

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 16, 2009

SUBJECT: 2010 WHEEL-TRANS OPERATING BUDGET

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

- 1/ Approve the 2010 Wheel-Trans Operating Budget (summarized in Appendix A) as described in this report and as set out in the 2010 Wheel-Trans Operating Budget Overview document.
- 2/ Note that based on current City of Toronto operating subsidy levels and the new fare structure approved by the Commission on November 17, 2009, the 2010 Wheel-Trans Operating Budget includes an increased subsidy requirement of \$7,334.5K as summarized below:

Expenditures	\$88,433.2
Revenues	<u>(4,757.3)</u>
Subsidy Required	\$83,675.9
2009 Approved City Operating Subsidy	<u>76,341.4</u>
Additional Subsidy Required	<u>\$ 7,334.5</u>

- 3/ Approve the contribution of any 2009 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2010 Operating Budget subsidy required.
- 4/ The Wheel-Trans Service Plan which encompasses the following key factors:
 - Eligibility Criteria and Application Process remain unchanged
 - Active registrant base increasing by 12% to 40,000
 - Trip demand increasing by 5.2% to 2,445,700
 - Accommodating 98% of trips
 - Increasing modal split to buses to 47% of all trips in keeping with the 2008 Collective Bargaining Agreement
 - Further integration with the conventional transit system
 - Community Bus routes remain at five (5)
 - Implementing scheduling enhancements
 - Operating Budget Workforce increasing by 69 to a year-end complement of 531

- The service area does not increase beyond the City of Toronto boundaries
 - No impact from AODA Transportation Standards until 2011
- 5/ Forward this report to the City of Toronto requesting approval of:
- (a) the City's required 2010 Operating Subsidy for Wheel-Trans;
 - (b) confirmation of the establishment of an additional long-term subsidy receivable in the amount of \$0.83 million to cover post-retirement benefit non-cash expenses for 2010 consistent with previous accounting treatment approved by Council;
 - (c) confirmation of the establishment of an additional long-term subsidy receivable in the amount of \$325,000 to cover accident claims non-cash expenses for 2010 consistent with previous accounting treatment approved by Council; and
 - (d) the contribution of any 2009 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2010 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 2010 requires funding in the amount of \$83.7 million which is required to meet the anticipated demand for service of 2,445,700 trips. The 2010 Operating Budget and Service Plan assumes continuation of the eligibility criteria and application process, trip origins and destinations remaining relatively constant; revenue reflecting the approved fare structure effective January 3, 2010; sedan taxi meter rates remaining unchanged from the last increase in 2008; improved vehicle reliability as a result of the delivery of new vehicles beginning in the latter part of 2009, plus completion of the ELF bus rebuild program.

At the requested level of funding, Wheel-Trans will accommodate 98% of the anticipated demand using buses, accessible and sedan taxis for its door-to-door and fixed route service, as well as providing for a more reliable bus fleet, working on implementing the use of new scheduling technologies, AVL tracking on new vehicles, and monitoring processes to improve the quality of taxi service.

Factors contributing to the 2010 funding request increase of \$7.3 million include costs related to increased demand and complying with the 2008 Collective Bargaining

Agreement building toward a 50% bus modal split - \$3.0 million; \$1.0 million for incremental increase in Operator crews for increased demand and \$0.7 million for increased taxi service due to demand growth; further increase in labour costs of \$1.6 million relating to the full year impact of the 2009/2010 April 1 wage increase, additional workforce to improve telephone call handling performance, as well as additional support for WTIS system; \$1.3 million to service and repair a combination of new and aging buses; impact of price increases relating to fuel and materials of \$0.7 million; \$0.2 million relating to quality assurance audits and secret shopper surveys; and a long-term subsidy receivable of (\$0.3 million) to cover accident claims non-cash expenses for 2010, partially offset by increased revenues of (\$0.9 million).

Earlier on in 2009, a presentation on the 2010 Wheel-Trans Budget and Service Plan was made to members of the Advisory Committee on Accessible Transportation (ACAT). They concur with the business plan and budget.

