

MEETING DATE: November 28, 2005

SUBJECT: 2006 Wheel-Trans Operating Budget

RECOMMENDATION

It is recommended that the Commission approve:

1) approve the 2006 Wheel-Trans Operating Budget (summarized in Appendix A) as described in this report and the following accompanying reports:

- 2006 Wheel-Trans Operating Budget Overview
- 2006 Wheel-Trans Detailed Operating Budget (Blue Book)
- 2006 TTC Departmental Goals & Objectives
- 2006 TTC Organization Charts

2) Consider this report in concert with:

- (a) the 2006 TTC Operating Budget
- (b) the 2006-2010 Capital Program and 10-Year Capital Forecast

3) note that based on estimated City of Toronto operating subsidy levels, the TTC 2006 Wheel-Trans Operating Budget includes a base budget shortfall of \$5.9 million as summarized below:

Expenditures	\$ 63.7 Million
Revenues*	<u>3.0 Million</u>
Subsidy Needed	\$ 60.7 Million
Estimated City Operating Subsidy	<u>54.8 Million</u>
Shortfall	\$ <u>5.9 Million</u>

*Based on current fare structure.

4) The Wheel-Trans Service Plan which encompasses the following key factors:

- Eligibility Criteria and Application Process remain unchanged;
- Registrant base increasing by 16% to 44,900;
- Trip demand increasing by 6% to 1,947,300;
- Unaccommodated rate remaining at 2%;
- Trips provided by accessible vehicles remaining at 88%;
- Overall vehicle productivity increasing by .01 to 5.07 pph;
- Workforce increasing by 29 to a year-end complement of 415.

5) forward this report to the City of Toronto requesting approval of the City's 2006 Transit Operating Subsidy to Wheel-Trans and to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information.

6) forward this report to the Ontario Ministry of Transportation, the Honourable Harinder Takhar, the Ontario Ministry of Public Infrastructure Renewal, the Honourable David Caplan, and to the Ontario Ministry of Finance, the Honourable Dwight Duncan for information.

FUNDING

The Wheel-Trans Operating Budget for 2006 provides funding in the amount of \$60.7 million which is required to meet the anticipated demand for service of \$63.7 million, partially offset by revenues of \$3.0 million.

At the requested level of funding, Wheel-Trans will provide 1,908,000 trips on door-to-door service, with a 53% modal split on bus and 47% on contracted taxis, achieve the targeted 2% unaccommodated rate, as well as undertake various productivity and service quality initiatives.

Based on an estimated 2006 subsidy level from the City of \$54.8 million, there is a \$5.9 million shortfall.

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

Factors contributing to the proposed 2006 funding increase of \$7.0M include a provision for additional service of \$2.5M due to the anticipated higher trip demand and increased bus service; impact of the 2005 Collective Bargaining Agreement (CBA) of \$1.5M; taxi contracted services increase of \$1.7M to provide for the meter rate and contractual price increases; \$1.0M for heating and diesel fuel price increases; higher employee benefits of \$0.3M and the Ontario Health Premium of \$0.2M partially offset by increased revenues of (\$0.2M).

The following table provides a comparison of the 2005 and 2006 Ridership and Operating Budgets:

	2005 BUDGET	2006 BUDGET	CHANGE
Demand (000s)	1,837.3	1,947.3	110.0
Unaccommodated Rate	2%	2%	—
Ridership (000s)			
Registrants (Door-to-Door)	1,796.1	1,903.9	107.8
Community Bus	102.5	118.1	15.6
TOTAL	1,898.6	2,022.0	123.4
Financial Data (\$000s)			
Operating Expense	56,545.9	63,739.1	7,193.2
Operating Revenue	<u>(2,810.4)</u>	<u>(3,040.8)</u>	<u>(230.4)</u>
Subsidy Required	53,735.5	60,698.3	6,962.8
Subsidy Available *	<u>53,735.5</u>	<u>54,810.5</u>	<u>1,075.0</u>
Shortfall	Ø	5,887.8	5,887.8

* The increased operating subsidy of \$1.075 million for 2006 is based on the City Manager's direction for a 2% increase over the sum of the original 2005 funding level of \$53.061 million and an additional \$0.675 million for the 2005 CBA.

