



## REGULAR MEETING MINUTES – APRIL 28, 2022

Meeting of the St. John's Transportation Commission  
Thursday, April 28, 2022 , Noon  
25 Messenger Drive

Attended:

### In Person

- |                 |                              |
|-----------------|------------------------------|
| • Paul Walsh    | Chair                        |
| • Ian Froude    | Vice-Chair/City Councillor   |
| • Lynn Zurel    | Commissioner                 |
| • Ron Ellsworth | Commissioner/City Councillor |
| • Judy Powell   | General Manager              |
| • Jason Hussey  | Finance Manager              |
| • Linda Ryan    | Administrative Assistant     |

### Online via WebEx

- |                    |                              |
|--------------------|------------------------------|
| • Kirsten Morry    | Commissioner                 |
| • Maggie Burton    | Commissioner/City Councillor |
| • Tolulope Akerele | Commissioner                 |

Absent:

- |                |   |
|----------------|---|
| • Derek Coffey | Deputy City Manager, Financial Management |
| • Kevin Breen  | City Manager                              |

## I. PROCEDURAL

Chair Walsh called the meeting to order and welcomed back retired employee Linda Ryan, filling in for Donna Power on medical leave. L. Ryan recorded the minutes of the meeting.

## II. AGENDA/MINUTES

### **Agenda:**

The General Manager requested that "MRO Tender" be added to the agenda under New Business as item 3.

**MOTION:** To approve the agenda with the above noted addition.

**Moved:** Vice Chair Froude

**Seconded:** Commissioner Akerele.

**Carried**

### **III. MINUTES**

**MOTION:** To approve the minutes of the March 31, 2022 regular meeting  
**Moved:** Commissioner Zurel  
**Seconded:** Commissioner Burton  
**Carried**

### **IV. BUSINESS ARISING**

There was no business arising from the minutes.

### **V. NEW BUSINESS**

#### **1. 2021 Financial Audit**

- Finance Manager J. Hussey informed that the Finance Committee had met on this date at 11:00 AM, immediately prior to the regular business meeting of the Commission, to review with the external auditors, BDO, the results of the draft audited financial statements for the year ending December 31, 2021, and to discuss any significant financial reporting or internal control matters.
- The draft statements were adopted by the Finance Committee as presented by the auditors at that meeting, and a subsequent motion was made to move the audit report to the regular business meeting for consideration by members of the full Commission.
- The report was tabled and Finance Manager J. Hussey provided an overview of the statements.

#### **Highlights of the 2021 Audited Financial Statements**

- Revenues were up \$780,000 mainly due to recovery in 2021 from the large impact of Covid on 2020 figures, and 2021 was the first full year of the Low Income Bus Pass Program.
- Ridership was up to 2.2 million from a low of 1.9 million in 2020 due to the pandemic.
- Operations expenses increased by \$300,000 due to diesel costs – the average price was up to \$1.10 from \$0.85 in 2020.
- Maintenance costs were up \$250,000 mainly due to: (1) stock parts increase as buses were prepared to return to full service, (2) \$100k worth of glycol to replenish building heating lines, and (3) \$40,000 for LED fixtures in the garage area.

## 1. 2021 Financial Audit

### Highlights of the 2021 Audited Financial Statements (Continued)

- Administration expenses increased by \$440,000 due to insurance expense. Premiums went up \$96,000, while reserves for outstanding insurance claims changed by \$376,000 from December 2020 to December 2021. This is a result of new estimates for 2020 and older claims while taking a reserve on new claims in 2021.
- Accessible services expenses were up \$562,000 due to ridership returning on GOBUS, meaning subsidy costs to MVT went up \$511,000 (*101,000 paid trips in 2021, while 85,000 in 2020*).
- There was a net deficit on paper in 2021 of \$2.03 million, mainly due to a change in employee future benefits of \$1.7 million and a difference in amortization versus debt payments of \$1.3 million.
- The accumulated surplus on the statement of financial position was \$14.6 million at the end of 2021. The total outstanding debt was \$3.08 million.
- There were no new notes to the financial statements.

➤ The Chair noted that the auditors had commented in the meeting of the Finance Committee, that of all the audits they have completed, this was an extremely clean audit in that there was not as much as a single adjustment required; and the level of work performed by the Finance Manager and his team is to be commended.

