

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 31, 2007

SUBJECT: 2007 WHEEL-TRANS OPERATING BUDGET

RECOMMENDATION

It is recommended that the Commission approve:

- 1/ The 2007 Wheel-Trans Operating Budget (summarized in Appendix A) as described in this report and the following accompanying reports:
 - 2007 Wheel-Trans Operating Budget Overview
 - 2007 Wheel-Trans Detailed Operating Budget (Blue Book)
 - 2007 TTC Departmental Goals & Objectives
 - 2007 TTC Organization Charts
- 2/ Consider this report in concert with:
 - (a) the 2007 TTC Operating Budget
 - (b) the 2007-2011 Capital Program and 10-Year Capital Forecast
- 3/ Note that based on flat-lined City of Toronto operating subsidy levels, the proposed Wheel-Trans Operating Budget includes a base budget shortfall of \$5.6 million as summarized below:

Expenditures*	\$68.7 Million
Revenues**	<u>3.2 Million</u>
Subsidy Needed	\$65.5 Million
Estimated City Operating Subsidy	<u>59.9 Million</u> (2006 Budget)
Shortfall	<u>\$ 5.6 Million</u>

* Net of post-retirement benefit non-cash expenses.

**Based on current fare structure.

- 4/ Note that post-retirement benefit non-cash expenses, in the amount of \$830,000, are not included in the Net Operating Subsidy requirement as these expenditures will be financed through a long-term subsidy receivable from the City;
- 5/ The Wheel-Trans Service Plan which encompasses the following key factors:
 - Eligibility Criteria and Application Process remain unchanged;

- Registrant base increasing by 14% to 51,000;
 - Trip demand increasing by 7.8% to 2,099,200;
 - Unaccommodated rate remaining at 2%;
 - Trips provided by accessible vehicles remaining at 88%;
 - Trips increasing to 2,186,200 (includes Community Bus);
 - Further integration with the conventional transit system;
 - Community Bus routes increase from five (5) to six (6);
 - Implementation of new accessible and sedan taxi contracts;
 - Workforce increasing by 43 to a year-end complement of 459.
- 6/ Forward this report to the City of Toronto requesting approval of:
- (a) the City's 2007 Operating Subsidy for the Wheel-Trans Operation; and
 - (b) confirmation of the establishment of an additional receivable in the amount of \$830,000 to cover post-retirement benefit non-cash expenses;
- 7/ Forward this report to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information;
- 8/ Forward this report to the Ontario Ministry of Transportation, the Honourable Donna Cansfield, the Ontario Ministry of Public Infrastructure Renewal, the Honourable David Caplan, and the Ontario Ministry of Finance, the Honourable Greg Sorbara for information; and
- 9/ Forward this report to Rob McIsaac, Chair of the Greater Toronto Transit Transportation Authority, for information.

FUNDING

The Wheel-Trans Operating Budget for 2007 provides funding in the amount of \$65.5 million which is required to meet the anticipated demand for service (\$68.7 million), partially offset by revenues of \$3.2 million. At the requested level of funding, Wheel-Trans will achieve the targeted 7.8% growth in trip demand and 2% unaccommodated rate, using a mix of accessible vehicles and sedan taxis for its door-to-door and fixed route service, as well as undertake various service design initiatives to improve the quality of service.

Factors contributing to the 2007 funding request increase of \$5.6 million include costs for additional service of \$4.2 million which include the wages and benefits attributable to the increasing workforce due to the anticipated higher trip demand and accommodating those trips;

impact of the 2005 Collective Bargaining Agreement of \$0.6 million; price increase to contracted services and vehicle maintenance materials of an ageing fleet of \$1.2 million; \$0.3 million increase for a comprehensive accessible transit training program to link trips with the conventional transit service; \$0.1 million for a master sign-up for the opening of the new Mount Dennis bus garage; partially offset by increased revenues of \$(0.2M); and reduced property taxes of \$(0.6M).

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.

