

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: September 18, 2008

SUBJECT: 2009 WHEEL-TRANS OPERATING BUDGET

RECOMMENDATION

It is recommended that the Commission approve:

- 1/ The 2009 Wheel-Trans Operating Budget (summarized in Appendix A) as described in this report and as set out in the 2009 Wheel-Trans Operating Budget Overview document.
- 2/ Note that based on current City of Toronto operating subsidy levels and the current fare structure, the 2009 Wheel-Trans Operating Budget includes an increased subsidy requirement of \$4,918.3K as summarized below:

Expenditures	\$78,865.7
Revenues	<u>3,827.7</u>
Subsidy Needed	\$75,038.0
City Operating Subsidy Available	<u>70,119.7</u>
Additional Subsidy Required	<u>\$ 4,918.3</u>

- 3/ Approve the contribution of any 2008 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2009 Operating Budget subsidy required.
- 4/ The Wheel-Trans Service Plan which encompasses the following key factors:
 - Eligibility Criteria and Application Process remain unchanged
 - Registrant base increasing by 12% to 60,600
 - Trip demand increasing by 3.9% to 2,324,500
 - Accommodating 98% of trips
 - Trips provided by accessible vehicles at 83%
 - Further integration with the conventional transit system
 - Community Bus routes remain at five (5) routes
 - Implementation of new accessible and sedan taxi contracts
 - Operating Budget Workforce decreasing by 29 to a year-end complement of 462
 - No impact from AODA legislation

- 5/ Forward this report to the City of Toronto requesting approval of:
 - (a) the City's required 2009 Operating Subsidy for the Wheel-Trans Operation;
 - (b) confirmation of the establishment of an additional receivable in the amount of \$830,000 to cover post-retirement benefit non-cash expenses for 2009 consistent with previous accounting treatment approved by Council; and
 - (c) the contribution of any 2008 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2009 Operating Budget shortfall.
- 6/ Forward this report to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information;
- 7/ Forward this report to the Ontario Minister of Transportation, the Ontario Minister of Energy and Infrastructure, and the Ontario Minister of Finance, for information;
- 8/ Forward this report to the Federal Minister of Transport, Infrastructure, and Communities, for information; and
- 9/ Forward this report to Metrolinx for information.

FUNDING

The Wheel-Trans Operating Budget for 2009 requires funding in the amount of \$75.0 million which is required to meet the anticipated demand for service (\$78.8 million), partially offset by revenues of \$3.8 million. At the requested level of funding, Wheel-Trans will accommodate 98% of the anticipated demand using buses, accessible taxis, and sedan taxis for its to the door and fixed route service, as well as providing for a more reliable bus fleet, engaging the use of AVL tracking and scheduling technologies, undertake various service design initiatives and monitoring processes to improve the quality of service.

The 2009 Operating Budget and Service Plan assumes continuation of the eligibility criteria and application process, trip origins and destinations remaining relatively constant; revenue reflecting current fare structure and mix; sedan taxi meter rates remaining unchanged from last increase in 2008; introduction of AVL/GPS; improved vehicle reliability as a result of the delivery of new vehicles in the latter part of 2009, plus completion of a total of 65 rebuilt buses in service.

Factors contributing to the 2009 funding request increase of \$4.9 million include costs related to carrying additional trips on service (\$2.2 million – including a \$1 million increase for higher taxi fares approved by the City earlier this year); estimated fuel price increase of (\$1.3 million); fleet constraints (\$0.7 million); higher accident claims/administration fees (\$0.2 million); line charges for telephone and AVL wireless (\$0.2 million); increase in employee benefits (\$0.4); partially offset by increased revenues \$(0.1 million).

It should be noted that the 2009 budget expenses contain an estimate for the cost of diesel fuel which is based on 2009 diesel futures prices available on August 25, 2008. In light of the ever-fluctuating crude oil prices, however, the diesel futures prices will continue to change on a daily basis and there will not be any certainty about the 2009 diesel budget

requirement until such time as a fixed price contract is awarded. Hence, this estimate can only be considered preliminary at this point and is subject to change.

