

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: November 14, 2007

SUBJECT: 2008 WHEEL-TRANS OPERATING BUDGET

RECOMMENDATION

It is recommended that the Commission approve:

- 1/ The 2008 Wheel-Trans Operating Budget (summarized in Appendix A) as described in this report and the following accompanying reports:
 - 2008 Wheel-Trans Operating Budget Overview
 - 2008 TTC Departmental Goals & Objectives
 - 2008 TTC Organization Charts
- 2/ Consider this report in concert with:
 - (a) the 2008 TTC Operating Budget
 - (b) the 2008-2012 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 \$4,584.9K as summarized below:

Expenditures*	\$73,862.2
Revenues**	<u>3,742.5</u>
Subsidy Needed	\$70,119.7
City Operating Subsidy Available	<u>65,534.8</u>
Shortfall	<u>\$ 4,584.9</u>

*Includes no provision for the impact of the next Collective Bargaining Agreements. Each 1% increase in wages/benefits equates to about \$0.4 million annually in the Wheel-Trans Operating Budget (\$0.3 million for the 2008 Wheel-Trans Operating Budget).

**Based on November, 2007 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 5.9% to 54,000
 - Trip demand increasing by 6.5% to 2,236,500
 - Accommodating 98% of trips

- Trips provided by accessible vehicles remain at 87.5%
- Further integration with the conventional transit system
- Community Bus routes increase from five (5) to seven (7)
- Implementation of new accessible and sedan taxi contracts
- Workforce increasing by 34 to a year-end complement of 492
- No impact from ATU 113 negotiations
- No impact from AODA legislation

5/ Forward this report to the City of Toronto requesting approval of:

- (a) The required City 2008 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 for 2008 consistent with previous accounting treatment approved by Council;

6/ Forward this report to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information;

7/ Forward this report to the Ontario Ministry of Transportation, the Honourable Jim Bradley, the Ontario Ministry of Public Infrastructure Renewal, the Honourable David Caplan, and the Ontario Ministry of Finance, the Honourable Dwight Duncan for information; and

8/ Forward this report to Rob McIsaac, Chair of the Greater Toronto Transit Transportation Authority, for information.

FUNDING

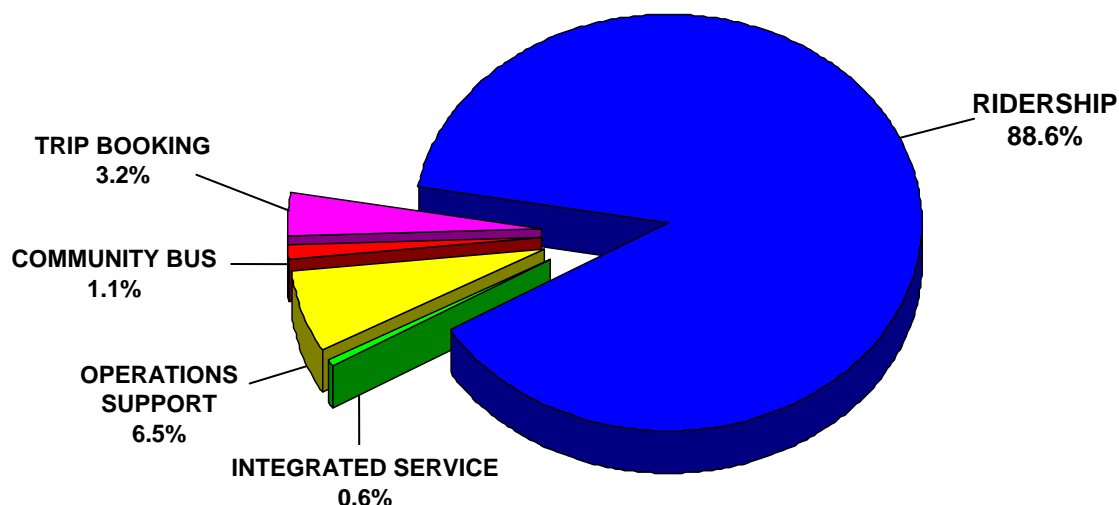
The Wheel-Trans Operating Budget for 2008 requires funding in the amount of \$70.1 million to meet the anticipated demand for service (\$73.8 million), partially offset by revenues of \$3.7 million. At the requested level of funding, Wheel-Trans will accommodate 98% of the anticipated demand using buses (52.5%), accessible taxis (35%), and sedan taxis (12.5%) for its door-to-door and fixed route service, as well as undertake various service design initiatives to improve the quality of service.