The following table provides a comparison of the 2006 and 2007 Ridership and Operating Budgets:

	2006 BUDGET	2007 BUDGET	CHANGE
Demand (000s)	1,947.3	2,099.2	151.9
Unaccommodated Rate	2%	2%	-
Ridership (000s)			
Registrants (Door-to-Door)	1,903.9	2,052.1	148.2
Community Bus	118.1	134.1	16.0
TOTAL	2,022.0	2,186.2	164.2
Financial Data (\$000s)			
Expenses	63,799.1	69,601.3	5,802.2
Less: Post-Retirement Non-Cash Expenses*	<u>790.0</u>	<u>830.0</u>	<u>40.0</u>
Net Expenses	<u>63,009.1</u>	<u>68,771.3</u>	<u>5,762.2</u>
Operating Revenue	(3,040.8)	(3,236.5)	(195.7)
Net Operating Subsidy	59,968.3	65,534.8	5,566.5

*A long-term subsidy receivable from the City is required to cover post-retirement benefit non-cash expenses.

DISCUSSION

2007 Operating Budget and Service Plan

Performance Overview

The 2007 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 re-designing service delivery to improve productivity and efficiency (see table below). The fundamental approach and initiatives outlined in the Plan remain the foundation upon which the 2007 Operating Budget and Service Plan are developed.

**WHEEL-TRANS PERFORMANCE
1994-2007**

	1994	2007	CHANGE	%
Workforce	471	459	(12)	(2.6)
Subsidy per Trip	\$34.48*	\$30.36	(\$4.12)	(12)
Productivity (pph)	4.06	4.88	0.82	20
Unaccommodated Rate	8%	2%	75% Improvement	
Cancellation Rate	27%	14%	48% Improvement	
Accessible Service	57%	87.5%	54% Improvement	

*Stated in 2007 Dollars

2006 Year In Review

Growth occurred within the registrant base (14.7% over 2005) with similar rates of increase experienced for both ambulatory and non ambulatory registrants. Demand for medical trips continued to increase due to the impact of an increased number of dialysis patients and out patient health care clinics. With an increasing registrant base, trip demand surpassed the 2006 Budget by 1.1% (1,968,700 trips estimated for year-end) which is also a 6.2% increase over 2005. Keeping pace with this demand presented a challenge that was partially met with productivity enhancing initiatives such as the automated call-out feature, internet trip confirmation, and improved schedule optimization; but these efforts were more than offset by increased traffic congestion, longer trip lengths, and an aging bus fleet.

Delays were experienced in implementing some of the planned technology improvements that

would have decreased customer telephone wait times in Reservations, and this delay in combination with a higher than anticipated trip demand resulted in unmet telephone performance. Once the simplified automated trip booking technology is available (2007) on the touch-tone telephone system and on the internet, telephone response time will improve. Wherever resources allow, overtime shifts have been added to meet fluctuating customer call volume .

Wheel-Trans is committed to providing improved service quality and productivity, as well as ensuring service integration with the conventional accessible transit network. The Secret Shopper Program initiatives will continue to measure our overall performance.

The 2006 quality assurance initiatives focused on improving service to customers and enhancing the safety of both our passengers and employees. A thorough review of the vehicle and facility evacuation program was completed, which included refresher training to ensure a professional and timely response in case of a fire emergency. Changes made to the maintenance facility through the servicing of the non-revenue fleet prompted a complete review of the risk and hazards associated with each job ensuring a safe work environment. Using a task force format, employees in Reservations and Dispatch recommended several service improvement initiatives which were adopted to improve contact with customers. There will be continued emphasis on key processes and monitoring of compliance to established practices on an on-going basis .

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 2007 Service Plan is the full year's impact of initiatives directed at minimizing decreasing vehicle productivity and improving service quality in order to provide a high level of service in the face of rapidly increasing demand. Additional peak period demand will be accommodated through the deployment of high capacity buses for longer hours on an ageing fleet, and by expanding the use of more small capacity accessible and sedan taxis. While the WTIS scheduling system is being upgraded in 2007, the majority of benefits associated with the upgrades will be realized in 2008.