DISCUSSION

2006 Operating Budget and Service Plan

Performance Overview

The 2006 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 (1998-2002) directed at accommodating trip demand, improving service quality, redesigning service delivery in order to improve productivity, fleet composition, and funding. See table (next page) “Wheel-Trans Performance”. The fundamental approach and initiatives outlined in the Plan remain the foundation upon which the 2006 Operating Budget and Service Plan are developed.

**WHEEL-TRANS PERFORMANCE
1994-2006**

	1994	2006	CHANGE	%
Workforce	471	415	(56)	(12)
Subsidy per Trip	\$33.80*	\$30.02	(\$3.78)	(11)
Productivity (pph)	4.06	5.07	1.01	25
Unaccommodated Rate	8%	2%	75% Improvement	
Cancellation Rate	27%	14%	48% Improvement	
Accessible Service	57%	88%	54% Improvement	

* in 2006 dollars

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. Incorporated into the 2006 Service Plan is the full year's impact of initiatives directed at improving vehicle productivity, on-time performance and service design. Additional peak period demand is accommodated through deploying an aging fleet of high capacity buses for longer hours, and by expanding the use of small capacity accessible and sedan taxis, resulting in an overall 53% modal split on bus and 47% on contracted taxi services.

Over the next two years, Wheel-Trans bus service will be constrained to a fleet size of 145 buses including 5 Community Buses. From 2007-2010, the existing fleet will be completely replaced with additional buses required to support Wheel-Trans' continuing efforts in providing quality service during peak periods. A complete service review will focus on optimizing the mix and type of revenue vehicles to ensure vehicle capacities and service design meet the anticipated demand profile and the accommodation of large mobility devices.

During 2006, work will begin on upgrading the WTIS scheduling system in order to enhance functionality, meet emerging business requirements, and interface with other technologies such as automated vehicle technology (AVL). Changes to the scheduling system will improve both vehicle productivity and schedule adherence as well as provide more efficient service adjustments, and accommodate additional 'same day' trip requests. Without the aid of these technological improvements, productivity initiatives such as a flexible scheduling window cannot be introduced without adversely impacting customers.

Throughout 2005, Wheel-Trans experienced difficulty meeting customer call demand even after implementing technology improvements and adding staff resources to improve the 'call centre' performance. Further telephone response improvements will result from initiatives directed at customers confirming trips automatically via a new 'call-out' feature in RideLine and by the use of the Internet. Plans are in place to simplify the trip-booking process when using the new

'express trip booking' feature in the Interactive Voice Response (IVR) system. These two initiatives will assist in reducing customer complaints and increase telephone performance to more acceptable levels.

Based on the registrant profile, the vast majority of customers require accessible vehicles for their transportation needs. To meet the ever increasing trip demand, Wheel-Trans registrants will be encouraged to take full advantage of the accessible transit network. Throughout 2006, the strategic deployment of large capacity buses and accessible taxis into accessible subway stations will promote service integration. In order to achieve productivity gains, both Wheel-Trans express and zone services will be expanded. The "one stop" integrated trip booking will be expanded and an education campaign on the use of integrated services will be developed along with the Transit Partner program which will pair interested registrants with a trip guide to navigate the accessible transit network.

Wheel-Trans continues to experience inconsistent performance from its taxi contractors and are examining options to improve service quality. New contracts for both accessible and sedans taxis in 2006 will be focused on improved small vehicle performance. Taxi contractors who are unsuccessful in meeting performance standards will be levied financial penalties.

Staff are working with the City of Toronto's Municipal Licensing and Standards (MLS) and Planning and Transportation Departments as well as industry stakeholders in advance of the tendering process to address concerns. In order to improve the quality of service, fundamental issues must be addressed such as driver recruitment and training, more equitable compensation as well as additional on-street supervision and enforcement.

