

Leamington to Windsor Transit Service (LTW)

Background

Until 2019, the County of Essex had been void of any form of regional public transit service since the shutting down of the regional streetcar system that was discontinued in and around 1934 (a system which once connected Windsor with Amherstburg, Tecumseh, Essex, Kingsville and Leamington).

That changed in 2019 when the Municipality of Leamington submitted a grant application and was approved for an inter-community Community Transportation (CT) grant offered by the Province of Ontario through the Ministry of Transportation (MTO). As regional transit was a public service asked for by many residents utilizing Leamington's own transit service, and a topic that had been discussed at the regional level in the past (further information on previous discussions included below), the Municipality of Leamington determined that creating a business plan and seeking provincial funding to launch the service was an effort worth pursuing.

As the need for service was well established, and as there was significant provincial funding available, Leamington submitted a grant application on behalf of the Municipality of Leamington, the Town of Kingsville and the Town of Essex. Leamington subsequently received \$606,400 from the provincial government to operate the regional system over a 5-year period.

In July of 2019, the Municipality of Leamington launched the Leamington to Windsor (LTW) intercommunity transit service, with stops in Essex and Kingsville. The LTW service currently provides three round trips per day Mon-Fri, and two round trips on Saturdays, between Leamington, Kingsville, Essex, and the City of Windsor (St. Clair College). Once riders arrive at the college, they are provided a free connector to ride anywhere Transit Windsor serves, and St. Clair College is a transit hub for the City of Windsor. Leamington entered into an operating contract with Transit Windsor to provide the LTW transit service.

More details on the schedule, route and fees associated with the LTW are found below in Figure 1 and Figure 2.

Due to the pending expiry (March 31, 2025) of provincial funding for the regional transit service, the Municipality of Leamington sent a letter, in October of 2025, to the County of Essex requesting:

1. County of Essex funding to help sustain the LTW regional transit service for the remainder of the 2025 fiscal year; and

2. Formal collaboration with the County of Essex and all local municipalities in the County of Essex, to consider establishing permanent regional transit services.

