



**City of Port Colborne
Council Meeting Agenda**

Date: Monday, February 8, 2021
Time: 6:30 pm
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Pages

1. **Call to Order**
2. **National Anthem**
3. **Proclamations**
4. **Adoption of Agenda**
5. **Disclosures of Interest**
6. **Approval of Minutes**
 - 6.1. Regular Meeting of Council - January 25, 2021 1
7. **Staff Reports**
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	In order to speak at a Council meeting, individuals must register no later than 12 noon on the date of the scheduled meeting. To register, complete the online application at www.portcolborne.ca/delegation , email deputyclerk@portcolborne.ca or phone 905-835-2900, ext. 115.	
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20.	Confidential Items	
	Confidential reports will be distributed under separate cover. Items may require a closed meeting in accordance with the Municipal Act, 2001.	

20.1. Minutes of the closed session portion of the January 11, 2021 Council Meeting

20.2. Chief Administrative Office Report 2021-36, Potential Disposition of City Owned Land

21. Procedural Motions

22. Information items

23. Adjournment

**City of Port Colborne
Council Meeting Minutes**

Date: Monday, January 25, 2021
Time: 6:30 p.m.
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Members Present: M. Bagu, Councillor
E. Beauregard, Councillor
R. Bodner, Councillor
G. Bruno, Councillor
F. Danch, Councillor
A. Desmarais, Councillor
D. Kalailieff, Councillor
W. Steele, Mayor (presiding officer)
H. Wells, Councillor

Staff Present: D. Aquilina, Director of Planning and Development
A. LaPointe, Manager of Legislative Services/City Clerk
S. Luey, Chief Administrative Officer
C. Madden, Deputy Clerk (minutes)
B. Boles, Director of Corporate Services/Treasurer
C. Kalimootoo, Director of Engineering and Operations

- 1. Call to Order**
- 2. National Anthem**
- 3. Adoption of Agenda**

Moved by Councillor D. Kalailieff
Seconded by Councillor A. Desmarais

That the agenda dated January 25, 2021 be confirmed, as circulated.

Carried

4. Disclosures of Interest

4.1 Councillor E. Beauregard - Sale of 130 Rodney Street (Report 2021-27)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.2 Councillor E. Beauregard - Sale of 133 Durham Street (Report 2021-28)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.3 Councillor E. Beauregard - Sale of 142 Fraser Street (Report 2021-31)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.4 Councillor E. Beauregard - Sale of 80 Nickel Street (Report 2021-29)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.5 Councillor E. Beauregard - Sale of 90 Fraser Street (Report 2021-32)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.6 Councillor E. Beauregard - Sale of Vacant Lot on Catherine Street (Report 2021-30)

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.7 Councillor E. Beauregard - Annual Asphalt Resurfacing Program, Extension (Report 2021-24)

The Councillor is employed by Sullivan Mahoney LLP, the solicitor for Rankin Construction Inc.

4.8 Councillor E. Beauregard - By-law to Authorize Entering into a Contract Agreement with Rankin Construction - Tender 2015-11, Annual Asphalt Resurfacing Contract Extension

The Councillor is employed by Sullivan Mahoney LLP, the solicitor for Rankin Construction Inc.

4.9 Councillor E. Beauregard - By-law to Authorize Entering into an Agreement of Purchase and Sale with Alvin Rampersaud respecting 130 Rodney Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.10 Councillor E. Beauregard - By-law to Authorize Entering into an Agreement of Purchase and Sale with Glyn Holmes in Trust respecting 133 Durham Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.11 Councillor E. Beauregard - By-law to Authorize Entering into an Agreement of Purchase and Sale with Davert Tools Inc. respecting 142 Fraser Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.12 Councillor E. Beauregard - By-law to Authorize Entering Into an Agreement of Purchase and Sale with The Landscape Depot (Niagara Falls) Ltd. respecting a Vacant lot on the West Side on Catherine Street near Princess Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.13 Councillor E. Beauregard - By-law to Authorize Entering into an Agreement of Purchase and Sale with Ryan Thompson in Trust respecting 80 Nickel Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

4.14 Councillor E. Beauregard - By-law to Authorize Entering into an Agreement of Purchase and Sale with Adejoke and Femi Abdul respecting 90 Fraser Street

The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.

5. Approval of Minutes

5.1 Regular Meeting of Council - January 11, 2021

Moved by Councillor H. Wells
Seconded by Councillor R. Bodner

That the minutes of the regular meeting of Council, held on January 11, 2021, be approved as presented.

Carried

6. Staff Reports

Moved by Councillor D. Kalailieff
Seconded by Councillor A. Desmarais

That items 6.2, 6.3, 6.4, 6.5, and 6.6 be approved, and the recommendations contained therein be adopted.

Carried

6.2 Sale of 130 Rodney Street (Report 2021-27)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

That the City enters into an Agreement of Purchase and Sale with Alvin Rampersaud for \$45,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with Alvin Rampersaud for \$45,000, be brought forward.

6.3 Sale of 133 Durham Street (Report 2021-28)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

That the City enters into an Agreement of Purchase and Sale with Glyn Holmes in Trust for \$65,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with Glyn Holmes in Trust for \$65,000, be brought forward.

6.4 Sale of 142 Fraser Street (Report 2021-31)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

That the City enters into an Agreement of Purchase and Sale with Davert Tools Inc. for \$50,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with Davert Tools Inc. for \$50,000, be brought forward.

6.5 Sale of 80 Nickel Street (Report 2021-29)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

That the City enters into an Agreement of Purchase and Sale with Ryan Thompson in Trust for \$150,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with Ryan Thompson in Trust for \$150,000, be brought forward.

6.6 Sale of 90 Fraser Street (Report 2021-32)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

That the City enters into an Agreement of Purchase and Sale with Adejoke and Femi Abdul for \$90,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with Adejoke and Femi Adbul for \$90,000, be brought forward.

6.1 Christian Horizons Group – Invoice for False Alarms (Report 2021-21)

Moved by Councillor E. Beauregard

Seconded by Councillor M. Bagu

That Council receive Fire and Emergency Services Report 2021-21, Christian Horizons Group – Invoice for False Alarms; and

That the Fire Chief be directed to continue billing for nuisance alarms in accordance with By-law 6741/105/19.

Carried

7. Correspondence Items

Moved by Councillor G. Bruno

Seconded by Councillor M. Bagu

That item 7.1 be received for information.

Carried

**7.1 Memorandum from Environmental Advisory Committee - EAC
Additional Vale CBRA Recommendations**

8. Proclamations

9. Presentations

**9.1 Lynne Cunningham, Municipal Relations Representative, Municipal
Property Assessment Corporation (MPAC)**

Lynne Cunningham, Municipal Relations Representative, provided a presentation with respect to Municipal Property Assessment Corporation (MPAC) and responded to questions received from Council.

10. Delegations

**10.1 Jaskaran Singh - Request to waive invoice received for Fire Fighting
Services - Water Rescue**

Jaskaran Singh reiterated his request to Council with respect to waiving the Invoice received from the Fire Department as a result of the incident that occurred during a windstorm on November 15, 2020.

Moved by Councillor A. Desmarais
Seconded by Councillor M. Bagu

That consideration of Jaskaran Singh's request to waive the Fire Department Invoice received as a result of the incident that occurred during a windstorm on November 15, 2020, be referred to the Deputy Fire Chief in order to investigate and bring a report forward to Council with further details.

Carried

11. Mayor's Report

A copy of the Mayor's report is attached.

12. Regional Councillor's Report

13. Staff Remarks

13.1 Letters regarding Road Ends (Luey)

The Chief Administrative Officer provided an update on the road ends study and stated the deadline to complete the road ends survey has been extended to February 17, 2021.

13.2 Mineral Aggregate Policy Update (Aquilina)

The Director of Planning and Development informed Council that Niagara Regional staff are currently preparing a report regarding Mineral Aggregate policy and protection of the aquifer to bring forward at the Planning and Economic Development Committee meeting on February 17, 2021.

14. Councillors' Remarks

14.1 Building Division (Bagu)

In response to Councillor Bagu's inquiry, the Chief Administrative Officer provided an update on the current status of the Building Division and the overall plan moving forward.

14.2 City Insurance Claims (Bagu)

Councillor Bagu expressed concern regarding the number of City insurance claims during the past five years. The Director of Corporate Services/Treasurer informed Council that he would investigate this matter.

14.3 Ice Safety (Bagu)

Councillor Bagu asked residents partaking in outdoor ice activities such as skating or ice fishing to be safe.

14.4 2021 Proposed Ditching (Bodner)

In response to Councillor Bodner's inquiry regarding whether roadside ditching is completed through the winter months, the Manager of Projects and Design informed Council that the City uses rented equipment to complete this work in the spring and summer months.

14.5 Garbage Collection on West Street (Kalailieff)

Councillor Kalailieff inquired regarding a business not receiving weekly garbage collection. The Chief Administrative Officer informed Council that he has coordinated with Niagara Region staff to have the business added back into the Niagara Region's business district map of weekly collection.

14.6 Customer Service Update (Bruno)

In response to Councillor Bruno's request, the Director of Corporate Services/Treasurer provided Council with an update on the City's Customer Service trajectory.

14.7 Chief Building Official (Bruno)

In response to Councillor Bruno's inquiry, the Chief Administrative Officer informed Council that he would investigate options for the interim Chief Building Official.

14.8 Light on Miller Road (Wells)

In response to Councillor Wells' inquiry regarding a flashing light on Miller Road, the Manager of Projects and Design informed Council that the light was installed by the Niagara Region, that he would look into whether there are any other similar Region signs in the City and that he would investigate as to what the justification is for the installation of these signs.

14.9 Site Alteration on the corner of Pleasant Beach Road and Highway 3 (Wells)

In response to Councillor Wells' inquiry, the Director of Planning and Development informed Council that the City did not provide any site alternation approval for this location and that By-law staff will investigate this matter.

14.10 Road End at Weaver Road (Wells)

In response to Councillor Wells' inquiry regarding the Weaver Road road allowance that is currently being utilized by residents to repair their break walls, the Director of Engineering and Operations confirmed that staff will ensure the road and road allowance will be cleared once the work is complete.

14.11 Street Sign for Canalbank Road (Danch)

In response to Councillor Danch's request, the Manager of Projects and Design indicated that he will look into installing a street name sign for Canalbank Road at the corner of Main Street West and Canalbank Road.

14.12 72 Nickel Street (Desmarais)

In response to Councillor Desmarais' request, the Chief Administrative Officer informed Council that he will investigate this matter and provide an update to Council in the near future.

14.13 Ontario Community Infrastructure Fund (Beauregard)

In response to Councillor Beauregard's inquiry about the Province's recently announced Ontario Community Infrastructure Fund, the Director of Corporate Services/Treasurer informed Council that he would investigate this funding.

15. Consideration of Items Requiring Separate Discussion

15.1 COVID Update – January 2021 (Report 2021-26)

Moved by Councillor H. Wells
Seconded by Councillor R. Bodner

That Chief Administrative Office Report 2021-26 be received for information.

Carried

15.2 General Insurance 2021 (Report 2021-25)

Moved by Councillor H. Wells
Seconded by Councillor M. Bagu

That Corporate Services Department Report 2021-25 be received;

That the existing general insurance program be renewed with Frank Cowan Company for an annual premium of \$565,232 plus applicable taxes for a period of 18-months (until June 30, 2022); and

That the general insurance program be marketed prior to the conclusion of the contract term ending June 30, 2022.

Carried

15.3 Annual Asphalt Resurfacing Program, Extension (Report 2021-24)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the solicitor for Rankin Construction Inc.)

Moved by Councillor H. Wells
Seconded by Councillor R. Bodner

That Engineering and Operations Department Report 2021-24 be received;

That the current Asphalt Resurfacing Contract #2015 Road Resurfacing with Rankin Construction Inc. be extended for an additional 2 years, at an annual increase of 2% applied to the 2020 unit rates for 2021, and a 2% increase applied to the 2021 unit rates for 2022;

That staff be directed to utilize the bid items as listed within the existing Tender Document in such a manner to complete all works as may be required for each year of 2021 and 2022, all as approved in the annual budget by Council; and

That a contract by-law, whereby the City enters into a Contract Agreement with the contractor be prepared to extend the contract as stated.

Carried

15.4 Sidewalk Construction City Wide, Extension (Report 2021-33)

Moved by Councillor H. Wells

Seconded by Councillor F. Danch

That Engineering and Operations Department Report 2021-22 be received;

That the current Sidewalk Construction City Wide Contract #2020-12 with Signature Contractors Windsor Inc. be extended for one year, at a 0% increase over the 2020 unit rates; and

That staff be directed to utilize the bid items as listed within the existing Tender Document in such a manner as to complete all works as may be required, all as approved in the annual budget by Council; and

That a contract by-law, whereby the City enters a Contract Agreement with the contractor be prepared to extend the contract as stated.

Amendment:

Moved by Councillor G. Bruno

Seconded by Councillor D. Kalailieff

That Engineering and Operations Department Report 2021-22 be received;

That the current Sidewalk Construction City Wide Contract #2020-12 with Signature Contractors Windsor Inc. be extended for one year, at a 0% increase over the 2020 unit rates; and

That staff be directed to utilize the bid items as listed within the existing Tender Document in such a manner as to complete all works as may be required, all as approved in the annual budget by Council;

That a contract by-law, whereby the City enters a Contract Agreement with the contractor be prepared to extend the contract as stated;

That the Director of Engineering and Operations be directed to investigate active transportation on Clarence Street with engagement from the Ward 1 Councillors and key stakeholders; and

That the Director of Engineering and Operations bring a report regarding active transportation on Clarence Street forward at the March 8, 2021 Council meeting.

Carried

15.5 Sale of Vacant Lot on Catherine Street (Report 2021-30)

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

Moved by Councillor G. Bruno
Seconded by Councillor M. Bagu

That the City enters into an Agreement of Purchase and Sale with The Landscape Depot (Niagara Falls) Ltd. for \$230,000;

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the sale of these lands; and

That a by-law to authorize entering into an Agreement of Purchase and Sale with The Landscape Depot (Niagara Falls) Ltd. for \$230,000, be brought forward.

Carried

16. Motions

16.1 Memorandum from Councillor Bruno - Motion to Amend Official Plan and Zoning By-law

Moved by Councillor G. Bruno
Seconded by Councillor H. Wells

That the Director of Planning & Development be directed to make applications to amend the Official Plan and Zoning By-law for City and private property located at the northwest corner of Welland and Killaly Street East; and

That all costs be absorbed by the City.

Carried

17. Notice of Motions

18. Minutes of Boards & Committees

19. By-laws

Moved by Councillor H. Wells
Seconded by Councillor F. Danch

That items 19.1 up to and including 19.11 be enacted and passed.

Carried

19.1 By-law to Amend Zoning By-law 6575/30/18 Respecting 168 and 176 Elm Street

19.2 By-law to Authorize Entering into a Contract Agreement with Rankin Construction - Tender 2015-11, Annual Asphalt Resurfacing Contract Extension

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the solicitor for Rankin Construction Inc.)

19.3 By-law to Authorize Entering in a Contract Agreement with Signature Contractors Windsor Inc. - Tender 2020-12, Sidewalk Construction City Wide, Extension

19.4 By-law to Authorize Entering into an Agreement of Purchase and Sale with Alvin Rampersaud respecting 130 Rodney Street

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an

indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

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19.9 By-law to Authorize Entering Into an Agreement of Purchase and Sale with The Landscape Depot (Niagara Falls) Ltd. respecting a Vacant lot on the West Side on Catherine Street near Princess Street

Councillor E. Beauregard declared a conflict on this item. (The Councillor is employed by Sullivan Mahoney LLP, the City's solicitor, and has an indirect pecuniary interest as the City's solicitor provided or will provide legal advice on this item.)

19.10 By-law to Appoint Building Inspectors

19.11 By-law to Adopt, Ratify and Confirm the Proceedings of the Council of The Corporation of the City of Port Colborne

20. Confidential Items

21. Procedural Motions

22. Information items

23. Adjournment

Mayor Steele adjourned the meeting at approximately 9:34 p.m.

William C. Steele, Mayor

Amber LaPointe, City Clerk



Subject: Niagara Transit Governance

To: Council

From: Corporate Services Department

Report Number: 2021-39

Meeting Date: February 8, 2021

Recommendation:

That Corporate Service Department Report 2021-39 be received;

That Council endorse, in principle, the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system, taking into account that Niagara Region will commit to and address:

- a. That the City of Port Colborne service levels set out in the report Transit Enhancement Opportunity (Report 2021-15) dated January 11, 2021 are maintained and improved upon;
- b. That the proposed financial model be amended to address concerns presented by the City of Port Colborne; and
- c. That Regional Council consider geographical areas, such as Niagara South, when selecting two additional Councillors for the Full Commission; and

That Council direct the Director of Corporate Services / Treasurer and the Chief Administrative Officer to continue to work with other municipal CAOs and Regional staff on the Regional financial structure of the consolidation of Niagara's public transit system, which will be presented to Council with a targeted timeframe of Q2 2021.

Purpose:

The purpose of this report is to provide Council with the results of the Niagara Transit Governance Study and seek Council support, in principle, of a Full Commission Model for Niagara's consolidated public transit system.

During preparation of this report, staff reviewed similar reports presented to municipal councils in Niagara, in particular the Town of Grimsby. Staff share some of the same concerns as staff from these municipalities and have modeled this report on the reports that were presented to those councils.

Background:

The transit consolidation process was first initiated in 2015 with a partnership in the form of an inter-municipal transit group between the City of St. Catharines, Niagara Falls, Welland and the Region of Niagara to improve inter-municipal transit (IMT) service delivery.

The Niagara Transit Service Delivery and Governance Strategy Report identified several recommendations for service improvements, including the implementation of an IMT service strategy.

The Linking Niagara Transit Committee (LNTC) was established to guide the overall IMT consolidation strategy. The mandate of the LNTC was to lead the harmonization and integration of operational and policy regimes to the existing transit properties, as well as advance a consolidated governance model. The Inter-municipal Transit Working Group (IMTWG) was established to support the direction of the LNTC.

In 2019, the LNTC directed accelerated timelines for developing a consolidated transit governance model and directed the creation of a team of CAOs to oversee the recommendation for a preferred model.

In November 2020, the LNTC circulated the LNTC correspondence to Council, which included recommendations on a preferred governance model and operating model for a new IMT. Please see Appendix A for the full Regional Report CLK-C 2020-209 (LNTC-C 4-2020)

Discussion:

Regional Report CLK-C 2020-209 (LNTC-C 4-2020)

The report recommends that existing municipal transit systems be transferred to a newly created Commission, thereby consolidating the Region's individual transit system to one that is more comprehensive and serves the entire region.

Although a motion is requested for consideration, this is only intended for local Councils to agree to non-binding "in principle" support for consolidation and more importantly, provide feedback on where the municipality sees improvements or interests in what has been recommended.

Once all of the Niagara Councils have provided feedback on the model, a subsequent and final triple majority report will be brought forward in the late spring/early summer. This will be the vote that determines the final position by each municipality.

Governance Structure

The LNTC report indicates that the Full Commission governance model would be comprised of nine members, including five Regional Councillors, one from St. Catharines, Niagara Falls and Welland and two additional Councillors from the remaining municipalities, and four citizen appointees.

The City of Port Colborne recommends that the two additional Councillors from the remaining municipalities be selected based on geographical location (i.e. Niagara South) to ensure proportionate representation.

The Full Commission model is recommended as it is expected to result in an enhanced degree of independence that will support effective decision making, as well as provide more efficient and cost-effective service delivery through being restricted to funding all operations and unanticipated changes within its annual budget approved by Council.

Cost Structure

The LNTC report indicates that a final funding strategy will be recommended in Q2 2021, which will incorporate feedback from municipalities. The City of Port Colborne's CAO and Treasurer will continue to work with other CAOs on the Regional finance model to address common concerns of the smaller municipalities involved.

Economic Impacts

Expanding Niagara's transit corridors to service new employment centres will not only promote ridership but will contribute to the City's economic security and competitive ability to attract new business.

Environmental Impacts

While there are no immediate impacts to climate change as a result of a new IMT, there are potential longer-term positive effects with respect to the reduction of greenhouse gases and minimizing carbon footprint.

Specifically, an amalgamated IMT offers the opportunity for better, more integrated service which could drive ridership and therefore reduce the need for individual vehicles and trips throughout the region. Environmental benefits would be directly related to the increase of ridership and widespread use of the new IMT.

Alignment with City of Port Colborne Transit Enhancement Opportunity (Report 2021-15)

On January 11, 2021 Council approved Report 2021-15 that provided direction for the City to move towards NRTOnDemand which would align with other local area municipalities in the Niagara Region and the transit system work identified in this report. At the time of writing this report, these discussions are underway. Staff report that while

financial costing in Report 2021-15 illustrated a transition to NRTOndemand as early as June 2021, a transition may not occur until December 31, 2021 to better align with activities of the transit system work addressed in this report.

Financial Implications:

There are no immediate financial implications associated with this report. An updated financial model regarding the implementation of a new IMT and the projected transitional and operational costs is expected to be presented to Council in Q2 2021.

Initial modelling highlights the City's transit cost of \$165,700 currently on the City's levy would be uploaded (removed from the City's levy) in 2023 and replaced with a Regional levy that would be phased in between 2023 and 2027. The 2023 cost in current value dollars is estimated at \$141,000 growing to approximately \$878,000 by 2027.

Staff identify that this cost compares with the estimated (net) cost of \$510,700 to run the proposed NRTOndemand service identified in Report 2021-15 and approved on January 11, 2021.

Conclusion:

Report LNTC-C 4-2020 presents a roadmap for a new IMT in the Niagara Region. While staff are supportive of the Full Commission model, staff have provided commentary and requested additional information addressing other items within the report.

Appendices:

- a. Appendix A – Regional Report CLK-C 2020-209 (LNTC-C 4-2020)
- b. Appendix B – Regional Report CLK-C 2020-221 (PWC-C 50-2020)

Respectfully submitted,

Bryan Boles, CPA, CA, MBA
Director, Corporate Services / Treasurer
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.



Administration

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www.niagararegion.ca

November 23, 2020

CL 22-2020, November 19, 2020
PWC 10-2020, November 10, 2020
PWC-C 44-2020, November 10, 2020

Local Area Municipalities

SENT ELECTRONICALLY

RE: Recommendations for Consideration from the Linking Niagara Transit Committee held October 21, 2020

Regional Council, at its meeting of November 19, 2020, approved the following recommendation of its Public Works Committee:

That Correspondence Item PWC-C 44-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated November 10, 2020, respecting Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
2. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

A copy of Correspondence Item PWC-C 44-2020 and Report LNTC-C 4-2020 is attached for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie Norio".

Ann-Marie Norio
Regional Clerk
:me

MEMORANDUM

PWC-C 44-2020

Subject: Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020

Date: November 10, 2020

To: Public Works Committee

From: Ann-Marie Norio, Regional Clerk

At its meeting held on October 21, 2020, the Linking Niagara Transit Committee passed the following motion for consideration by the Public Works Committee:

Minute Item 5.1

LNTC-C 4-2020

Niagara Transit Governance Study

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Respectfully submitted and signed by,

Ann-Marie Norio
Regional Clerk

Subject: Niagara Region Transit Governance Study

Report to: Linking Niagara Transit Committee

Report date: Wednesday, October 21, 2020

Recommendations

1. That the Linking Niagara Transit Committee **ENDORSE-IN-PRINCIPLE** the resolution outlined in Appendix 1 to Report LNTC-C 4-2020;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of the results including any additional municipal feedback, no later than March 31, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than March 31, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Key Facts

- The purpose of this report is to provide to Council the results of the Niagara Transit Governance Study (NTGS) and seek the endorsement-in-principle of a Full Commission as the recommended governance model for Niagara's consolidated public transit system.
- There continues to be a strong argument in favour of the consolidation of transit services throughout Niagara. The ongoing COVID-19 pandemic has demonstrated the benefits of enhanced levels of coordination and organization between transit providers. As these providers look to implement recovery plans over the next number of years, there is an opportunity to align these efforts as part of the future consolidation of transit services across the region.
- The Full Commission model is recommended as it is expected to result in an enhanced degree of independence that will support effective decision making, as

well as provide more efficient and cost-effective service delivery through being restricted to funding all operations and unanticipated changes within its annual budget approved by Council. This recommendation is based on a comparative analysis of governance models through a series of fifteen (15) evaluation criteria across four (4) major categories: governance, finance, stakeholder input, and ease of implementation.

- Subject to the endorsement-in-principle of the Full Commission model by each of the twelve (12) local area municipalities (LAMs) and Regional Council, feedback and input received as part of this process will be used to expand and refine the recommended Full Commission model prior to the initiation of a triple-majority approval process anticipated in Q2 2021.
- Both a preliminary transition plan as well as an initial funding strategy have been developed that jointly outline the strategic, financial, and operational milestones required to transition from the existing independent transit systems to the new consolidated system. These plans will be expanded and refined through the approvals process, based on feedback and direction provided by Council and the twelve (12) LAMs. Based on the preliminary schedule outlined herein, responsibility for day-to-day service operation would transition to the new entity in late 2022.

Financial Considerations

To realize the consolidation of transit services across Niagara, a funding strategy must be developed that establishes:

- the baseline or start-up budgets for the Full Commission;
- the manner by which current transit funding provided by municipalities to existing operations is transitioned to the Commission;
- how one-time start-up and transition costs associated with the establishment of the Commission will be funded;
- and how transit-related assets currently owned by the local area municipalities will be transferred.

The recommended financial strategy provides a transition path which allows the Region to incorporate \$3.85 - \$4.96 million in transition costs, \$27.0 million in existing local municipal transit service, plan for the expansion of transit service, and ensure all

municipalities have equitable transit service prior to the redistribution of local transit expenditures through a Regional assessment levy.

The proposed strategy allows for a shorter transition time to upload transit costs in municipalities with minimal local transit service, while concurrently increasing connections to and service within communities outside St. Catharines, Niagara Falls, and Welland. The total Regional levy required to upload the existing local transit services, including transition costs, is 9.5%. The proposed five (5) year local transit upload transition plan requires an average annual separate Regional levy of 1.4% - 2.0% each year over the five (5) years.

This strategy was developed in consultation with local Area Treasurers and CAOs and considered variations between municipal transit grants and full regional upload to a single transit levy. The municipalities with robust transit services were primarily in favour of moving to a single Regional tax levy; municipalities with little or no transit service leaned towards a municipal transit grant to support the exiting local transit service while transit services increased within and to their communities. Conversations indicated that a phasing out of transit grants or a phasing in of a single transit levy may provide a favourable path for all municipalities. The proposed funding strategy incorporates feedback from the LAMs and aims to achieve a fair and equitable transition to a consolidated entity.

The feedback received through the approvals process, in parallel with continued dialogue with the Area Treasurers and CAOs, will be used to continue to refine the funding strategy and arrive at a final recommended strategy in parallel with the future triple-majority approval of the Commission, expected in Q2 2021.

While the recommended governance model for the new transit entity is technically independent from an agreed upon financial funding model, the financial strategy will be used to clearly map how the transition and operation costs associated with the NTGS will be funded.

Strategy Overview

A range of strategies have been considered to ensure existing, stable, and predictable levels of transit funding are transferred to the new Commission, representing a variety of options with regard to grant type, inflationary increases, recognition of existing administrative costs, and implementation timeframes.

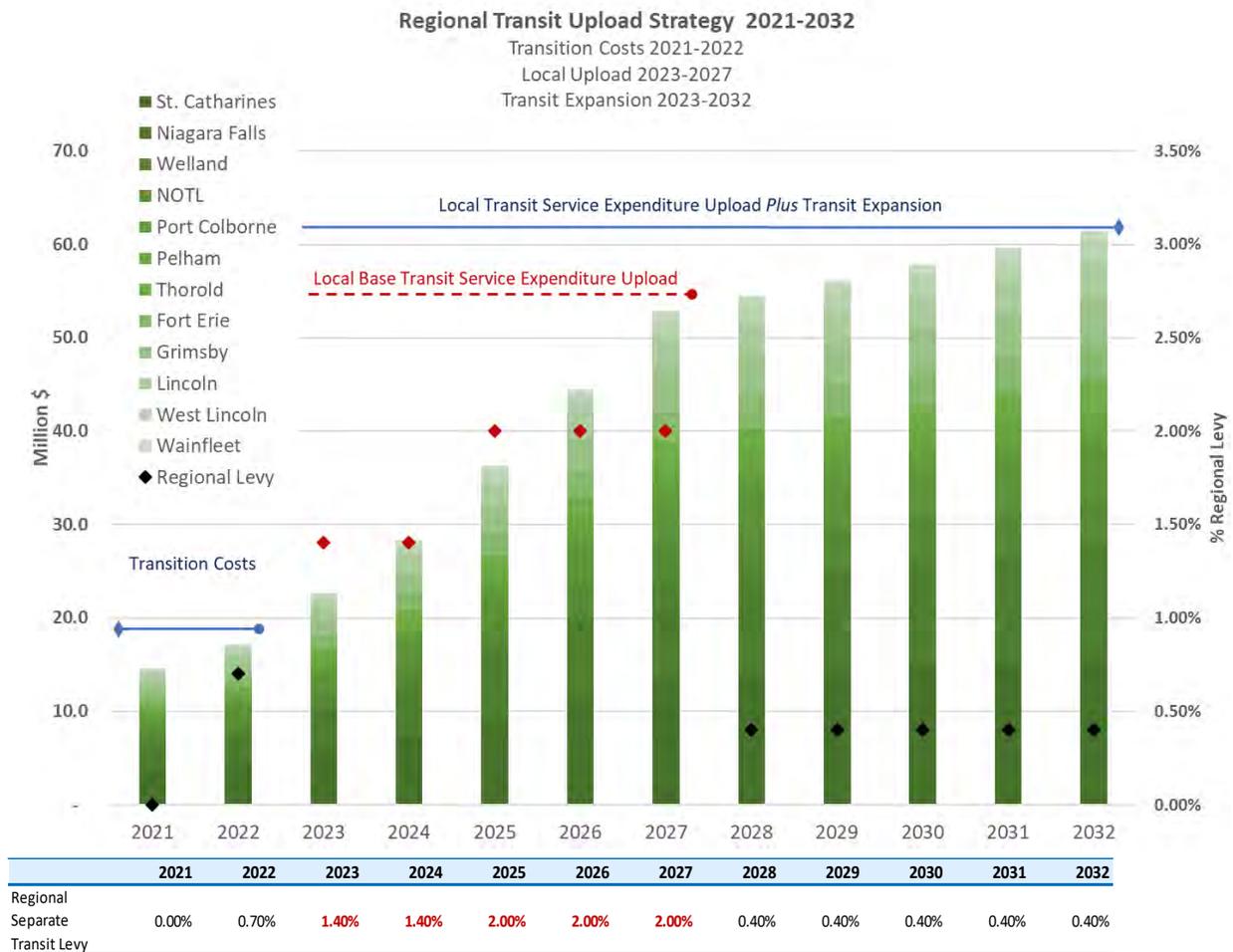
In consultation with the aforementioned groups, the proposed funding strategy recommends that all existing and incremental transit spending will be transferred to the new Commission, funded through a single Regional tax levy. The strategy includes:

- a two (2) year transition period (fiscal years 2021-2022) during which funding derived from the levy is primarily applied to the one-time costs associated with establishing the Commission;
- a transfer implementation period of five (5) years (fiscal years 2023-2027) where existing municipal transit costs are transferred to the Regional levy; and
- the expansion of transit services, running concurrent with the transfer of existing service, however finishing in 2032.

Transition costs are anticipated to be funded through a combination of existing budgets previously established by the Region through its leadership of the governance strategy and the implementation of the Regional levy as reflected in Figure 1 below.

Local transit costs assumed by the Regional levy would be offset by equivalent budgetary reductions at the local level, to support the “Fair” guiding principle that total residential taxpayer impact is minimized using the ‘one-municipal taxpayer approach.

Figure 1 - Regional Transit Consolidation Upload Strategy 2021 - 2032



The implementation time period for the offset will vary by municipality. The recommended funding strategy results in smaller municipalities transferring their transit budgets over to the new entity within the first two (2) years depending on their current transit spend, while larger municipalities transition over the full five (5) year transfer implementation period. The fixed annual municipal transit expenditure and reductions are outlined in Table 1 and Table 2 below.

Table 1 - Municipal Transit Expenditure Transition 2023 - 2027

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
St. Catharines	12,275,402	12,275,402	11,675,402	10,675,402	7,116,935	3,558,467	-	-	-	-
Niagara Falls	8,645,833	8,645,833	8,045,833	7,045,833	4,697,222	2,348,611	-	-	-	-
Welland	2,050,898	2,050,898	1,450,898	450,898	300,599	150,299	-	-	-	-
NOTL	497,223	497,223	-	-	-	-	-	-	-	-
Port Colborne	127,092	127,092	-	-	-	-	-	-	-	-
Pelham	261,156	261,156	-	-	-	-	-	-	-	-
Thorold	2,152,143	2,152,143	1,552,143	552,143	368,095	184,048	-	-	-	-
Fort Erie	826,323	826,323	226,323	-	-	-	-	-	-	-
Grimsby	250,000	250,000	-	-	-	-	-	-	-	-
Lincoln	265,829	265,829	-	-	-	-	-	-	-	-
West Lincoln	-	-	-	-	-	-	-	-	-	-
Wainfleet	-	-	-	-	-	-	-	-	-	-

Table 2 - Municipal Annual Budget Reductions 2023 - 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
St. Catharines		-	(600,000)	(1,000,000)	(3,558,467)	(3,558,467)	(3,558,467)	-	-	-
Niagara Falls		-	(600,000)	(1,000,000)	(2,348,611)	(2,348,611)	(2,348,611)	-	-	-
Welland		-	(600,000)	(1,000,000)	(150,299)	(150,299)	(150,299)	-	-	-
NOTL		-	(497,223)	-	-	-	-	-	-	-
Port Colborne		-	(127,092)	-	-	-	-	-	-	-
Pelham		-	(261,156)	-	-	-	-	-	-	-
Thorold		-	(600,000)	(1,000,000)	(184,048)	(184,048)	(184,048)	-	-	-
Fort Erie		-	(600,000)	(226,323)	-	-	-	-	-	-
Grimsby		-	(250,000)	-	-	-	-	-	-	-
Lincoln		-	(265,829)	-	-	-	-	-	-	-
West Lincoln		-	-	-	-	-	-	-	-	-
Wainfleet		-	-	-	-	-	-	-	-	-

Note: base year transit expenditures have not been finalized for conventional and specialized transit services therefore estimates may fluctuate from estimates above

The transition path proposed by the funding strategy provides an opportunity to increase service levels or introduce transit services in municipalities where local residents are otherwise realizing a net increase from the transition to a regional levy. This opportunity will be provided as the levy funds initially assigned to transition costs are repurposed to fund service expansion in 2023 and beyond.

This proposed service expansion is intended to ensure that commensurate service levels exist across municipalities prior to a full upload of existing transit expenditures onto the Regional levy. Specific service increases will be determined by the initial strategic service plans developed by the Commission, and following the one (1) to two (2) year Service Launch phase of the transition plan.

The net transition of transit expenditures from local Municipal budgets to a Regional budget results in a redistribution across residential taxpayers as reflected in Figure 2 and Table 3 below.

Figure 2 - Taxpayer Redistribution from Municipal Levy to Regional Levy

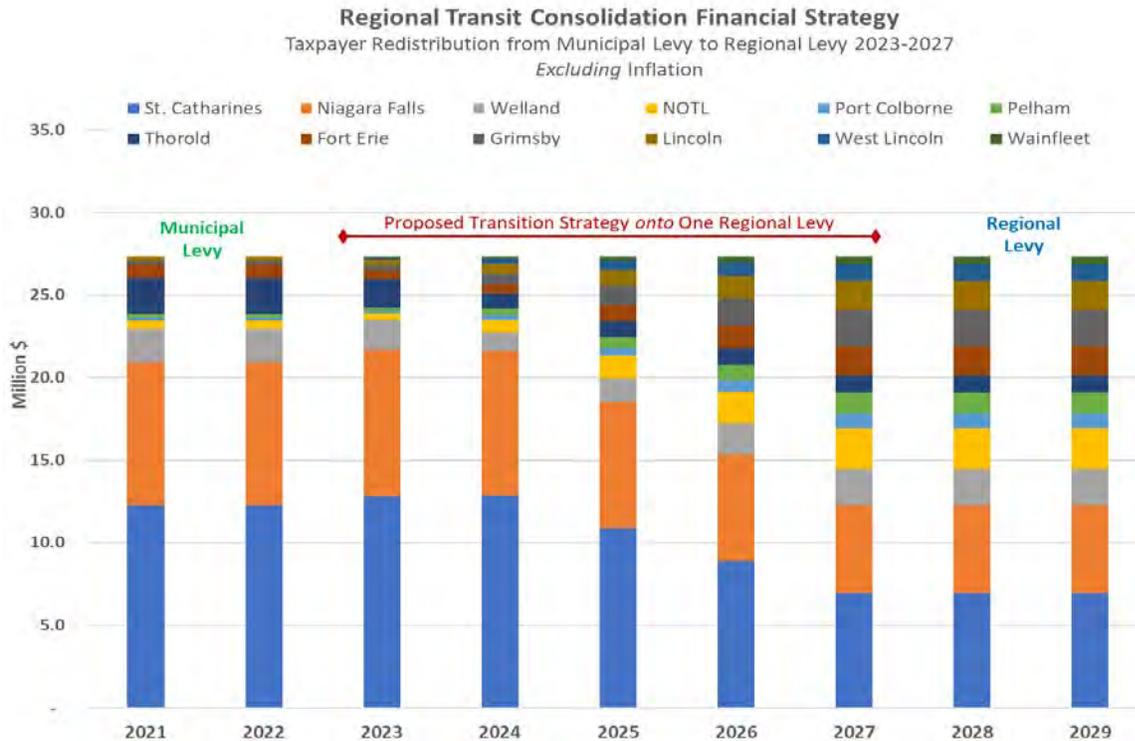


Table 3 - Municipal Residential Impact from Transfer to One Regional Levy

	2021	2022	2023	2024	2025	2026	2027	2028	2029
St. Catharines	12,275,402	12,275,402	12,791,572	12,863,367	10,887,725	8,912,083	6,936,442	6,936,442	6,936,442
Niagara Falls	8,645,833	8,645,833	8,904,086	8,728,219	7,596,686	6,465,153	5,333,620	5,333,620	5,333,620
Welland	2,050,898	2,050,898	1,805,203	1,145,422	1,497,557	1,849,693	2,201,828	2,201,828	2,201,828
NOTL	497,223	497,223	397,437	779,074	1,342,675	1,906,276	2,469,877	2,469,877	2,469,877
Port Colborne	127,092	127,092	141,282	276,947	477,296	677,646	877,996	877,996	877,996
Pelham	261,156	261,156	202,460	396,871	683,976	971,082	1,258,187	1,258,187	1,258,187
Thorold	2,152,143	2,152,143	1,726,875	894,660	958,397	1,022,133	1,085,870	1,085,870	1,085,870
Fort Erie	826,323	826,323	510,207	556,482	959,054	1,361,626	1,764,198	1,764,198	1,764,198
Grimsby	250,000	250,000	342,421	671,229	1,156,812	1,642,395	2,127,978	2,127,978	2,127,978
Lincoln	265,829	265,829	284,764	558,207	962,027	1,365,848	1,769,668	1,769,668	1,769,668
West Lincoln	-	-	164,168	321,810	554,616	787,421	1,020,226	1,020,226	1,020,226
Wainfleet	-	-	81,424	159,611	275,077	390,544	506,010	506,010	506,010
Total	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899

The figures presented in this analysis are draft and based on an assumed base reference year of 2020. The final financial strategy will confirm the base year to be utilized and actual transit expenditures, in consultation with local municipalities.

Transition Costs

The NTGS provides a range of estimated transition costs which include those costs that are related to the transition team plus other one time and incremental costs necessary for transit consolidation. Key activities include the legal establishment of the Commission, development of initial strategic and branding plans, development of transfer agreements, and performance monitoring. These one-time costs have been estimated at a total of \$3.85 - \$4.96 million over the course of four (4) years from 2021 through 2024, comprised of a combination of both capital and operating costs as summarized below in Table 4.

Table 4 - Transition Costs

Cost Category	Integration Approval	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Category Cost
Capital	--	\$275,000 to \$325,000	\$1,195,000 to \$1,700,000	\$200,000	--	\$1,670,000 to \$2,225,000
Operating	\$340,000 to \$500,000	\$110,000 to \$215,000	\$1,175,000 to \$1,465,000	\$350,000	\$200,000	\$2,175,000 to \$2,730,000
Total	\$340,000 to \$500,000	\$385,000 to \$540,000	\$2,370,000 to \$3,165,000	\$550,000	\$200,000	\$3,845,000 to \$4,955,000

While the transition costs are anticipated to be funded through a combination of existing budgets previously established, the implementation of the Regional levy as described above, and future capital budgets, provide a further opportunity to seek support from senior levels of government to offset these costs through programs such as Phase 2 of the Provincial government's Safe Restart program, which specifically identifies new transit governance structures as an eligible category. Staff will continue to develop the transition cost funding strategy throughout the approvals process, for inclusion as part of the final recommended funding model.

Asset Transfer and the Cummings Principle

Based on the recommendation from the consultants as part of the peer jurisdictional review, the CAO Working Group (established by the Linking Niagara Transit Committee (LNTC) to oversee and direct the Project Team to deliver the NTGS) has endorsed the use of applying the Cummings Principle to the future transfer of assets from the local area municipalities to the new Commission. The premise of the Cummings Principle is to transfer assets (and related outstanding liabilities), from one municipality to another with no additional compensation since transferring assets for additional compensation results in the taxpayer paying twice for the same public asset.

This principle, established through judicial precedent, has been applied for over four (4) decades in the municipal setting throughout Ontario, as well as in the vast majority of transit consolidations reviewed as leading practices. The use of the Cummings Principle is also well aligned to Niagara's established guiding principle of fairness, which respects the existing investments made by communities.

Analysis

Background

The completion of the NTGS represents the achievement of the next major milestone in the multi-year plan for the consolidation of transit services across Niagara region.

This consolidation process was first initiated in 2015 when Niagara's three major local transit operating municipalities of St. Catharines, Niagara Falls, and Welland - in partnership with the Region - formed an inter-municipal transit working group to improve inter-municipal transit (IMT) service delivery. This working group established a series of five (5) guiding principles which has continued to inform the process, summarized as:

- **Customer Driven** - continuously improve the rider experience and provide seamless connections and routes based on demand;
- **Unconventional Solutions** - investigate leading-edge technologies and delivery systems that establish Niagara as an innovator in the transit field;
- **Integrated** - be seamless with other modes of transportation, promote interconnectivity with systems that connect Niagara with the GTHA, and evolve according to overall transportation plans across Niagara;

- **Economically Responsible** - recognize inter-municipal transit is a public service funded through property taxes, grants, and partial cost recovery through user-fees, while balancing financial costs with potential ridership and benefits; and
- **Fair** - respect existing investments made by communities with public transit and existing service levels, and provide a basic level of services that can be accessed by as many Niagara residents as possible.

Since the establishment of the Guiding Principles, a series of further milestones have advanced work towards a consolidated transit system for Niagara:

- the Niagara Transit Service Delivery and Governance Strategy Report (known as the *Dillon Report*, 2017) identified several recommendations for service improvements and the following steps with respect to transit governance: approve a consolidated transit model; obtain triple majority for the recommended model; develop a consolidated transit model implementation plan; and implement an IMT service strategy;
 - as part of the IMT service strategy, the Region achieved triple-majority approval in 2017 to operate and deliver inter-municipal transit trips operating as Niagara Region Transit (NRT);
- The triple majority process also established the LNTC, composed of representatives from local and Regional councils and senior staff, to guide the overall IMT consolidation strategy. The mandate of the LNTC was to lead the harmonization and integration of operational and policy regimes of the existing transit properties, as well as advance a consolidated governance model. Through the LNTC, Niagara's four (4) major transit operators entered into a Memorandum of Understanding (MOU) in 2017 that, in principle, endorsed the creation of a consolidated transit system and outlined a governance framework based on the recommendations from the Niagara Transit Service Delivery and Governance Strategy Report;
- The Inter-municipal Transit Working Group (IMTWG), composed of transit staff from all twelve (12) municipalities together with the Region, was established to support the direction of the LNTC. Since its inception, the IMTWG has worked to harmonize, integrate and set the operational and policy foundation for a consolidated transit entity, reporting on all of its key deliverables to the LNTC;

- With considerable policy and operational consolidation achieved, in 2019 the LNTC directed accelerated timelines for developing the consolidated transit governance model, directing the creation of a team of CAOs (the CAO Working Group) to oversee the evaluation and recommendation of a preferred model.

The NTGS and the findings presented in this report represent the outcome of this direction provided by LTNC and the CAO Working Group, and sets out the next steps required to realize the implementation of a consolidated transit system for Niagara.

This report represents the initiation of the approvals process for adoption of the governance model, first seeking endorsement-in-principle of the Full Commission in advance of a future triple-majority approval vote. Should that vote be achieved, a transition period will take place during which the Commission will be set up and established while local transit service operation will remain with the existing entities. Based on the preliminary transition plan, the Commission would be established in Q3 2021 and assume responsibility for operations in Q3 2022.

The Case for Consolidation

The consolidation of transit services across Niagara has the strong potential to deliver a compelling series of economic, social, and mobility benefits to the residents and businesses of Niagara. A consolidated transit Commission is best positioned to deliver these benefits by bringing a scale and flexibility to transit that will:

- foster the consolidation of transit service across the region; in particular enhancing cross-boundary mobility for riders. The future state analysis completed as part of the NTGS identifies the future growth of transit in Niagara is closely linked with a latent demand for inter-municipal trips. While the recent impacts of COVID-19 have impacted current transit ridership levels, with long-term investment in targeted projects and services to grow the transit mode share throughout Niagara, transit ridership region-wide could grow by over 80% by 2031. This growth is only achievable through a consolidated and strategic region-wide approach;
- continue to support the expansion and connectivity of GO Transit service to the region, further enhancing the introductory levels of GO Train service, in addition to the high performing GO Transit Route 12 bus connections to neighbouring regions. For many commuters, the provision of local and regional transit

connections to GO stations is a critical link in their daily journey that must be enhanced through the seamless integration of these services;

- be able to quickly react to emerging transit technology, innovations, and philosophies including mobility-as-a-service and micro-transit. These developments represent an opportunity for Niagara to meet the wide variety of transit needs across the region that are less well served by the current system, through programs such as the recently launched Niagara Region Transit OnDemand (NRTOD) pilot program;
- facilitate economic development and investment through greater access to jobs and services both in Niagara and the GTHA. Providing convenient and seamless transit connections will enhance the ability of Niagara residents to access businesses in adjacent municipalities/regions, allow businesses to attract new customers and employees, and enhance the ability of visitors and tourists to explore all corners of Niagara;
- advance the mandate from Niagara's Heads of Council to Area CAOs, in response to the Provincial government's Governance Review, to pursue shared services between and among municipalities to better serve Niagara residents; and
- contribute to a high quality of life for Niagara residents and support community development through an enhanced ability of residents to choose sustainable (an increased shift to transit means Greenhouse Gas emissions are reduced, less vehicle congestions occurs, and travel time savings occurs), seamless, convenient, and connected mobility options. Transit is a significant contributing factor to the social determinants of health, enabling residents to have equitable access to the community and furthering their socio-economic wellbeing.

While the potential benefits outlined above have supported the ongoing development of a consolidated transit approach since the original adoption of the Guiding Principles in 2015, more recent developments in regards to transit in Niagara have only further enhanced the need for a consolidated transit system. The global COVID-19 pandemic has substantially affected all aspects of life for Niagara residents, including the use of public transit.

The ongoing pandemic has demonstrated the need for and benefits of enhanced levels of coordination and organization between transit providers across the region. As the early days of the pandemic unfolded, significant effort was undertaken via the IMTWG to ensure all transit agencies were unified, aligned and coordinated with the rapidly evolving changes to service levels, fare policy, cleaning protocols, and other operational and strategic changes necessary to effectively respond to the pandemic on behalf of Niagara's residents and transit users.

As Niagara's transit providers continue to monitor the changing environment and implement independent recovery plans over the next number of years, there is an opportunity to align these efforts as part of the future consolidation of transit services across the region. This alignment will ensure that the future state of transit service delivery across the region provides a consistent approach to recovery that is also well positioned to rapidly respond to the continually changing transit environment.

This approach is also closely aligned with the opportunity to seek COVID-19 recovery support from senior levels of government related to both operational needs and with regards to the one-time transition costs associated with consolidation. Under the Provincial governments' Safe Restart Agreement, municipalities and municipal transit systems are eligible to receive funding to address financial pressures associated with COVID-19. Recent direction provided with regards to Phase 2 of this program has identified fare integration and the consideration of new governance structures as among the key eligibility requirements for potential funding.

Niagara Transit Governance Study Process

The purpose of the NTGS was to build from the conclusions of the Niagara Transit Service Delivery and Governance Strategy Report and take the next steps in the consolidation process to determine which transit governance model would be best positioned to deliver the potential benefits of a consolidated transit entity. The analysis has lead to a Full Commission model being the recommended governance structure.

Under direction provided by the LNTC and the CAO Working Group, a consulting assignment (completed by Optimus SBR Inc. /Left Turn Right Turn Ltd.) was undertaken to evaluate and recommend a preferred transit model for Niagara (seen in Figure 3). The NTGS consisted of five (5) project stages, each of which built upon and advanced the work and key findings of earlier elements:

Figure 3 - Niagara Transit Governance Strategy Process



- **Current State and Jurisdictional Scan Report** - To understand the Niagara context, an analysis of the current state of operations of the various transit entities in Niagara was completed. Key results identified included the disparity of services across the region between smaller and larger municipalities and the associated financial contributions.
- **Future State Service Plan** – a forecast of different growth scenarios for transit ridership in Niagara was completed, which outlined the potential costs and revenues associated with those forecasts. Transit ridership forecasts indicate a latent demand for inter-regional transit travel. As a result, transit ridership growth across the region is driven by improved inter-regional transit trips.
- **Model Options Report** – Three candidate governance models were identified: Limited Commission, Full Commission, and Regional Division. An evaluation framework was developed that consisted of a series of fifteen (15) evaluation criteria across four (4) major categories: Governance, Finance, Stakeholder Input, and Ease of Implementation.
- **Recommendation Selection and Model Analysis** – The analysis of each of the candidate models against the selected criteria led to the conclusion that the Full Commission is the most suitable model for Niagara.

While many factors went into this recommendation, two of the primary benefits that made the Full Commission more attractive than other models were the greater autonomy offered in transit-focused decision making, and the determination that it will likely lead to the most cost-efficient service, best able to manage future transit growth in Niagara.

- **Transition Plan** - The transition plan provides a “roadmap” for the establishment of a new transit organization, across a series of five (5) phases: Integration, Commission Establishment, Commission Setup, Service Launch, and Enhancement and Growth. Based on the preliminary schedule contained herein, responsibility for day-to-day service operation would transition to the new entity in late 2022.

The final NTGS consultants’ report is provided as Appendix 2 to this report, which provides additional detail and discussion of the key findings from each of the five (5) project stage reports.

Consultation and Engagement

The project team engaged with a wide variety of stakeholders throughout the development of the NTGS to gather insights and perspectives about the current state of transit services and key considerations for a consolidated system. Consulted stakeholders included: current transit operators in Niagara, Chambers of Commerce, the Region’s Accessibility Advisory Committee, post-secondary institutions, the Amalgamated Transit Unions, and senior public officials such as the Area CAOs and Treasurers. Input received through these consultations was used to inform the overall development of the NTGS, with a particular focus on ensuring the evaluation framework captured the wide range of perspectives on transit throughout the region.

Full Commission Recommendation and Analysis

Benefits of the Full Commission

The Full Commission model is recommended on the basis that it is best suited for the Niagara context, providing the desired ability to deliver on the customer focused, innovative, integrated, economical, and fairness requirements for governance first articulated as part of the project’s Guiding Principles.

While the Full Commission model performed well across a strong majority of the criteria, two (2) of the primary benefits that established the Full Commission model as the preferred alternative were:

- **Autonomy of the Full Commission** - The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
 - With this independence, the Full Commission can remain more strongly and singularly focused on transit and is more capable of formulating its

own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.

- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth; and
 - The autonomy of the Full Commission provides advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.
- **Financial Benefits** - The Full Commission is expect to result in the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within its defined annual budget.
 - From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services realized through the outputs achieved via the autonomy of the Commission. This is particularly important as we look to the future and consider what ridership growth in Niagara could look like, and how services may expand to serve regional needs.
 - The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The evaluation process and how the full commission performed against each of the criteria is summarized in Table 5 below and is discussed in greater detail as part of the full NTGS report found in Appendix 2.

Table 5 - Summary of Analysis

Criteria		Neutral across all models	Limited Commission Preferred	Full Commission Preferred	Regional Division Preferred
Governance & Operations	Authority and Accountability in Driving Change			✓	
	Agility and Flexibility			✓	
	Accommodates Future Growth			✓	
	Public Perception	✓			
Financial Impact	Lower Cost of Implementation	✓			
	Operating Costs and Efficiencies			✓	
	Financial Decision Making			✓	
	Potential for Ongoing Financial Support				✓
Stakeholder Input and Equity	Equity		✓		
	Serves the Public Interest				✓
	Municipal Input		✓		
Ease of Implementation	Staffing Resources Impacts				✓
	Labour Relations			✓	
	Legal Implications				✓
	Asset Transfer Implications			✓	

Nature and Composition of the Full Commission

Following the determination of the Full Commission as the preferred model for Niagara, further work was completed to define the nature of the Commission to be established. A

number of these characteristics have been identified as part of the proposed resolution outlined in Appendix 1 of this report, which seeks the endorsement-in-principle of the governance model.

This overall governance structure of the Commission will be refined through the approvals process and subsequent transition plan. The Regional by-law that will be passed as part of the triple-majority process will establish and confirm the composition of the Board and the governance relationship between the new Commission and Regional Council, including the processes for budgetary oversight and reporting to Council.

The Board of Directors of the Commission, when established, will make the final determination as to numerous elements of its internal structure (along with the CEO/General Manager), such as its initial functional organizational structure and reporting relationships.

Key characteristics of the recommended Commission structure include:

- A Board of Directors established using a hybrid governance model that would include membership comprised of a total of five (5) elected members of Regional Council appointed to the Commission as well as four (4) non-elected skills-based representatives with expertise in key areas such as transit operations, finance, and business operations. These nine (9) voting members would be joined on the board by the CEO/General Manager of the Commission as a non-voting ex-officio member.

This hybrid-governance structure and Board composition was recommended for Niagara as it provides the necessary blend of accountability to the public and representation of local municipal interests, delivered by the elected representatives, and the technical and transit operation expertise required to support efficient transit operations through the skills-based members. A nine (9) member board has been recommended as the appropriate balance between providing the necessary geographic representation across Niagara with supporting efficient-decision making. A nine (9) member board is in line with leading practices and the Boards of peer jurisdictions.

- An Advisory Committee would be established to incorporate local and public interests within the region into the decision-making structure of the Commission. This body would meet 1-2 times annually, or as needed, to present non-binding advice to the Board of Directors and provide an ongoing opportunity for

stakeholder input and engagement. Membership is recommended to be comprised of a variety of stakeholders including members of the public, members of the Accessibility Advisory Committee, representatives of post-secondary institutions, and the Niagara Chambers of Commerce.

- The proposed reporting structure of the organization would see a total of five (5) functional groups under the CEO/General Manager: Customer Service & Communications, Corporate Services, Operations, Strategy & Innovation, and Fleet & Facilities. Within the Corporate Services group there would be an opportunity to establish a number of intended shared-services relationships with existing Niagara Region corporate resources in areas such as finance, information technology, human resources, legal, and procurement.
- The Commission will assume all existing employees, vendors, contracts, and collective bargaining agreements currently held by existing local transit authorities, in accordance with the *Municipal Act* or *Labour Relations Act* as is appropriate. As existing contracts and collective agreements conclude, the Commission will assume responsibility for negotiating continuations or new agreements.

Approval Framework

In order to proceed with the establishment of the Commission, legally known as a Municipal Services Board, and ultimately the consolidation of transit services in Niagara, a series of Regional Council and LAM approvals are required. Should Council approve the recommendations of this report, it will represent the first step of a proposed two-phase approval and engagement framework.

This framework has been developed with a focus on providing political decision making bodies across Niagara the necessary opportunities to provide informed feedback on the recommended governance and financial models and for them to be refined accordingly. Phase 2 of this process is a final triple-majority approval, scheduled for Q2 2021 which identifies, addresses, or incorporates the feedback received through Phase 1. The Phase 2 approval will also provide the necessary legal by-law authorities to proceed with the creation of the Commission as a Municipal Services Board.

Phase 1 Approvals

Phase 1 of the approvals framework (shown below in Figure 4) seeks the endorsement-in-principle of the recommended Commission governance model and the parallel

financial strategy. This process, initiated by this report, first seeks endorsement-in-principle from LNTC, which has had primary oversight of consolidation process to date.

Figure 4 - Phase 1 Approvals Process



Subject to the endorsement of LTNC, a similar endorsement-in-principle will be sought from each of the LAMs through Q4 2020 and Q1 2021. To facilitate this outreach procedurally, Niagara Region’s Public Works Committee (PWC) and Council will be required approve the minutes of the LTNC meeting.

Each municipality will be asked to endorse-in-principle the resolution in Attachment 1 of this report, which outlines the key features of the Commission governance structure and financial strategy, including the transfer of assets, people and obligations, transition to a single regional levy, and maintenance of service levels for a defined period. As part of this consideration, each municipality will be also asked to provide any additional feedback on the recommended Full Commission governance model and the financial strategy by March 31, 2021.