The subsidy levels identified in the 2008 and 2009 budgets do not reflect the anticipated receipt of additional subsidy from the City of Toronto to address the financial impact of the Commission's Collective Bargaining Agreements (CBAs) effective April 1, 2008.

DISCUSSION

The following table provides a comparison of the 2008 and 2009 Operating Budgets:

	2008 BUDGET	2009 BUDGET	CHANGE
Financial Data (\$000s)			
Expenses	74,692.2	79,695.7	5,003.5
Less: Post-Retirement Non-Cash Expenses*	<u>830.0</u>	<u>830.0</u>	<u>0.0</u>
Net Expenses	<u>73,862.2</u>	<u>78,865.7</u>	<u>5,003.5</u>
Operating Revenue	(3,742.5)	(3,827.7)	(85.2)
Net Operating Subsidy	70,119.7	75,038.0	4,918.3

*Pursuant to City Council's direction, a long-term subsidy receivable from the City has been created to finance these expenses.

WORKFORCE

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

DEPARTMENT/BRANCH	2008 BUDGET	2009 BUDGET	CHANGE
Direct	478	451	(27)
Corporate Support	13	11	(2)
Wheel-Trans Operating Budget	491	462	(29)
Capital	3	8	5
Non-Revenue Vehicle Maintenance (in TTC Operating Budget)	11	11	—
Total	505	481	(24)

2008 Year In Review

Trip demand is expected to grow by 4.9% over 2007 to an estimated 2,163,600 trips (includes Wheel-Trans registrants on community buses), which is 3.3% lower than the 2008 Budget. This shortfall in demand occurred primarily in the winter months when extremely severe weather occurred, and was further impacted by the 2-day strike. Wheel-Trans will accommodate 98.4% of door-to-door trips requested.

Growth occurred within the registrant base with more of an increase in ambulatory registrants, due mainly to the continuing demand for medical dialysis trips and trips originating from outpatient health care clinics. Through improved communication with medical facilities, more trips were accommodated on short-notice.

Wheel-Trans implemented a number of productivity initiatives to improve efficiency and provide more trips within available funding. These included:

- implementation of two more community link services
- guaranteed same-day trips to and from the closest accessible subway stop
- internet trip booking
- improved trip scheduling processes
- redesigned community bus service
- redesigned zone service

These initiatives were more than offset by the effects of increased traffic congestion, fluctuating trip demand, late cancellations/no-shows, and the reduced reliability of an aging bus fleet. The impact of these constraints reduced overall productivity from the target of 4.82 persons per hour (pph) to 4.78 pph.

Wheel-Trans emphasized the importance of reducing overall trip cancellations by highlighting their impact on trip availability and, wherever appropriate, enforcing the service suspension aspect of the Late Cancellation and Prebook Usage policies. These service suspensions are only enforced after a reasonable attempt has been made to accommodate personal circumstances and educate customers about the effects of cancellations.

A same day service Summer Pilot program was introduced to encourage customers to take advantage of service integration by guaranteeing trips booked on the day of service to and from accessible subway stations. Although initial response was lukewarm, a revised program is being developed to include weekends and better trip flexibility.

A review of the community link service between Variety Village and Main Station (implemented in 2005) identified the significant benefits of expanding this service to other regions within the City. Later this year, feeder services connecting the Toronto Rehabilitation Centre with the accessible routes serving Sunnybrook Hospital and West Park Hospital with either Eglinton West or Jane subway station will begin. Expansion of this service concept is being considered for other locations such as the Baycrest Centre. This initiative is an important step in Wheel-Trans efforts to increase trip integration with the conventional fixed-route service.

This year, it took longer for customers to book and cancel trips on the telephone. Although

Reservations staff increased by two (2), the combination of delays to the introduction of 'express trip booking' and 'internet trip booking' (planned technology improvements), and longer call processing time resulted in delays to answering customers calls. Automated call-out confirmation of trips as well as a simplified automated trip booking process reduced the call growth rate. However, customers are still reluctant to use the telephone trip booking system. Wheel-Trans is exploring alternative options to improve "call centre" performance by providing one telephone number for all services and allowing customers to select the options that will best meet their needs and allow automation to assist them whenever possible. Enhanced internet trip confirmations and booking through the internet will be the key to improving performance in 2008 and beyond. Wherever resources allow, overtime shifts will be added to the Reservations area to meet fluctuating telephone call volume.

