



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Allan Botham, P.Eng., Director, Infrastructure & Planning Services

Date: Wednesday, October 1, 2025

Subject: Transit Working Group Update

Report #: 2025-1001-IPS-R21-AB

Purpose

The purpose of this Administrative report is to update County Council on the activities and findings of the Transit Working Group, and further, to make recommendations on continued transit discussions, and interim support of the Leamington to Windsor Transit route.

Background

On February 5, 2025, County Council received and discussed [Report 2025-0205-IPS-R03-AB](#), Leamington to Windsor Transit Funding 2025.

As presented in February, it remains Administration's opinion that, "regional transit services significantly improve the quality of life for some of the most disadvantaged members of our population, including individuals facing transportation barriers, seniors, people with disabilities, youth attending post-secondary institutions, and those with low incomes. By enhancing accessibility for those without vehicles, it promotes social equity and offers critical support to seniors and individuals with disabilities."

County support of regional transit assists in achieving one of the goals set in the new Official Plan as well as aligning with the County of Essex Strategic Plan.

Following the discussion, County Council passed the following resolution:

That Essex County Council direct Administration to establish a Regional Transit Working Group to engage all local municipalities regarding their interest in establishing regional transit services in their communities; and

That Administration bring a follow up report to County Council summarizing the work of the Regional Transit Working Group later in 2025 and prior to the 2026 budget.

The Transit Working Group met on June 12, July 24 and September 18 of 2025.

Discussion

Given Council's direction to investigate local municipal interest in establishing regional transit service, County Administration organized and facilitated several meetings with a Transit Working Group. The Transit Working Group comprised representatives of each local municipal partner and the County's Director of Infrastructure & Planning Services. Discussions included the following high-level topics:

- Desire
- Challenges
- Governance Structures
- Risks
- Funding

Desire

Transit services are active across Essex County:

- The Town of Tecumseh continues to invest in local transit routes, new electric buses, and connections to Windsor.
- The Towns of Amherstburg and LaSalle plan to maintain transit service contracts with Windsor through their annual budget processes.
- The Town of Essex is progressing with a Rural Transit Feasibility Study.
- The Municipality of Leamington continues to operate its local "on-demand" transit service, and explore options to sustain the Leamington to Windsor (LTW) transit route.

Through discussions with the Regional Transit Working Group, it became clear that while there is interest in regional transit, support remains cautious, and the available data is not sufficient to define or sustain a long-term program. The group acknowledged that successful transit initiatives must balance evidence-based planning with the recognition that transit is often provided as a public good rather than a profit-making or even break-even service. While the new County of Essex Official Plan encourages the

development of transit, its implementation ultimately depends on political will and budget priorities.

Challenges

A number of challenges face a successful transit initiative.

- **Geography** - Windsor destinations are the primary driver of regional transit decisions/commitments. The City of Windsor and the US border are situated in the northwest corner of the County of Essex, and the most common destination for many. Therefore, there is little hope for an even distribution of trips across the County.
 - **Available Data** – Reliance on limited survey data.
 - **Uneven Levels of Planning** – Each municipality is at a different stage of considering regional transit. Some (Tecumseh, LaSalle, Amherstburg, Leamington) have a history of transit service and are actively gathering data, while others have less information.
 - **Limited Understanding of Current Need** – Without comprehensive surveys or studies, the true demand is unclear. For example, Lakeshore believes the Patillo Road area could be a key destination to/from Windsor.
 - **Difficulty Creating Cost-Effective Routes** – Aligning schedules to meet different start times is challenging. For example, if businesses in Windsor, Tecumseh, and Lakeshore start at 7:00 am, a Patillo Road drop-off at 6:45 am may require a bus to pass through Tecumseh 30 minutes earlier to allow for two stops. This could discourage riders who would arrive too early, or wait too long after shifts.
 - **Disproportionate Solutions** – Risk of creating a \$1,000,000 project to solve a \$100,000 challenge. A regional transit authority with resources is much bigger than a funding program for local initiatives.
 - **Transit Stop Location Selection** – Determining where stops should be located is complex. For example, Essex has two primary settlement areas, while Lakeshore has multiple secondary settlement areas.
 - **Acceptance of Certain Realities** –
 - Transit is not financially self-sufficient.
 - Transit does not serve every resident equally.
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Possible Governance Structures

Two basic governance structures emerged from the discussion. The first ("Model 1") is a model in which the Local Municipal Partner (LMP) manages the entire transit operation and receives a portion of the cost from the County. The County's contribution would be provided, annually, upon submission of an application from the LMP that meets a predetermined set of criteria/formulae.

The second model ("Model 2") would see the County take on responsibility for managing and operating a transit system, with funding provided through the general tax levy. The County, under direction from County Council, would decide where tax dollars would be spent.