**MOTION:** To approve the financial statements as submitted by the auditors

**Moved:** Commissioner Ellsworth

**Seconded:** Commissioner Vice Chair Froude

**Carried**

➤ Commissioner Ellsworth then spoke to the motion. He advised that the Finance Committee had a good discussion with the auditors and he had asked of them what, if anything, additional should the Finance Committee be doing to with respect to their fiduciary duties and encouraging greater engagement among members on matters of financial oversight.

➤ BDO suggested quarterly meetings be held with the auditors regarding updates of cash flows, internal cash controls, cash forecasting, existing policies and procedures, etc. The auditors also spoke to a need to communicate to the public the positive things the organization is doing.

➤ Commissioner Zurel questioned why the Commission would need to involve the auditors on a quarterly basis and the benefit it would provide, particularly given the size of the organization and its financial history.

## **1. 2021 Financial Audit**

### **Highlights of the 2021 Audited Financial Statements** (Continued)

- The Chair noted that there would be additional costs associated with this recommendation.
- Commissioner Ellsworth emphasized that it would, in his opinion, increase engagement among board members and strengthen the oversight piece concerning financial matters of the Commission.

## **2. Hybrid Buses**

- A memo dated April 21, 2022 from the General Manager was tabled and discussed. The General Manager advised in her memo that six (6) of the oldest buses in the Metrobus fleet are 21 years old and nearing the end of their useful life. Due to their age, Maintenance repairs are increasing and parts are difficult to source. With the electrification of the fleet potentially up to five (5) years away, there is a need to replace these buses prior to transitioning to zero-emission buses. The General Manager recommended, as an environmentally responsible decision towards fleet modernization, to replace these aging buses with new hybrid electric buses.
- With Metrobus' new and increased ZIP service, meeting daily fleet requirements has been tight on a regular basis. To alleviate this pressure on the fleet, the General Manager also recommended that the order for new buses be increased by two (2).
- With the application, tendering and procurement processes, and delivery lead time, it is estimated that it will take approximately up to 18 months to receive new buses. Thus, it would be late 2023 before new buses would arrive, at which time the 2001 buses will be 23 years old and need to be retired from the fleet.
- The current cost of a hybrid bus recently increased from \$900K to \$950K. The General Manager suggested that it is time to move forward to plan replacement of these units and requested, as a first step, approval of the Commission to submit an application for funding under the federal government's Investing In Canada Infrastructure (ICIP) Program for the purchase of a total of eight (8) new hybrid buses.
- The ICIP is a ten-year federal infrastructure program designed to create long-term economic growth, build inclusive, sustainable and resilient communities and support a low-carbon economy. Under the Public Transit stream, it is anticipated that 73% of the cost of new hybrid buses would be funded, and at a higher rate, up to 83%, for replacement buses.

## **2. Hybrid Buses (Continued)**

- Many Canadian transit systems are using hybrid technology in their transition to a fully electric fleet. The Toronto Transit Commission (TTC), for example, recently added 202 hybrid buses to its fleet; Mississauga Transit announced that by 2024, all its future buses will be hybrid or fully electric. As the transition to a fully electric fleet will be gradual, hybrid technology will continue to play a role in service delivery for many years to come. Additionally, studies at TTC show that hybrid technology is yielding significant benefits in terms of fuel savings (25-30%), as well as greenhouse gas (GHG) reductions, improvements in air quality and engine idle reductions.
- Even under the Commission's electrification plan and move toward fully electric buses, there will be a need for hybrid buses for many years to come as some routes will be problematic for electrification.

