



City of
Peterborough

To: **Members of the General Committee**

From: **Cynthia Fletcher**
Commissioner of Infrastructure and Planning Services

Meeting Date: **October 7, 2019**

Subject: **Report IPSTR19-019**
City Delivery of Pilot Transit Services to Selwyn Township

Purpose

A report to recommend that the City enter into a service contract with the Township of Selwyn for the provision of Transit services as part of the pilot program supported through the Community Transportation Grant program.

Recommendations

That Council approves the recommendations outlined in Report IPSTR19-019 dated October 7, 2019, of the Commissioner of Infrastructure and Planning Services, as follows:

- a) That staff be authorized to apply to the Ontario Highway Transport Board to obtain a Public Vehicle Operating Licence to allow for transit service delivery outside the City of Peterborough boundary, including Selwyn Township and the Peterborough Airport;
- b) That the Mayor and Clerk be authorized to execute an agreement between the Corporation of the City of Peterborough and the Township of Selwyn for the operation of a pilot transit service within the Township following acceptance of the terms of the agreement by the Commissioner of Infrastructure and Planning Services and the City Solicitor;
- c) That upon execution of an agreement between the Corporation of the City of Peterborough and the Township of Selwyn for the operation of transit services within the Township that staff be authorized to implement necessary adjustments to

the 2020 Operating Budget for Conventional Transit Operation to cover additional staffing costs, added operating costs and new revenues associated with the final negotiated service plan; and

- d) That the annual operating surplus from this service contract be directed to the Transit Reserve Fund.

Budget and Financial Implications

A preliminary assessment of the costs compared to the revenue is estimated as an annual operating surplus of \$33,000 per year (Attachment A).

Costs to obtain a Public Vehicle Operating Licence are estimated at \$5000, which can be accommodated within the approved 2019 budget for transit operations.

Background

For several years, several municipalities within Peterborough County have expressed a desire to introduce rural transit services between their communities and the City of Peterborough. City staff in the Transportation and Social Services divisions have been working with interested local townships to assist them with planning and program assessment to determine how a rural transit service could operate and the funding required to support operations. The availability of municipal operating funding to support these rural transit services has been an ongoing challenge.

In 2017, the Province introduced The Community Transportation Grant Program, to fund the development of community transportation solutions to address local transportation needs, including ways to better utilize existing transportation resources. The program focuses on developing new services to Ontario communities that are not served by public transportation. Projects which emphasize improved mobility for seniors, people with disabilities, youth, and persons living on low income were prioritized for funding. The program also emphasizes partnerships, coordination, and a collaborative approach to the introduction and delivery of new or enhanced transit services. Emphasis is placed on intercommunity services and providing connections to existing municipal or intercity transit services or hubs. Selwyn Township, in partnership with Curve Lake First Nation, Community Care, and the City, submitted an application to develop a rural transit service.

The Township has received funding in the amount of \$1,488,400 under the Community Transportation Grant program to support the establishment of the proposed rural transportation system and have executed a Transfer Payment Agreement (TPA) with the Province on July 30, 2019.

As part of the grant application, the City committed to supporting this initiative in a number of ways, including:

- **Technical Support** – to assist in the development of the operational and customer service policies and procedures necessary to successfully operate a transit service and comply with all regulatory requirements;
- **Joint Marketing** - working with Selwyn Township and Curve Lake First Nation to develop joint marketing and cross promotion of the new services and provide for joint ticket sales through the City's customer service centre at the downtown transit terminal;
- **Route Integration** – designing the service to allow for transfers between the proposed service and the City system, at Trent University and Portage Place Mall, where riders can transfer onto the City bus routes; and
- **Fare Integration** - to provide a seamless service to customers, a fare integration agreement was proposed, which would allow customers of the new proposed service to gain access to the entire City transit system through payment of one fare, a portion of which would provide for a new revenue stream from the Township to Peterborough Transit.

