

MEETING DATE: November 28, 2001

SUBJECT: 2002 Wheel-Trans Operating Budget

RECOMMENDATION

It is recommended that the Commission approve:

1/ The 2002 Wheel-Trans Operating Budget of \$46.3M provided for in this report and companion documents which includes \$45.1M for service and \$3.6M for bus fleet replacement, partially offset through revenues of \$2.4M; and

2/ The Wheel Trans-Service Plan which encompasses the following key factors:

- Registrant base increases to 27,200 (14.3%);
- trip demand increasing to 1,579,000 (5%);
- unaccommodated rate remains at 3.5%;
- trips provided by accessible vehicles maintained at the 85% level:

- bus fleet increases by one to 133

- Orion bus replacement completed with receipt of 23 ELF buses

- accessible taxis increase from 62 to 73

- overall vehicle productivity increases to 5.1 passengers per hour by:
 - introduction of a 30 minute window for all trip requests
 - expansion of Zone Bus areas from 7 to 10
 - expansion of Express Bus services from 1 to 4
 - introduction of ambulatory bus service
 - increased integration with conventional TTC accessible services
 - reduction in cancellation rate from 17% to 14%
 - promotion of Community Bus services;
- overall service quality improvement by:

- improving on-time delivery of service from 95% to 96%;

- implementing a bus tracking trial to increase 'same day' trips
- updates to the computer scheduling system (WTIS)
- introduction of a 'call back' feature to update customers on trip status

- undertake various service audits and contractor performance reviews to improve customer satisfaction;
- continue to accommodate original requested trip times within 30 minutes at 96%;
- improve Greater Toronto Area specialized transit service integration;
- workforce increases by four; and

3/ Consider this report in concert with the following:

- a. the 2002 TTC Operating Budget; and
- b. 2002-2006 TTC Capital Program which includes \$9.1M comprised of the purchase of 35 ELF buses (\$8.4M) as well as facility improvements and enhanced scheduling (\$0.7M); and

4/ Forward this report to the City of Toronto Council for approval and to the TTC's Advisory Committee on Accessible Transportation for information.

FUNDING

The Operating Budget for 2002 provides funding in the amount of \$46.3M is required to meet the anticipated demand for service (\$45.1M) as well as partially funding the procurement of 23 new ELF bus (\$3.6M) partially offset by revenues of \$2.4M.

2002 Operating Budget Summary

Major factors contributing to the 2002 funding request increase of \$3.5M include an increase in contracted taxi service (\$1.6M) primarily due to the higher trip demand (5% increase), the impact of staff unionization (\$0.8M), an increase in the Operating Budget contribution for the purchase of ELF buses (\$0.6M), and the impact of an increased cost associated with medical, pension, and sick benefits (\$0.6M) partially offset by a small reduction in staff support (\$0.1M).

The following table provides additional detailed information related to the 2002 Operating Budget.

| | 2001 Budget | 2002 Budget | Change |
|--|------------------------|------------------------|---------------|
| | | | |

| | | | |
|---------------------------------|----------|----------|---------|
| Demand (000s) | 1,503.8 | 1,579.0 | 75.2 |
| Ridership (000s) | | | |
| Registrants | 1,473.8 | 1,523.7 | 49.9 |
| Non-Registrants (Community Bus) | 88.0 | 90.0 | 2.0 |
| TOTAL | 1,561.8 | 1,613.7 | 51.9 |
| Unaccommodated Rate | 2% | 3.5% | 1.5% |
| Financial Data (\$000s) | | | |
| Revenues | 2,169.0 | 2,412.7 | 243.7 |
| Expenses | 41,946.9 | 45,103.7 | 3,156.8 |
| NET | 39,777.9 | 42,691.0 | 2,913.1 |
| Orion II Fleet Replacement | 3,000.0 | 3,600.0 | 600.0 |
| Subsidy Required | 42,777.9 | 46,291.0 | 3,513.1 |

Impact of Alternative Funding

By way of background, fare and registrant revenues represent 5% of the overall Operating Budget expenditures. As such, a fare increase would have limited impact on Wheel-Trans' ability to provide service.

In order to achieve a 3.5% unaccommodated rate, undertake improved productivity and service quality initiatives, expand bus service programs and partially fund the bus replacement program, Wheel-Trans Operations requires \$46.3M in 2002.