### **Discussion:**

- Commissioner Zurel noted the case is well made for hybrid buses and asked if consideration has been given, in addition to the cost-share arrangement required by the Commission, to the need to support electric buses from the perspective of the necessary infrastructure, training requirements and other associated costs. The General Manager advised that no charging infrastructure is necessary as the new hybrid buses are contained units. Requirements for tooling and training are typically included in the tender specifications for all new buses and these items will be included also in the funding application.
- Vice Chair Froude questioned the impact of the cost of purchasing an additional two (2) buses, bringing the fleet from its current size of 55 to 57 buses in total, on the Commission's overall subsidy request to the City. The General Manager estimated that beginning in 2024, the Commission's subsidy request to the City would increase by approximately \$200,000 annually in terms of its capital debt payments.
- The Finance Manager added that in terms of projected annual debt maintenance, these amounts are in the overall plan and would increase the Commission's ask to the City at first glance. However, should the Commission purchase eight (8) buses at approximately \$1 million per bus and it were to receive the lower piece of the federal subsidy, rounded up to 27%, this would translate to an expenditure for the Commission of \$2.1 million. Typically paid off over 10 years, it would add, on a purely capital level, potentially \$200,000 on an annual basis to the Commission's subsidy request. Factored into this amount would be savings on maintenance and parts, plus diesel fuel savings, which could potentially lessen that amount. The General Manager further noted that the end of a payment period from some older buses might also flow into that, so the total impact has to be considered; the subsidy request might not be the full \$200,000 on a purely capital level.

## **2. Hybrid Buses (Continued)**

➤ The General Manager reminded that by the time these 2001 model buses are retired in 2024, they will have reached 23 years old, and the required amount of maintenance is increasing every year, increasing costs to maintain them. The goal is to improve maintenance and lessen costs. With the addition of newer buses, there will be diesel fuel savings of approximately 30%, in addition to reduced maintenance costs, particularly on the warranty side. The next oldest group of buses are 2007 models, so there would be a gap of six (6) years between the next set of units that would need replacement. She highlighted that since these new units would be fully accessible; route 10, particularly, could be made wheelchair accessible, which is something the Commission has been waiting to do for some time.

➤ Vice Chair Froude agreed that this would be a very substantial step forward toward improving accessibility of the system. He inquired regarding the price of a diesel engine bus. The Finance Manager informed that the last quote, obtained about six (6) years ago, was at \$650,000 per bus.

➤ Commissioner Burton echoed Vice Chair Froude's sentiments with respect to concerns for an increased subsidy request to the City of St. John's. She was in favour, however, of improved accessibility on the system, especially on route 10. She stated that she would prefer the purchase of fully electric buses opposed to hybrid models, but supports the direction to purchase hybrid buses as long accessibility can be significantly improved.

**MOTION:** To proceed with the application for federal funding

**Moved:** Commissioner Ellsworth

**Seconded:** Vice Chair Froude

**Carried**

## **3. MRO Tender #2022057**

➤ The General Manager advised that MRO (Maintenance Repairs and Operations) tender closed on April 18, 2022. The tender is awarded in total, and bidders were required to bid at least 80% of the 159 listed items to qualify as a valid bid. The tender is for 24 months with a one-year option. Eight (8) bids were received:



**3. MRO Tender #2022057** (Continued)

<b>MRO TENDER</b>			
(Maintenance Repairs and Operations)			
COMPANY	% Items	Bid (Before HST)	
Acklands-Grainger	100%	\$ 72,780	
Colonial Garage	67%	\$ 87,375	Disqualified
BDI Canda	98%	\$102,543	
MSC Industrial Supply	100%	\$127,199	
Source Atlantic Ltd.	100%	\$223,235	
Vallen Canada Inc.	99%	\$266,756	
Fastenseal Canada Ltd.	100%	\$285,657	
Rock Safety Industrial	100%	\$423,353	

➤ Based on all else being met, it is recommended that the tender be awarded to the current supplier, Acklands-Grainger, for a period of 24 months.

**MOTION:** To award the tender to Acklands-Grainger, the lowest bidder, for 24 months  
**Moved:** Commissioner Zurel  
**Seconded:** Commissioner Akerele  
**Carried**

**4. General Manager's Report**

**COVID Update**

- **Public Health Guidelines**  
 There were no changes to this item in March.
- **Ridership**  
 Commissioners Zurel and Morry noted the significant increase in ridership during March, 2022 to approximately 92.5% of March, 2019 ridership. Both offered congratulations to Metrobus on the efforts made in achieving near pre-pandemic ridership levels.
- **GoBus**  
 Ridership in March, 2020 was approximately 65% of March, 2019.

#### **4. General Manager's Report** (Continued)

##### **Stop Announcements**

- **Information and Pricing**

Information and budget estimates have been received from two (2) vendors. Updated pricing and information are being awaited from the CNIB regarding BlindSquare technology. Information is being reviewed to prepare a summary for the Commission on details of the systems, along with a request for approval to proceed with an application for funding.