Of the current fleet of 138 ELF low-floor buses, 74 have reached their designed seven-year life and even with regular maintenance and retrofits, breakdowns are occurring more frequently. As a result, staff are developing a prototype low-floor bus with two manufacturers to meet the capacity and operating requirements of a door-to-door bus and fixed route community bus, which after development and testing, will be used in service on a 'trial' basis. Procurement of buses to replace the ageing ELF fleet will start in late 2007 and continue for at least the next four years. These buses will support Wheel-Trans' continuing efforts in providing quality service during peak periods when passenger demand is greatest.

In the interim, staff are pursuing a refurbishment strategy beginning with 10 buses in 2007 which will extend the service life of these buses by three to four years. These rebuilt buses will provide additional capacity to help offset the larger than anticipated demand growth especially during peak period hours. If these two initiatives cannot satisfy service requirements, then an

alternative strategy will have to be implemented with additional accessible taxi service.

Wheel-Trans plans to introduce a comprehensive travel training program that will demonstrate to our customers the 'real life' benefits of the TTC's accessible conventional transit network of 25 accessible subway stations and 85 accessible bus routes. The travel training program will include the development of a detailed guide, as well as one-on-one mentoring that would cover travel planning, route assessment, safety, and an actual trip experience riding buses and subways. Rollout of this program is not expected until the Fall after all elements have been developed and communicated. The impact of trips on Wheel-Trans service will be minimal since participation in this Program will be voluntary, with trips originating or ending using Wheel-Trans service. Wherever possible, Express Bus, Zone and Community Bus service, will link with the accessible transit network to further support service integration.

In keeping with the initial design for Community Bus service, one additional community bus route will be added, bringing the total to six community bus routes providing 134,100 trips in 2007, of which 5,200 will be taken by Wheel-Trans registrants.

Wheel-Trans is currently exploring a new service contract with an organization that has a proven track record and high commitment of service within the community. This initiative will address fundamental issues such as driver selection criteria, a more robust sensitivity training program and better monitoring of the delivery of service on the street to ensure contract compliance (schedule adherence, investigations, reliable and clean vehicles, routine quality assurance audits of performance). This model is intended to raise the quality of service to our customers and increase the availability of accessible taxis in the community. Accessible taxi service represents 718,000 trips in 2007, at a cost of \$14.6 million.

As the Accessibility for Ontarians with Disabilities Act (AODA) continues to evolve, staff will develop a plan that will comply with the legislation. Wheel-Trans will develop a response in conjunction with the entire Accessible Transit Network in order to maximize trip availability within available funding.

These aforementioned key challenges will have a profound impact on future service design, and accommodating trip demand as well as improving service quality, productivity and efficiency of the service.

2007 Service Plan**Registrant Base**

Expansion of in-person interview locations throughout the City has provided for greater convenience when applying for Wheel-Trans service. For 2007, it is anticipated that 8,400 customers will apply for service of which 7,400 are expected to be accepted based on the current 88% acceptance rate. With the impact of attrition, the year-end registrant base will increase to 51,000. This registrant base increase will not directly translate into a similar increase in trip demand, since active customers booking trips make up 63.7% of all registrants with some customers registering for service as a 'just in case' transportation alternative.

