

TOWN OF CANMORE

AGENDA

Special Meeting of Council

Council Chambers at the Civic Centre, 902 – 7 Avenue

Tuesday, February 21, 2023 at 3:00 p.m.

A. CALL TO ORDER AND APPROVAL OF AGENDA

1. Land Acknowledgement
2. Agenda for the February 21, 2022 Regular Meeting of Council

B. PUBLIC HEARINGS - none

C. DELEGATIONS - none

D. APPROVAL OF MINUTES - none

E. BUSINESS ARISING FROM THE MINUTES- none

F. UNFINISHED BUSINESS- none

G. BYLAW APPROVAL- none

H. NEW BUSINESS

1. Canmore Local Transit Bus Purchase

Recommendation: that Council approve a capital project in the amount of \$1,417,000 for the purchase of a Proterra electric bus to be funded as follows:

- 80% Rural Transit Solutions Fund Grant
- 20% Town of Canmore Capital Reserves held by Bow Valley Regional Transit Services Commission (BVRTSC)

I. REPORTS FROM ADMINISTRATION- none

J. NOTICES OF MOTION- none

K. IN CAMERA- none

L. ADJOURNMENT



Request for Decision

DATE OF MEETING: February 21, 2023 **Agenda #:** H-1

TO: Council

SUBJECT: Canmore Local Transit Bus Purchase

SUBMITTED BY: Joanna McCallum, Councillor

RECOMMENDATION: That Council approve a capital project in the amount of \$1,417,000 for the purchase of a Proterra electric bus to be funded as follows:

- 80% from Rural Transit Solutions Fund Grant
- 20% from Town of Canmore Capital Reserves held by Bow Valley Regional Transit Services Commission (BVRTSC)

EXECUTIVE SUMMARY

The Bow Valley Regional Transit Services Commission (BVRTSC) applied for and received a grant from the federal Rural Transit Solutions Fund in 2022. The BVRTSC recommends using a portion of the grant to purchase a second electric bus for the Canmore local route.

RELEVANT COUNCIL DIRECTION, POLICY, OR BYLAWS

N/A

DISCUSSION

The BVRTSC is responsible for managing and maintain fleet vehicles for the provision of transit services in Canmore. This responsibility includes applying for funding to replace and expand the fleet.

The addition of a Proterra Electric bus to Canmore's fleet in 2023 will improve Canmore's spare ratio (extra buses needed to address downtime for maintenance and repair) and address acute operational issues resulting from higher than typical maintenance requirements for the current Vicinity fleet. However, Commission Administration has identified that the spare ratio will fall below recommended levels with the addition of the new seasonal route in 2024 (see attachment 1 for full details of the operational need and bus purchase rationale and recommendations).

In 2022, the BVRTSC applied for and received a grant from the Rural Transit Solutions Fund. An opportunity exists to purchase an additional Proterra electric bus through the City of Edmonton procurement. That opportunity ends in February 2023. It is expected that it will take some time to establish a new procurement and that future costs may be higher.

The BVRTSC is currently undertaking a transit planning exercise that will outline operational requirements and recommendations to allow for expansion of transit service in Canmore in support of our livability,

affordability, and mode-shift goals. Draft recommendations include short and medium-term expansion of the Canmore fleet.

To address anticipated spare ratio requirements in 2024, to provide capacity for route expansion, to take advantage of current pricing and procurements, and to utilize a significant grant funding source, it is recommended that Council approve the purchase of a new 40' Proterra electric bus.

On February 8, 2023, the BVRTC unanimously approved the purchase of a Proterra Electric Bus for the Canmore local route. This proactive step allows for Commission Administration to confirm the bus purchase with the manufacturer should Council approve this recommendation.

The new bus will be stored within the bus storage facility at Boulder Crescent. Two Vicinity buses will be stored outdoors at the facility and additional storage space will be required in the future for further fleet expansion.

ANALYSIS OF ALTERNATIVES

1) *Defer bus purchase to a later date.*

While it is expected that grant funding will be available in the future, it is not assured, and grants often require more than 20% matching funds. The Commission has identified that an additional bus will be beneficial today in increasing reliability through an improved spare ratio, as well as providing capacity should Council anticipate expansion.

2) *Await the results of the Dillon study to determine future rolling stock needs.*

Draft routing plans reviewed by Administration have suggested that significant fleet expansion is needed to support full development of Canmore's local transit system. If a bus is not purchased through the current City of Edmonton procurement, costs can be expected to be higher with a future agreement.