Funding below the requested level would primarily impact the level of service provided. For instance, a return to the 2001 funding level of \$42.8M would result in an unaccommodated rate exceeding 14% (over 210,000 lost trips). Customers would experience even higher unaccommodated rates if the service level decision is finalized later than January 2002.

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BACKGROUND

2001 Year in Review

Trip demand increased at a faster rate than anticipated due to the continued strong growth in the registrant base, continued improvement in service quality, the impact of the medical restructuring resulting in an increase in outpatient activities, growth in dialysis trips, and a reinvestment in social programming. In order to accommodate as many trips as possible within available funding, various planned programs were postponed and certain service quality improvements deferred to 2002. Even with the reallocation of resources to the provision of service 'on the street', the unaccommodated rate increased above the 2% targeted level.

Year 2001 highlights included:

- a growth in registrants of 13.7%;
- a growth in demand of 4%;
- unaccommodated rate of 3.5%;
- ELF buses available for service increased from 74 to 104;
- introduction of Scarborough Express and Zone bus services;
- introduction of automatic trip booking; and
- unionization of Customer Service/Reservations and Dispatch sections.

DISCUSSION

2002 Operating Budget and Service Plan

Performance Overview

The 2002 Operating Budget and Service Plan builds upon the accomplishments achieved since the introduction of the Wheel-Trans Information System (WTIS – the computerized trip booking and scheduling system) in 1994 and illustrates the impact of the major initiatives outlined in the Five Year Accessible Transit Service Plan directed at accommodating trip demand, improving service quality, and redesigning service delivery in order to improve productivity and efficiency (see table below). The fundamental approach and initiatives outlined in the Plan remain the foundation upon which the Operating Budget is developed.

WHEEL-TRANS PERFORMANCE OVERVIEW

1994-2002

| | 1994 | 2002 | CHANGE | % |
|----------------------|---------|----------------|-------------|------|
| Workforce | 471 | 390 | (81) | (17) |
| Direct Cost/Bus Trip | \$31.15 | \$28.70 | (\$2.45) | (8) |
| Productivity (pph) | 4.75 | 5.31 | .56 | 12 |
| Unaccommodated Rate | 8.0% | 3.5% | Improvement | 56% |
| Cancellation Rate | 27.0% | 14% | Improvement | 48% |

Key Assumptions

Key assumptions used in developing the 2002 Operating Budget and Service Plan include continuation of the eligibility criteria, application process and registration fee, as well as no provision for anticipated wage and salary settlements, no change to the current sedan taxi tariff rate, key origins and destinations remain relatively constant and no budget allocation for the World Youth Days scheduled for July 2002.

Demand Forecast

For 2002, it is anticipated that the trip demand will be 5% above the 2001 budget level based on a continued strong growth in the registrant base, the continued improvement in service quality provided by contracted services, the ongoing impact of the health care restructuring and the resultant increase in demand for outpatient trips, increasing dialysis trips and the continued reinvestment by agencies into social programming.

Actual demand by trip purpose indicates medical trips represented the largest share of trip requests (52%) followed by social (20.9%), shopping (19.9%) and work/school (7.2%). As such, Wheel-Trans trips are primarily non-discretionary (70%) based on the fact that a portion of the shopping trips are for essential commodities such as food, medicine, etc.

Registrant Base

It should be noted that the current Wheel-Trans eligibility criteria will continue to identify those individuals who require accessible transit services the most, based on a person's level of physical functional mobility. Although the Wheel-Trans eligibility criteria and application process were unsuccessfully challenged under the Canadian Charter of Rights and Freedoms, challenges continue under the Human Rights Code on such items as the payment of a one-time registration fee and the need for an in-person interview as part of the application process. Should this challenge to the registration fee

be upheld it could result in a registrant revenue return of approximately \$700,000 based on total registrations since the inception of the \$25.00 fee in 1996. Any revenue return of registrant fees would negatively impact the 2002 Operating Budget and therefore the ability of Wheel-Trans to meet the demand for service.

Over the past few years the composition of the registrant base has remained relatively stable at a ratio of 60% non-ambulatory (wheelchair and scooter) and 40% ambulatory (use of other mobility device). However, more recently, ambulatory registrants have grown at a slightly faster rate reflecting the use and availability of alternative mobility devices which provide the registrant with alternative ways to obtain physical assistance.