DISCUSSION

The following table provides a comparison of the 2009 and 2010 Operating Budgets:

	2009 BUDGET	2010 BUDGET	CHANGE
Financial Data (\$000s)			
Expenses	80,999.1	89,588.2	8,589.1
Less: Post-Retirement Benefits /Accident Claims Non-Cash Expenses*	<u>830.0</u>	<u>1,155.0</u>	<u>325.0</u>
Net Expenses	<u>80,169.1</u>	<u>88,433.2</u>	<u>8,264.1</u>
Operating Revenue	(3,827.7)	(4,757.3)	(929.6)
Net Operating Subsidy	76,341.4	83,675.9	7,334.5

*Pursuant to City Council's direction, a long-term subsidy receivable of \$830.0K from the City has been created to finance post-retirement benefits non-cash expenses. The establishment of another long-term subsidy receivable of \$325.0K to cover accident claims non-cash expenses for 2010 has been discussed with City staff, and City Council approval will be sought through submission of this budget.

WORKFORCE

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

DEPARTMENT/BRANCH	2009 BUDGET	2010 BUDGET	CHANGE
Direct	451	519	68
Corporate Support	11	12	1
Wheel-Trans Operating Budget	462	531	69
Capital	8	11	3
Non-Revenue Vehicle Maintenance (in TTC Operating Budget)	11	11	–
Total	481	553	72

Overall, the Wheel-Trans Operating Budget workforce will increase by 69 positions to support increased ridership, be in compliance with the 2008 Collective Bargaining Agreement, maintain an expanding bus fleet as well as provide improved telephone call answering service to customers. The additional three (3) temporary capital positions are required to complete the post-delivery inspection process, installation of equipment on vehicles and final vehicle set-up on the delivery of 110 new buses.

Based upon December 31 year-over-year headcount:

- the budgeted Operator workforce increases by 54 positions:
 - with 43 positions directly supporting the bus modal split building to 50% of service and complying with the 2008 Collective Bargaining Agreement; and
 - additional 11 Operators as a result of increased trip demand;
- one (1) additional Mobile Supervisor to provide 24/7 coverage related to TTC service growth is required;
- five (5) Coach Technicians, three (3) Servicepersons, one (1) Serviceperson - Wheels & Tires, and two (2) Shift Forepersons have also been added to Lakeshore Garage due to increased bus service largely associated with the Collective Bargaining Agreement and a larger fleet size – 147 buses to 198 buses; and
- two (2) additional Reservationist positions have been added to support daily peak period call demand and reduce customer wait time for booking trips.

As part of the new 110 bus deliveries over 2009/10, three (3) temporary capital positions have been added to manage pre-delivery inspections and the bus receipt process, assist with camera installations and final vehicle set-up.

2009/2010 SERVICE

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 more trips to the Accessible Transit Network
- rebuilding and replacing the existing bus fleet
- engaging customers in technology to reduce telephone wait times
- improving on-time performance with increasing traffic congestion
- providing a consistently high quality service
- improving standards to measure performance of contracted service providers
- working on implementing GPS/AVL technology, and
- introducing new scheduling technology

Trip demand in 2009 is expected to grow by 13% over 2008 to an estimated 2,431,400 trips (includes community buses), which is 4.6% higher than the 2009 Budget. This increase in demand for service is expected to continue for the balance of the year reflecting warmer winter weather at the beginning part of the year, an expanding registrant base, continuing demand for medical dialysis trips, trips originating from outpatient health care clinics, and accommodating more short-notice trips. Even with this unprecedented increase in demand, Wheel-Trans accommodated 99% of requested trips in 2009 and did so with no variance to the 2009 budget. In 2010, trip demand is forecasted to increase by 5.2% over 2009 Budget to 2,445,700 trips, with much of this increase accommodated on bus service (73% of increased trips). The unaccommodated rate remains budgeted at 2% in 2010. The 5.2% projected increase in demand assumes an overall shift of rides to conventional accessible service which were masked by other factors in 2009.

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'. As the Accessible Transit Network grows, Wheel-Trans customers will have greater opportunity to integrate into the conventional system.

The table below summarizes the number of passengers carried by mode in 2009/10.

	2009 BUDGET	2010 BUDGET
Demand	2,324,500	2,445,700
- Bus	970,800	1,057,400
- Accessible Taxis	899,900	899,700
- Sedan Taxis	403,400	435,700
Sub-Total	2,274,100	2,392,800
- Community Bus	100,600	100,600
Total Trips	2,374,700	2,493,400

The available capacity of both accessible taxis and sedans is a fundamental tool used to carry smaller groups of customers and to adjust service when disruptions occur. Taxi contractors are responding to Wheel-Trans' concerns regarding quality of service issues and have been addressing fundamental issues such as providing more supervision of service, 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 regular audits performed, service improvements in performance have been noted and the pressure to hold them accountable in compliance with their contracts will continue in 2010.