Figure 1 - LTW Route Map

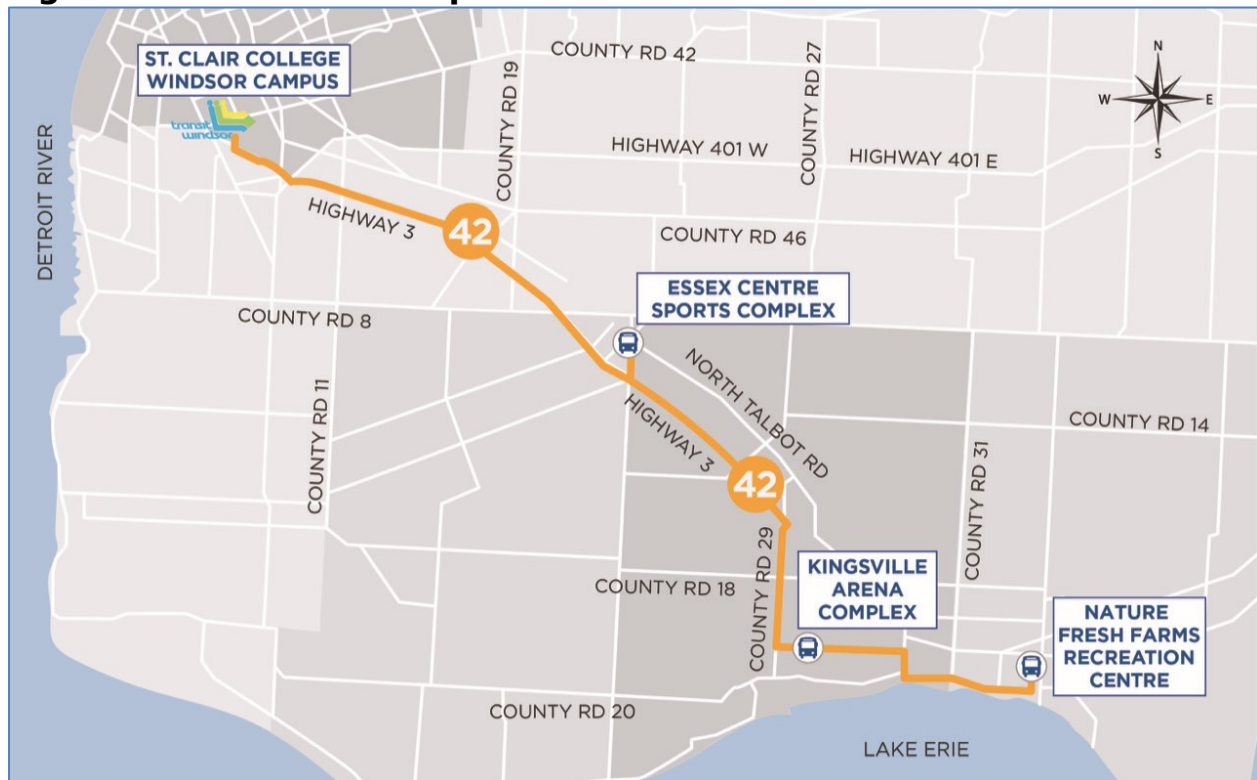


Figure 2 - LTW Schedule

Mon-Fri	Depart Windsor	Depart Essex	Depart Kingsville	Arrive Leamington	Depart Leamington	Depart Kingsville	Depart Essex	Arrive Windsor
Morning	5:15	5:40	6:05	6:25	6:30	6:50	7:15	7:40
Mid-Day	12:15	12:40	1:05	1:25	1:30	1:50	2:15	2:40
Evening	5:15	5:40	6:05	6:25	6:30	6:50	7:15	7:40
Saturday								
Morning	7:45	8:10	8:35	8:55	9:00	9:20	9:45	10:10
Evening	4:45	5:10	5:35	5:55	6:00	6:20	6:45	7:10

Leamington Information

In March of 2024 the MTO formally announced the Ontario Transit Investment Fund (OTIF), a new transit program touted at that time as a replacement for CT funding. That announcement had many CT recipients hoping OTIF was a potential financial lifeline for existing CT funded transit services. However, the new program guidelines were released in October of 2024 and noted that the provincial funding program is intended for new or expanded transit services and existing services are ineligible. As the LTW is currently in existence, this will render the service ineligible for new provincial funding.

The estimated total net deficit of the LTW Transit Service for the period of April 1, 2025 to December 31, 2025 is approximately \$172,000, or \$229,000 annually using anticipated 2025 costs. Total estimated annual costs for 2025 are \$334,000, less fare revenue of \$105,000, meaning the service recovers approximately 31% of gross costs through fare revenue, which on rural urban connector route such as this, is generally considered a healthy recovery of public transit costs through fares. This deficit consists of fare revenue collected less Transit Windsor direct costs only, and at this time Leamington absorbs all overhead costs of administrating the transit service. While yet to be negotiated, Transit Windsor costs are expected to rise further in 2026 as the cost to deliver transit services (capital and maintenance costs of buses, fuel costs and driver wages) are experiencing inflationary pressures.

Financial analysis for the 2025 operating year is included below in Figure 3.

Fares for the LTW and are considered 'high' when measured against typical public transit fare rates, but are necessary to sustain the service. The fares for the LTW are established as follows:

Same Day Fares

Round Trip \$15.00

One-Way \$10.00

Bus Passes

10 Ride Pass \$75.00

30 Day Pass \$250.00

Trip and ridership statistics for the LTW for the last 12 months where data is available is presented in Figure 4.

Figure 3 - LTW Financial Analysis

LTW Financial Analysis		2025 (Apr 1-Dec 31)	Annual (For Information Purposes)
Category			
Total Hours of Operation		2,032	\$ 2,709
2025 Cost per Hour		\$ 74.26	\$ 74.26
Operating Costs		\$ 150,880	\$ 201,170
Capital Surcharge		\$ 50,490	\$ 67,320
		\$ 201,370	\$ 268,490
Estimated Fuel Costs		\$ 48,750	\$ 65,000
Total Expected Costs		\$ 250,120	\$ 333,493
Estimated Fare Revenue		\$ 78,750	\$ 105,000
Net Deficit		\$ 171,370	\$ 228,493
2024/25 cost per hour including fuel		\$ 123	\$ 123