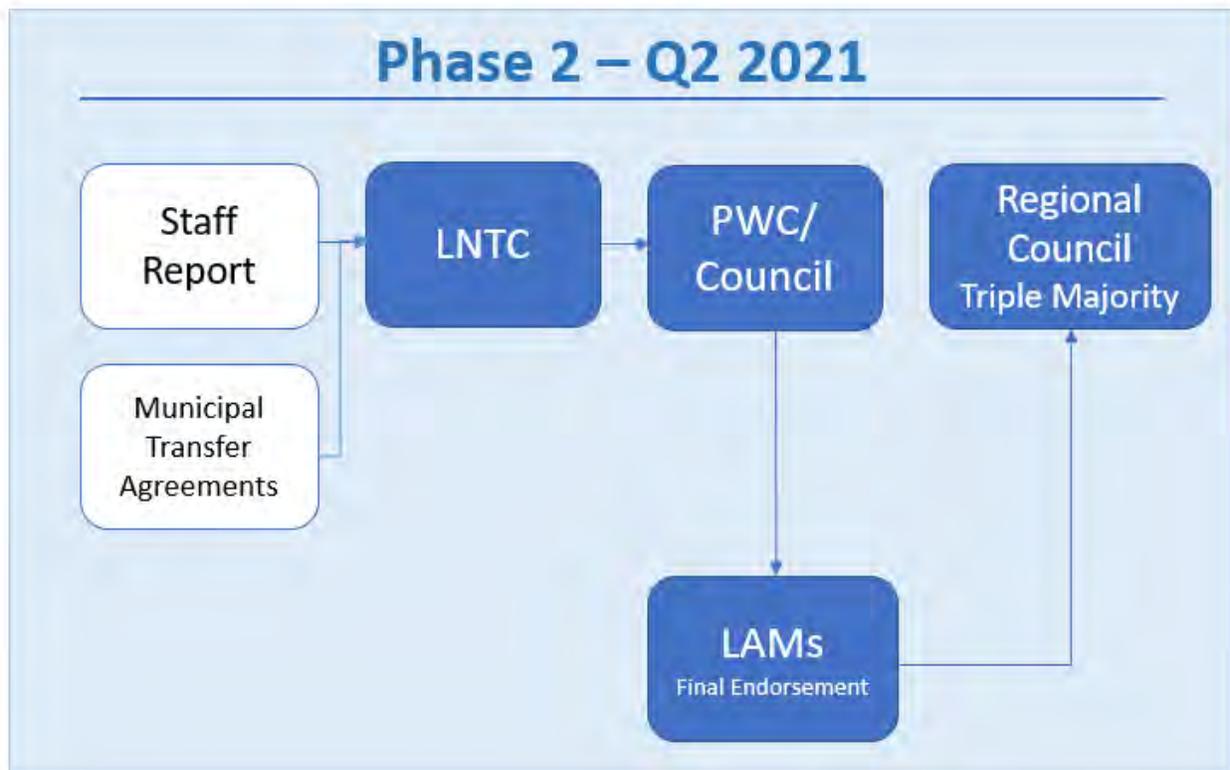
In parallel with the LAM considerations, Regional staff will undertake an analysis of considerations specific to the Region, including an assessment of the Regional levy impacts and the implications to the existing transit operations of Niagara Region Transit (NRT), Niagara Specialized Transit (NST), and Niagara Region Transit OnDemand

(NRTOD). This assessment will be returned to the Public Works Committee for consideration prior to March 31, 2021.

Phase 2 Approvals

Phase 2 of the approval framework (seen below in Figure 5) commences in Q2 2021 and focuses obtaining formal triple-majority approval of the governance model, the authorities required to proceed with the creation of the Commission, and the formal adoption of the recommended financial strategy. To achieve these objectives, a second staff report and series of recommendations will be brought to Council, reflecting the Phase 1 input on the recommended governance and financial models received from the LAMs and through the Regional assessment.

Figure 5 - Phase 2 Approvals Process



As part of Phase 2, a series of Municipal Transfer Agreements (MTAs) will be negotiated that outline the roles of the Region and each of the LAMs that currently operate transit services as the consolidation process unfolds, focused on how assets will be transferred and how transit-related decisions are made during the transitional period.

With the Cummings Principle as a foundation for asset transfer, MTAs will act as the mechanism through which local municipal partners enter the new Commission. They will outline the use and transfer of assets in their community (i.e. new fleet), continuance of existing capital projects and expenditures, debentures and debt financing, etc., giving Councils and transit providers opportunity to ensure consistency in the first (5) years of operation under the new Commission.

These MTAs will be appended to the final report for approval of the Region and the Council of each respective LAM that currently operates transit services. Additional detail regarding the MTAs is included in Appendix 2 as part of the Transition Plan discussion.

A consulting assignment will be undertaken to support Regional staff in the development of the MTAs, given the unique expertise requirements in the areas of the transition of transit operations, legal, and human resources. This assignment is included as part of the transition plan discussed below, covering activities through Phases 1 and 2 of the plan. Funding will be provided through available budgets previously approved for transit governance consulting services.

Considerations Regarding Triple Majority Approval

A triple-majority approval process must be undertaken to transfer the authorities necessary for the Commission to assume responsibility for the delivery of transit services across the region.

Currently Niagara Region holds the authority to operate inter-municipal specialized transit and conventional inter-municipal transit, the latter of which the result of previous triple-majority approvals obtained as part of the establishment of NRT. This previous authority does not extend to the operation of intra-municipal trips which currently resides with the municipalities responsible for local transit services under the *Municipal Act*.

The authorities required for the Commission to operate transit services in the region will be sought in the form of a by-law as part of the second phase of approvals. This by-law will represent the formal consent of the Region and local area municipalities to proceed with the creation of the new Commission.

The Commission will be established as a Municipal Services Board through the *Municipal Act, 2001*. The by-law will further establish the exclusivity of the Commission to operate public transit within Regional boundaries (excluding WEGO and GO Transit).

Appendix 3 provides a detailed legal overview of the current authorities held by Niagara Region and the amendments necessary to facilitate the transfer of powers that will allow

the new Municipal Services Board, operating as a Commission, to deliver services in Niagara.

Transition Plan

Bringing a new organization into existence and successfully consolidating transit services across the region will require a comprehensive series of preparatory activities across a number of categories including governance, service delivery, finance, human resources, legal, and operations. A preliminary transition plan has been developed to outline the scope, sequence, and resourcing requirements associated with undertaking these activities and to serve as a 'roadmap' for the establishment of the Commission.

The preliminary transition plan that has been developed is spread across as series of five (5) phases, which each culminate in a key project milestone, summarized below. Appendix 2 provides additional detail and discussion, including an overview of the key sub-tasks that compromise each of the phases.

- **Phase 1 – Integration Approval Process** – this phase of the transition plan includes the activities leading up to and including the two-phased approval process detailed in the “Approvals Framework” section of this report. This phase concludes with obtaining triple-majority approval of the governance model and authority to establish the Commission, scheduled for the end of Q2 2021.
- **Phase 2 – Establish Commission** – following the triple-majority approval, a two-month phase of work will be undertaken focused on executing the direction of Council and undertaking the tasks necessary to establish the Commission as a legal entity. This phase of work concludes with the appointment of representatives to the Commission’s Board, and the assumption of responsibility for the strategic direction of the consolidation and transition process.
- **Phase 3 – Commission Setup** – this phase of work encompasses all of the activities required to prepare the Commission for the assumption of day-to-day operations of all transit operations throughout Niagara. This will include tasks such as the appointment of the staff leadership team and filling of functional roles through the organization, development of strategic plans and policies, negotiation with relevant bargaining units, and the transfer of assets and contracts to the new Commission. This process is anticipated to take approximately one year, from Q3 2021 through Q2 2022.

- **Phase 4 – Service Launch** – responsibility for day-to-day operations would transfer to the new Commission at the start of this phase, anticipated for Q3 2022. Existing service levels at the time of transfer will be maintained for a defined period (approximately 1-2 years, subject to MTAs) to ensure the smooth transfer of operations to the Commission.
- **Phase 5 – Enhancement and Growth** – having successfully assumed responsibility for operations, the Commission will look to the continued development of the organization and opportunities to improve and expand transit services across the region.

This preliminary plan will continue to develop throughout the approvals process as feedback provided through the Phase 1 LAM engagement is reflected. As the Commission is established and it assumes responsibility for setup activities (Phase 3 below), this plan will need to be validated and adjusted as required to guide day-to-day transition activities.

Alternatives Reviewed

In order to arrive at the recommended governance model for the integration of transit services in Niagara, based on the peer jurisdictional review, the consultants identified and considered three (3) potential candidate models:

- **Limited Commission** – where transit service is governed by a Regional Commission with representation from local area municipality elected officials with regards to operational matters, with strategic decision making directed by Regional Council
- **Full Commission** – a distinct entity independent from Regional Council governed by a board of appointed members, equitably selected by Regional Council, and responsible for all transit planning and delivery
- **Regional Division** – within the Region’s Public Works department where Regional Council remains the governing body of the transit division and is integrated into the Regional administration similar to other service delivery departments

An overview of the model options that were considered as part of the NTGS is provided as part of Appendix 2.

The three (3) candidate models were assessed by the means of an evaluation framework developed that would encapsulate the wide variety of interests, criteria, and perspectives that can be applied to transit. Special consideration was given to how the evaluation framework reflected the Guiding Principles set out at the initiation of the project, the ability to ensure fiscal responsibility, and how the governance model would deliver on the opportunity for future growth.

On this basis, a series of fifteen (15) detailed evaluation criteria were selected, across four (4) major categories: Governance and Operations, Financial Impact, Stakeholder Input and Equity, and Ease of Implementation. Each of the fifteen (15) evaluation criteria were evaluated using the 'Harvey Ball' method, which provides a relative rating reflecting the degree to which the candidate model is in alignment with the characteristics and objectives of the criteria.

An overview and detailed discussion of how each of the models were evaluated against the criteria is provided in Appendix 2.

During the development of the evaluation framework, consideration was given different criteria weighting scenarios to consider the impact that placing an enhanced level of importance on selected criteria may have on the final recommendation. However in all weighting systems considered there was no impact to the resulting preference of a Full Commission model.

Relationship to Council Strategic Priorities

The Niagara Transit Governance Strategy and the proposed consolidation of transit services across Niagara into a consolidated transit entity directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objective 3.1) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

- | | |
|----------------|---|
| CAO 8-2017 | Niagara Region's Transit Service Delivery and Governance Strategy |
| LNTC-C 21-2018 | Inter-Municipal Transit (IMT) Service Implementation Strategy |

Prepared by:

Matt Robinson
Director, GO Implementation Office

Recommended by:

Bruce Zvaniga
Acting Commissioner
Public Works

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Scott Fraser, Transportation Lead - GO Implementation Office; Heather Talbot, Financial & Special Projects Consultant – Financial Management and Planning; and the NTGS CAO Working Group comprised of the CAOs from St. Catharines, Welland, Niagara Falls, Lincoln, and Niagara Region; and reviewed by Sterling Wood, Legal Counsel; Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer; Todd Harrison, Commissioner of Corporate Services/Treasurer.

Appendices

- | | |
|------------|---|
| Appendix 1 | Resolution for Endorsement-in-Principle |
| Appendix 2 | Niagara Transit Governance Review – Final Report |
| Appendix 3 | Legal Review of Niagara Region’s Role in Public Transit |

Appendix 1 – Resolution for Endorsement in Principle

WHEREAS, a Full Commission model as described in Appendix 2 to Report LNTC-C 4-2020, and to be established as a Municipal Services Board of the Region in accordance with *Municipal Act, 2001*, has been recommended as the preferred governance model for the consolidation of Niagara's public transit system;

AND WHEREAS, the Cummings Principle, enacted through a series of Municipal Transfer Agreements, will be used to guide the transfer, use of, and access to assets and facilities from existing local area municipalities to the Commission;

AND WHEREAS, all existing employees, vendors, contracts, and collective bargaining agreements will be transferred to or assumed by the Commission, in accordance with the *Municipal Act, 2001* or *Labour Relations Act, 1995*;

AND WHEREAS, a minimum of 2021 transit service hours in local area municipalities will be maintained for a period of five (5) years from the assumption of delivery of service by the Commission, unless otherwise agreed to by the local area municipality;

AND WHEREAS, all existing and incremental transit spending will be transferred to the new Commission, funded through a single Regional tax levy to be enacted over a transfer implementation period of five fiscal (5) years as described in Report LNTC-C 4-2020;

AND WHEREAS, to achieve a net-neutral impact to the regional taxpayer, local transit costs assumed by the Regional tax levy will be offset by equivalent budgetary reductions by the local area municipality;

AND WHEREAS, funding previously committed under inter-governmental programs such as the Investing in Canada Infrastructure Program (ICIP) will be maintained and used within the receiving municipality;

AND WHEREAS, support will be sought from senior levels of government for the one-time transition costs associated with consolidation under programs such as the Provincial governments' Safe Restart Agreement;

AND WHEREAS, an integrated single regional fare will be established by the Commission within five (5) years of the assumption of delivery of service by the Commission;

BE IT RESOLVED THAT Council endorse, in principle, the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system.



Niagara Transit Governance Study

Final Report

→ October 2, 2020





Niagara Transit Governance Study

→ Final Report

→ Contents

1. Executive Summary

2. Full Report

1. Introduction
2. Current State & Leading Practices
3. Future State Transit Service Plan
4. Model Options, Analysis, and Recommendation
5. Transition Planning
6. In Summary

Purpose of this Document

- In 2019, the consulting firms of Optimus SBR and Left Turn, Right Turn (LRTR), were retained by the Region of Niagara, in partnership with the region's local area municipalities, to undertake a study of different integrated transit governance models and recommend the best path forward to ensure that the present and future transit needs of the region can be met.
- This document is the Final Report of the study undertaken (the Niagara Transit Governance Study) – setting the stage for transit integration across Niagara Region. It provides a comprehensive summary of all work undertaken during the course of this study.
- In this Final Report, readers will find:
 1. A summary of the current state of transit in Niagara Region;
 2. Lessons learned from other jurisdictions that have integrated transit services;
 3. A future state service plan that identifies the potential growth of transit in the region; and outlines the opportunity that integration can bring;
 4. An overview and analysis of different models for transit integration;
 5. The recommended model option for the region; and,
 6. A transition plan to guide the implementation of an integrated system.



Report Snapshot

Key Highlights

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in **this Niagara Transit Governance Study**.

A review of the current state of transit in Niagara and a forecast of demand for transit services over the coming 10 years has shown that there is a **significant opportunity to increase transit usage in Niagara (over 80% by 2031)**.

To determine how Niagara could best accommodate this future growth, **three potential transit governance model options were developed**, each one reflecting a different approach to integrating transit in the region.

Each potential model was assessed against key evaluation criteria, and ultimately, an **independent Full Commission Model was recommended** as it provides the greatest opportunity for success by bringing the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of Niagara.

In order to create this new Commission, a five-phased Transition Plan has been developed to guide implementation activities. It is expected that **this Commission will be operational by the end of 2022**, and there is opportunity to **take advantage of government funding** to support the cost of transition to the Commission model. Page 53 of 336



Niagara Transit Governance Study

Executive Summary

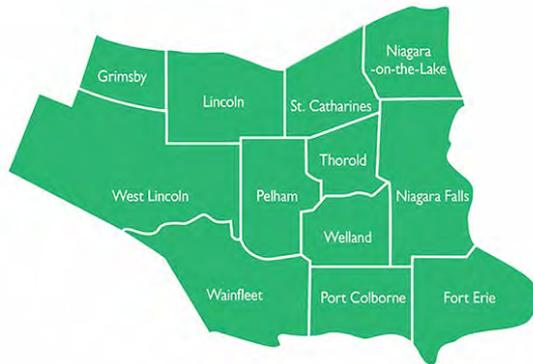


Context for this Study

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in this project, the Niagara Transit Governance Study.

Transit in Niagara Region

- Niagara Region constitutes 12 municipalities that have varying levels of transit services available.



- The three largest providers are St. Catharines Transit, Niagara Falls Transit, and Welland Transit, who also support the existing Regional service.

2017 Service Delivery & Governance Review

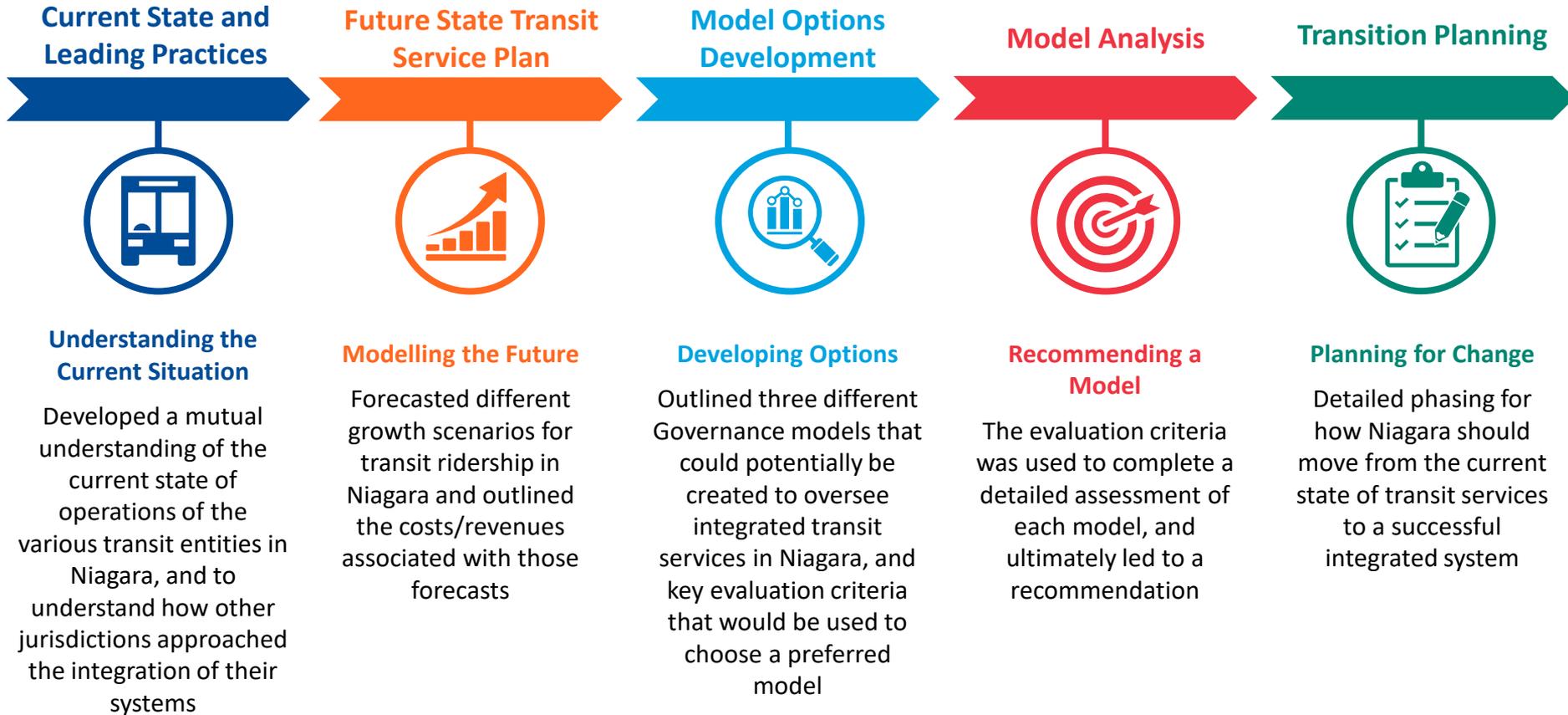
- Following agreement on Guiding Principles for integration in 2015, the Region completed the *Niagara Transit Service Delivery and Governance Strategy Report* in 2017. The report identified several recommendations for service improvements and the following steps with respect to transit governance:
 - Approve consolidated transit model
 - Obtain triple majority for recommended model
 - Develop consolidated transit model implementation plan
 - Implement inter-municipal transit service strategy

Governance Models

- To support the development of an integrated approach to transit, the Region formed the Linking Niagara Transit Committee (LNTC), and a working group was formed to evaluate transit governance models, consisting of the CAOs of St. Catharines, Niagara Falls, Welland, and Lincoln, and the Director of the Go Implementation Office.
- The consulting firms of Optimus SBR and Left Turn Right Turn (LTRT) were engaged by the working group to evaluate various transit service delivery models and to identify which option best accommodates Niagara's future transit operational and planning needs.

A Systematic Approach was Followed

To determine a preferred governance model for Niagara’s integrated transit system, Optimus SBR and LRTT followed a systematic approach that followed five main steps. This report contains a summary of the key information and insights from each of these steps.



This report represents the culmination of research, analysis, and input from key stakeholders across Niagara Region to establish a way forward for transit integration



Guiding Principles for Transit

Guiding principles for transit in Niagara were developed in 2015 and helped inform the development and recommendation of the recommended transit governance model. These principles will continue to be important throughout the transition to an integrated system and in the life of the new transit entity.

**Customer
Driven**

**Unconventional
Solutions**

Integrated

**Economically
Responsible**

Fair

Adherence to guiding principles will be a fundamental factor in ensuring the success of the integration and the future of transit in Niagara for the benefit of all



There is a Significant Opportunity to Increase Transit Usage in Niagara Region

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

How?

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel, which can be capitalized on through improved inter-municipal and connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

By 2031, **operating costs in the high growth scenario will increase by approximately 55% over the status quo.**

Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

The COVID-19 pandemic presents an opportunity to look beyond the status quo, bring the transit systems in Niagara together, and build a new and improved service that takes capitalizes on current funding programs to see this forecasted ridership growth become a reality.

Recommendation: Full Commission Model

Following the completion of the current state review, a jurisdictional scan, and the development of a future state service plan, three potential governance models were developed, and the **Full Commission Model** was ultimately recommended:

Limited Commission

- Transit Service is governed by a regional commission with representation from local elected officials.
- Commission reports to Regional Council
- Strategic decision making for Transit Service is directed by Regional Council
- Relies on corporate services but retains transit-related services in-house

Full Commission

- Distinct entity independent from Regional Council
- Governed by a board of appointed members, equitably selected by Regional Council
- Responsible for all transit planning and delivery
- Budget allotment approved by Regional Council
- Makes limited use of Regional services except where service sharing does not impede agility or independence

Regional Division

- Division within Niagara Region's Public Works department
- Regional Council remains the governing body of the transit division
- Strategic decision making for Transit Service is directed by Regional Council
- Integrated into the Regional administration similar to other service delivery departments

The Full Commission model brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.



Benefits of the Full Commission

Ultimately, the analysis led to the conclusion that the Full Commission is the most suitable model for Niagara. While many factors went into this recommendation, two of the chief benefits that made the Full Commission more attractive than other models were:



The Autonomy of the Full Commission

- The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
- With this independence, the Full Commission can remain more focused solely on transit and is more capable of formulating its own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.
- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth.
- The autonomy of the Full Commission provides it advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.



The Financial Benefits

- The Full Commission will likely have the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within the means previously defined in the annual budget.
- From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services.
- This is particularly important when looking to the future and considering what ridership growth may be, and how services may expand to serve regional needs.
- The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The Full Commission is best suited to grow transit in the region while delivering the high quality, innovative, and seamless transit services that the citizens of Niagara deserve.



Proposed Composition of the Commission

Outlined below is the proposed composition of the Commission, which would be appointed by a Nominating Committee of the Regional Council.

Members of Regional Council

(1) Welland

(1) St. Catharines

(1) Niagara Falls

(2) Niagara Municipalities [*Selected amongst representatives of: West Lincoln, Lincoln, Grimsby, Pelham, Thorold, Niagara on the Lake, Wainfleet, Fort Erie, and Port Colborne*]

Skill-based or Public Members

(4) Skills-based or Public members (appointed/nominated)

Ex-Officio

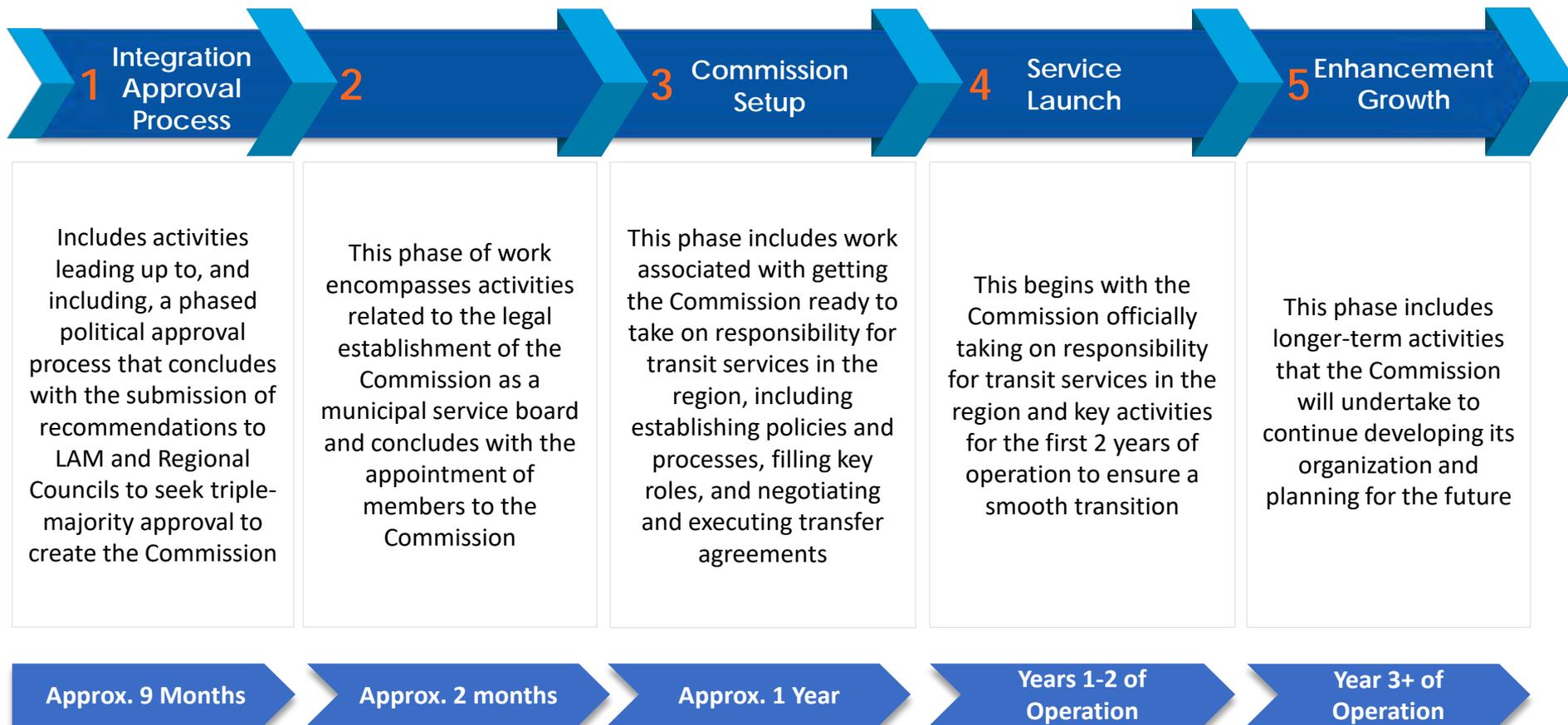
(1) General Manager (non-voting member)

9 voting members

A Hybrid governance structure was recommended as it allows a combination of elected officials and skills-based members to provide guidance and oversight.

Transition to the Commission

A five-phased transition plan has been developed to guide implementation activities over the coming years to ensure the successful creation of the transit Commission.



Includes activities leading up to, and including, a phased political approval process that concludes with the submission of recommendations to LAM and Regional Councils to seek triple-majority approval to create the Commission

This phase of work encompasses activities related to the legal establishment of the Commission as a municipal service board and concludes with the appointment of members to the Commission

This phase includes work associated with getting the Commission ready to take on responsibility for transit services in the region, including establishing policies and processes, filling key roles, and negotiating and executing transfer agreements

This begins with the Commission officially taking on responsibility for transit services in the region and key activities for the first 2 years of operation to ensure a smooth transition

This phase includes longer-term activities that the Commission will undertake to continue developing its organization and planning for the future

The creation of a Regional Transit Commission will be transformative for Niagara, and its success is dependent on maintaining public and political support while transitioning services from the LAMs to create an effective regional network.

Funding the Transition

Regional staff are currently developing an initial funding model for the start-up budget of the Commission, that will strive for a fair and equitable funding baseline commensurate with the existing baseline services within each municipality. This funding model will be provided to all decision makers upon its completion.

The preliminary cost estimates of transition to the Full Commission model is between **\$3,845,000 and \$4,955,000**. Given the complexity and ongoing impact of the global pandemic, fluctuations in these costs should be considered.

Category	Items Included	Cost
Capital Costs	<ul style="list-style-type: none"> • Transit System Branding • Facility and Office Improvements • Transit Service Design • Technology and Equipment 	\$1,670,000 to \$2,225,000
Operating Costs	<ul style="list-style-type: none"> • Transit Integration Team • Legal Fees • Public Consultation • Human Resources Fees 	\$2,175,000 - \$2,730,000
		\$3,845,000 - \$4,955,000

Suitable investments into the start-up of the Commission will be critical in its early development and long-term success.



Niagara Transit Governance Study

Full Report

→ Niagara Transit Governance
Study

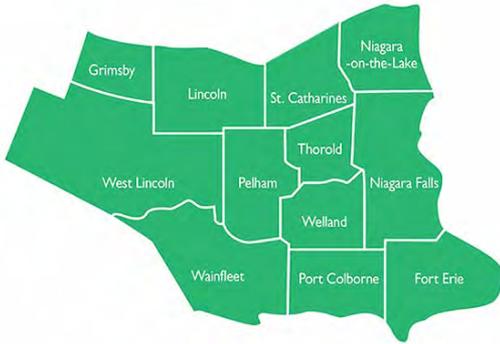


Introduction

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- To support the development of an integrated approach to transit, the region formed the Linking Niagara Transit Committee (LNTC), and a working group was formed to evaluate transit governance models, consisting of the CAOs of St. Catharines, Niagara Falls, Welland, and Lincoln, and the Director of the Go Implementation Office.
- The consulting firms of Optimus SBR and Left Turn Right Turn (LTRT) were engaged by the working group to evaluate various transit service delivery models and to identify which option best accommodates Niagara's future transit operational and planning needs.

The concept of integrating transit systems in Niagara has been around for many years. Now, in 2020, a myriad of transit and non-transit related factors and pressures present an opportunity for the region's systems to reflect on its strengths and challenges, and consider new avenues for innovation and growth.

The Case for Integration

A multitude of global and local trends make the need to rethink transit more apparent than ever before. Globally, emerging technology and philosophies around transit, including concept of mobility as a service, has engendered the need to see different transportation methods jointly rather than as individual elements. Economic and cultural trends are also resulting in a trend towards lower personal vehicle ownership due to a reduction in buying power, and evolving perspectives on the environment and the importance of public transit in curbing climate change.

Locally, there is a strong desire improve mobility not only within the region, but with neighboring regions as well, along with a growing need to address the disparity of transit service across the region. Moreover, the current system does not provide the integrated and seamless experience that users are growing to expect, and as new commercial and residential developments emerge, the importance of quick and reliable transit will as well.

Finally, there is a need to look at transit and its benefits not at the local level, but more broadly. Transit can be a cornerstone of a strong and vibrant community and region, and is a key enabler to attracting new residents, tourists, and businesses. An integrated transit system that can more easily respond to the needs of the region can also help strengthen economic development, support environmental sustainability, and enhance quality of life for residents and visitors alike.

Unfortunately, the innovation and growth required to capitalize on these opportunities and accommodate these shifting needs won't be achieved by maintaining the status quo; an evolution of the current system is needed.

Integration isn't about creating a larger version of what already exists today, nor is it about bringing the status quo under a single roof. Rather, **integration is about bringing a scale and flexibility to transit** that will allow for greater innovation, more beneficial partnerships, and the ability to better accommodate the variety of transit needs in the region that won't be able to be served within the constraints of the current system.



Integration and COVID-19

The 2020 COVID-19 pandemic has undoubtedly affected transit ridership in Niagara, Ontario, and Canada as a whole. With ridership down 75% nationally,¹ operating revenues for transit agencies have also seen a significant decline. However, despite the devastating impacts that COVID-19 has had on the health of Canadians, the use of public transit, and the overall economy, now is an apt time to redesign transit in Niagara.

The ongoing pandemic has demonstrated the need for, and benefits of, enhanced levels of coordination and organization between transit providers across the region. In the early days of the pandemic, significant effort was undertaken to align and coordinate across delivery agencies the rapidly evolving changes to service levels, fare policy, cleaning protocols, and other operational and strategic changes necessary to effectively respond to the pandemic on behalf of Niagara residents.

In addition, there is an opportunity to align efforts with current funding programs associated with the province's economic recovery. In July 2020, the province announced that it had secured one-time urgent funding to support its municipalities' critical public services, including transit services. This Safe Restart Agreement funding may include up to \$2 billion for transit in the province and is already beginning to flow to municipalities and transit agencies, with eligible projects including service improvements and governance restructuring. This unique funding opportunity only strengthens the case for integration and the need for collaboration and alignment of effort across the region.

As transit providers continue to monitor the changing environment and implement recovery plans over the coming years, now is the ideal time to move integration forward and align efforts, especially given the significant work that will be needed to grow ridership in a safe and effective way, and the funding opportunities made available to municipalities.

Municipalities in the region need to look beyond the current situation and how to return to the status quo. Now is the time to reflect on what has worked and not worked in the past, take advantage of funding and growth opportunities, and collaborate on building a new system that provides a high-quality and user-friendly service for the region.

¹ Statistics Canada. *Urban Public Transit, June 2020*. <https://www150.statcan.gc.ca/n1/daily-quotidien/200831/dq200831d-eng.htm>



Guiding Principles for Integrated Transit

Guiding principles were first established in 2015 and subsequently endorsed by the Linking Niagara Transit Committee (LNTC). They have informed the development of the transit governance model for Niagara.

To achieve success the new transit entity will need to make regionally-focused decisions aligned to guiding principles. This will ensure that potential growth in ridership, efficiency of operations, and improved service delivery are realized.

1 Customer Driven

- Continuously improve the rider experience, including improvements throughout the pilot phase;
- Understand customers, particularly those who rely on transit the most;
- Provide seamless connections and routes based on demand;
- Take people to work, school, healthcare, shopping and recreation as efficiently as possible;
- Respect established local service levels and routes; and,
- Maintain and improve transit to Niagara College and Brock University users.

2 Unconventional Solutions

- Investigate leading-edge technologies and delivery systems that establish Niagara as an innovator in the transit field; and,
- Explore partnerships with other providers (e.g. GO Transit) where service delivery gaps exist.



Guiding Principles for Integrated Transit

Guiding principles were first established in 2015 and subsequently endorsed by the Linking Niagara Transit Committee (LNTC). They have informed the development of the transit governance model for Niagara.

3 Integrated

- Be seamless with other modes of transportation and evolve according to overall transportation plans across Niagara (e.g. Transportation Master Plan and local Master Transit plans);
- Integrated with and support daily GO train service;
- Connect municipalities at hubs that are most appropriate for customers and the community;
- Evolve according to long-term transportation planning, growth planning, and economic development opportunities; and,
- Promote interconnectivity with systems that connect Niagara with the GTHA (e.g. GO Transit, Hamilton Street Railway).

4 Economically Responsible

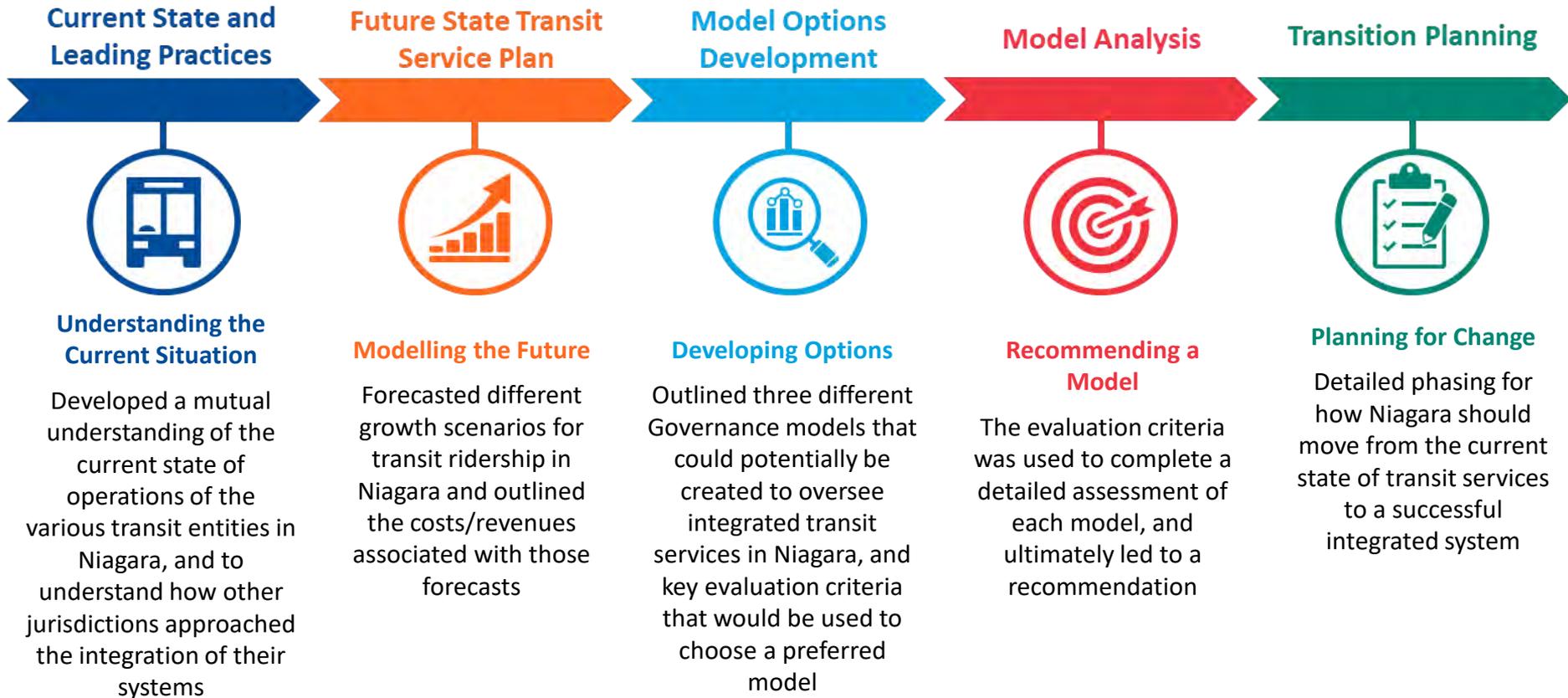
- Recognize inter-municipal transit is a public service funded through property taxes, grants, and partial cost recovery through user-fees;
- Balance financial costs with potential ridership and benefits;
- Build on past transit investments by enhancing, not duplicating, existing services; and,
- Explore alternative modes of delivery, particularly in small communities and rural areas.

5 Fair

- Respect existing investments made by communities with public transit and existing service levels;
- Provide a basic level of services that can be accessed by as many Niagara residents as possible;
- Balance respect for taxpayers with the ability of transit riders to pay fares; and,
- Respect existing transit collective agreements.

Reaching a Preferred Governance Model

To determine a preferred governance model for Niagara's integrated transit system, Optimus SBR and LRTT followed a systematic approach that followed five main steps. This report contains a summary of the key information and insights from each of these steps.



This report represents the culmination of research, analysis, and input from key stakeholders across Niagara Region to establish a way forward for transit integration.

→ Niagara Transit Governance
Study

Current State &
Leading Practices

Introduction

The first phase of this project involved a thorough review of the current state of transit in Niagara to identify what was working well and what challenges exist, hear different stakeholder perspectives, and better understand the benefits that an integrated system could bring to the region.



Understanding the Current Situation

Before work on evaluating and selecting different models for an integrated transit system could begin, it was critical to undertake a thorough review of what transit looks like in the Niagara Region today. A clear picture of the current state allowed us to understand what was feasible and not feasible with respect to transit integration in Niagara. Through this understanding, it was possible to devise different options for moving forward, assess which option had the most potential, and develop a realistic transition plan for getting there.

This was accomplished through a review of key data, engaging with representatives from transit system and external organization (e.g. Amalgamated Transit Union, Brock University), and also included a review of other jurisdictions that have undergone similar transit system integrations in the past.

The findings from this phase of the project not only provided a sense of the transit-specific strengths/gaps in the current system and the potential size of an integrated one, but also enabled us to understand what was particularly important to different stakeholder groups with respect to transit in Niagara and what their initial impressions of an integrated system were. The data collected during this phase was also a key first step in forecasting future transit demand, and the information gained from researching how other jurisdictions structured and implemented their integration provided important insights and lessons learned that were applied to all subsequent phases of work.

In the following slides, please find a summary of the Current State and Leading Practices Report, which includes an overview and key statistics about transit in the region, a financial summary, a snapshot of themes identified during engagement with key stakeholders, and a summary of insights gained from the review of other jurisdictions.

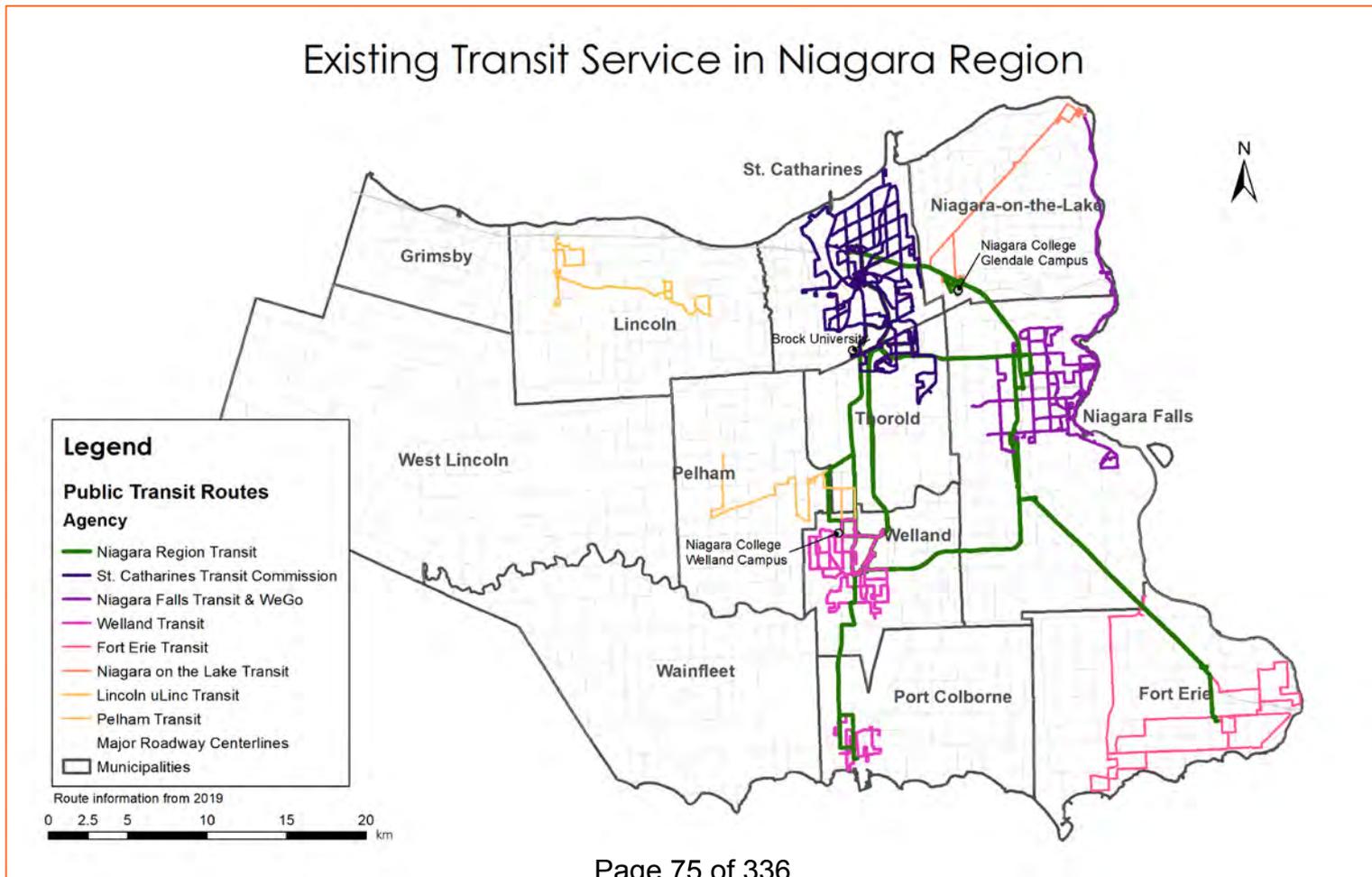
→ Current State & Leading Practices

System Assessment



Niagara Transit System Overview

Niagara Region is home to twelve lower-tier municipalities and eight transit service providers. Cities, towns and hamlets are dispersed with large swaths of farmland and natural expanse between them.



Niagara Transit System Overview

The region experiences diverse levels of transit services. Higher-quality transit services are generally correlated with higher levels of urbanization.

Overview

Niagara Falls, St. Catharines and Welland are the largest local transit services and provide contracted service throughout the region.

- Niagara Region contracts service on all intermunicipal routes to Niagara Falls, St. Catharines and Welland
 - Thorold contracts service from St. Catharines Transit
 - Port Colborne contracts service from Welland Transit
-

Niagara Region, in partnership with several municipalities in western Niagara, launched NRT OnDemand, an alternative transit service on August 17, 2020.

- The service was initially designed as a regional transit alternative connecting the communities of Grimsby, Wainfleet, Lincoln and West Lincoln with the larger urban centres in Niagara Region
 - Grimsby opted to introduce a new local transit service as part of NRT OnDemand to provide transit access within the community and connectivity to the planned GO Station.
 - Additionally, Lincoln and Pelham have completely replaced their local fixed-route transit services with NRT OnDemand.
-

Fort Erie and Niagara-on-the-Lake operate their own local fixed-route transit services through third-party private contractors

- The contractors are responsible for all service as well as supply and maintenance of vehicles, equipment and other assets
 - Only Niagara-on-the-Lake reports into the Canadian Urban Transit Association
-

Wainfleet and West Lincoln Townships have no existing local transit service, but expansion of NRT OnDemand remains a future consideration.



Niagara Transit System Overview

The following is a summary of 2019 key characteristics for transit in the region for the different systems:

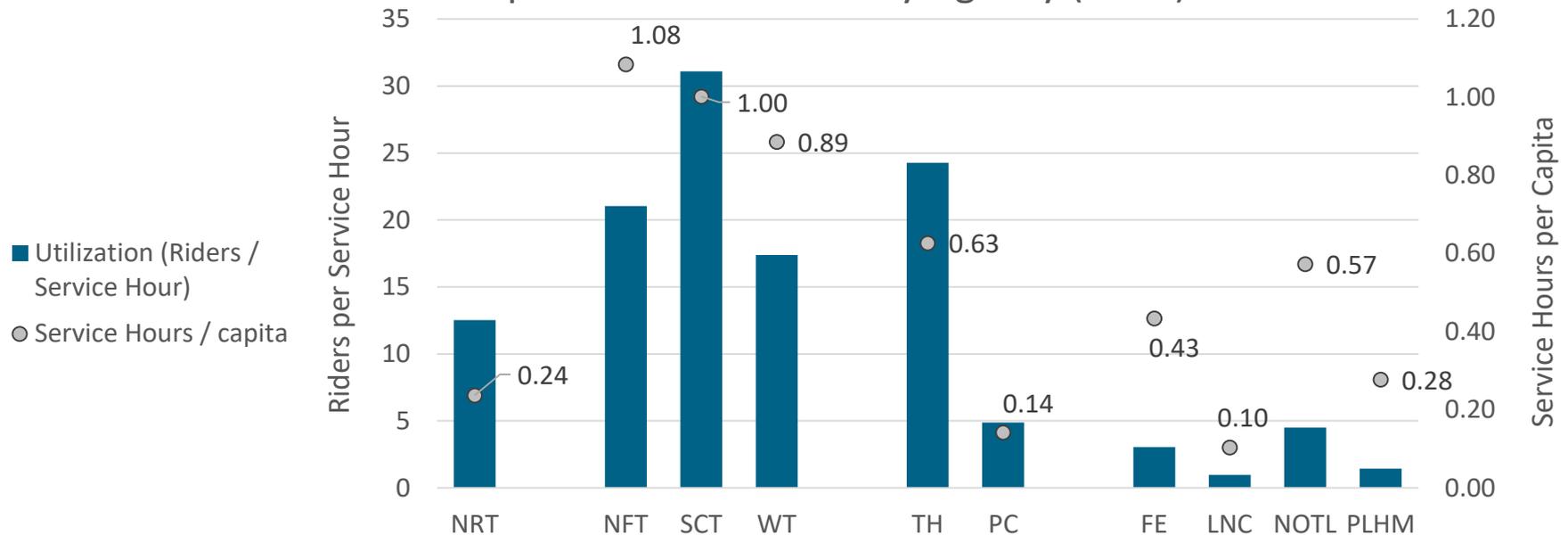
Municipality	Ridership	Service Hours	Routes	Revenue Vehicles	Operating Expenses	Operating Revenue	Specialized Ridership
Niagara Region Transit	1,065,933	85,070	18	21	\$ 12,228,435	\$ 4,878,503	29,995
Niagara Falls Transit	2,009,784	95,538	31	45	\$ 12,521,213	\$ 3,842,111	24,722
St. Catharines Transit Commission	4,731,453	152,181	24	73 14 Specialized	\$ 21,643,836	\$ 8,704,665	28,166
Thorold (Provided by St. Catharines Transit)	286,037	11,779	3	N/A	\$ 1,347,798	\$ 460,034	3,722
Welland Transit	738,998	42,509	9	18 4 Specialized	\$ 3,128,392	\$ 1,359,467	12,802
Port Colborne (Provided by Welland Transit)	12,700*	2,600	2	N/A	\$ 278,684	\$ 18,838	N/A
Fort Erie (Provided by 3 rd Party)	40,467	13,313	4	3	\$ 972,740	\$ 35,076	9,880
Lincoln (Provided by 3 rd Party)	2,000	2,064	3	1	\$ 317,680	\$ 51,851	N/A
Niagara-on-the-Lake (Provided by 3 rd Party)	29,510*	6,545*	2	2	\$ 667,416	\$ 22,357	N/A*
Pelham (Provided by 3 rd Party)	7,895	5,458	2	2	\$ 445,090	\$ 32,600	910



Access to Services

Conventional transit services are accessible to over 390,000 people or approximately 85% of the region's residents.

Ridership and Service Hours by Agency (2019)



- There is a stark discrepancy in the amount of service and the utilization of that service in large urban areas versus the smaller municipalities;
- While this could be largely related to the density and urban form, it does call attention to the fact that utilization is driven by availability and utility of the service; and,
- Note that service in Thorold is provided by St. Catharines Transit Commission and is considerably better performing than other smaller municipalities on the basis of riders per service hour.

→ Current State & Leading Practices

Financial Analysis



Financial Performance

A financial performance summary was compiled based on CUTA statistics and information from each of the transit operators in Niagara for the year 2018.

Key findings from the financial performance summary

The three largest systems provide the most service per capita and ultimately have a lower cost per trip and the highest revenue recovery since increased service frequency results in more ridership and revenue.

Previous U-Pass contracts at Brock University and Niagara College generate significant revenue and service obligations. However, as a result of COVID-19, the viability of these contracts is unknown.

The Capital Asset profiles and future capital needs are primarily for transit buses and their replacement.

The three largest systems use a different lifespan for buses so 12 years was used for comparative purposes, aligning with the standard warranty period on most transit vehicles.

Financing of transit comes from a mix of fares, budgets, tax levies and Provincial and Federal funding.

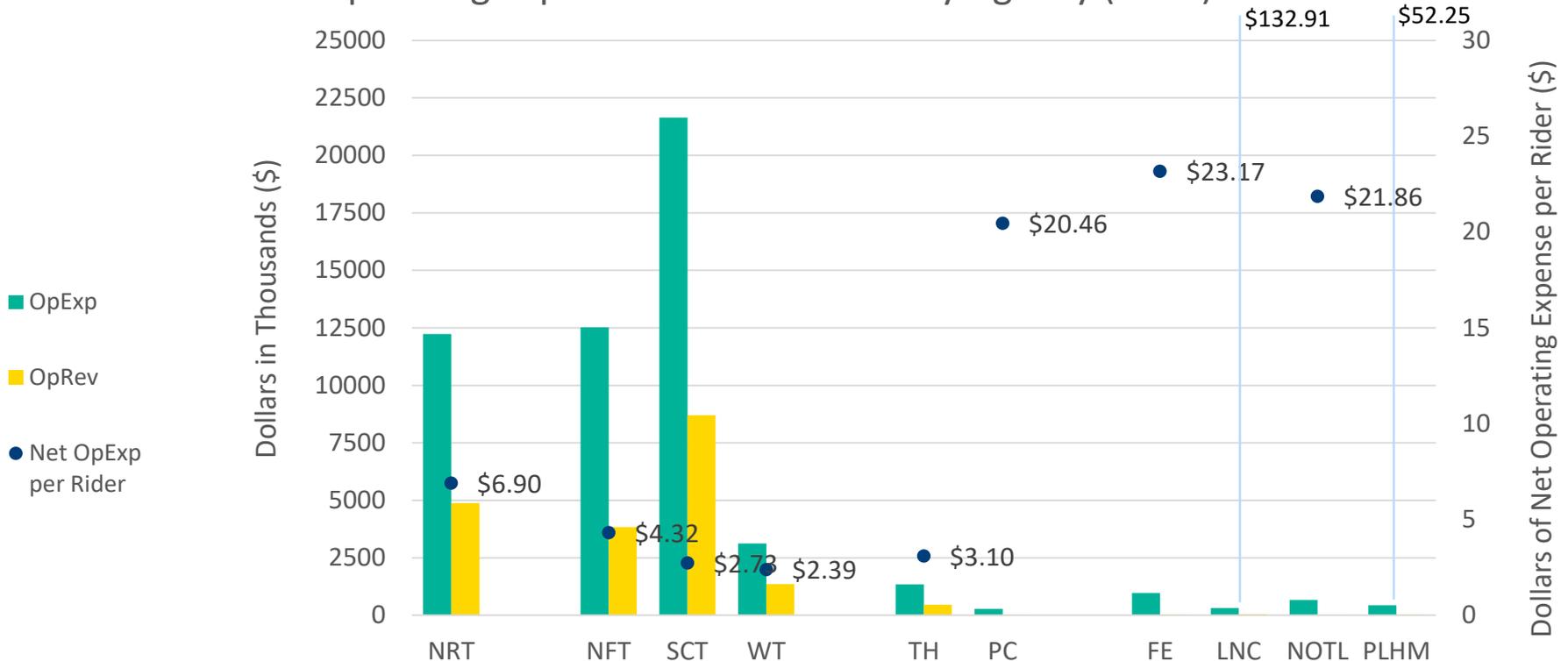
A Regional Development Charge for transit investment can be used to fund infrastructure and growth.



Operating Expenses and Revenues

This chart reflects the considerably large disparity in the investment in service and the service area that these agencies are responsible for.

Operating Expenses and Revenues by Agency (2019)



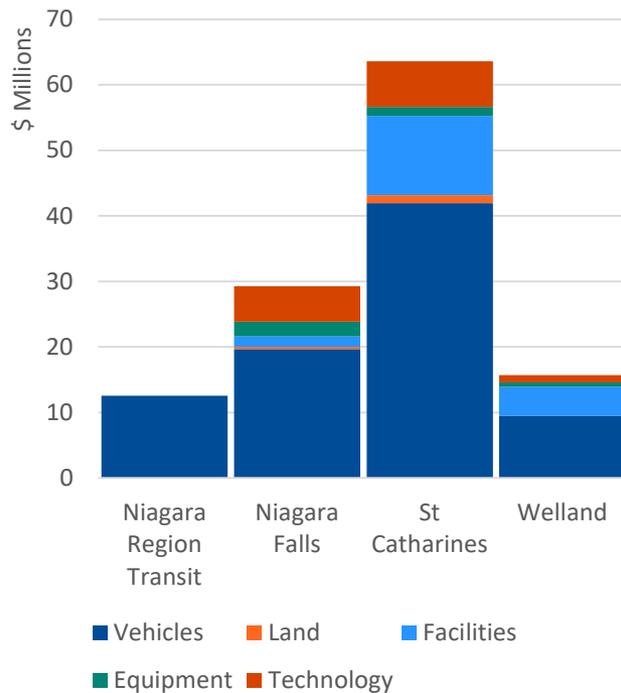
- St. Catharines, Niagara Falls and the Region have a considerably larger operating budget than any of the other agencies;
- Fixed route services require discrete capital investments to provide base services and are often under utilized in smaller rural communities resulting in higher net operating costs per rider; and,
- Note that for these purposes, operating revenue does not include grants and funding from external sources, such as gas tax funding applied to operating costs.