Key Assumptions

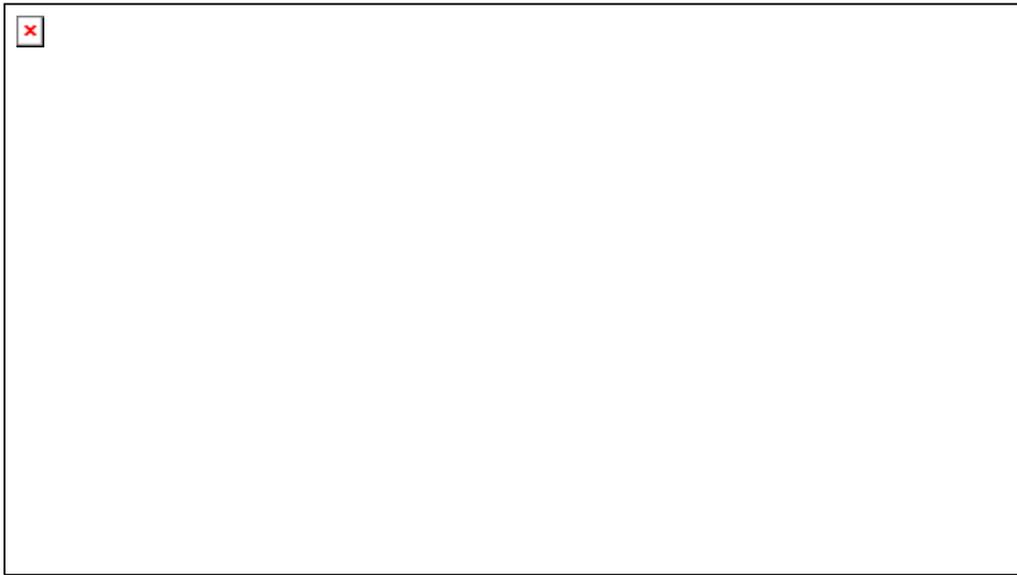
The 2006 Operating Budget and Service Plan assumes continuation of the eligibility criteria and application process, a 6% increase in trip demand, a 2% unaccommodated rate, key trip origins and destinations remain relatively constant, and Community Bus service continues on five routes. In addition, it is assumed that new telephone technology reduces trip-booking time and improves customer access to trip information, that ESA regulations remain unchanged and that there is no impact from the Special Program Challenge through the Ontario Human Rights Commission.

Demand Forecast

It is anticipated that trip demand will continue increasing at a significant rate (6% in 2006) with a year-end demand of 1,947,300 trips, approximately 110,000 trips over the 2005 budgeted level. This strong demand growth is reflective of a continuing growth in the registrant base, the continued improvement in overall service quality, the increased availability of peak period service, reduced agency investment in transit, plus the ongoing impact of health restructuring which results in increased demand for outpatient trips. With dialysis trips growing, ambulatory bus service will be expanded in the downtown core to accommodate these patients.

Actual demand by trip purpose is shown below. 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

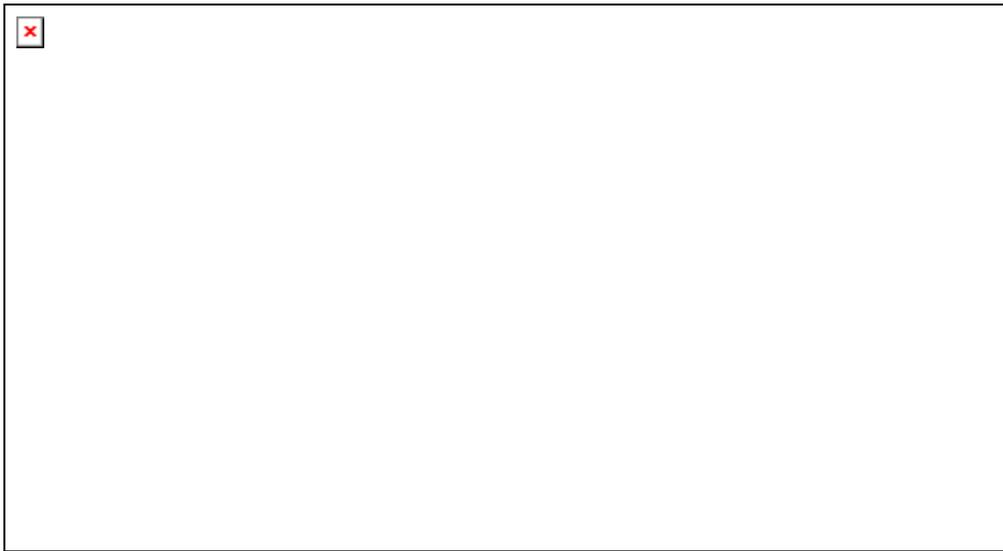
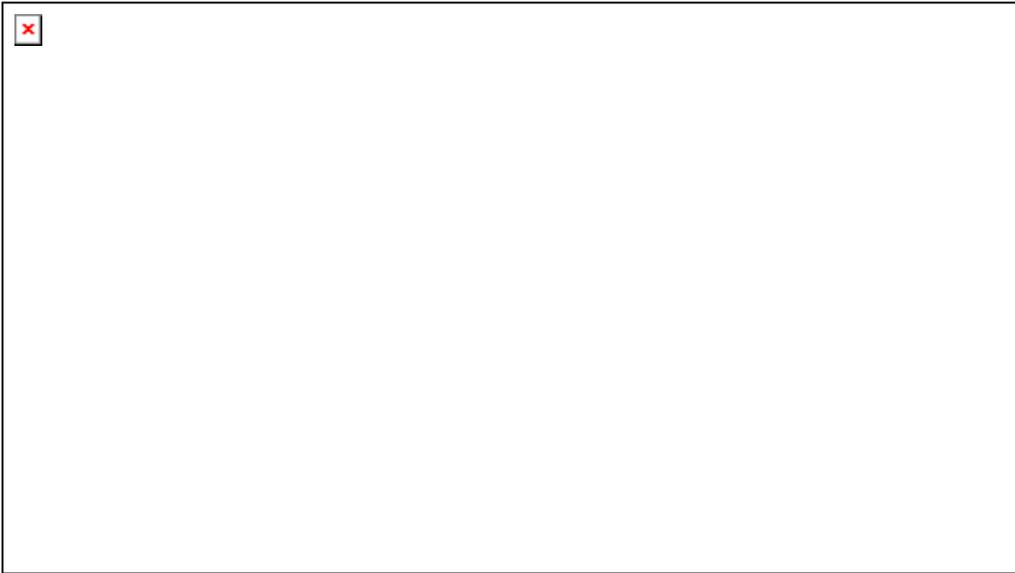