Figure 4

Ridership Statistics for the LTW, November 1, 2023 - October 30, 2024				
Month	Total Boarded	Trip Statistics		
Nov-23	1409	Round Trips per day, Monday-Friday		3
Dec-23	848	Round Trips per day, Saturday		2
Jan-24	1299	Round Trips per week		17
Feb-24	1233	Round Trips per year		884
Mar-24	1187			
Apr-24	1366	Hours per Round Trip		3.064
May-24	916	Total Hours		2,709
Jun-24	760			
Jul-24	796	Total Boarded		13,231
Aug-24	713	Total Trips (one way)		1,768
Sep-24	1324			
Oct-24	1380			
Total Boarded	13,231	Average Rider per Trip (one way)		7.5

While during the 5 and ½ years of operations, the LTW was able to meet all ridership targets established during the program creation phase, the transit service inevitably runs an operating deficit; public transit is a social service. To date, that deficit has been funded entirely by The Community Transit (CT) Grant Program and the Municipality of Leamington. However, CT

funding formally expires on March 31, 2025 and without a financial commitment from the County of Essex, this regional transit service will cease to exist as Leamington, Kingsville and Essex cannot fund the service on their own.

Previous examinations of regional transit in the County of Essex:

The most recent detailed examination of regional transit services in the County of Essex generally concluded on September 7, 2011 when Administrative report 2011-R022-ENG-0907-TRB, *County of Essex Transit Assessment Study*, was presented to Council, and Council resolved: "*the attached report be deferred until further discussions on the report had been completed with the local municipalities.*" – Res 186-11. No further reports were brought before County Council.

In 2011, consultation with the local municipalities was generally met with the opinion that the costs to initiate a regional transit system as proposed in the *County of Essex Transit Assessment Report, Phase 2*, August 2011, were too high. That report called for a \$4.8 million capital and operating investment in the first three years of the service in 2011 dollars (equivalent to \$6.4 million in 2024 dollars using the Bank of Canada inflation calculator), and ongoing annual costs of \$1.3 million (\$1.7 million in 2024 dollars) to implement the short-term Urban Connector plan as described below in Figure 5.

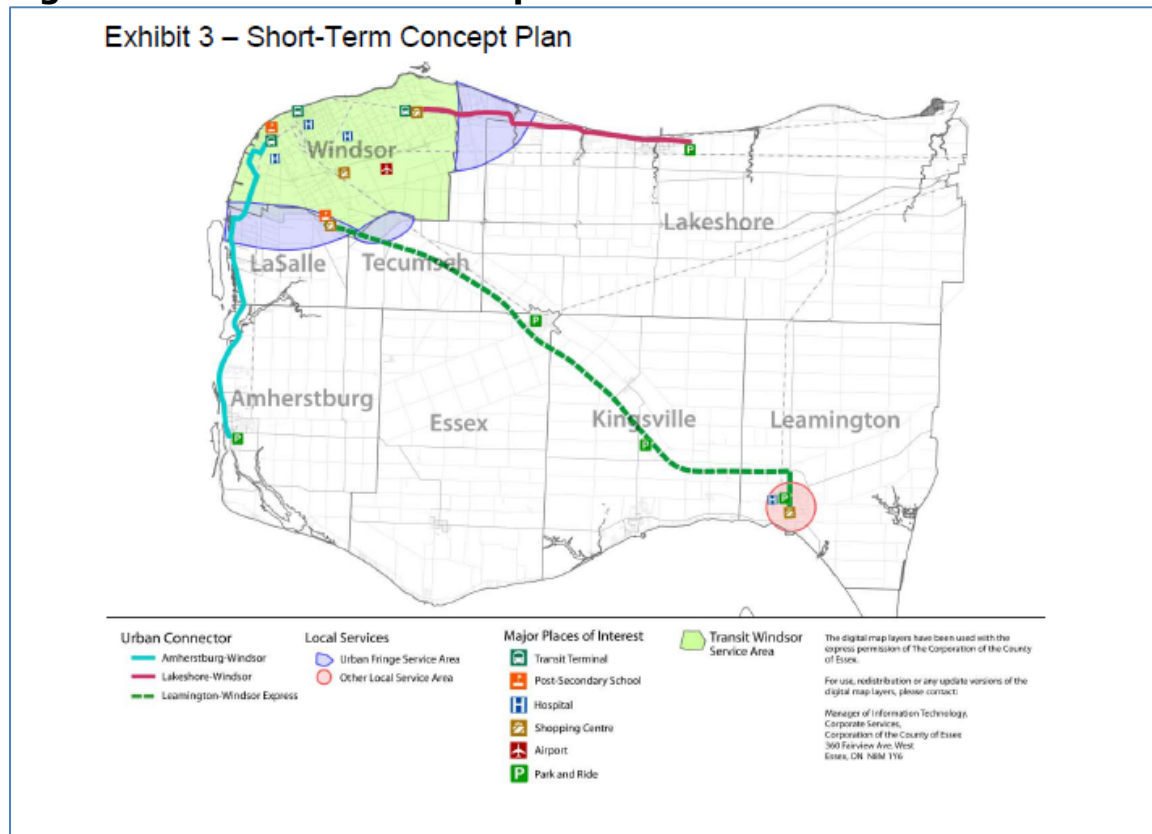
The report recommended considering four distinct types of transit service in Essex County in the long term, including Urban Connectors, County Connectors, Local Services and Rural Services. Exhibit 2 of the report summarized the four types of transit services.