- **Technology**

Vice Chair Froude asked if the intent is to operate BlindSquare, or similar technology, in parallel. The General Manager explained that this is one (1) option being considered. The second is that once more information is received, specific to BlindSquare technology; and if it is determined that BlindSquare can be used to communicate onboard the bus both oral and visual stop announcements, then this technology and its application would be much more economically feasible to purchase and support.

Other technologies have expensive support agreements on an ongoing basis; it would be beneficial, if the information of BlindSquare technology can be leveraged to do both, without having to purchase a higher-end product. If this is not the case, then both technology systems will need to be operated in parallel.

Vice Chair Froude asked that in the case of just using the BlindSquare app, would a rider need to use a cell phone with data. The General Manager indicated that this would not be necessary if a unit could be used onboard that has the technology to communicate cues on a constant basis. She noted that a person using the app, who has vision loss, would be able to use additional features that describe their surroundings, such as locations of stops further along the street, where they can wait for the bus in other buildings, as well as other service, etc. If the technology could be used to communicate verbally on board, then it would be the best solution from a cost perspective.

Vice Chair Froude commented that it is his understanding, from attending a relevant Canadian Urban Transit Association (CUTA) conference session, that BlindSquare and similar apps provide comparable services, and that a similar tender call would have to be made to procure the latter technology. The General Manager suggested that this would be the case; for funding application purposes, a more indepth discussion would be needed.



#### **4. General Manager's Report** (Continued)

##### **Stop Announcements**

Vice Chair Froude preferred that a combination of audio and visual stop announcement cues be used onboard. The General Manager indicated that an onboard screen would be ideal, if all the components of the BlindSquare can be used to bring that aspect of the service. However, some other technologies that offer this feature cost in the millions of dollars.

Commissioner Burton suggested that it's not just hearing-impaired individuals that would need visual cues for stop announcements. If the goal is to make the bus more youth friendly, a lot of young people wear headphones on the bus and don't want to be listening for an audible stop announcement; being able to see a visual cue would be really helpful. Other riders, as well, listen to podcasts onboard the bus, and these are the sorts of conveniences needed in order to improve the user experience on transit. Whatever system chosen should have a visual component, like a scrolling screen. She added that while this technology might be more expensive, as opposed to just the app, she did see the point in that the app might be the way to improve the experience for others.

##### **Radio System**

- **Meeting with Service Providers**

A meeting was held on April 7, 2022 between all service providers involved in moving the radio system to the NTV tower on Shea Heights.

- **Tower Relocation**

The move to the new tower is scheduled for June 17<sup>th</sup> – 22<sup>nd</sup>, 2022.

##### **GoBus**

- **Via Software Issues**

Metrobus staff continue to work with Via on outstanding issues with the software. Two (2) staff members from Via visited the MVT offices on April 18<sup>th</sup>-19<sup>th</sup> to provide support to staff and observe the outstanding issues. Many of the issues have now been addressed but a few important ones remain, which they are continuing to work on. The number of taxis using the software has increased from four (4) to five (5).

#### **4. General Manager's Report** (Continued)

- **Eligibility Assessments**

Vice Chair Froude inquired regarding the status of GoBus eligibility assessments. The General Manger informed that the number of mid-March assessments increased significantly. The number of April assessments is expected to double, at minimum, in order to reach the targeted number by (September, 2020).

#### **Cyber Insurance**

- **Coverage**

In 2021, the City purchased a cyber insurance policy that extended to Metrobus in providing protection against claims due to cyber attacks. Metrobus was recently notified by Justin Crickard, the City's Manager of Enterprise Risk and Insurance, that cyber coverage for 2022-23 is unable to be secured. AON (the current insurance broker) reportedly approached 22 different insurers on the City's behalf during the renewal process to secure a quote. All insurers declined, primarily stating that there was "no appetite for new municipality business".

- **Extension**

The previous insurance provider (Beazley) also declined based on their external scan results, general security posture, and the City's existing controls. Beazley, however, did offer a 30-day extension with the possibility for renewal should specific IT controls be improved within this 30-day period. While several of the necessary controls are currently in place, there were many where the implementation was either too costly, or the timeframe to implement them, would extend well beyond the 30 days.

Thus, the determination has been made by City staff to decline the extension and proceed with "self-insuring" for the present time. The possibility of securing this coverage during the Commission's renewal this year will be revisited. Unless there are drastic changes in the market/parameters around obtaining the coverage, or the necessary costly controls are implemented, it appears that self-insuring will continue.

#### **4. General Manager's Report** (Continued)

- **Status**

Vice Chair Froude asked if this means that Metrobus is not currently covered and what happens in the meantime. He suggested that assuming once a person's credit card information is entered using the payment app, a period of time is needed for protection to be in place to stop the information from being stolen. And, if not covered, then what happens in the meantime. Some sort of insurance is needed in place to deal with any potential cyber attack and protection of that data. The General Manager advised that clarification from the City is needed to determine if they are still attempting to secure insurance coverage for this item. The Finance Manager offered that he will pose this question to the City's Risk Manager and provide his comments on the status of this item to the Commission.

#### **2001 Buses**

- **Parts**

In 2000, the Commission ordered ten 40-foot Nova buses. Prior to delivery in 2001, Metrobus' service requirements changed and only six (6) of the ten buses were needed. Codiac Transpo in Moncton, NB subsequently agreed to purchase the extra four (4) buses, two (2) of which are currently being retired. Parts are needed by Metrobus for these 2001 buses, and it is becoming more and more challenging to source them due to the age of the buses.

- **Moncton Transit**

Two (2) 2001 buses were recently purchased from Moncton Transit for \$1.00 each (plus shipping costs). The buses contain many valuable parts, including a relatively new engine and two (2) transmissions, and will reduce the repair costs for those we currently have in our fleet—one of our 2001 units currently requires about \$100,000 in repairs alone. Most of the required parts will be obtained from these Moncton buses.

#### **4. General Manager's Report** (Continued)

##### **Electrification Plan**

- **Introductory Meeting**

The General Manager and Edmundo Fausto, the City's Sustainability Coordinator, met virtually with CUTRIC (Canadian Urban Transit Research & Innovation Consortium) who is the consultant hired by Infrastructure Canada to assist transit systems with the completion of electrification plans. It was a productive meeting with CUTRIC outlining their experience and the overall approach to the project.

- **Data Collection**

The next steps are to complete the scoping exercise for the project and begin data collection. Commissioner Burton inquired with respect to data collection for the electrification plan, are if there any resources needed that the Commission can help with in order to make sure the scoping exercise can happen as quickly as possible; data collection often can be costly depending on what sort of data are we talking about. The General Manager advised that information is awaited from CUTRIC as to the specific type of data they need and what the scoping will look like. She is working with the City's Sustainability Coordinator as to what it might entail if additional resources are needed, and it may need to be revisited to complete the project on a timely basis.

#### **5. Executive Summary Report**

➤ The Executive Report for March 2022 was tabled for members' information. There were no questions or comments arising from the report.

#### **6. Financial Statements for March, 2022**

- **Transit Advertising**

Commissioner Zurel noted that the transit advertising revenue is looking positive.



## **6. Financial Statements for March, 2022 (Continued)**

- **Community Bus**

Commissioner Zurel inquired if Metrobus has received funding from the City for the Community Bus service. The General Manager advised that it had not been received to date. She suggested that funding for the Community Bus perhaps would be included with the whole discussion about the deficit at year end. Commissioner Ellsworth noted that Council has taken responsibility for this item and it is his understanding that it will be covered off at the end of the year.

- **Deficit**

Commissioner Zurel noted that already one meeting has been held to review the deficit; she suggested that another special meeting might be required to monitor its status. The General Manager agreed and noted that diesel prices are continuing to escalate.

## **VI. OTHER**

### **1. Speakers for the Boardroom**

➤ Commissioner Ellsworth suggested that since meetings continue to be attended both in person and online, the placement of additional speakers in the room is necessary to improve the ability for members to hear the proceedings.

## **VII. ADJOURNMENT**

➤ There was no further regular business to discuss at this time.

**MOTION:** To adjourn the regular business meeting of the Commission

**Moved:** Commissioner Zurel

**Seconded:** Commissioner Burton

**Carried**

The meeting adjourned at approximately 1:00 PM, to be immediately followed by the internal business meeting of the Commission. The next regular business meeting of the Commission is to be held on Thursday, May 26, 2020 at 12:30 PM.

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Paul Walsh  
Chair

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Linda Ryan  
Administrative Assistant