Demand Forecast

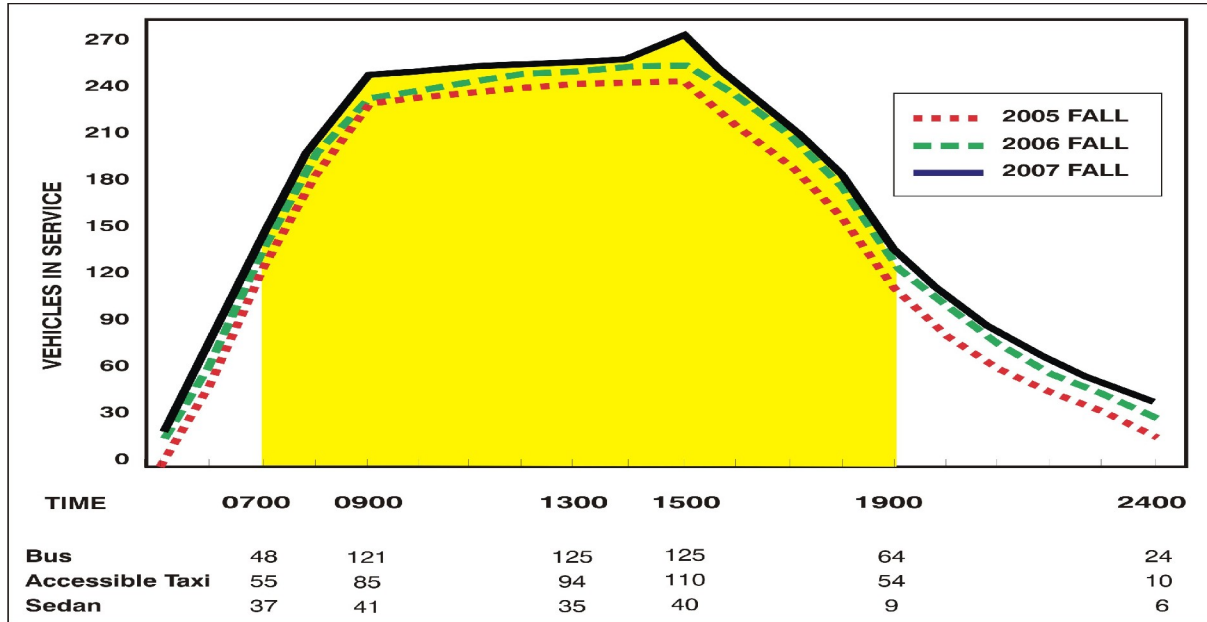
It is anticipated that the trip demand for service will continue to a year-end level of 2,099,200 trips, a 6.6% increase over the 2006 probable and 7.8% increase over the 2006 Budget. This strong demand growth is reflective of a rapidly expanding registrant base, the improvement in overall service quality, the increase in dialysis trips, the ongoing impact of health care restructuring that causes increased demand for outpatient trips, an ageing population and increased special event programming. It is expected that all these factors will continue to produce significant demand growth in the future.

The impending wave of the baby boom generation, which will inflate the registrant base, may not cause a parallel impact on demand. Trip generation rates of registrants who are seniors are typically less than the rates of younger registrants who typically take more work or school-based trips.

Registrant growth is especially high for seniors as they comprise a greater proportion of the population. As shown below, the largest registrant segment is seniors over 65 years of age, (76%), with the majority of seniors between 75-84 years of age.

Adjusting the service profile (as illustrated below) by allocating the additional service (almost 10,000 hours) to peak demand periods and achieving higher vehicle productivity through both schedule enhancements and improved service monitoring, will maximize the trips provided during all hours of service. The amount of service operated for all modes will be approximately 28,800 revenue hours greater than 2006. Scheduled bus service will continue to be based upon a minimum acceptable vehicle productivity standard of 2.0 passengers per hour.

2007 FALL SERVICE PROFILE



The Wheel-Trans bus fleet available for door-to-door service will remain at 138 plus six Orion buses providing Community Bus service. Given the large capacity of buses, an ever increasing number of same day trip requests can be accommodated, as well as larger sized mobility devices.

The following 2007 Service Plan Overview provides trips accommodated by mode as compared to this year's budget level. The Unaccommodated rate remains at 2%.

