

**MEETING DATE:** November 17, 2004

**SUBJECT:** 2005 Wheel-Trans Operating Budget

## **RECOMMENDATION**

It is recommended that the Commission approve:

1/ The 2005 Wheel-Trans Operating Budget of \$53.1 million provided for in this report and companion documents which include \$55.9 million for service partially offset by revenues of \$2.8 million, resulting in a subsidy increase of \$2.5 million over the approved 2004 Budget; and

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

- Eligibility Criteria and Application Process remain unchanged;
- Registrant base increases from 34,800 to 38,600;
- Trip demand increasing by 5.5% to 1,837,300;
- Unaccommodated rate remains at 2%;
- Trips provided by accessible vehicles at 88%;
- On-time delivery of service maintained at 96%;
- Workforce will increase by one (1) operating and one (1) capital position over 2004.

3/ Consider this report in concert with the following:

- (a) the 2005 TTC Operating Budget; and
- (b) the 2005-2009 TTC Capital Program and 10-Year Forecast which includes \$2.4 million in 2005; \$0.2 million for a remote belt securement retrofit on buses, \$1.6 million for facility improvements and \$0.6 million for scheduling enhancements; and

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

## **FUNDING**

The Wheel-Trans Operating Budget for 2005 requires funding in the amount of \$53.1 million which is needed to meet the anticipated demand for service (\$55.9 million), partially offset by revenues of \$2.8 million.

At the requested level of funding, Wheel-Trans will achieve the targeted 2% unaccommodated rate, a 50% modal split between bus and contracted taxis, as well as undertake various productivity and service quality initiatives.

By way of background, a fare increase would have limited impact on Wheel-Trans' ability to provide additional service since fare revenues only represent approximately 5% of the overall operating budget expenditures.

## **2005 OPERATING BUDGET SUMMARY**

The Operating Budget for 2005 requires funding in the amount of \$53.1M which is needed to meet the anticipated demand for service of \$55.9M, partially offset by revenues of \$2.8M. Factors contributing to the 2005 funding request increase of \$2.5M include a provision for additional service of \$1.8M primarily due to the anticipated higher trip demand; impact of changes to the workforce budget of \$0.6M; impact of material price increase of \$0.4M; impact of reduced level of ELF bus warranty support of \$0.8M; impact of WTIS scheduling changes to improve bus productivity of \$0.2M; offset by the increased revenue of \$(0.1M); the full year impact of the additional GST rebate \$(0.8M) announced by the Federal Government in February 2004 and other net changes of \$(0.4M).

The following table provides a comparison of the 2004 and 2005 Operating Budgets:

	<b>2004 BUDGET</b>	<b>2005 BUDGET</b>	<b>CHANGE</b>
<b>Demand (000s)</b>	1,741.5	1,837.3	95.8
<b>Ridership (000s)</b>			
Registrants (Door-to-Door)	1,702.4	1,796.1	93.7
Non-Registrants (Community Bus)	99.8	102.5	2.7
<b>TOTAL:</b>	1,802.2	1,898.6	96.4
Unaccommodated Rate	2.0%	2.0%	--
<b>Financial Data (\$000s)</b>			
Operating Expense	53,201.7	55,870.9	\$ 2,669.2
Operating Revenue	\$(2,683.2)	\$(2,810.4)	\$ (127.2)
<b>Subsidy Required</b>	<b>50,518.5</b>	<b>\$53,060.5</b>	<b>\$2,542.0</b>

## **BACKGROUND**

### **2004 - YEAR IN REVIEW**

Wheel-Trans experienced slightly higher than targeted trip demand due in large part to a greater than anticipated increase in the number of customers applying for Wheel-Trans service. Requests for service continued to be above budgeted levels, and staff have determined that demand will remain above budgeted levels for the balance of the year at 1,750,500 trips, a 0.5% increase to budget. A combination of lower productivity and unanticipated expenses such as the arbitrated operator meal breaks, a lower level of ELF bus warranty support, additional overtime costs to provide the appropriate level of support in the Reservations/Dispatch areas, improvements made to WTIS system and higher facility maintenance expenses, necessitated reviewing expenses for the balance of the year. A balanced budget is projected by year-end achieved in part through savings from workforce reductions and gapping, reduced legal service and the additional GST rebate. Through balancing the Operating Budget and allocating additional trips to sedan taxis, Wheel-Trans were able to accommodate some of the additional demand and keep the unaccommodated rate between 2%-3%.