Given the ongoing service design, policy, and technology changes necessary to keep pace with the demand for Wheel-Trans service, customer communication will continue as a key element of the business plan. The Wheel-Trans newsletter 'Reporter' was used to promote service initiatives, changes, and policies, as well as provide service reminders. Promotion of changes to overall service design such as accessible feeder service and community buses were achieved through increased advertising in local papers, 'take one' pamphlets and postings at local facilities. Recordings on RideLine (touch-tone system) and Reservations lines, automated customer call-out messages as well as the use of email and postings on the TTC web site were also used increasingly to communicate service changes.

Expanded quality assurance initiatives focused on monitoring and improving all aspects of our service with emphasis placed upon enhancing the safety of passengers and employees. Embracing the Commission's safety culture initiative, every Wheel-Trans employee is encouraged to "think safety before acting" in all areas of the operation so that there are fewer accidents and any potential for hazards are addressed. A number of safety improvements have been made to the bus fleet such as installing a new fire suppression system, warning systems, manual battery cut-off, as well as the installation of full-motion high quality digital recording camera systems. Operators received refresher training on a variety of topics covering customer service, proper securement of equipment and customers while on board their vehicles, safe operation of buses including training on new procedures on modifications made as well as emergency evacuation procedures were completed.

In response to customer concerns, staff worked with the taxi industry and the City of Toronto Municipal Licensing and Standards Unit to improve the quality of service. Legislative changes such as improved training and vehicle inspections, as well as additional service inspectors and quality assurance staff have all been focused at improving the quality of service. Also, meetings were held to discuss new accessible taxi vehicle design and opportunities for increasing accessibility in the City of Toronto.

The available capacity of both accessible taxis and sedans is a fundamental tool used to adjust service when service disruptions occur. Taxi contractors are responding to Wheel-Trans concerns regarding quality of service issues and are now addressing fundamental issues such as providing on-street supervision, driver performance and training, standard clothing for drivers, displaying the Wheel-Trans decals on their vehicles, replacing older vehicles to maintain the level of daily service, as well as responding quicker to customer complaints. As a result of audits performed, service improvements in performance have been noted and will continue in 2009. In addition, new service Contracts that focus on

the aforementioned service quality improvements were awarded in July 2008 to three accessible taxi companies commencing January 2009. Sedan taxi contracts will be awarded in late 2008 with the same service quality improvements.

Out of the current fleet of 140 ELF low-floor buses, 104 have reached the end of their design life and, even with regular maintenance and retrofits, breakdowns are occurring more frequently. A Request for Proposal (RFP) for up to 198 buses was issued this year. Due to difficulties experienced in locating a suitable manufacturer, the expected August 2008 delivery of the first new buses has been pushed back to late 2009. New buses will improve reliability and provide customers with both a better ride and the capacity to accommodate larger mobility devices. To improve the reliability of the existing fleet, 30 buses will be rebuilt by end of 2008 out of the 85 expected to be rebuilt by 2010 which will extend the service life of these buses by three to four years. The combination of these two initiatives will allow staff to increase the vehicles during the peak period which represents 80 percent of customer demand.

BUS FLEET

	2008	2009				2010
		1 ST Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	
Existing	145	147	147	147	147	167
Rebuild *	30	8	9	9	9	20
New *	2	0	0	0	20	60
Retire	0	0	0	0	0	(30)
TOTAL	147	147	147	147	167	197

* Funding provided for in the 2009-2013 Capital Program.