Figure 5 - Types of Services

Exhibit 2 – Types of Services Identified	
Type of Service	Description/Objective
Urban Connectors	Connect between urban communities in the County and the City of Windsor and its urban fringe Fulfill the needs of work and student commuters
County Connectors	Provide warranted connections to and between urban communities in the County
Local Service	Maximize coverage in the urban area and connect to County and Urban Connectors
Rural Services	Provide connections between rural areas and the urban communities in the County, focused on providing access to necessary amenities and services

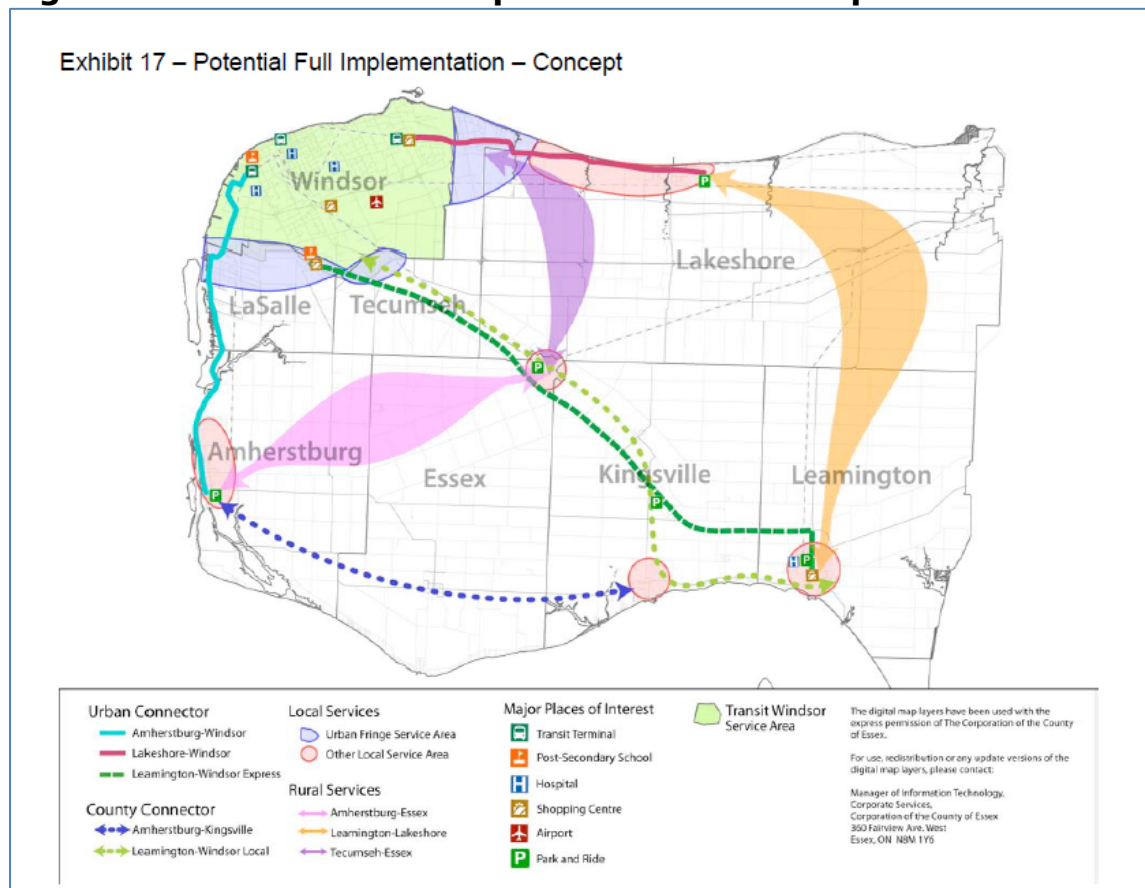
The 2011 Transit Assessment report further recommended staging the implementation of transit, with the short-term plan consisting of first establishing the Urban Connectors as illustrated in Figure 6 below. Figure 7 represents the full implementation concept. The full implementation concept was estimated to cost \$6.9 million annually in 2011 dollars (\$9.2 million in 2024 dollars).