Given the need to continually increase vehicle productivity in keeping with increasing demand for service within available funding, three additional zone bus services were added in early 2004. In late Fall of this year, ambulatory bus service will be introduced to improve the capacity utilization of the ELF bus fleet. In order to address the requirement for increased vehicle productivity, improved scheduling processes and filling additional service gaps resulting from customer trip cancellations were introduced. However, traffic congestion and longer trips continues to offset the improvements gained. A more flexible scheduling window supported by the introduction of technology such as Automatic Vehicle Location (AVL) and either replacement or enhancements to WTIS, are essential for sustained vehicle productivity improvements. The introduction of the AVL tracking system planned for late Fall, was delayed due to higher than anticipated procurement costs and will be reconsidered as part of the WTIS replacement study.

Wheel-Trans provided door-to-door service with 140 large capacity buses as well as 79 accessible and 32 sedan taxis. The proportion of trips provided on accessible vehicles was below targeted levels (84% vs. 88%) with lower cost sedan taxi service proportionately increasing, as staff attempted to maximize service within funding limitations. While staff are committed to providing an efficient, high quality service, based on observations, audits and customer comments, further service improvements are required from both accessible and sedan taxi service.

Fixed route Community Bus service continued on the four existing routes, namely, Lawrence Manor, Parkdale, South Don Mills and East York. Community Buses are forecasted to carry a total of 101,800 passengers (4,300 Wheel-Trans registrants) in 2004.

In September, 2004 a trial service was introduced between Variety Village and Victoria Park Station allowing persons with mobility restrictions which do not qualify for Wheel-Trans service, to utilize any extra ELF bus capacity serving the facility. A review of this service initiative is scheduled early in 2005 to determine the merits of expanding this service to other agencies.

Year 2004 highlights included:

- Demand above target by 0.5%;
- Growth in registrants exceeded the target by 1.5%;
- Unaccommodated rate within forecasted level of 2%-3%;
- Overall vehicle productivity of 4.98 pph (below target of 5.07 pph);
- Lower service quality resulting from a higher level of sedan taxi trips;
- Trips provided on accessible vehicles below target at 84%;
- On-time system performance, 96% achieved;
- Three new zone services added as planned
- Accessible taxis available for service increased from 73 to 79 as planned;
- ELF buses available for peak service at 123, achieved;
- Community Bus service carried 101,800 passengers, 2% over budget.

## **DISCUSSION**

### **2005 OPERATING BUDGET AND SERVICE PLAN**

#### **PERFORMANCE OVERVIEW**

The 2005 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 2005 Operating Budget and Service Plan were developed.

#### **WHEEL-TRANS PERFORMANCE**

**1994-2005**

	<b>1994</b>	<b>2005</b>	<b>CHANGE</b>	<b>%</b>
Workforce	471	<b>386</b>	(85)	(18)
Subsidy Per Trip	\$33.14	<b>\$27.95</b>	\$(5.19)	(16.0)
Productivity (pph)	4.06	<b>5.06</b>	1.00	25
Unaccommodated Rate	8.0%	<b>2.0%</b>	75% Improvement	

Cancellation Rate	27%	<b>14%</b>	48% Improvement
Accessible Service	57%	<b>88%</b>	54% Improvement

### MEETING THE CHALLENGES

The key issues faced in developing the Operating Budget and Service Plan relate to keeping pace with a growing demand for service while maintaining the balance between trip availability and service quality. Peak demand is accommodated through the deployment of high capacity buses for longer hours and by expanding the use of more small capacity accessible and sedan taxis, resulting in a 50% modal split between bus and contracted taxi services.