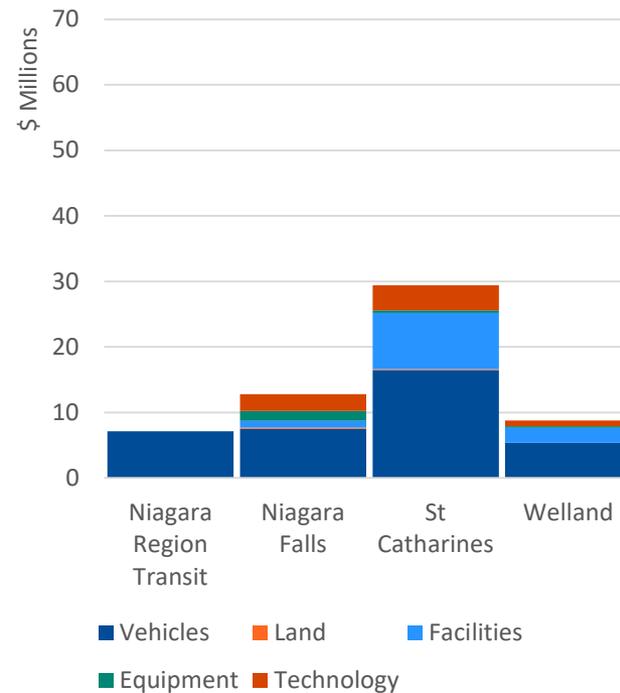
Capital Asset Summary by Agency

This slide provides an overview of the purchase and book value of different agency's capital assets

Capital Assets – Purchase Value



Capital Assets – Net Book Value



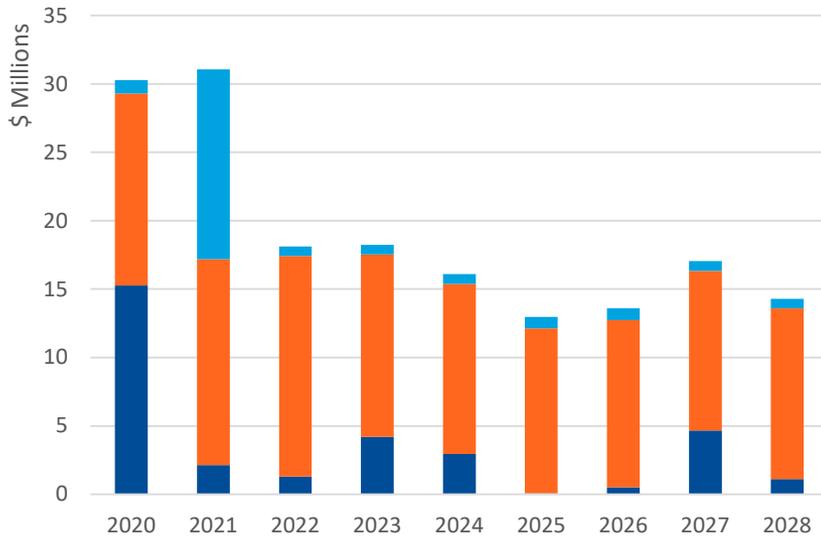
- Niagara Region Transit owns 21 vehicles that are designed to the standards by the local agency that operates the vehicle on behalf of the Region. Otherwise, the Region has no other major capital assets;
- Niagara Falls, St. Catharines and Welland have the largest capital asset inventory of the municipalities;
- The smaller agencies and municipalities contract out service, and do not own the assets for service; and,
- The exception is Fort Erie, which owns the smart card fare system technology onboard their vehicles.



Total Forecast Capital Expenses

Local transit agencies are planning for large investments over the coming years.

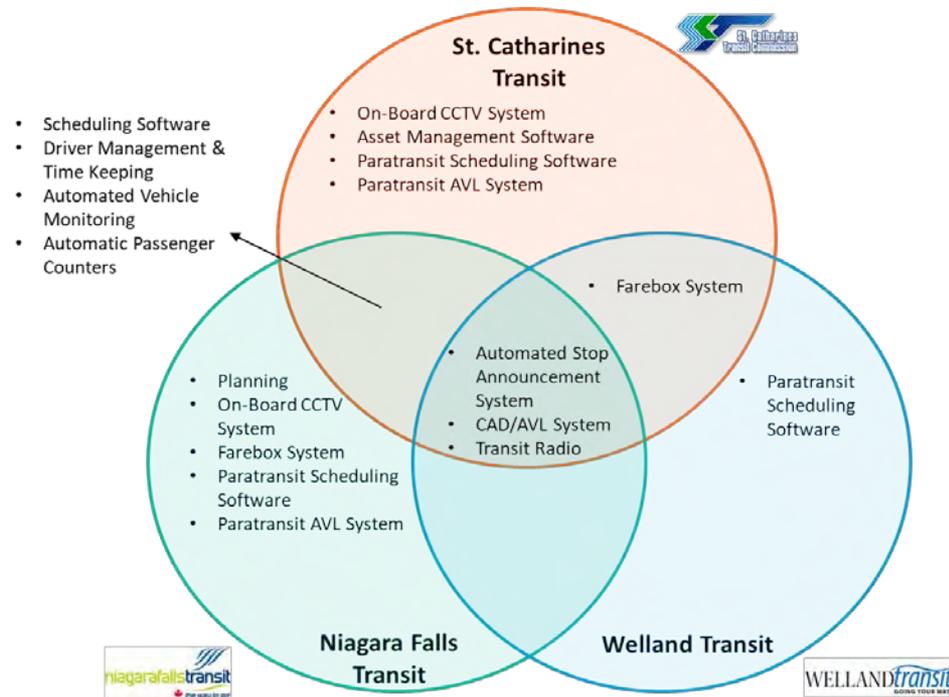
Total Forecast Capital Expenses 2020-2028



■ Niagara Falls Transit ■ St. Catharines Transit Commission ■ Welland Transit

In addition to fleet renewal and minor infrastructure improvements, the three properties have plans for major facility improvements. Many of these initiatives already have committed funding as part of ICIP, including matching municipal funds:

- Niagara Falls Transit had earmarked \$ 7M for transit terminal and storage facility expansion in 2020
- Welland Transit had earmarked \$ 13M for a new operations facility in 2021
- St. Catharines Transit had earmarked funds annually for major garage improvements totalling \$15M



While core operating technologies (such as the CAD/AVL system and related components) are shared and integrated across all three local transit agencies, ancillary technologies such as fareboxes, paratransit scheduling and AVL, and asset management systems are not presently integrated.

*Note that vehicles procured for Niagara Region Transit are configured based on the specifications of the local agency that will be providing the service and maintenance on the vehicle

*Note that Niagara Region Transit intermunicipal service fleet requirements are included in the capital projections



Funding and Financing Service and Investment

Operating Subsidies and Tax Levies

- Most municipalities contribute to funding transit agencies within their cities and towns through either through their annual budgeting process, or by dedicated tax levies that are specifically allocated to transit;
- In Niagara Region, most transit agencies operate as a division of the local municipality they reside in, and are funded directly through the annual municipal budget process; and,
- St. Catharines Transit Commission, which operates on a commission model, has secured a dedicated transit property tax levy approximately 0.07% or roughly \$210 per year on a \$300,000 home.

Provincial Funding

- Niagara Region Transit, as well as the local municipalities receive Gas Tax disbursements that are allocated to operating and capital transit investment. The 2018/19 allocations are listed below:

	Total	NRT	NFT	SCT	TH	WEL	PC	FE	LNC	NOTL	PEL
Operating	\$1,649,400	\$267,309	\$ 532,000	-	\$250,993	-	\$112,754	\$287,173	-	\$147,837	\$ 51,334
Capital	\$4,806,134	\$493,722	\$ 914,000	\$2,633,000	-	\$765,129	-	-	-	-	-
Total	\$6,455,534	\$761,031	\$1,446,374	\$2,633,000	\$250,993	\$765,129	\$112,754	\$287,173	-	\$ 47,837	\$ 51,334

- Lincoln will begin collecting Gas Tax disbursements in 2019/20.
- Funding from the Safe Restart Agreement is beginning to flow to municipalities and transit agencies as part of the COVID-19 response, with eligible projects including service improvements and governance restructuring



Funding and Financing Service and Investment cont.

Federal Funding

- Niagara Region Transit as well as Niagara Falls, St. Catharines and Welland applied for Public Transit Infrastructure Fund (PTIF) funding with the federal government for capital improvements and funding has been made available;
- PTIF funding, which was made available to transit agencies across Canada, is a limited pool of \$3.4 Billion that is allocated to transit agencies based on reported CUTA ridership figures;
- Active applications for PTIF funding will be ongoing until the funds expire; and,
- Investing in Canada Infrastructure Program (ICIP) funding has been approved, and provincial and federal funds have been committed for over \$ 74M worth of capital investments through the first round of funding

→ Current State & Leading Practices

Stakeholder Perspectives



Stakeholder Engagement Findings

A number of stakeholders were engaged to gather insights and perspectives about the current state of transit services and key considerations for an integrated system. Some key considerations raised by stakeholders with regards to service and system planning included:

Findings

Connecting to Hubs: Integrated system should focus on connecting residents to important community hubs and landmarks in an efficient manner (e.g. hospitals, malls, schools, etc.). No trip to the hospital should take 2-3 hours.

Seamless Rider Experience: Prioritize aligning service schedules and stops so that riders can move from point A to point B – with integrated fares.

Collaboration with Regional and Municipal Staff: A coordinated effort will need to be undertaken to look at routes and determine the need that current construction projects will have for future transit service.

Connecting with other Transit Entities: Integrating and/or connecting with other transit systems in the area, including GO, HSR, or coach bus.

Building for Niagara's Current and Future Needs: Ensuring that appropriate services are built to accommodate future residential and business developments and creating inter-municipal corridors will be important.

Accessibility: Consider an automated booking service that allows users to book in advance given consistent medical needs.

Community Engagement: Importance of ongoing and regular public communication and engagement in transit planning to ensure the voice of the rider is understood.

→ Current State & Leading Practices

Leading Practices

Leading Practice Overview

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.



Both Commission model and Centralized Delivery in use

Transit & Operations



Service Enhancements requires prioritization and considerable, investment

Lessons Learned

Transfer of human resources to a new organizational structure is a significant undertaking

Need to consider the magnitude of cultural change and legacy systems involved in transition planning

A phased-in single tax levy has been successful elsewhere

Ongoing communication is an important factor in bringing key stakeholders onboard

Financial



Cumming Principle used for asset transfers and there is a varied approach to levies

Transition



Significant communications efforts required to engage staff, unions and the public

Summary of Findings: Leading Practices

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.

Governance	<ul style="list-style-type: none">• A governance body was set up for both the study for amalgamation, and the transition period. Membership often continued into the transition planning period.• With the exception of Waterloo Region, which was a staff-only led Committee (and reported directly to Regional Council), the remaining amalgamations had an operationally focused oversight body that reported to a politically appointed oversight body.• York and Waterloo Regions both selected a governance model where transit resided as a department within the Regional Corporation, and reports to Regional Council through the Chief Administrative Officer. Edmonton and Durham selected a Commission model.
Transit Service Planning & Operations	<ul style="list-style-type: none">• Due to the difference in transit services across the amalgamated municipalities, often considerable service enhancements were identified. These were prioritized and completed in a phased approach over 5 to 7 years.• Significant planning and resourcing is required for the transfer of human resources related matters, including contract negotiation, and placing staff within a revised organizational structure.• Fares were integrated across the amalgamated regions.• Collection of service metrics continued to be a challenge well after the transition period as amalgamated bodies reconciled legacy systems across local transit providers.
Financial Considerations	<ul style="list-style-type: none">• There was a varied approach to the fee levy: Durham and York Regions instituted a unified levy, Waterloo implemented a differentiated fee levy (with the goal of a unified levy), and Edmonton will receive funding from municipalities based on budgeted operating revenues and expenses.• Municipalities typically started with applying area rated tax levies to apportion the cost of the transit services being provided to each community, then moved to introduce single urban tax levy and maintain area rates for rural areas.

Summary of Findings: Leading Practices

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.

<p>Financial Considerations</p>	<ul style="list-style-type: none"> • The Cumming Principle was utilized in most cases for transfer of assets. • Transit related development charges were transferred to the regions of Durham and Waterloo.
<p>Transition Planning</p>	<ul style="list-style-type: none"> • All municipalities documented the transition plan in a joint agreement between transit providers and established a transition period between 1 to 2 years. • Most Plans focused that transition period on bringing the transit systems together, not on significant changes to services and service levels. • Significant communication resources required to inform and engage both impacted staff and unions, and members of the public.
<p>Lessons Learned</p>	<ul style="list-style-type: none"> • Consideration needs to be taken on how and why resources are transferred to the amalgamated organizational structure. • A single tax levy being implemented from the beginning, through a phased approach had been made successful through a concurring commitment to provide service in areas that had no transit services. • Do not underestimate the magnitude of cultural change and legacy systems involved in transition planning. • Ongoing communication to the public, province, and municipal governments is an important factor in bringing key stakeholders onboard.

→ Current State & Leading Practices

Summary

Summary

The current state has broad implications for the future of transit in Niagara, and the long-term design and development of an integrated transit agency. Key findings that a future integrated system will need to consider include:

Implications for Integration

availability and frequency of service, and ensuring basic levels of equity for accessing services. with respect to

Manage the differences in transit service expectations from residents of different municipalities. The relative lack of population density in a large part of the region and the pockets of density located in the major municipalities – including the fact that 85% of the region’s population still lives within a 15-minute walk of transit services, and over half of the population within a 5-minute walk.

The large swathes of rural and undeveloped land within the region and how these will be served.

The differences in financial contribution of the three largest municipalities in terms of operating dollars per capita compared to the smaller transit agencies.

That the larger municipalities have substantial planned investments that will need to be maintained toward fleet and facility renewal.

That agencies have already begun to integrate technologies across the region.

The financial and legal impact of transferring existing contracts municipalities to the future integrated system.

How the three CBAs with the ATU are to be consolidated into a single agreement.

The means and degree to which the new integrated agency will take on the current staff complements of the different transit agencies, and the method by which leadership positions will be filled.

→ Niagara Transit Governance
Study

Future State Transit
Service Plan

Introduction

The second phase of work in this project, the Future State Transit Service Plan, was a critical milestone as it provided insight into the potential growth of transit in Niagara Region and its implications for an integrated transit system.



Modelling the Future

Understanding the future demand on the Region's transit network is an important consideration in planning for it. By forecasting ridership growth, and capital and operating costs, one can gain a clearer picture of the benefits that an integrated transit system could bring to Niagara, and also better understand the environment that this integrated system will be operating in. While not a direct input into the governance structure recommendations, the results of the Future State Transit Service Plan provide critical context of how residents and workers in Niagara Region will utilize the services provided by this new entity.

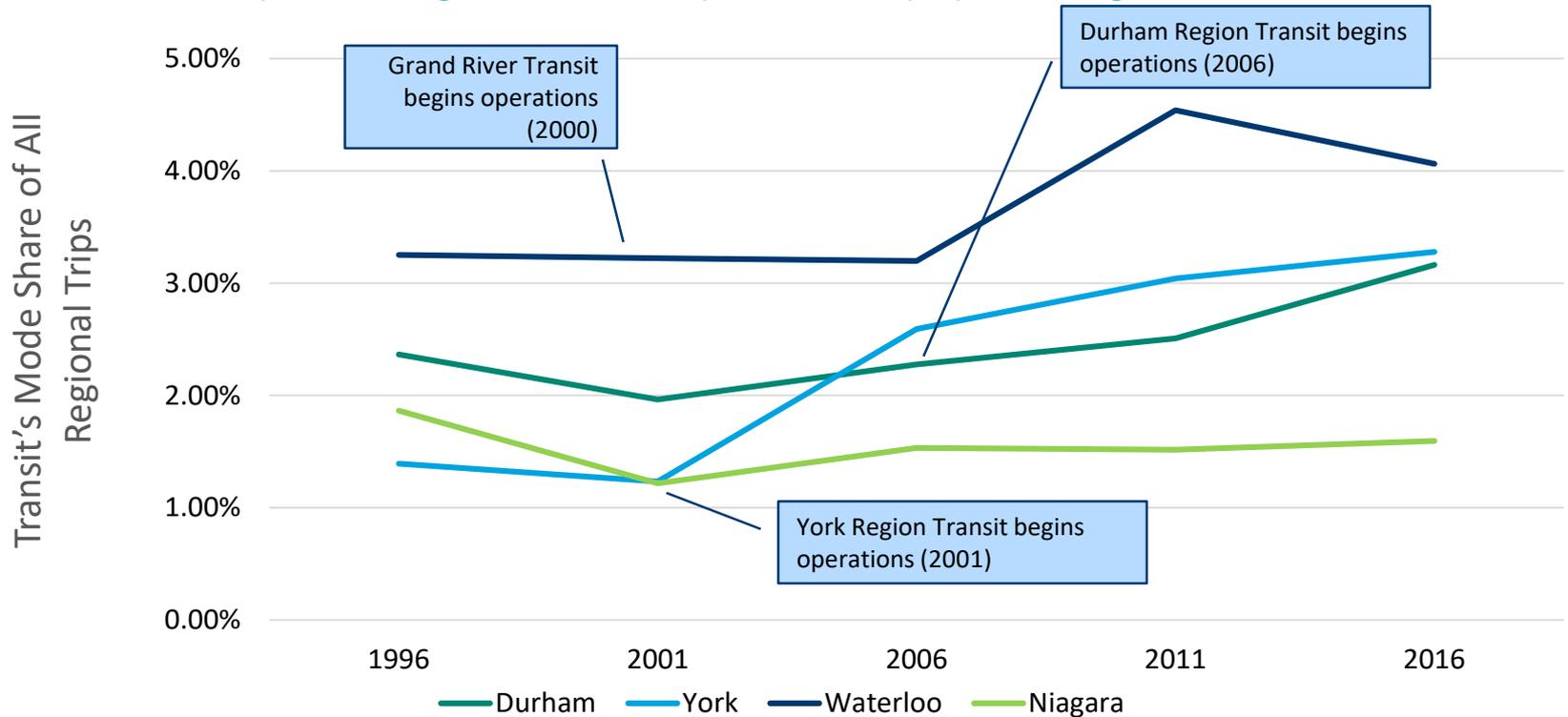
As part of this study, an in-depth analysis of the Transportation Tomorrow Survey and the Ontario Growth Plan was undertaken, as well as observed transit data to identify a set of changing trends and important considerations for the 2031 horizon. In addition to this, a forecast of future demand estimates for the preferred network was undertaken, which was achieved by adjusting information related to routes, headways, fare policy, and more.

The following slides contain a summary of this Future State Plan that outlines the potential growth in transit ridership in Niagara. The assessment has identified a latent demand for transit that the current status quo system is unable to accommodate because of its inability to effectively support inter-municipal trips with first- and last-mile connections. Through integration, however, Niagara has the opportunity to spur this latent demand and accommodate ridership growth throughout the Region. This new entity will have the capacity, scale, and flexibility to build a system that reacts to not only the demand within a particular municipality, but that drives transit ridership growth across the Region.



Within 10-years of amalgamation, transit mode share could increase between 0.9% – 1.8%

This is consistent with peer jurisdictions, who experienced between 30% and 130% mode share increases post amalgamation, independent of population growth.



After amalgamation of local transit services, Durham, Waterloo and York Regions all experienced a substantial increase in transit utilization.

In contrast, the local transit mode share in Niagara Region has remained largely constant over the past twenty years.



Transit Demand in the 2031 Horizon

In all tested scenarios with fully integrated transit services, the total number of transit trips greatly outpaces the status quo

The consultants worked in collaboration with IBI Group to produce a set of comparable 2031 AM Peak Period transit forecasts using the Region's Transportation Model. The future network in the model was updated to the preferred network, including the express service options, and a preliminary fare-policy was recommended.

The high growth scenario considers the results of the advanced modelling analysis and includes recent trends in growth and demand and identifies an apparent latent demand for improved regional transit integration. This scenario employs the increasing trends in modal share observed at peer transit agencies after amalgamation of local transit services. While this represents a considerably greater demand for transit in the 2031 horizon, the approach employed to consolidate these results ensures that the most current transit ridership trends are adequately captured.

Total Trips Originating from and/or Destined within Niagara Region			
	Status Quo	Low Growth	High Growth
AM Peak Period Transit Demand	4,770	6,990	15,180

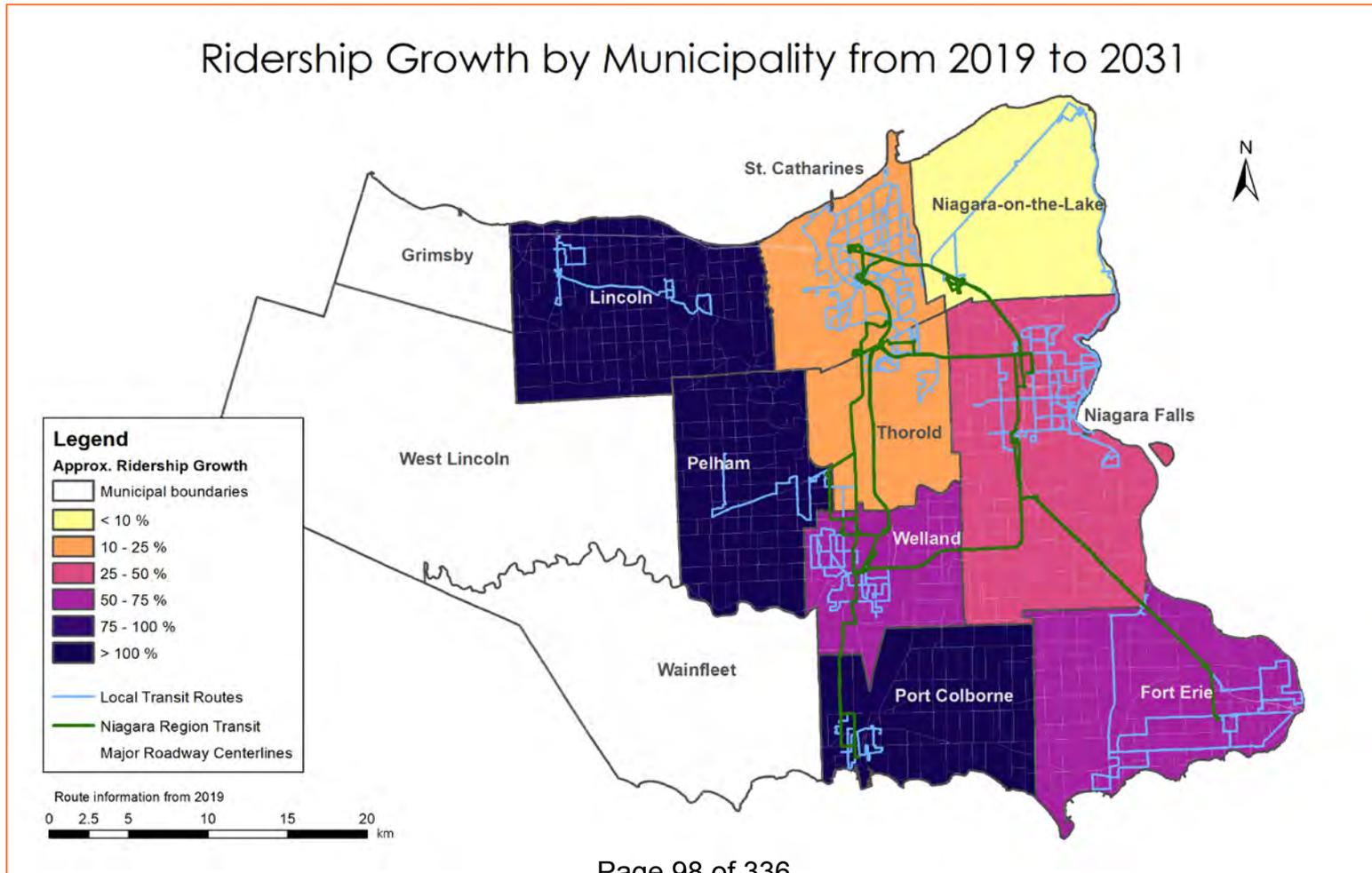
Note that this assessment does not represent a rigorous modelling exercise and should only be leveraged for the purposes of providing broader context to the overall transit governance strategy.

The Status Quo scenario assumes 2% annual growth.



After service integration, transit ridership is expected to grow by up to 80% region-wide by 2031 in the High-Growth Scenario

Service integration will allow for more seamless travel region-wide. With appropriate service enhancements, every local municipality will have substantial growth in transit ridership

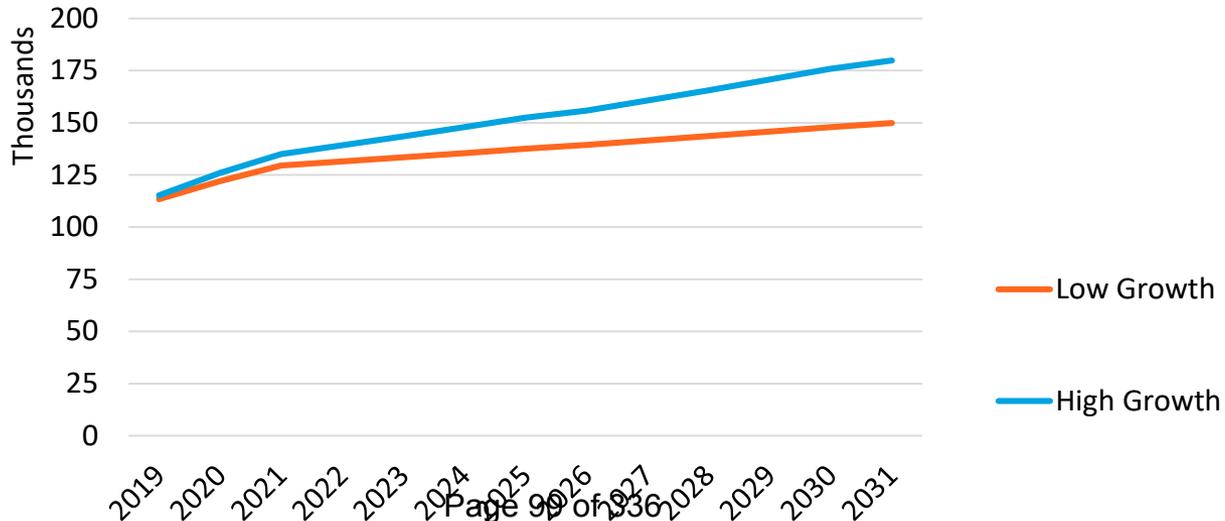


Demand for specialized transit service is expected to grow between 20% and 40%

LNTC-C 4-2020
Appendix 2

	2018 Observed	2021 Forecast	2031 Forecast
Total Clients	4,390	4,580 – 4,780	5,300 – 6,360
Total Trips	124,087	129,460 – 135,025	149,865 – 179,840
<i>Ambulatory / Non-ambulatory Patient Trips</i>	30,684 / 93,403	32,015 – 33,390 / 97,445 – 101,635	37,058 – 44,470 / 112,810 – 135,370
<i>Trips with / without a support person</i>	22,725 / 101,362	23,710 – 24,730 / 105,750 – 110,295	27,445 – 32,935 / 122,420 – 146,905

Growth in Specialized Transit Trips





Expected Service Growth

Transit service must increase dramatically over the first ten years to meet ridership demand after amalgamation. Region-wide, capacity must increase by over 300,000 service-hours (approximately 95% increase over 2019) in the high-growth scenario.

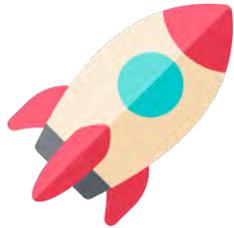
Municipality	Ridership (2019)	Anticipated Annual Trips (2031)	Service Hours (2019)	Estimated Service Hours Required (2031)
Intermunicipal Services	1,065,933	2,080,000 – 3,420,000	85,070	105,000 – 198,000
Niagara Falls	2,009,784	2,085,000 – 3,430,000	95,538	99,000 – 165,000
St. Catharines	4,731,453	4,600,000 – 7,100,000	152,181	148,000 – 230,000
Welland	738,998	870,000 – 1,440,000	42,509	50,000 – 83,000
Port Colborne	12,700	20,000 – 40,000*	2,600	8,500+
Thorold	286,037	255,000 – 450,000	11,779	12,000 – 19,000*
Fort Erie	40,467	49,000 – 81,000*	13,313	16,000 – 27,000
Niagara-On-The-Lake	29,510	22,000 – 37,000*	6,545	8,500+
Grimsby (On-Demand)~	N/A	5,000 – 9,000*	N/A	3,500+
Lincoln (On-Demand)~	2,000	6,000 – 10,000*	2,064	3,500+
Pelham (On-Demand)~	7,895	15,000 – 26,000*	5,458	5,500+
West Niagara (On-Demand)~	N/A	290,000 – 475,000*	N/A	42,000 – 56,000
Summary	8,924,777	10,030,000 – 16,200,000	417,057	502,000 – 803,000

- *Note: the demand models employed are less effective at predicting ridership precisely in smaller municipalities and areas with now existing transit service; these values should be considered carefully in this context.
- +Note: service hour growth for Port Colborne and Niagara-on-the-Lake is required for ensuring customers have equal access to transit throughout the region by providing equivalent service levels and span-of-service to other local municipalities
- ~Note: West Niagara Intermunicipal On-Demand is separate from local on-demand service in Grimsby, Lincoln or Pelham

Service Improvement Increments

Initialization Phase

2021 – 2022



- Initialization of the new integrated service
- Harmonize costs and hourly rates for operators and staff
- Initial phases of harmonized fares are implemented
- Implement an integrated fare system and associated technology to support region-wide travel
- Improve services in Port Colborne, Fort Erie and Niagara-on-the-Lake to ensure consistency across the region

Growth Phase

2023 - 2026



- Considerable investment in service hours across the region
- Expansion of fleet and facilities to accommodate growth
- Potential demand for incremental investment in transit priority measures such as queue jump lanes, transit signal priority and dedicated right-of-way

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Future Outlook

2026 - 2031



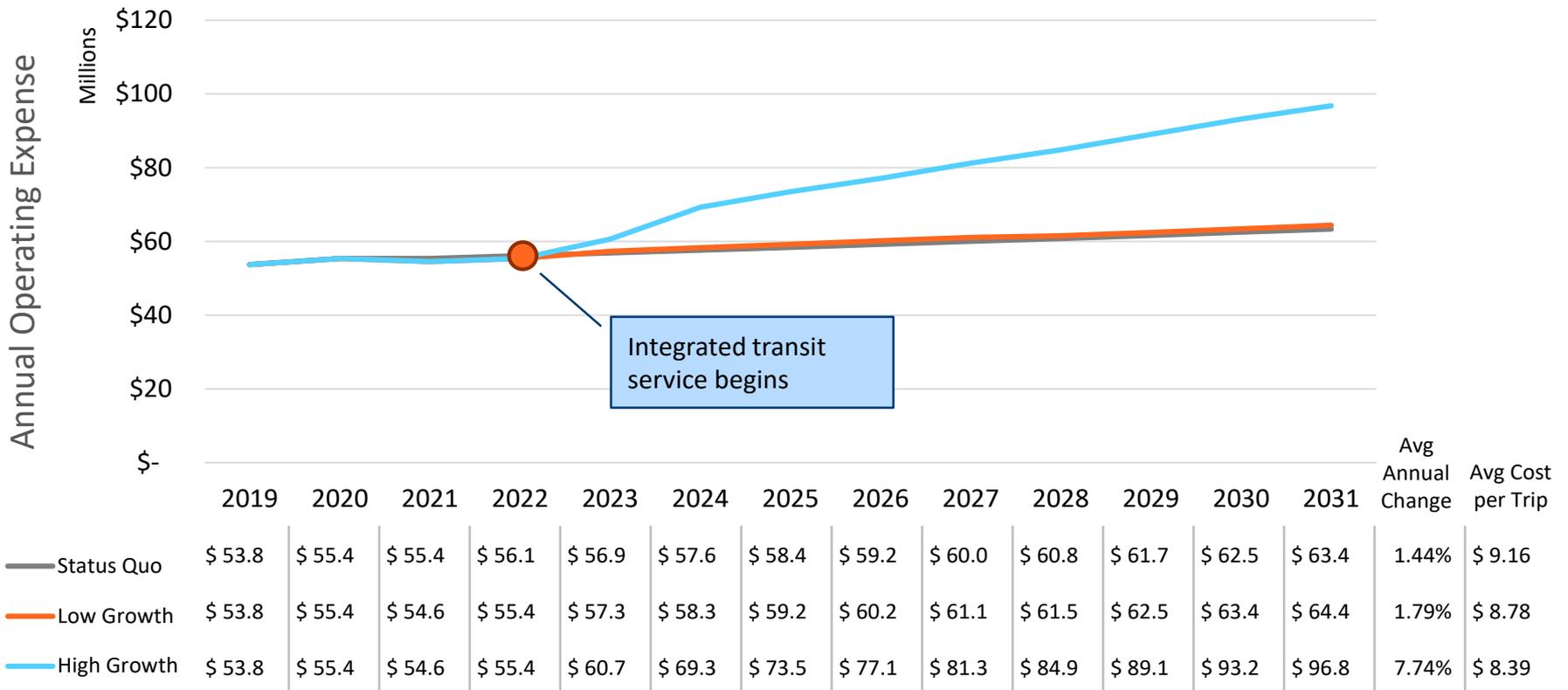
- Incremental transition to an integrated fare for region-wide travel to drive ridership growth and ensure seamless and fair access to opportunities by transit
- New services and infrastructure investment into higher-order transit such as Bus Rapid Transit
- Implementation of fixed-route services into West-Niagara to satisfy growing transit demand



Operating Cost Comparison Across Scenarios

Assuming a “Go-Live” date in the fiscal year of 2022, the new entity will need to make considerable investments in order to satisfy the demand for transit services in the region.

Service investment in order to achieve high growth is approximately 55% greater than the Status Quo scenario. Savings in the low-growth scenario are driven by lower more strategic investment in services and a reduced administrative burden over the status quo. Notice that the average cost-per-trip is lower in both the low growth and high growth scenarios.



Note that costs and revenues represent real dollars (\$2019) and are not adjusted for inflation

Operating Costs in Millions

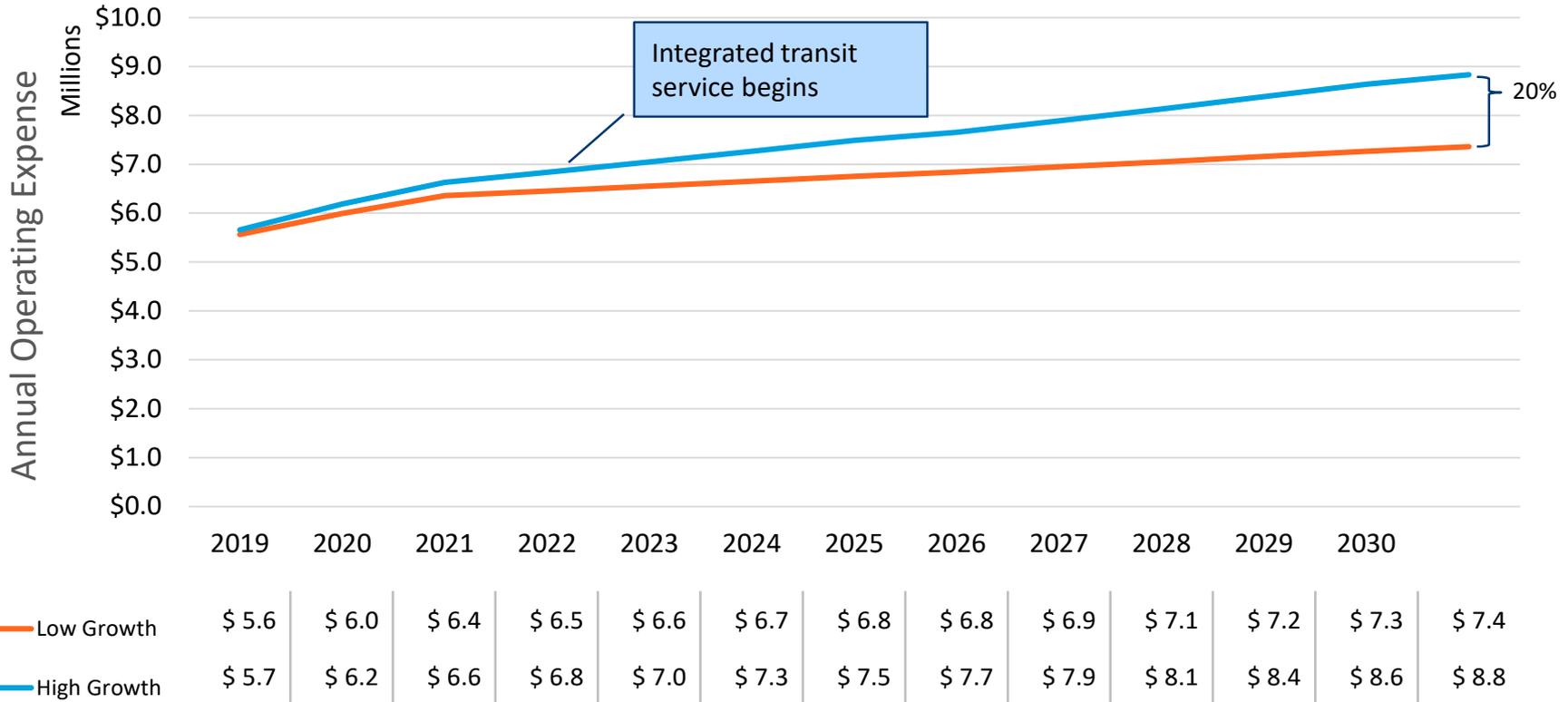
Implementing an integrated fare structure is critical to achieving ridership growth targets

Additional consideration should be made for the impact on changing fare policy on the post-secondary student pass programs at Brock University and Niagara College. Note that for this analysis it is assumed that the Post-Secondary UPass Program is tied to enrollment, not student ridership, and thus remains constant under all future scenarios.

	2022		2031	
	Start-of-Service	Status-Quo	Integrated Transit Fares	
Regional Cash Fare	\$ 6.00	\$ 6.00	\$ 3.00 - \$ 3.50	
Local Cash Fare	\$ 3.00	\$ 3.00	\$ 3.00 - \$ 3.50	
Total Customer Journeys	6.2M – 6.5M	6.8M	7.3M – 10.8M	
Student Customers	3.6M	3.7M	4.0M – 5.4M	
Non-student Customers	2.7M – 2.9M	3.0M	3.3M – 5.4M	
Total Revenue	\$ 18.2M - \$ 18.5M	\$ 20.1M	\$ 20.3 – \$ 29.2M	
Post-Secondary Pass Program Revenue	\$ 10.5M	\$ 11.6M	\$ 11.6M	
General Fare Revenue	\$ 7.7M - \$ 8.0M	\$ 8.5M	\$ 8.7M – \$ 17.6M	
Average Revenue per Trip	\$ 2.84 – \$ 2.91	\$ 2.91	\$ 2.53 – \$ 2.77	

Note that costs and revenues represent real dollars (\$2019) and are not adjusted for inflation

Specialized Transit Operating Cost Comparison



Operating Costs in Millions



Major Capital Investments

While several key investments in technology and infrastructure will be required to address service growth throughout the region, over \$ 74M-worth of projects have committed funding from the federal and provincial governments through ICIP and are anticipated to advance within the next few years.



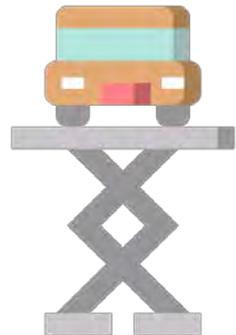
- Up to 82, 40' transit vehicles and 38, 60' articulated transit vehicles by 2031 (in the High Growth scenario)
- Further consideration for facilities may be required as alternative propulsion methods (e.g. hydrogen, battery-electric, etc.) are considered

\$ 95,000,000 between 2021 and 2031 (\$ 9.5M/year on average)



- Niagara Falls Transit indicated that they intend to commit capital funding to improve existing terminal facilities within the City.

\$ 4,500,000 in 2020/2021



- A new facility will replace the existing Welland Transit Garage, and is particularly useful for the high growth scenario
- The site is ideally situated in close proximity to most endpoints of inter-municipal services, making it preferable for servicing and overnight storage of those vehicles, in addition to vehicles assigned to Welland, Port Colborne and Fort Erie

\$ 13,000,000 to \$ 16,000,000 in 2022 to 2025

- St. Catharines Transit has indicated that garage facility upgrades will be required within the next ten years
- Services in St. Catharines will also experience the largest growth requirements for fleet, which will further strain existing garage facilities

\$ 15,000,000 to \$ 20,000,000 in 2025 to 2027



- Integrated electronic fare collection system is required at launch
- It is anticipated that the existing ITS systems will require replacement towards the end of the ten-year horizon.
- With a larger fleet and an expectation of changing technologies, this investment will be substantial

Up to \$ 7,500,000 for fare system depending on technology

\$ 20,000,000 to \$ 30,000,000 in 2028 to 2030

Note that these are intended for consideration and high level estimation of capital cost requirements and not intended to replace a more fulsome business case or investment study.

→ Future State Transit Service
Plan

Summary

Integration Will Drive Ridership Growth

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

Key Highlights

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel that the existing disconnected transit providers are unable to accommodate. As a result, transit ridership growth across the region is driven by improved inter-municipal transit trips and improved connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

Key Considerations

Operating costs could be impacted by governance decisions around harmonization of salaries and hourly rates for staff and operators

Subsidy and alternative revenue generation will have to be considered, particularly the allocation of gas tax funds to capital and operating expenses.

The new entity will be responsible for delivering and investing in service to drive aspirational ridership growth, no matter what governance structure is implemented.

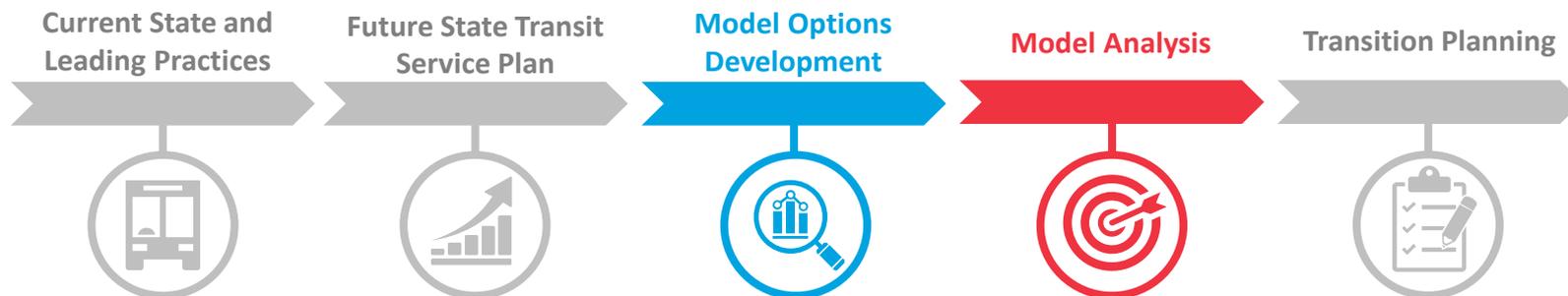
The new organization will be responsible for establishing transit service standards region-wide, which must balance cost effectiveness of various transit modes with necessary levels of service to increase ridership and improve the public perception of transit's effectiveness in Niagara Region.

→ Niagara Transit Governance
Study

Model Options,
Analysis, and
Recommendation

Introduction

The third and fourth phases of work involved developing potential model options, evaluating their potential, and ultimately recommending a preferred model for Niagara's integrated transit system.



Developing and Evaluating Potential Options

Once a thorough understanding of the current state of transit and the potential future growth in Niagara was complete, the information gained was used to develop three potential governance models that would be capable of delivering transit services in the region and meeting service expectations now, and in the future.

All three of these options were considered to be capable of meeting Niagara's transit needs, but in order to determine which model would be best suited for the region, a thorough analysis was undertaken during which each option was evaluated against a series of criteria that spanned the domains of operations, finance, stakeholder equity and input, and ease of implementation. Once that analysis was completed, the preferred model was identified.

This section contains an overview of each of the proposed transit system models, a description of the evaluation criteria used to evaluate them against each other, and a summary of the results of this analysis. Moreover, the closing slides of this section contain a summary of the rationale for the recommended model, a brief overview of some key risks and considerations that will need to be addressed as the integration moves forward, and additional information around organizational and governance structure that has been recommended.

→ Model Options, Analysis, and
Recommendation



Model Options Overview

Model Options Overview

Following the completion of the current state review, the jurisdictional scan, and the development of the future state plan, three potential governance models were developed:

Limited Commission

- Transit Service is governed by a regional commission with representation from local elected officials.
- Commission reports to Regional Council
- Strategic decision making for Transit Service is directed by Regional Council
- Relies on corporate services but retains transit-related services in-house

Full Commission

- Distinct entity independent from Regional Council
- Governed by a board of appointed members, equitably selected by Regional Council
- Responsible for all transit planning and delivery
- Budget allotment approved by Regional Council
- Makes limited use of Regional services except where service sharing does not impede agility or independence

Regional Division

- Division within Niagara Region's Public Works department
- Regional Council remains the governing body of the transit division
- Strategic decision making for Transit Service is directed by Regional Council
- Integrated into the Regional administration similar to other service delivery departments

Transit System Examples

- Durham Region

- Edmonton
- TTC
- St. Catharines

- York Region
- Waterloo Region

Model: Limited Commission

The governance models highlighted in the previous slide have many similarities and differences. The following slides contain a comparison of them by reviewing a few key characteristics:

Governance Structure & Decision Making	<ul style="list-style-type: none">• Commission membership is a combination of Local and Regionally elected representatives and would have representation from all local area municipalities in the Region, selected by their respective Council and appointed by Regional Council. There is also opportunity for non-elected members of the public to be members of Commission.• Commission acts as an Advisory group to Council where strategic decisions for service standards, service levels, budgets, and fares are made by Regional Council.• Commission decision making is focused on operating policies to implement and deliver transit services and collect fares.
Organizational Structure and Shared Services	<ul style="list-style-type: none">• Will take advantage of Regional corporate services and therefore can expect a reduction in FTE. Shared corporate support services can be purchased from Niagara Region for areas such as Finance, HR, Legal, Service Planning, etc.• To ensure adaptability, the Commission will retain such transit-related services as procurement, fleet maintenance, and communications to ensure transit-specific autonomy is provided but also allows leveraging of corporate supports.
Funding Sources	<ul style="list-style-type: none">• Regional Council will make the funding decisions based on recommendations from the Commission regarding annual service levels and fare strategy.• Funding sources include transit fares, Provincial and Federal funds, with the Municipality subsidizing net operating costs and funding the capital program.

Model: Full Commission

Governance Structure & Decision Making	<ul style="list-style-type: none">• Commission would be a distinct entity incorporated through the Municipal Act and independent from Regional Council. The Commission would be an agency of the Region of Niagara through the <i>Municipal Act</i>.• Governed by a Commission of appointed members, who are composed of a combination of elected and non-elected individuals, nominated and appointed by Regional Council.• Commission is single point of responsibility for transit service planning and delivery and is empowered to make strategic and operational decisions regarding transit service planning and delivery based on the funding approval from Regional Council.
Organizational Structure and Shared Services	<ul style="list-style-type: none">• Commission is a ‘purpose-built’ transit planning and delivery agency.• Financial reporting for Transit Commission is independent of Regional Council and has agency specific methods and systems in place.• Transit agency-specific methods and systems in place for IT, HR, legal, service planning.
Funding Sources	<ul style="list-style-type: none">• Commission will set fare policy and deliver service within the budget allotment approved by Regional Council.• Funding sources include transit fares, Provincial and Federal funds, with the member municipalities subsidizing net operating costs and funding the capital program.

Model: Regional Division

Governance Structure & Decision Making

- The Regional Council remains the governing body of the transit division (much like Niagara Region Transit currently).
- A Transit Committee of Council should be created to provide oversight during transition and early years of operation. Regional Council makes decisions for service standards, service levels, budgets and fares.
- Staff administers the Transit program as approved by Regional Council to deliver transit services and collect fares.
- Decision making for Transit Service is directed by Regional Council which has locally elected representation.

Organizational Structure and Shared Services

- Transit Services are integrated into the Regional administration similar to other service delivery departments.
- Corporate support services will be provided and charged to transit services as determined by internal Regional policy.

Funding Sources

- Regional Council will make the funding decisions based on recommendations from Staff regarding annual service levels and fare strategy.
- Funding sources include transit fares, Provincial and Federal funds, from the Municipality subsidizing net operating costs and funding the capital program.
- Regional Council will determine tax levy and capital program needs and financing through debentures, capital reserves and development charges.

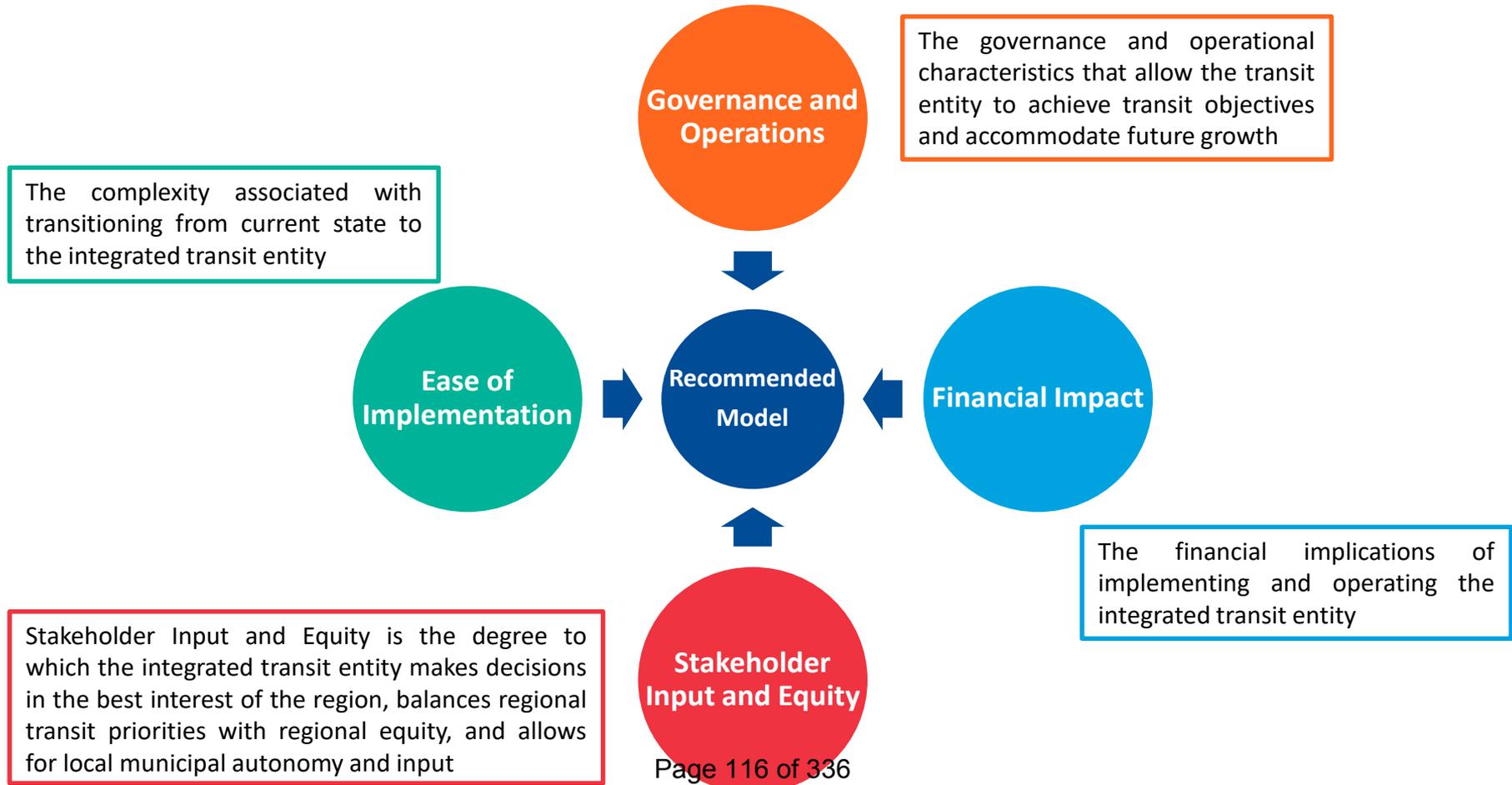
→ Model Options, Analysis, and
Recommendation

Evaluating the
Different Model
Options



Overview of Criteria

Four separate evaluation categories were used to evaluate and compare the different model options. Within each category are more detailed criteria upon which models were evaluated. The results of this evaluation will then enable the selection of a recommended model.





Overview of Analysis

The following points provide additional context for the development of evaluation criteria and how evaluation was conducted:

Perspective Taken for Analysis

- The objective of the model analysis is to determine which governance model would best deliver on the ambitions outlined in the Future State Transit Service Plan.
- The Future State Transit Service Plan was not a direct input into the governance structure recommendation, however it provided critical context of how residents and workers in Niagara region will utilize the services. Evaluation criteria may be perceived differently by different stakeholders. With regards to the evaluation, models were assessed by looking at which best serves the interest of the region and its aspirations to make transit a more viable alternative for commuters, students, residents, and tourists alike.

Structure of this Section

- The Summary of Analysis section in the following slides provides the scores within the four evaluation categories with a high-level rationale. The Harvey Ball Method was used, which depicts a visual representation of the model comparison. This method was chosen as they are useful in demonstrating the results of relative analysis, particularly for more qualitative measures. In the full 'Model Analysis Report', greater detail is provided on the rationale for the ratings of each criteria.

Evaluation Category and Criteria Weighting

- To further analyze the results of the model options analysis, several different weighting scenarios were applied to understand the impact that placing different levels of importance of particular categories or criteria would have on the final recommendation. It was found that there was no impact and therefore no weighting was applied.

Assumptions

To compare these different model options, some key assumptions were made to ensure a thorough and fair evaluation:

1. Initial transit services will be based on transfer of existing services

Meaning that service levels and commitments will remain largely the same for all municipalities at launch of the integrated transit entity for a defined period of time (likely 2-3 years, in agreement with Local Area Municipalities), with some expansion of service over the few years to ensure consistency across the region.

2. Cummings Principle will be used to transfer assets

The premise of the Cumming Principle is to transfer assets (and related outstanding liabilities), from one municipality to another with no additional compensation since transferring assets for additional compensation results in the taxpayer paying twice for the same public asset. This Principle has been applied for over four decades in the municipal setting throughout Ontario, and in the vast majority of transit consolidations reviewed as leading practices. The use of the Cummings Principle is also well aligned to the guiding principle of fairness, which respects the existing investments made by communities on behalf of taxpayers.

3. Investments in service will meet the transit demands across the network

This includes ensuring that the span of service across the Region is consistent and that all parts of the region have access to some form of transit service on a prioritized basis over time, and that as demand grows, service levels will increase to meet the demand.

→ Model Options, Analysis, and
Recommendation

Summary of Analysis:
Governance and
Operations



Summary

The governance and operational characteristics that allow the transit entity to achieve transit objectives and accommodate future growth.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Authority and Accountability in Driving Change	Speaks to the accountability and decision making power held by the transit entity.			
Agility and Flexibility	Ability for the entity to move from decision to action, and to react quickly to environmental changes, new legislation, advancing technology, and changing user demands.			
Accommodates Future Growth	Ability of the future transit entity to respond to projected ridership and service growth forecasted in the Future State Transit Service Plan.			
Public Perception	Public perception refers to the brand and image of the transit entity in the eyes of the citizens it is designed to serve.			

Authority and Accountability in Driving Change

A transit entity with greater authority to drive change is one that can make decisions to build the desired transit network in Niagara while demonstrating accountability to the public in order to maintain ongoing support for continued transit investment and growth.

Model	Assessment	Rationale
Limited Commission		The Limited Commission drives operational decision making and makes recommendations to Council on strategic matters, but may be viewed as less regionally accountable where recommendations are more locally focused resulting in lost support for transit growth.
Full Commission		The Full Commission is a separate body that operates independently of Regional Council apart from regular reporting and budgetary approvals, and are accountable for their own decisions, to maintain public and political support for ongoing transit investment.
Regional Division		The Regional Division model would rely on Regional Council for decision making and is expected to make more regionally-focused recommendations, although their accountability and support will be based on the broader perception of other Regional services delivery.

While Regional Council maintains control over annual funding approvals, the Full Commission is still more empowered to drive change and influence transit in Niagara Region than the other two models and will be directly accountable for their decisions to maintain public and political support for ongoing transit investment.

Agility and Flexibility

The agility and flexibility of the transit entity refers to its ability to move from decision to action, and to react quickly to environmental changes, new legislation, advancing technology, and changing user demands.

Model	Assessment	Rationale
Limited Commission		The challenges associated with the Limited Commission being an external organization but still relying on Council for key decisions and approvals will reduce its agility significantly.
Full Commission		The Full Commission's ability to make decisions and quickly reprioritize as needed makes it more agile and flexible than the other models.
Regional Division		The Regional Division benefits from its location within the Regional structure to make best use of shared services and understand competing priorities, but must still seek Council approval and coordinate with other Departments before taking action on strategic matters.

Full Commissions is more capable of reacting to environmental change, moving from idea to action, and mobilizing their workforce to pivot and respond to external pressure and needs.

Accommodates Future Growth

Accommodation of future growth speaks to the ability of the future transit entity to respond to projected ridership and service growth forecasted in the Future State Transit Service Plan.

Model	Assessment	Rationale
Limited Commission		Though exclusively focused on transit and able to leverage economies of scale, the Limited Commission may be less apt to making growth decisions with a regional lens.
Full Commission		The Full Commission's ability to make regionally-focused decisions and be flexible to growing and changing needs make it more able to accommodate it.
Regional Division		A Division's ability to secure ongoing funding, make regionally-focused decisions, and better coordinate with other regional services position it well to accommodate future growth.

The ability to accommodate future growth will be largely based on funding and ability to make regionally-focused decisions, thus making the Full Commission and Regional Division the strongest options.

Public Perception

Public perception refers to the brand and image of the transit entity in the eyes of the citizens it is designed to serve.