The Task Team, made up of representatives from each of the partners, has been meeting since the re-announcement of the funding in January 2019 to start the required planning for the program. Now, with the funding agreement finalized, the Township is positioned to move the project implementation forward.

The Township has been undertaking research on other rural transportation systems and regulatory and operational requirements needed to successfully deliver transit services within a community. At this stage of implementation, the Township has recognized that they would need to contract out for this new service, at least during the pilot period, as they do not have the internal resources or expertise to manage and deliver transit services today. The Township's research has also found that close integration with / or service delivery provided by municipalities with mature transit systems is ideal and contributes greatly to the success of these types of new programs in other communities.

Selwyn Council Request

With the City of Peterborough already having a mature transit system in operation, the Township has expressed an interest in the City entering into a service contract for the delivery of this program during the pilot period, that would be mutually beneficial for both communities. At their meeting of September 10, 2019, the Council of the Township of Selwyn approved the following staff recommendation:

“That the Township of Selwyn request the City of Peterborough to consider entering into a service contract with the Township of Selwyn for the provision of the transportation services pilot program which is being supported through the Community Transportation Grant funding until March 31, 2023.”

Service Concept

The intention would be for the program to begin small with the opportunity for it to grow over time as needs and usage patterns are demonstrated. The program is envisioned to operate Monday to Friday, initially with one bus servicing Lakefield, Curve Lake, Ennismore and Bridgenorth. Connections will allow transfers to existing City routes that intersect at Trent University and Portage Place. Township staff have also identified the potential to expand the service once the initial program is established, and in response to demonstrated usage or demand for additional services.

Based on the preliminary service concept developed by the Township, approximately 4,500 hours of new transit service would be initially provided annually. It is anticipated that 4 new staff positions will be required to deliver the service, which will be finalized as Selwyn confirms the service schedule for the new service.

One new Community Bus style of transit vehicle, and one spare vehicle will also be required to deliver the initial service. A separate report, IPSTR19-021 dated October 7, 2019, recommends a pre-commitment of 2020 Capital Budget funding to facilitate the purchase of new transit vehicles to support this new service. The spare vehicle would also be used as a stand-by vehicle for the existing City Community Bus route. One additional bus may be implemented during the pilot, provided that ridership demand is sufficient.

The proposed service would be operated as a contracted service delivered to the Township and all hours spent delivering the service would be billed to the Township on an hourly basis. The hourly rate is consistent with rates charged for other cost recovery services that the City offers to other transit customers. The rate covers the additional annual operating costs for staffing, fuel, maintenance, additional insurance costs and program administration, plus a modest operating surplus.

Attachment A outlines a preliminary estimated annual operating surplus of \$33,000 per year. This estimate will be refined as the details of the operating agreement and hours of service are finalized with the Township. The operating surplus allows for a recovery of the capital costs for the purchase of additional transit buses to deliver the service, amortized over the life of the vehicles, and therefore it is recommended that this surplus revenue be directed to the Transit Reserve Fund each year end.

Public Vehicle Operating Licence Requirements

Under the Public Vehicles Act, an operating licence is required to carry passengers for a fare if the service crosses a municipal boundary. The City is currently exempt from this requirement as we operate our transit service within the City boundary only. Obtaining a Public Vehicle Operating licence would require the City to apply to the Ontario Highway Transport Board (OHTB) for their approval. Operating licences are routinely granted to private carriers and municipal transit agencies that serve cross boundary transportation services. Part of the OHTB review would need to ensure that no private operator already holds the licence for this service. Any private operators that hold licences in the areas the City proposes to operate can object as part of the OHTB review process. As part of the City's application, staff would need to prepare a business case demonstrating a need for

the service that is not currently being met and specify the routes and schedules that the City plans to operate the service.