The 2008 Operating Budget and Service Plan assumes continuation of the eligibility criteria and application process, trip origins and destinations remain relatively constant, revenue reflects the November, 2007 fare increase, and the taxi meter rates remain unchanged.

Factors contributing to the 2008 funding request increase of \$4.6 million include costs related to carrying additional trips on all modes of service (\$4.1 million); the full year's effect of the April 1, 2007 wage increase (\$0.3 million); pension contribution increase (\$0.3 million); fleet constraints (\$0.5 million); improved trip booking performance (\$0.1 million); community bus service expansion (\$0.1 million); partially offset by increased revenues \$(0.5 million) and other net savings (\$0.3 million) related to freezing design changes in WTIS system, no leased costs buses, and write-down of obsolete parts.

The proposed 2008 Budget reflects an appropriate balance between quality of service and the costs of meeting customer demand. Even at this funding level, customers will experience a 2% unaccommodated rate (44,700 trips) next year. Given the majority of expenditures are focused on providing service (see below), any substantial reduction in the operating budget expenditures would inevitably result in a higher unaccommodated rate. At flat-lined funding (2007), the unaccommodated rate would increase to 11% with 245,000 trips not provided.

**2008 NET OPERATING SUBSIDY
\$70.1 MILLION**



DISCUSSION

The following table provides a comparison of the 2007 and 2008 Operating Budgets:

	2007 BUDGET	2008 BUDGET	CHANGE
Financial Data (\$000s)			
Expenses	69,601.3	74,692.2	5,090.9
Less: Post-Retirement Non-Cash Expenses*	<u>830.0</u>	<u>830.0</u>	<u>0.0</u>
Net Expenses	<u>68,771.3</u>	<u>73,862.2</u>	<u>5,090.9</u>
Operating Revenue	(3,236.5)	(3,742.5)	(506.0)
Net Operating Subsidy	65,534.8	70,119.7	4,584.9

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

2008 Wheel-Trans Performance Overview

The 2008 Operating Budget and Service Plan focuses upon replacing the ageing bus fleet, upgrading the computer scheduling system, improving the quality of contracted service, integrating with the conventional Accessible Transit Network as well as reducing trip booking times for customers. Wheel-Trans will continue to follow the initiatives outlined in the Five-Year Accessible Transit Plan directed at the redesign of service delivery to improve productivity and efficiency.

WHEEL-TRANS PERFORMANCE**1994-2008**

	1994	2008	CHANGE	%
Workforce	471	481	10	2.1
Subsidy per Trip	\$35.20*	\$30.72	(\$4.48)	(12.7)
Productivity (pph)	4.06	4.82	0.76	18.7
Unaccommodated Rate	8%	2%	75% Improvement	
Cancellation Rate	27%	14%	48% Improvement	
Accessible Service	57%	87.5%	54% Improvement	

* Stated in 2008 Dollars

2007 Year In Review

Trip demand grew by 5.6% over 2006 with an estimated 2,072,500 trips (includes Wheel-Trans registrants on community buses), which is 1.3% lower than the 2007 target. This shortfall in demand occurred primarily in the winter months when extremely severe weather occurred. Wheel-Trans will accommodate 98% of door-to-door trips requested.

Growth occurred within the registrant base with similar rates of increase 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 outpatient health care clinics. Marketing efforts focused on encouraging customers to take advantage of the Accessible Transit Network.

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

- **automated telephone trip notification**
- **internet trip confirmation**
- **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, and the reduced reliability of an ageing bus fleet. The impact of these constraints reduced overall productivity from the target of 4.88 persons per hour (pph) to 4.82 pph.

The **accessible feeder service** provides specialized service to persons with mobility restrictions not meeting the threshold for Wheel-Trans door-to-door service by maximizing the capacity utilization of buses already serving high-demand facilities. A review of the accessible feeder service between Variety Village and Main Station (implemented in 2005) identified the significant benefits of expanding this service to other regions within the City. Late this year, a feeder service connecting the Toronto Rehabilitation Centre with the accessible routes serving Sunnybrook Hospital will begin. Expansion of this service concept is being considered for other locations such as the Baycrest Centre and West Park Health Care Centre. This is another service initiative that brings Wheel-Trans closer to the goal of trip integration.

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 as well as a simplified automated trip booking process (late 2007) reduced the call growth rate.

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 our business plan. The Wheel-Trans newsletter 'Reporter' was used to promote service initiatives 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.

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 thorough review of vehicles and facility emergency evacuation procedures was completed, which included Operator refresher training.

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 targeted 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. In addition, staff are in the process of developing new service contracts that focus on improving the quality of service using the expertise of organizations that currently serve the disabled community.

