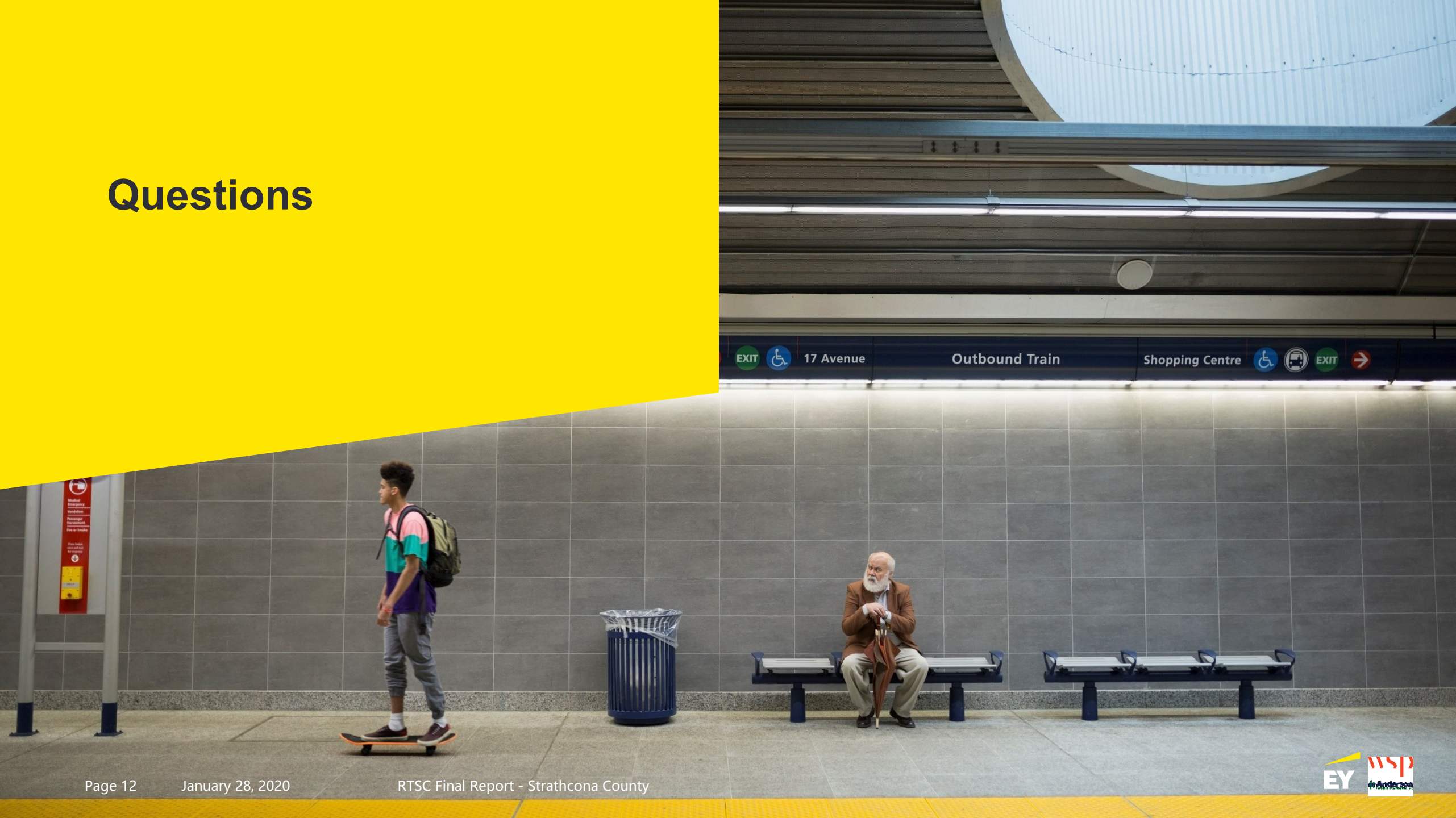
A strong business case to establish a Regional Transit Services Commission exists when compared to the base case scenario of continuing to deliver services via separate municipal transit agencies.

Summary

Municipalities of the Edmonton Metropolitan Region are faced with a decision that will impact generations to come

- ▶ Municipalities in the Edmonton Metropolitan Region are equipped with the information needed to make a decision on regional transit based on what has been developed and documented in the final report
- ▶ As the region becomes more interconnected and complex, doing “more of the same” to meet the region’s mobility needs will not be sustainable over the long term
- ▶ The RTSC’s value proposition will be to provide citizens of the Edmonton Metropolitan Region with a seamless transit system that provides excellent customer experience and enhanced service delivery
- ▶ The conceptual transit services design provides an improved service while achieving savings from efficiencies through a regional transit network.
- ▶ Net savings realized through the implementation of a regional transit system translate to an estimated \$3.4 million per year by 2026 at which time start-up costs of operating the Commission have been recovered
- ▶ Annual contributions by municipalities to the RTSC are estimated to be comparable to the forecasted cost of operating transit services separately with any increases in cost due to the addition of new services
- ▶ A governance model has been established to provide member municipalities with a voice in decision-making, while preserving the Commission’s ability to manage mobility on a regional level
- ▶ **A strong business case to establish a Regional Transit Services Commission exists when compared to the base case scenario of continuing to deliver services via separate municipal transit agencies**

Questions



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