Figure 6 - Short Term Concept Plan



It is a recognized challenge for County Council that the LTW regional transit system provides service to only 3 of the 7 Local Municipal Partners (LMP) at this time. However, rather than finding reasons not to fund the service, perhaps this can be considered a springboard into more regional transit services across the County, with other systems to be funded in the near future. Transit services are rarely launched to immediate mass ridership. Transit systems must be ingrained into the fabric of our communities and residents must come to view a transit service as a reliable alternative to automobile ownership and or use. This has been demonstrated by the steady increase in ridership on the LTW since inception, including an estimated 11% increase in ridership from the 2023 calendar year to the 2024 calendar year. The loss of this service would certainly erode public faith in the reliability of current and future local transit solutions and would be difficult to re-establish.

Figure 7 - Potential Full Implementation Concept



The LTW regional transit service improves the quality of life for some of the most disadvantaged people in our collective population, including residents currently experiencing transportation barriers, seniors, people with disabilities, youth attending post-secondary institutions, and persons living on low incomes. So many people have come to rely on the service, it would be a shame to wind it down at this time due to a lack of funding.

Additionally, Leamington is in the process of adding a transit stop in their local transit system within the Caldwell First Nation Reserve. As Leamington's local transit system connects to the LTW system, this will give Caldwell First Nation members living on reserve access to a regional transit system and to the City of Windsor, and will provide Caldwell First Nation youth living on reserve access to public transit in order to attend post-secondary institutions.

Beyond 2025, it is hoped that through the consultation with all local municipalities as discussed in this report, that regional transit services models could be developed across the County with a similar cost sharing

approach for the other communities. Furthermore, the Amherstburg and LaSalle transit services that connect their communities and the City of Windsor has the potential to be considered a regional service and fit into this proposed funding model.

Unlike the large capital and operating investments as suggested in the Genvar transit assessment report, it is reasonable to conclude that under the proposed model, the County of Essex could establish a system of Urban Connectors with similar service levels to the LTW, for all local municipalities in the County and connecting urban communities in the County with the City of Windsor, for less than \$500,000 annually (\$250,000 net cost per service * 3 urban connectors services * 50% County funding = \$375,000). More planning and analysis would be needed to determine service levels and reliable estimated annual costs, but the assumptions are reasonable for conceptualizing a plan at this time.

LTW Financial Proposal

The proposed cost sharing model for the partial 2025 operating year (Mar-Dec) includes the County of Essex funding 50% of the net operating deficit, and the remaining 50% of the deficit being borne by the local municipalities where the transit service is provided (Leamington, Kingsville and Essex).

The local municipalities will divide the remaining 50% net deficit of the service amongst themselves based on a proportion of community benefit as determined based on a percentage of ridership.

Specifically, for 2025, the proposed cost sharing model for the LTW is reflected in Figure 8 below.

Figure 8 - Proposed 2025 Funding Model

Proposed 2025 Funding Model		Apr 1 - Dec 31	Annual (For Information)	Notes:
Total estimated 2025 Net Deficit		171,370	228,493	
Funding Partner	Cost Sharing %			
County of Essex	50.00%	85,685	114,247	Pending Approval
Municipality of Leamington	32.50%	55,695	74,260	Council Approved
Town of Essex	8.75%	14,995	19,993	Council Approved
Town of Kingsville	8.75%	14,995	19,993	Council Approved
Total	100.00%	171,370	228,493	

The Town of Kingsville, the Town of Essex, and the Municipality of Leamington have included their share of the proposed funding model into their respective 2025 operating budgets. Actual cost obligations will be subject to actual costs incurred, but the County proportionate cost share will remain the same. As the service has been in operation for 5 and ½ years, estimated performance is reliable, but uncontrollable factors such as disproportionate fuel escalation or de-escalation costs, will impact final operating results. Leamington has committed to continue to oversee the operation of the service in 2025 and if approved by County Council, will invoice all contributing parties.