Meeting the Challenges (2009)

The key issues faced in developing the Operating Budget and Service Plan are:

- keeping pace with a growing demand for service
- maintaining the balance between trip availability and service quality
- linking to the Accessible Transit Network
- rebuilding and replacing the existing bus fleet
- increasing peak period service with an ageing fleet
- engaging customers in technology to reduce telephone wait times
- improving on-time performance with increasing congestion
- providing a consistently high quality service
- initiate improved standards for contracted service providers
- delay in implementing GPS/AVL technology, and
- introduce new scheduling technology

2009 SERVICE PLAN

The 2009 Service Plan incorporates the full year's impact of previous initiatives directed at minimizing any decrease in vehicle productivity and improving service quality in order to provide an appropriate level of service in the face of increasing demand. Considering that the bulk of customer trips are to medical appointments, school, and work, the largest portion of trip growth will occur during peak periods between 7:00 a.m. and 7:00 p.m. Additional peak period demand will be accommodated largely by expanding the use of small capacity accessible and sedan taxis.

If delays occur to the procurement of new buses, increased use of accessible and sedan contracted service will be necessary to accommodate the demand in the last quarter of 2009.

Productivity

Wheel-Trans attempts to keep pace with increasing demand through productivity improvements, such as:

- using AVL/GPS technology
- promoting internet trip booking, cancellations, and service updates
- improving computerized scheduling using a batch process to provide more trips
- expanding zone service
- linking trips with the Accessible Transit Network, and
- developing internet access for trip planning

Scheduling system improvements combined with Automated Vehicle Locator (AVL) / Global Positioning System (GPS) will increase the productivity and efficiency of service and support the following future initiatives:

- Improved productivity by organizing trips during the day of service in response to service disruptions and filling gaps caused by trips that are cancelled each day (14%)
- Improved on-time delivery of service with real-time vehicle/operator location
- Increased system safety and security for both the operator and the customer through improved emergency communications and response co-ordination
- Enable customer notification of vehicle arrival time through the internet or telephone
- Improved grouping of trips increasing vehicle productivity, and
- Enable trip planning and coordination with the Accessible Transit Network.

Service Integration

Customers will continue to be encouraged to take advantage of conventional fixed-route accessible transit service by making it convenient and advantageous for them to book their trips to accessible subway stations. Wheel-Trans will continue to introduce innovative pilot programs such as the 'same-day service guaranteed bookings'.

Beginning in early 2009, a communication campaign will make customers aware of a 'voluntary' travel training program expected to be available in the summer of 2009. This comprehensive travel training program will demonstrate to our customers the 'real life' benefits of the TTC's accessible conventional transit network comprised of 28 accessible subway stations and 170 accessible bus routes, of which 136 will be accessible by the end of 2008 with all routes accessible by the end of 2010, allowing for more spontaneous travel. This program will assess a customer's ability to travel to various destinations based on the streetscape, availability of accessible services, and operating environment. Customers that are deemed able to travel on the accessible transit network will receive a detailed service guide, as well as 'group' or 'peer one-on-one' training.

Enabling Technology

To improve productivity and allow customers to integrate with the Accessible Transit Network, the availability of enabling technology becomes a key factor. In 2009, staff will continue to develop computer systems necessary to prepare for service integration as well as improve overall productivity.

The chart below highlights enabling technology requirements, timeframe for implementation, and impact on service.

TECHNOLOGY	TIME FRAME	SERVICE INTEGRATION	PRODUCTIVITY	CUSTOMER COMMUNICATIONS	ON-TIME SERVICE	SAFETY AND SECURITY
On-line Trip Booking & Customer Service	2009	✓	✓	✓		
Automated Telephone Access	2009	✓	✓	✓		
More Flexible Scheduling	2009	✓	✓		✓	
AVL / GPS	2009	✓	✓	✓	✓	✓

The table below summarizes the number of passengers carried by mode in 2009.