Over the next two to three years, Wheel-Trans bus service will be constrained to a fleet size of 145 buses, with the start of vehicle replacement program scheduled for 2007 based upon a 7-year design life. A complete service review in 2005 will focus on optimizing the mix and type of revenue vehicles to ensure vehicle capacity and design meets the anticipated demand profile and operating environment.

The need to replace or enhance the WTIS scheduling system will also be investigated along with technology improvements such as AVL. Without the aid of technological improvements, productivity initiatives such as a flexible scheduling window cannot be introduced without adversely impacting customers.

### KEY ASSUMPTIONS

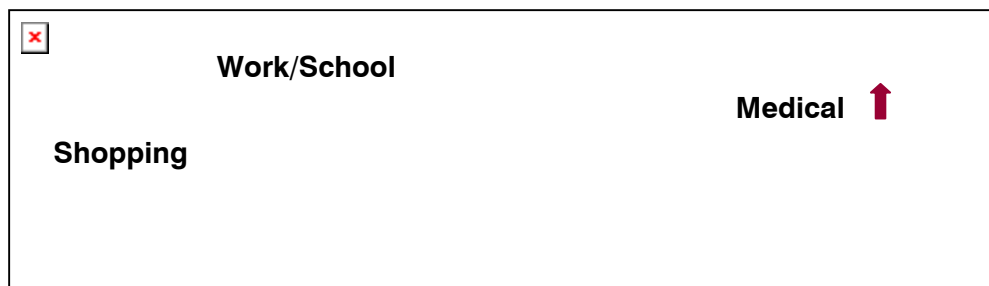
The 2005 Operating Budget and Service Plan assumes continuation of the eligibility criteria and application process, a 2% unaccommodated rate, key trip origins and destinations remaining relatively constant, a 50% modal split between dedicated and contracted service, and the same level of Community Bus service. In addition, it is assumed the current sedan taxi tariff meter rate will remain unchanged, and no provision has been made in the budget for any changes from 2005 labour negotiations that will impact costs. As noted earlier, if a fare increase was implemented, its impact on Wheel-Trans would be negligible.

### DEMAND FORECAST

It is anticipated that the trip demand for service will continue increasing at a significant rate with year-end demand of 1,837,300 trips, approximately 95,800 trips over the 2004 budgeted level. This strong demand growth is reflective of a continuing growth in the registrant base, the continued improvement in overall service quality, the ongoing impact of health restructuring and its resultant increase in demand for outpatient trips.

Actual demand by trip purpose is shown below, and highlights that up to 75% of Wheel-Trans trips are non-discretionary based upon the fact that a large portion of the shopping trips are for essential commodities such as food, medicine, banking, etc.