Registrant growth continues to be experienced in all categories with seniors increasing at a slightly greater rate created by the increasing life span of registrants. The largest segment is seniors over 65 years of age (70%) with individuals between 75-84 years of age remaining the largest segment of the seniors group.

Improved availability of in-person interview locations throughout the City will continue to attract more registrants. For 2002, it is anticipated that 5,300 customers will apply for service of which 4,500 will be accepted based on the current 85% acceptance rate. With the impact of attrition, the year-end registrant base will increase to 27,200 (an increase of 12.9% over 2001). This registrant base increase will not directly translate into a similar trip demand due to the increased aging of the registrant base resulting in a reduced trip rate, and some customers obtaining service as a 'just in case' alternative in the event their primary transportation provider(s) are not available.

Service Plan

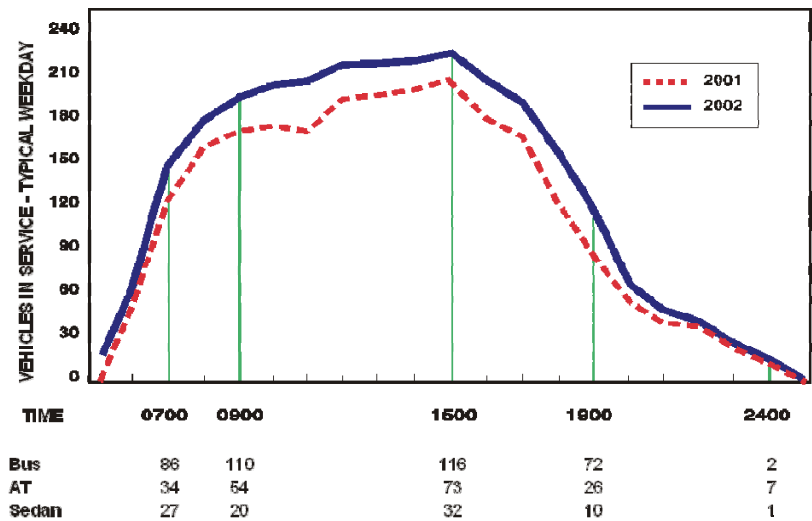
Based on the current eligibility criteria, the vast majority of Wheel-Trans customers require accessible vehicles if they are to receive the appropriate quality of service. To ensure a proper balance between trip availability and service quality within available funding, the level of accessible service will be held at the current rate of 85%, namely ELF buses (54%) and Accessible Taxis (31%). A number of initiatives planned for 2002 are directed at addressing further service quality improvements with the Plan reflecting the strategic deployment of higher capacity ELF buses, small capacity accessible taxis and sedan taxis. The bus fleet is predominately used to service peak period demand between 7:00 a.m. and 7:00 p.m. Scheduled bus service will continue to be based upon a minimum productivity standard of 2.0 passengers per hour (pph) with 116 buses required to meet anticipated peak hour demand.

Bus capacity allows for the accommodation of non-ambulatory peak demand opening up opportunities for ride sharing, the preparation of schedules to common, high volume destinations, as well as provides for back-filling same day ambulatory trip requests.

While also serving the peak period, Wheel-Trans contracted service vehicles (accessible and sedan taxis), become the primary service provider during the off-peak periods. Accessible taxis available for service will increase from 62 to 73 by the Fall to accommodate increased demand during the latter part of the year with an appropriate reduction in sedan taxi service.

In summary, bus service will remain relatively constant throughout the year with additional demand in the latter half of the year being accommodated through the increased availability of accessible taxi service. Through reallocating the bus inspection/repair to the off-shift in the Fall, additional buses will be available during the daily peak demand period (as illustrated below).

2002 FALL SERVICE PROFILE



Service Initiatives

Incorporated into the 2002 Service Plan are initiatives directed at improving overall service productivity, while providing service quality enhancements through the improved 'on-time' delivery of service, scheduling updates and customer access to information.