Registrant Base

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 registrant base will remain relatively constant with non-ambulatory registrants (wheelchair/scooter users) at 52% and ambulatory registrants at 48%. 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 anticipated that the year-end registrant base will increase to 44,900.

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



Service Plan

Incorporated into the 2006 Service Plan are the full year's impact of initiatives implemented this year, plus new initiatives directed at improving overall productivity, enhancing service quality by providing a higher number of trips on buses, improving on-time service delivery despite the effects of traffic congestion, improving customer trip booking and trip confirmation as well as access to information.

2006 FALL SERVICE PROFILE



The 2006 Service Plan reflects the strategic deployment of large capacity buses to serve increased peak service, as well as expanded use of smaller capacity accessible taxis and sedan taxis to serve both the peak and off-peak periods. 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 vehicle productivity standard at 2.0 pph.

Over the course of next year, the service operated for all modes will be 21,000 revenue hours greater than in 2005. The 2006 Fall Service Profile (above) illustrates the additional peak period service.

The following 2006 Service Plan Overview provides trips accommodated by mode as compared to this year's budget level. The Unaccommodated rate remains at 2%.

2006 SERVICE PLAN OVERVIEW

	2005 BUDGET	2006 BUDGET
Customer Demand	1,837,300	1,947,300
Passengers Carried:	1,796,100	1,903,900
- Bus	898,000	999,500
- Accessible Taxis	674,800	675,900
- Sedan Taxis	223,300	228,500

In an effort to balance trip availability and service quality within available funding, the 2006 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 productivity and service quality, this Service Plan provides for expansion of existing services, scheduling optimization enhancements to meet vehicle productivity targets, improved on-time delivery of service as well as easier access to scheduling information; all achieved through the following initiatives:

- Expansion of zone service to cover wider geographic areas and for longer periods.
- Zone service will be supplemented by the use of accessible taxis.
- Further expansion of Express Bus Service from 4 to 6 with each having a central depot for transferring customers to buses.
- Ambulatory bus service will be expanded primarily in the downtown core to accommodate customers taking dialysis treatment.
- Bus service will carry an additional 101,500 trips changing the bus modal split from 50% to 53%.
- Continue to accommodate 96% of original customer requested trip times within 30 minutes.

- Familiarize registrants with the accessible conventional transit system to further service integration through the Transit Partner Program.
- Undertake scheduling system improvements to address impact of traffic congestion.
- Introduce the use of electronic trip confirmation via the internet to improve telephone response time by redirecting transactions.
- Increase customer utilization of RideLine (automated telephone system) including new 'call-out' and 'express trip booking' features to improve telephone response time.
- Improve customer access to information through an expanded 'outreach' program.
- Increase service monitoring through performance audits and market surveys.
- Reduce the number of trips lost each year by earlier intervention with customers generating a large number of late cancellations and no-shows.

The following illustrates current as well as planned service initiatives for 2006.