Model	Assessment	Rationale
Limited Commission		At launch, a regionally-focused transit entity delivering integrated and equitable service to Niagara residents can be expected to receive favorable feedback from the public.
Full Commission		However, neither a Commission or Regional Division governance model will hold an advantage in the long-term, as these systems have each received a share of scrutiny and critical attention from the public and media in the past.
Regional Division		Ultimately, the new entity's perception will be built around its service consistency and quality, communication, branding initiatives, and accountability.

Either Commission or Regional Division model options are equally susceptible to scrutiny given historical controversies, and risk mitigation strategies and proper accountability measures will need to be incorporated into any chosen model.

→ Model Options, Analysis, and
Recommendation

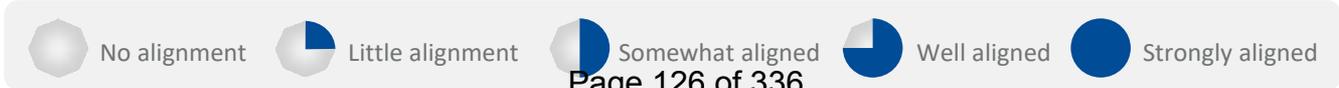
Summary of Analysis:
Financial Impact



Summary

The financial implications of implementing and operating the integrated transit entity.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Lower Cost of Implementation*	The costs of implementing each model are associated with the complexity and the size of the organizations proposed.			
Operating Cost Efficiency*	Operating costs and efficiencies relate to how much a transit agency will spend, but more importantly how effectively those dollars are allocated to services throughout the region.			
Financial Decision Making	Financial decision making refers to decisions leading to transit operating and capital costs, and decisions regarding how to generate the necessary funding, and ability to secure budget approvals.			
Potential for Ongoing Financial Support	The potential for ongoing financial support to fund the necessary investment to build and maintain a transit network which offers seamless travel within Niagara, while also supporting connections with GO Transit services.			



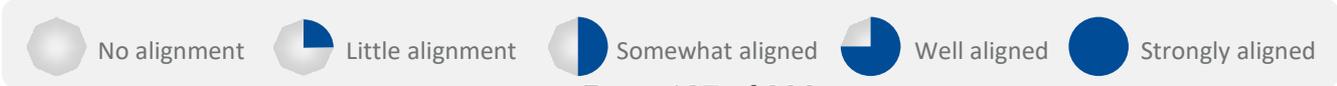
*With regards to Costs of Implementation and Operating Cost Efficiency, a full circle represents lower relative costs

Lower Cost of Implementation*

The costs of implementing each model are associated with the complexity and the size of the organizations proposed.

Model	Assessment	Rationale
Limited Commission		Both the Limited and Full Commission models will require an investment in start-up costs. These costs would include the legal costs associated with establishing the Commission in the Municipal Act and associated local bylaws as well as selecting and moving staff and physical resources to a consolidated office location.
Full Commission		
Regional Division		Implementing a Regional Division in municipal bylaw will likely require less effort. However the costs are not anticipated to be substantially lower than the Commission models.

The governance model options are anticipated to have similar order of magnitude' implementation costs





Operating Cost Efficiency*

Operating cost efficiency relates to how effectively those operating expenses are at providing highly efficient transit services.

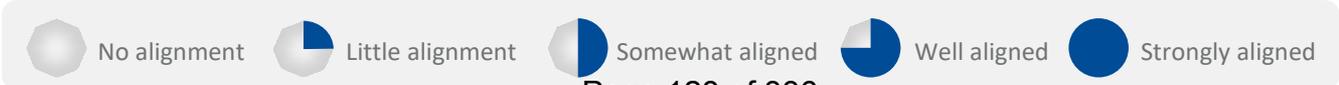
Model Assessment Rationale

Limited Commission		The Limited Commission will have budgetary restrictions and be required to provide the desired service levels within their approved annual budget. However, a Limited Commission may receive greater local area municipality input on day-to-day service-related decisions which may result in changes to service that require sacrifices to service efficiency to address other priorities.
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Full Commission		The Full Commission will likely have the greatest budgetary restrictions and will have to ensure that all operations and unanticipated changes to the service are accommodated within their approved annual budget. As such, they will likely be required to provide the most effective service within their financial means.
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Regional Division		Regional Division will have greater budgetary flexibility, being able to capitalize on budget savings in other regional departments to make unanticipated changes to service. Additionally, a Regional Division may receive greater local area municipality input in day-to-day service-related decisions which may then be supported by budgetary amendments at council rather than identifying internal efficiencies.
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A Full Commission could provide the greatest value for operating expenses invested in service by ensuring that services are allocated as efficiently as possible within budgetary constraints. This trend seems to be supported by peer agency review.



*With regards to Costs of Implementation and Operating Cost Efficiency, a full circle represents lower relative costs

Financial Decision Making

Financial decision making refers to decisions leading to transit operating and capital costs, along with decisions regarding how to generate the necessary funding, and the ability to secure budget approvals.

Model	Assessment	Rationale
Limited Commission		The Limited Commission defers to Council for all strategic decisions, which are informed by recommendations from the Commission.
Full Commission		Apart from annual operating and capital budget approvals, all financial decisions are made by the Commission.
Regional Division		The Regional Division must take a broader look at regional priorities when recommending action to Council.

Regional Council holds the ultimate financial decision-making responsibility through the approval of the annual budget for all models, but the Full Commission Model has the most independence to make strategic decisions which drive financial outcomes for transit services.

Potential for Ongoing Financial Support

The potential for ongoing financial support to fund the necessary investment over several years, to build and maintain a transit network which offers seamless travel within Niagara, while also supporting connections with GO Transit services

Model	Assessment	Rationale
Limited Commission		Financial recommendations to Council may not be supported if they are deemed to be too locally focused or not viewed as forwarding regional priorities. The budget request would be separate from the Region’s internal budgetary process.
Full Commission		While exclusively focused on transit, the Full Commission may be less aligned with other regional priorities and achieve less Council support. The budget request would be separate from the Region’s internal budgetary process.
Regional Division		This model offers the closest integration with other regional priorities and thus increases the potential for ongoing financial support.

Regional Council holds the ultimate financial decision-making responsibility, and the Regional Division offers an advantage by being integrated and aligned with other internal Regional priorities and can leverage this to obtain ongoing financial support.

→ Model Options, Analysis, and
Recommendation

Summary of Analysis:
Stakeholder Input
and Equity



Summary

Stakeholder Input and Equity is the degree to which the integrated transit entity makes decisions in the best interest of the region, balances regional transit priorities with regional equity, and allows for local municipal autonomy and input.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Equity	Ability to balance the needs and perspectives of larger and smaller municipalities.			
Serves the Public Interest	The degree to which the integrated transit agency can make decisions that contribute to the broader public good and the region's aspirations overall, and informed by public engagement and input.			
Municipal Input	The degree to which local area municipalities will be able to provide input into service planning and delivery decisions, while also maintaining local autonomy.			

Equity

A transit entity with greater consideration of equity will be able to balance the various needs and interests across Niagara Region, and can implement decisions that may not always be the most popular, cost-effective, or well received by a particular community.

Model	Assessment	Rationale
Limited Commission		Due to the Limited Commissions more diverse and LAM-representative composition it is better suited to take on broader municipal input into the design of standards and strive to make them more equitable.
Full Commission		The Full Commission's independence allows it more flexibility to effectively apply the standards, however it is less effective at incorporating a regional focus.
Regional Division		This model can more effectively design standards through a broader approach to equity, but is less suited to apply the standards without influence.

The Limited Commission holds a slight advantage in terms of ability to promote equitable transit service delivery through more diverse and transit-focused decision making, and less impacted by external influence and political considerations.

Serves the Public Interest

The degree to which the integrated transit agency can make decisions that contribute to the broader public good and the region's aspirations overall, and informed by public engagement and input.

Model	Assessment	Rationale
Limited Commission		A Commission model, whether Limited or Full, is similarly able to gather public input on transit services, in a more focused manner through an emphasis on transit users to inform decision making and long-term plans. It is recommended that an advisory committee be considered to ensure that stakeholder input is heard and reflected within the Commission model.
Full Commission		
Regional Division		Long term planning for transit should not only consider community, and the built environment but can influence future decisions made for the region to align transit and broader community needs.

A Regional Division holds an advantage, as the Region already provides a multitude of services that are connected to transit planning. Leading practices demonstrate that transit cannot be viewed as an isolated service, rather it is integrated with other disciplines.

Municipal Input

The degree to which local area municipalities will be able to provide input into service planning and delivery decisions, while also maintaining local autonomy to influence tax policy related to municipal transit to enhance or increase local service.

Model	Assessment	Rationale
Limited Commission		This model provides LAMs with the greatest degree of input and influence over transit decision making through Regional Council and the representative Commission.
Full Commission		The Full Commission model is more independent and provides flexibility for LAMs to exert local autonomy and increase local services, but decreases their direct influence on overall decision making.
Regional Division		A Regional Division leverages existing decision-making structure and representation within Regional Council to make decisions regarding transit operations.

Overall, both Commission models allow for comparable degrees of municipal input into transit-related decisions and autonomy to influence local service, though the Limited Commission allows for more direct LAM input.

→ Model Options, Analysis, and
Recommendation

Summary of Analysis:
Ease of
Implementation



Summary

The complexity associated with transitioning from current state to the integrated transit entity.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Staffing Resources Impacts	Degree of suitability of the model with regards to transferring human resources to new entity, including the impact on FTE count.			
Labour Relations	Degree of suitability of the model with regards to conducting negotiations and harmonizing collective agreements.			
Legal Implications	Degree of suitability of the model with regards to the legal formation of the new transit entity.			
Asset Transfer Implications	Degree of suitability of the model with regards to implementing the Cummings Principle to the required transfer of assets from the local municipalities to the new entity.			

Staffing Resources Impacts

Degree of suitability of the model with regards to transferring human resources to new entity, including the impact on FTE count.

Model	Assessment	Rationale
Limited Commission		A Limited Commission may require the same or greater investment in staff resources than a Full Commission in order to handle the more frequent interactions with Regional Council despite the natural opportunities for increased utilization of shared services over a Full Commission.
Full Commission		A Full Commission will require greater investment in in-house staff resources since it will likely duplicate the majority of services that could otherwise be shared in a Regional Division.
Regional Division		A regional division will benefit from shared services in lowering their dedicated headcount. However, it is unclear what the FTE impact would be on the divisions responsible for providing the shared services.

The Regional Division will benefit from shared services opportunities to lower the headcount over either commission models. However, consideration must be made for the staffing required in partner divisions that will provide those shared services.

Labour Relations

Degree of suitability of the model with regards to conducting negotiations and harmonizing collective agreements.

Model	Assessment	Rationale
Limited Commission		While a Limited Commission would be a separate entity and engage in its own bargaining practices, it is likely that decisions will be guided by CBA's already negotiated at other Regional entities.
Full Commission		A Full Commission would have full autonomy over its bargaining agreements with the transit unions across the region, and the shared understanding of transit operations will benefit negotiations to a greater degree than other models.
Regional Division		A Regional Division will be beholden to negotiations and other agreements already in place in other Regional entities. Additionally it is possible that with other bargaining priorities the Region may not be able to negotiate.

Since a full commission will have the greatest autonomy over its own labour relations, it is likely that it will be easiest to transition these resources and agreements of the three proposed models.

Legal Implications

Degree of suitability of the model with regards to the legal formation of the new transit entity.

Model	Assessment	Rationale
Limited Commission		Both commission models will require an extensive municipal engagement process in order to change the Municipal Act to form the Transit Commission. This will likely involve obtaining the Triple-Majority from local city councils prior to passage at Regional Council. Only then will the amendment be submitted to the Province for approval. Establishing an appropriate mechanism for local municipalities to exercise their autonomy would be critical in the establishing amendments and how their representation on the commission is structured.
Full Commission		
Regional Division		A regional division can be established directly by Regional Council through a bylaw amendment that allows the Region to assume responsibility of transit services. Negotiating the transfer of transit assets, liabilities and operating agreements may be met with some resistance from the local municipalities and establishing appropriate mechanisms to maintain local autonomy could be challenging.

While the Regional Division will be the most straightforward governance model to implement, owing to the fact that it should not require amendments to the *Municipal Act*, its acceptance by the local municipalities may be contingent on an appropriate mechanism to ensure their local autonomy over decision-making, particularly as it relates to their continued inclusion within this entity and the negotiation of asset transfer.

Asset Transfer Implications

Degree of suitability of the model with regards to implementing the Cummings Principle to the required transfer of assets from the local municipalities to the new entity.

Model	Assessment	Rationale
Limited Commission		With the Limited Commission reporting directly to Regional Council on an ongoing basis for decision-making, there may be some concerns with respect to turning over local control of assets to a commission with less independence.
Full Commission		A Full Commission will likely be best positioned to negotiate the transfer of assets, particularly if sufficient independence is established from Regional Council, and appropriate local municipal representation is provided.
Regional Division		Since a Regional Division will be managed directly by Regional Council without ongoing decision-making input from local municipalities, it is possible that there could be concerns regarding asset transfer from the local municipalities.

The Full Commission is best suited to accomplish the asset transfer through the implementation of the Cummings Principle so long as it is established as sufficiently independent from Regional Council.

→ Model Options, Analysis, and
Recommendation

Recommended
Model

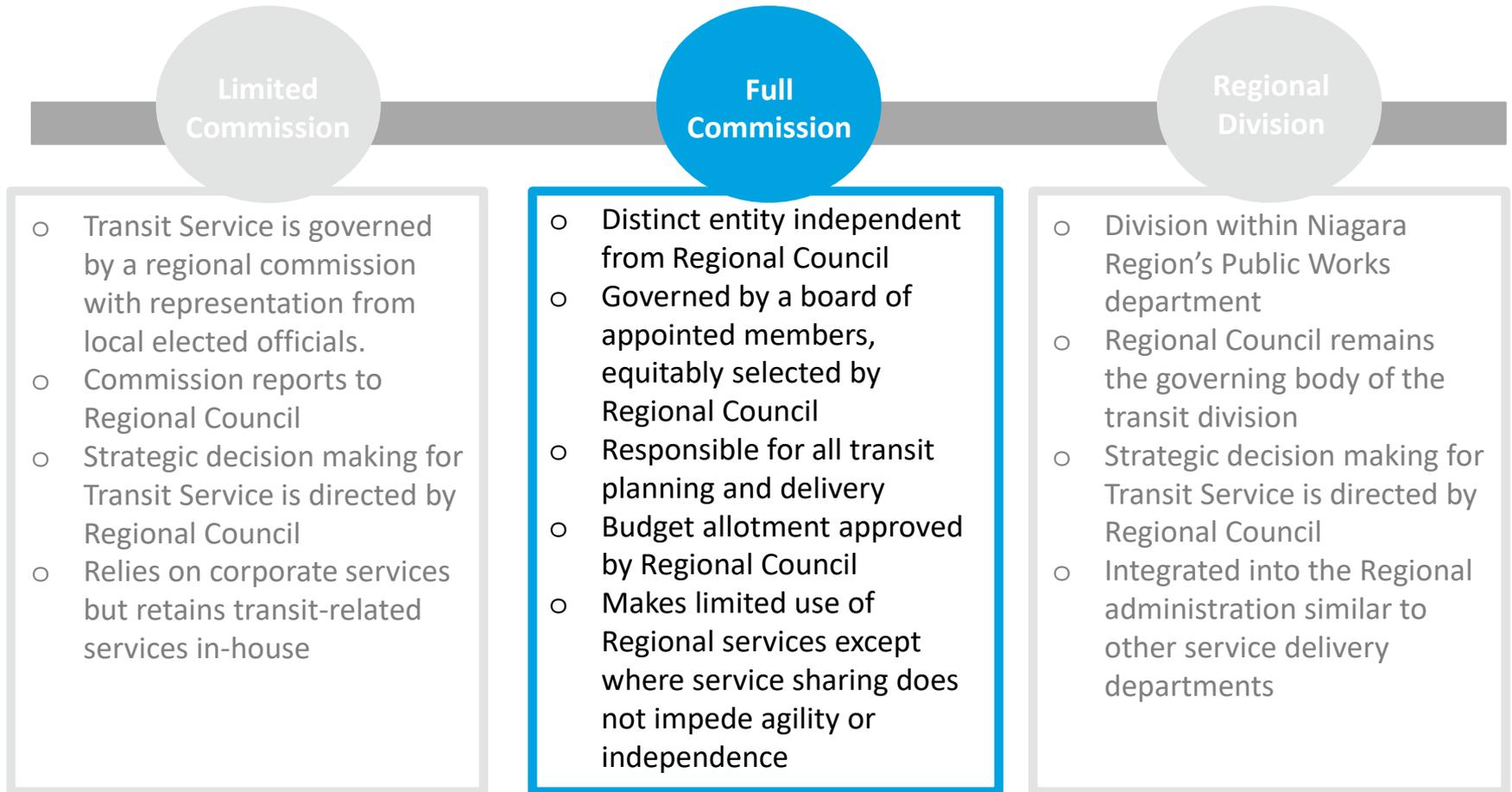
Summary of Analysis

A side-by-side comparison showing where each model performed best within each evaluation criteria. Based on the in-depth analysis conducted, the Full Commission ranked higher in most categories.

Criteria		Neutral across all models	Limited Commission Preferred	Full Commission Preferred	Regional Division Preferred
Governance & Operations	Authority and Accountability in Driving Change			✓	
	Agility and Flexibility			✓	
	Accommodates Future Growth			✓	
	Public Perception	✓			
Financial Impact	Lower Cost of Implementation	✓			
	Operating Costs and Efficiencies			✓	
	Financial Decision Making			✓	
	Potential for Ongoing Financial Support				✓
Stakeholder Input and Equity	Equity		✓		
	Serves the Public Interest				✓
	Municipal Input		✓		
Ease of Implementation	Staffing Resources Impacts				✓
	Labour Relations			✓	
	Legal Implications				✓
	Asset Transfer Implications			✓	

Recommendation: Full Commission

As the analysis demonstrates, the preferred model and recommendation is the Full Commission.



The Full Commission model brings the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.



Benefits of the Full Commission

Ultimately, the analysis led to the conclusion that the Full Commission is the most suitable model for Niagara. While many factors went into this recommendation, two of the chief benefits that made the Full Commission more attractive than other models were:



The Autonomy of the Full Commission

- The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
- With this independence, the Full Commission can remain more focused solely on transit and is more capable of formulating its own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.
- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth.
- The autonomy of the Full Commission provides it advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.



The Financial Benefits

- The Full Commission will likely have the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within the means previously defined in the annual budget.
- From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services.
- This is particularly important when looking to the future and considering what ridership growth may be, and how services may expand to serve regional needs.
- The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The Full Commission is best suited to grow transit in the region while delivering the high quality, innovative, and seamless transit services that the citizens of Niagara deserve



Risks and Considerations

Identifying risks and developing mitigation strategies will be an important consideration for the implementation of the Commission model. While a more detailed exploration of risks is contained in the Transition Plan, some important elements to consider include:

Public Perception

While the launch of an independent entity designed to make regional transit easy and affordable for residents is likely to be viewed positively in the eyes of the public, the independence of a Full Commission could be a drawback as well, given that Regional Commissions in Niagara have previously faced accusations related to transparency and accountability.

It will be particularly important moving forward that the Full Commission build and maintain open communication and engagement with the public, LAMs, and Regional Council, and continually instill confidence with these stakeholders through strong service and accountable governance and operations.

Misalignment with Regional Priorities

With its separation from the Regional structure, there is a risk that a Full Commission will not be aligned with other Regional priorities and services. This could include initiatives related to poverty reduction, economic development, environment, accessibility, and more.

Developing strong communication channels and a culture of inter-municipal collaboration, providing regular updates to Regional and Municipal Councils, and viewing transit as a service to be integrated with other priorities, rather than isolated, will be critical to ensuring the integrated entity contributes to overall development of the region.

Complexity of Integration

Creating a new entity is a complex and challenging undertaking that will require the coordination and support of many different stakeholders. The implementation of this entity, from preliminary engagement of LAMs, to passage at a Council level, to the official launch will require significant and dedicated financial and human resources.

Failure to commit what is needed for implementation could result in delays and overruns. Having the proper resources in place to launch this entity will be critical for navigating the complex early stages of transition.

→ Model Options, Analysis, and
Recommendation

Organizational and Governance Structure Recommendations

Overview

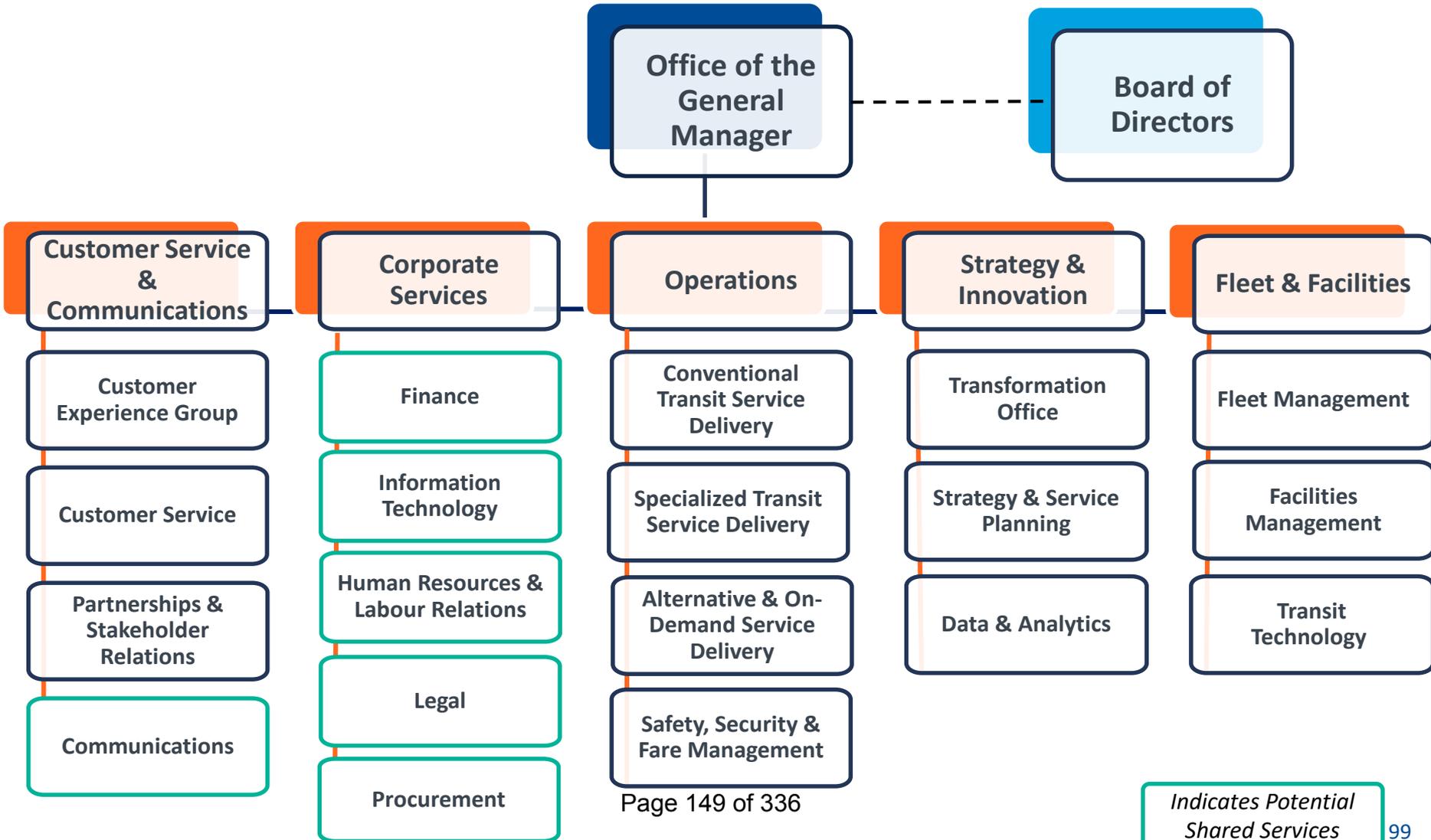
An organizational and governance structure for the new Commission model must be determined. Listed in this section are recommendations regarding key functional areas to include in the organizational structure, as well as considerations and a recommended composition for the Commission governance structure.

- As it relates to the organizational structure, a series of functional areas have been recommended for the consideration of the Commission. These can be amalgamated or divided as the Commission sees fit, however it is important to note that the span of control (the number of pillars across the organization) should complement the size of the organization and preferred leadership structure and encourage cross-functional collaboration.
- The organizational structure and positions within it (*titles and positions shall be determined by the Commission*) should be continually reassessed to ensure that it fits the strategic objectives of the Commission.
- The proposed composition of the Commission took into consideration different models, and best practices for good governance, and should be reviewed after 2 to 3 years of operation, by an independent third party to ensure that the board's size, composition and skills ensure it is an effective governing body and achieving the strategic objectives of the Commission.
- Both the organizational and governance structures of the Commission are preliminary and would be confirmed through the transition and implementation activities, by the Commission.



Proposed Organizational Structure

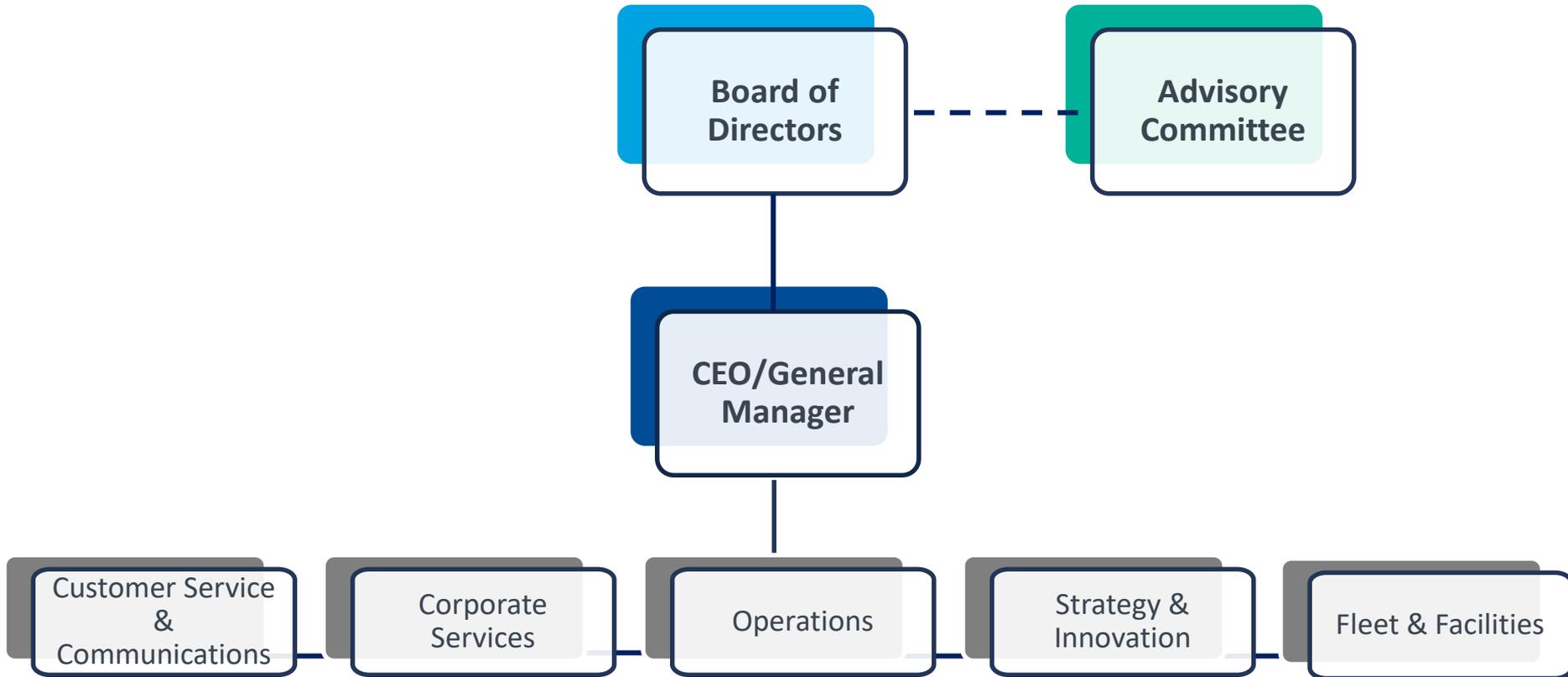
Outlined below is the proposed organizational structure for the Commission:





Proposed Governance Structure

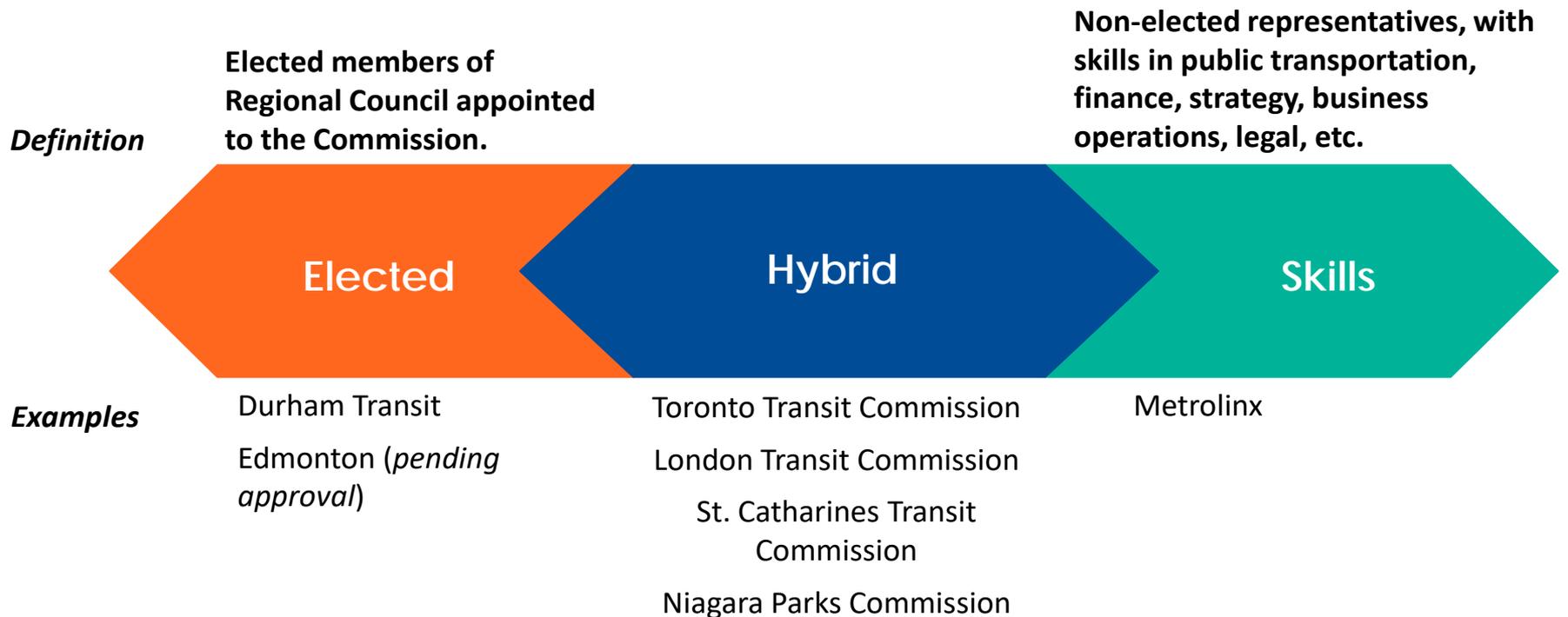
Outlined below is the overall reporting structure for the proposed governance structure of the Commission. The CEO or General Manager would report to the board whereas the Advisory Committee provides non-binding advice to the Commission.





Commission Membership Options

Membership structure of the Commission may fall on a continuum similar to the one below, each with its own advantages and challenges. Whereas elected officials are accountable to the public and represent local municipal interests, skills-based members bring a diverse set of skills and are less restrained by municipal interests.



A hybrid governance structure is recommended for Niagara, as it allows a combination of elected officials and skills-based members to provide guidance and oversight



Membership Recommendations

The recommended structure is a hybrid, including elected officials and skill-based members for effective and balanced governance of the Commission.

- A hybrid board governance structure is recommended for Niagara, as it provides a combination of elected officials and skills-based members. This allows member municipalities to represent local interests and for elected officials to have stewardship over the resources allocated to the Commission. In addition, skilled members can fill any gaps in skills or experience particular to the Commission through those who have experience in the industry or more broadly.
- The proposed governance structure should be reviewed after 2 to 3 years of operation, by an independent third party to ensure that the board's size, composition and skills ensure it is an effective governing body and achieving the strategic objectives of the Commission.
- In recommending the proposed governance body, the size of the body as well as the breakdown of elected and skilled members was considered. In line with leading practices, a board between 7 and 12 members is recommended for effective and efficient decision making. The proposed composition also took into consideration the dynamics between elected and skilled members and ensured that there was an almost even split between the two constituencies of the board for balanced oversight.
- It is recommended that a Nominating Committee of the Regional Council should select the Chair from among elected officials and the Vice-Chair be selected from among the skilled members for balanced leadership.
- Alternatively, a larger number of elected representatives of the local area municipalities was considered, however due to the reporting relationship to Regional Council, it was determined that the voice of elected members would be well represented.



Proposed Composition of the Commission

Outlined below is the proposed composition of the Commission, which would be appointed by a Nominating Committee of the Regional Council.

Members of Regional Council

(1) Welland

(1) St. Catharines

(1) Niagara Falls

(2) Niagara Municipalities [*Selected amongst representatives of: West Lincoln, Lincoln, Grimsby, Pelham, Thorold, Niagara on the Lake, Wainfleet, Fort Erie, and Port Colborne*]

Skill-based or Public Members

(4) Skills-based or Public members (appointed/nominated)

Ex-Officio

(1) General Manager (non-voting member)

9 voting members



Membership Criteria

Skills based or Elected Public members of the board would be appointed based on their qualifications, and their ability to contribute to strategic decision making.

Skills based or Elected Public members of the board shall have executive-level and governance experience with a range of skills, knowledge, and experience with one or more large organizations. These members may provide knowledge on several different perspectives including finance, human resources, legal, public transit, etc. Some criteria that is considered for public members includes, but is not limited to:

- strategic business management;
- financial management, accounting, law, and engineering;
- customer service or marketing management;
- management or planning with a rail or public transit organization, or understanding and/or experience with transit operations;
- transformative change management;
- formulation and/or management of public-private partnerships;
- capital project/construction management or capital procurement/supply chain management;
- operations and information technology;
- labour relations/industrial safety management; or,
- professional knowledge and working experience of urban sustainability, intersectionality, and inclusive governance.



Proposed Advisory Committee

In order to incorporate the local and public interests within the region into the decision-making structure of the Commission, an Advisory Committee is recommended.

Advisory Committee

- (12) Niagara region residents**
- (2) Members of the Accessibility Advisory Committee**
- (2) Member of a student association from Niagara College and Brock University**
- (1) Member of Niagara Chamber of Commerce**
- (1) General Manager, or designate**

- The composition of the Advisory Committee should balance the membership structure of the Commission and can have input into the policies, procedures and operational concerns
- The Advisory Committee would be supported by Commission, and it is recommended they meet 1 to 2 times annually, as needed.
- By establishing an advisory body, the Commission will gain insights into current and upcoming challenges or opportunities and explore these in a thorough way
- It is recommended that a blended approach of broad public consultation and soliciting input of the advisory committee be employed

→ Model Options, Analysis, and
Recommendation

Summary

Summary

The development and analysis of model options, along with the recommendation of the Full Commission, represent one of the most significant undertakings of this study.

Key Takeaways

Following the completion of the current state review, the jurisdictional scan, and the development of the future state plan, three potential governance models were developed.

An analysis of each model option was performed against a range of evaluation criteria to determine which model was the preferred option for Niagara.

While all models have the potential to successfully integrate and lead transit services in Niagara, the Full Commission Model was recommended as it brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.

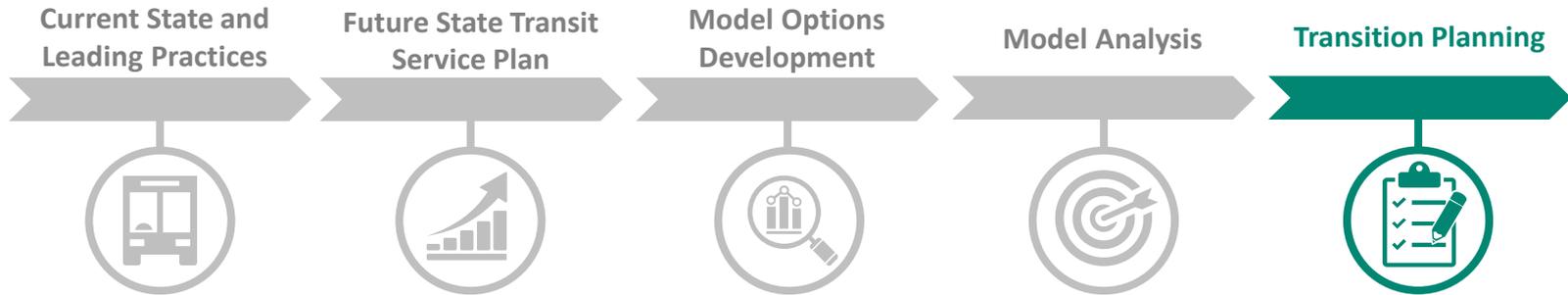
A nine member hybrid governance structure has been recommended as it allows a combination of elected officials and skills-based members to provide guidance and oversight of the Commission.

→ Niagara Transit Governance
Study

Transition Planning

Introduction

The fifth and final phase of this study involved plotting out the key steps and timelines required to amalgamate all of the transit systems in the region into the recommended Full Commission Model.



Planning for Change

Once an integrated transit governance model was identified and recommended for Niagara, the final phase of this project involved outlining implementation activities* needed to move existing transit services and their supporting resources into this integrated model. In order to ensure a thorough and feasible transition from the current to future state, a five-phase transition plan was developed that identified the key milestones and the expected timelines for their completion.

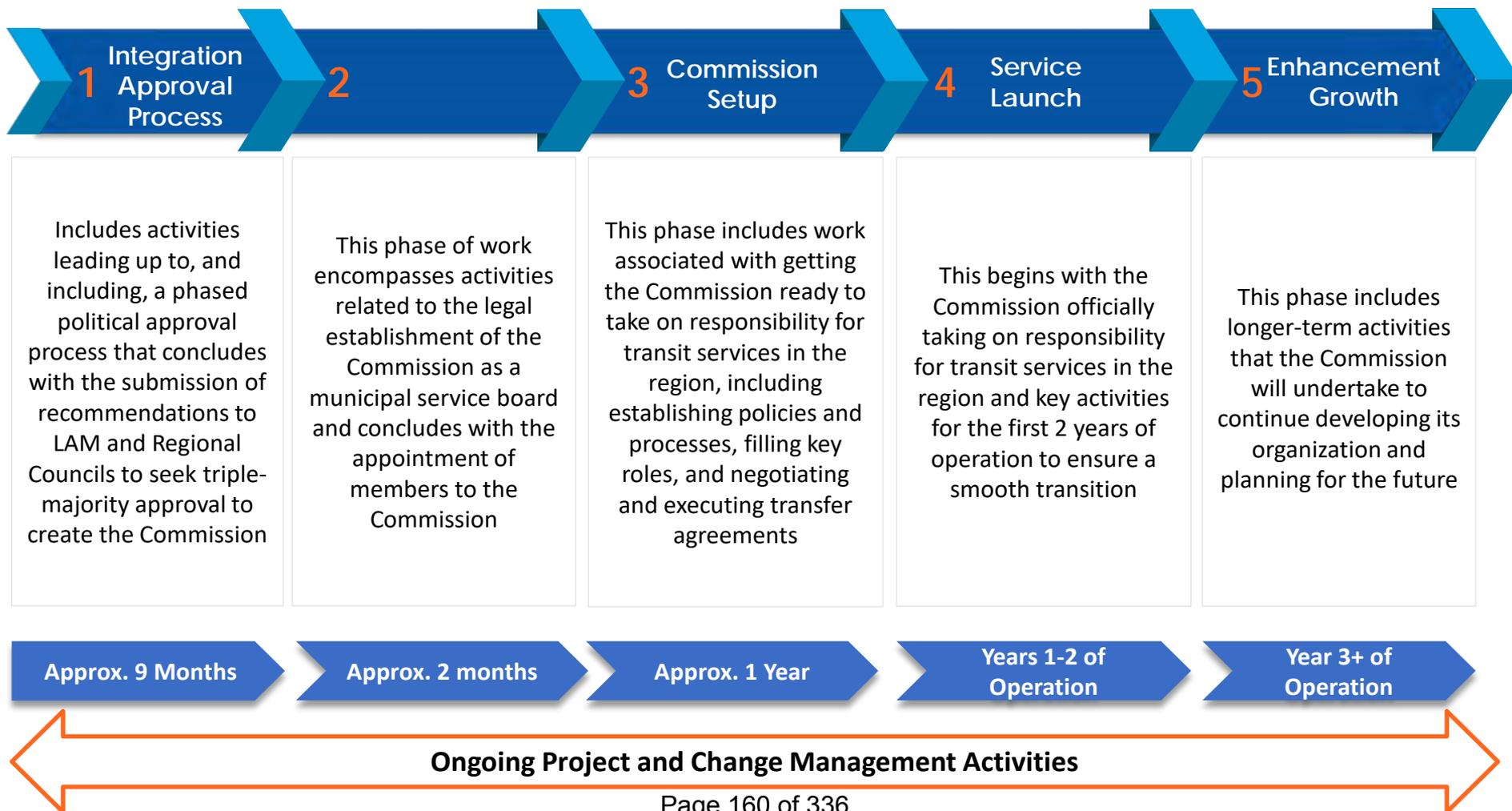
The transition to this integrated system, from preliminary approval all the way through to the new organization taking charge of transit services in Niagara, is expected to take approximately two years, with additional time then required before new services can be launched. In fact, a principle in the development of the Transition Plan was to limit service enhancement and growth activities in the first years of operation. A key learning from the jurisdictional scan was to avoid taking on too many new initiatives early in the life of the Commission and focus rather on integrating existing services and stabilizing operations over a few years before beginning major projects.

In the following slides, please find a high-level summary of the Transition Plan, which provides an overview of key steps and timelines for each phase of implementation. This section also ends with a summary of forecasted costs of the transition to the integrated transit system.

**It should be noted that while this Transition Plan recommends activities that need to be carried out, along with their sequencing, the group tasked with leading the transition will need to validate and refine this, and build-out further levels of detail to guide day-to-day activities.*

Implementation Phases

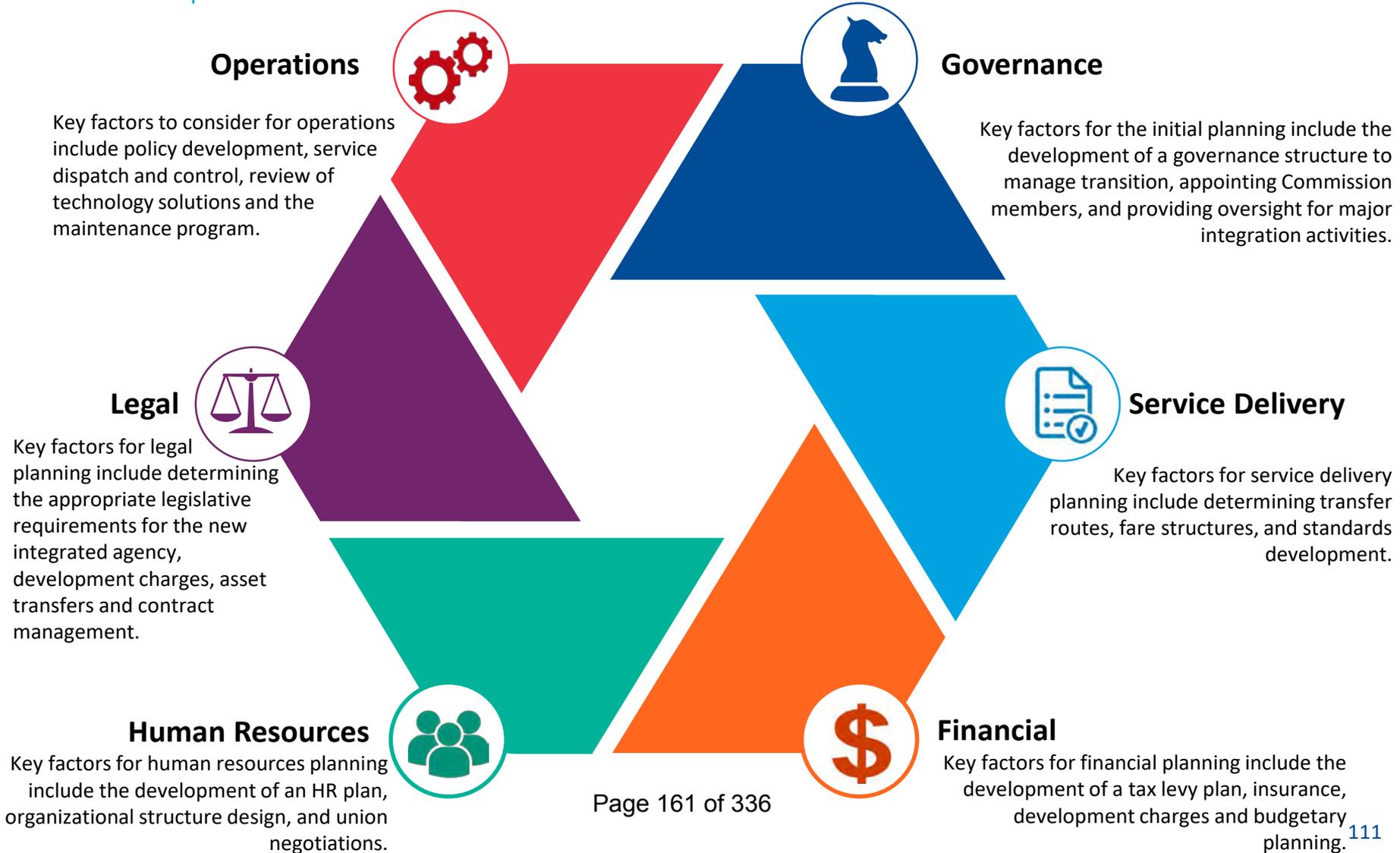
Transition activities are divided across five distinct phases of work:





Considerations for Transition Planning

Considerations for future-state planning encompassed six primary categories of activities within the phases of work:



→ Transition Plan



Implementation Activities

Integration Approval Process Overview

(Approx. 9 months)

This phase of work includes all activities leading up to, and including, a two-phased political approval process that includes receiving an in-principle endorsement on recommendations, followed by the refinement of recommendations and their submission to LAM and Regional Councils to seek triple-majority approval to create the Commission

1 Seek In-Principle Endorsement

Recommendations will be presented to the LNTC and PW Committees, and to the LAMs to seek feedback and a preliminary in-principle endorsement on the creation of the transit Commission

2 Staff Report and Public Engagement

Conduct public consultations and incorporate feedback received on the transit governance recommendations and financial model into a staff report to be submitted to support the decision-making process to establish the Commission

3 Municipal Transfer Agreements

Draft agreements with LAMs who currently operate transit to outline the steps for transferring assets to the Commission from existing systems, and puts parameters around what transit-related decisions can be made by the LAMs so as not to impact transit integration or unfairly impact the residents

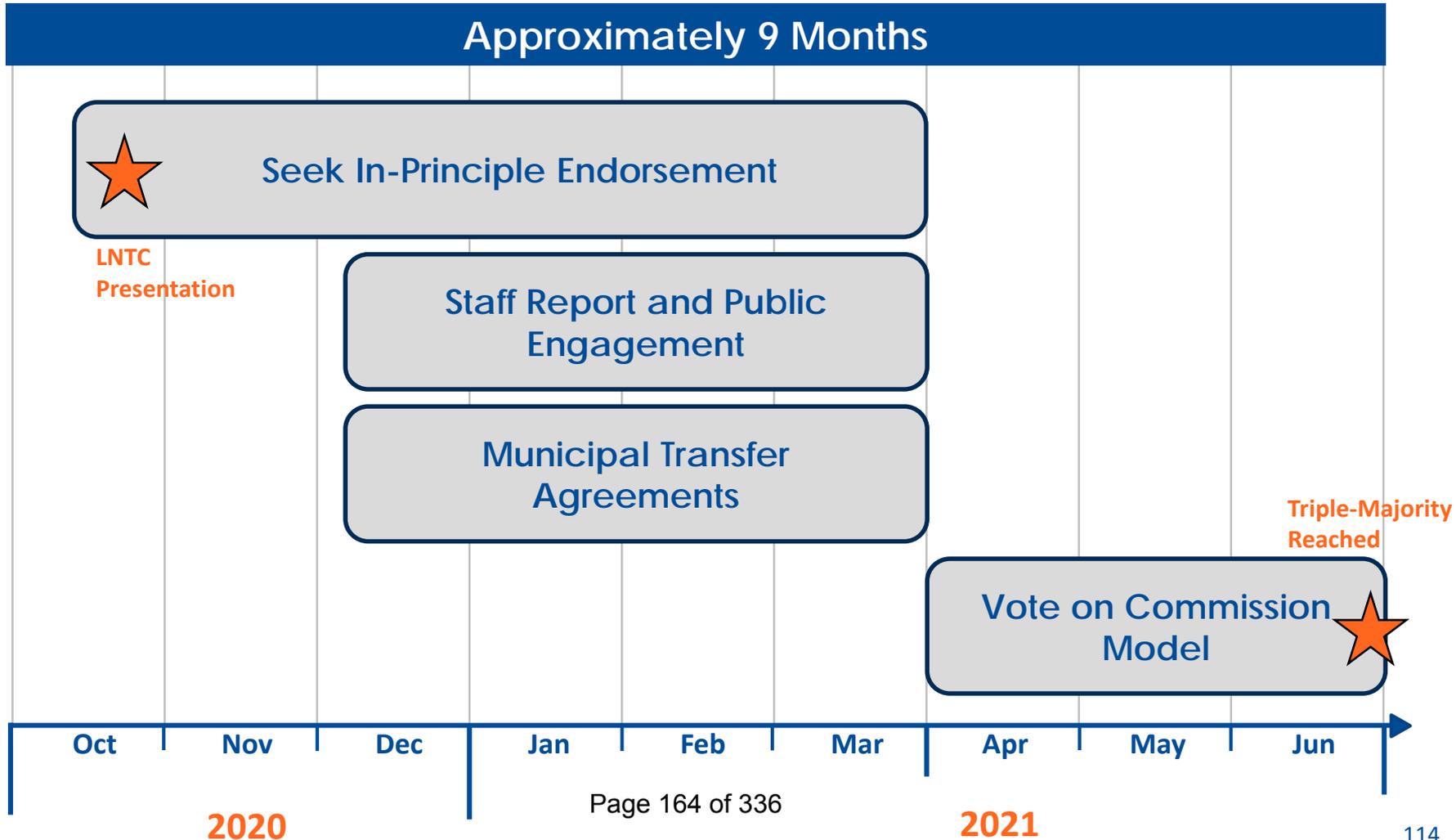
4 Vote to Move Forward with Commission Model

The first step in the legal process involves receiving a triple-majority vote to create a by-law that grants power for transit services to the Region so that the Region may then establish the Commission



Integration Approval Process Timelines

This phase of work begins with the initial LNTC presentation and ends with the triple-majority vote to move forward with the Commission.



Commission Establishment Overview

(Approx. 2 months)

This phase of work encompasses activities related to the legal establishment of the Commission as a municipal service board and concludes with the appointment of members to the Commission

Legal Establishment of Commission

- 1 Pass a Regional by-law to create a Municipal Service Board (the Commission) and delegate control and management of transit services to this board

Setup Governance Infrastructure

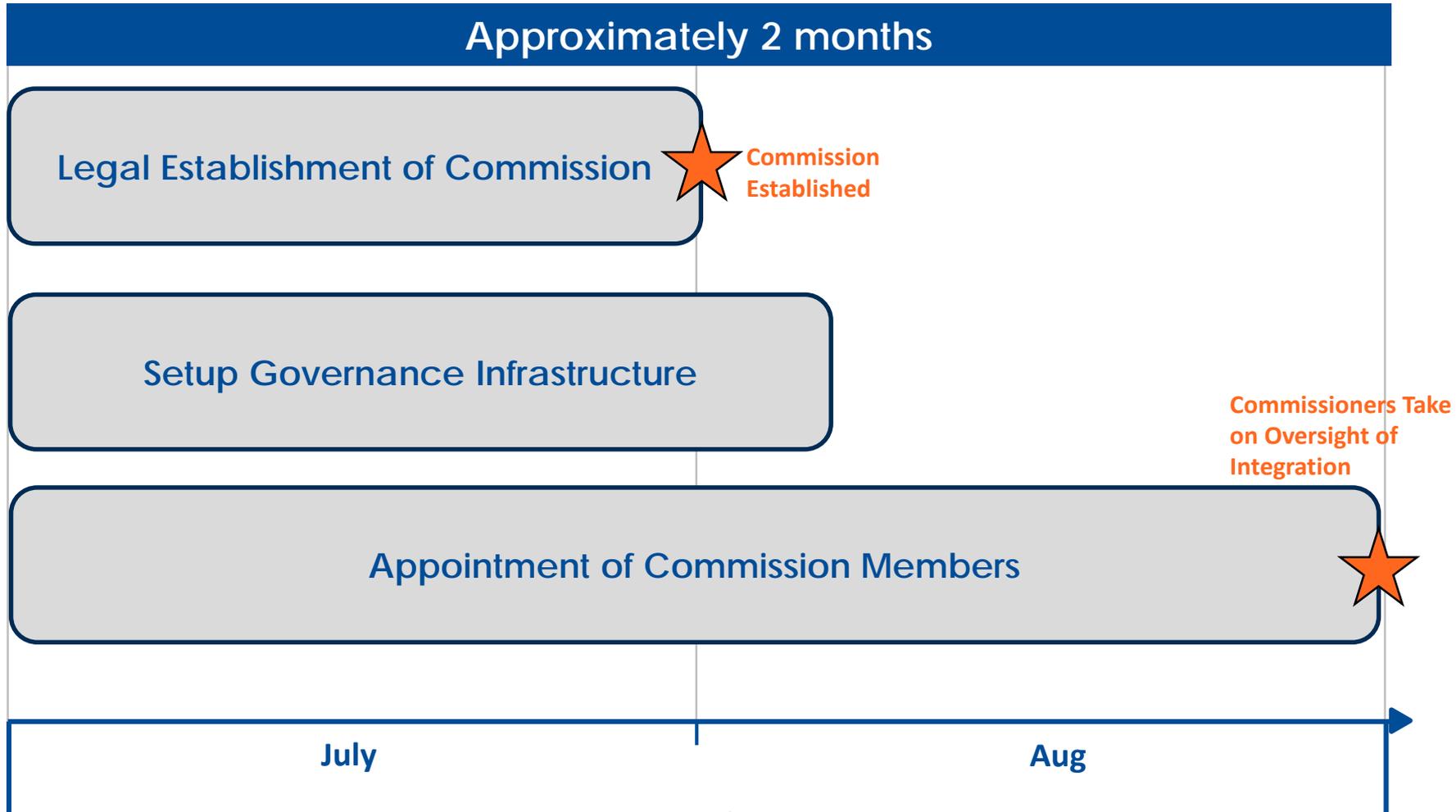
- 2 Establish policies, procedures, committees, and reporting mechanisms for the Commission and formalize their oversight responsibilities during the transition period

Appointment of Commission Members

- 3 Appoint individuals who will compose the members of the Commission based on agreed-upon Commission governance structure

Commission Establishment Timelines

This phase of work begins with the creation of a municipal service board (the Commission) and ends with the appointment of Commission members.