Out of the current fleet of 138 ELF **low-floor buses**, 74 have reached the end of their design life and, even with regular maintenance and retrofits, breakdowns are occurring more frequently. An RFP for 198 buses is to be issued later this year, with delivery of the initial 50 buses by year-end 2008. Over the longer term, these new buses, will improve reliability and provide customers with a better ride and the capacity to accommodate larger mobility devices. To improve the reliability of the existing fleet, 70 buses will be

overhauled 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

	2007	2008				2009
		1 ST Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	
Existing	144	148	148	148	158	178
Rebuild *	8	6	6	5	5	20
New *	4	0	0	20	30	40
Retire	0	0	0	10	10	30
TOTAL	148	148	148	158	178	188

* Funding provided for in the 2008-2012 Capital Program.

Meeting the Challenges (2008)

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**
- **introduce enabling technology** that will allow Wheel-Trans to move forward, and
- improving the **efficiency of community bus service**.

The 2008 Service Plan incorporates the full year's impact of 2007 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 rapidly 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 through the deployment of high capacity buses for longer hours with 50 new buses introduced into service late next year and 30 refurbished buses (8 completed in 2007) providing a more reliable service as well as by expanding the use of small capacity accessible and sedan taxis.

If delays occur to the procurement of these buses, increased use of accessible and sedan contracted service will be necessary to accommodate the demand in the last quarter of 2008.

Productivity

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

- developing internet access for trip planning (on both Wheel-Trans and conventional transit services)
- provide **internet trip booking**, cancellations, and service updates
- increase the number of available trips with an **improved computerized scheduling system**
- expand **Scarborough zone service**
- improve the efficiency of **community bus routes**, and
- **linking trips** with the Accessible Transit Network

Service Integration

Customers that wish to travel on the conventional transit service will be assessed regarding their ability to cope with the challenges that face customers who use fixed route transit. This, combined with in-service training and trip planning programs (available in 2009), will enable customers to seek alternative transportation options.

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 29 accessible subway stations and 75% bus routes being accessible, 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 able to travel on the accessible fixed route service and therefore have access to the Accessible Transit Network will receive a detailed service guide, as well as one-on-one mentoring that would cover travel planning, route assessment and safety. They would also be accompanied on an actual trip riding buses and subways. The migration of trips from Wheel-Trans service next year will be minimal since participation in this program will be voluntary and focused on new registrants, with trips originating or ending using Wheel-Trans service.

Wherever possible, staff will link services such as Express, Zone, and Community Bus services with the Accessible Transit Network at subway stations and service depots; thereby, further supporting service integration. At the same time, staff will improve the efficiency of these various services using the enhanced computerized scheduling system and building on the highly productive zone service.

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 2008, 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	2008	✓	✓	✓		
Automated Telephone Access	2008	✓	✓	✓		
Electronic Data Transfer	2008	✓	✓	✓	✓	✓
More Flexible Scheduling	2008	✓	✓		✓	
AVL / GPS	2009	✓	✓	✓	✓	✓

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 provided
- 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.

Internet Trip Booking

Staff are focused on reducing telephone wait times as well as improving the efficiency of the existing trip booking service. Internet trip booking will be available to approximately 40% of our customers. Providing customers with this option for booking trips as well as obtaining policy information and service updates will reduce incoming calls and telephone waiting times as well as allow Reservations to deal with more complicated trip requests.

Accessible and Sedan Taxi Service

Accessible taxi service is currently provided by eight (8) taxi contracts which expire at the end of 2007. Wheel-Trans is currently seeking new service contracts with organizations who have a proven track record and high commitment of service to members of the disabled community. This initiative will address fundamental issues such as driver selection, a more robust sensitivity training program, and better monitoring of service on the street to ensure contract compliance (schedule adherence, reliable and clean vehicles, and 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.

Sedan taxis will continue to serve ambulatory Wheel-Trans passengers. Staff anticipate awarding new contracts (3) by July 2008.

These aforementioned initiatives will have a profound impact on future Wheel-Trans service design, and thereby impact our ability to accommodate trip demand as well as improve service quality and productivity.

2008 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 2008, it is anticipated that 9,800 customers will apply, of which 7,100 will be eligible for service. With the impact of attrition, the year-end registrant base will increase by 5,400. This registrant base increase will not directly translate into a similar increase in trip demand, since active customers booking trips make up 47% 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 will continue to a year-end level of 2,236,500 trips, a 6.5% increase over the 2007 Budget. This strong demand growth is reflective of an expanding registrant base, an ageing population, the increased availability of programs for persons with limited mobility, the increase in dialysis trips, the ongoing impact of health care restructuring that causes increased demand for outpatient trips, and increased special event programming. It is expected that all these factors will continue to produce significant demand growth in the future.