2006 SERVICE INITIATIVES



WORKFORCE

The table below provides a year-end comparison of the budgeted workforce levels by department/branch.

DEPARTMENT/BRANCH	2005 BUDGET	2006 BUDGET	CHANGE
Wheel-Trans	386	405	19
Non Revenue Vehicle Maintenance*	0	10	10
Corporate Support	12	12	0
Total	398	427	29

In order to keep pace with the ever increasing demand for service (6% in 2006) the Wheel-Trans workforce will increase by 19 positions. A total of 16 operators are required to provide the additional bus trips and improve the service quality, as well as increase the bus modal split to 53% (was 50%) in compliance with the Collective Bargaining Agreement. The 2006 Service Plan provides for 408,000 bus service hours, an increase of 36,400 service hours over 2005. Scheduling, as well as service design and technology changes are planned to partially overcome the challenges associated with increased traffic congestion and changing trip patterns.

Throughout 2005, Wheel-Trans experienced difficulty meeting customer call demand and put in place technology improvements as well as additional staff resources (2 Reservationists) to improve the 'call centre' performance. Automated trip confirmation plus trip booking will be implemented during 2006.

An additional Supervisor is required to improve accountability of off-shift service performance including the responsibility for achieving service quality and performance standards. This Supervisor will also ensure that adequate resources are available to deliver all scheduled trips, set up service for the next day, and provide cross-training opportunities.

* Transfer of 9 existing positions from Duncan Shop plus establishment of a Foreperson to maintain non-revenue vehicles at Lakeshore Garage. All 10 positions are fully funded within the TTC Operating Budget.

OPERATING SUBSIDY

2006 Funding Requirement

The Operating Budget for 2006 provides funding in the amount of \$60.7M which is required to meet the anticipated demand for service of \$63.7M, partially offset by revenues of \$3.0M. The \$60.7M operating subsidy is required to achieve a 2% unaccommodated rate as well as undertake various productivity and service quality initiatives. Based on an estimated 2006 City subsidy of \$54.8 million, there is a \$5.9 million funding shortfall.

Factors contributing to the 2006 funding request increase of \$7.0M include a provision for additional service of \$2.5M primarily due to the anticipated higher trip demand and increased bus service; impact of the 2005 Collective Bargaining Agreement of \$1.5M; taxi contracted services increase of \$1.7M to provide for the meter rate increase and contractual price increase; \$1.0M increase for heating and diesel fuel price increases; higher employee benefits of \$0.3M and the Ontario Health Premium of \$0.2M partially offset by increased revenues of (\$0.2M).

(\$000)	2005 BUDGET	2006 BUDGET	CHANGE
Subsidy Required	\$53,735.5	\$60,698.3	\$6,962.8
Subsidy Available *	<u>53,735.5</u>	<u>54,810.5</u>	<u>1,075.0</u>
Shortfall	Ø	\$5,887.8	\$5,887.8

* The increased operating subsidy of \$1.075 million for 2006 is based on the City Manager's direction for a 2% increase over the sum of the original 2005 funding level of \$53.061 million and an additional \$0.675 million for the 2005 CBA.

Revenue

This increase is mainly due to the additional 123,400 trips provided in 2006. A fare increase would have limited impact on offsetting operating costs.

(\$000s)	2005 BUDGET	2006 BUDGET	CHANGE
Farebox Revenue	\$2,810.4	\$3,040.8	\$230.4

Capital Program

The TTC Capital Budget for 2006 has been prepared in support of continued improvement to service delivery, bus productivity, customer access to information and addressing facility requirements. The Wheel-Trans portion of the Capital Budget included in the 2006-2010 Capital Program companion report (which is also being submitted to the November 28, 2005 Commission meeting) provides \$3.5 million for required facility improvements (\$2.2 million) such as expansion of office space, as well as upgrading the electrical and HVAC systems in the bus storage barn. The Capital Budget also provides \$1.3 million for enhancing Wheel-Trans Information System (WTIS) to expand trip scheduling capabilities, as well as provide for an interface with GPS/AVL technologies in support of business requirements.

SUMMARY

The 2006 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.

November 28, 2005
18-29-29

Attachments: Appendix A

Companion Reports: 2006 Wheel-Trans Operating Budget Overview
2006 Wheel-Trans Detailed Operating Budget (Blue Binder)
2006 TTC Departmental Goals & Objectives
2006 TTC Organization Charts