Commission Setup Overview

(Approx. 1 Year)

This phase includes work associated with getting the Commission ready to take on responsibility for transit services in the region, including establishing policies and processes, filling key roles, negotiating and executing transfer agreements

1 Appoint Leadership Team

Identify the Commission's GM and SLT and confirm the structure of the organization to begin filling roles

2 Develop Human Resources Plan and Negotiate with Bargaining Units

Develop a Human Resources and Change Management plan to guide all staff-related activities to setup Commission and begin negotiations with bargaining units

3 Fill Functional Roles

Develop job descriptions/postings for functional positions and fill roles

4 Establish Organizational Infrastructure and Policies

Develop key business infrastructure, policies, processes, and more required for day-one of service operations

5 Inaugural Strategic and Branding Plans

Undertake strategic and branding plan exercises to guide the work of all staff and leadership and begin building a unified image for transit in the region

6 Formalize Working Relationships with Partners

Begin development of formal working relationships with key partner organizations, including LAMs and Regional departments

7 Development of Transfer Agreements

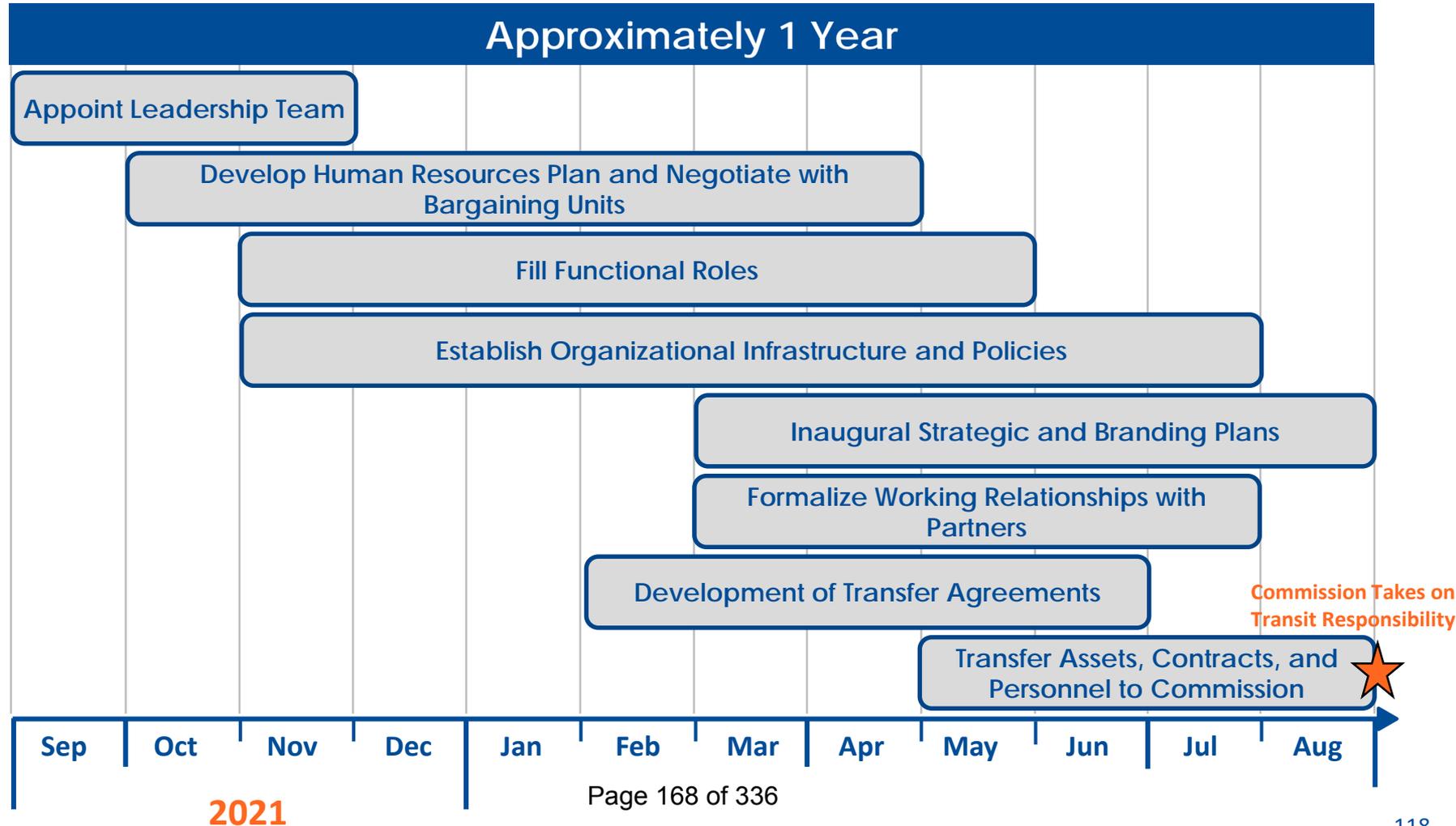
Formalize agreements between the Commission and existing transit entities detailing how assets, liabilities, and contracts will be transferred over to the Commission

8 Transfer Assets, Contracts, and Personnel to Commission

Transfer of transit related assets and liabilities, and personnel, to the Commission from LAMs and Region to officially take over responsibility for transit in Niagara

Commission Setup Timelines

This work begins with the appointment of a senior leadership team, involves all work associated with getting the Commission setup to take on responsibility for transit services in the region, and ends with the transferring of assets and resources to the Commission.



Service Launch Overview

(Years 1 and 2 of Operation)

This begins with the Commission officially taking on responsibility for transit services in the region and key activities for the first years of operation to ensure a smooth transition

Launch of Transit Services

- 1 The responsibility for transit services across Niagara is transferred to the new Commission, with service levels being maintained while the existing systems cease operations

Performance Monitoring and Improvement

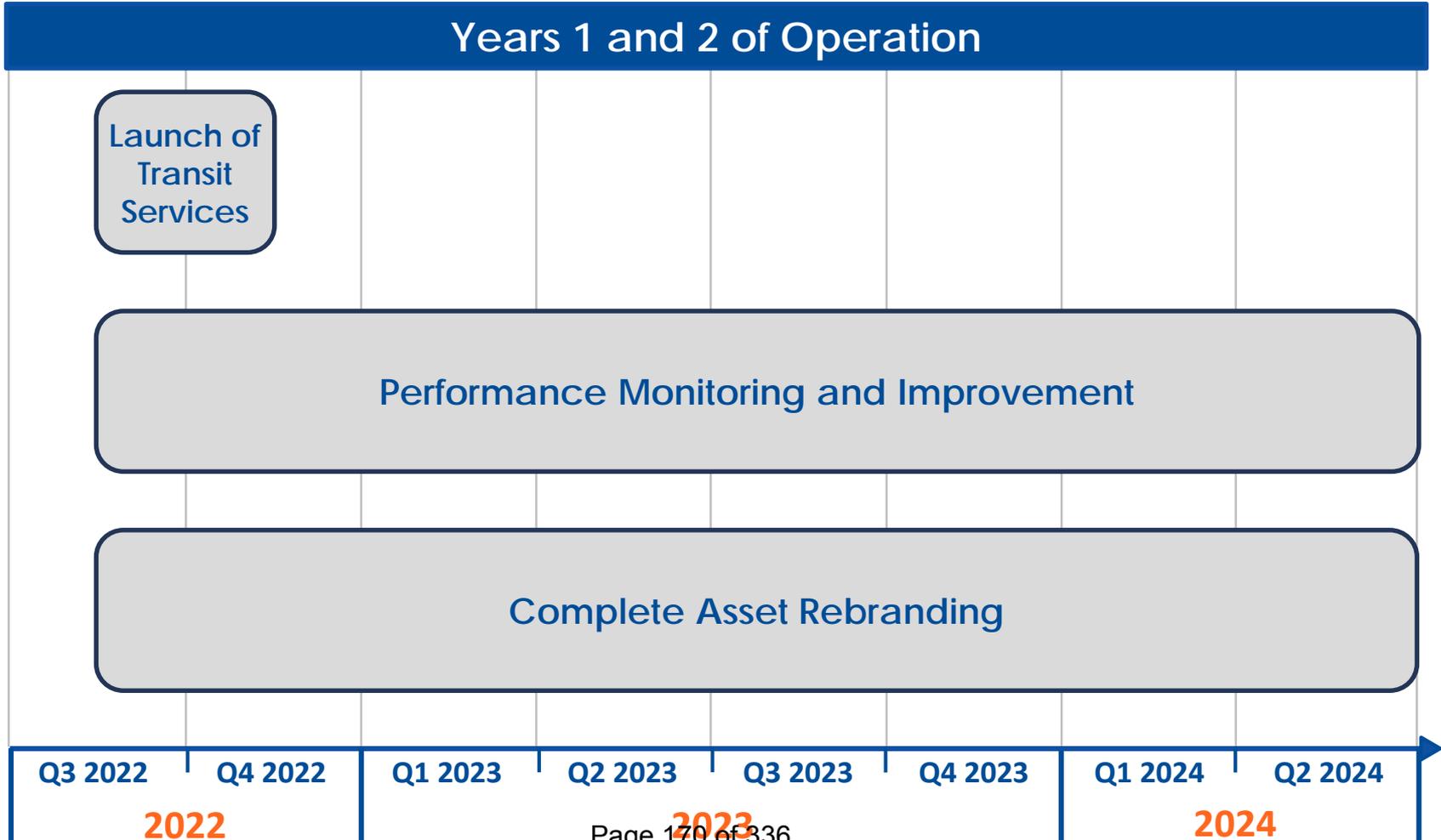
- 2 As the Commission takes on responsibility for transit services, performance monitoring is undertaken to ensure no interruption to service occurs. As the Commission stabilizes and the status quo starts to form, public engagement activities along with minor process and service enhancements are identified and implemented

Complete Asset Rebranding

- 3 Remaining assets will be modified to align with the Commission's brand

Service Launch Timelines

This begins with the Commission officially taking on responsibility for transit services in the region and key activities for the first 2 years of operation to ensure a smooth transition.



Enhancement and Growth Overview

(Year 3+ of Operations)

This phase includes longer-term activities that the Commission will undertake to continue developing its organization and planning for the future

Ongoing Monitoring, Reporting, and Enhancement

- 1 The Commission will continue to monitor and report on its successes and challenges, while continually building ties with the Region and LAMs to ensure alignment of priorities

Transit Service Planning

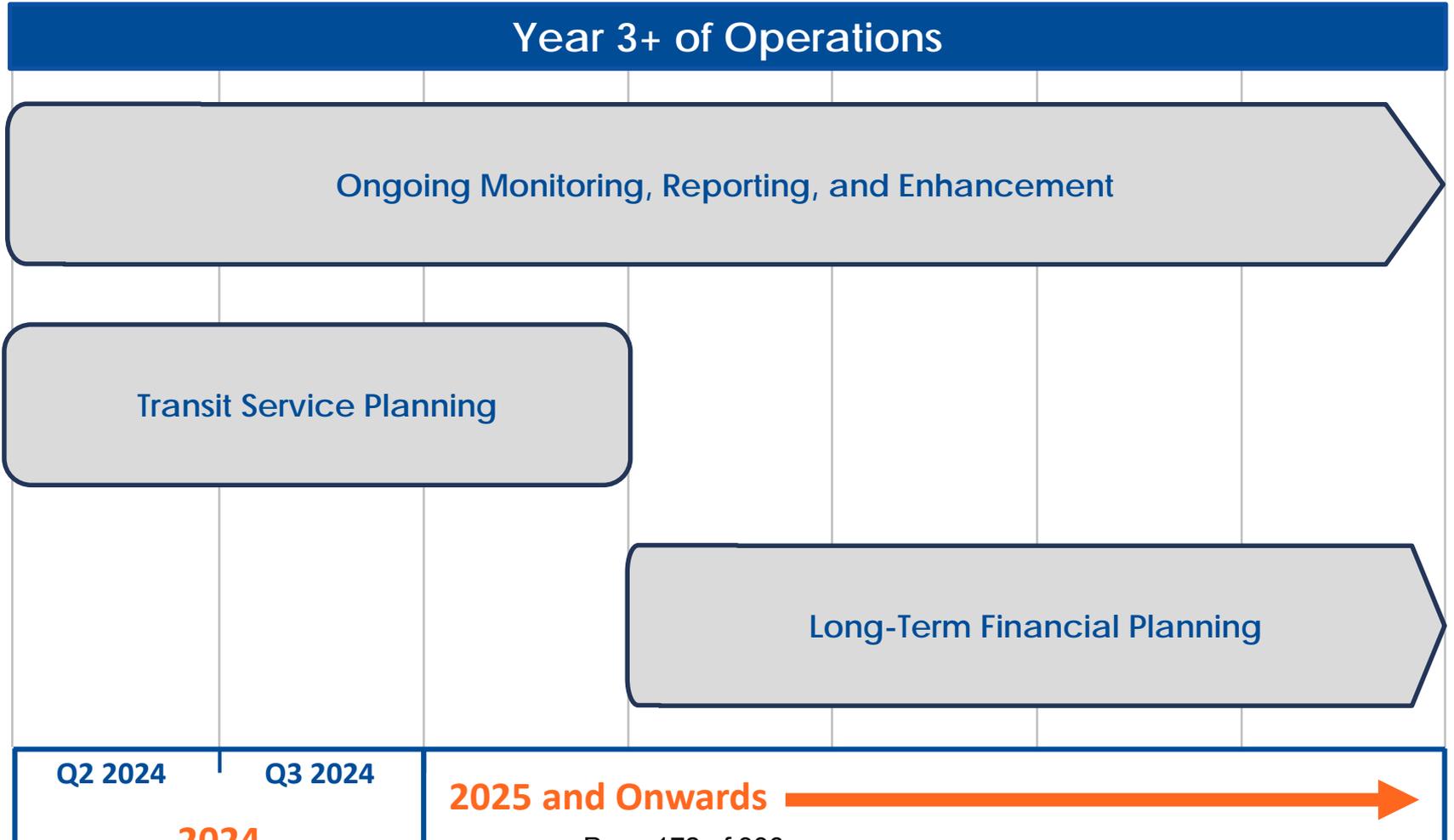
- 2 A long-term Transit Service Plan will be developed to guide the improvement and expansion of transit services in the Niagara Region

Long-Term Financial Planning

- 3 To support the expansion of services, the Commission will develop a long-term financial plan to maintain and increase funding to support priorities

Enhancement and Growth Timelines

This phase includes longer-term activities that the Commission will undertake to continue developing its organization and planning for the future.



→ Transition Plan

Transition Costs

Funding the Transition

Critical to the successful transition to the integrated transit model, and of particular relevance given the potentially long-term financial implications of COVID-19, is a clear understanding of the one-time costs of implementation and clarity on the sources of this funding.

Although not developed as part of this study, Regional staff are currently developing an initial funding model for the start-up budget of the Commission, that will strive for a fair and equitable funding baseline commensurate with the existing baseline services within each municipality. Following the initial start-up funding, subsequent transit investments are assumed to be funded through a single regional tax levy.

Upon its completion, this funding model will be provided alongside the recommendations contained in this report and all subsequent staff reports, so that decision makers have a comprehensive view of all considerations and implications of integrating transit in Niagara.

The following slides provide an overview of forecasted operating and capital transition costs.

Note: The provincial government recognizes that municipalities have sustained significant financial pressures as a result of the global pandemic, and in July 2020, announced it has secured one-time emergency assistance for Ontario's municipalities, the Safe Restart Agreement. Niagara Region has been able to secure funding through Phase 1, which is targeted at relieving immediate transit pressures, with potential for securing ongoing funding support in a second phase.



Cost Overview

The setup of the Commission includes one-time transition costs, such as branding, communications, stakeholder engagement, and program management. The types of costs associated with the transition and operation of the Commission are summarized by phase.

	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement Growth
Transition Team & Planning	✓	✓	✓		
One time start up costs		✓	✓	✓	
Operational costs before delivery	✓		✓		
Steady State of Operations*				✓	✓

The cost estimates provided are preliminary estimates provided for planning consideration. Given the complexity and unknown impact of the global pandemic, there could be fluctuations in these costs. The estimated total cost of transition is between **\$3,845,000 - \$4,955,000**. This includes:

- **Capital costs** are between \$1,670,000 to \$2,225,000;
 - Capital costs specific to the fare collection system are between \$5,000,000 and \$7,500,000, but will be borne regardless of integration
- **Operational costs** are between \$2,175,000 - \$2,730,000.



Estimated Cost Summary: Capital

Transition costs include those one-time capital costs incurred to establish the Commission and its regular operations. A summary is provided below:

Item Category	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Transit System Branding	n/a	n/a	\$400,000 to \$800,000	\$200,000	n/a	\$600,000 to \$1,000,000
Facility and Office Improvements	n/a	n/a	\$50,000 to \$100,000	n/a	n/a	\$50,000 to \$100,000
Transit Service Design	n/a	n/a	\$700,000	n/a	n/a	\$700,000
Technology & Equipment	n/a	\$275,000 to \$325,000	\$45,000 to \$100,000	n/a	n/a	\$320,000 to \$425,000
Estimated Total Phase Cost	\$0	\$275,000 to \$325,000	\$1,195,000 to \$1,700,000	\$200,000	\$0	\$1,670,000 to \$2,225,000



Fare Collection System

The Inter-Municipal Transit Working Group (IMTWG) has requested funding for the fare collection system through ICIP, the procurement of this system is proceeding in parallel and required for the success of the new governance structure.

Item Category	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Fare Collection System	n/a	n/a	n/a	\$5,000,000 to \$7,500,000	n/a	\$5,000,000 to \$7,500,000
Estimated Total Phase Cost	\$0	\$0	\$0	\$5,000,000 to \$7,500,000	\$0	\$5,000,000 to \$7,500,000



Estimated Cost Summary: Operating

Operational costs related to the transition have been summarized in the relevant categories below:

Item Category	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Transit Integration Team	\$250,000 - \$370,000	\$40,000 - \$105,000	\$650,000 - \$900,000	n/a	n/a	\$940,000 - \$1,375,000
Legal Fees	\$80,000 - \$120,000	\$60,000 - \$100,000	n/a	n/a	n/a	\$140,000 - \$220,000
Public Consultation	\$10,000	\$10,000	\$15,000	\$150,000	n/a	\$185,000
Human Resources	n/a	n/a	\$510,000 - \$550,000	\$200,000	\$200,000	\$910,000 - \$950,000
Estimated Total Phase Cost	\$340,000 - \$500,000	\$110,000 - \$215,000	\$1,175,000 to \$1,465,000	\$350,000	\$200,000	\$2,175,000 - \$2,730,000



Transition Costs: Year over Year

The transition costs for both capital and operating budgets have been provided for the period 2021 - 2024:

Year	Cost	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Cost	Estimated Total Annual Cost
2021	Operating	\$340,000 - \$500,000	\$110,000 - \$215,000	\$195,000 - \$245,000	n/a	n/a	\$645,000 - \$960,000	\$1,185,000 - \$1,585,000
	Capital	n/a	\$275,000 - \$325,000	\$265,000 - \$300,000	n/a	n/a	\$540,000 - \$625,000	
2022	Operating	n/a	n/a	\$980,000 - \$1,220,000	\$90,000	n/a	\$1,070,000 - \$1,310,000	\$2,150,000 - \$2,860,000
	Capital	n/a	n/a	\$930,000 - \$1,400,000	\$150,000	n/a	\$1,080,000 - \$1,550,000	
2023/ 24	Operating	n/a	n/a	n/a	\$260,000	\$200,000	\$460,000	\$510,000
	Capital	n/a	n/a	n/a	\$50,000	n/a	\$50,000	
Estimated Total Phase Cost		\$340,000 - \$500,000	\$385,000 - \$540,000	\$2,370,000 - \$3,165,000	\$550,000	\$200,000	\$3,845,000 - \$4,955,000	

→ Niagara Transit Governance
Study

In Summary



Report Wrap-Up

Key Highlights

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in **this Niagara Transit Governance Study**.

A review of the current state of transit in Niagara and a forecast of demand for transit services over the coming 10 years has shown that there is a **significant opportunity to increase transit usage in Niagara**.

To determine how Niagara could best accommodate this future growth, **three potential transit governance model options were developed**, each one reflecting a different approach to integrating transit in the region.

Each potential model was assessed against key evaluation criteria, and ultimately, an **independent Full Commission Model was recommended** as it provides the greatest opportunity for success by bringing the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of Niagara.

In order to create this new Commission, a five-phased Transition Plan has been developed to guide implementation activities. It is expected that **this Commission will be operational by the end of 2022**, and there is opportunity to take advantage of government funding to support the cost of transition to the Commission model.



There is a Significant Opportunity to Increase Transit Usage in Niagara Region

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

How?

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel, which can be capitalized on through improved inter-municipal and connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

By 2031, **operating costs in the high growth scenario will increase by approximately 55% over the status quo.**

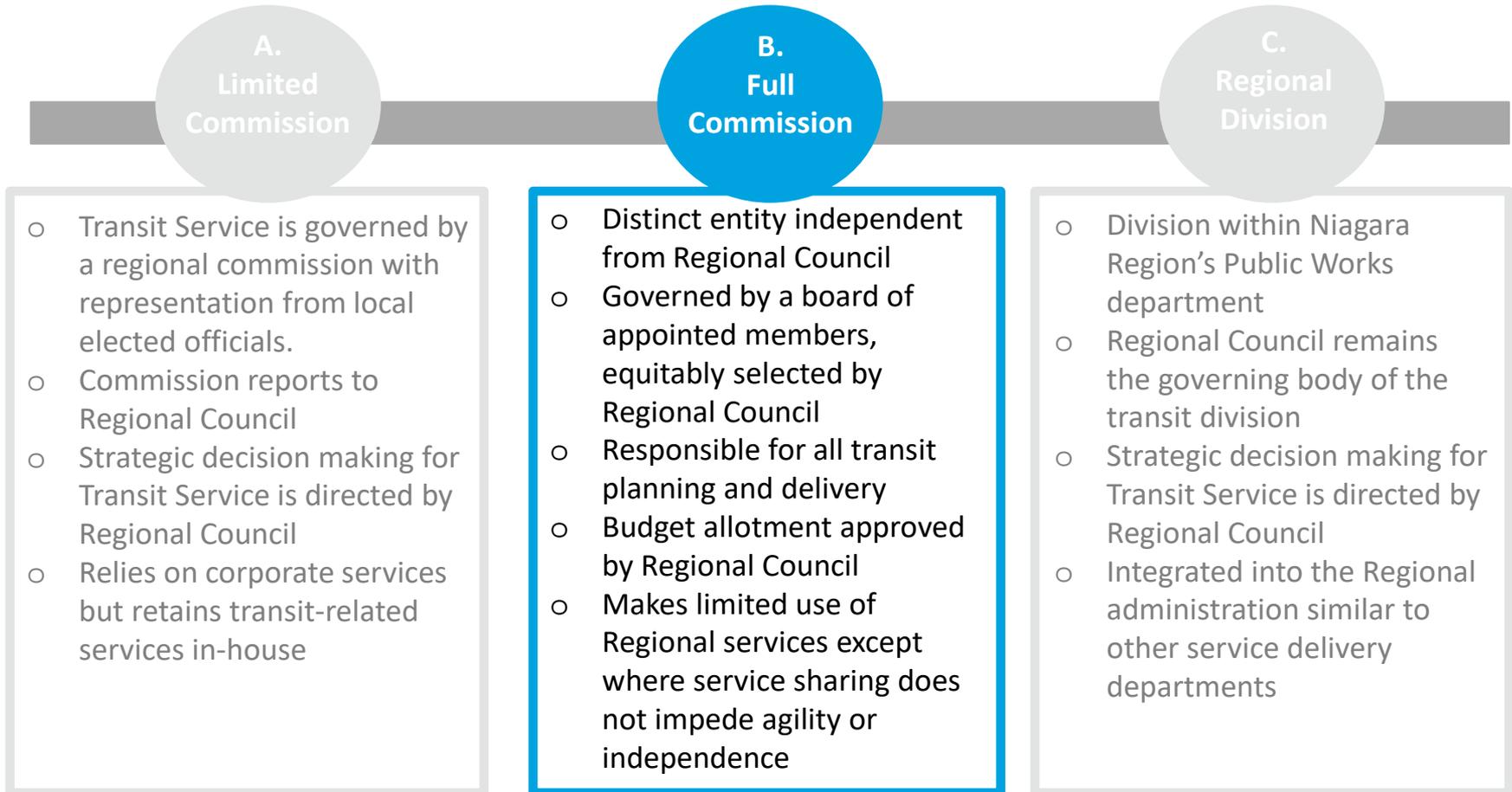
Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

The COVID-19 pandemic presents an opportunity to look beyond the status quo, bring the transit systems in Niagara together, and build a new and improved service that takes capitalizes on current funding programs to see this forecasted ridership growth become a reality.

A Full Commission Model is Recommended

Analysis shows that a Full Commission model would be most effective:



The Full Commission model brings the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region

Follow a Sequenced Transition Plan

Creating a new entity is a complex and challenging undertaking that will require the coordination and support of many different stakeholders and will suffer should it lack the required resources.



The creation of a Regional Transit Commission will be transformative for Niagara, and its success is dependent on maintaining public and political support while transitioning services from the LAMs to create an effective regional network.



Guiding Principles for Transit

To achieve success, the new entity will need to make regionally focused decisions, aligned to the guiding principles, in order to ensure that growth in ridership, efficiency of operations, and improved service delivery are realised.

**Customer
Driven**

**Unconventional
Solutions**

Integrated

**Economically
Responsible**

Fair

Adherence to guiding principles will be a fundamental factor in ensuring the success of the integration and the future of transit in Niagara for the benefit of all.



SULLIVAN | MAHONEY LLP
LAWYERS

October 2, 2020

Reply to St. Catharines office
THOMAS A. RICHARDSON, C.S.
905.688.2207 – Direct line
tarichardson@sullivanmahoney.com

*Certified Specialist (Municipal Law – Local
Government/Land Use Planning & Development)*

Optimus SBR
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Toronto, ON M5E 1G4

Left Turn Right Turn
2080 Danforth Avenue
Toronto, ON M4C 1J9

Dear Sirs:

We have been requested to provide our opinion on matters related to the possibility of creating a Niagara Region Transit Commission to provide inter- and intra-municipal transit throughout the Regional Municipality of Niagara. The letter below addresses a brief history of ongoing developments in the creation of a Regional transit system, the need for a triple-majority in the uploading of lower-tier municipal powers and the creation of a Regional Transit Commission.

Facts

The Regional Municipality of Niagara is a Municipal Corporation pursuant to the provisions of the *Municipal Act, 2001*. Within the area of the Regional Municipality, there exists twelve (12) local area municipalities. The Region is termed an “upper-tier” municipality while the local area municipalities are captioned “lower-tier” municipalities.

The *Municipal Act, 2001*, Section 11, refers to “Spheres of Jurisdiction”. It then assigns those spheres of jurisdiction which are exclusive to the upper-tier municipality or some of them throughout Ontario. Subsection 11(3) provides, in part, that a lower-tier municipality and an upper-tier municipality may pass by-laws respecting matters within the listed spheres of jurisdiction, one of which is “transportation systems, other than highways”. Consequently, both

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the lower-tier municipalities and the Regional Municipality of Niagara as an upper-tier municipality may pass by-laws for transportation systems.

The City of St. Catharines has a Transit Commission which was established pursuant to special Provincial legislation. The City of Niagara Falls formerly had a Transit Commission which was also established pursuant to special Provincial legislation; however, the Commission has been disbanded and Niagara Falls Transit operates now as a division of the Transportation department. The City of Welland Transit also operates as a municipal department. So far as we have been able to determine, it was created by the passage of a by-law or by-laws. The City of Thorold contracts transit service from the St. Catharines Transit Commission. Port Colborne contracts transit service from Welland Transit. Lincoln, Fort Erie, Pelham and Niagara-on-the-Lake operate their own local transit services through third-party private contractors authorized by by-law. Grimsby, Township of Wainfleet and Township of West Lincoln have no existing conventional transit service.

The Regional Municipality of Niagara has established inter-municipal specialized transit services for persons with disabilities pursuant to By-law No. 64-2004, being "A By-law to assume inter-municipal specialized transit services within the Regional Municipality of Niagara". The Regional Municipality of Niagara has established an inter-urban transit system pursuant to By-law No. 2017-21, being "A By-law to establish an inter-municipal passenger transportation system in the Region of Niagara". Those by-laws were passed pursuant to the provisions of the *Municipal Act, 2001* and were each subject to the condition that a triple-majority, described below, was achieved. It is our understanding that those conditions have been met, in both instances and consequently the Region has established a Niagara Region inter-municipal transit system serving several municipalities, and inter-municipal specialized transit services. In addition, the Region has recently established an inter- and intra-municipal transit service in the lower-tier municipalities of Grimsby, Lincoln and Pelham, by contract with those municipalities.

The Region is now considering the establishment of a Regional Transit Commission to provide inter-and intra-municipal transit services throughout the Regional Municipality of Niagara.

Transfer of Powers Between Lower and Upper Tiers

The provisions of the *Municipal Act, 2001* provide for the "transfer of powers between tiers". Specifically, subsection 188(1) defines "Lower-Tier Power" and "Upper-Tier Power". Public transportation systems, other than highways, are defined as both a "Lower-Tier Power" and an "Upper-Tier Power".

Subsection 189(1) provides that "an Upper-Tier Municipality may pass a by-law to provide for:

- (a) The transfer of all or part of a Lower-Tier Power to the Upper-Tier Municipality from one or more of its lower-tier municipalities which are specified in the by-law; and
- (b) Transitional matters to facilitate the assumption of the Lower-Tier Power."

Subsection 189(2) imposes conditions which are required to be met before a by-law to provide for the transfer of a Lower-Tier Power to an Upper-Tier Municipality may come into force. Those conditions are as follows:

- (a) “A majority of all votes on the Council of the upper-tier municipality are cast in its favour;
- (b) A majority of the Councils of all the lower-tier municipalities forming part of the upper-tier municipality for municipal purposes have passed resolutions giving their consent to the bylaw; and
- (c) The total number of electors in the lower-tier municipalities that have passed resolutions under clause (b) form a majority of all the electors in the upper-tier municipality.”

Consequently, in order to transfer the Lower-Tier Power of public transportation systems to the upper-tier municipality, it will require a by-law passed by the Regional Municipality of Niagara subject to the conditions listed above.

The by-law to transfer the power from the lower-tier municipalities to the upper-tier municipality may come into effect upon receipt of the Triple-Majority or, it may come into effect, after obtaining the Triple-Majority, at a date specified in the by-law.

Legal Process for Establishing a Regional Transit Commission

We have been asked for confirmation on the proposed process for establishing the Commission and how consent is to be achieved from the local area municipalities (Lower-Tier).

We have described above the manner in which the transfer of the Lower-Tier Power of public transportation systems, other than highways, to the upper-tier municipality must occur. Once the power to establish a transit system has been effected pursuant to the provisions of subsections 189(1) and (2), the Region is then in a position to determine the manner in which it will operate the transit system. Section 196 of the *Municipal Act, 2001*, provides to a municipality to establish a “Municipal Service Board”. Section 197 of the *Municipal Act, 2001*, provides, in part, that a Municipal Service Board is a body corporate unless the municipality provides otherwise when establishing the board. It also provides a Municipal Service Board is an agent of the municipality and is a local board of the municipality for all purposes.

Section 198 of the *Municipal Act, 2001* describes the functions of Municipal Service Boards and provides that a municipality may give a Municipal Service Board the control and management of such services and activities of the municipality as the municipality considers appropriate and shall do so by delegating the powers and duties of the municipality to the board in accordance with the *Municipal Act, 2001*.

The *Municipal Act, 2001*, subsection 203(1) authorizes a municipality to establish a corporation.

In our opinion, the appropriate methodology to create a Transit Commission for the operation of the Regional transit system is pursuant to the provisions of Sections 195, 196 and 197, which

permits the creation of a Municipal Service Board. Having transferred the Lower-Tier Power to operate a public transportation system other than highways, through the obtaining of the “Triple-Majority” described above, it is not necessary to obtain a Triple-Majority with respect to the creation of the Commission. No additional consent is required from the lower-tier municipalities to operate intra-municipal transit routes. No further approvals should be required.

As noted above, the Region has, through the “Triple-Majority” process, already transferred the power to operate inter-municipal specialized transit services within the Regional Municipality of Niagara for persons with disabilities.

Securing the Exclusive Right to Operate Public Transit in Niagara

The intent of the proposed by-law is to transfer power relating to public transportation systems from the lower-tier municipalities to the Region with the exception of GO Transit and WEGO, which will continue to operate independently of the Regional Commission.

The *Municipal Act, 2001* addresses the process by which the Region may secure exclusive rights to operate public transit in Niagara, with the exception of GO Transit and the WEGO system. The ability to secure exclusive rights is provided in subsection 190(1) and 69(2).

Subsection 190(1) provides as follows:

“When a by-law passed under Section 189 comes into force,

- (a) the upper-tier municipality may exercise the transferred lower-tier power of the lower-tier municipalities specified in the by-law;
- (b) The lower-tier municipality specified in the by-law and its local boards are bound by the by-law and no longer have the power to exercise the transferred Lower-Tier Power; (emphasis added)
- (c) An existing by-law or resolution of the lower-tier municipality and its local boards that relate to the transferred lower-tier power shall to the extent it applies in any part of lower-tier municipality, be deemed to be a by-law or resolution of the upper-tier municipality; and
- (d) The existing by-law or resolution referred to in clause (c) shall remain in force in that part of the lower-tier municipality until the earlier of two (2) years after the transfer by-law comes into force and the day the existing by-law or resolution is repealed by the upper-tier municipality.”

The effect of subsection 190(1)(b) is that, upon the passing of the by-law, the lower-tier municipalities will lose the ability to exercise any power related to public transportation systems. By-laws and resolutions of the lower-tier municipality regulating the transit service then become by-laws and resolutions of the upper-tier municipality. The upper-tier municipality then has a

period of two (2) years in which to replace the lower-tier by-laws and resolutions with its own by-laws.

The *Municipal Act, 2001* subsection 69(2) provides:

“A municipality that has authority to establish, operate and maintain a type of passenger transportation system may,

- (a) By by-law provide that no person except the municipality shall establish, operate and maintain all or any part of a passenger transportation system of that type within all of the municipality or that area of the municipality designated in the by-law; and
- (b) Despite section 106 and any by-law under clause (a) enter into an Agreement granting a person the exclusive or non-exclusive right to establish, operate or maintain all or any part of a passenger transportation system of that type within all of the municipality or that area of the municipality designated in the Agreement under such conditions as the municipality provides, including a condition that the municipality pay any deficit incurred by the person in establishing, operating and maintaining the system.”

Subsection 69(2)(a) provides authority for the municipality to prohibit anyone, other than the municipality, whether public or private, from establishing, operating or maintaining all or any part of a passenger transportation system of the same type within the municipality.

In order that a by-law passed under subsection 69(2)(a) not affect WEGO’s ability to operate, the Region should enter into an Agreement with WEGO pursuant to subsection 69(2), to permit WEGO to continue to operate.

Approval of a Financial Model to Fund the New Transit Commission

In our opinion, there is no further requirement to obtain a Triple-Majority vote on the Commission’s financial model once the power has been transferred.

As noted above, we have recommended the establishment of the Regional Transit Commission as a Municipal Service Board, pursuant to subsection 196(1). Subsection 196(1)(1) specifically authorizes a municipality to establish a Municipal Service Board and to provide for matters such as the name, composition, quorum and budgetary process of the Board.

Implications for Existing Public Vehicle Licences

We are informed that as Niagara Region Transit services are contracted to the transit systems of Niagara Falls, St. Catharines and Welland, the Region does not hold any public vehicle licences. We believe that the St. Catharines Transit Commission, the Niagara Falls Transit Commission and the Welland Transit Commission hold public vehicle licences as their buses service routes beyond the lower-tier municipality boundary.

The *Public Vehicles Act*, R.S.O. 1990, c.P.54, ("*Public Vehicles Act*") requires the operators of public vehicles to have an operating licence. The definition of "Public Vehicle" explicitly provides that it does not include "motor vehicles operated solely within the limits of one local municipality". The public vehicles act defines the term "Local Municipality" as not including a municipality that had the status of a Township on December 31, 2002 and, but for the enactment of the *Municipal Act, 2001*, would have had the status of a Township on January 1, 2003." Further, the *Municipal Act, 2001*, defines "Local Municipality" as "a single-tier municipality or a lower-tier municipality".

The above review leads us to conclude that those local municipalities which have public vehicle licences do so because some of their routes extend into other municipalities.

It is our opinion that upon the passage of the proposed by-law to transfer the power relating to public transportation systems to the Region, public vehicles licences will be required, as the public vehicles would be operated beyond the respective limits of the lower-tier municipalities. As noted above, we have been informed that Niagara Region Transit does not currently have any public vehicle licences. As a result, the Commission would need to obtain new public vehicle licences for the public vehicles which will be operated in inter-municipal routes. Moreover, the licences currently held by the lower-tier municipalities, or their Transit Commissions, will be required to be transferred to the Regional Commission.

The *Public Vehicles Act*, subsection 7(1) provides that a licence may only be transferred with the permission of the Ontario Highway Transfer Board. The process for the transfer of such licences is outlined in Section 7 and Ontario Regulation 982.

Yours very truly,

SULLIVAN, MAHONEY LLP

Per:



Thomas A. Richardson, C.S.
Thomas Richardson Legal
Professional Corporation



Andrea M. Mannell

TAR:sm

**THE REGIONAL MUNICIPALITY OF NIAGARA
LINKING NIAGARA TRANSIT COMMITTEE
MINUTES**

LNTC 3-2020

Wednesday, October 21, 2020

Council Chamber / Video Conference

**Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber: M. Siscoe (Municipal Councillor - St. Catharines) (Committee Chair), M. Robinson, Director, GO Implementation Office

Committee Members Present via Video Conference: Campion (Mayor - Welland), Redekop (Mayor - Fort Erie), Sendzik (Mayor - St. Catharines), Fertich (Regional Councillor), C. Dabrowski (Municipal Councillor - Niagara Falls), G. Miller (Municipal Councillor - St. Catharines), L. Van Vliet (Municipal Councillor - Welland) (Committee Vice-Chair), S. Chemnitz, Chief Administrative Officer (City of St. Catharines), K. Todd, Chief Administrative Officer (City of Niagara Falls), R. Tripp, Acting Chief Administrative Officer (Niagara Region), S. Zorbas, Interim Chief Administrative Officer (City of Welland)

Absent/Regrets: Ip (Regional Councillor)

Staff Present in the Council Chamber: H. Chamberlain, Deputy Treasurer/Director, Financial Management & Planning, S. Fraser, Transportation Lead, S. Guglielmi, Technology Support Analyst, A.-M. Norio, Regional Clerk, H. Talbot, Financial & Special Projects Consultant, B. Zvaniga, Interim Commissioner, Public Works

Staff Present via Video Conference: C. Lam, Program Financial Analyst, R. Salewytch, Transit Service Planning Coordinator, L. Tracey, Project Coordinator, GO Implementation, M. Trennum, Deputy Regional Clerk

Others Present via Video Conference: C. Briggs, St. Catharines Transit Commission, G. Morrison, St. Catharines Transit, T. Price, Niagara College, R. Rehan, Brock University Student Union, D. Stuart, Niagara Falls Transit.

1. CALL TO ORDER

Committee Chair M. Siscoe called the meeting to order at 2:02 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **PRESENTATIONS**

3.1 **Niagara Transit Governance Study - Final Report**

Matt Robinson, Director, GO Implementation Office, provided introductory remarks respecting the Niagara Transit Governance Study.

Brendan McIlhone, Optimus SBR, Yuval Grinspun, & Eric Gillespie, Left Turn, Right Turn, provided information respecting the Niagara Transit Governance Study - Final Report. Topics of the presentation included:

- Project Overview
- The Case for Integration
- Current State and Leading Practices
- Forecasting the Future
- Model Options, Analysis
- Recommendation: Full Commission Model
- Commission Composition
- Transitioning to the Commission
- Funding Model

Heather Talbot, Financial and Special Projects Consultant, and Scott Fraser, Transportation Lead, Niagara Region, provided information respecting the Niagara Transit Governance Study - Final Report: Funding Model & Next Steps. Topics of the presentation included:

- Financial Strategy
- Transition to Regional Levy
- Asset Transfer
- Summary
- Recommendations and Next Steps

Councillor Information Request(s):

Provide information respecting the net taxpayer redistribution from the local area municipal levies to the regional levy. Councillor Redekop.

4. **DELEGATIONS**

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 LNTC-C 4-2020

Niagara Transit Governance Study

Moved by Councillor Campion

Seconded by Councillor Fertich

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than March 31, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than March 31, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

The following friendly **amendment** was accepted by the Committee Chair, and the mover and seconder of the motion:

2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than ~~March 31, 2021~~ **February 28, 2021**; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than ~~March 31, 2021~~ **February 28, 2021**, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

The Committee Chair called the vote on the motion, as amended, as follows:

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Carried

5.2 LNTC-C 5-2020

2021 Linking Niagara Transit Committee meeting schedule

Moved by G. Miller

Seconded by Councillor Campion

That Correspondence Item, LNTC-C 5-2020, being a memorandum from A.-M., Norio, Regional Clerk, dated October 21, 2020, respecting 2021 Linking Niagara Transit Committee meeting schedule, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Linking Niagara Transit Committee meetings **BE HELD** on Wednesdays at 2:00 p.m. on the following dates in 2021:

February 3, February 24, March 31, April 28, June 2, June 30, July 28, September 1, September 29, October 27, and November 24.

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 LNTC 2-2020

Linking Niagara Transit Committee Minutes - March 4, 2020

Moved by Councillor Sendzik
Seconded by Councillor Campion

That Report LNTC 2-2020, being the minutes of the Linking Niagara Transit Committee meeting held on March 4, 2020, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

There were no items of other business.

8. NEXT MEETING

The next meeting will be held on Wednesday, November 25, 2020 at 2:00 p.m. in the Council Chamber.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 4:25 p.m.

Mat Siscoe
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

Administration

Office of the Regional Clerk

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December 21, 2020

CL 23-2020, December 17, 2020
PWC 11-2020, December 8, 2020
PWC-C 50-2020, December 8, 2020

Local Area Municipalities

SENT ELECTRONICALLY

RE: Recommendations for Consideration from the Linking Niagara Transit Committee held November 25, 2020

Regional Council, at its meeting of December 17, 2020, approved the following recommendation of its Public Works Committee:

That Correspondence Item PWC-C 50-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated December 8, 2020, respecting Recommendations for Consideration from the Linking Niagara Transit Committee meeting held November 25, 2020, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Correspondence Item LNTC-C 6-2020, being a memorandum from S. Fraser, Transportation Lead, GO Implementation Office, dated November 25, 2020, respecting Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities; and
2. That staff **BE DIRECTED** to reach out to the local area municipalities to arrange to present to their Council when the Niagara Transit Governance Study is being considered.
3. That the Linking Niagara Transit Committee **BE DIRECTED** to review alternative funding options.

A copy of Correspondence Item PWC-C 50-2020 and Report LNTC-C 6-2020 is attached for your reference.

Yours truly,



Ann-Marie Norio
Regional Clerk
:me

CLK-C 2020-221

MEMORANDUM

PWC-C 50-2020

Subject: Recommendation for Consideration from the Linking Niagara Transit Committee meeting held November 25, 2020

Date: December 8, 2020

To: Public Works Committee

From: Ann-Marie Norio, Regional Clerk

At its meeting held on November 25, 2020, the Linking Niagara Transit Committee passed the following motion for consideration by the Public Works Committee:

Minute Item 6.1

LNTC-C 6-2020

Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement

That Correspondence Item LNTC-C 6-2020, being a memorandum from S. Fraser, Transportation Lead, GO Implementation Office, dated November 25, 2020, respecting Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities; and

That staff **BE DIRECTED** to reach out to the local area municipalities to arrange to present to their Council when the Niagara Transit Governance Study is being considered.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

MEMORANDUM**LNTC-C 6-2020**

Subject: Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement

Date: November 25, 2020

To: Linking Niagara Transit Committee

From: Scott Fraser, P. Eng., Transportation Lead - GO Implementation Office

Introduction

On October 21, 2020, the Linking Niagara Transit Committee (LNTC) considered *LNTC-C 4-2020 - Niagara Transit Governance Study* which presented the preferred governance and financial models for the consolidation of transit in Niagara. LNTC adopted amended recommendations providing support for a Full Commission governance model and recommending further engagement with each of the twelve (12) local area municipalities to seek their feedback on and support for the proposed models. The deadline for receiving this feedback was advanced to February 28, 2021.

In the course of this consideration, Committee provided comment and feedback on the governance and financial models, including a focus on the impacts of the proposed single regional tax levy, the Board of Directors and appointment process, and on social equity as a key driver for transit. The purpose of this memorandum is to outline how this feedback has been reflected and addressed, in advance of engagement with the local area municipalities.

The engagement process to be undertaken with each local area municipality will be tailored to suit preferred timeframes, areas of focus, and level of Regional staff participation. LNTC-C 8-2020 acts as a companion to this report, and provides the draft presentation planned for the Project Team's use at LAM Councils, where or if requested by the local area municipality.

Financial Strategy

The financial strategy proposed to implement the Full Commission model has been developed based on the following key principles:

- Consensus – to arrive at a consensus model which balances benefits and obligations for each party
- Equity – enabling future transit to grow equitably in each municipality
- Phased implementation – enable budgets to accommodate increases or decreases in a manageable way over multiple years
- Asset transfer – ensuring existing investments in capital assets are respected, but not paid for twice by the same taxpayer (see Cummings Principle below)
- Service Enhancements – reinvesting to ensure adequate resourcing is available long term to enable the transit system to grow

Based on these principles, the financial strategy outlined in *LNTC-C 4-2020* recommends the transfer of all existing and incremental transit spending to the new Commission, funded through a single regional tax levy. This strategy includes:

- a two (2) year transition period (2021, 2022) during which funding derived from the levy is applied to the one-time costs associated with establishing the Commission;
- a transfer implementation period of up to five (5) years (2023-2027), varying by municipality, where existing municipal transit costs are transferred to the Regional levy and offset by equivalent budgetary restrictions at the local level; and
- the expansion of transit services, running concurrent with the transfer of existing service, however finishing in 2032.

This recommendation was developed in consultation with local area Treasurers and CAOs after consideration of a variety of strategies ranging between municipal transit grants and a full regional upload to a single transit levy. There was no option to fully consolidate transit into one system without a redistribution impact to municipalities.

Taxpayer Redistribution from Municipal Levy to Regional Levy

The adoption of a single regional tax levy would transition current transit funding from municipalities to the Region, based on the regional property value assessment. As noted during discussions at LNTC, the net impact of this transition is that a proportion of

total regional transit expenditures would be redistributed to residents in municipalities with currently less robust transit systems and historically lower transit investment levels.

This realignment is consistent with the consolidation of transit in Niagara, as the move to an integrated transit system is anticipated to bring a series of proportional benefits to residents in these municipalities, including enhanced and expanded transit service, the ability to leverage capital investments that have been made in and by other municipalities, and a reduction in future financing costs.

- **Service Enhancement** - The proposed financial strategy provides for the allocation of \$2.7M in 2023 for the expansion of transit services, through the reallocation of levy funding originally allocated to the one-time transition costs in 2021-2022. This investment will be focused in areas who currently have less robust transit services, to enhance the connectivity of these areas to the other existing transit systems as quickly as possible, enhancing the transit equity in those municipalities.

These service enhancements will include the expansion of NRT On-Demand, the provision of new conventional NRT connections, and increased frequency on existing routes. These enhancements will facilitate greater connectivity to employment, medical, social and consumer services across Niagara, and link residents to the GTHA through GO train / bus services.

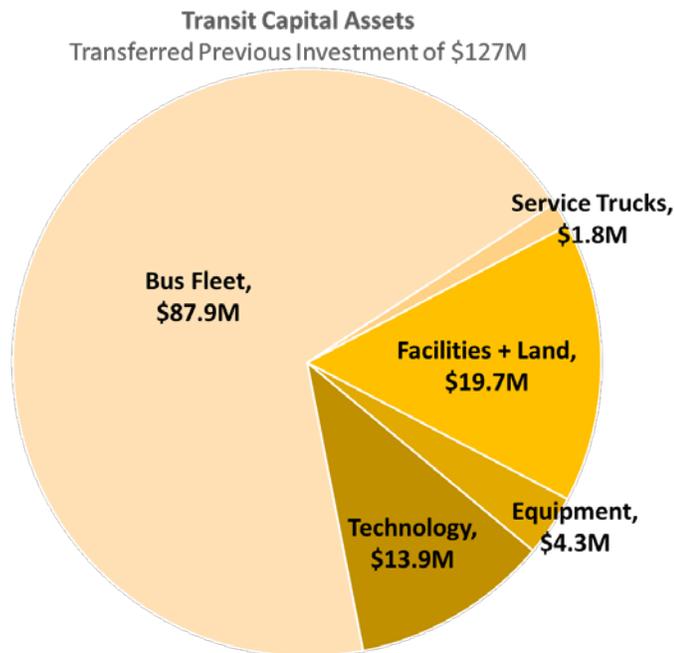
Where the larger systems are robust enough to remain status quo in service changes for a short period of time during the transition phase, smaller municipalities with smaller systems will see the first of the service improvements with a deliberate aim to bring all 12 municipalities to a more equitable transit service as quickly as possible. This approach of front-loading smaller system service enhancements as the levy upload occurs was used very effectively in both Waterloo Region and Durham Region where smaller municipalities received improved service faster, through the early days of the consolidation, while the larger municipalities saw their levy impact decrease.

Additional funding for further service enhancements will be requested by the Commission and subject to the Regional council budget process, as discussed further below and established once the new commission approves its inaugural multi-year service plan.

- **Leveraging of Prior Capital Investments** – municipalities with less robust transit services will benefit from consolidation through the ability to access and

leverage the capital investments that have been previously made by municipalities with more robust services. A total of \$127.5M in capital assets (\$64.3M net of depreciation) are anticipated to be transferred to the Commission, as summarized in Figure 1 below. These assets represent a combination of buses, service trucks, land, facilities, and other equipment and technology.

Figure 1 - Transit Capital Assets across Niagara Region



Leveraging previous capital investments will allow the Commission to deliver increased service into new areas of the region; which would have been costly for smaller municipalities to undertake within their municipal budgets. For example, existing garages can be utilized for vehicles purchased to provide increased or new conventional services, avoiding the need for the municipality to invest in new facilities independently.

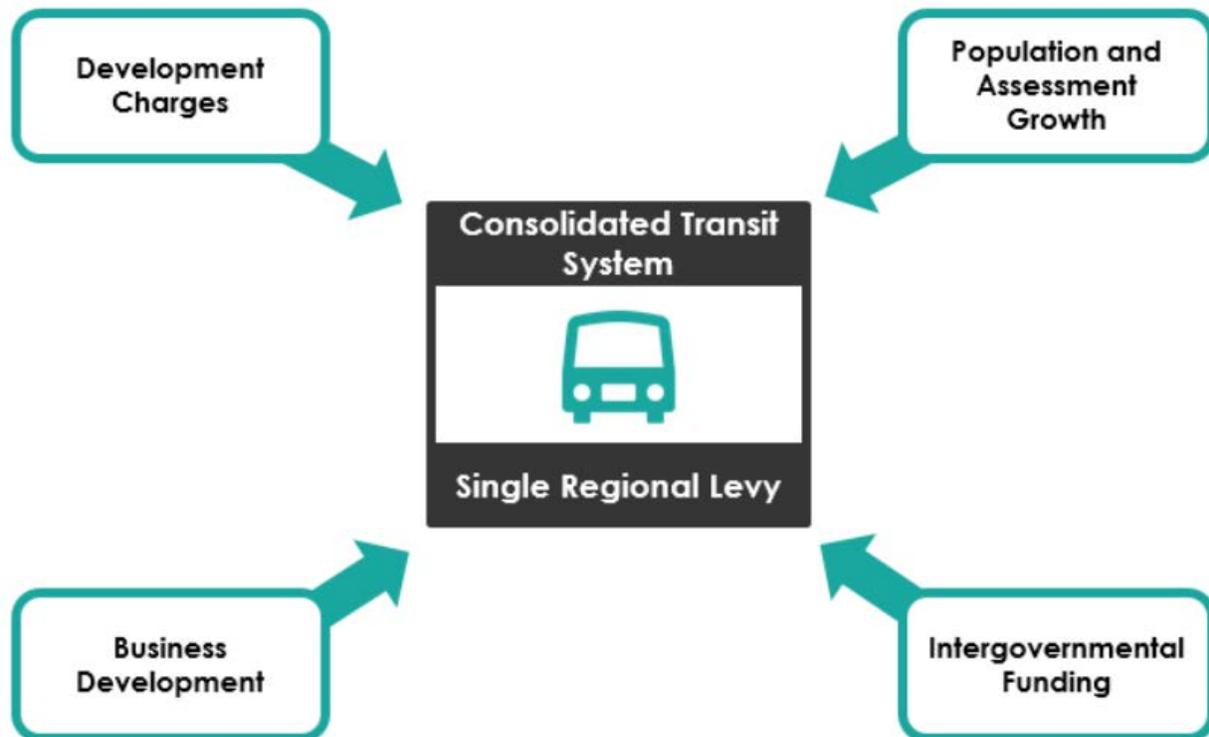
- Net Operating Costs** – The current net operating cost for all transit across Niagara is \$43.4M which includes \$32.5M in service delivery, \$8.6M in Facility and Administration costs and \$2.3M in debt financing. The move to a single Regional levy redistributes the existing \$8.6M in facility and administrative costs to all new owners of the previous capital investments incurred by St. Catharines, Niagara Falls, and Welland, while the existing local transit net operating cost in St. Catharines and Niagara Falls reflect a reduction to the residents within those

municipalities through the upload to the Commission. It should be noted, that of the existing \$14M in Niagara Region inter-municipal services connecting all municipalities to these urban centres delivered under the current Regional levy funding scenario (i.e. 2020 budget), the municipalities of St. Catharines and Niagara Falls currently contribute 45% of the Regional levy contributions.

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While not directly included as part of the proposed Financial Strategy, there remains a number of future opportunities to further mitigate the impacts of transition to the single regional transit levy. These contributing factors include both future population and assessment growth in the region, the introduction of transit into the Region’s development charges, enhanced business development, and future intergovernmental transit funding programs. Each of these opportunities will continued to be explored in the future for the potential to further offset levy impacts and should be kept in mind in relation to the future projections laid out in the Financial Strategy.

Figure 2 - Future Mitigation Strategies



Future Investment and Growth Opportunities

The NTGS outlines an aspirational growth target of +80% in transit ridership in Niagara by 2031. This growth would be achieved primarily through unlocking latent demand for inter-municipal trips, and is consistent with growth seen in the usage of transit in peer jurisdictions in their post-consolidation period.

Relating the potential growth of transit ridership to the financial strategy, there are two considerations:

- **Future Investment Levels** – to achieve the aspirational target outlined in the NTGS, additional investment beyond that envisioned by the financial strategy will be required. The NTGS identifies that achieving the high-growth target with an 88% increase in ridership will require an additional \$27M in net operating expenditures. The estimated costs of consolidation contained within this report reflect inflationary growth only. Based on the 2020 Regional Levy, an

aspirational growth strategy would require an incremental separate transit levy of 7.0%.

In addition, an incremental capital investment of \$70M-\$155M may be required to achieve this growth, of which approximately \$40M is currently funded through PTIF and ICIP programs. These investments are in addition to regular lifecycle replacements of existing assets.

The financial strategy includes an additional \$2.7M in service expansion funding previously discussed, which is outside the aspirational growth strategy and is intended for enhancements in those municipalities with less robust current service to improve connectivity to urban centres and amenities. Longer-term service enhancements will be determined by the Commission's transit service strategic plans, and subject to the allocation of funding through the Regional budget process.

- COVID-19 – the aspirational +80% target was developed based on ridership levels and modelling prior to the onset of the COVID-19 pandemic, which has had a direct impact on transit ridership and revenues. While these impacts have been significant in the short-term, the long-term impacts to transit remain unclear. Trends towards greater work and study from home environments may result in lower transit utilization in the long-term, or may have limited impact post-pandemic. A Full Commission governance model will be best able to balance core transit needs while simultaneously being flexible to respond to emerging trends and service levels as circumstances require.

The Cummings Principle and Asset Transfer

The proposed application of the Cummings Principle to the transfer of assets to the Commission remains a key principle of the financial strategy. The premise of the Cummings Principle is to transfer assets (and related outstanding liabilities), from one municipality to another with no additional compensation, since transferring assets for additional compensation results in the taxpayer paying twice for the same public asset.

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The NTGS presents a recommended Board of Directors comprised of five (5) members of Regional Council, (4) skills-based members of the public, and the Commission's General Manager acting in an ex-Officio capacity. This structure was recommended to

achieve both stewardship over resources and accountability to the residents of Niagara via elected officials, supplemented with additional skills or proficiencies necessary through those with experience in industry or more broadly.

Discussion at LNTC raised the question of the appointment of elected officials other than those already members of Regional Council (i.e. other local councillors). The process for appointment of members to the Board of Directors will be determined as part of the by-law that establishes the Commission as a legal entity, anticipated to be brought forward in parallel with the future triple-majority approval report. Through that process, Regional Council will have the opportunity to establish the criteria by which members can be selected. It is presumed that a nominating committee of Regional Council would then select members on the basis of the established criteria.

The forthcoming engagement with local area municipalities presents an opportunity to solicit further feedback regarding the proposed member selection process and Board Composition.

Social Equity

The guiding principles established for the NTGS determined *fairness* as a key objective of the consolidation of transit, including providing a basic level of services that can be accessed by as many Niagara residents as possible. There is currently a significant disparity in the availability and frequency of transit service across the region between smaller and larger municipalities.

Across the region, there are numerous residents who rely on transit as their primary mode of transportation. As such, transit represents social equity access to employment opportunities, medical services, educational institutions, or social activities.

The consolidation of transit is anticipated to foster a greater level of access to transit services for those residents currently under- or unserved by transit. Under the proposed financial strategy, this greater access in smaller municipalities will be achieved through the expansion of services proportional with increased investment levels and the greater integration with the services currently in place in the larger municipalities. Social equity is achieved through transit equity and access. The aforementioned financial strategy was designed to enable smaller municipalities to enhance their transit service levels and connectivity as quickly as possible as the levy redistribution occurs over time. This means front-loading the benefits of enhanced service and faster upload of the local levy

to regional as soon as possible, so as to increase their levels of social and transit equity for their residents.

LAM Engagement Timeframes and Next Steps

Subject to the adoption of the minutes of LNTC by Regional Council on November 20, 2020, *LNTC-C 4-2020* will be distributed and engagement with the LAMs seeking feedback on and support for the proposed governance and finance models will commence.

The specific timing and method of engagement with each LAM will be determined in consultation with their respective CAOs and Heads of Council, acknowledging the request from LNTC that feedback be received no later than February 28, 2021. Where requested, Regional staff (the Project Team) and the NTGS consultants will be available to support local staff as the item is considered at local Councils.

LNTC-C 8-2020 provides the draft presentation planned for use, where and if requested by the local area municipality. This presentation has been provided to committee separate from this report, as it is not recommended that this presentation be directly distributed to LAMs in parallel with the distribution of the supplementary information contained in this memo (should committee opt to distribute this information). This is recommended in order to facilitate required tailoring and updating for each municipality, and avoid confusion between what is an indicative presentation and the final presentation intended for each LAM.

In parallel to engagement with the LAMs, Regional staff will undertake the evaluation of impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution in *LNTC-C 4-2020*. This assessment will be returned to LNTC for consideration in advance February 28, 2021, so that input from LNTC and Niagara Region Public Works Committee (as well as a position on the requested motion) can be received in parallel to that from the LAMs.