2007 SERVICE PLAN OVERVIEW

	2006 BUDGET	2007 BUDGET
Customer Demand	1,947,300	2,099,200
Passengers Carried: Door-to-Door Service	1,903,900	2,052,100
- Bus	999,500	1,076,800
- Accessible Taxis	675,900	718,000
- Sedan Taxis	228,500	257,300
Community Bus	118,100	134,100

Service and Service Quality Initiatives

In addition to the full year impact of 2006 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 to minimize decreasing vehicle productivity, improving on-time delivery of service, trip scheduling updates and customer access to information achieved through the following initiatives:

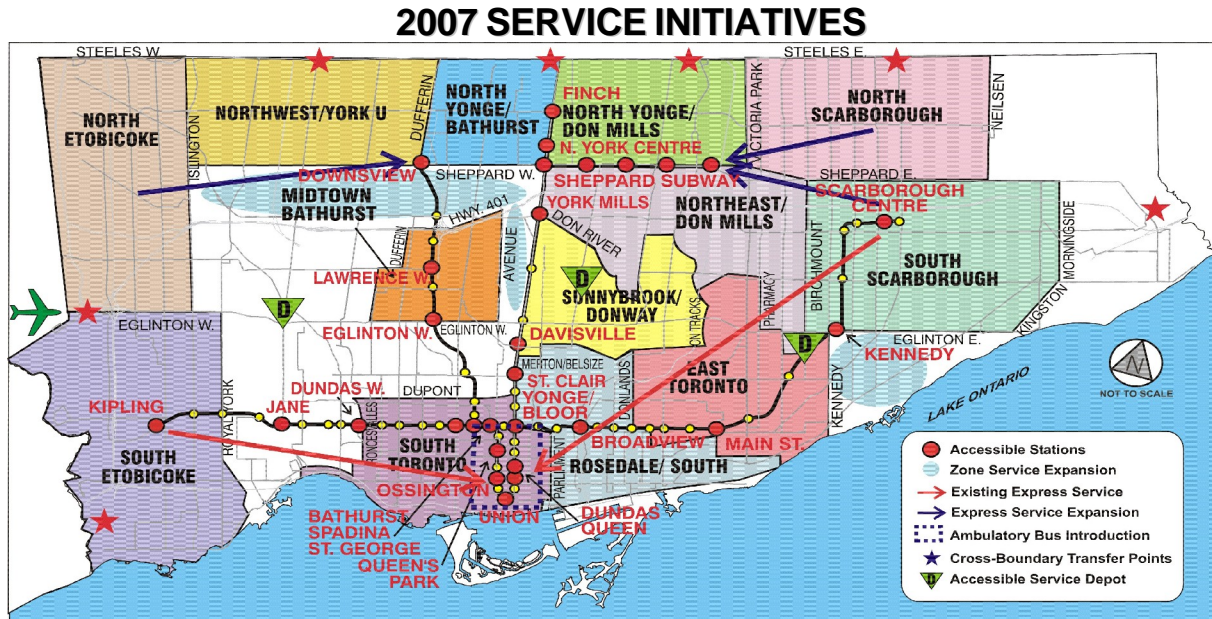
Expand Current Service Design

- Zone service will be expanded in three service areas.
- Zone service will be supplemented through the use of accessible taxis to offer more flexibility within service areas.
- Ambulatory bus service will be expanded in the downtown core to accommodate ambulatory customers (dialysis patients) originating from common destinations such as various hospitals and institutions. This will decrease the number of vehicles required to efficiently meet trip demand.
- Expansion of community bus service from 5 to 6 routes.
- Expansion of express bus services from two to five.
- Bus service will carry a greater proportion of trip demand.
- Peak service will be increased in keeping with demand growth.
- Service standards will be reviewed to ensure the appropriate balance between service availability and service quality.
- Customer feedback will be obtained through a comprehensive survey in 2007. Wheel-Trans will embark on a triennial comprehensive survey to obtain customer feedback on overall service quality.
- The impact of AODA legislation on Wheel-Trans service will be examined from an operational and financial perspective.