Obtaining a Public Vehicle Operating licence would also be needed if the City wanted to extend transit service to the Peterborough Airport, which has been discussed in the past and will be reviewed as part of our ongoing Transit Route Review and Long Term Growth Strategy. The intention would be to apply for both routes during the same application process, with the potential route to the airport being proposed as a future phase of service, subject to the outcome of our ongoing Transit Route Review study.

Provided that there are no objections raised by private companies holding an operating licence, the approval process can be completed within 6 to 8 weeks of application. The total estimated cost to prepare and submit the application is up to \$5000 which can be accommodated within the current operating budget for transit.

Benefits to the City of Peterborough

The introduction of a rural transit service offers several benefits to residents in both communities, including:

- i) access to employment opportunities in Peterborough, for Selwyn residents, and in Selwyn Township, for Peterborough residents;
- ii) access to a larger pool of employees from the City of Peterborough and Selwyn Township to support businesses/industry in both communities;
- iii) alignment with the Age-Friendly Peterborough Community Action Plan, the Greater Peterborough Area Community Sustainability Plan and the Climate Change Action Plan, where the introduction of rural transit services was identified as a key initiative to support community reductions of Greenhouse Gas Emissions, and in supporting aging at home;
- iv) access for Selwyn residents to educational facilities and extra-curricular programs (secondary and post-secondary) for residents, and potential access to additional student housing opportunities outside of the City for Trent and Fleming College students;
- v) opportunity for marketing of day-trips for recreation, shopping, or other activities between the City of Peterborough and Lakefield, Bridgenorth, Ennismore and Curve Lake for residents of all communities;
- vi) opportunity to shift some trips between Peterborough and Selwyn Township from auto use to transit, prolonging the life of existing roadways and reducing longer term pressure on the need for extensive road improvements;
- vii) enhanced ridership on Peterborough Transit routes which will influence future Provincial Gas Tax allocations that are partially based on ridership data;
- viii) providing more services at full cost recovery which assists in reducing the reliance on fare revenue and municipal tax contributions to fund service delivery; and
- ix) obtaining the necessary Public Vehicle Operating Licence will enable future service delivery to the Peterborough Airport which will enhance the marketability of this emerging industrial park to prospective new businesses.

Timelines

If the recommendations are approved, implementation planning would commence immediately, with orders for the new buses placed as soon as approval is obtained for the federal portion of the ICIP funding application, as discussed in Report IPSTR19-020.

The new service to the Township is estimated to begin in spring/summer 2020.

Summary

Selwyn Township, in partnership with Curve Lake First Nation, Community Care, and the City were successful in obtaining funding to support the introduction of rural transit services that will be closely integrated with existing City transit services to maximize the benefits for residents of both communities and allow for efficiencies in program delivery. Staff and the Council of Selwyn Township have recognized the benefits of the City of Peterborough's experience in the delivery of professional transit services and have requested that the City consider entering into a service contract with the Township of Selwyn for the provision of the transportation services for a pilot program. City delivery of this pilot program can be achieved at no cost to City taxpayers, through a full cost recovery approach to service delivery. The program is projected to provide a modest operating profit for Peterborough Transit, while improving access for residents to seek services and opportunities beyond the boundaries of the City.

Submitted by,

Cynthia Fletcher
Commissioner of Infrastructure and Planning Services

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Attachments:

Appendix A: Preliminary Overview of Costs and Revenues

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Revenue & Service Cost Estimates				
Revenues	Daily Hours	Annual	Rate	Annual Contract Revenue
Monday-Friday Service	18	4,500 hours	\$83.60	\$376,000
Annual Ridership Year 1		20,000 rides 18,000 transfer to / from City	1.00 per transfer	\$ 18,000
		Total Revenue Year 1		\$394,000
Costs				
Staffing Salaries & Benefits				\$ 255,200
Operating Costs - Fuel, Maintenance, etc				\$ 105,600
		Total Annual Cost – Year 1		\$ 360,800
		Annual Operating Profit		\$ 33,200