This collective feedback will be used to further refine the proposed governance and financial models, in advance of the initiation of the triple-majority process in Q2 2021.

Respectfully submitted and signed by,

Scott Fraser, P. Eng.
Transportation Lead | GO Implementation Office

**THE REGIONAL MUNICIPALITY OF NIAGARA
LINKING NIAGARA TRANSIT COMMITTEE
MINUTES**

LNTC 4-2020

Wednesday, November 25, 2020

Council Chamber/Video Conference

Regional Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Committee Members Present in the Council Chamber: M. Siscoe (Municipal Councillor - St. Catharines) (Committee Chair), M. Robinson, Director, GO Implementation Office

Committee Members Present via Video Conference: Campion (Mayor - Welland), Redekop (Mayor - Fort Erie), Sendzik (Mayor - St. Catharines), Fertich (Regional Councillor), Ip (Regional Councillor), G. Miller (Municipal Councillor - St. Catharines), L. Van Vliet (Municipal Councillor - Welland) (Committee Vice-Chair), S. Chemnitz, Chief Administrative Officer (St. Catharines), K. Todd, Chief Administrative Officer (City of Niagara Falls), S. Zorbas, Interim Chief Administrative Officer (City of Welland)

Absent/Regrets: C. Dabrowski (Municipal Councillor - Niagara Falls), R. Tripp, Acting Chief Administrative Officer (Niagara Region)

Staff Present in the Council Chamber: S. Fraser, Transportation Lead, GO Implementation Office, S. Guglielmi, Technology Support Analyst, A.-M. Norio, Regional Clerk, H. Talbot, Financial & Special Projects Consultant

Staff Present via Video Conference: M. Evely, Legislative Coordinator, R. Salewytch, Transit Service Planning Coordinator, L. Tracey, Project Coordinator, GO Implementation, M. Trennum, Deputy Regional Clerk, B. Zvaniga, Interim Commissioner, Public Works

Others Present via Video Conference: M. Gilbert, Amalgamated Transit Union, E. Gillespie, Left Turn Right Turn, Y. Grinspun, Left Turn Right Turn, S. Kosh, Niagara College, M. Lattavo, Left Turn Right Turn, V. Malvaso, Niagara College, B. McIlhone, Optimus SBR, G. Morrison, St. Catharines Transit, T. Price, Niagara College, R. Rehan, Brock University Student Union, D. Stuart, Niagara Falls Transit.

1. CALL TO ORDER

Committee Chair M. Siscoe called the meeting to order at 2:02 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 LNTC-C 7-2020

2021 Inter-Municipal Transit Working Group – Linking Niagara Transit Committee Workplan

Moved by Councillor Fertich
 Seconded by Councillor Redekop

That Correspondence Item LNTC-C 7-2020, being a memorandum from M. Robinson, Director, GO Implementation Office, dated November 25, 2020, respecting 2021 Inter-Municipal Transit Working Group – Linking Niagara Transit Committee Workplan, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Linking Niagara Transit Committee **ENDORSE** the Inter-Municipal Transit Working Group's 2021 workplan as outlined in Report LNTC-C 7-2020.

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 LNTC-C 6-2020

Councillor Information Request: Niagara Transit Governance Study - Local Area Municipality Engagement

Moved by G. Miller
 Seconded by L. Van Vliet

That Correspondence Item LNTC-C 6-2020, being a memorandum from S. Fraser, Transportation Lead, GO Implementation Office, dated November 25, 2020, respecting Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities.

The following friendly **amendment** was accepted by the Committee Chair, and the mover and seconder of the motion:

That Correspondence Item LNTC-C 6-2020, being a memorandum from S. Fraser, Transportation Lead, GO Implementation Office, dated November 25, 2020, respecting Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities; and

That staff BE DIRECTED to reach out to the local area municipalities to arrange to present to their Council when the Niagara Transit Governance Study is being considered.

The Committee Chair called the vote on the motion, as amended, and declared it,

Carried

6.2 LNTC-C 8-2020

Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Presentation

Moved by Councillor Sendzik
 Seconded by Councillor Redekop

That Correspondence Item LNTC-C 8-2020, being a memorandum from S. Fraser, Transportation Lead, GO Implementation Office, dated November 25, 2020, respecting Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Presentation, **BE RECEIVED** for information.

Carried

6.3 LNTC 3-2020

Linking Niagara Transit Committee Minutes - October 21, 2020

Moved by Councillor G. Miller
 Seconded by Councillor Campion

That Minutes LNTC 3-2020, being the minutes of the Linking Niagara Transit Committee meeting held on October 21, 2020, **BE RECEIVED** for information.

Carried

7. **OTHER BUSINESS**

There were no items of other business.

8. **NEXT MEETING**

The next meeting will be held on Wednesday, February 3, 2021 at 2:00 p.m.

9. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:57 p.m.

Mat Siscoe
Committee Chair

Mark Evely
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

MEMORANDUM**LNTC-C 6-2020**

Subject: Councillor Information Request: Niagara Transit Governance Study – Local Area Municipality Engagement

Date: November 25, 2020

To: Linking Niagara Transit Committee

From: Scott Fraser, P. Eng., Transportation Lead - GO Implementation Office

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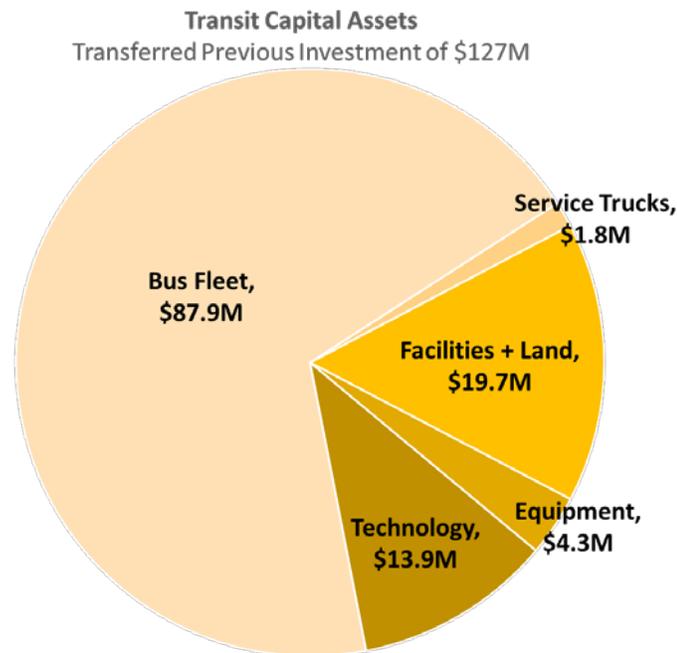
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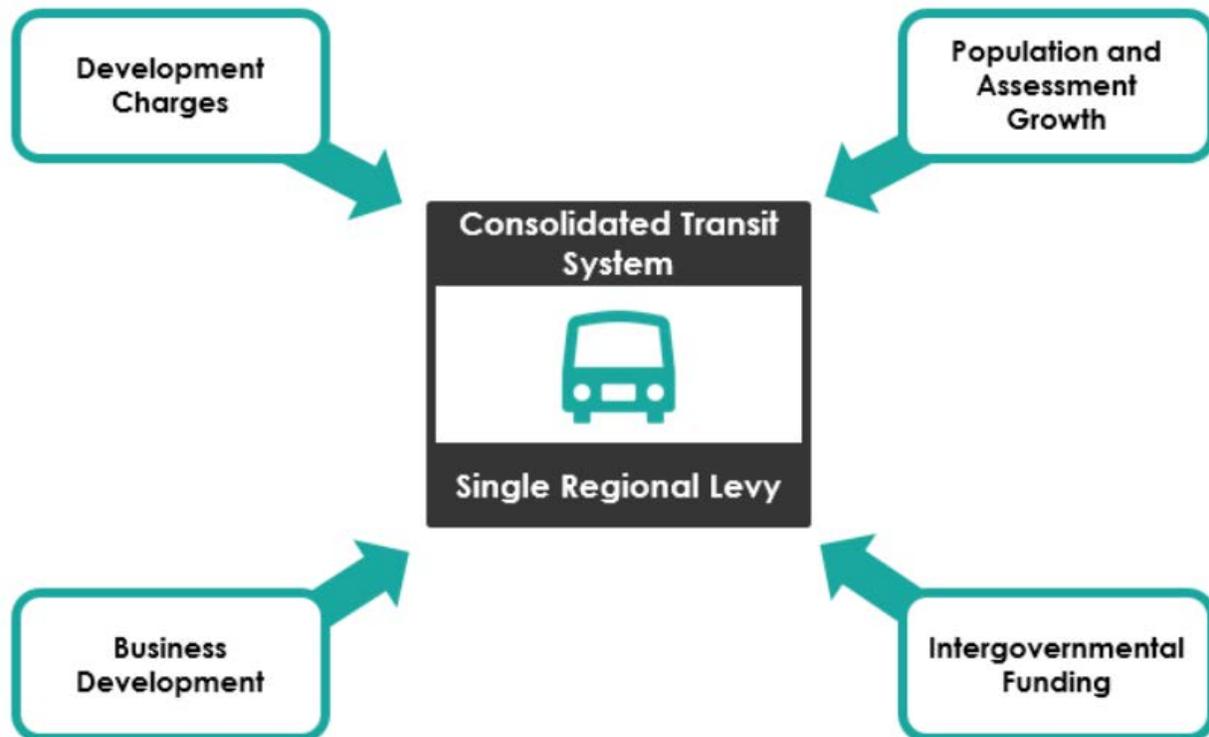
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The guiding principles established for the NTGS determined *fairness* as a key objective of the consolidation of transit, including providing a basic level of services that can be accessed by as many Niagara residents as possible. There is currently a significant disparity in the availability and frequency of transit service across the region between smaller and larger municipalities.

Across the region, there are numerous residents who rely on transit as their primary mode of transportation. As such, transit represents social equity access to employment opportunities, medical services, educational institutions, or social activities.

The consolidation of transit is anticipated to foster a greater level of access to transit services for those residents currently under- or unserved by transit. Under the proposed financial strategy, this greater access in smaller municipalities will be achieved through the expansion of services proportional with increased investment levels and the greater integration with the services currently in place in the larger municipalities. Social equity is achieved through transit equity and access. The aforementioned financial strategy was designed to enable smaller municipalities to enhance their transit service levels and connectivity as quickly as possible as the levy redistribution occurs over time. This means front-loading the benefits of enhanced service and faster upload of the local levy

to regional as soon as possible, so as to increase their levels of social and transit equity for their residents.

LAM Engagement Timeframes and Next Steps

Subject to the adoption of the minutes of LNTC by Regional Council on November 20, 2020, *LNTC-C 4-2020* will be distributed and engagement with the LAMs seeking feedback on and support for the proposed governance and finance models will commence.

The specific timing and method of engagement with each LAM will be determined in consultation with their respective CAOs and Heads of Council, acknowledging the request from LNTC that feedback be received no later than February 28, 2021. Where requested, Regional staff (the Project Team) and the NTGS consultants will be available to support local staff as the item is considered at local Councils.

LNTC-C 8-2020 provides the draft presentation planned for use, where and if requested by the local area municipality. This presentation has been provided to committee separate from this report, as it is not recommended that this presentation be directly distributed to LAMs in parallel with the distribution of the supplementary information contained in this memo (should committee opt to distribute this information). This is recommended in order to facilitate required tailoring and updating for each municipality, and avoid confusion between what is an indicative presentation and the final presentation intended for each LAM.

In parallel to engagement with the LAMs, Regional staff will undertake the evaluation of impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution in *LNTC-C 4-2020*. This assessment will be returned to LNTC for consideration in advance February 28, 2021, so that input from LNTC and Niagara Region Public Works Committee (as well as a position on the requested motion) can be received in parallel to that from the LAMs.

This collective feedback will be used to further refine the proposed governance and financial models, in advance of the initiation of the triple-majority process in Q2 2021.

Respectfully submitted and signed by,

Scott Fraser, P. Eng.
Transportation Lead | GO Implementation Office



Subject: Physician Recruitment Guideline

To: Council

From: Chief Administrative Office

Report Number: 2021-37

Meeting Date: February 8, 2021

Recommendation:

That Chief Administrative Office Report 2021-37 be received; and

That the Physician Recruitment Guideline in Appendix A of Chief Administrative Office Report 2021-37 be approved.

Purpose:

The purpose of this report is to adopt a Physician Recruitment Guideline that will provide incentives for family physicians to locate their practices in Port Colborne in order to address the number of unrostered patients that currently exists in the City.

Background:

For many years, the City of Port Colborne has administered a program to recruit family physicians to the City in response to the shortage of family doctors in the City and the province as a whole.

City Council's commitment to physician recruitment has been demonstrated through:

- Staff support for recruitment and retention efforts through the Health Services Coordinator
- Funding to assist family physicians with relocation costs and financial assistance with the cost of furnishings and equipment for the establishment of new practices
- Support of medical education and retention efforts

Recently the duties of the Health Services Coordinator have been provided through a shared services agreement with the Town of Fort Erie with Fort Erie's Community Health Care Services Coordinator performing the City's Health Services Coordinator's

duties. In 2020, the Fort Erie position became vacant and the City no longer has an agreement for shared services with the Town. Since that time, the City has relied on Niagara Region's full-time Physician Recruiter and intends to continue to do so for recruitment services.

Discussion:

Port Colborne is an underserved community when it comes to unrostered patients – residents that are not currently on the roster of a family physician. As of October 2020, the eight family physicians located in Port Colborne enroll approximately 9,600 patients. In a community with a population of 18,000 this highlights that 47% of the population either does not have a family doctor or uses services outside of Port Colborne at a walk-in clinic or emergency room. With a physician to population ratio of 1:1,380 it is suggested to have 13 physicians to service the City's population. This is in addition to the succession plan to attract 2-3 physicians to replace those who are within retirement age.

Family Physician Incentives

In order to address the shortage of physicians and unrostered patients in Port Colborne, staff recommend the continuation of the City's Physician Recruitment Program and the use of incentives.

In Ontario, physician recruitment is highly competitive, with communities vying for a limited number of medical graduates. Many municipalities offer recruitment packages to help attract physicians to their communities. To remain progressive and sustainable in physician recruitment, the City has offered financial incentives to attract physicians to the community. This has been done on an ad hoc basis in the absence of a City policy. Staff recommend adopting the attached policy to provide a consistent framework and equitable application each time the City is negotiating with prospective physicians. The draft policy allows staff to negotiate an incentive up to \$75,000 to cover incurred expenses associated with starting or taking over a practice in Port Colborne.

Locum Support Program

From time-to-time, physicians require temporary coverage of absences due to vacancies or illness. In these cases, locum tenens physicians (locum) can fill in the absence. Medical locums with short notice are often difficult to find due to the provincial shortage.

The draft recruitment guidelines provide a Locum Support Program that would support practicing family physicians in the City experiencing an illness or vacancy for any other reason (not including vacations). Staff feel this is an important retention and succession

planning tool that will help bring medical care to patients of eligible physicians when the physician is away from his or her practice.

The proposed guidelines provide a grant of up to 50% of the daily cost of a locum up to a maximum of \$5,000 per calendar year.

Internal Consultations:

The City has a Health Services Committee made up of Council members and members of the public that acts in an advisory capacity to Council. Typically, reports of this type would be discussed at the Health Services Committee's meetings prior to consideration at Council. The City's Health Services Coordinator planned to present an earlier draft version of the proposed policy to the Committee, however, the COVID-19 pandemic has caused the City to suspend the meetings of all sub-committees of Council. Despite the suspended meetings, staff have provided a copy of this report and appendices to the members of the committee and asked for comments to be provided to staff prior to the Council meeting.

Financial Implications:

The City budgeted \$148,000 for Physician recruitment activities in 2021. As a result of the City's utilizing the Niagara Region's full-time physician recruiter the City has saved the cost previously spent on Fort Erie's Community Health Care Services Coordinator making the full balance available for direct program support.

Public Engagement:

The City actively promotes the arrival of new doctors to Port Colborne and helps communicate when doctors are accepting new patients. In the past, the City has maintained a list of unrostered patients and provided the list to doctors that are accepting new patients, but that service is now provided by the Province's Health Care Connect program.

Conclusion:

There is a shortage of family physicians in Port Colborne and a high number of unrostered patients. In order to reduce the number of unrostered patients and attract new physicians to the community, staff recommend implementing the attached Port Colborne Incentive Guideline.

Appendices:

- a. Appendix A – Port Colborne Incentive Guideline (Draft)

Respectfully submitted,

Scott Luey
Chief Administrative Officer
905-835-2901 ext. 306
Scott.Luey@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

Physician Recruitment, Retention and Medical Education Financial Incentive Guideline

Process:

The programs listed in Schedule 1 – Port Colborne Incentive Programs are eligible for funding from the City. The programs are reviewed from time-to-time as part of Council's budgetary process and are used as a guideline for all funding requests based on the competitive nature of the market.

Council recognizes the need to recruit physicians to Port Colborne and the competitive nature of the market. In order to provide a responsive environment to time sensitive requests, Council delegates the authority to negotiate and execute agreements with family physicians for incentives up to and including \$75,000 to the Chief Administrative Officer. The Chief Administrative Officer will work in concert with the Niagara Region's Physician Recruitment and Retention Coordinator.

A potential recruit who meets the criteria will submit in writing a request for financial incentive support to the City's Chief Administrative Officer.

If the funding request is related to the purchase of equipment, the equipment must be new, and proof of equipment purchased must be provided to substantiate the grant funding request. A practice or recruit may only request funding to a lifetime maximum of \$75,000. Purchase of new equipment must be directly related to the ongoing recruitment efforts and retention of providers.

Program funding requests up to \$75,000 may be approved by the CAO without Council approval. All program requests must be made in writing to the Community Health Care Services Coordinator.

The Chief Administrative Officer (or designate) will review the request and, if eligible, enter into an agreement with the provider. The Chief Administrative Officer shall submit an annual report to Council outlining approved funding requests during the calendar year, denied funding requests during the calendar year, and the status of relevant Physician Recruitment Reserves held by the City, if any.

Requests that exceed \$75,000 must be approved by City Council. In the event of a request in excess of \$75,000, the Chief Administrative Officer shall submit a report to Council outlining the funding request and details reflecting the budgetary impacts. If approved by Council, an agreement will be signed by all parties and a by-law created. If the request is not approved by Council, staff will be authorized to correspond in writing the decision made by Council. If the recruit wishes to review the decision, the request to provide further information must be made in writing to the Chief Administrative Officer. Each agreement will have conditions and return of service attached as appropriate for

each recruit. These conditions and return of service will be analyzed annually by staff with an update given to council on accountability to the binding agreements.

Available revenue streams are important to note as some of the costs of the Medical Education and Physician Recruitment program can be offset by revenue. This will be updated annually, as it does impact the program.

Schedule 1 – Port Colborne Incentive Programs

Program Description	Criteria	Upset Limit	Other comments
Physician Recruitment	5 years return of service within the City of Port Colborne Eligibility limited to physicians who are starting or taking over a practice in a patient enrollment (CCM, FHG, FUO) or CHC model.	Up to \$75,000 in total	Dependent upon model of practice; eligible costs include relocation expenses, medical equipment, office furnishings, EMR, computer equipment.
Physician Retention	Locum coverage: a locum physician is a physician that is providing temporary coverage in the event of illness or retirement.	\$5,000 per calendar year; not to exceed 50% of the daily cost of a Locum	Locum coverage is a critical component of succession planning. It is not meant for vacation coverage.
	Equipment Replacement	Varies – must be Council approved	Does not include renovation costs or costs borne by lease holder or property owner
Education	Partnership programming (funded learners)	Maximum of \$2,000 for each visiting physician or medical student	i.e. Rural Medicine Week, Student Assistance Program, clerkships
	Mental Health	\$20,000 per year	Partnership with Fort Erie (Pathstone Mental Health)
	Memory Clinic	\$3,000 per year	Partnership with Town of Fort Erie
Revenue	Rural Ontario Medical Program (ROMP) Funded learners	Up to \$2,000 for 5 learners for Rural Medicine week	

Subject: Recommendation Report for a Proposed Communication Tower at 534 Pleasant Beach Road, File D27-10

To: Council

From: Planning and Development Department

Report Number: 2021-34

Meeting Date: February 8, 2021

Recommendation:

That Council has no adverse comments to the proposed communication tower at 534 Pleasant Beach Road; and

That Innovation, Science and Economic Development Canada and Forbes Bros. Ltd. be notified of Council's decision.

Purpose:

Under the direction of the Director of Planning and Development, the purpose of this report is to provide Council with a recommendation regarding a proposed communications tower at 534 Pleasant Beach Road.

Background:

Xplornet Communications Inc. is proposing to construct a new communication tower, replacing an existing 17 metre tower on the property at 534 Pleasant Beach Road. The proposed tower will be a 30 metre lite-duty lattice tower which will support equipment upgrades and provide expanded wireless internet capabilities for residents in the vicinity.

A formal application from Xplornet Communications Inc. through its contractor, Forbes Bros. Ltd., was received on November 10, 2020 (Appendix A).

Notices for the Public Consultation Period were circulated by both Planning Staff (Appendix B) and Forbes Bros Ltd. (Appendix C) on November 13, 2020 to property

owners within 120 metres of the property. A Notice was also placed in the *Niagara This Week* newspaper on Thursday, November 19, 2020 (Appendix D).

The final day for submission through the formal Public Consultation Period was December 21, 2020. Forbes Bros. Ltd. received one written submission from Kathy and Don Willwerth of 545 Pleasant Beach Road. A formal response was provided to Mr. and Ms. Willwerth on December 22, 2020. The full comment and response are attached to this report (Appendix E).

Discussion:

In October 2008, Council adopted a “Consultation Process for Wireless Telecommunication Facilities” (Appendix F). The Policy includes requirements for consultation with the City for comments; however, no formal approval is required from the City.

Although Innovation, Science and Economic Development Canada (ISED) is the approval authority for telecommunication towers, the City’s Policy requires that the municipality is to be consulted by proponents with the aim of:

- Discussing site options;
- Ensuring the local processes related to antenna systems are respected;
- Addressing reasonable and relevant concerns from both the land use authority and the community they represent; and
- Obtaining land use authority concurrence in writing.

The City’s policy outlines site selection criteria which include using existing structures where possible, locating towers away from residential, public and institutional areas and avoiding natural features. Forbes Bros. Ltd. has indicated that the existing tower on the property is not adequate for upgrades. Therefore, the new tower is proposed in a similar location as the existing tower.

Due to the ongoing COVID-19 gathering restrictions, staff noted that it was not realistic to hold a formal public consultation session. In lieu of the formal public consultation session, Planning Staff and the proponent offered one-on-one appointments via telephone or virtual means for any interested members of the public.

Internal Consultations:

Notice was circulated to internal City departments and no adverse comments were received.

Financial Implications:

There are no financial implications.

Public Engagement:

As mentioned above, Notices were circulated via regular mail and the *Niagara This Week* newspaper. One written submission was received from Kathy and Don Willwerth of 545 Pleasant Beach Road.

Conclusion:

Based on the information provided within this report, Planning staff are satisfied that the City's Policy (Consultation Process for Wireless Telecommunication Facilities) and its objectives have been addressed. Therefore, staff recommend that no adverse comments be provided to ISED Canada.

Appendices:

- a. Application
- b. City Public Notice
- c. Forbes Bros. Ltd. Public Notice
- d. Newspaper Notice
- e. Xplornet response to Willwerth Comment
- f. City Consultation Policy

Respectfully submitted,

David Schulz
Planner
(905) 835-2901 ext. 202
David.Schulz@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.



Tel: (905) 928-9481
Fax: (888) 622-4939
482 South Service Road East, Suite 130
Oakville, Ontario L6J 2X6
www.forbesbrosLtd.ca

November 10, 2020

Sent via email

David Schulz – Planner
Planning & Development
City of Port Colborne
66 Charlotte Street
Port Colborne, ON L3K 3C8

CLIENT: Xplornet Communications Inc.
RE: Information Package - Proposed Tower Replacement with Height Increased to 30m
SITE ID: PLEASANT BEACH – ON7393
ADDRESS: 534 Pleasant Beach Road, Sherkston, ON

Mr. Schulz,

Forbes Bros. Ltd. on behalf of Xplornet Communications Inc. is submitting this preliminary information package to the City of Port Colborne for Xplornet's proposed tower replacement of the existing lite-duty lattice tower with a 30m lite-duty lattice tower at 534 Pleasant Beach Road, Sherkston, Ontario. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The approval authority for wireless telecommunication towers is within jurisdiction of Innovation, Science and Economic Development Canada (ISED) under the *Radiocommunication Act*. ISED's *Radiocommunication and Broadcasting Antenna Systems – CPC-2-0-03, Issue 5* outlines the process for the proponent to follow and encourages the establishment of policies from the land-use authority as they are best positioned to contribute to optimum siting of facilities to meet their own community needs.

ISED's *Radiocommunication and Broadcasting Antenna Systems – CPC-2-0-03, Issue 5*, can be retrieved at: [https://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapi/cpc-2-0-03-i5.pdf/\\$file/cpc-2-0-03-i5.pdf](https://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapi/cpc-2-0-03-i5.pdf/$file/cpc-2-0-03-i5.pdf)

Port Colborne established a policy, Consultation Process for Wireless Telecommunication Facilities, that will be followed. The City has determined in lieu of a formal public consultation session that City Staff and the Proponent will be available by appointment to discuss the proposal. The City will send notice to residents 120m from the property which will be coordinated with the Proponent sending a similar notice following ISED's Default Public Consultation Process.

Municipal Consultation

This preliminary information package is to provide Port Colborne with the following:

- Proposed Site Details
- Site Sketch to be used as the Site Plan
- Photo Rendering
- Co-location Opportunities Considered
- Federal Requirements
- Public Consultation Material to be used for ISED's Default Public Consultation Process

ISED – Default Public Consultation Process

- ISED requires a mail notification to be sent to all property owners within 90m (3 times height of proposed 30m tower) of the proposed tower site; however, this mail notification will include all property owners within 120m of the subject property using a mailing list provided by the City. The mail notification is proposed to be sent on November 13, 2020.
- Public notice is proposed to be published in *NiagaraThisWeek* on November 19, 2020.
- Last day to receive submissions is proposed on this proposal is December 21, 2020.

The purpose of the notifications is to provide the local community an opportunity to make a submission and for the Proponent to address all relevant questions and concerns prior to requesting concurrence from Port Colborne. The notifications will also advise residents that in lieu of a formal public consultation session that City Staff and the Proponent will be available by appointment prior to the last day for submissions to discuss the proposal.

At the end of the ISED default public consultation process, if the Proponent is satisfied that it has addressed all relevant questions and would like to move forward with the installation, a request for a letter of concurrence from Port Colborne will be submitted to City Staff along with all correspondence from the default public consultation process.

The letter of concurrence from Port Colborne will provide confirmation that the Proponent has satisfied the consultation process by addressing all relevant questions and has consulted with Port Colborne.

I trust the information included in this package will be helpful for the City of Port Colborne consideration of this proposal.

Sincerely,

Jay Lewis

Real Estate & Municipal Affairs
Forbes Bros. Ltd.

Proposed Site Details:

Site Address: 534 Pleasant Beach Road, Sherkston

Latitude: 42.874679° **Longitude:** -79.124745°

Legal Description: PART LOT 3 CONCESSION 1 HUMBERSTONE, PART 2 PLAN 59R-16488. CITY OF PORT COLBORNE

Xplornet is proposing to install a 30m lite-duty lattice tower that will replace an existing lite-duty lattice tower (that will be decommissioned and removed) at 534 Pleasant Beach Road, Sherkston. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The subject property is zoned rural. Existing entrance will continue to be used to access relocated tower site. Proposed tower replacement site has a 30 setback from Pleasant Beach Road.



Aerial Image of Proposed Location

Proposed site includes a 30m lite-duty lattice tower that will be installed adjacent to a fenced pasture. The tower has a face width of 1.5m at the base and tapers to 0.75m at the top.

Radio equipment is installed on the upper portion of the tower that will provide wireless internet services to Xplornet customers in the community.

An equipment cabinet is installed at the base of the tower to process the radio equipment.



Enlarged Aerial Image of Proposed Location

Site Sketch:

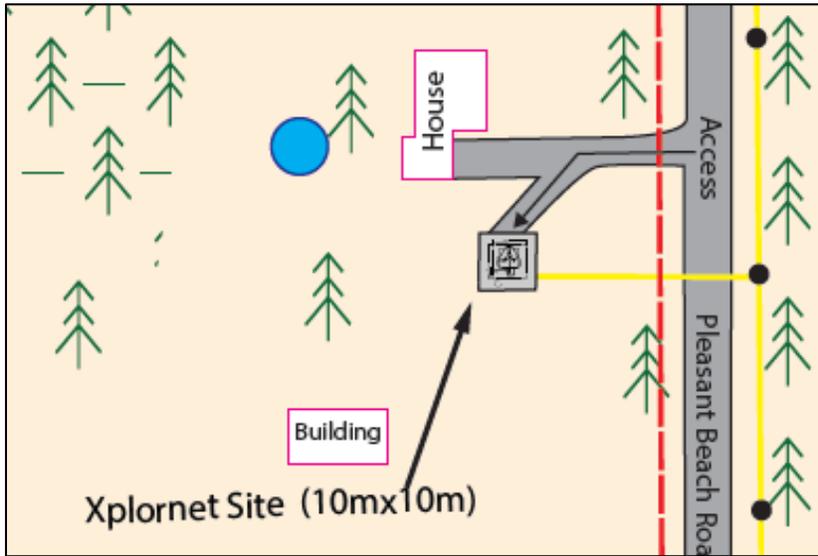


Photo Rendering:



Photo of Existing Tower



Photo Rendering of the Proposed Tower Replacement with a 30m Lite-Duty Lattice Tower

Co-Location Opportunities Considered:

Xplornet always considers co-locating or securing their wireless equipment on existing structures such as other third-party communication towers, water towers or buildings prior to proposing a new communication tower in an effort to minimize the number of towers in a region.

There are no other structures in the area that can be utilized or considered for co-location to achieve coverage objectives and the new 30m tower is required to achieve coverage objectives.

Federal Requirements:**Health Canada**

Xplornet attests that the radio installation described in this notification package will be installed and operated on an ongoing basis so as to comply with Health Canada's Safety Code 6, as may be amended from time to time, for the protection of the general public including any combined effects of nearby installations within the local radio environment.

Impact Assessment Act

Xplornet attests that the radio antenna system described in this notification package is excluded from environmental assessment under the *Impact Assessment Act*.

Transport Canada

Xplornet attests the proposed structure will meet Transport Canada's aeronautical obstruction marking requirements as set out in Canadian Aviation Regulations - Standard 621. Transport Canada has reviewed the Aeronautical Assessment Form and determined the proposed installation will not require marking or lighting.

Engineering Principles

Xplornet attest that the radio antenna system described in this notification package will be constructed in compliance with the National Building Code of Canada and comply with good engineering practices including structural adequacy.

Mail Notification



Tel: (905) 928-9481
Fax: (888) 622-4939
482 South Service Road East, Suite 130
Oakville, Ontario L6J 2X6
www.forbesbrosltd.ca

November 13, 2020

Re: MAIL NOTIFICATION - XPLORNET COMMUNICATIONS INC.
Proposed Tower Replacement with Height Increased to 30m
534 Pleasant Beach Road, Sherkston, ON

Site ID: PLEASANT BEACH – ON7393

Dear Current Resident / Owner,

Forbes Bros. Ltd. is sending this mail notification on behalf of Xplornet Communications Inc. to notify you of the proposed tower replacement of the existing lite-duty lattice tower with a 30m lite-duty lattice tower at 534 Pleasant Beach Road, Sherkston, Ontario. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The purpose of this notification and public consultation is to allow submissions or request for additional information from the local community and for the Proponent to address all relevant questions and concerns. In lieu of a formal public consultation session, City Staff and the Proponent will be available by appointment to discuss the proposal prior closing date to receive submissions. City Staff and the Proponent contact information can be found at the end of the notification and may be submitted until the closing date of Monday, December 21, 2020.

At the end of the public consultation process, if the Proponent is satisfied that it has addressed all relevant questions and would like to move forward with the installation, a request for a letter of concurrence will be submitted to the City of Port Colborne along with all correspondence from the public consultation process.

Sincerely,

Jay Lewis

Real Estate & Municipal Affairs
Forbes Bros. Ltd.

Proposed Site Details:

Site Address: 534 Pleasant Beach Road, Sherkston, ON.

Latitude: 42.874679° **Longitude:** -79.124745°

Legal Description: PART LOT 3 CONCESSION 1 HUMBERSTONE, PART 2 PLAN 59R-16488. CITY OF PORT COLBORNE

Xplornet is proposing to install a 30m lite-duty lattice tower that will replace an existing lite-duty lattice tower (that will be decommissioned and removed) at 534 Pleasant Beach Road, Sherkston. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The subject property is zoned rural. Existing entrance will continue to be used to access relocated tower site. Proposed tower replacement site has a 30 setback from Pleasant Beach Road.



Aerial Image of Proposed Location

Proposed site includes a 30m lite-duty lattice tower that will be installed adjacent to a fenced pasture. The tower has a face width of 1.5m at the base and tapers to 0.75m at the top.

Radio equipment is installed on the upper portion of the tower that will provide wireless internet services to Xplornet customers in the community.

An equipment cabinet is installed at the base of the tower to process the radio equipment.



Enlarged Aerial Image of Proposed Location

Site Sketch:

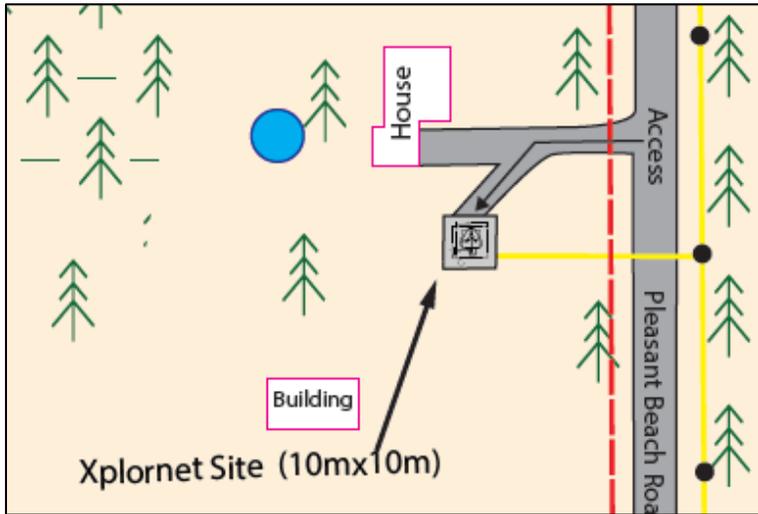


Photo Rendering:



Photo of Existing Tower



Photo Rendering of the Proposed Tower Replacement with a 30m Lite-Duty Lattice Tower

Co-Location Opportunities Considered:

Xplornet always considers co-locating or securing their wireless equipment on existing structures such as other third-party communication towers, water towers or buildings prior to proposing a new communication tower in an effort to minimize the number of towers in a region.

There are no other structures in the area that can be utilized or considered for co-location to achieve coverage objectives and the new 30m tower is required to achieve coverage objectives.

Federal Requirements:

Health Canada

Xplornet attests that the radio installation described in this notification package will be installed and operated on an ongoing basis so as to comply with Health Canada’s Safety Code 6, as may be amended from time to time, for the protection of the general public including any combined effects of nearby installations within the local radio environment.

Impact Assessment Act

Xplornet attests that the radio antenna system described in this notification package is excluded from environmental assessment under the *Impact Assessment Act*.

Transport Canada

Xplornet attests the proposed structure will meet Transport Canada’s aeronautical obstruction marking requirements as set out in Canadian Aviation Regulations - Standard 621. Xplornet anticipates that the proposed installation will not require markings or lighting and will submit the necessary application to Transport Canada.

Engineering Principles

Xplornet attest that the radio antenna system described in this notification package will be constructed in compliance with the National Building Code of Canada and comply with good engineering practices including structural adequacy.

Innovation, Science and Economic Development Canada (ISED)

General information relating to antenna systems is available through ISED’s Spectrum Management and Telecommunications website <http://www.ic.gc.ca/antenna>.

Closing Date for Comments: Monday, December 21, 2020

City Staff and the Proponent are available by appointment to discuss this proposal prior to the closing date.

Contact Information:

Forbes Bros. Ltd.

Jay Lewis
482 South Service Rd. E., Suite 130
Oakville, Ontario L6J 2X6
Tel: 905.928.9481
Fax: 888.622.4939
Email: jlewis@forbesbrosltd.ca

**Innovation, Science and Economic
Development Canada**

Southwestern District Office
4475 North Service Rd., Suite 100
Burlington, Ontario L7L 4X7
Tel: 855.465.6307
Fax: 905.639.6551
Email: ic.spectrumswodo-spectrebdsoo.ic@canada.ca

**City of Port Colborne
Planning & Development**

David Schulz - Planner
66 Charlotte Street
Port Colborne, Ontario L3K 3C8
Tel: 905.835.2901 x202
Fax: 905.835-2939
Email: planner@portcolborne.ca

Public Notice that will be published in
NiagaraThisWeek

PUBLIC NOTICE
XPLORNET - Proposed 30m Lite-Duty Lattice Tower Site

Xplornet Communications Inc. has proposed to install a 30m lite-duty lattice tower and related radio equipment that will replace an existing lite-duty lattice tower (that will be decommissioned and removed) at 534 Pleasant Beach Road, Sherkston, Ontario. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

ANY PERSON may make a written submission or request additional information to the individuals listed below by closing date of Monday, December 21, 2020. In lieu of a formal public consultation session, City Staff and the Proponent will be available by appointment to discuss the proposal prior to the closing date.

PLEASE TAKE NOTICE the approval of this site and its design is under the exclusive jurisdiction of the Government of Canada through Innovation, Science and Economic Development Canada (ISED). For more information on the federal process pertaining to these installations please contact the local ISED office at: ic.spectrumswodo-spectrebdsoo.ic@canada.ca

Site ID: PLEASANT BEACH – ON7393
Coordinates: 42.874679, -79.124745

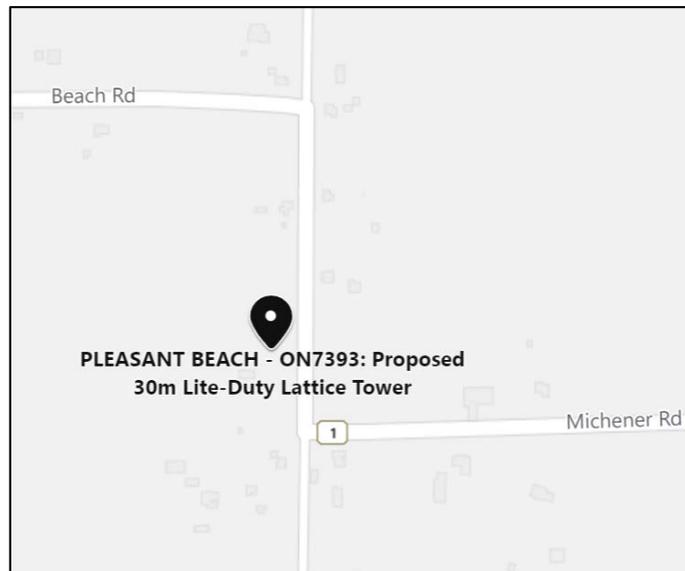
FORBES BROS. LTD.:

Jay Lewis
Suite 130, 482 South Service Rd E
Oakville, Ontario. L6J 2X6
Tel: (905) 928-9481
Fax: (888) 622-4939
Email: jlewis@forbesbrosltd.ca

CITY OF PORT COLBORNE

David Schulz - Planner
66 Charlotte Street
Port Colborne, Ontario. L3K 3C8
Tel: (905) 835-2901 x202
Fax: (905) 835-2939
Email: planner@portcolborne.ca

SITE LOCATION MAP





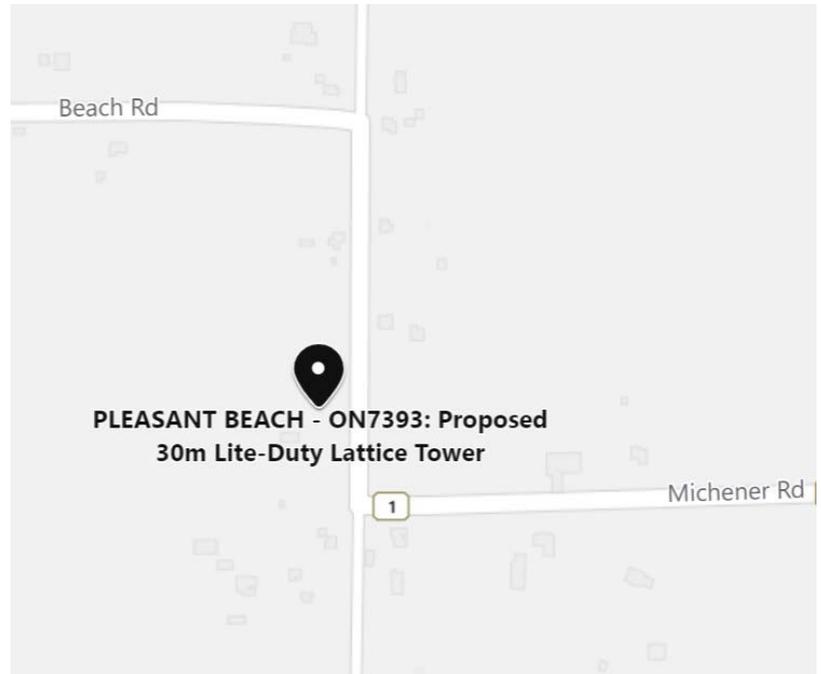
NOTICE OF PUBLIC CONSULTATION PERIOD Proposed Communication Tower 534 Pleasant Beach Road

PROPOSAL

Forbes Bros Ltd., on behalf of Xplornet Communications Inc, is proposing to construct a communication tower to support new wireless internet services to the area for Xplornet. The lite-duty lattice tower will have a height of 30m (98 feet). The tower will replace the existing 17m tower on the property at 534 Pleasant Beach Road.

HAVE YOUR SAY

Input on the proposed communication tower is welcome and encouraged. In lieu of a public information session the Proponent and Planning Staff will be available by appointment prior to the deadline below. You can also provide input by making a written submission directly to Forbes Bros Ltd.



APPROVAL AUTHORITY

Please be advised that the City of Port Colborne is not the approval authority for telecommunication towers. These towers are under the jurisdiction of the Government of Canada through Innovation, Science and Economic Development Canada (ISED).

WRITTEN SUBMISSION

Any person may provide comments about this proposal by mail, email or fax to Forbes Bros Ltd. by **Monday, December 21, 2020**.

Forbes Bros Ltd. on behalf of Xplornet Communications Inc.

Jay Lewis
482 South Service Rd. E., Suite 130
Oakville, Ontario L6J 2X6
Tel: 905.928.9481
Fax: 888.622.4939
Email: jlewis@forbesbrosltd.ca

MORE INFORMATION

Material related to the proposed tower and site is available for review between 8:30 am and 4:30 pm, Monday to Friday by contacting City Hall, Planning Division, at 66 Charlotte Street, Port Colborne, Ontario. You can also contact David Schulz, Planner, at 905-835-2901 ext 202 or by email at planner@portcolborne.ca.

Mailed on November 13, 2020



Tel: (905) 928-9481
Fax: (888) 622-4939
482 South Service Road East, Suite 130
Oakville, Ontario L6J 2X6
www.forbesbrosltd.ca

November 13, 2020

Re: MAIL NOTIFICATION - XPLORNET COMMUNICATIONS INC.
Proposed Tower Replacement with Height Increased to 30m
534 Pleasant Beach Road, Sherkston, ON

Site ID: PLEASANT BEACH – ON7393

Dear Current Resident / Owner,

Forbes Bros. Ltd. is sending this mail notification on behalf of Xplornet Communications Inc. to notify you of the proposed tower replacement of the existing 17m lite-duty lattice tower with a 30m lite-duty lattice tower at 534 Pleasant Beach Road, Sherkston, Ontario. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The purpose of this notification and public consultation is to allow submissions or request for additional information from the local community and for the Proponent to address all relevant questions and concerns. In lieu of a formal public consultation session, City Staff and the Proponent will be available by appointment to discuss the proposal prior to the closing date of Monday, December 21, 2020 to receive submissions. City Staff and the Proponent contact information can be found at the end of the notification.

At the end of the public consultation process, if the Proponent is satisfied that it has addressed all relevant questions and would like to move forward with the installation, a request for a letter of concurrence will be submitted to the City of Port Colborne along with all correspondence from the public consultation process.

Sincerely,

Jay Lewis

Real Estate & Municipal Affairs
Forbes Bros. Ltd.

Proposed Site Details:

Site Address: 534 Pleasant Beach Road, Sherkston, ON.

Latitude: 42.874679° **Longitude:** -79.124745°

Legal Description: PART LOT 3 CONCESSION 1 HUMBERSTONE, PART 2 PLAN 59R-16488. CITY OF PORT COLBORNE

Xplornet is proposing to install a 30m lite-duty lattice tower that will replace an existing 17m lite-duty lattice tower (that will be decommissioned and removed) at 534 Pleasant Beach Road, Sherkston. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

The subject property is zoned rural. Existing entrance will continue to be used to access relocated tower site. Proposed tower replacement site has a 30 setback from Pleasant Beach Road.



Aerial Image of Proposed Location

Proposed site includes a 30m lite-duty lattice tower that will be installed adjacent to a fenced pasture. The tower has a face width of 1.5m at the base and tapers to 0.75m at the top.

Radio equipment is installed on the upper portion of the tower that will provide wireless internet services to Xplornet customers in the community.

An equipment cabinet is installed at the base of the tower to process the radio equipment.



Enlarged Aerial Image of Proposed Location

Site Sketch:

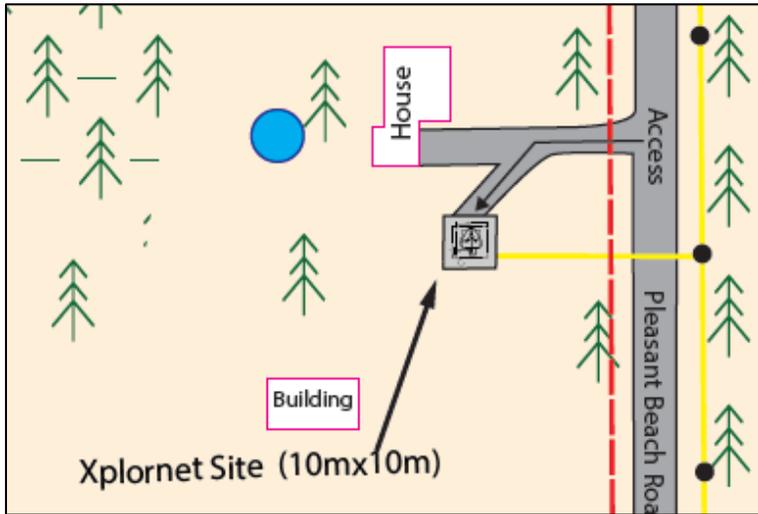


Photo Rendering:



Photo of Existing Tower



Photo Rendering of the Proposed Tower Replacement with a 30m Lite-Duty Lattice Tower

Co-Location Opportunities Considered:

Xplornet always considers co-locating or securing their wireless equipment on existing structures such as other third-party communication towers, water towers or buildings prior to proposing a new communication tower in an effort to minimize the number of towers in a region.

There are no other structures in the area that can be utilized or considered for co-location to achieve coverage objectives and the new 30m tower is required to achieve coverage objectives.

Federal Requirements:

Health Canada

Xplornet attests that the radio installation described in this notification package will be installed and operated on an ongoing basis so as to comply with Health Canada’s Safety Code 6, as may be amended from time to time, for the protection of the general public including any combined effects of nearby installations within the local radio environment.

Impact Assessment Act

Xplornet attests that the radio antenna system described in this notification package is excluded from environmental assessment under the *Impact Assessment Act*.

Transport Canada

Xplornet attests the proposed structure will meet Transport Canada’s aeronautical obstruction marking requirements as set out in Canadian Aviation Regulations - Standard 621. Xplornet anticipates that the proposed installation will not require markings or lighting and will submit the necessary application to Transport Canada.

Engineering Principles

Xplornet attest that the radio antenna system described in this notification package will be constructed in compliance with the National Building Code of Canada and comply with good engineering practices including structural adequacy.

Innovation, Science and Economic Development Canada (ISED)

General information relating to antenna systems is available through ISED’s Spectrum Management and Telecommunications website <http://www.ic.gc.ca/antenna>.

Closing Date for Comments: Monday, December 21, 2020

City Staff and the Proponent are available by appointment to discuss this proposal prior to the closing date.

Contact Information:

Forbes Bros. Ltd.

Jay Lewis
482 South Service Rd. E., Suite 130
Oakville, Ontario L6J 2X6
Tel: 905.928.9481
Fax: 888.622.4939
Email: jlewis@forbesbrosltd.ca

**Innovation, Science and Economic
Development Canada**

Southwestern District Office
4475 North Service Rd., Suite 100
Burlington, Ontario L7L 4X7
Tel: 855.465.6307
Fax: 905.639.6551
Email: ic.spectrumswodo-spectrebdsoo.ic@canada.ca

**City of Port Colborne
Planning & Development**

David Schulz - Planner
66 Charlotte Street
Port Colborne, Ontario L3K 3C8
Tel: 905.835.2901 x202
Fax: 905.835-2939
Email: planner@portcolborne.ca

PUBLIC NOTICE
XPLORNET - Proposed 30m Lite-Duty Lattice Tower Site

Xplornet Communications Inc. has proposed to install a 30m lite-duty lattice tower and related radio equipment that will replace an existing 17m lite-duty lattice tower (that will be decommissioned and removed) at 534 Pleasant Beach Road, Sherkston, Ontario. The existing tower is structurally inadequate for equipment upgrades and an increased tower height will provide improved and expanded wireless internet services to the area for Xplornet customers.

ANY PERSON may make a written submission or request additional information to the individuals listed below by closing date of Monday, December 21, 2020. In lieu of a formal public consultation session, City Staff and the Proponent will be available by appointment to discuss the proposal prior to the closing date.

PLEASE TAKE NOTICE the approval of this site and its design is under the exclusive jurisdiction of the Government of Canada through Innovation, Science and Economic Development Canada (ISED). For more information on the federal process pertaining to these installations please contact the local ISED office at: ic.spectrumswodo-spectrebdsoo.ic@canada.ca

Site ID: PLEASANT BEACH – ON7393
Coordinates: 42.874679, -79.124745

FORBES BROS. LTD.:

Jay Lewis
Suite 130, 482 South Service Rd E
Oakville, Ontario. L6J 2X6
Tel: (905) 928-9481
Fax: (888) 622-4939
Email: jlewis@forbesbrosltd.ca

CITY OF PORT COLBORNE

David Schulz - Planner
66 Charlotte Street
Port Colborne, Ontario. L3K 3C8
Tel: (905) 835-2901 x202
Fax: (905) 835-2939
Email: planner@portcolborne.ca

SITE LOCATION MAP



From: [Jay Lewis](#)
To: [Kathy and Don](#); [Planner](#); ic.spectrumswodo-spectrebdsoo.ic@canada.ca
Subject: Xplornet - PLEASANT BEACH - ON7393
Date: December 22, 2020 12:42:40 PM
Attachments: [image001.png](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello Mrs. Willwerth,

Thank you for your email submission on December 10, 2020 stating your objection and concerns Xplornet proposed tower replacement of the existing 17m lite-duty lattice tower with a 30m lite-duty lattice tower at 534 Pleasant Beach Road, Skerkston, Ontario.

Public consultation is an important process to establish new communication sites as it provides an opportunity for residents to submit comments, concerns or requests for additional information.

I understand based on your email you have health concerns regarding the emissions from the operation of the proposed replacement tower, including what frequencies and if they will be monitored.

The health and safety of residents are of the utmost importance to Xplornet and you can be reassured the site will be compliant with Health Canada's Safety Code 6.

You mention that upon reading some material you are concerned about a number of health effects. Is the material credible and have these claims been substantiated? If so, Health Canada would take appropriate measures regarding Safety Code 6. When reviewing information online it is important to consider the credibility of the material, especially if it contradicts the general consensus of the scientific community and goes against the standards adopted by the majority of jurisdictions throughout the world.

Please see the Background Information below for detailed information on Safety Code 6 as well as Additional Information which provides a number of credible sites on health and safety. Also keep in mind this site has already been in existence for a number of years and that Xplornet has thousands of these site throughout Canada without issues.

The existing 17m tower has both transmitting and receiving equipment that provides internet to the residence on the subject property and to other residences in the area. Xplornet is proposing this 30m tower replacement as it will improve both the coverage and the quality of the internet services to these residences since the equipment will be at a higher elevation.

Xplornet has a number of licenced frequency bands, that are regulated by Innovation, Science and Economic Development Canada (ISED - federal jurisdiction), such as 600MHz, 700 MHz, 2500 Hz and 3500 MHz that can be utilized. The antennas on the proposed tower will utilized the 3500 MHz band.

A safety code 6 analysis is completed prior to installation using a computer program that takes the number of antennas and the specifications such as the frequency, energy, direction,

elevation, etc. to determine the amount of energy based at any location from the site. If ISED believes the site may not comply with Safety Code 6 it can require the proponent to audit the site for compliance – if non-compliant than the proponent must take immediate action to bring the site into compliance.

Yes, the proposed 30m lattice tower site will accommodate future requests for co-location of additional equipment by another party as this is mandated by ISED to minimize the number of towers in an area; however, it should be noted that the site must remain compliant with Safety Code 6.

Thank you again for your submission. If you like to provide a further response it must be received by January 12, 2021 to be considered part of this consultation. All correspondence is provided to City Staff for consideration when reviewing a request for concurrence.

Sincerely,
Jay Lewis



Jay Lewis

Real Estate & Municipal Affairs

Suite 130, 482 South Service Road E, Oakville, ON L6J 2X6

C: 905.928.9481 F: 888.622.4939

forbesbrosltd.ca

Background Information

Xplornet internet towers transmit and receive radio-frequency (RF) signals or energy to connect to a device installed on the outside of a residence to provide internet services.

Xplornet's licence with ISED requires that RF levels transmitted from base stations (towers or rooftop sites) fall below Health Canada's RF exposure limits guidelines and made compliance with Safety Code 6 mandatory. ISED adopted Health Canada's Safety Code 6 as they are the agency charged with protecting the health and safety of Canadians. Safety Code 6 exposure limits are science-based standards used in other parts of the world, including the United States, European Union, Japan, Australia and New Zealand.

Safety Code 6 is based on an ongoing review of published scientific studies, including both internal and external reviews of scientific literature, as well as Health Canada's own research. The code is periodically revised to reflect new knowledge in the scientific literature. The current version of Safety Code 6 reflects the scientific literature published up to August 2014 and replaces the previous version published in 2009.

Health Canada reminds all Canadians that their health is protected from radiofrequency fields by the human exposure limits recommended in Safety Code 6. Health Canada does not consider base stations dangerous to the public, including groups typically more sensitive to environmental agents (young children, elderly). The Safety Code 6 limits for human exposure to RF energy are designed to provide protection for all age groups, including children, on a

continuous (24 hours a day/seven days a week) basis. This means that if someone, including a small child, were to be exposed to RF energy from multiple sources for 24 hours a day, 365 days a year, within the Safety Code 6 limits, there would be no adverse health effects.

Health Canada continues to monitor and analyze scientific research on this issue and should new scientific evidence arise demonstrating that exposure to radiofrequency fields poses a health risk to Canadians, Health Canada will take the appropriate action to safeguard the health of Canadians. Compliance with any updates or changes to Safety Code 6 is mandatory for all Canadian wireless carriers.

It should be noted that ISED does not consider concerns regarding the validity or adequacy of Safety Code 6 subject to consultation as the exposure limit guidelines are the responsibility of Health Canada. If you have concerns with the exposure limits of Safety Code 6 than Health Canada would be the agency to directly contact and discuss.

Additional Information:

- **Health Canada: *Fact Sheet – What is Safety Code 6? (Busting Myths on Safety Code 6)***

<https://www.canada.ca/en/health-canada/services/health-risks-safety/radiation/everyday-things-emit-radiation/cell-phones-towers.html>

- **Health Canada: *Cell phones, cell phone tower and other antenna installations***

<https://www.canada.ca/en/health-canada/services/health-risks-safety/radiation/everyday-things-emit-radiation/cell-phones-towers.html>

- **ISED: *Radiofrequency Energy and Safety***

<https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf11467.html#s1>

- **ISED: *Radiofrequency Energy and Safety***

<https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf08792.html>

From: Kathy and Don [mailto:kathyanddonw@gmail.com]

Sent: December 10, 2020 1:20 PM

To: planner@portcolborne.ca; Jay Lewis <jlewis@forbesbrosLtd.ca>; ic.spectrumswodo-spectrebdsoo.ic@canada.ca

Subject: Proposed communication tower @ 534 Pleasant Beach

To whom this email may concern,

I would like to oppose the construction of the 98 foot communication tower that is proposed for 534 Pleasant Beach Rd, Sherkston, On.

It was my understanding, albeit not a correct one maybe, that the existing structure was just a support for the Xplornet dish to supply internet to the residence ar 534 only , similar to a TV antenna tower that people don't want to put on their roof.

It is located near his garage. A receiving dish? Or was it a sending dish?

I was underi the impression it was a receiving dish like a satellite dish.

My concern is that this new high tower wil be a sending dish and distribute very harmful radio frequency waves to our whole area. .

Even one company 's radio frequency rays to our house is a huge concern but another important problem would be if it hosts other companies on that tower as well, , sending out even more harmful rays.

We live across the street less than 400 meters from the proposed site.

We have 5 adults and one child under 6 and a dog.