2009 SERVICE PLAN OVERVIEW

	2008 BUDGET	2009 BUDGET
Trips Accommodated (Door-to-Door)	2,186,600	2,274,100
- Bus	1,146,900	970,800
- Accessible Taxis	766,700	899,900
- Sedan Taxis	273,000	403,400
Trips: Community Bus	122,900	100,600

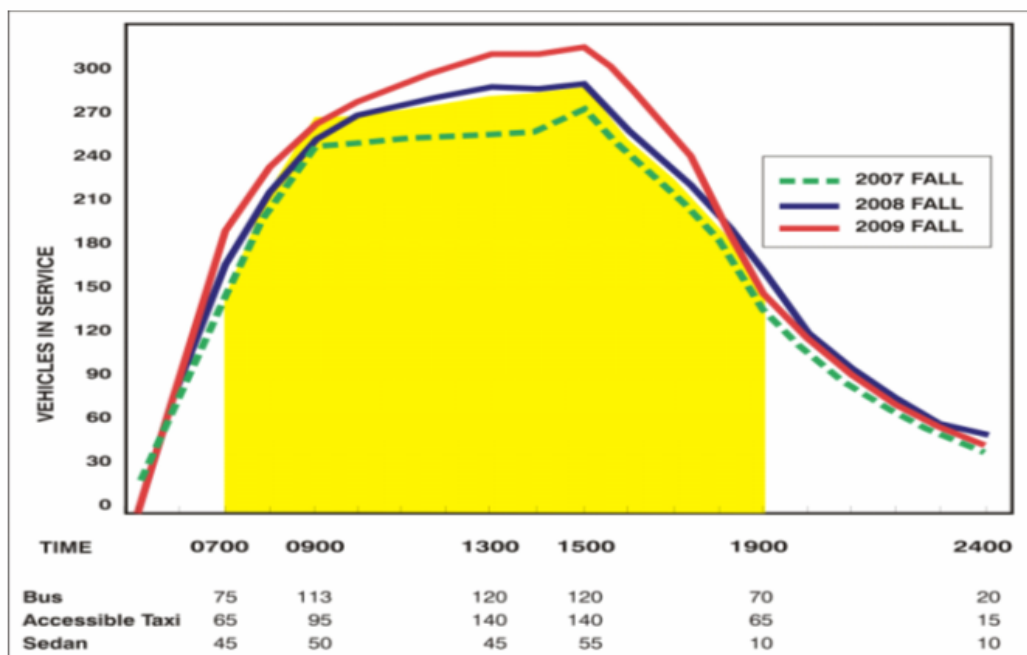
Service Design

The 2009 Service Profile (as illustrated) reflects the strategic deployment of large capacity buses to serve increased peak service, as well as expanded use of accessible 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. With a combination of new and refurbished buses in 2009, as well as changes in bus maintenance practices and increased accessible and sedan taxi service, peak period service will increase by 49,000 service hours.

- Bus - 9,000 service hours
- Accessible Taxis - 30,000 service hours
- Sedan Taxis - 10,000 service hours

Scheduled bus service will continue to be based upon a minimum acceptable vehicle productivity standard of 2.0 passengers per hour to take advantage of the larger capacity.

