



COMMON COUNCIL REPORT

M&C No.	2025-014
Report Date	January 8, 2025
Meeting Date	January 13, 2025
Service Area	Public Works and Transportation Services

Her Worship Mayor Donna Noade Reardon and Members of Common Council

SUBJECT: Saint John Transit Commission – Request for an Adjustment to 2025 Capital Budget

AUTHORIZATION

Primary Author	Commissioner	Chief Administrative Officer
Kevin Loughery	Michael Hugenholtz	J. Brent McGovern

RECOMMENDATION

It is recommended that Common Council approve a revision to the 2025 General Fund Capital Budget and change the current requirement;

“Replace two 40ft Zero Emission Buses (Phase 2 of 2)”

with the following;

“Replace three 40ft Buses”

EXECUTIVE SUMMARY

The purpose of this report is to seek support from Council for a revision to the approved 2025 General Fund Capital budget to allow for the purchase of alternative fuel buses instead of the zero-emission buses originally specified.

PREVIOUS RESOLUTION

Not applicable.

REPORT

Over the last three years, Saint John Transit has been engaged in the “Transforming Transit” project and focused on improving the customer experience post COVID-19. This included investments in service hours optimization, accessibility, modern fare systems, CAD/AVL, and sustainability initiatives. The sustainability initiatives have

primarily focused on the electrification of a portion of the fleet via the purchase of six 20-foot electric Karsan eJest Buses in 2024 and one 20-foot electric Karsan eJest Bus in 2025 from the Demera Bus Company.

With ridership numbers returning and new systems being added, focus needs to be placed on Saint John Transit's aging rolling stock. Saint John Transit is exploring ways to replace its aging bus fleet, as numerous buses are nearing or past their expected useful life. The current fleet of forty 40-foot buses is comprised primarily from two manufacturers Orion Bus Industries and Nova Bus, with Orion Bus Industries representing 25 of the forty 40-foot buses and Nova Bus representing the remaining 15. Of the 25 Orion buses, 23 are 15 years or older with the two oldest buses being circa 2005 Orion VII models and the next three being circa 2006 Orion VII models.

The North American average for retiring 40-foot buses is about 15 years and Saint John Transit currently retires buses at around the 20-year mark. Saint John Transit has been able to get extra years out of the vehicles due to proactive preventative maintenance and mid-life refurbishment typically done around the 9 to 10-year mark.

Orion Bus Industries ceased operations in 2013 and Saint John Transit has been purchasing aftermarket replacement parts via New Flyer, another bus manufacturer who acquired Orion's aftermarket parts inventory. These replacement parts have continued to escalate in cost over time and have also become more difficult to source as inventories decrease. Saint John Transit's parts budget alone in 2024 (up until end of October) was approximately \$224,000 over budget due to increased maintenance and replacement. Staff anticipate that it will be increasingly difficult and costly to source parts for these buses, leading to more budget overruns and decreasing reliability of the service.

Staff have recently become aware of the availability of some potential diesel bus manufacturing slots, due to an increased allotment of engines to a bus manufacturer. These manufacturing slots would have a significantly earlier delivery date (2026, as opposed to late 2027 for electric) and would also cost significantly less (approximately \$900,000 each, as opposed to \$1.6M each for electric). This opportunity would also allow Saint John Transit to replace three buses in the budgeted allotment as opposed to two buses currently approved by Council in the 2025 Capital budget.

While this option is not zero emissions, these new buses would adhere to the new 2024 EPA standards and would cost less to maintain while producing significantly less emission than current 2005 and 2006 buses. These buses would also have better fuel efficiency (reduced fuel consumption) and lead to increased service reliability.

STRATEGIC ALIGNMENT

This report aligns with Council's Priority for Valued Service Delivery, specifically as it relates to investing in sustainable City services and municipal infrastructure.

SERVICE AND FINANCIAL OUTCOMES

The recommended adjustment to the General Fund Capital budget will only impact Saint John Transit's ability to purchase alternate fuel source rolling stock in 2025. This revision will otherwise have no impact on the General Fund Capital budget previously approved by the Finance Committee and Council.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Input into the report has been sought from the Finance and Administrative Services team. The Transit Commission is also supportive of this change.

ATTACHMENTS

None