### FEW DISCRETIONARY TRIPS

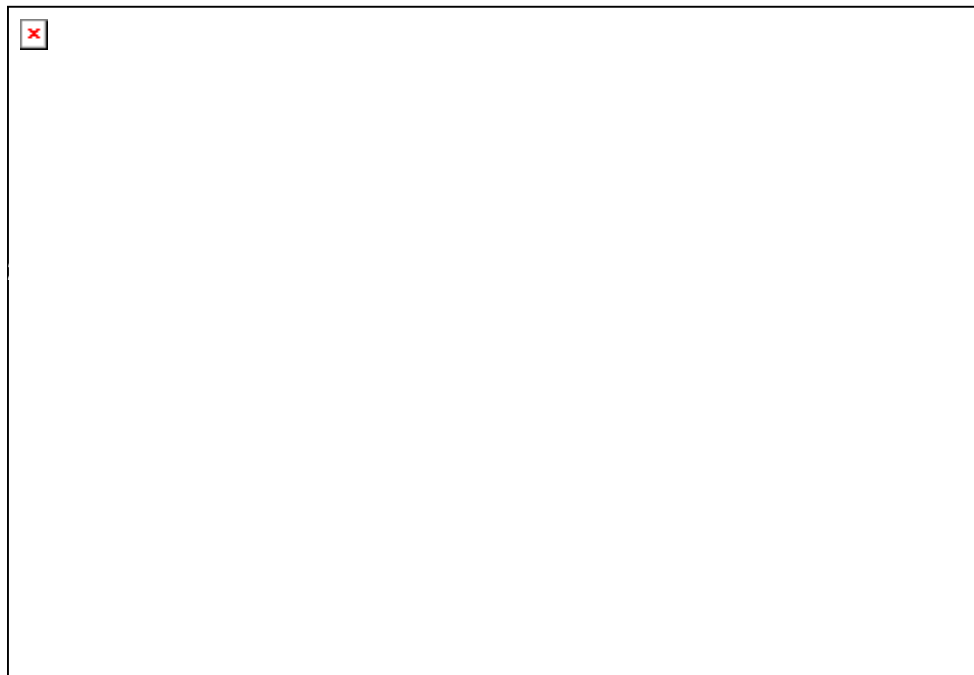


**REGISTRANT BASE**

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. Improved availability of in-person interview locations throughout the City has provided for greater convenience when applying for Wheel-Trans service. The composition of the Wheel-Trans registrant base will remain relatively constant with non-ambulatory registrants (wheelchair/scooter users) at 53% and ambulatory registrants at 47%. The Questionable Rider Program will continue to identify customers who may no longer require accessible door-to-door service due to their improved mobility. It is estimated that the year-end registrant base will increase to 38,600.

Registrant growth continues in all age categories with seniors increasing at a slightly greater rate due predominately to the population’s longer life span. The largest registrant segment is seniors over 65 years of age (76%) (as shown below); with individuals between 75-84 years of age remaining the largest segment of the seniors group.

**REGISTRANT PROFILE BY AGE**





### **SERVICE PLAN**

The 2005 Service Plan is directed at keeping pace with increasing demand by redirecting the higher capacity buses to peak demand periods and increasing accessible taxi service, as well as improving the quality of the overall service.

Buses are more capable of accommodating the peak demand to and from high volume destinations, as well as providing the opportunity for granting same day trip requests. Although Wheel-Trans buses have five securement positions and eight seats available compared to two securement positions and three seats on accessible taxis, constraints related to the increased size of mobility devices, serve to reduce the practical capacity of both vehicle types. This reduction in capacity is more pronounced on accessible taxi service.

Based on the current eligibility criteria and registrant profile, 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 trips provided on accessible vehicles will be increased from the current rate of 84% to 88%; namely buses (50%) and accessible taxis (38%).

The Wheel-Trans bus fleet available for door-to-door service will remain at 140 plus five Orion buses providing Community Bus service.

The service profile (as illustrated below) reflects the allocation of additional service to peak demand periods while maintaining current levels of vehicle productivity. Planned scheduling enhancements and improved service monitoring will also support maximizing the trips provided within available funding.

### **2005 FALL SERVICE PROFILE**





The following 2005 Service Plan Overview provides trips accommodated by mode as compared to this year's budget level. The unaccommodated rate remains at 2%.

**2005 SERVICE PLAN OVERVIEW**

	<b>2004 BUDGET</b>	<b>2005 BUDGET</b>
<b>Customer Demand</b>	<b>1,741,500</b>	<b>1,837,300</b>
<b>Passengers Carried:</b>	<b>1,702,400</b>	<b>1,796,100</b>
- <b>Bus</b>	893,800	898,000
- <b>Accessible Taxis</b>	601,000	674,800
- <b>Sedan Taxis</b>	207,600	223,300

In an effort to balance trip availability and service quality within available funding, the 2005 Operating Budget provides for both service innovations and expansion of existing service, as well as scheduling enhancements to address the constant productivity and service quality challenges.