The table below summarizes the number of passengers carried by mode in 2008.

2008 SERVICE PLAN OVERVIEW

	2007 BUDGET	2008 BUDGET
Trips Accommodated (Door-to-Door)	2,052,100	2,186,600
- Bus	1,076,800	1,146,900
- Accessible Taxis	718,000	766,700
- Sedan Taxis	257,300	273,000
Trips: Community Bus	134,100	122,900

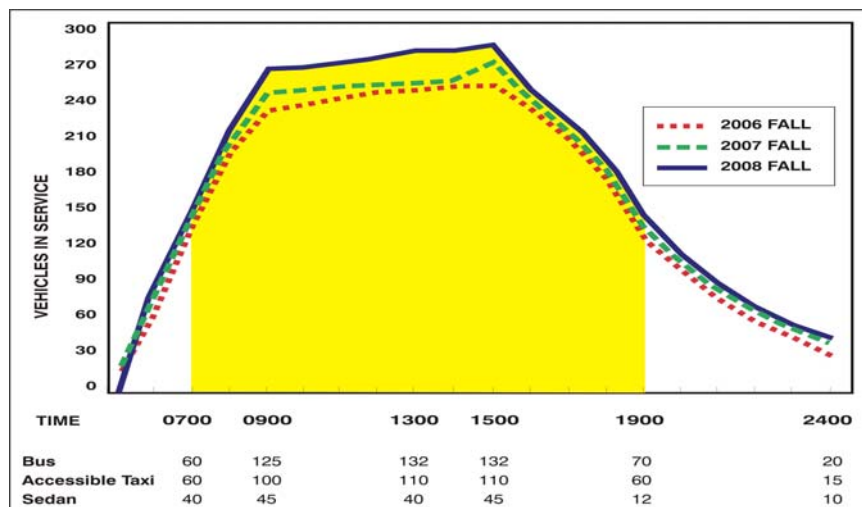
Service Design

The 2008 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 2008, as well as changes in bus maintenance practices and increased accessible and sedan taxi service, peak period service will increase by 63,700 service hours (13.4 % increase).

- Bus - 33,000 service hours
- Accessible Taxis - 22,000 service hours
- Sedan Taxis - 8,700 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.

2008 FALL SERVICE PROFILE



Service Initiatives

In 2008, 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.

Service Depots

As part of the family of services that provide customers and other transit users the opportunity to link with the Accessible Transit Network, staff will expand the existing service depot at Variety Village (linking with Main Subway station) to include Toronto Rehabilitation Centre linking with bus routes serving Sunnybrook Hospital. Service depots take advantage of high demand locations by scheduling Wheel-Trans buses to attend at regular intervals and connect with accessible conventional services.

Community Bus Routes

Two additional community bus routes will be added, bringing the total to seven (7) routes providing 122,900 trips in 2008, of which 5,200 will be Wheel-Trans registrants. A comprehensive review of all community bus routes will focus on improving the service efficiency by reducing the amount of overlap with accessible conventional bus routes.

The following map illustrates the planned service initiatives for 2008.



WORKFORCE

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

DEPARTMENT/BRANCH	2007 BUDGET	2008 BUDGET	CHANGE
Wheel-Trans (including Capital Program)	448	481	33
Non-Revenue Vehicle Maintenance	10	11	1
Sub-total	458	492	34
Corporate Support	12	13	1
Total	470	505	35

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 87.5% accessible service; expanding community bus service each year until 2011; 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 (2009) 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 198 low-floor buses commencing next year will replace Wheel-Trans' ageing fleet of ELF and Orion II buses, as well as provide 50 additional vehicles for ridership growth. Given the uncertainty of new bus delivery and a short-term need for vehicle capacity, 70 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 into 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 2008-2012 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 2008 Capital Budget request of \$25.3 million is as follows:

- replacing and expanding the bus fleet (50 buses) - \$17.6 million
- rebuilding 22 buses - \$2.6 million
- installing on-vehicle cameras - \$0.3 million
- expanding and upgrading facility - \$3.4 million
- upgrading the WTIS computer system - \$1.3 million, to improve system functionality and enable future service quality and productivity initiatives
- maintaining shop equipment - \$0.1 million.

SUMMARY

The 2008 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 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.

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November 9, 2007
18-29-29

Attachments: Appendix A
Companion Reports: 2008 Wheel-Trans Operating Budget Overview
2008 TTC Departmental Goals & Objectives
2008 TTC Organizational Charts