

June 14, 2007

Ms. Ulli Watkiss
City Clerk
City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

Dear Ms. Watkiss:

At its meeting on Wednesday, June 13, 2007, the Commission considered the attached report entitled, "Service Increases to Respond to Unanticipated Ridership Growth."

The Commission approved the Recommendation contained in the report, as listed below:

"It is recommended that the Commission:

1. Approve the implementation of 1900 additional, unbudgeted, hours of service per week in November 2007 to reduce overcrowding on the system at an estimated cost of \$0.64 million in 2007, and an annual cost of \$6.7 million in 2008 noting that:
 - system ridership is expected to reach 462M annual riders by year-end in 2007, which is 1.8% higher than budgeted, and ridership growth is expected to continue in 2008,
 - the additional service is required to accommodate this higher ridership level without overcrowding,
 - the eight additional buses required to provide these services can be accommodated within the current bus fleet plan to the end of 2008. Bus fleet requirements in the longer-term will be reviewed as part of the 2008 budget process, and;
2. Forward this report to the City's Budget Committee for approval."

The foregoing is forwarded to the City Budget Committee for approval.

Sincerely,

Vincent Rodo
General Secretary
1-16
Attachment

Form Revised: February 2005

**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: JUNE 13, 2007

SUBJECT: SERVICE INCREASES TO RESPOND TO UNANTICIPATED
RIDERSHIP GROWTH

RECOMMENDATIONS

It is recommended that the Commission:

1. Approve the implementation of 1900 additional, unbudgeted, hours of service per week in November 2007 to reduce overcrowding on the system at an estimated cost of \$0.64 million in 2007, and an annual cost of \$6.7 million in 2008 noting that:
 - system ridership is expected to reach 462M annual riders by year-end in 2007, which is 1.8% higher than budgeted, and ridership growth is expected to continue in 2008,
 - the additional service is required to accommodate this higher ridership level without overcrowding,
 - the eight additional buses required to provide these services can be accommodated within the current bus fleet plan to the end of 2008. Bus fleet requirements in the longer-term will be reviewed as part of the 2008 budget process, and;
2. Forward this report to the City's Budget Committee for approval.

FUNDING

The recommended additional service is unbudgeted and is expected to increase operating costs in 2007 by \$640,000 over the approved 2007 TTC Operating Budget. This will increase the current projected 2007 TTC Operating Budget shortfall from \$6 million to \$6.6 million. The costs of the additional service will be \$6.7 million in 2008, and if approved, will be included in the 2008 TTC Operating Budget planned for submission to the Commission in late 2007.

BACKGROUND

System ridership is growing more rapidly than anticipated. The 2007 Operating Budget was established based on a forecast ridership level of 454M riders which is a 2.1% increase over 2006. Ridership for 2007 is now expected to be approximately 462M riders, which is 1.8% greater than budget and 3.9% greater than 2006.

Based on these trends, the Commission, at its April 18th meeting requested that staff report on:

- *"how in-year service can be adjusted to meet unanticipated growth", and*
- *"projected ridership for 2008 and associated bus requirements for 2008 should our requirement for buses exceed our procurement plan"*

This report responds to these Commission requests.

DISCUSSION

System ridership has been growing at 3% to 4% per year in the past 3 years as the result of a

number of factors:

- a buoyant economy with increased employment in the TTC's service area
- improved off-peak service standards on major routes through the Ridership Growth Strategy (RGS) program
- implementation of a number of RGS fare programs to encourage greater use of passes including the introduction of transferable Metropasses and the VIP programs, maintaining the Metropass price while raising other fares, and the introduction of the weekly passes
- introduction of the Federal Tax Credit for the purchase of passes

The growth in Metropass use, in particular, has been higher than forecast as more passengers than expected have switched from using cash, tickets and tokens to using Metropasses. This has had a significant effect on ridership, with strong increases in off-peak ridership in particular. As a consequence, recent passenger counts on many individual routes are showing crowding levels that exceed Commission standards, particularly at off-peak times. This switching from cash/ticket/token use to Metropass use, while increasing ridership has not, however, resulted in increased revenues.

It is expected that the rate of growth in ridership will moderate in the coming years primarily because the one-time effect of the introduction of transferable Metropasses will not occur in future years. Currently ridership for 2008 is forecast to grow between 2% and 3% over 2007 levels resulting in a forecast 2008 ridership of between 471M and 476M.

Service increases to respond to unanticipated ridership growth

On a base of 142,000 hours of service per week that the TTC operates, the 2007 budget provides for an increase of 2400 weekly hours of service to accommodate overcrowding in the fall of 2007. However, ridership counts indicate that 4300 additional hours of service are required to address observed overcrowding which maintains the TTC standards for passenger crowding on vehicles.

Implementing this additional 1900 hours of service per week, over and above what is budgeted, requires the equivalent of 54 additional operators to provide the service. The hiring and training rate for operators has been ramped-up in 2007 which provides greater flexibility than in the past to provide increased service so operator workforce can be arranged to provide the required increase in service beginning in November 2007. Adding this service in November 2007 would cost approximately \$640,000 in 2007, and would add \$6.7 million to operating costs in 2008.

As with all TTC service planning decisions, specific additions of service on individual routes which require additional buses or additional hours of service will be based on observed ridership levels at the time, compared to Commission-approved crowding standards. Additional service will be implemented only if it is warranted under the Service Standards process; unwarranted service will not be implemented even if budgeted resources and fleet are available to do so.

Bus requirements related to unanticipated ridership growth

From a fleet perspective, most of the unanticipated growth in ridership is occurring in the off-peak

periods, so there is a limited need for additional peak vehicles in the fall of 2007. The requirement is for 8 additional morning peak vehicles, and the current bus fleet plan can accommodate this increase.

During the 2007 capital budget cycle, 50 additional buses were approved for addition to the bus fleet in 2008. Approximately 25 of these buses were added to address out of service fleet due to warranty repairs. The other 25 buses were added primarily as a contingency to ensure sufficient vehicles for replacement service during track rehabilitation and to provide a buffer for unforeseen ridership growth. Prior to the service improvements outlined in this report, the contingency was expected to grow by a further 7 buses added in lieu of late fees payable by Orion. With the service proposed in this report, the contingency will be reduced to 15 buses; a number still considered adequate to meet needs to the end of 2008.

JUSTIFICATION

To provide the resources needed to accommodate unanticipated ridership growth in 2007, it is recommended that additional service be approved for implementation in November 2007. It is expected that there will be sufficient bus fleet available in 2007 and 2008 to accommodate the increased service required to accommodate ridership growth.

The 2008 Operating Budget and the 2008 – 2012 Capital Program, which will be presented to the Commission in the fall of 2007, will incorporate these changes and the resources needed to accommodate additional ridership growth in 2008 as appropriate.

June 13, 2007
11-31-47