2009 FALL SERVICE PROFILE

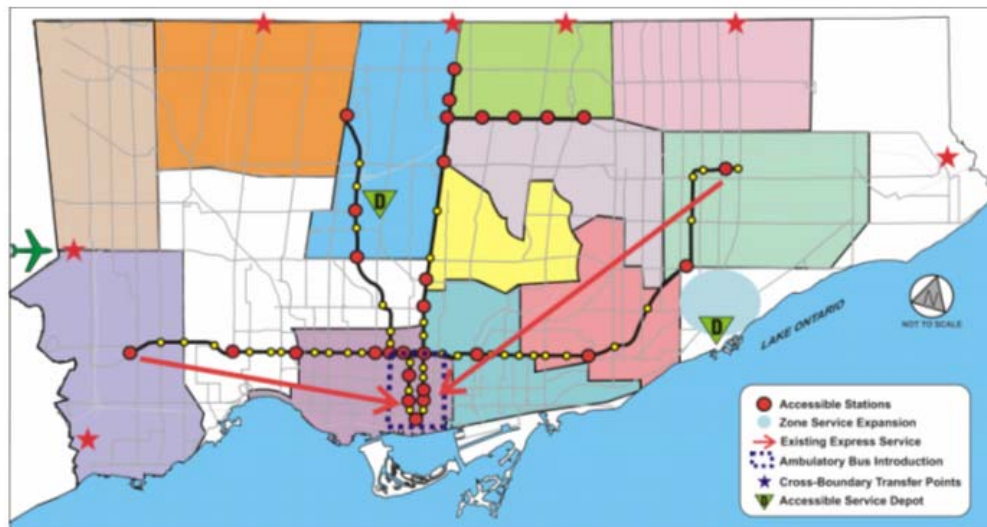


Service Initiatives

In 2009, staff will focus on improving the productivity and efficiency of bus and contracted services. Currently **zone services** produce high productivity that results from using confined service areas with a high volume of trips and a flexible scheduling window. As part of an ongoing Zone Service review process, staff propose improving vehicle productivity by the expansion of the South Scarborough zone. Customers continue to benefit from the increased productivity and spontaneous trip availability associated with a half-hour zone service window.

The following map illustrates the planned service initiatives for 2009.

2009 SERVICE INITIATIVES



5-YEAR OPERATING BUDGET AND SERVICE PLAN

The Five-Year Operating Plan is being updated to reflect the future direction of trip demand, taking into consideration population data obtained from the City of Toronto; integrating trips with conventional service as more subway stations and surface routes become accessible; optimizing fleet utilization with a focus on maximizing bus capacity utilization and maintaining 83-88% accessible service; improving the efficiency of Wheel-Trans service by utilizing technology for trip scheduling, trip booking and planning, automated customer communication, improving on-time service delivery.

DEMAND FORECAST

The demand forecast will be developed based on City of Toronto demographic population projections with particular focus on individuals with mobility limitations. The impending wave of the baby boom generation has the potential to inflate trip demand at a rate of 6-8% annually until 2012, and then begins to level off towards 2014 as customers are directed towards the Accessible Transit Network. As society focuses on improving the quality of life and more independence, customers will have the ability to take advantage of a broader range of transit services. Trips will be diverted to conventional transit through the marketing of accessible features combined with assessing the individual's ability to use conventional transit while at the same time providing training and support.

Incorporated into the service plan will be initiatives directed at improving overall vehicle productivity through changes to service design and using technology that allows customers to plan both Wheel-Trans and conventional service trips simultaneously. As demand increases, more buses and contracted taxi services are required to maintain the targeted

level of service.

INVESTING IN THE FUTURE

The purchase of low-floor buses commencing next year will replace Wheel-Trans' aging fleet of ELF and Orion II buses, as well as provide additional vehicles for ridership growth. Given the uncertainty of new bus delivery and a need for increased vehicle reliability, 85 of the existing bus fleet will be rebuilt to extend their life cycle by three to four years.

As Wheel-Trans service moves towards integration with the conventional system, a more directed approach towards using technology will need support if the aforementioned initiatives are to succeed. A proactive approach to directing customers toward service policy compliance and the use of technology will be essential to achieve the service benefits.

For those individuals that are capable of using the conventional transit services and want to enjoy the spontaneity of using the Accessible Transit Network, Wheel-Trans plans to introduce a comprehensive assessment and travel training program that will demonstrate to our customers, in a "real life" setting, the reliability and features associated with the TTC's family of services. This program will include route assessment and safety as well as a planning guide for customers, so that they can take advantage of the flexibility associated with accessible subway and bus services. New customers will be targeted as well as administrators/social workers at hospitals, schools, group homes, and seniors' residences. As the Accessible Transit Network grows, Wheel-Trans customers will have the opportunity to integrate into the conventional system. Considering that all bus routes will be fully accessible by 2010 and total accessibility of all subway stations by 2020, the integration of Wheel-Trans customers will take some time. The first steps are being taken now as an investment for the future.

To encourage customer use of the Accessible Transit Network, the mechanisms that allow customers to plan trips and receive up-to-date service information become key components. Planned technology such as internet trip booking and planning plus vehicle and elevator status information are tools that customers require before they can consider taking a trip.

The ability to provide customers with supportive technology enables changes in service policies such as flexible scheduling windows, zone service transfers, and conventional service depots to be implemented, trip status information, and improving the overall Wheel-Trans productivity which will be partially offset by the ever growing impact of congestion.

