

Appendix B: FTE Business Cases

Business Case 1: Early ION Phase 2 Project Team (2 FTE - 1 Project Manager + 1 Project Coordinator)

Recommendation

To extend the Ion team (currently one manager and one Director - oversight of the entire rapid transit network) with two more roles (one Project Manager, one Project Coordinator) to advance preliminary work for ION Phase 2 while awaiting confirmation of provincial and federal funding.

Background

The Region is continuing to advance work, with a pending senior government funding decision for ION Phase 2. Several critical activities must proceed in the “design and pre-construction” phase to attain project readiness, including:

- Seeking funding from upper levels of government
- Business case refinement and update to align with current funding criteria;
- Project design/phasing/management and coordination with key stakeholders
- Land acquisition activities on a reactive/opportunistic basis
- Corridor validation, utility planning and early-stage design scoping.

Without dedicated resources, the Region risks losing momentum and delaying overall delivery timelines once funding is approved.

Analysis

These positions will focus on activities that begin immediately and integrate seamlessly into the full program once external funding is confirmed. By maintaining continuity of knowledge and relationships with the technical and municipal partners, the Region ensures smoother transition to implementation and avoids rework costs.

Financial Impact

The investment from the Levy recommended for 2025 includes \$750,000 of operating work including these roles, the existing 2 roles, and small consulting support dollars; in addition to \$10 million for land acquisitions in 2026.

We are suggesting these funds come from the transit master plan reserve, which has sufficient funds available. It's key to note these are levy dollars and we do not expect anything spent from levy before funding from other levels of government are approved to be reimbursed.

Business Case 2: Fare Inspection Program Expansion (1 FTE)

Recommendation

To introduce fare inspection on the bus network through one permanent Fare Inspector Lead and six contracted fare inspectors, improving compliance, safety, and customer experience while reducing fare evasion losses.

Background

The last fare evasion study was conducted over 10 years ago and indicated a 2% fare evasion rate—equivalent to over \$1 million in annual lost revenue. Operator feedback and ridership trends suggest fare evasion has now increased to 5% or higher, particularly on high-frequency routes.

The existing fare inspection model is limited to the ION light rail system. Extending fare inspection to the bus network would promote consistent enforcement, enhance perceptions of fairness, and prepare for a future proof-of-payment model.

Analysis

- Revenue Protection: Reducing fare evasion by even 0.5 to 1% would recover between \$500,000–\$1 million annually.
- Ridership Growth: Consistency of enforcement improves perceived system reliability and fairness, supporting ridership recovery and provincial funding allocations.
- Customer Experience: ION inspectors spend ~25% of their time on customer service, assisting passengers with navigation, accessibility, and fare payment education. Bus inspectors would fulfill similar dual roles.
- Future Readiness: Building a culture of proof-of-payment and rear-door boarding prepares the system for higher-volume operations in future phases.

Financial Impact

The plan, that we will be tracking, is that increased fare collection will offset contract costs. However there is upside potential that increasing the accuracy of our ridership may help us be more competitive for ministry funding.

Business Case 3: Shelter Maintenance Program Conversion (2 FTEs)

Recommendation

To replace a high-cost contracted shelter maintenance service with two in-house positions, improving service quality, response time, and cost-effectiveness.

Background

Shelter maintenance (cleaning, repair, and minor infrastructure upkeep) is currently contracted to an external vendor. The contract has proven both expensive and unsatisfactory in terms of service reliability and quality. Recent efforts to renegotiate rates were unsuccessful, and the vendor has indicated further price increases due to inflation and staffing pressures.

Analysis

- **Cost Efficiency:** Current annual contract costs exceed \$ 230,000, with limited flexibility. In-house delivery through two maintenance FTEs would reduce costs by approximately 25% or \$58,000.
- **Service Quality:** Dedicated staff familiar with regional standards, regional values and environmental conditions will ensure higher consistency and faster response times.
- **Work Environment Fit:** Shelter work involves exposure to weather, debris, and vandalism. Recruiting employees with the right skills and training ensures better alignment with the job's physical and safety demands.
- **Risk Reduction:** Direct supervision enables improved safety, accountability, and adherence to accessibility standards.

Financial Impact

This represents an annual savings of \$58,000 relative to the current contract