

Appendix I – Funding/Governance Model Risks

	Operational Risk	Financial Risk	Political Risk
Model 1-LMP-Managed Transit with County Cost-Sharing	<ul style="list-style-type: none"> • Service inconsistency – Different LMPs may have varying levels of expertise, resources, and priorities, leading to unequal service quality across the County. • Data quality/reliability – The County’s funding decisions rely on accurate ridership, cost, and performance reporting; poor data could lead to funding based on incomplete or inaccurate information. • Limited County control – The County has minimal influence over day-to-day decisions, potentially limiting alignment with broader regional transportation goals. • Duplication of effort – Each LMP may have separate procurement, maintenance, and scheduling systems, resulting in inequality. 	<ul style="list-style-type: none"> • Funding misuse – Without strong oversight, County funds may be spent on non-priority items or outside intended purposes. • Escalating costs – If operating costs rise (e.g., fuel, staffing, maintenance), the County’s share may increase beyond expectations without control. • Grant dependency – If senior government subsidies change, funding gaps may require additional County contributions or reduced service. 	<ul style="list-style-type: none"> • Uneven service perception – Residents may perceive inequity if one municipality offers significantly better service than another. • Blame attribution – Even without direct control, the County may still face public criticism for service failures. • Commitment – Successful regional transit service is best supported by a well integrated lower tier transit support and systems.
Model 2-County-Managed Transit Funded by General Levy	<ul style="list-style-type: none"> • Centralized inefficiencies – A single County-run system could become bureaucratic and slow to respond to local needs. • Capacity and expertise – The County may need to build internal transit management expertise from scratch, a new team of staff able to manage contract services, route planning, complaints, budgeting, etc. increasing start-up time and costs. • Local dissatisfaction – Service design may not meet the specific needs of individual municipalities, leading to tension with LMPs. • Infrastructure gaps – County responsibility could include maintenance and operation of stops, garages, and other facilities, adding to capital needs. 	<ul style="list-style-type: none"> • Full cost liability – The County assumes all operating and capital costs, meaning budget overruns directly impact the general levy. • Long-term funding commitments – Once in place, cutting transit service can be politically challenging, even if ridership is low. • Capital replacement risk – Buses and equipment will require significant reinvestment on predictable cycles, which the County must fully fund. 	<ul style="list-style-type: none"> • High public visibility – As sole operator, the County will be held accountable for any delays, breakdowns, or service changes. • Equity challenges – Residents in areas with lower ridership may object to paying for services they rarely or never use. • Service expectations – LMPs have varying degrees of service level expectation across the region, as do individual residents.

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Model 3-Do Nothing	<ul style="list-style-type: none"> • Fragmented service delivery leading to duplication of routes and service gaps at municipal boundaries. • Inconsistent service standards, fare structures, and technologies (e.g., real-time data, mobility hubs). • Reduced ability to attract and retain ridership due to lack of seamless regional connectivity. • Inefficient use of resources and staff across municipalities. 	<ul style="list-style-type: none"> • Loss of economies of scale in areas such as fleet procurement, fuel, and technology. • Missed opportunities for federal and provincial funding that increasingly prioritize regional collaboration. • Increased pressure on individual municipal tax bases to sustain local services. 	<ul style="list-style-type: none"> • Perceptions of inequity among municipalities regarding service levels and cost-sharing. • Risk of reputational damage of resident expectations for regional mobility. • Reduced ability to advocate effectively with senior levels of government for transit investment. • Potential erosion of support for broader regional initiatives if collaboration on transit is not achieved.