A third model ("Model 3") should also be included, as a "do nothing" model. The County provides no financial or management support, and leaves transit services 100% at the local level.

Funding/Governance Model Risks

With three funding/governance models to consider, the group discussion provided potential risks for each model. It was noted that regardless of the governance structure, all models will ultimately be funded by the taxpayers of Essex County. (See Appendix I for detailed operational, financial and political risks of each Model)

Model 1: LMP-Managed Transit with County Cost-Sharing

"Model 1" offers that a regional transit system would grow naturally based on need and interest from each LMP. "Model 1" would result in little to no impact to staffing levels at the County.

"Model 1" offers flexibility by placing operational responsibility with the Local Municipal Partner (LMP), which can manage service levels and community expectations locally. The County's financial contribution would be based on a consistent set of criteria and formulae, helping to ensure a more equitable distribution of funding and reduce the risk of disproportionate contributions across municipalities.

Model 2: County-Managed Transit Funded by General Levy

"Model 2" requires a new team of staff able to manage contract services, route planning, complaints, budgeting, etc., as the current County Administration has limited to no transit experience.

“Model 2” would position transit as a core County service, with funding collected through the general tax levy. In this model, tax revenue would be collected based on weighted assessment and allocated according to priorities approved by County Council.

Model 3: Do Nothing

“Model 3”, noted as “do nothing”, describes a model where regional transit establishment and growth is left to the Local Municipal Partners in terms of funding and management.

Leamington to Windsor Transit Service

There was not enough time, resources or expertise to fully evaluate and recommend regional, interim or long-term funding options. Interim funding would address urgent, short-term deficits for routes that provide regional or intermunicipal service. As a result, the LTW transit route remains at risk of being discontinued at the end of 2025. The LTW transit route will be deficient by approximately \$130,000 in 2026.

Completing a Transit Feasibility Study to gather data, and recommend funding/governance models, requires the resources of a consultant with expertise in this area. A study could take a minimum of 18 months.

Financial Implications

At this stage, the specific costs of each model remain uncertain because data is limited and transit needs are still evolving across the municipalities. To date, County Council has only approved a one-time funding contribution of up to \$100,000 in 2025 to support the Leamington to Windsor transit service.

Looking ahead, it would be practical to set aside a budget provision in the 2026 County Budget for similar one-time or short-term requests from local municipalities. This would give Council flexibility to support local transit initiatives while the broader discussion around a regional governance and funding model continues. With respect to the LTW and given the expected time to complete a transit feasibility study, County Council could approve one-time support of \$130,000 in the 2026 Budget, funded from the Rate Stabilization Reserve, and consider a similar amount in 2027.

The potential financial impact under each governance model can be summarized as follows:

Model 1: LMP-Managed Transit with County Cost-Sharing

The County's contribution would be limited to cost-sharing agreements based on consistent criteria. This provides predictability and flexibility, with costs tied directly to the level of service local municipalities choose to provide.

Model 2: County-Managed Transit Funded by General Levy

This would create the largest financial exposure. The County would be responsible for both operating and capital costs, including staffing, contracting, and long-term asset replacement. While this model positions transit as a core County service, it also places the greatest pressure on the tax levy.

Model 3: Do Nothing

The County would not provide ongoing funding, and municipalities would be responsible for managing and funding their own services. Council could still consider ad hoc requests for support on a case-by-case basis, either from any regional transit budget that is established or through the Rate Stabilization Reserve. This approach limits County costs in the short term, but it means funding across the region would remain inconsistent.

In short, the eventual financial impacts will depend heavily on which governance model Council prefers. Establishing a clear framework will be important to ensure fairness, manage risks, and accurately identify long-term costs.

Consultations

- Melissa Ryan, Director of Financial Services/Treasurer.
 - Transit Working Group.
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Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<ul style="list-style-type: none"> <input type="checkbox"/> Scaling Sustainable Services through Innovation <input checked="" type="checkbox"/> Focusing “Team Essex County” for Results <input type="checkbox"/> Advocating for Essex County’s Fair Share 	<ul style="list-style-type: none"> <input type="checkbox"/> Being an Employer with Impact <input checked="" type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness 	<ul style="list-style-type: none"> <input type="checkbox"/> Providing Reliable Infrastructure for Partners <input type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input checked="" type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That Essex County Council receive report number 2025-1001-IPS-R21-AB, Transit Working Group Update as information;

And that County Council direct Administration to continue discussions with the Transit Working Group regarding recommendations of the Transportation Master Plan related to Regional Transit;

And that County Council approve \$100,000, funded by the Rate Stabilization Reserve in the 2026 Budget, to begin a Transit Feasibility Study;

And that County Council approve up to \$130,000 in the 2026 Budget toward funding the Leamington to Windsor Transit operating deficit from the Rate Stabilization Reserve.

Approvals

Respectfully Submitted,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
Appendix I	Funding Governance Model Risks