**SERVICE AND SERVICE QUALITY INITIATIVES**

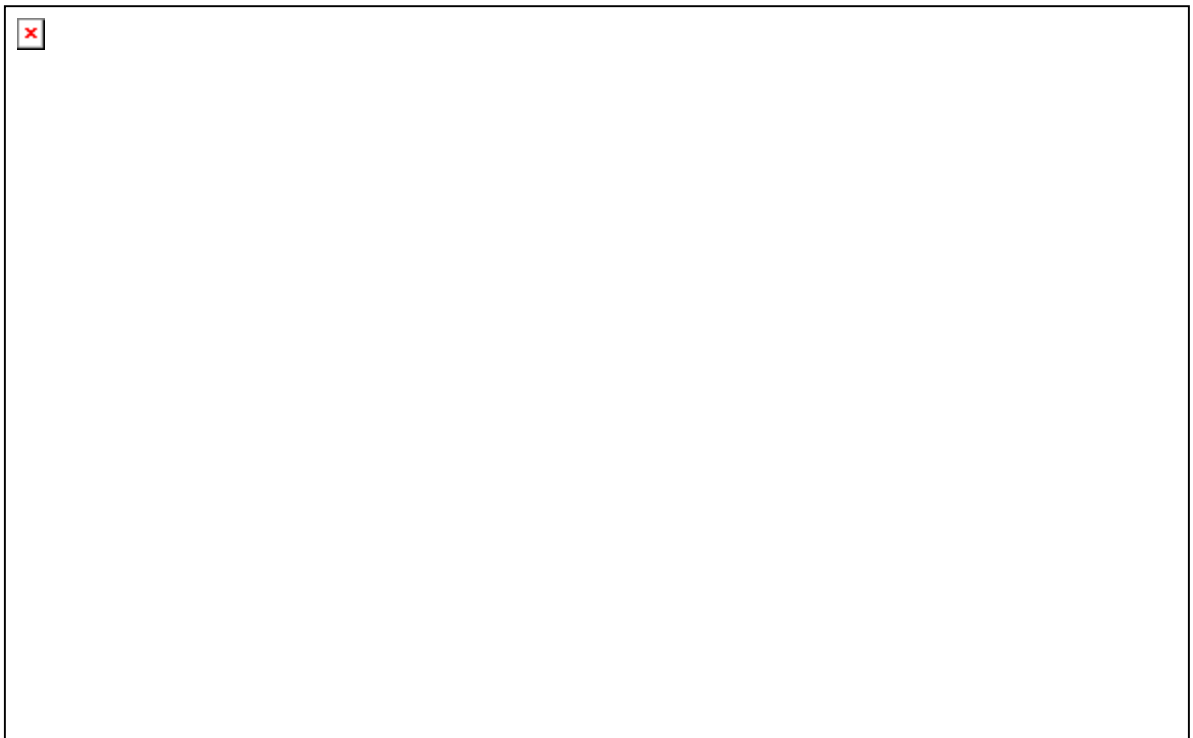
In addition to the full year impact of initiatives directed at improving overall service productivity

and service quality, this Service Plan provides for expansion of services and a number of scheduling optimization enhancements maintain existing levels of vehicle productivity and on-time delivery of service, as well as enhancing customer access to information. This will be achieved through the following initiatives:

- expansion of existing zone service areas and for longer service periods;
- zone service will be supplemented through the use of accessible taxis;
- expansion of Express Service from 4 to 6 buses with each having a central depot for transferring customers;
- ambulatory bus service will be expanded primarily in the downtown core to accommodate large concentrations of ambulatory riders;
- increase accessible service from the current level of 84% to 88% (accessible taxis increase from 79 to 89);
- continue to accommodate 96% of requested trip times within 30 minutes;
- familiarization training of registrants with the accessible conventional transit system to further service integration;
- undertake scheduling system improvements to address impact of traffic congestion;
- complete a study to determine the need to replace or enhance WTIS system and investigate improvements required to support schedule adherence, and more timely schedule adjustments;
- introduce the use of electronic trip booking via the internet to improve vehicle productivity access to customers in booking more complex trips;
- increase customer utilization of the automated telephone system RideLine including new 'call-out' and 'express trip booking' feature to improve telephone response time;
- improve customer access to information through an expanded 'outreach' program;
- improve service quality, through more frequent performance audits and continued application of contracted service penalties and premiums;
- continue to promote integrated trip planning with the TTC accessible transit network through customer travel training (and one stop trip booking); and
- continue expansion of transfer locations across the City's boundaries.

The following map illustrates current as well as planned service initiatives for 2005.

### **2005 SERVICE INITIATIVES**



## **WORKFORCE**

The table below provides a year-end comparison of the budgeted workforce levels by department and support function.

<b>Department/Branch</b>	<b>2004 BUDGET</b>	<b>2005 BUDGET</b>	<b>CHANGE</b>
Wheel-Trans	385	386	1
Corporate Support	11	12	1
Total	396	398	2

The Wheel-Trans workforce will increase by the addition of a Temporary Project Support position, charged to the IT Capital Budget. This position will provide the business and technical expertise for the WTIS replacement study. To ensure Wheel-Trans has the appropriate level of IT support, the creation of a new Superintendent, Applications Portfolio was created to oversee all the resources dedicated to both operating improvements and information technology projects. Technology improvements will be undertaken to expand features of the Interactive Voice Response (IVR) system, as well as enhancing service quality through trip scheduling system improvements and other initiatives undertaken to improve customer access to information. A study will be conducted to determine the life cycle replacement of the WTIS system to ensure it supports the long-term business requirements.

## **OPERATING SUBSIDY**

### **2005 FUNDING REQUIREMENT**

The operating subsidy requirement of \$53.1 million represents an increase of \$2.5 million over the 2004 budget level. It includes a provision of approximately \$55.9 million for service, partially offset by revenues of \$2.8 million. This operating subsidy is required to achieve a 2.0% unaccommodated rate.

Major factors contributing to the 2005 funding request increase of \$2.5 million over 2004, include a provision for additional service primarily due to the anticipated higher trip demand \$1.8 million; impact of changes to the workforce budget of \$0.6 million; additional costs associated with material price increase of \$0.4 million; impact of reduced level of ELF bus warranty support of \$0.8 million; the impact of WTIS scheduling changes to improve bus productivity of \$0.2 million; offset by the

increased revenue of \$(0.1) million, other net changes of \$(0.4) million and the full year impact of the additional GST rebate \$(0.8) million.

## **REVENUES**

Based on anticipated trip demand projections, Wheel-Trans will provide an additional 96,400 trips over 2004 with a resultant increase in revenue of \$0.1 million in 2005.

## **CAPITAL PROGRAM**

The Capital Budget for 2005 supports continued improvements to service delivery, bus productivity, customer access to information and the Lakeshore facility. The Capital Budget request of \$2.4 million is required for facility improvements of \$1.6 million such as the replacement and upgrade of existing overloaded electrical service, reconstruction of deteriorated concrete service pits, upgrades of the public address and intercom system, installation of CCTV cameras/equipment and improvement and expansion of existing office facilities. The Capital Budget also provides for a remote belt retrofit of ELF buses of \$0.2 million, improved access to information such as provided for with internet trip booking, and a study to either replace or enhance Wheel-Trans Information System, of \$0.6 million.

## **SUMMARY**

The 2005 Wheel-Trans Operating Budget and Service Plan as well as Capital Program requests have been developed to address an increasing demand for service and to ensure a balance between trip availability and service quality. 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 Plan to improve Wheel-Trans service, reduce operating costs, and redesign service directed at improving overall productivity and service quality.

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November 17, 2004  
18-29-29