With increasing demand for service from all areas within the GTA, technology becomes an essential tool to coordinate cross boundary trips with the other paratransit service providers and thereby improve adherence to customer arrival and departure times at designated transfer points.

All of these initiatives move Wheel-Trans closer to compliance with the new Accessibility for Ontarians with Disabilities Act (AODA). Over the next three years, initiatives such as extended service hours and reduced trip booking periods will be accomplished with planned changes to service policies and implementation of new technology features.

Capital Program

The 2009-2013 Capital Program has been prepared in support of continued improvement to service quality, productivity, improving customer access to information as well as expanding and improving the Lakeshore facility. The 2009 Capital Budget request of \$17.4 million is as follows:

- replacing and expanding the bus fleet (20 buses) - \$7.5 million
- rebuilding 35 buses - \$4.9 million
- expanding and upgrading facility - \$4.4 million
- upgrading the WTIS computer system - \$0.5 million, to improve system functionality and enable future service quality and productivity initiatives
- maintaining shop equipment - \$0.1 million.

SUMMARY

The 2009 Wheel-Trans Operating Budget and Service Plan 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 redesign service directed at improving overall productivity and service quality. With these objectives in mind, if future demands on Wheel-Trans service are to be met over the next five years, improvements to the current service delivery methods will be essential through initiatives such as proactively linking trips with the Accessible Transit Network as well as acquiring suitable low-floor buses for Wheel-Trans service.

September 12, 2008
18-29-29

Attachments: Appendix A
Companion Reports: 2009 Wheel-Trans Operating Budget Overview

APPENDIX A
2009 OPERATING BUDGET SUMMARY
(\$000s)

	<u>2008</u>	<u>2009</u>	<u>CHANGE</u>
	<u>BUDGET</u>	<u>BUDGET</u>	
<u>EXPENSES *</u>			
<u>CONTRACT SERVICES</u>			
Sedan Taxis	4,738.6	8,020.7	3,282.1
Accessible Taxis	15,166.8	17,321.2	2,154.4
SUB-TOTAL	19,905.4	25,341.9	5,436.5
<u>BUS OPERATION</u>			
Operators	19,661.5	16,967.6	(2,693.9)
Divisional Staff	502.2	487.2	(15.0)
Mobile Supervision	840.4	850.3	9.9
Equipment Maintenance	9,994.2	10,689.5	695.3
Vehicle Fuel	3,050.6	3,986.6	936.0
Lakeshore Garage Costs	1,047.2	1,104.4	57.2
One-Time Master Sign-Up	27.0	-	(27.0)
SUB-TOTAL	35,123.1	34,085.6	(1,037.5)
<u>ADMINISTRATION</u>			
General Superintendent's Office	667.0	715.3	48.3
Dispatch & Reservations	3,736.0	3,979.9	243.9
Accessible Services	521.7	592.6	70.9
Customer Service	1,316.6	1,359.5	42.9
SUB-TOTAL	6,241.3	6,647.3	406.0
NON-DEPARTMENTAL COSTS	2,852.4	3,160.9	308.5
OTHER EMPLOYEE COSTS	10,570.0	10,460.0	(110.0)
TOTAL EXPENDITURES (PER WHEEL-TRANS)	74,692.2	79,695.7	5,003.5
LESS: POST-RETIREMENT NON-CASH EXPENSES **	830.0	830.0	-
TOTAL EXPENDITURES (PER CITY)	73,862.2	78,865.7	5,003.5
TOTAL REVENUES	3,742.5	3,827.7	85.2
OPERATING SUBSIDY REQUIRED	70,119.7	75,038.0	4,918.3
PASSENGERS (000s)	2,309.5	2,374.7	65.2
SUBSIDY PER TRIP	\$ 30.72	\$ 31.95	\$ 1.23

* The 2008 and 2009 impacts of the yet-to-be finalized Collective Bargaining Agreement (effective April 1, 2008) have not been incorporated into these budgets in accordance with the City of Toronto's direction.

** Pursuant to City Council's direction, a long-term subsidy receivable from the City has been created to finance these expenses.