To improve overall productivity from 4.87 to 5.1 passengers/hour, the following major initiatives will be undertaken:

- the expansion of Express Bus Service from one to four with each having a central depot for transferring customers destined for the downtown core. Express bus service improves vehicle productivity by reducing the number of independent

vehicle trips to the downtown core by accommodating these trips on a limited number of high capacity buses;

- Zone Bus service will expand from 7 to 10 locations and existing zones reviewed as to the potential for expansion to cover wider geographical areas. Wherever possible Zone service will link with accessible rapid transit stations and accessible conventional service routes to support further service integration;
- further integration with the accessible conventional rapid transit system will be undertaken by conducting familiarization training and where appropriate, based on mobility requirements, customers will be transferred to a nearby accessible subway station and, if required, picked up at the end of their subway ride in order to complete their trip. Nine new accessible subway stations are planned for opening, bringing the total accessible stations to 19;
- ambulatory bus service will be introduced to address the need to accommodate large concentrations of ambulatory riders originating from a common destination such as various workshops, hospitals, and institutions, thereby decreasing the number of vehicles required to efficiently meet trip demand;
- service reviews as well as on-going communication programs will be undertaken on the four existing Community Bus routes;
- efforts will continue to be directed at expanding transfer locations across the city's northern boundary and at improving cross-boundary service integration in major travel corridors, i.e. North Bathurst;
- introduction of a more restrictive cancellation policy directed at cancellations in peak periods and undertake a comprehensive educational campaign advising customers of the impact cancellations have on service (219,000 lost trips in 2001) as well as explaining the necessity of maintaining a 75% minimum trip utilization rate for the premium 'Pre-book' service; and
- undertake system scheduling improvements and updates to improve placement of 'same-day' trip requests, expansion of common location pre-set arrival and departure times and increase the number of escorts in off-peak periods;

The attached 'Appendix A' illustrates the various service initiatives planned for 2002.

To improve service quality, the following initiatives will be undertaken:

- improve on-time service delivery to 96%;

- implement a 25 bus tracking trial which will allow improved scheduling and adjustments on the day of service and permit staff to determine the value of expanding this technology for the entire bus fleet;
- increase the ELF bus fleet from 104 to 127 thereby completing the Orion Bus Replacement program and improving service reliability through a reduction in service disruptions;
- continue to accommodate original customer requested trip times within 30 minutes at 96% through improved scheduling activities targeted at better matching service and trip profiles;
- provide an automated customer 'call-back' feature to provide updated trip status information for trips late by more than twenty (20) minutes;
- increase service monitoring through performance audits, contracted service reviews, 'secret shopper' assessments and the continued application of contracted service penalties and premiums;
- undertake scheduling system improvements to address the impact of traffic congestion particularly in the p.m. peak period; and
- improve customer access to information through an expanded 'outreach' program by conducting up to 50 information sessions involving various agencies, hospitals and institutions, the issuing of a quarterly Wheel-Trans newsletter, provision of information on the TTC Web page, expanding the availability of display materials, etc.

Revenues

Based on demand and registrant growth projections and the full year impact of the fare increase, it is anticipated that revenue will increase by \$243.7K. It should also be noted that the \$25.00 registration fee revenue of \$105.1K helps to offset the cost of the application process thereby minimizing the impact on service available to meet trip demand. Although no revenue allocation is provided for in 2002, Wheel-Trans staff will also be exploring alternative revenue sources such as vehicle/property advertising to assist in offsetting expenditures.

Capital Program

The Capital Budget for 2002 has been prepared in conjunction with the operating requirements to ensure continued improvements to strengthen service delivery, improve bus productivity and reliability, and ensure customer access to information. The Capital budget request of \$6.0M is required to complete replacement of the Orion bus fleet with

the purchase of 23 ELF buses (\$5.5M) as well as provide for facility improvements (\$0.5M).

In order to improve efficiency and service continuity, the Capital Budget also includes \$0.6M to be used for facility improvements and initiatives such as the Wheel-Trans bus tracking trial to improve 'on-time' service delivery, updating the Wheel-Trans Information System (WTIS) to enhance scheduling performance and automated telephone system upgrades to increase customer convenience and provide more timely information.

SUMMARY

The 2002 Wheel-Trans Operating Budget and Service Plan has been developed to address an increasing demand for service and ensure a balance between trip availability and service quality. Coupled with Capital requests, Wheel-Trans staff will continue to implement service quality and productivity improvements in order to maximize the trips accommodated within the funds available. The Operating Budget and Service Plan also continue the major initiatives outlined in the Five Year Accessible Transit Service Plan to improve Wheel-Trans service, reduce operating costs and redesign service directed at improving overall productivity and service quality.

November 16, 2001

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Attachments: Appendix 'A'