Expanded Integration with Accessible Transit Network

- Wherever possible, zone and express services as well as community bus service will link with accessible subway stations and bus routes to support further service integration.
- Wheel-Trans plans to introduce a comprehensive travel training program that will demonstrate to our customers, in a “real life” setting, the reliability and features of the TTC’s accessible conventional transit network. All aspects of this program including a training plan and materials will be developed to assist with route planning, route assessment and safety as well as a guide for customers, so that they can take advantage of the flexibility and spontaneity associated with accessible subway and bus services. The program will be available to individuals as well as to administrators/social workers at hospitals, group homes, and seniors’ residences.
- Vehicle to vehicle transfers (through express bus service) will continue the trend toward integration with the accessible transit network.
- Contracted accessible taxis will continue to have access to the paid areas of our accessible subway stations.

The following map illustrates current as well as planned service initiatives for 2007.



Improved Telephone Performance

In order to improve telephone response and access trip information, a number of initiatives will be implemented providing more options for trip reservations.

- Expand automated trip booking by simplifying the Express booking system and making greater use of the internet for trip booking and cancellations.
- Improve telephone response time through additional workforce to support both the Dispatch/Reservations areas.
- Internet confirmations will continue to reduce dependence on person-to-person communications.

Improved Service Consistency

- A more robust Secret Shopper Program will continue for all modes of service, the results of which will be compiled in quarterly reports and used to focus our improvement efforts.

WORKFORCE

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

DEPARTMENT/BRANCH	2006 BUDGET	2007 BUDGET	CHANGE
Wheel-Trans (Direct)	404	447	43
Corporate Support	12	12	-
Sub-total – Wheel-Trans Operating *	416	459	43
Non-Revenue Vehicle Maintenance	10	10	-
Total	426	469	43

* excludes 1 position charged directly to the Capital Program.

2007 – 2011 OPERATING BUDGET AND SERVICE PLAN

A Five-Year Operating Plan is being developed to reflect the future direction of trip demand using the current eligibility criteria for service, and population data obtained from the City of Toronto; the best utilization of fleet maximizing higher capacity buses and maintaining 88% accessible service; growing conventional service integration as more subway stations and surface routes become accessible; consider expanding community bus service by one route each year until 2011; opportunities to reduce costs by improving the efficiency of Wheel-Trans service utilizing technology for booking, scheduling and delivering the service.

DEMAND

The demand projection will be developed based on City of Toronto demographic population projections including projections of senior citizens over the same period, realizing that 76% of registrants on Wheel-Trans service are over 65 years old; a continuing strong growth in the registrant base, growing trip utilization rates recognizing that a growing percentage of trips will become shorter as more trips are linked from express buses, community buses and service depots to conventional services, a returning confidence in contracted taxi services, and the anticipated demand impact created through the planned introduction of various service initiatives and improved service quality and vehicle reliability. The impending wave of the baby boom generation may inflate the registrant base but not cause a similar impact on demand as trip rates of customers vary widely with some customers registering for service 'just in case' as a transportation alternative.

Ridership will be based on a 2% unaccommodated rate and supports the appropriate balance between trip availability and service quality. Incorporated into the service plan will be initiatives directed at improving overall vehicle productivity through changes to service design. As demand increases, more buses and contracted taxi services are required to maintain the targeted level of service and modal split. A slight increase in bus productivity is forecasted for 2008 after WTIS

upgrades are completed in 2007, then productivity moves into a steady state of increasing due to AVL/GPS/MDT technology and the introduction of sector scheduling.

Investing in the Future

As the TTC conventional service becomes accessible, Wheel-Trans customers need to be directed towards this service in order to reduce or contain the increasing costs of the Wheel-Trans service and improve the service over the longer term. To succeed, the conventional system needs to be ready for seniors and persons with disabilities. This requires that not only is the system accessible, but employees are sensitive to the needs of customers. Once the system is ready, Wheel-Trans customers can be integrated into the conventional system. Considering that the bus routes will not be fully accessible until 2010 and the complete system until 2025, the integration of Wheel-Trans customers will take some time. The first steps can be taken now as an investment into the future.