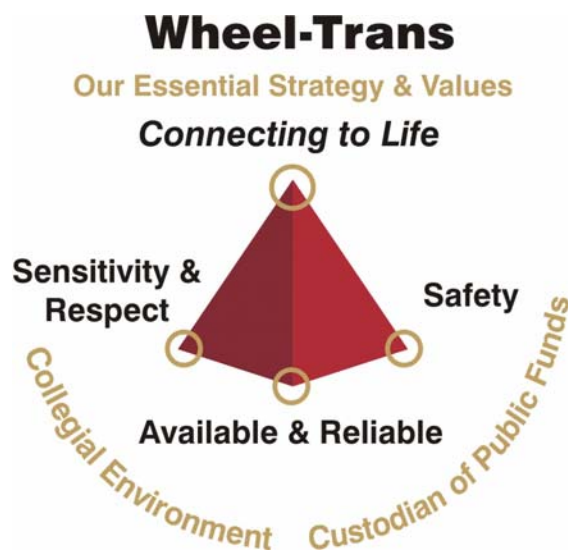
Out of the current fleet of 140 ELF low-floor buses, 127 have reached the end of their design life and, even with regular maintenance and retrofits, breakdowns are occurring. With a contract now in place with American Bus Products, Inc. to supply 110 new low-floor buses over 2009/10, vehicle reliability will improve and provide customers with both a better ride and provide Wheel-Trans the capacity to accommodate larger mobility devices. To improve the reliability of the existing fleet, a total of 80 buses will be rebuilt by end of 2010 which will extend the service life of these buses by three to four years.

BUS FLEET

	2008	2009	Year-End 2010
Existing **	145	147	188
New *	2	41	69
Retire	0	0	(59)
TOTAL	147	188	198
Rebuild **	30	50	80

* Funding provided for in the 2010-2014 Capital Program.

** Includes Rebuilt buses.



The pyramid above reflects the guiding principles that have been established for the organization.

Our guiding principles and values at Wheel-Trans will be further emphasized through programs and training, demonstrating customer safety, courtesy, respect and sensitivity at all times through daily contact with customers and each other. As an example, the “Barrier Busters” group of Operators and Dispatchers discusses and attempts to resolve issues that have developed between the two groups over the years. The group’s intent is to tear down the barriers that evolved and identify and implement improvements in common areas.

Working in tandem with the Commission’s safety culture initiative, the “Work Safe / Home Safe” theme continues to be the focus of enhancing employee health and safety with good work safe practices. Active participation and involvement is encouraged in the C.A.R.E., A.C.E.R.S., and P.R.O.S. Committees and through ‘observer’ training and awareness, any potential for hazards is addressed. The bi-weekly newsletter “Connections” highlights safety achievements and milestones of operating groups as well as covers safety topics such as ‘best practices’, ‘at risk behaviour’, ‘safe start’ and ‘safety tips’ that employees must be aware of. Recent results and achievements have given Wheel-Trans cause to celebrate. For example, since February 19, 2009 it has been over 250 days since any Wheel-Trans Operators incurred a lost-time injury while being on the job! Similar success was also celebrated in the bus maintenance area, with employees achieving over 400,000 injury-free hours. Achieving these results by our front line employees has also resulted in lower absenteeism.

Telephone Performance

Longer call processing time continues due to the handling of more complex calls such as instructing customers on booking trips via the internet, or training customers to use RideLine (telephone touch-tone system), or assisting them with linked trips to the accessible transit network. Customers with more difficult trip-booking questions are better

able to make it through the queue. The average call processing time has increased from 97 seconds to 125 seconds, an increase of 29% over the past years. Two (2) additional Reservationists and three (3) additional summer students are included in the 2010 Budget which will increase the ability of the "call centre" to handle an additional 70,000 calls. Improvements will be made to the IVR RideLine system to allow greater flexibility for both inbound and outbound calls so that customers will be able to access and receive information, such as trip confirmations, in a timely manner. Internet trip booking will be modified to be more user-friendly and provide customers with more trip-booking options. The use of the internet for trip-booking and trip confirmations will be the key to improving trip-booking performance.

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 newsletters "Reporter" and "CommunityLINK" will continue to be used to promote service initiatives, changes, and policies, as well as provide service reminders. Recordings on IVR RideLine and Reservations lines, automated customer call-out messages as well as the use of email and postings on the TTC web site will be used increasingly to communicate service changes and messages.