In addition to a huge eyesore for us upon reading some material, I am concerned about the health effects that this will have on my family and indeed the area;

Dizziness, headaches, depression, cancer are a few side effects that people have experienced elsewhere .

Also wildlife, dogs, cats and birds can be affected.

There are multiple horse farms in the area.!

There is Sherkston Shores Resort bordering the proposed suite that has about 30,000 people living there during the season.

Xplornet says this tower will comply to Health Canada's safety code 6. However even under compliance there are these associated health risks.

How many Ghz will be transmitted over there to our house and property. 3 to 300 Ghz?.. or lots more?

Will Health Canada or someone else monitor what is coming off that tower as to the Ghz for compliance to safety code 6?

How often will they check now and in the future to make sure they are still in compliance with safety code 6? How will we know this is being monitored?

Will we be informed as to the Ghz?

I wonder??

Please, consider my objection to this new 98 ft tower .

I hope this is not a done deal!!

Thank you on behalf of my family,

Mrs. Kathleen Willwerth
545 Pleasant Beach Road
Sherkston On L0S 1R0

905 894 0910

CAUTION: This message originated outside of the organization. Do not click on links or open attachments unless you recognize the sender name and email address.



Department of Planning & Development

Consultation Process for Wireless Telecommunication Facilities

Policy Statement:

The purpose of this policy is to provide guidance to the City of Port Colborne, Proponents and the general public in considering proposals to locate telecommunication facilities. While Industry Canada is the approval authority for telecommunication facilities, it is acknowledged that any concerns or suggestions expressed by municipalities are important elements to be considered by proponents regarding proposals to install or make changes to antenna systems. Accordingly, municipalities are to be consulted, unless the proposal meets Industry Canada's exclusion criteria, with the aim of:

- Discussing site options;
- Ensuring the local processes related to antenna systems are respected;
- Addressing reasonable and relevant concerns from both the land use authority and the community they represent; and
- Obtaining land use authority concurrence in writing.

Objectives of this Policy:

1. To balance demand for facilities with a desire to preserve the natural and cultural landscape and minimize impacts to the community.
2. To outline a general process to be followed by the City for reviewing and commenting on telecommunication facility proposals.
3. To provide an open and transparent public consultation process that meets the requirements of Industry Canada.
4. To provide for high caliber wireless telecommunications facilities in order to promote economic development and meet the business and safety needs of the public.

City Designated Official:

For the purpose of this policy, the Director of Planning and Development (Director) shall be the primary representative for the City for all discussion with the Proponent. In the case of absence, the Director may select a designate. All discussions and initial consultation shall be conducted through the Director or designate.

Site Selection Criteria:

The Proponent shall choose a site located to minimize the total number of sites required and is encouraged to use existing structures wherever possible. Where it is not possible to use an existing structure, the following criteria shall be considered:

- Maximizing distance from residential areas, public and institutional areas such as schools, community centres, day care facilities and senior's residences;
- Avoidance of natural features, significant vegetation and hazard lands (floodplains or steep slopes)

Public Consultation:

The City of Port Colborne shall hold a public consultation session to solicit public input on any proposed telecommunications facility. Notice for any such public consultation will be provided to property owners at least *30 days* prior to the public consultation by regular mail to all property owners within at least 120 metres of the property on which the telecommunication facility is to be established. In addition, the Proponent will also send a notice, with the same circulation radius as the City's notice, which will be consistent with the requirements of Appendix 2 of Industry Canada's document entitled *Radiocommunication and Broadcasting Antenna Systems*. The City, also reserves the right to require a larger circulation radius if, in the opinion of the Director, it is warranted.

Following the public consultation, Council of the City of Port Colborne will authorize Planning staff to provide the Proponent with the City's comments subject to any requirement or stipulations in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*, including comments from the public. The City's comments will be provided to the Proponent no later than 30 days after Council's decision by regular mail, fax or electronic mail.

Exemptions to Municipal Review:

For the following types of installations, proponents are excluded from the requirement to consult with the City and the public:

- Maintenance of existing radio apparatus including the antenna system, transmission line, mast, tower or other antenna-supporting structure;
- Addition or modification of an antenna system (including improving the structural integrity of its integral mast to facilitate sharing), the transmission line, antenna-supporting structure or other radio apparatus to existing infrastructure, a building, water tower, etc. provided the addition or modification does not result in an overall height increase above the existing structure of 25% of the original structure's height;
- Maintenance of an antenna system's painting or lighting in order to comply with Transport Canada's requirements;
- Installation, for a limited duration (typically not more than 3 months), of an antenna system that is used for a special event, or one that is used to support local, provincial, territorial or national emergency operations during the emergency, and is removed within 3 months after the emergency or special

- event; and
- New antenna systems, including masts, towers or other antenna-supporting structure, with a height of less than 15 metres above ground level.

Individual circumstances vary with each antenna system installation and modification, and the exclusion criteria above should be applied in consideration of local circumstances. Consequently, it may be prudent for the Proponent to consult the City even though the proposal meets an exclusion noted above. Therefore, when applying the criteria for exclusion, Proponents should consider such things as:

- The antenna system's physical dimensions, including the antenna, mast and tower, compared to the local surroundings;
- The location of the proposed antenna system on the property and its proximity to neighbouring residents;
- The likelihood of an area being a community-sensitive location; and
- Transport Canada marking and lighting requirements for the proposed structure.

Proponents who are not certain if their proposed structure is excluded, or whether consultation may still be prudent, are advised to contact the City and/or Industry Canada for guidance.

Other Requirements:

In addition, the City also requires the following:

- Prior to the City circulating notice for a public consultation session to be conducted under this policy, the Proponent shall provide the Director with a full-size copy of a site plan detailing the location of the telecommunication facility with respect to the property boundaries.
- In no circumstances shall the City policy be less onerous than requirements of Industry Canada. Therefore, in addition to this policy, any and all other regulations of Industry Canada shall continue to apply.

Subject: Audit Planning Document

To: Council

From: Corporate Services Department

Report Number: 2021-40

Meeting Date: February 8, 2021

Recommendation:

That Corporate Services Department Report 2021-40, Audit Planning Document be received for information.

Purpose:

This report provides Council with the Auditors' Audit Strategy for the financial statement year ending December 31, 2020. The Auditors' Audit Strategy document is attached as Appendix A.

Background:

In report 2020-158, dated November 9, 2020, Council approved the 2019 audited financial statements. In that report staff identified the timetable for completing the 2020 audited financial statements would be significantly moved up. Presently, the closing of the year end is on schedule with staff expecting to complete and present to Council:

- A year-end surplus/deficit report in March 2021.
- The audited financial statement in May 2021 with the FIR being filed at the same time. Staff identify the auditors are scheduled to begin the audit at the beginning of March 2021.

Page nine of Appendix A, which is the Auditors' Audit Strategy document, outlines the following roles and responsibilities of Council with respect to the audit:

- Help set the tone for the organization by emphasizing honest, ethical behaviour and fraud prevention.

- Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting.
- Recommend the nomination and compensation of external auditors.
- Overseeing the work of the external auditors including reviewing and discussing the audit plan.

Discussion:

The Auditors' Audit Strategy contains the following:

Content	Management Comments
COVID-19 Financial reporting impacts	Note disclosure was included in the 2019 financial statements as a result of COVID-19. Similar disclosure is anticipated for the 2020 financial statements.
Audit plan and risk assessment (accompanied by auditors' Appendix A to City report Appendix A)	This section highlights the concept of materiality and the Auditors' approach to risk and how they will approach the audit.
Audit fees (accompanied by auditors' Appendix B to City report Appendix A)	The City's current engagement agreement with Grant Thornton expires after the 2020 audit is complete. A recommendation for future years will come forward to Council after and/or with the completion of the 2020 audit.
Team, timing and communications	Staff appreciates Grant Thornton's commitment to the City and their ability to adjust the audit timing to March 2020.
Technical updates – highlights (accompanied by auditors' Appendix C and D to City report Appendix A)	Staff continue to monitor. There is no impact for 2020.

Financial Implications:

The audit has been budgeted in accordance with the engagement letter on page 12 of Appendix A.

Conclusion:

That Corporate Services Department Report 2021-40 be received.

Appendices:

- a. Appendix A – Report to Members of Council Audit Strategy

Respectfully submitted,

Bryan Boles, CPA, CA, MBA
Director, Corporate Services / Treasurer
(905) 835-2900 Ext. 105
Bryan.Boles@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

City of Port Colborne

For the year ended December 31, 2020

Report to the Members of Council
Audit strategy

February 1, 2021

James D. Brennan, CPA, CA
Principal
T 905-834-6622
E James.Brennan@ca.gt.com



Contents

Executive summary	1
COVID-19 – Financial reporting impacts	2
Audit plan and risk assessment	3
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Team, timing and communications	7
Technical updates – highlights	8

Appendices

Appendix A – Overview and approach
Appendix B – Engagement letter
Appendix C – PSAS Accounting developments
Appendix D – Auditing developments

Executive summary

Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the consolidated financial statements of the City of Port Colborne (the "municipality") for the year ended December 31, 2020. This communication will assist the Members of Council in understanding the terms of the audit engagement, our proposed audit strategy and the level of responsibility assumed by us.

The information in this document is intended solely for the information and use of the Corporate and Community Services Sub-Committee and management. It is not intended to be distributed to or used by anyone other than these specified parties.

We have obtained our engagement letter dated August 22, 2018, which outlines our responsibilities and the responsibilities of management. **Appendix B.**

Status of our audit plan

We have substantially completed our initial planning of the audit of the consolidated financial statements of the municipality.

Approach

Our audit approach requires that we establish an overall strategy that focuses on risk areas. We identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The greater the risk of material misstatement associated with an area of the consolidated financial statements, including disclosures, the greater the audit emphasis placed on it in

terms of audit verification and analysis. Where the nature of a risk of material misstatement is such that it requires special audit consideration, it is classified as a significant risk.

Our approach is discussed further in **Appendix A.**

COVID-19

The potential financial reporting impacts of COVID-19 pandemic are summarized in the first section of our report. These were a particular focus in our risk assessment for the current year. As a result of considering the impact of COVID-19 related circumstances on the municipality, we identified possible audit risks in the areas of financial statements disclosures and subsequent events and other items summarized below.

Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to the municipality
- Confirming the independence of our engagement team members

No matters to communicate – We have identified no information regarding our independence that in our judgment should be brought to your attention.

COVID-19 – Financial reporting impacts

The spread of COVID-19 continues to impact economies around the globe, causing extensive disruptions to many industries and business operations and a level of economic uncertainty that is unprecedented in our time. In addition to the impact on ongoing operations, these events may affect the municipality's financial reporting. While every entity will be impacted differently, the table below summarizes, at a high level, some key COVID-19 related financial reporting considerations that should be considered by most entities.

Matter	Impact	Considerations
Disclosures and subsequent events	<p>Management must consider how the entity's financial statement note disclosures could be impacted by COVID-19. Many entities are now in a "mixed model" scenario where they have a combination of COVID-19 related events that:</p> <ul style="list-style-type: none"> (a) occurred during the reporting period (b) occurred in the subsequent period and are adjusting subsequent events (provide further evidence of conditions that existed at the statement of financial position date); and (c) occurred in the subsequent period and are non-adjusting subsequent events (indicate conditions that arose after the statement of financial position date). <p>Events in categories (a) and (b) are reflected in the recognition and measurement of amounts reported in the financial statements, but may also require the entity to revise existing disclosures and/or add new disclosures (e.g. financial instrument risk, measurement uncertainty, going concern), while significant events in category (c) may need to be disclosed in the subsequent events note.</p> <p>Transparent and carefully worded disclosures will need to be included in the consolidated financial statements to convey how the municipality's financial performance and financial position are impacted by COVID-19, and what new risks and uncertainties exist as a result of the pandemic and its ongoing effects.</p>	<p>Management should review existing disclosures in the consolidated financial statements to determine how they may be impacted by COVID-19 and consider what additional disclosures may be necessary. If the municipality was significantly impacted by circumstances related to COVID-19, either during the current fiscal year or in the subsequent events period, in addition to disclosing information about the specific events in the general notes to the consolidated financial statements (and subsequent events note if applicable), management may also include a note to outline the overall impact of COVID-19 on the municipality to date and to explain what measures the municipality has implemented in response.</p>

Audit plan and risk assessment

We have planned our audit in accordance with our approach summarized in **Appendix A**.

Materiality

The purpose of our audit is to provide an opinion as to whether the consolidated financial statements are prepared, in all material respects, in accordance with Public Sector Accounting Standards as at December 31, 2020. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of our engagement.

The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we made a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the extent of our audit procedures.

During execution of the audit, we will consider whether materiality should be re-assessed due to changes or events identified. At completion, we will consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the consolidated financial statements, our audit opinion and whether matters should be brought to your attention.

Considerations

The following is a summary of matters that relate to changes to the municipality and its business environment that were considered in preparing our audit plan.

Matter	Discussion and impact
Laws and regulations	During the course of the audit, we will perform specified audit procedures to help identify instances of non-compliance with laws and regulations that may have a material effect on the consolidated financial statements. An audit of financial statements is not designed to detect all instances of non-compliance with laws and regulations and does not represent an audit of the municipality's compliance with applicable laws and regulations.

Matter	Discussion and impact
Fraud	<p>We are responsible for obtaining reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with those charged with governance and management.</p> <p>During our audit planning, we enquired of management as to their views on the risks of fraud and their processes for identifying and assessing fraud risks. We are not aware of any fraud-related matters that could affect our audit approach. However, we would like to obtain your input on the following areas:</p> <ul style="list-style-type: none"> • How you oversee management's processes for identifying and responding to the risks of fraud and the related internal controls that management has put in place • Whether you are aware of any actual, suspected or alleged fraud affecting the municipality
Accounting and auditing standards	<p>In addition to the information in the Technical Highlights section, we have highlighted certain new standards and interpretations that are likely to have a significant impact on the financial reporting for the City of Port Colborne in the current year. An overview of these particular standards and interpretations is included in the appendices.</p>

Significant risks

We identified the following significant risks on which we plan to focus our attention;

Area of risk	Why there is a risk	Planned audit response
Fraud risk from revenue recognition	<p>There is a presumed risk of fraud in revenue.</p> <ul style="list-style-type: none"> • The risk primarily relates to revenue recognized under water and sewer, grants and other revenue 	<ul style="list-style-type: none"> • Analytical assessment of revenues based on budgeted expectations • Subsequent receipts testing of receivables as at December 31, 2020 (statistical sample) • Assessing the adequacy of allowances for doubtful accounts by testing subsequent receipts, reviewing management estimates and examining supporting documentation
Fraud risk from management override / segregation of duties	<p>This is a presumed fraud risk.</p> <ul style="list-style-type: none"> • The risk primarily relates to the limited segregation of duties, administrative access to accounting system and the senior finance management's ability to post journal entries 	<ul style="list-style-type: none"> • Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements • Review accounting estimates for biases • Evaluate the business rationale for significant transactions that are or appear to be outside the normal course of business

Other audit risks

Other areas we have identified where we plan to focus our attention are as follows:

Area of risk	Why there is a risk	Planned audit response
Taxation revenue and receivables	The taxes receivable balances may be invalid and the allowance for uncollectible taxes understated.	<ul style="list-style-type: none"> Recalculation of the net tax revenues based on verified assessment rolls and approved tax rates Subsequent receipts testing of taxes receivable as at December 31, 2020 (statistical sample) Assessing the adequacy of the allowance for doubtful accounts by testing subsequent receipts, reviewing management estimates and examining support for the value of underlying property
Purchases and payables	Payables may be understated or not recorded in the correct period.	<ul style="list-style-type: none"> Analytical assessment of expenses based on budgeted expectations Reviewing supporting documentation and management estimates with respect to the completeness and accuracy of significant year end accruals Perform a search for unrecorded liabilities
Provisions for employee benefits	Provision and related expense may be understated.	<ul style="list-style-type: none"> Reviewing actuarial reports, method and assumptions used Testing supporting calculations relating to the various amounts and disclosures
Provisions for contaminated sites liability	Provision and related expense may be understated.	<ul style="list-style-type: none"> Reviewing assumptions used by management Testing supporting calculations relating to the various amounts and disclosures
Commitments and contingencies	There is uncertainty regarding contingent liabilities.	<ul style="list-style-type: none"> Verifying the accuracy and reasonableness of amounts and disclosures, with reference to correspondence with lawyers, examination of supporting documentation, and discussions with management

Audit fees

Proposed fees

Service	Current year fees	Prior year fees
Annual audit	\$ 41,200	\$ 40,400
Trust funds audit	800	775
Total*	\$ 42,000	\$ 41,175

*before administrative costs, disbursements and applicable taxes

Deliverables

Deliverable

Discussions and communications regarding planning

Report on the December 31, 2020 consolidated financial statements

Communication of audit strategy and results

Preparation of the internal controls deficiencies letter

Fee considerations

Upfront and periodic discussions are central to our approach in dealing with fees. Our goal is to avoid surprises by having early and frank communication. We wish to provide you with a competitive price and fair value, while also allowing sufficient audit hours to conduct an effective audit and deliver quality service.

We have established a fee for the audit for the year ended December 31, 2020 that is based on the level of activity and the anticipated complexity of the audit of the municipality's consolidated financial statements. If there are any variances to the above plan, we will discuss them with you and agree on any additional fees before costs are incurred, wherever possible. Any unforeseen work outside the scope of this proposal will be billed separately after discussion with appropriate entity officials and/or the audit committee.

The proposed fee is based on receiving the following from management:

- Draft consolidated financial statements including the notes to the financial statements
- All working papers and schedules as outlined in our requirements letter
- Trial balance together with reconciled control accounts
- All books and records when requested
- Use of municipality staff to help us locate information and provide explanations

Team, timing and communications

Timing and communications

We are committed to delivering exceptional client service and executing our audit in the most effective, efficient and timely manner. The planned timing of our audit work and the deliverables we will provide to the the Members of Council are as follows:

Stage or deliverable	Timing/Status
Planning and interim procedures	January, 2021
Communication of audit planning	January, 2021
Performance of fieldwork	March, 2021
Communication of audit results	April, 2021

In our communication of audit results, we will report on the following matters:

- Our views on significant accounting practices
- Significant difficulties, if any, encountered during the audit
- Misstatements, other than trivial errors
- Actual or suspected fraud or illegal acts
- Significant deficiencies in internal control
- Other significant audit matters, as applicable

Team

Engagement team member	Contact information
James Brennan CPA, CA Principal	P +1 905-834-6622 E James.Brennan@ca.gt.com
Chris Guglielmi CPA, CA Manager	P +1 905-834-2970 E Chris.Guglielmi@ca.gt.com
Andrew Filinski Senior Accountant	P +1 905-834-2987 E Andrew.Filinski@ca.gt.com

Technical updates – highlights

Accounting

Accounting standards issued by the Accounting Standards Board that may affect the municipality in the current year and future years include:

- PS 3400 Revenues
- PS 3280 Asset retirement obligations
- PS 3450 Financial instruments
- PS 2601 Foreign currency translation
- PS 1201 Financial statement presentation
- PS 3041 Portfolio investments

Further details of the changes to accounting standards are included in the Appendices. If you have any questions about these changes we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Assurance

Auditing standards issued by the Auditing and Assurance Standards Board that may change the nature, timing and extent of our audit procedures on the municipality and our communication with the Members of Council include:

- 701 Communicating Key Audit Matters in the Independent Auditor's Report
- CAS 315 Identifying and Assessing Risks of Material Misstatement
- CAS 540 Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures
- CAS 600 Special Considerations – Audits of Group Financial Statements

Further details of the changes to assurance standards, including management's preliminary comments on their applicability to the municipality, are included in the Appendices. If you have any questions about these changes we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Appendix A – Overview and approach

Our audit is planned with the objective of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, so that we are able to express an opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with Public Sector Accounting Standards. The following outlines key concepts that are applicable to the audit, including the responsibilities of parties involved, our general audit approach and other considerations.

Roles and responsibilities

Role of the Council

- Help set the tone for the organization by emphasizing honesty, ethical behaviour and fraud prevention
- Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting
- Recommend the nomination and compensation of external auditors
- Overseeing the work of the external auditors including reviewing and discussing the audit plan

Role of management

- Prepare financial statements in accordance with Public Sector Accounting Standards
- Design, implement and maintain effective internal controls over financial reporting processes, including controls to prevent and detect fraud
- Exercise sound judgment in selecting and applying accounting policies
- Prevent, detect and correct errors, including those caused by fraud
- Provide representations to external auditors
- Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements

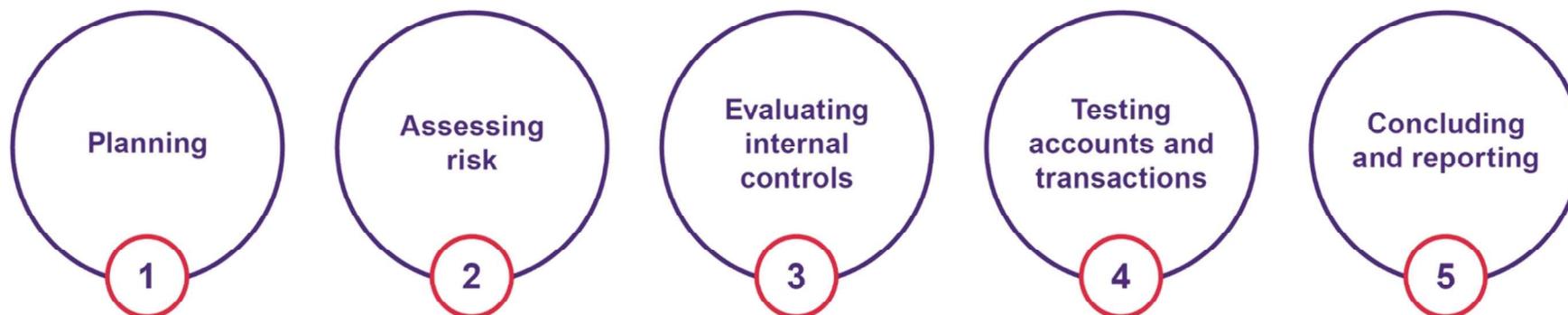
Role of Grant Thornton LLP

- Provide an audit opinion that the financial statements are in accordance with Public Sector Accounting Standards
 - Conduct our audit in accordance with Canadian Generally Accepted Auditing Standards (GAAS)
 - Maintain independence and objectivity
 - Be a resource to management and to those charged with governance
 - Communicate matters of interest to those charged with governance
 - Establish an effective two-way communication with those charged with governance, to report matters of interest to them and obtain their comments on audit risk matters
-

Audit approach

Our understanding of the municipality and its operations drives our audit approach, which is risk based and specifically tailored to the City of Port Colborne.

The five key phases of our audit approach



Phase	Our approach
1. Planning	<ul style="list-style-type: none"> We obtain our understanding of your operations, internal controls and information systems We plan the audit timetable together
2. Assessing risk	<ul style="list-style-type: none"> We use our knowledge gained from the planning phase to assess financial reporting risks We customize our audit approach to focus our efforts on key areas
3. Evaluating internal controls	<ul style="list-style-type: none"> We evaluate the design of controls you have implemented over financial reporting risks We identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls We provide you with information about the areas where you could potentially improve your controls
4. Testing accounts and transactions	<ul style="list-style-type: none"> We perform tests of balances and transactions We use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency
5. Concluding and reporting	<ul style="list-style-type: none"> We conclude on the sufficiency and appropriateness of our testing We finalize our report and provide you with our observations and recommendations

Our tailored audit approach results in procedures designed to respond to an identified risk. The greater the risk of material misstatement associated with the account, class of transactions or balance, the greater the audit emphasis placed on it in terms of audit verification and analysis.

Throughout the execution of our audit approach, we will maintain our professional skepticism, recognizing the possibility that a material misstatement due to fraud could exist notwithstanding our past experiences with the municipality and our beliefs about management’s honesty and integrity.

Internal control

Our audit will include gaining an understanding of the municipality's internal control over financial reporting. Our understanding will focus on processes associated with the identified risk areas, as described in this report. We use this understanding to determine the nature, extent and timing of our audit procedures.

Our understanding may also result in valuable internal control findings for your consideration. Note that the auditor's objectives with regards to internal control are different from those of management and those charged with governance. For example, we primarily target controls that relate to financial reporting and not those that relate to the municipality's operations or compliance which may also be relevant to its objectives. Therefore, management and those charged with governance cannot solely rely on our findings to discharge their responsibilities in this area.

Quality control

We have a robust quality control program that forms a core part of our client service. We combine internationally developed audit methodology, advanced audit technology, rigorous review procedures, mandatory professional development requirements, and the use of specialists to deliver high quality audit services to our clients. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality control and would be pleased to discuss any aspect with you at your convenience.

IDEA Data Analysis Software

We apply our audit methodology using advanced software tools. IDEA Data Analysis Software is a powerful analysis tool that allows audit teams to read, display, analyze, manipulate, sample and extract data from almost any electronic source. The tool has the advantages of enabling the audit team to perform data analytics on very large data sets in a very short space of time, while providing the checks, balances and audit trail necessary to ensure that the data is not corrupted and that the work can be easily reviewed. SmartAnalyzer, an add-on to IDEA, further improves the efficiency and effectiveness of the audit by providing automated routines for certain common analytical tasks, such as identifying unusual and potentially fraudulent journal entries. Grant Thornton continues to invest in developing industry-leading audit data analytical tools.

Appendix B – Engagement Letter

August 22, 2018

City of Port Colborne
66 Charlotte Street
Port Colborne, ON
L3K 3C8

Attention: Mr. Peter Senese, Treasurer

Dear Mr. Senese:

Thank you for reappointing Grant Thornton LLP (“Grant Thornton”, “we”, “us”, or “our”) to perform the audit of the consolidated financial statements and other related services for the City of Port Colborne (“the Municipality”, “you” or “your”) for the years ending December 31, 2018, 2019 and 2020 (collectively, the “Services”). The purpose of this letter and the attached [Schedule A](#) (the “Engagement”) is to outline the nature of the Services and the terms under which you are engaging us to perform those Services.

Objective, scope and limitations

You have requested that we audit the consolidated financial statements of the City of Port Colborne, which comprise the consolidated statement of financial position as at December 31, 2018, 2019 and 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the years then ended, and a summary of significant accounting policies. We are pleased to confirm our acceptance and our understanding of this Engagement by means of this letter agreement.

Our audit will be conducted with the objectives of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The sole purpose of the Engagement is for us to conduct an audit of the Municipality pursuant to the requirements of the statute pursuant to which the Municipality is formed.

The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Our responsibilities

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditor in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the consolidated financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Management's responsibilities

Our audit will be conducted on the basis that the Municipality's management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards;
- b) for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; and
- c) to provide us with:
 - i. Access to all information of which the Municipality's management is aware, that is relevant to the preparation of the consolidated financial statements such as records, documentation and other matters;
 - ii. Additional information that we may request from the Municipality's management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the Municipality from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from the Municipality's management and, where appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit. Those representations will include:

Consolidated financial statements

- a) communicating that all responsibilities, as set out in the terms of this Engagement, for the preparation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, in particular, the consolidated financial statements are fairly presented;
- b) communicating its belief that significant assumptions used in making accounting estimates, including those measured at fair value are reasonable;
- c) acknowledging that all events subsequent to the date of the consolidated financial statements and for which Canadian Public Sector Accounting Standards, require adjustment or disclosure have been adjusted or disclosed;

Completeness of information

- d) providing us with and making available complete financial records and related data, and copies of all minutes of meetings of Members of Council and committees;
- e) acknowledging that all transactions have been recorded and are reflected in the consolidated financial statements;
- f) providing us with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- g) providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- h) acknowledging that all related party relationships and related party transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards;

Fraud and error

- i) the design and implementation of internal controls to prevent and detect fraud and error;
- j) an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud;
- k) providing us with information relating to fraud or suspected fraud affecting the Municipality involving:
 - i. management;
 - ii. employees who have significant roles in internal control; or
 - iii. others, where the fraud could have a material effect on the consolidated financial statements;
- l) providing us with information relating to any allegations of fraud or suspected fraud affecting the Municipality's consolidated financial statements communicated by employees, former employees, analysts, regulators, or others;
- m) communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. A list of the uncorrected misstatements will be attached to the representation letter;

Recognition, measurement and disclosure

- n) providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements;
- o) providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;
- p) providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with MEASUREMENT UNCERTAINTY, PSA HANDBOOK – ACCOUNTING Section 2130;
- q) acknowledging that no subsequent events occurred that require adjustment to the accounting estimates and disclosures included in the consolidated financial statements.
- r) providing us with information relating to claims and possible claims, whether or not they have been discussed with the Municipality's legal counsel;
- s) providing us with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Municipality is contingently liable;

- t) providing us with information on whether or not the Municipality has satisfactory title to assets, liens or encumbrances on assets, and assets pledged as collateral;
- u) providing us with information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements;
- v) providing us with information concerning subsequent events; and

Written confirmation of significant representations

- w) providing us with written confirmation of significant representations provided to us during the Engagement on matters that are:
 - i. directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; and
 - ii. not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate, to the Engagement.

The Municipality's management agrees to make available draft consolidated financial statements, including appropriate note disclosures and any accompanying other information in time to allow for the audit to be completed within the proposed timeframe. In addition, the Municipality's management agrees to inform us of any factors or circumstances that come to their attention during the period from the date of the auditor's report to the date consolidated financial statements are issued that may impact the consolidated financial statements; including their disclosures.

It is agreed that for any electronic distribution of your consolidated financial statements and our report thereon, the Municipality's management is solely responsible for the accurate and complete reproduction of the consolidated financial statements and our report thereon.

While the report may be sent to the Municipality electronically by us for your convenience, only the signed (electronically or manually) report constitutes the Municipality's record copy.

If the Municipality's management intends to publish or otherwise reproduce our report (or otherwise make reference to Grant Thornton LLP) in a document(s) that contains other information (including in a document(s) that will be used in connection with a public offering of securities), the Municipality's management agrees to (a) provide Grant Thornton with a draft of such document(s) to read, and (b) obtain our approval for inclusion of our report in such document(s), before the document(s) are finalized and distributed. The Municipality's management also agrees that if our name is to be used in connection with the consolidated financial statements, it will attach our auditors' report when distributing the consolidated financial statements to any third parties. The Municipality's management agrees to provide us with adequate notice of the preparation of such document(s).

Non-audit services directly related to the audit

We will assist the Municipality's management in preparation of the consolidated financial statements. However, the Municipality's management remains at all times responsible for the preparation and fair presentation of the Municipality's consolidated financial statements in accordance with Canadian Public Sector Accounting Standards.

Reporting

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Taxpayers of the
Corporation of the City of Port Colborne

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Port Colborne ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Port Colborne as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

The form and content of our report may need to be amended in the light of our audit findings.

Fees

Fees are based on the time required by the individuals assigned to perform the Services defined herein. Individual hourly rates vary according to the degree of responsibility involved and experience and skill required.

Any fee estimates by Grant Thornton take into account i) the agreed-upon level of preparation and assistance from your personnel; and ii) the hourly rates for our professionals that will be providing the Services. Grant Thornton undertakes to advise the Municipality's management on a timely basis should this preparation and assistance not be provided or should any other circumstances arise which cause actual time to exceed that estimate. We will provide the services outlined in this letter for fees not to exceed the following:

Report	2018 Fees	2019 Fees	2020 Fees
Audit of the City of Port Colborne consolidated financial statements including the preparation of the consolidated financial statements	\$ 39,600	\$ 40,400	\$ 41,200

Other services

Depending on the nature and significance of requests for additional services, we may issue a separate engagement letter to cover the additional services and/or provide a fee estimate before we invest significant professional time in providing the additional services. As noted above, in the absence of such a separate engagement letter, the provisions of this Engagement shall apply to the additional services, which will be billed at our standard hourly rates for the types of services requested unless otherwise specified in a fee estimate.

Municipality consent to production

The Municipality hereby acknowledges that we may from time to time receive requests or orders from professional (provincial institutes) or other regulatory or governmental authorities (including the Canada Revenue Agency) to provide them with information and copies of documents in our files including working papers and other work-product relating to the Municipality's affairs. The Municipality consents to us providing or producing, as applicable, these documents and information without further reference to, or authority from, you.

When a regulatory authority requests access to our working papers and other work-product relating to the Municipality's affairs, we will, on a reasonable efforts basis, refuse access to any document over which the Municipality has expressly informed us at the time of delivery that the Municipality asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Canadian Chartered Professional Accountants pursuant to its statutory authority in which event the Municipality expressly consents to such disclosure. The Municipality must mark any document over which it asserts privilege as privileged and inform us of the grounds for the Municipality's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

We may also be required to provide information relating to the fees that we collect from the Municipality for the provision of audit services, other accounting services and non-audit services, and the Municipality consents to the disclosure of that information as may be required by the regulatory authority.

The Municipality agrees to reimburse us, upon request, at our standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in dealing with the matters described above.

Release and indemnification

You agree to release, indemnify and hold harmless Grant Thornton, its affiliates and their respective directors, officers, partners, principals, employees, consultants and contractors from any and all claims, liabilities, costs and expenses (including any and all legal expenses incurred by Grant Thornton) arising out of or based upon:

- a) any misstatement or omission in any material, information or representation supplied or approved by you;
- b) any third party claim relating to or arising out of this Engagement; or
- c) any other matter related to or arising out of this Engagement, except to the extent finally determined to have resulted from the negligence, wilful misconduct or fraudulent behaviour of Grant Thornton.

Limitation of liability

In any action, claim, loss or damage arising out of the Engagement, you agree that Grant Thornton's liability will be several, and not joint and several and you may only claim payment from Grant Thornton of its proportionate share of the total liability based on its degree of fault as finally determined. Any action against us must be commenced on or before the date which is the earlier of i) eighteen months from the completion of the Services; and ii) the date by which an action must be commenced under any applicable legislation other than limitation legislation.

The total liability assumed by Grant Thornton for any claim, loss or damage arising out of or in connection with the Engagement, regardless of the form of action, claim, loss or damage be it tort, contract or otherwise, shall in no event exceed the aggregate of the professional fees paid to Grant Thornton for that portion of the Services that has given rise to the claim. In addition, Grant Thornton shall not under any circumstances be liable for any special, indirect or consequential damages, including without limitation, lost profit or revenue, or similar damages.

Standard terms and conditions

This letter and our standard terms and conditions attached as [Schedule A](#), shall form the basis of the Engagement.

Survival of terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

Acceptance of engagement letter

Please confirm your acceptance of this Engagement by signing below and returning this letter to us.

We are proud to serve you and we appreciate your confidence in our work. If you have any questions about the contents of this letter, please raise them with us.

Yours sincerely,

Grant Thornton LLP

James D. Brennan, CPA, CA
Principal

JDB/jf

The services and terms as set forth in this letter are agreed to.

City of Port Colborne

By:

“Signed” “Peter M. Senese”

(Signature)

“Peter M. Senese”

(Name)

“Director of Corporate Services”

(Title)

“August 23/18”

(Date)

Schedule A

Terms and conditions

Except as otherwise specifically stated in the Engagement, the following general terms and conditions apply to and shall form part of the Engagement.

Responsibilities – Grant Thornton shall use all reasonable efforts to complete the Services within the time-frame, if any, stipulated in the Engagement. Grant Thornton shall not be liable for failures or delays in performance of the Services that arise from causes beyond its control, including the untimely performance by the Municipality of the Municipality's obligations and responsibilities as set out in the Engagement.

Information and announcements – The Municipality shall cause to be provided or provide Grant Thornton with all material information in its possession or control or to which it has access and such other information as Grant Thornton deems relevant for the purposes of completing the Services contemplated by the Engagement. The Municipality shall also provide where applicable, access to its directors, officers or professional advisers as required by Grant Thornton in order for it to complete the Services. The Municipality undertakes that if anything occurs after the supply of any such information or documents which would render same inaccurate, untrue, unfair or misleading it will promptly notify Grant Thornton and shall take all such steps as Grant Thornton may require to correct such information or documents.

Unless otherwise contemplated or permitted by the Engagement, any advice, reports (including the audit report), compiled or reviewed consolidated financial statements, information or opinions, whether written or oral, rendered or provided by Grant Thornton to the Municipality (and/or its affiliates) ("Deliverables"), or any communications between Grant Thornton and the Municipality (and/or its affiliates) in connection with the Engagement may not be disclosed to any third party without the prior written consent of Grant Thornton with the exception of, any applicable taxing authorities and the Municipality's financial institution. Any Deliverables shall be solely for the benefit of the Municipality and not for the benefit of any third party and may be relied upon only for the purpose for which the Deliverable is intended as contemplated and/or defined within the Engagement. Grant Thornton recognizes no responsibility whatsoever, other than that owed to the Municipality as at the date on which the Deliverable is given to the Municipality by Grant Thornton, for any unauthorized use of or reliance on any Deliverables.

Independent contractor – Grant Thornton shall provide all services as an independent contractor and nothing in this Engagement shall be construed as to create a partnership, joint venture or other similar relationship with the Municipality or any other party. Neither the Municipality nor Grant Thornton shall have the right, power or authority to obligate or bind the other in any manner.

Subcontracting – The Municipality agrees that Grant Thornton may authorize, allow or require its affiliates and contractors to assist in the performance of the Services and to share in Grant Thornton's rights under the Engagement, including any protections available hereunder, provided that such party(ies) shall commit (as applicable) to be bound by the obligations set forth in the Engagement.

Grant Thornton International Ltd – Grant Thornton is a Canadian member of Grant Thornton International Ltd., a global organization of member firms in over 100 countries. Member firms are not members of one international partnership or otherwise legal partners with each other. There is no common ownership, control, governance, or agency relationship between member firms.

Assisting firms – Unless otherwise stipulated within the Engagement, this Engagement is with Grant Thornton. In the course of providing the Services, we may at our sole discretion, draw upon the resources of or subcontract a portion of the Services to another entity (including a partnership) which may carry on business under the name which may include within its name "Grant Thornton" or be another member firm of the worldwide network of Grant Thornton International Ltd. member firms (hereinafter "GT Affiliates").

Unless a GT Affiliate is contracted by you to provide any of the Services which are subject to this Engagement, the provision of those Services remain the responsibility of Grant Thornton and the Municipality agrees that it will not bring any claim, whether in contract, tort (including negligence) or otherwise against any GT Affiliate in respect of this Engagement or the Services defined herein. In these circumstances, any GT Affiliate that deals with you for the purpose of completing the Services does so on behalf of Grant Thornton. The provisions of this clause have been stipulated for the benefit of GT Affiliates. GT Affiliates will have the right to rely on this clause as if they were parties to the Engagement and will have the right (subject to the discretion of the courts) to a stay in proceedings if you bring any claim against any GT Affiliates in breach of this clause.

Non-solicitation – In addition to any further non-solicitation rights as may be defined within the Engagement, the Municipality agrees that it shall not solicit for employment or hire any of the partners, principals, employees or consultants of Grant Thornton or GT Affiliates who are involved in the performance of the Services during the term of the Engagement and for a period of twelve (12) months thereafter, without our express written consent.

Confidentiality – All information which Grant Thornton receives from the Municipality or the Municipality's directors, officers, agents, advisors or counsel in connection with the performance of the Services and which is for the time being confidential ("Confidential Information"), will be held in strict confidence, provided that Grant Thornton shall be free to, without the requirement to seek any further consent or authorization from the Municipality, make disclosures (a) as a

result of any applicable law, court or other order binding upon it, under the laws of, or pursuant to any governmental action (including requests and orders), regulatory requirement, or professional standard obligations (including disclosure to a provincial institute of Canadian chartered professional accountants); (b) of such information to any professional advisers, consultants and/or contractors, including GT Affiliates it may consult in connection with the Engagement and the performance of the Services; and (c) as set out in the Engagement.

Grant Thornton may disclose Confidential Information to GT Affiliates for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence. Confidential Information may also be disclosed as part of compliance reviews or to implement standardized performance measurement, client relationship management and documentation systems within the global Grant Thornton network. The Confidential Information disclosed may include ownership information and information about related entities and such information may be stored, processed and accessed from locations outside of Canada.

Notwithstanding anything to the contrary contained within the Engagement, Grant Thornton shall not be obligated to treat as confidential, or otherwise be subject to any restrictions on use, disclosure or treatment as contained within the Engagement, of any information disclosed by the Municipality which, (i) is rightfully known by Grant Thornton on a non-confidential basis prior to its disclosure by the Municipality; (ii) is independently developed by Grant Thornton without reference to or use of the Municipality's Confidential Information; (iii) is or later becomes publicly available without violation of the Engagement; or (iv) is lawfully obtained by Grant Thornton from another party.

Working papers/reports – The advice or opinions of Grant Thornton, including all materials, reports, information, data, and work created, developed or performed by Grant Thornton during the course of the Engagement (“the Grant Thornton Materials”) shall belong to Grant Thornton, with the exception of final tax returns (if applicable), original contracts, other documents of title held to the Municipality's order and any documents the return of which the Municipality has stipulated, on or prior to their release to Grant Thornton (the “Municipality Materials”).

Notwithstanding the foregoing, (i) Grant Thornton may retain a copy of any or all of the Municipality Materials (including Confidential Information) as required by Grant Thornton, in its sole discretion, to meet any obligations imposed by professional standards; and (ii) nothing shall require the return, erasure or destruction of back-ups made in accordance with Grant Thornton's document-retention procedures.

Conflict of interest – Grant Thornton, its associated entities and GT Affiliates are involved in a wide range of financial advisory activities out of which conflicting interests or duties may arise. Within Grant Thornton, its associated entities and GT Affiliates, practices and procedures are maintained to

restrict the flow of information and thereby manage or assist in managing such conflicts in a proper manner. Nothing within this Engagement will be interpreted to preclude Grant Thornton, its associated entities or GT Affiliates from engaging in any transaction or representing any other party at any time or in any capacity, provided that Grant Thornton shall not, knowingly provide services to another party under circumstances which would place Grant Thornton in a direct conflict of interest during the term of the Engagement without the Municipality's prior written consent. In the event Grant Thornton becomes conflicted, as determined in its discretion, Grant Thornton shall be permitted, but not obligated to, terminate this Engagement without any additional liability to the Municipality, upon fourteen (14) days prior written notice.

Independence – In the event the Municipality is (i) an entity that is registered with the United States Securities and Exchange Commission; or (ii) an affiliate of a registrant, and a provision(s) contained within the Engagement would be prohibited by, or impair the independence of, any member firm of Grant Thornton International Ltd (“Grant Thornton International”) under any law or regulation applying to the Client, such provision(s) shall not apply to the Engagement to the extent that is necessary to avoid the prohibition against or impairment of the referenced independence of the respective Grant Thornton International member firm.

Access to and disclosure of information – Grant Thornton is committed to the protection of personal information. During the course of planning, performing and reporting the result of the Services or as otherwise permitted under this Engagement, Grant Thornton, its employees, partners, contractors, consultants, and GT Affiliates may need to obtain, use and disclose Municipality information (including Confidential Information and personal information) in the possession of, or under the control of the Municipality. The Municipality acknowledges this potential use and/or disclosure and agrees that it is responsible for obtaining, where required under applicable law or regulation, a court order or consent from any party (including third parties) in order to permit Grant Thornton, its employees, partners, contractors, consultants, and/or GT Affiliates, to access, obtain, use and/or disclose Municipality information (including Confidential Information and personal information) accessed by us or provided to us by the Municipality or a party authorized by the Municipality for the purposes of completing the Services, other disclosure so defined within the Engagement or for those additional purposes as more fully explained within Grant Thornton's privacy policy, as it may be amended from time to time and available at www.grantthornton.ca.

Electronic communication – Grant Thornton and the Municipality may need to electronically transmit confidential information to each other and to other entities engaged by either party during the Engagement. Electronic methods include, but are not limited to telephones, cellular telephones external hard drives, electronic mail and facsimiles. These technologies provide for a fast and convenient way to

communicate. However, all forms of communications have inherent security weaknesses and the risks of compromised confidentiality cannot be eliminated. Notwithstanding the inherent risks, the Municipality agrees to the use of such electronic methods to transmit and receive information (including confidential information), between Grant Thornton and the Municipality and between Grant Thornton and outside specialists, contractors or other entities engaged by either Grant Thornton or the Municipality. The Municipality further agrees that Grant Thornton shall not be liable for any loss, damage, expense, inconvenience or harm resulting from the loss, delay, interception, corruption or alteration of any electronic communication due to any reason whatsoever.

The Municipality also agrees that Grant Thornton professionals shall be authorized to connect their computers to the Municipality's IT network, subject to any specific restrictions the Municipality provides to Grant Thornton. Connecting to the Municipality's IT network or the internet via this network, while at the Municipality's premises, will be primarily for the purpose of conducting normal business activities, and those relating to the completion of the Services.

Expenses – If applicable, the Municipality will reimburse Grant Thornton for all reasonable out-of-pocket expenses incurred by Grant Thornton in entering into and performing the Services, whether or not it is completed, including but not limited to, travel, telecommunications costs, fees and disbursements of other professional advisers, and other disbursements customary in engagements of this nature. All other out-of-pocket expenses will be charged at cost as incurred by Grant Thornton.

Taxes – All fees and other charges payable to Grant Thornton do not include any applicable federal, provincial, or other goods and services tax or sales tax, or any other taxes or duties whether presently in force or imposed in the future. All sums payable to Grant Thornton hereunder shall be paid in full without withholding or deduction.

Billing – All invoices issued by Grant Thornton hereunder are due within 30 days of the invoice date. Interest will be charged on all overdue accounts at a rate of 1.5% per month (18% per annum) until paid. Fees paid or payable to Grant Thornton under this Engagement are non-refundable and shall not be subject to set-off. Unless otherwise directed by Grant Thornton, all fees, expenses and other sums will be billed and payable in Canadian Dollars.

Termination – Either the Municipality or Grant Thornton may terminate the Engagement upon fourteen (14) days prior written notice to the other party. In addition to the foregoing, Grant Thornton may also terminate the Engagement in the event of a breach of any term of the Engagement by the Municipality which is not cured by the Municipality within ten (10) days of receipt of written notice as to the breach. Upon termination for any reason, the parties shall return each other's confidential information, except that Grant Thornton may retain one copy for its

working papers and one copy of the Municipality Materials even if same may contain confidential information of the Municipality. In addition to its rights of termination provided herein and notwithstanding anything to the contrary in the Engagement, Grant Thornton shall also have the right (i) upon five (5) days prior written notice to the Municipality to suspend or terminate its Services in the event the Municipality fails to pay Grant Thornton any amount due to it under the terms of the Engagement; or (ii) immediately upon written notice to the Municipality terminate its Services in the event Grant Thornton discovers any information which Grant Thornton determines, in its sole discretion, may affect its reputation, integrity, or independence. In the event of termination, the Municipality agrees to compensate Grant Thornton for all time expended and costs incurred up to and including the date of termination.

In the event neither the Municipality or Grant Thornton exercise any of their respective rights regarding termination of the Engagement, the Engagement will continue in full force and effect for the year ending noted within the Engagement and until such time as the Engagement is superseded or replaced by another Engagement.

Severability – Each provision of this Engagement is severable and if any provision (in whole or in part) is or becomes invalid or unenforceable or contravenes any applicable regulations or laws, the remaining provisions and the remainder of the affected provision (if any) will not be affected.

Assignment – No assignment shall be made by either party of their respective obligations under this Engagement without the prior written consent of the other party.

Publication – Unless otherwise permitted by the engagement, under no circumstances without the express prior written consent of Grant Thornton, shall the Municipality disclose, release, use, make reference to, or quote Grant Thornton's name, logo or any Deliverable (whether written or verbal) within any press release, press conference, website update, media release or any other form of public disclosure ("Disclosure Document") other than for litigation purposes, but only to the extent and in the manner that such use is contemplated by the Engagement. In the event the Municipality wishes to seek Grant Thornton's consent as required by the Engagement, the Municipality shall provide to Grant Thornton a copy of such Disclosure Document for prior approval, which approval may be unreasonably withheld.

Municipality representations, warranties and covenants – The Municipality represents, warrants and covenants to Grant Thornton that:

- a. the execution, delivery and performance of the Engagement has been duly authorized and does not conflict with or violate any contractual, statutory, common law, legal, regulatory or other obligation by which the Municipality is bound; and

- b. the Engagement is the legal, valid and binding obligation of the Municipality, enforceable in accordance with its terms.

Grant Thornton representations, warranties and covenants – Grant Thornton represents, warrant and covenants to the Municipality that Grant Thornton will provide the Services described within the Engagement in a professional and competent manner. Grant Thornton makes no other representation or warranties and explicitly disclaims all other warranties and representations whether expressed or implied by law, usage of trade, course of dealing or otherwise.

Surviving provisions – The Municipality’s obligations in respect of confidentiality, payment of fees and expenses, Municipality consent to production, release and indemnification, and limitation of liability as outlined within the Engagement shall survive termination of the Engagement.

Governing law and forum – The Engagement, including these terms and conditions shall be governed by and

construed in accordance with the laws of the Province in which the Engagement was signed by Grant Thornton.

Other matters – The failure of either party to insist on strict performance of the Engagement, or to exercise any option herein, shall not act as a waiver of any right, promise or option, but the same shall be in full force and effect. No waiver of any term or provision or of any breach or default shall be valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any other term or provision or any subsequent breach or default of the same or similar nature.

Complete agreement – This Engagement, including these terms and conditions and any schedules, sets forth the entire understanding of the parties relating to the subject matter hereof and supersedes and cancels any prior communications, understandings, and agreements between the parties. This Engagement may not be amended or modified except in writing between the parties and shall inure to the benefit of and be binding upon the parties and their respective successors.

Appendix C – PSAS

Accounting developments

Public Sector Accounting Standards	Effective date
<p>Section PS 3400 Revenues</p> <p>New Section PS 3400 <i>Revenue</i> establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). The main features of the new Section are:</p> <ul style="list-style-type: none">• Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer• Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer• Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset	<p>Fiscal years beginning on or after April 1, 2023.</p> <p>Earlier adoption is permitted.</p>
<p>Section PS 3280 Asset retirement obligations</p> <p>New Section PS 3280 <i>Asset Retirement Obligations</i> establishes standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.</p> <p>Asset retirement costs associated with a tangible capital asset increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. Measurement of the liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date. A present value technique is often the best method to estimate the liability. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.</p> <p>As a result of the issuance of Section PS 3280, the Public Sector Accounting Board (PSAB) approved the withdrawal of Section PS 3270 <i>Solid waste landfill closure and post-closure liability</i> as asset retirement obligations associated with landfills will be within the scope of PS 3280. PS 3280 does not address costs related to remediation of contaminated sites, which will continue to be addressed in Section PS 3260 <i>Liability for contaminated sites</i>. Some consequential amendments have been made to PS 3260 to conform with PS 3280 and further clarify the scope of each standard.</p>	<p>Fiscal years beginning on or after April 1, 2022.</p> <p>Earlier adoption is permitted.</p>

Section PS 3450 *Financial instruments*, Section PS 2601 *Foreign currency translation*, Section PS 1201 *Financial statement presentation*, and PS 3041 *Portfolio investments*

PS 3450 *Financial instruments* is a new Section that establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Some highlights of the requirements include:

- a public sector entity should recognize a financial asset or a financial liability on its statement of financial position when it becomes a party to the contractual provisions of the instrument
- financial instruments within the scope of the Section are assigned to one of two measurement categories: fair value, or cost / amortized cost
- almost all derivatives are measured at fair value
- fair value measurement is required for portfolio investments in equity instruments that are quoted in an active market
- other financial assets and financial liabilities are generally measured at cost or amortized cost
- until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses when the public sector entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category
- additional disclosures with respect to financial instruments will be required, including the nature and extent of risks arising from a public sector entity's financial instruments

PS 2601 *Foreign currency translation* revises and replaces Section PS 2600 *Foreign currency translation*. Some highlights of the requirements include:

- the deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued
- until the period of settlement, foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations

PS 1201 *Financial statement presentation* revises and replaces Section PS 1200 *Financial statement presentation*. The main amendment to this Section is the addition of the statement of remeasurement gains and losses.

PS 3041 *Portfolio investments* revises and replaces Section PS 3040 *Portfolio investments*.

The issuance of these new sections also includes consequential amendments to:

- *Introduction to accounting standards that apply only to government not-for-profit organizations*
- PS 1000 *Financial statement concepts*
- PS 1100 *Financial statement objectives*
- PS 2125 *First-time adoption by government organizations*
- PS 2500 *Basic principles of consolidation*
- PS 2510 *Additional areas of consolidation*
- PS 3050 *Loans receivable*
- PS 3060 *Government partnerships*
- PS 3070 *Investments in government business enterprises*
- PS 3230 *Long-term debt*
- PS 3310 *Loan guarantees*

*****NEW*****

The new requirements are all required to be applied at the same time.

For governments - Fiscal years beginning on or after April 1, 2022.

For government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of the CPA Canada Public Sector Accounting Handbook - Fiscal years beginning on or after April 1, 2012.

For all other government organizations - Fiscal years beginning on or after April 1, 2022.

Earlier adoption is permitted.

- PS 4200 *Financial statement presentation by not-for-profit organizations*

PSG-6 *Including results of organizations and partnerships applying fair value measurement* was withdrawn as a result of the issuance of these sections.

In April 2020, the PSAB issued amendments to clarify aspects of Section PS 3450's application and add new guidance to its transitional provisions.

The amendments introduce changes to the accounting treatment for bond repurchase transactions. Specifically, the amendments no longer require bond repurchase transactions to be treated as extinguishments, unless they are discharged or legally released from the obligation or the transactions meet certain criteria to be considered an exchange of debt.

The amendments also provide clarification on the application of certain areas of Section PS 3450, these include:

- Section PS 3450 does not apply unless a contractual right or a contractual obligation underlies a receivable or payable
- how a transfer of collateral pursuant to a credit risk management mechanism in a derivative contract is accounted for, and
- derecognition of a financial asset does not occur if the transferor retains substantially all the risks and benefits of ownership

Finally, the amendments have added new guidance to the transitional provisions as follows:

- controlling governments should use the carrying values of the financial assets and liabilities in the records of its government organizations when consolidating a government organization
 - any unamortized discounts, premiums, or transaction costs associated with a financial asset or financial liability in the cost/amortized cost category should be included in the item's opening carrying value, and
 - in cases where derivatives were not recognized or were not measured at fair value prior to adopting PS 3450, any difference between the previous carrying value and fair value should be recognized in the opening balance of accumulated remeasurement gains and losses
-

Strategic plan for not-for-profit organizations in the public sector

Since 2012, government not-for-profit organizations (GNPOs) have been required to adopt PSAS but were given the option of applying the specific GNPO accounting standards in PSAS. Some GNPOs have utilized those standards, while others have not. The PSAB recognized that a “one-size-fits-all” approach may not be appropriate for all stakeholders. As a result, the PSAB’s 2017-2020 Strategic Plan included plans to assess the specific needs of public sector NPO stakeholders. PSAB’s 2018-2019 Annual Plan includes the following specific objectives for implementing its strategy:

- developing a GNPO strategy that meets the public interest; and
- enhancing engagement with users of GNPO financial statements.

In 2018, PSAB consulted with over 100 GNPO stakeholders to understand their fiscal and regulatory environment, their financial reporting needs, and their financial reporting perspectives. Diversity in the financial reporting framework, presentation of net debt and fund accounting, the impact of balanced budget requirements and endowments were some of the items stakeholders raised.

In May 2019, the PSAB issued a Consultation Paper, [Government Not-for-Profit](#), which articulated the results of their consultations and sought stakeholder input in developing a strategy for GNPOs. The comment period for the Consultation Paper ended on September 30, 2019 and PSAB is currently deliberating the responses. As part of their strategic plan for 2020 to 2021, the PSAB approved a second consultation paper, *Government Not-for-Profit Strategy*, in September 2020. The paper is expected to consult on an accounting and reporting framework for GNPOs. The AcSB expects to approve the final GNPO strategy, based on responses to the two consultation papers, outreach, and its international strategy decision.

International strategy

The PSAB has reviewed its current approach towards International Public Sector Accounting Standards (IPSAS) with the intent of developing options for its International Strategy. At its May 2020 meeting, PSAB decided that it will adapt IPSAS principles when developing future Canadian Public Sector Accounting Standards for the Public Sector Accounting Handbook. PSAB has issued a brief document summarizing its decision and what it means, entitled [In Brief – A plain and simple overview of PSAB’s 2020 decision to adapt IPSAS principles when developing future standards](#), as well as the [Basis for Conclusions](#) on how it reached its decision. This decision will apply to all projects beginning on or after April 1, 2021.

Concepts underlying financial performance

In response to feedback from stakeholders, the PSAB is proposing changes to its conceptual framework and its reporting model with a focus on measuring the financial performance of public sector entities. The changes will be made through the following actions:

1. Issuing a revised conceptual framework to replace two Sections in the PSA Handbook:
 - PS 1000 *Financial statement concepts*
 - PS 1100 *Financial statement objectives*
2. Issuing a revised financial statement presentation standard that would replace Section PS 1201 *Financial statement presentation*.

Statement of Concepts, A Revised Conceptual Framework for the Canadian Public Sector

A conceptual framework is a clear set of related concepts that act as the foundation for the development of standards and the application of professional judgment. It generally considers the following components:

- characteristics of public sector entities
- financial reporting objectives
- role of financial statements
- financial statement foundations
- financial statement objectives
- qualitative characteristics of information and related considerations
- elements of financial statements
- recognition and measurement
- presentation concepts

In September 2020, PSAB approved four important exposure drafts:

- *The Conceptual Framework for Financial Reporting in the Public Sector* - PSAB will propose replacing certain aspects of the existing conceptual framework in Section PS 1000 *Financial Statement Concepts* and Section PS 1100 *Financial Statement Objectives*
- *Proposed Section PS 1202 Financial Statement Presentation* – PSAB will propose replacing the existing reporting model standard in Section PS 1201 *Financial Statement Presentation*. It is expected that the proposed changes could make some major changes to financial presentation for public sector entities
- *Consequential Amendments Arising from the Proposed Conceptual Framework* – This Exposure Draft will summarize the implications for the rest of the CPA Canada Public Sector Accounting (PSA) Handbook; and
- *Consequential Amendments Arising from Financial Statement Presentation, Proposed Section PS 1202* – This Exposure Draft will summarize the implications for the rest of the PSA Handbook.