Wheel-Trans plans to introduce a comprehensive travel training program that will demonstrate to our customers, in a "real life" setting, the reliability and features of the TTC's accessible conventional transit network. All aspects of this program including a training plan and materials will be developed to assist with route planning, route assessment and safety as well as a guide for customers, so that they can take advantage of the flexibility and spontaneity associated with accessible subway and bus services. The program will be available to individuals as well as to administrators/social workers at hospitals, group homes, and seniors residences.

Wheel-Trans customers, due to the nature of the service offered, are dependent on the prompt delivery of service. Consistent on-time performance is critical to remove customer uncertainty and anxiety related to their trip delivery. Keeping this in mind, more timely access to trip information through increased customer utilization of the automated telephone system is planned which will automate the 'call-ahead' feature to provide updated trip status information with respect to time, vehicle changes and trips late by more than 20 minutes. Through the application of automatic vehicle location technology (AVL) and updating time/distance matrix scheduling parameters in WTIS, the customer will know the arrival time of the scheduled vehicle 15 minutes in advance. In addition, increased service monitoring with our new service partners through monthly taxi service reviews, on-site service audits, 'secret shopper' assessments and the application of penalties and premiums will encourage the provision of improved contracted taxi service.

In order to keep pace with the growing demand for service, planned technology improvements through WTIS system upgrade to address reliability issues, equipping vehicles with AVL/GPS technology and customer initiatives, such as internet trip booking, improve same day trip availability (flexibility to adjust schedules in areas affected by road closures, accidents, construction, etc.) and provide easier integration with conventional services and vehicle arrival notification. It is expected that Wheel-Trans will reap the full benefits of these initiatives in 2008 and beyond.

In an attempt to provide a more seamless trip into and out of the City of Toronto, staff will continue to work with GTA paratransit service providers to make further improvements in co-ordination of services at transfer locations in order to accommodate cross-boundary trips. Initiatives such as one-stop trip planning through Reservations to co-ordinate trip requests, full roll-out of the AVL bus

tracking system, coupled with Zone service and a trip scheduling window will serve to improve the adherence to customer arrival and departure times at the designated transfer points.

The Wheel-Trans fleet of ELF buses are due for replacement and until a prototype vehicle is available with the appropriate design and overall capacity for Wheel-Trans service, staff have recommended a partial overhaul of the fleet as an option. The Five-Year Capital Program identifies the bus fleet projection which is based upon more flexible service policies, enhancement of the WTIS system and technology improvements such as AVL. A key component of the Five Year Plan will be to examine alternative service delivery strategies and the impact of more scheduling flexibility through a pick-up window, as well as directing customers on Wheel-Trans service to integrate more with the Accessible Transit Network. If Wheel-Trans is unsuccessful in implementing these changes, then additional bus capacity will be required and the fleet size will experience further growth to make up for the reduced productivity.

Capital Program

The 2007 Capital Budget has been prepared in support of continued improvements to service delivery, bus productivity, customer access to information and on-going facility improvements. The Capital Budget request of \$9.5 million in 2007 is required for facility improvements totalling \$3.3 million for items such as expansion of office space, upgrading the HVAC system in the bus storage barn and construction of a special clean area for vehicles; \$5.4 million for the purchase of six buses, a 'trial' ELF bus refurbishment program on 10 buses, plus a fleet-wide upgrade to the fire suppression system as well as equipping the bus fleet with security cameras. The Capital Budget also provides \$0.8 million for an upgrade to the WTIS computer system to improve system functionality and capability in facilitating future interfaces with GPS/AVL technologies.

SUMMARY

The 2007 Wheel-Trans Operating Budget and Service Plan has 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, and 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.

Attachments: Appendix A

Companion Reports: 2007 Wheel-Trans Operating Budget Overview
2007 Wheel-Trans Detailed Operating Budget (Blue Book)
2007 TTC Departmental Goals & Objectives
2007 TTC Organizational Charts