Work will continue on upgrading the Wheel-Trans Information System (WTIS) to address reliability issues of this 14-year old system, improve scheduling and support new customer initiatives such as internet trip booking, improve same-day trip availability, provide trip planning and scheduling integration with conventional services and real time provision of vehicle arrival notification (with the addition of Automatic Vehicle Location technology). These system enhancements will also address the on-time delivery of service by providing more timely information and system flexibility to adjust schedules in areas affected by road closures and construction. In addition, initiatives, such as common arrival and departure times at popular locations, will continue to improve productivity through share riding in high demand areas and increase availability of same-day trips through filling of gaps that occur as a result of cancellations on the day of service.

Capital Program

The 2010-2014 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 2010 Capital Budget request of \$31.6 million is as follows:

- replacing and expanding the bus fleet (69 buses) - \$24.3 million
- overhauling 30 buses - \$1.7 million
- expanding and upgrading facility - \$2.5 million
- upgrading the WTIS computer system - \$3.0 million, to improve system functionality and enable future service quality and productivity initiatives
- maintaining shop equipment - \$0.1 million.

SUMMARY

The 2010 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 as well as TTC operations versus taxi contractors. Wheel-Trans staff will continue to implement service quality and efficiency improvements while being sensitive to customer needs and being vigilant regarding safety in order to maximize the trips accommodated within the funds available.

Improvements to the current service delivery methods will be essential through initiatives such as proactively linking trips with the Accessible Transit Network, optimizing fleet utilization with a focus on maximizing bus capacity, utilizing technology for trip booking and scheduling, as well as improving on-time service delivery.

November 27, 2009
18-29-29

Attachment: Appendix A

APPENDIX A
2010 OPERATING BUDGET SUMMARY
(\$000s)

	2009	2010	CHANGE
	<u>BUDGET</u>	<u>BUDGET</u>	
<u>EXPENSES</u>			
<u>CONTRACT SERVICES</u>			
Urban Taxis	8,020.7	9,059.4	1,038.7
Accessible Taxis	17,321.2	16,733.3	(587.9)
SUB-TOTAL	25,341.9	25,792.7	450.8
<u>VEHICLE OPERATION</u>			
Operators	17,871.2	20,742.9	2,871.7
Professional Staff	512.8	532.0	19.2
Vehicle Supervision	896.1	1,008.1	112.0
Equipment Maintenance	11,300.5	13,792.7	2,492.2
Vehicle Fuel	2,986.6	3,645.9	659.3
Onshore Garage Costs	1,143.0	1,210.1	67.1
Out-of-Time Master Sign-Up	0.0	0.0	0.0
SUB-TOTAL	34,710.2	40,931.7	6,221.5
<u>ADMINISTRATION</u>			
General Superintendent's Office	744.6	846.2	101.6
Dispatch & Reservations	4,169.7	4,371.3	201.6
Accessible Services	624.3	634.8	10.5
Customer Service	1,390.9	1,614.1	223.2
SUB-TOTAL	6,929.5	7,466.4	536.9
<u>IN-DEPARTMENTAL COSTS</u>			
Senior Employee Costs	3,191.0	3,457.4	266.4
SUB-TOTAL	10,826.5	11,940.0	1,113.5
<u>PER WHEEL-TRANS</u>			
TOTAL EXPENDITURES (PER WHEEL-TRANS)	80,999.1	89,588.2	8,589.1
<u>POST-RETIREMENT NON-CASH BENEFITS*</u>			
TOTAL EXPENDITURES (PER CITY)	80,999.1	89,588.2	8,589.1
<u>ACCIDENT CLAIMS NON-CASH EXPENSE **</u>			
TOTAL EXPENDITURES (PER CITY)	80,169.1	88,433.2	8,264.1
<u>TOTAL REVENUES</u>			
TOTAL REVENUES	3,827.7	4,757.3	929.6
<u>OPERATING SUBSIDY REQUIRED</u>			
	76,341.4	83,675.9	7,334.5
<u>TRIP PASSENGERS (000s)</u>			
	2,374.7	2,493.4	118.7
<u>SUBSIDY PER TRIP</u>			
	\$ 32.50	\$ 34.02	\$ 1.52

As a result of the City Council's direction, a long-term subsidy receivable from the City has been created to finance these expenses. The establishment of a long-term subsidy receivable in the amount of \$325,000 to cover accident claim non-cash expenses for 2010 has been discussed with staff and City Council approval will be sought through the submission of this budget.