The PSAB expects to issue the documents in January 2021, with comments due by mid-May 2021. PSAB will also issue a basis for conclusions for each exposure drafts to set out its reasoning for the proposals.

Appendix D – Auditing developments

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date
<p>Amendments to CAS 701 <i>Communicating Key Audit Matters in the Independent Auditor's Report</i></p> <p>New reporting standards were required to be applied for audits of entities with periods ending on or after December 15, 2018. One of the updated standards, CAS 701, dealt with the requirements when the auditor would be communicating matters judged to be most significant to the audit in the audit report, either because the auditor had chosen to do so or because law or regulation required key audit matters to be described in the auditor's report.</p> <p>In late 2019, the AASB finalized further amendments to the auditor reporting standards such that auditors would be required to communicate key audit matters in the auditor's report for complete sets of general purpose financial statements of entities listed on the Toronto Stock Exchange (TSX) and other listed entities, excluding entities required to comply with National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> ("NI 81-106").</p>	<p>The communication of key audit matters in the auditor's report is required for audits of entities listed on the TSX, other than entities required to comply with NI 81-106, for periods ending on or after December 15, 2020 and for other listed entities, other than entities required to comply with NI 81-106, for periods ending on or after December 15, 2022.</p>
<p>Revisions to CAS 315 <i>Identifying and Assessing Risks of Material Misstatement</i></p> <p>In July 2018, the IAASB issued an Exposure Draft proposing changes to ISA 315 that could drive more consistent and effective identification and assessment of the risks of material misstatement by auditors. The AASB published an Exposure Draft of the equivalent Canadian standard, which included the same proposed revisions as the ISA with no Canada-specific amendments. The revised CAS 315 has been issued and key amendments to the standard include the following:</p> <ul style="list-style-type: none"> • Focusing on the applicable financial reporting framework in identifying and assessing risks of material misstatement • Updating the understanding of the system of internal control, including clarifying the work effort for understanding each of the components of internal control and "controls relevant to the audit", as well as the relationship between this understanding and the assessment of control risk • Updating aspects relating to IT, in particular to the IT environment, the applications relevant to the audit and general IT controls relevant to the audit • Introducing the new concepts of inherent risk factors, relevant assertions, significant classes of transactions, account balances and disclosures, and the spectrum of inherent risk <p>Separating the inherent risk and control risk assessments for assertion level risks, enhancing the requirements relating to financial statement level risks, and updating the definition of "significant risks"</p>	<p>Periods beginning on or after December 15, 2021.</p>
<p>Revisions to CAS 540 <i>Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures</i></p> <p>In June 2018, the IAASB approved a revised version of ISA 540 <i>Auditing Accounting Estimates and Related Disclosures</i>. In revising the standard, the IAASB focused on improving the scalability of the ISA to very simple accounting estimates, as well as the most complex accounting estimates. The standard was also revised to clarify the relationship between ISA 540</p>	<p>The revised standard is effective for audits of financial statements</p>

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date
(revised) and the other ISAs and the requirements when using the work of management's expert as audit evidence in testing how management made the accounting estimate. The AASB concluded that the changes to the ISA would be adopted as CASs, with no special amendments being necessary with respect to the Canadian auditing environment.	with periods beginning on or after December 15, 2019.

Canadian Exposure Drafts issued by the AASB	Effective date
<p data-bbox="233 503 1344 560">Proposed changes to CAS 600 <i>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</i></p> <p data-bbox="233 560 1344 706">Many audits today are of group financial statements, also known as group audits, and these types of engagements can be very challenging. In April 2020, the IAASB issued an Exposure Draft proposing changes to ISA 600 and related ISAs with the goals of strengthening the auditor's approach to planning and performing group audits and clarifying the interaction of ISA 600 with other ISAs. The AASB has published an Exposure Draft of the equivalent Canadian standard, which includes the same proposed revisions as the ISA with no Canada-specific amendments. The Exposure Draft proposes changes that:</p> <ul data-bbox="233 706 1344 966" style="list-style-type: none"> • Clarify the scope and applicability of the standard • Emphasise the importance of exercising professional skepticism throughout the group audit • Clarify and reinforce that all CASs need to be applied in a group audit situation • Focus the group engagement team's attention on identifying and assessing the risks of material misstatement of the group financial statements and emphasise the importance of designing procedures to respond to those risks • Reinforce the need for robust communication between the group engagement team and component auditors • Include new guidance and considerations relating to testing common controls, addressing access restrictions, establishing materiality and documenting group audits 	<p data-bbox="1344 535 1673 657">The comment period for the Exposure Draft has ended. An effective date for the revised standard has not yet been established.</p>

January 22, 2021

CL 1-2021, January 21, 2021
CSC 1-2021, January 13, 2021
Report CSD 2-2021, January 13, 2021

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

Approval of 2021 Interim Levy Dates and Amounts

Report CSD 2-2021

Regional Council, at its meeting held on January 21, 2021, approved the following recommendation of its Corporate Services Committee:

That Report CSD 2-2021, dated January 13, 2021, respecting Approval of 2021 Interim Levy Dates and Amounts, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the interim amounts for the Regional levy **BE APPROVED** by Regional Council in the amounts shown in Appendix 1 of Report CSD 2-2021;
2. That the Regional Clerk ensures that the appropriate by-law **BE PREPARED** for presentation to Regional Council for consideration and approval; and
3. That Report CSD 2-2021 **BE CIRCULATED** to the Councils of the local area municipalities for information.

A copy of Report CSD 2-2021 is enclosed for your reference.

Yours truly,



Ann-Marie Norio
Regional Clerk

:kl

CLK-C 2021-017

cc: R. Fleming, Senior Tax & Revenue Analyst
T. Harrison, Commissioner Corporate Services/Treasurer

Subject: Approval of 2021 Interim Levy Dates and Amounts

Report to: Corporate Services Committee

Report date: Wednesday, January 13, 2021

Recommendations

1. That the interim amounts for the Regional levy **BE APPROVED** by Regional Council in the amounts shown in **Appendix 1**;
2. That the Regional Clerk ensures that the appropriate by-law **BE PREPARED** for presentation to Regional Council for consideration and approval; and
3. That report CSD 2-2021 **BE CIRCULATED** to the Councils of the local area municipalities for information.

Key Facts

- The purpose of this report is to approve the interim levy amounts and due dates.
- Section 316 of the Municipal Act provides that the council of an upper-tier municipality may requisition an amount equivalent to 50% of the prior year's approved levy from each area municipality in order to continue core services prior to the adoption of budget estimates for the year.
- The Region's Budget Control Bylaw (2017-63, section 6.3 paragraph a.) provides that prior to Council's approval of the Operating Budget bylaw, a current year's expenditures may be incurred if a budget for a similar item existed in the previous year's operating budget and the expenditures is at the same service level as the prior year and does not exceed 50% if the amount appropriated in the previous year's operating budget.
- Interim levy dates are consistent with the prior years. The local area municipalities were consulted and no alternative dates are considered.

Financial Considerations

The interim levy amounts to be requisitioned from the local area municipalities totals \$196,284,697 (General Levy) and \$19,410,737 (Waste Management) for a total of \$215,695,434 or 50% of the 2020 levied amounts. The interim levy will provide sufficient cash flows for current year Region operations until approval of the 2021 operating budget and levy amounts.

Analysis

The authority to incur expenditures by Regional departments, boards and agencies is granted by Regional Council through the annual approved operating budget as prescribed by the Municipal Act. Prior to the an annual budget being adopted by Regional Council, bylaw 2017-63 as approved by Regional Council provides that Regional departments, boards and agencies may incur expenses up to 50% of their prior year's operating budget in order to maintain business as usual for Regional services.

Further to this, Section 316 of the Municipal Act authorizes Council through a bylaw to provide an interim levy equivalent to 50% of the prior year's approved estimates (subject to certain adjustments) before the adoption of budget estimates for the year. It has been the Region's past practice to levy an interim levy in order to fund Regional services prior to the approval of the annual budget and final levy amounts. As such, Appendix 1 includes the proposed interim levy dates and amounts by Area Municipality.

Alternatives Reviewed

Alternative thresholds were not considered as the interim levy of 50% permitted by the Municipal Act will generally ensure cash inflows in the shorter term are able to accommodate the level of expenditures. The Municipal Act does not have a requirement to approve a spending limit in advance of the budget approval however the practice has been adopted by the Region through bylaw 2017-63.

Relationship to Council Strategic Priorities

Not Applicable.

Other Pertinent Reports

Not Applicable.

Prepared by:

Rob Fleming, MBA
Senior Tax & Revenue Analyst
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

This report was prepared in consultation with Margaret Murphy, Associate Director, Budget Planning & Strategy and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer

Appendices

Appendix 1 Interim Levy Payments and Dates

Appendix 1 - Interim Levy Payments and Dates

General Levy			
Municipality	March 10, 2021	May 12, 2021	Total Interim Levy
Fort Erie	6,062,754	6,062,754	12,125,508
Grimsby	7,516,889	7,516,889	15,033,779
Lincoln	5,833,404	5,833,404	11,666,808
Niagara Falls	20,700,592	20,700,592	41,401,185
Niagara-on-the-Lake	8,506,826	8,506,826	17,013,653
Pelham	4,094,715	4,094,715	8,189,430
Port Colborne	3,141,768	3,141,768	6,283,535
St. Catharines	25,634,978	25,634,978	51,269,956
Thorold	3,923,644	3,923,644	7,847,288
Wainfleet	1,485,405	1,485,405	2,970,810
Welland	8,123,257	8,123,257	16,246,514
West Lincoln	3,118,117	3,118,117	6,236,234
Total	98,142,349	98,142,349	196,284,697

Waste Management Special Levy			
Municipality	March 10, 2021	May 12, 2021	Total Interim Levy
Fort Erie	738,469	738,469	1,476,938
Grimsby	530,215	530,215	1,060,429
Lincoln	442,593	442,593	885,186
Niagara Falls	1,903,785	1,903,785	3,807,571
Niagara-on-the-Lake	420,597	420,597	841,195
Pelham	335,669	335,669	671,338
Port Colborne	486,563	486,563	973,126
St. Catharines	2,954,087	2,954,087	5,908,174
Thorold	410,601	410,601	821,203
Wainfleet	150,179	150,179	300,358
Welland	1,088,826	1,088,826	2,177,651
West Lincoln	243,785	243,785	487,571
Total	9,705,369	9,705,369	19,410,737

Total General & Waste Management Interim Levy			
Municipality	March 10, 2021	May 12, 2021	Total Interim Levy
Fort Erie	6,801,223	6,801,223	13,602,446
Grimsby	8,047,104	8,047,104	16,094,208
Lincoln	6,275,997	6,275,997	12,551,994
Niagara Falls	22,604,378	22,604,378	45,208,755
Niagara-on-the-Lake	8,927,424	8,927,424	17,854,847
Pelham	4,430,384	4,430,384	8,860,768
Port Colborne	3,628,331	3,628,331	7,256,661
St. Catharines	28,589,065	28,589,065	57,178,129
Thorold	4,334,245	4,334,245	8,668,491
Wainfleet	1,635,584	1,635,584	3,271,168
Welland	9,212,082	9,212,082	18,424,165
West Lincoln	3,361,902	3,361,902	6,723,805
Total	107,847,717	107,847,717	215,695,434



City of Welland
Corporate Services
Office of the City Clerk
60 East Main Street, Welland, ON L3B 3X4
Phone: 905-735-1700 Ext. 2159 | Fax: 905-732-1919
Email: clerk@welland.ca | www.welland.ca

January 25, 2021

File No. 20-64

SENT VIA EMAIL

Premier of Ontario
Room 281, Legislative Building
Queen's Park, Premier's Office
Toronto, ON M7A 1A1

Attention: The Honorable Doug Ford, Premier of Ontario

Dear Premier Ford:

Re: January 19, 2021 – WELLAND CITY COUNCIL

At its meeting of January 19, 2021, Welland City Council passed the following motion:

“THAT THE COUNCIL OF THE CITY OF WELLAND receives for information and supports the letter from the Medical Advisory Committee; and further THAT Welland Council in the strongest possible terms, urges the Provincial Government to immediately allocate more Pfizer vaccines to Niagara and restore the allocation of Moderna that was unfairly taken away, that the Mayor be authorized to send a letter to the Premier of Ontario to this effect on behalf of Welland City Council and that this motion be forwarded to all local area municipalities, all members of the Provincial Legislature and the Medical Advisory Committee.”

Yours truly,

Tara Stephens
City Clerk

TS:cap

- c.c.: - The Medical Advisory Committee, sent via email
- Local Area Municipality Clerks, sent via email
- All Members of the Provincial Legislative Assembly of Ontario, sent via email



MUNICIPALITY OF CHARLTON AND DACK

TEL: (705)-544-7525
FAX: (705)-544-2369
info@charltonanddack.com
www.charltonanddack.com

January 7th, 2021

**The Honourable Doug Ford
Premier of Ontario**

Sent by email: doug.fordco@pc.ola.org

RE: MOTION REGARDING - Insurance

The following resolution was passed by the Council for the Municipality of Charlton and Dack on December 18th, 2020:

WHEREAS the cost of municipal insurance in the Province of Ontario has continued to increase – with especially large increases going into 2021.

AND WHEREAS Joint and Several Liability continues to ask property taxpayers to carry the lion's share of a damage award when a municipality is found at minimum fault;

AND WHEREAS these increases are unsustainable and unfair and eat at critical municipal services;

AND WHEREAS the Association of Municipalities of Ontario outlined seven recommendations to address insurance issues including:

- 1. The provincial government adopt a model of full proportionate liability to replace joint and several liability.*
- 2. Implement enhancements to the existing limitations period including the continued applicability of the existing 10 day rule on slip and fall cases given recent judicial interpretations and whether a 1 year limitation period may be beneficial.*
- 3. Implement a cap for economic loss awards.*
- 4. Increase the catastrophic impairment default benefit limit to \$2 million and increase the third party liability coverage to \$2 million in government regulated automobile insurance plans.*
- 5. Assess and implement additional measures which would support lower premiums or alternatives to the provision of insurance services by other entities such as non profit insurance reciprocals.*
- 6. Compel the insurance industry to supply all necessary financial evidence including premiums, claims and deductible limit changes which support its*



and municipal arguments as to the fiscal impact of joint and several liability.

7. *Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General.*

THEREFORE BE IT RESOLVED THAT the Council for the Municipality of Charlton and Dack call on the Province of Ontario to immediately review these recommendations and to investigate the unethical practice of preferred vendors who are paid substantial amounts over industry standards, despite COVID 19 delays, as insurance premiums will soon be out of reach for many communities.

AND FURTHER BE IT RESOLVED THAT this motion be provided to the Honourable Doug Ford, Premier of Ontario, the Honourable Rod Phillips, Minister of Finance, the Honourable Doug Downey, Attorney General of Ontario, the Honourable John Vanthof, MPP for Timiskaming- Cochrane, and all Ontario municipalities.

Yours Truly,

Dan Thibeault
Clerk Treasurer CAO
Municipality of Charlton and Dack

CC: Honourable Peter Bethlenfalvy, Minister of Finance
Honourable Doug Downey, Attorney General of Ontario
Honourable John Vanthof, MPP for Timiskaming- Cochrane
All Ontario Municipalities

January 22, 2021

RE: Insurance Rates Resolution

Please be advised that the Council of the Municipality of Grey Highlands, at its meeting held January 20, 2021, passed the following resolution:

2021-39

Moved by Tom Allwood, Seconded by Aakash Desai

Whereas the cost of municipal insurance in the Province of Ontario has continued to increase – with especially large increases going into 2021; and

Whereas Joint and Several Liability continues to ask property taxpayers to carry the lion’s share of a damage award when a municipality is found at minimum fault; and

Whereas these increases are unsustainable and unfair and eat at critical municipal services; and

Whereas the Association of Municipalities of Ontario outlined seven recommendations to address insurance issues including:

- 1. The provincial government adopt a model of full proportionate liability to replace joint and several liability.**
- 2. Implement enhancements to the existing limitations period including the continued applicability of the existing 10-day rule on slip and fall cases given recent judicial interpretations and whether a 1 year limitation period may be beneficial.**
- 3. Implement a cap for economic loss awards.**
- 4. Increase the catastrophic impairment default benefit limit to \$2 million and increase the third-party liability coverage to \$2 million in government regulated automobile insurance plans.**
- 5. Assess and implement additional measures which would support lower premiums or alternatives to the provision of insurance services by other entities such as nonprofit insurance reciprocals.**
- 6. Compel the insurance industry to supply all necessary financial evidence including premiums, claims and deductible limit changes which support its own and municipal arguments**

as to the fiscal impact of joint and several liability.

7. Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General;

Now therefore be it resolved that the Council for the Municipality of Grey Highlands call on the Province of Ontario to immediately review these recommendations and to investigate the unethical practice of preferred vendors who are paid substantial amounts over industry standards, despite COVID 19 delays, as insurance premiums will soon be out of reach for many communities and

Be it further resolved that this motion be provided to the Honourable Doug Ford, Premier of Ontario, the Honourable Peter Bethlenfalvy, Minister of Finance, the Honourable Doug Downey, Attorney General of Ontario, the Honourable Bill Walker, MPP for Bruce - Grey - Owen Sound, and all Ontario municipalities.

CARRIED.

As per the above resolution, please accept a copy of this correspondence for your information and consideration.

Sincerely,



Jerri-Lynn Levitt
Deputy Clerk
Council and Legislative Services
Municipality of Grey Highlands

THE CORPORATION OF THE TOWNSHIP OF LARDER LAKE

69 Fourth Avenue, Larder Lake, ON
 Phone: 705-643-2158 Fax: 705-643-2311



MOVED BY:
 ___ Thomas Armstrong
 ___ Patricia Hull
 ___ Paul Kelly
 Lynne Paquette

SECONDED BY:
 ___ Thomas Armstrong
 ___ Patricia Hull
 Paul Kelly
 ___ Lynne Paquette

Motion #: *56*
 Resolution #: *6*
 Date: January 12, 2021

WHEREAS, the council of the Township of Larder Lake supports the resolution of the Municipality of Charlton and Dack, requesting that the Province of Ontario address municipal insurance cost; And

WHEREAS, the Association of Municipalities of Ontario Outlined seven recommendation to address insurance issues including:

1. The provincial government adopt a model of full proportionate liability to replace joint and several liability.
2. Implement enhancements to the existing limitations period including the continued applicability of the existing (10) day rule on slip and fall cases given recent judicial interpretations and whether a one-year limitation period may be beneficial.
3. Implement a cap for economic loss awards.
4. Increase the catastrophic impairment default benefit limit to \$2 million and increase the third-party liability coverage to \$2 million in government regulated automobile insurance plans.
5. Assess and implement additional measures which would support lower premiums or alternatives to the provision of insurance services by other entities such as non- profit insurance reciprocals.
6. Compel the insurance industry to supply all necessary financial evidence including premiums, claims and deductible limit changes which support its and municipal arguments as to the fiscal impact of joint and several liability.
7. Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General.

THEREFORE, BE IT RESOLVED THAT the Council for the Municipality of Larder Lake call on the Province of Ontario to immediately review these recommendations and to investigate the unethical practice of preferred vendors who are paid substantial amounts over industry standards, despite COVID 19 delays, as insurance premiums will soon be out of reach for many communities.

AND FURTHER BE IT RESOLVED THAT this motion be provided to the Honourable Doug Ford, Premier of Ontario, the Honourable Rod Phillips, Minister of Finance, the Honourable Doug Downey, Attorney General of Ontario, the Honourable John Vanthof, MPP for Timiskaming- Cochrane, and all Ontario municipalities.

Recorded vote requested:

	For	Against
Tom Armstrong	✓	
Patricia Hull	✓	
Paul Kelly	✓	
Lynne Paquette	✓	
Patty Quinn	✓	

I declare this motion

<input checked="" type="checkbox"/> Carried
<input type="checkbox"/> Lost / Defeated
<input type="checkbox"/> Deferred to: _____ (enter date)
Because:
<input type="checkbox"/> Referred to: _____ (enter body)
Expected response: _____ (enter date)

Disclosure of Pecuniary Interest*

Chair: 

*Disclosed his/her (their) interest(s), abstained from discussion and did not vote on this question.

To: Mayor and Council
From: Ontario Stone, Sand & Gravel Association
Re: Gravel Facts in Ontario
Date: January 26, 2021

The Ontario Stone, Sand & Gravel Association (OSSGA) represents the producers and suppliers of aggregate resources – stone, sand and gravel – in Ontario.

An important part of our mandate is to correct misinformation about the industry that often finds its way into the media and the community at large. ‘NIMBY’ groups present themselves as watchdogs of industry, but all too often offer observations and recommendations which meet their own agendas – and most important, do not reflect the broader community and business interests. That said, OSSGA understands that the issues around the location and operation of pits and quarries raises questions with your constituents. We want to be here to help you answer those questions, and address assertions which are not substantiated by the facts.

As an example, a recent NIMBY report stated that aggregate poses a threat to Ontario’s important agriculture resources. The reality is that loss of agriculture because of aggregate is not accurate. Of the 4.9 million ha of prime agricultural land in southern Ontario, only 0.7% contains a licensed aggregate operation. And much of that land is returned to an agricultural use after extraction. In addition, aggregate is an essential part of the agri-food system – necessary for farm structures, farming road construction, soil amendments, bedding, drainage, etc.

The same report suggested that because some aggregate companies are operated by multi-nationals, aggregate does not contribute significantly to local economies. The reality is that the aggregate industry in Ontario, like many industries, consists of a small number of large multinational companies, large Canadian firms, and more than 200 medium and small sized operations that range in size from 20 sites to a single sand or gravel pit. Regardless of ownership, all sites hire local workers and supply the product that generates **hundreds of thousands of jobs** in the construction industry in Ontario.

There are also comments circulating regarding haul routes, road repair and the aggregate levy that require correcting. In Ontario, the aggregate industry is the only industry to pay a levy. Currently, that levy is 20.8 ¢ per tonne which equates to more than \$20 million for all of Ontario. The majority of these funds are distributed to local municipalities for infrastructure spending.

In most municipalities, haul routes are located on Regional Roads – which have been built for the purpose of hauling goods. In Ontario, there are more than 200,000 trucks on the roads every day. Only 3% of these trucks are aggregate trucks. The rest carry the 90% of goods that are delivered by truck in this province. Aggregate producers want to be good neighbours and have worked with the Top Aggregate Producing Municipalities of Ontario (TAPMO) to help increase the levy. In addition, producers often work with municipalities on haul road repairs and emergency response services. In many cases in Township's throughout Ontario where entrances are located on Township roads, the producers paid to upgrade the roads to accommodate heavy trucks at their own expense.

These are just some examples of misinformation. OSSGA offers many resources to help understand the aggregate industry.

Our [videos](#) are a great place to start to learn about the industry. You will discover how we all use aggregate – every day – including the individuals critical of the industry! How, in order to build the communities and meet the growth demands of tomorrow, we must look for new supplies of high-quality aggregate today. You'll learn about the environmental due diligence that producers undertake to ensure the industry is safe, clean and responsible. And you'll see for yourself the amazing rehabilitation efforts that have resulted in some of Ontario's most beautiful landscapes – as well as innovative new land uses and agricultural projects.

If you're looking for more, check out our GravelFacts.ca/resources page for brochures on topics including water management, dust-mitigation, blasting and more information on rehabilitation.

Finally, our new brochure – [The Life Cycle of a Pit or Quarry](#) – walks you through the operation of a pit or quarry from site planning through to rehabilitation. The smartest, most environmentally responsible consideration when mining for stone, sand or gravel is to ensure that the gravel pit is located as close to market as possible.

OSSGA would be delighted to answer any questions about the aggregate industry in Ontario. Please do not hesitate to reach out to OSSGA's Executive Director, Norm Cheesman at 647-727-8774 or by email at ncheesman@ossiga.com.

Our industry wants to work in partnership with communities, to bring the aggregate that we all use every single day of our lives - to where it is needed in the most environmentally and economically way possible.

We won't see you in person at ROMA but hope to see some of you at OSSGA's virtual booth!

MOVING TRANSIT FORWARD

Niagara Transit Governance Study

Port Colborne Council

February 8, 2021

Agenda



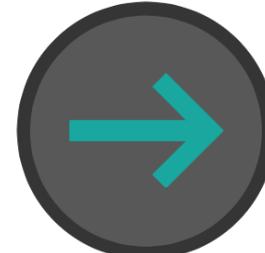
Overview



Niagara Transit
Governance Study



Connecting
Port Colborne Residents



Next Steps

Overview

Today's Discussion

Niagara Transit Governance Study

- Next major milestone in consolidation of transit in Niagara
 - Follows from 2017 Triple-Majority, creation of Linking Niagara Transit Committee (LNTC), and direction to explore consolidation
 - Harmonization of operational policies and system-wide efficiencies delivered under work of the Inter-Municipal Transit Working Group (IMTWG)
- A Full Commission governance model recommended
- Associated Financial Strategy

Support and Feedback

- Local area municipality support and feedback being sought by February 28, 2021
- Motion as presented in Appendix 1
- Input informs future Triple-Majority process

Overview

Transit in Port Colborne Today



PORT COLBORNE



- Port Colborne Community Bus
 - 12,700 trips - 2019
- Niagara Region Transit (NRT)
 - 18,000 Link Route trips - 2019
- Niagara Specialized Transit (NST)
 - 1,900 Port Colborne trips - 2019

Overview

Why Integrate?

Better Connect
Riders



Meet Evolving
Travel Needs

Increase Equity



Strengthen Economic
Development and
Tourism

Enhance Growth



Employment

Accessibility



Support
Sustainability

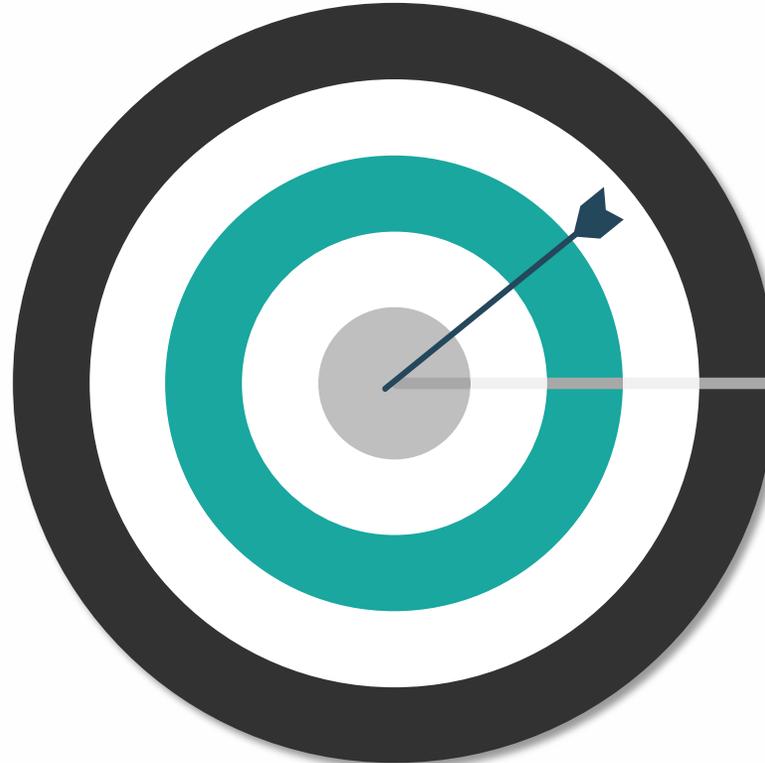
Overview

Why Now?

Coordinate COVID-19
Response & Recovery

Leverage Federal /
Provincial Funding
Opportunities

Operational
Harmonization



Integration with GO
Network Expansion

On-Demand Model
Opportunities

Seamless Specialized
and Conventional
Transit

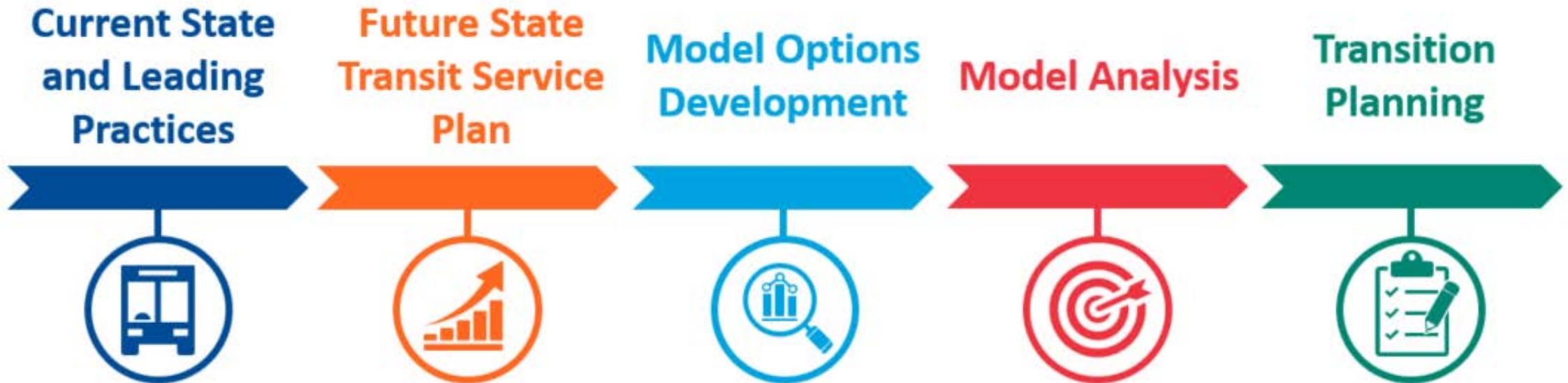
Maximize use of
Resources



Niagara Transit Governance Study

Niagara Transit Governance Study

Project Milestones



Niagara Transit Governance Study

Recommendation



The Full Commission model brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.

Niagara Transit Governance Study

Recommendation



Autonomy of the Full Commission

- Exclusively focused on transit
- Responds to trends and pressures
- Responsible for strategic and operational decisions
- Nimble → idea to action
- Negotiating power



Financial Benefits

- More cost efficient
- Less costly per-trip
- Flexibility to be strategic
- Regionally focused investments

The Full Commission is best suited to grow transit in the region while delivering high quality, innovative, and seamless transit services.

Niagara Transit Governance Study

Recommendation

9 Total Voting Members

Members of Regional Council

5 Voting Members

(1) Welland

(1) St. Catharines

(1) Niagara Falls

(2) **Niagara Municipalities** (*Selected amongst representatives of: West Lincoln, Lincoln, Grimsby, Pelham, Thorold, Niagara-on-the-Lake, Wainfleet, Fort Erie, and Port Colborne*)

Skills-Based or Public Members

4 Voting Members

(4) Skills-based or Public Members (*appointed/nominated by Regional Council*)

Ex-Officio

(1) Transit Commission General Manager (*non-voting member*)

Niagara Transit Governance Study

Recommendation

Advisory Committee

- (12) Niagara residents (one per municipality)
- (2) Members of the Accessibility Advisory Committee
- (2) (1) Member of student association from Niagara College and Brock University
- (1) Member(s) of Niagara Chamber(s) of Commerce
- (1) Transit Commission General Manager, or designate

By establishing an advisory body, the Commission will gain insights into current and upcoming challenges or opportunities, and explore these in a thorough way

Niagara Transit Governance Study

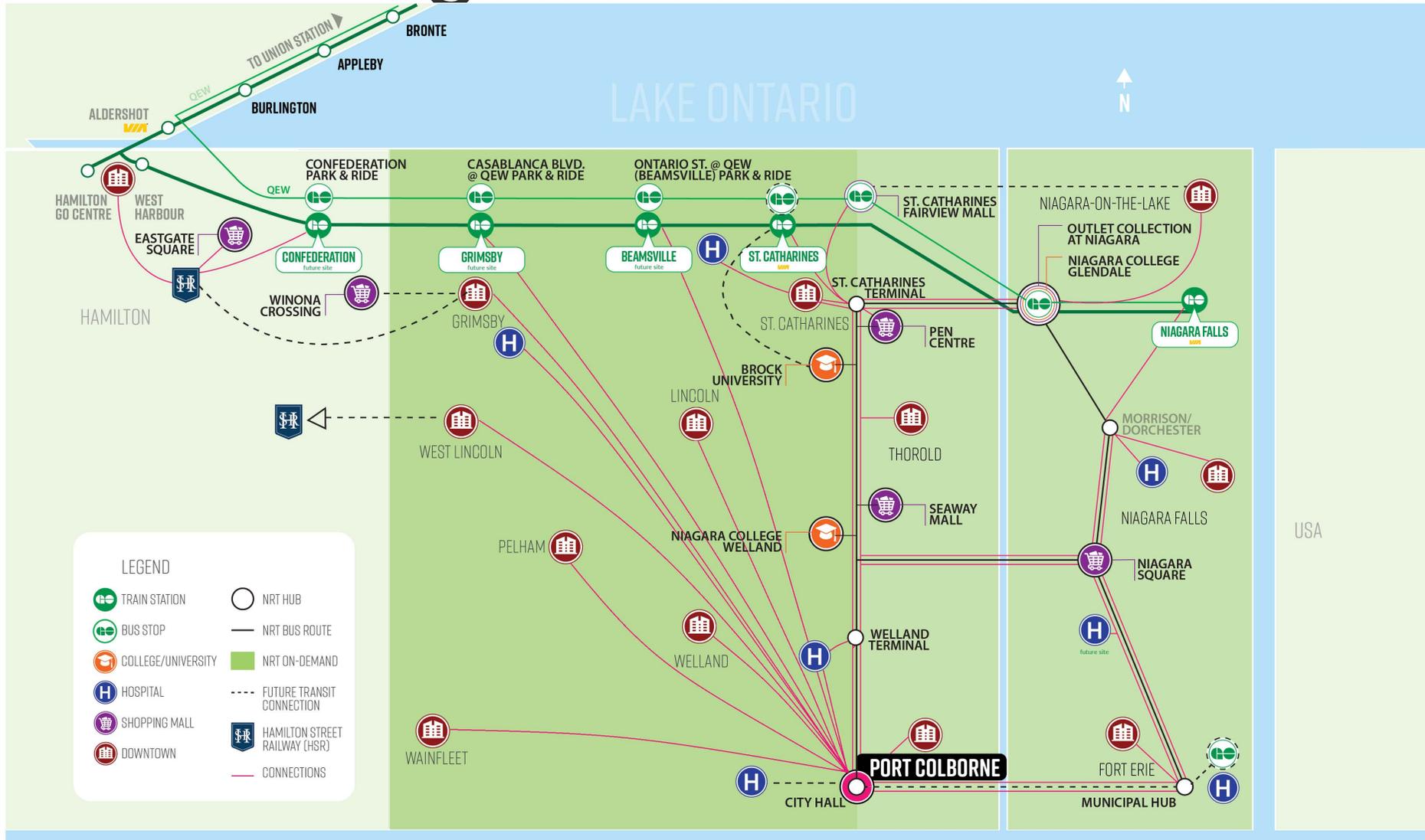
Transition Plan





Connecting Port Colborne Residents

Connecting Port Colborne Residents



Connecting Port Colborne Residents

Enhancements and Benefits



NRT On-Demand



GO Transit



Economic Growth



Tourism



Social Equity



Enhanced Service

Connecting Port Colborne Residents

Financial Strategy Overview

Key Features

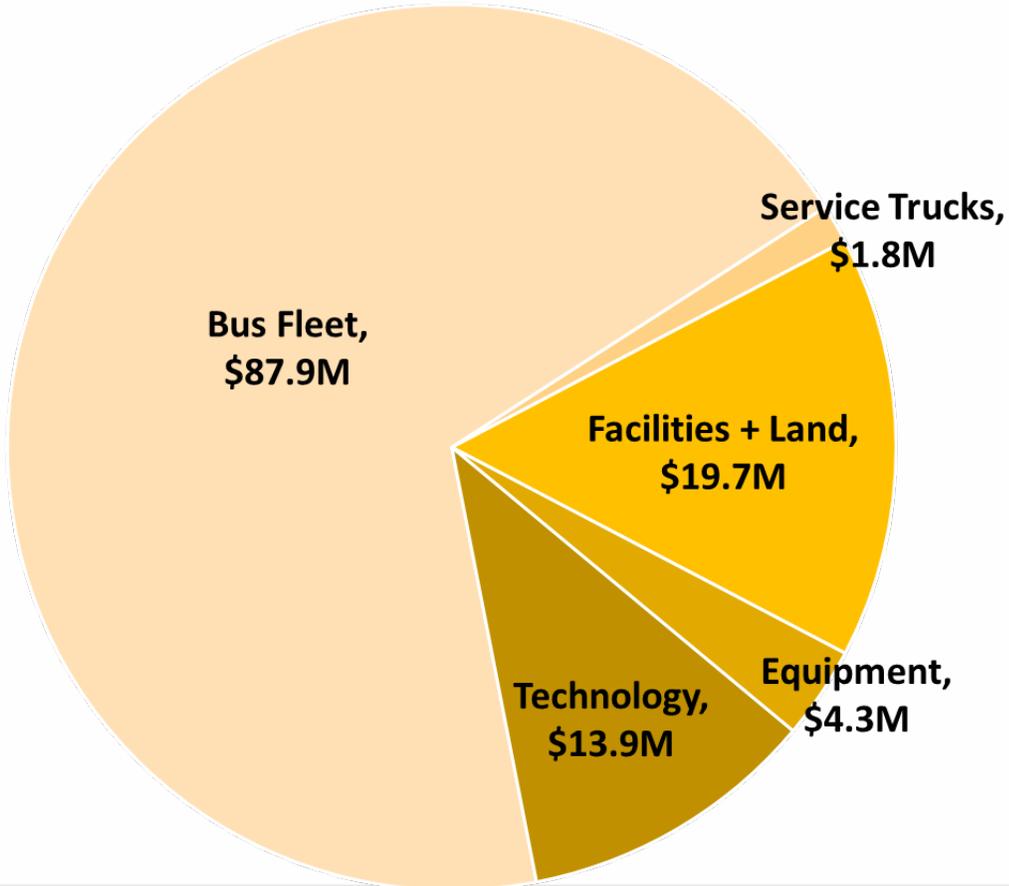
Municipal Levy Eliminated in 5 years	Transit Service Enhancement/ Expansion	Shared Access to Existing Transit Assets	Enhanced Regional Integration
Single Regional Tax Levy Up to 9.5%	Five (5) Year Transfer for Larger Municipalities	< Two (2) Year Transfer for Smaller Municipalities	No Reduction in Service Hours for First Five (5) Years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Transition Costs (\$2.7M)	0.70%										
Transfer of Existing Local Transit (\$27.4M) + Inflation (\$6.8M)	1.40% 1.40% 2.00% 2.00% 2.00%										
Transit Service Expansion (Growth Strategy TBD)											

Connecting Port Colborne Residents

Leveraging Prior Capital Investments

Transit Capital Assets
Transferred Previous Investment of \$127M



Shared Access to Transit Assets
Includes buses, service trucks, land, facilities, equipment & technology

Cost \$127.5M
St. Catharines \$64M
Niagara Falls \$29M
Welland \$15M
Niagara Region \$19M

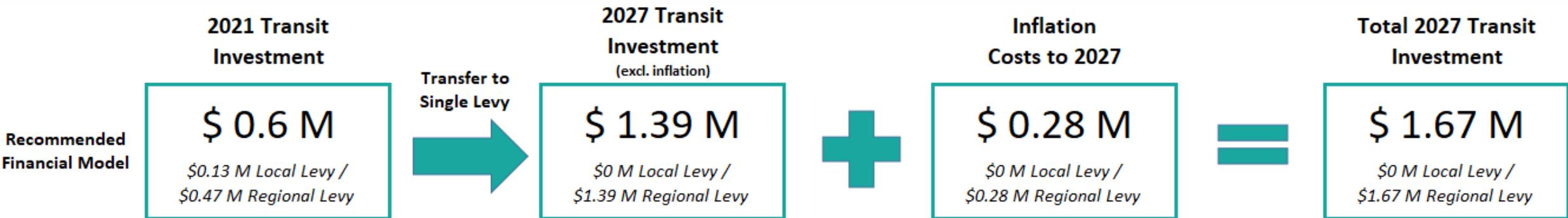
Net Operating Expenditures
\$43.4M
\$9M (20%) supports Administration & Facilities

Cummings Principle
Transfer of assets without additional compensation – taxpayers do not pay twice for same asset

Connecting Port Colborne Residents

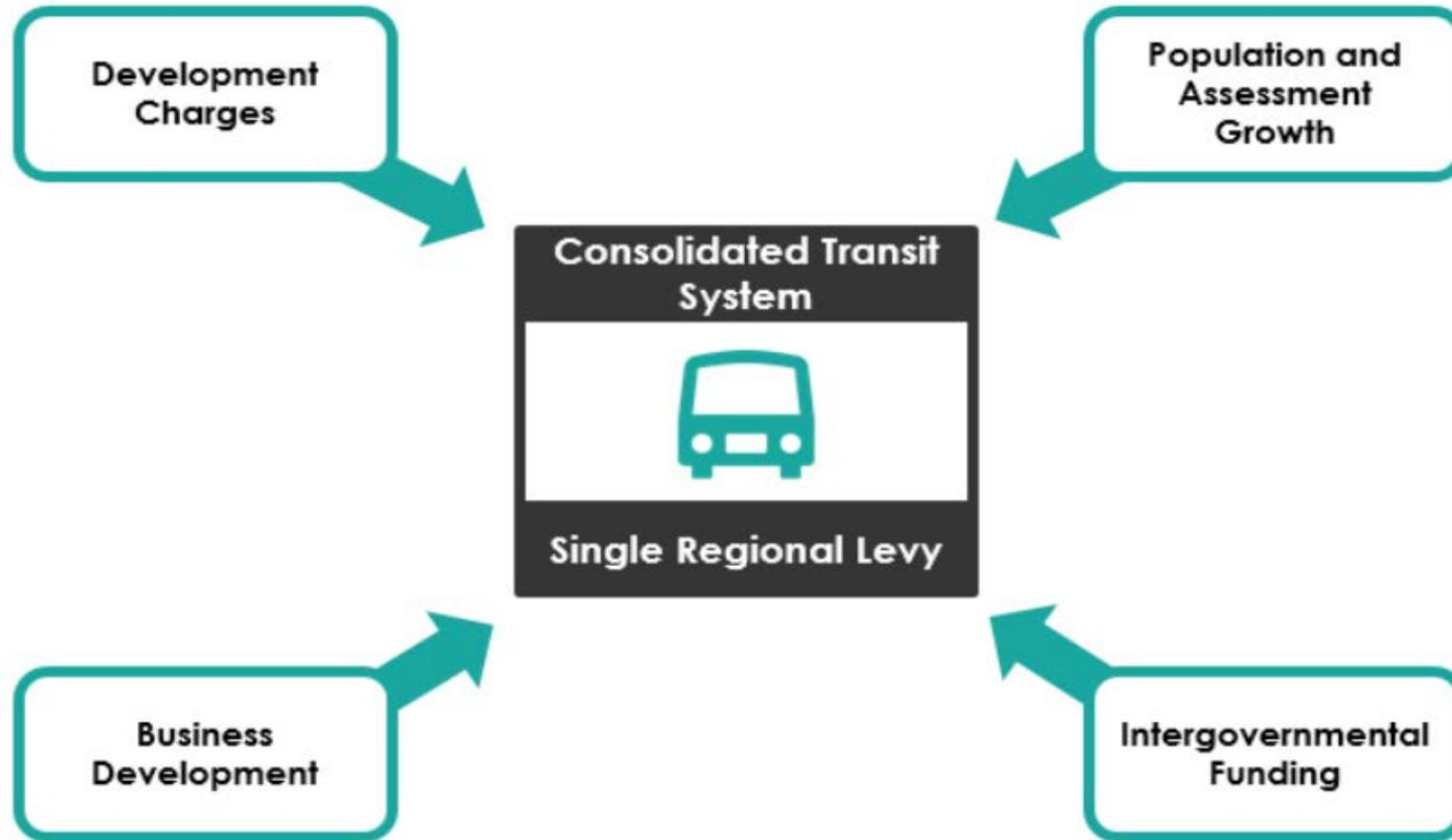
Port Colborne Benefits and Investment

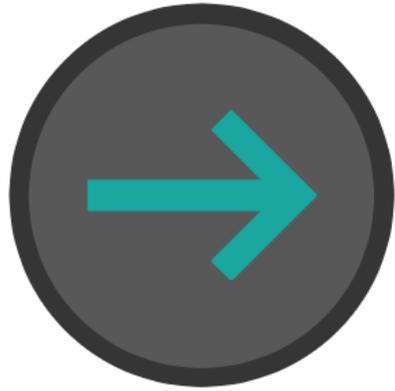
- One Regional Levy funds 100% of Commission by 2027
- Financial Strategy supports transit expansion in Port Colborne
- Commission positioned to lead growth strategy



Future Transit System Mitigations

Inputs to Consolidated System





Next Steps

Next Steps

Summary

Local area municipal feedback and support is being sought for a Full Commission governance model and the associated financial strategy, as reflected in the motion included as Appendix 1

Key Considerations

Full Commission
Governance Model

Single Regional Levy
with Five (5) Year
Transfer

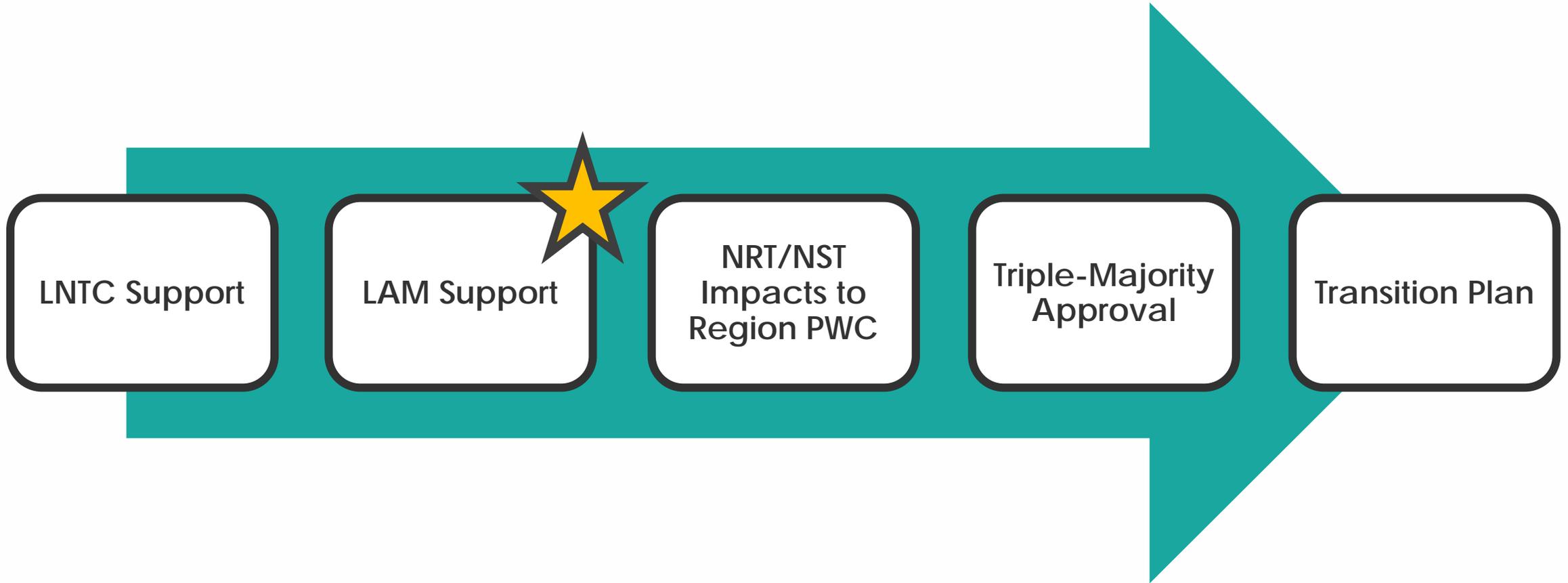
Minimum of 2021
Service Hours
Maintained for Five (5)
Years

Transfer of Assets,
Employees, and
Contracts

Feedback provided by February 28, 2021

Next Steps

Path Forward



MOVING TRANSIT FORWARD

Discussion



December 23, 2020

City of Port Colborne

Sent via email

Dear Mayor Steele and Councillors,

The FARM 911 initiative was born from a tragedy that affected a Quinte area farm family in the loss of their young daughter, Emily. A significant factor adding to this tragedy was the EMS's inability to locate the accident site due to the lack of farm field signage. As a result, FARM 911: the Emily Project was formed to address this concern with the goal of minimizing response times and improving the chances for a successful outcome of any future incidents.

Since its inception, FARM 911 has been busy developing partnerships with many Municipalities across Ontario. The Niagara Federation of Agriculture (NFA) has since adopted the program in the hopes that no family within our Region will have to endure a tragic loss like that of Emily Trudeau. Thus far, the Municipalities of Pelham and Wainfleet have joined the program, creating their own yellow and black 911 sign system for rural lands.

First responders understand the importance of having a location that is GIS entered and physically marked with a sign in the ground. In addition, our research has found that a cellular signal for a location is a triangulated position based on cellular towers. The cellular position is very accurate, provided all technologies are functioning correctly. However, in remote areas, cell phones drop out and fail. Our goal is to eliminate that variable.

NFA feels it is very important that we have an efficient process in place for farmers and rural landowners to apply for signs for their properties. The majority of municipalities in Niagara only apply signage to lots with new buildings in the form of entrance permits. In the meantime, there are numerous farm field entrances that have not been addressed because nobody saw the need in the initial phase-in of 911 signage.

NFA wants to work with council and staff to implement this life-saving system in your municipality. The next step is for NFA representatives to meet virtually with Port Colborne council to share more info about our project and answer any questions. We want everyone in Niagara Region to share in the success of this project. We believe it should be a community effort. Please respond with a date and time for a virtual meeting between NFA representatives and Port Colborne council members.

We have an opportunity to lead the way, as a Region, when it comes to the efficiency of emergency response.

Sincerely,
NFA Ag Safety Committee



Port Colborne Historical & Marine
MUSEUM
...more than a museum!

A meeting of the Board of Management of the Port Colborne Historical and Marine Museum was held November 17, 2020 at 7 p.m. at the L.R. Wilson Heritage Research Archives, 286 King St.

Present on location: Terry Huffman, Jeff Piniak, Bert Murphy, Abbey Stansfield

Present via Microsoft Teams: Stephanie Powell Baswick, Brian Heaslip, Donna Abbott, John Maloney, Marcia Turner, Claudia Brema, Bonnie Johnston, Cheryl MacMillan, Bina Patel.

Regrets: Margaret Tanaszi, Councillor Eric Beauregard, Alexander Fazzari, and Pam Koudjis

Minutes:

Moved by: Brian Heaslip

Seconded by: Marcia Turner

To: Approve the minutes of the Board of Management from October 20, 2020.

Motion carried.

Business Arising:

Terry Huffman reported to the board that further research had been done on the 1927, Pretti sign. He was a Tailor and his business was located on Main Street and West Street at different times. The seller wants \$300 for the sign.

Moved by: Marcia Turner

Seconded by: Claudia Brema

To: Purchase the sign if the owner will accept a lower price.

Motion carried.

Algoma are will deliver the anchor and propeller but anything else like pads on site would be the museum's responsibility cost wise. Algoma has been on the site and taken a look at where the items could go on the property. They are willing to hold the item until the spring, even if the building sells beforehand.

Moved by: Brian Heaslip

Seconded by: Marcia Turner

To: Accept the Algoma offer of the anchor and propeller on behalf of the city of Port Colborne with location to be determined.

Motion carried.

Correspondence:

None.

Curator Report:

Stephanie Powell Baswick reported that the updated operating budget, containing the items that had been moved from the capital budget, had passed

the first round of voting at council.



Port Colborne Historical & Marine
MUSEUM
...more than a museum!

The sump pump located in the museum basement broke during the recent storm. The library custodian and municipality's plumber came in the night to fix the problem and ensure that there wasn't any lasting damage. The sump pump has been replaced.

The museum staff have been filming videos of the exhibits and the outbuildings to provide a virtual option to those who are not yet comfortable with coming in person. This has been done in partnership with Alex Pederson, Corporate Communications Officer.

The museum has launched Book A Safe Service (B.A.S.S.) program and are welcoming the public to book research, tours and gift shop appointments.

Staff are currently working on the finishing the museum components of the new city website. Archivist, Michelle Vosburgh, has been the lead on the project coordinating the transfer and updating of information from the old website to the new one.

Stephanie also reported that the last newsletter of the year has been distributed to museum members.

Auxiliary Report:

Bonnie Johnston reported that the Auxiliary executive met and decided to donate to the Museum from the reserve funds. The auxiliary executive also discussed the creation of Christmas kits. Museum staff will coordinate the order, sales and pick of the kits and profits will go to the Auxiliary. The kit will include a teacup, saucer, teaspoon and a reprint copy of the 1906 St James recipe book for \$10.

Programme Committee Report:

Cheryl MacMillan reported that the Museum has created a Grand Old Christmas Take Home Kit. The kit includes all the materials to make a natural wreath, a Christmas card printed on the printing press, a candle with globe and a cursive writing education package. The kit costs \$10 and pick up will be Saturday December 6, 2020.

Fundraising Committee Report:

Stephanie Powell Baswick reported that assistant curator, Michelle Mason, is working on a fundraiser with Artist Doug Todd. Mr. Todd has generously agreed to donate one painting a month to the museum to auction off as a fundraiser.

Building and Property Committee Report:

Stephanie Powell Baswick reported that the roof work is waiting on a third quote from someone who does cedar shingles and will advise the board once Mason Thomas has the third quote.



Port Colborne Historical & Marine
MUSEUM
...more than a museum!

Finance Report:

It was reported that the museum had received \$13,705 for the Corporate Donor drive to date. \$3,700 from the community, \$5,000 from the Museum Auxiliary and \$5,000 commitment from Lower Lakes Towing.

Membership Committee Report

Stephanie Powell Baswick reported that CAO Scott Luey is the museum's newest Life Patron.

Accession Committee Report:

Terry Huffman reported that he would contact the Registrar in the new year to see if there had been any donations and set a meeting if required then.

Policy Report:

No report.

Marketing and Site Promotion Report:

No report.

Heritage Committee:

No report.

New Business:

Stephanie Powell Baswick reported that the staff is recommending extending the museum season and continuing the Book A Safe Service (BASS) right through the 2021. She advised that to do so would create costs in the form of increased snow renewal costs to provide safe walkways and entry points for guests. The second cost associated would be increased hours for the Education Programmer.

Moved by: Claudia Brema

Seconded by: Cheryl MacMillan

To: Approve extended Museum's opening season and increased costs.

Motion carried.

Motion to Adjourn: Bonnie Johnston

The Corporation of the City of Port Colborne

By-Law No. _____

Being a By-law to Appoint a Chief Building Official

Whereas Section 3(2) of *The Building Code Act, 1992, S.O. 1992, c.23* (the Act) provides that the council of each municipality shall appoint a chief building official and such inspectors as are necessary for the enforcement of the Act in the areas in which the municipality has jurisdiction; and

Whereas at its meeting of November 23, 2020, through the enactment of By-law 6846/96/20, Being a By-law to Appoint a Chief Building Official, the Council of The Corporation of the City of Port Colborne (Council) appointed David Methot as the Chief Building Official for the City Port Colborne; and

Whereas Council is desirous of providing for the appointment of a Chief Building Official; and

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That Tony Aiello be and is hereby appointed as Chief Building Official for The Corporation of the City of Port Colborne.
2. That the duties of the Chief Building Official will be those set out in the *Building Code Act 1992, S.O. 1992, c. 23* and the Regulations thereunder, the Corporation's zoning and building by-laws and such other duties as Council may impose from time to time.
3. That when said Chief Building Official is unable to carry on their duties through illness or otherwise, the Chief Administrative Officer is hereby delegated the authority to appoint a Chief Building Official for such term and on such terms and conditions as the Chief Administrative Officer deems expedient.
4. That this by-law shall be repealed on the date that the appointee ceases to be an employee of the City of Port Colborne.
5. That By-law 6846/96/20, Being a By-law to Appoint a Chief Building Official is hereby repealed.
6. That this by-law shall come into force and effect on the day of passing.

Enacted and passed this 8th day of February, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk

The Corporation of the City of Port Colborne

By-Law No. _____

Being a by-law to adopt, ratify and confirm
the proceedings of the Council of The
Corporation of the City of Port Colborne at
its Regular Meeting of February 8, 2021

Whereas Section 5(1) of the *Municipal Act, 2001*, provides that the powers of a municipality shall be exercised by its council; and

Whereas Section 5(3) of the *Municipal Act, 2001*, provides that a municipal power, including a municipality's capacity rights, powers and privileges under section 9, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and

Whereas it is deemed expedient that the proceedings of the Council of The Corporation of the City of Port Colborne be confirmed and adopted by by-law;

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. Every action of the Council of The Corporation of the City of Port Colborne taken at its Regular Meeting of February 8, 2021 upon which a vote was taken and passed whether a resolution, recommendations, adoption by reference, or other means, is hereby enacted as a by-law of the City to take effect upon the passing hereof; and further
2. That the Mayor and Clerk are authorized to execute any documents required on behalf of the City and affix the corporate seal of the City and the Mayor and Clerk, and such other persons as the action directs, are authorized and directed to take the necessary steps to implement the action.

Enacted and passed this 8th day of February, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk