

CITY OF NANAIMO

FINANCIAL OVERVIEW – Traffic/Transportation Section: Transit Stop Amenities

CURRENT OVERVIEW

The Traffic and Transportation Section is responsible for planning for the renewal and expansion of the City's transportation network. This department ensures safe, equitable, sustainable, and accessible mobility choices are priorities to create a well linked multi-modal transportation system in Nanaimo.

Public transit is becoming increasingly important to the City of Nanaimo, and the provision of transit fixtures that meet citizens needs is critical. Staff engaged a consultant to undertake a review of the City's approach to providing transit stop amenities which was presented to the Governance and Priorities Committee (GPC) July 17, 2023, with four possible delivery options. These options ranged from the current contractor approach to the City acquiring and controlling all transit shelter assets.

It was recommended by the GPC and Council that a business case be created for the 2024-2028 Financial Plan informed by "Option 2 – Corridor-Based Hybrid" model from the Public Transit Shelters and Benches - Options Paper prepared by Nielson Strategies. This option sees a third party provide stop amenities and maintenance on core transit routes and over time the City acquiring and maintaining amenities on neighbourhood routes. Advertising on all shelters will continue to be contracted out. To implement this model, the report proposed the addition of a position in 2024 under the Traffic/Transportation section to manage the transit stop amenities program, and another position in 2029 under Public Works for shelter/bench maintenance once the City owned inventory is built large enough to justify in-house maintenance. The 2029 position will be brought forward as a business case during a future Financial Plan.

BUSINESS ISSUE AND EXPECTED OUTCOME

The current transit stop amenity program does not meet the needs or expectations of the community. In addition, the contracts with existing vendors are expiring which presents the opportunity to change how this model is offered. Providing this service through a "Corridor-Based Hybrid" approach strikes a balance between increasing levels of services to support transit users, while keeping capital and operating costs manageable.

OPTIONS

Option #1 – Corridor-Based Hybrid Model without an FTE addition

Build the inventory of the City owned shelters/benches on neighbourhood routes but continue to rely on contractors for shelters/benches in high traffic corridors. Manage workload with existing department capacity with plans to add a FTE in future year.

Benefits:

- City gains control of choice of fixture and advertising content.
- Likely that contractors will accept new contract terms.
- Minimal impact to budget.

Weaknesses:

- Work within the department will have to be reprioritized to manage the scope of work required which may impact implementation of the hybrid model such standards of maintenance and repair.
- Workload may be difficult to manage with existing staffing.

Financial Analysis:

- Net annual operating costs for the transit shelter program are estimated below as additional shelters are acquired every year:

	2024	2025	2026	2027	2028
Net increase	\$18,100	\$24,900	\$31,900	\$38,900	\$46,000

- Capital costs in 2024 for additional shelters is estimated at \$146,000. Future project plans will be adjusted to accommodate additional shelter requirements for 2025 and beyond within existing project funding.

Total Financial Plan Impact:

	2024	2025	2026	2027	2028
Net operating increase	\$18,100	\$24,900	\$31,900	\$38,900	\$46,000
One-time capital	\$146,000				
Total Impact	\$164,100	\$24,900	\$31,900	\$38,900	\$178,800

Option #2 – Corridor-Based Hybrid Model

Build the inventory of the City owned shelters/benches on neighbourhood routes but continue to rely on contractors for shelters/benches in high traffic corridors. Create a permanent full time Transit Planning Specialist to implement this model.

Benefits:

- City has some control over choice of fixture, standards of maintenance and repair, and advertising content and levels.
- Hybrid model increases likelihood of contractor acceptance to new terms as contractors own most of the shelters and all the benches.
- Addition of position provides capacity in the department to manage contracts and coordinate purchase and maintenance of fixtures/shelters.

Weaknesses:

- Permanent position created within the operating budget.
- Impact to City operations for City owned shelters for garbage and minor clean-up and/or increased budget for contracted maintenance.

Financial Analysis:

- Transit Planning Specialist position is anticipated to be at a CUPE pay level 13, subject to JEC, with an annual salary of \$90,700 plus benefits. 2024 budget impact including wages and benefits is \$86,600 based on an April 1st start date, 2025 budget impact is estimate at \$119,500.
- Additional annual costs for the Transit Planning Specialist are anticipated at \$5,600 for membership dues, professional development, cell phone and computer charges.
- Net annual operating costs for the transit shelter program are estimated below as additional shelters are acquired every year:

	2024	2025	2026	2027	2028
Net increase	\$18,100	\$24,900	\$31,900	\$38,900	\$46,000

- One-time costs upon the creation of the Transit Planning Specialist are projected at \$6,000 for the purchase of computer equipment and cell phone.
- Capital costs in 2024 for additional shelters is estimated at \$146,000. Future project plans will be adjusted to accommodate additional shelter requirements for 2025 and beyond within existing project funding.

Total Financial Plan Impact:

	2024	2025	2026	2027	2028
Net operating increase	\$110,300	\$150,100	\$159,600	\$169,100	\$178,800
One-time operating	\$6,000				
One-time capital	\$146,000				
Total Impact	\$262,300	\$150,100	\$159,600	\$169,100	\$178,800

Option #3 – Status Quo

Renew contract with similar, but improved terms.

Benefits:

- Minimal impact to operating budget.
- Intention to enforce maintenance obligations to address City concerns with existing contractor fixtures.
- Likely that contractors will accept new contract terms.

Weaknesses:

- City has less control over fixtures.
- No significant improvement to existing service delivery which currently does not meet needs of the community.

RECOMMENDATION

Option #1 is recommended.

Further information including the staff report and the Public Transit Shelters and Benches – Options Paper can be found on the 2023-JUL-17 GPC agenda. Financial analysis based on the Nielson Strategies Public Transit Shelters and Benches – Options Paper” and was revised in consultation with Human Resources, Finance and the Traffic/Transportation section.