

# **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