FINANCIAL IMPACTS

The Transit bus purchase cost will be funded through a combination of grant and commission reserves and therefore there is no new ask from Town of Canmore reserves at this time. The Commission believes that, if the Town can continue to source grants at 80% of bus purchase costs, reserves will be adequate for replacement of the existing fleet. The BVRTSC will undertake an assessment of reserves in 2023. It is possible that if reserves are deemed to be inadequate, future operating budget requisitions for capital reserves will increase, affecting Canmore's operating budget.

The new bus will require operating requisitions for capital reserves in the amount of \$60,000 per year, for asset replacement, beginning in 2025.

STAKEHOLDER ENGAGEMENT

N/A

ATTACHMENTS

- 1) Report to BVRTSC 2023-01-01 Canmore Proterra Electric Bus Purchase

AUTHORIZATION

Submitted by: Joanna McCallum, Councillor Date: February 6, 2023

Approved by: Andy Esarte
Manager of Engineering Date: February 6, 2023

Approved by: Sean Krausert
Mayor Date: February 8, 2023

Report to the Bow Valley Regional Transit Services Commission

Report 2023–01.01 Canmore Proterra Electric Bus Purchase

January 27, 2023 – Report by Martin Bean

SUMMARY/ ISSUE

For 2024, Canmore local service will be expanded to include an additional route in conjunction with Alberta Parks that includes Grassi Lakes, Quarry Lakes and the Canmore Nordic Centre. With Canmore's fleet allocation of 4 buses and increasing reliability issues with the older 30' Vicinity buses, this purchase will ensure sufficient spare capacity for optimal summer season operations. The bus purchase also will enable making the seasonal route year-round, providing enhanced transit for Canmore residents during the winter months. An additional bus purchase will allow for this seasonal route to operate and contribute spare capacity toward the expansion of Canmore local service. The BVRTSC has recently been approved for 80% grant funding through the Federal Rural Transit Solutions fund, supporting enhancements of rural transit offerings.

PREVIOUS COMMISSION DIRECTION/POLICY

Canmore 2016 Municipal Development Plan

- Public Transit – “Operation of regional and local public transit systems that serve visitors and residents will be supported by the Town.”

Canmore 2017 – 2018 Budgets and Business Plan

- Strategic Priorities – “Address traffic congestion and parking in downtown core”

Bow Valley Regional Transit Services Commission Strategic and Business Plan 2021-2024

- Mission Statement - “As an essential service, we operate, enhance and grow our regional transit system through innovative and efficient transportation solutions, to ensure that residents and visitors are able to live, work and play in the Bow Valley without the use of a private vehicle”

Administration Recommendation:

That the Commission approve the purchase of an additional electric bus from Proterra through the City of Edmonton's onboarding clause to supplement the Canmore fleet allocation and allow for increased year-round service for Canmore local, to be funded 80% by the Federal Rural Transit Solutions Fund and 20% by Canmore Capital Reserves.

INVESTIGATION

Roam Transit currently has a spare capacity ratio policy of 25-40%, however this policy is being revisited due to experience with the current fleet and parts availability. The fewer vehicles in a fleet or area, the higher the spare ratio needs to be. As vehicles age, maintenance requirements increase and this, coupled with significant parts supply issues, are creating a situation where Roam is experiencing shortage of available vehicles to complete service. With Roam's maintenance operation being located in

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Banff, Canmore local service needs to be at or above 40% spare capacity to operate efficiently without service interruptions. Three of Canmore's fleet are 30' Vicinity diesel buses. These buses have higher than average maintenance needs and downtime.

Due to these issues, and despite a current spare ratio of 50% (three buses for two buses on route), Roam is increasingly short on vehicle capacity to operate Canmore local service, and this has necessitated the need to bring in buses from the Banff garage which are not designated for Canmore local service. With COVID levels of service this was feasible, however this is becoming more difficult with increased service and ridership.

The addition of the electric bus purchased in 2022, and completion of charger infrastructure, means that the spare ratio is adequate for 2023. However, with the addition of the summer Grassi Lakes Route, spare capacity in the summer months in 2024 will be at 33%, which is at the low end of the spare ratio policy. By adding a 5th bus to Canmore's fleet, the spare ratio will increase to 66%, meeting the requirement for current needs and providing some spare capacity for future growth.

Our current ability to purchase through Edmonton's contract has been extended to continue through August of 2023. Proterra has space on their assembly line to enable our deadlines to be met as long as we provide a non-binding letter of intent in the next week and provide a final purchase order by mid-February. The deadline proposed for delivery is March 31st, 2024.

Currently

Canmore has two routes that operate utilizing 30-foot Vicinity buses that carry 24 passengers seated and another 20 standees. The Canmore local service is seeing significantly increased ridership and full buses on a regular basis. Ridership for the month of December 2022 on Canmore local reached 21,194 which represents a 57% increase over 2019. With the increased popularity of Canmore local service, it is recommended that future purchases are 40-foot buses (36 seated and 36 standees) to accommodate the growth in ridership.

Proposed

Purchase a 40-foot Proterra electric vehicle to supplement the current fleet and ensure that Canmore continues to have a reliable and efficient transit service. The City of Edmonton contract with Proterra is currently in its' final year, allowing the BVRTSC to purchase additional vehicles this year without the need to go to RFP. This would allow the purchase of a vehicle that matches our current fleet, reducing the training for both drivers and mechanics, as well as minimizing any inventory parts requirements.

This proposal will assist in both spare capacity to ensure uninterrupted service as well as creating the opportunity to expand the summer seasonal route beginning in 2024 to a year-round offering of supplementary transit routes in Canmore.

Report to the Bow Valley Regional Transit Services Commission

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Electric vehicle charging infrastructure within the Canmore Transit Storage building is currently being installed to facilitate the charging of up to three electric buses. This would be the second electric bus to be operating from the Canmore facility and therefore additional infrastructure is not required at this time.

IMPLICATIONS:

- This bus purchase will help to meet the demands of Canmore local transit as it continues to grow.
- Further meeting the goals of livable communities in enabling access to more community programs, entertainment and reducing the dependence on automobile
- Purchasing an additional bus will give increased flexibility on utilization and increase our zero-emission fleet offerings.

BUSINESS PLAN/ BUDGET IMPLICATIONS

- Capital:
 - The capital cost for the purchase of an electric 40-foot bus is approximately \$1,400,000, offset by grant funding (80% for Rural Transit Solutions fund – if approved). It is anticipated that amortization on the vehicle will be approximately \$100,000 per year.
 - The commitment from the Town of Canmore for funding this purchase is \$280,000.
 - The increase in Canmore’s annual capital requisition is estimated to be \$60,000 to fund replacement of the bus. Costs are calculated based on an assumption of a 15-year service life, and a 50% grant for replacement. Reserve contributions for the bus will begin in 2025 to coincide with Canmore’s next budget cycle.
- Operating:
 - The bus will be stored indoors at the Boulder Crescent facility. Canmore’s two electric buses will be permanently housed in two out of the three bays. The remaining three diesel buses will be housed in the third bay, and two outdoor spaces, with the buses rotated indoors when operating in the winter.
 - Increased service to be contemplated for September 2024, based on the results of the Dillon Study to be finalized in early 2023.
 - Annual electric costs at the Boulder Facility are expected to offset any diesel costs for bus operation. Electric buses are expected to have lower operating costs than diesel buses over the full lifecycle of the equipment.

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- Operational costs are based on service levels. No increase to operational cost requisitions is expected, beyond those which Canmore’s Council has already approved for 2023, and 2024.

Proterra Bus Purchase - Delivery March 2024	
USD	\$ 1,050,000
CAD @ 1.35(estimate)	\$ 1,417,500
Extras	
Total Purchase Price (Canadian Dollars)	\$ 1,417,500
<u>Funding Requirement</u>	
Rural Transit Solutions Fund	\$ 1,134,000
Additional Funding Required	\$ 283,500
<u>Other Funding Sources</u>	
BVRTSC Canmore Capital Reserve	\$ 283,500
BVRTSC Canmore Operating Reserve	
Total Amount Funded	\$ 1,417,500
Funding Calculation Check: Should = \$0	\$ -

The capital reserve for bus replacement allocated to Canmore local service is currently at \$705,000 prior to utilizing to purchase this bus. Roam’s capital replacement program is based on an anticipated 50% grant funding being available and if future grants follow the 80% that is provided by the Rural Transit Solutions Fund, there will be adequate available funds for future purchases. Administration will do an analysis over the next year on capital reserve funding and determine whether any shortfalls exist and potentially address with transfers from operating surpluses or increased requisitions in future years.

BRAND IMPACT

Purchasing a bus through this opportunity will improve the Brand image of Roam, as it moves our fleet further towards zero-emission vehicles and promotes a route that will get more people out of private vehicles and onto transit.

RISKS

- All risks associated with a new purchase; operational, safety and human resource risks
- Production challenges and shortages delaying the delivery