

**MEETING DATE:** October 23, 2002

**SUBJECT:** 2003 Wheel-Trans Operating Budget

**RECOMMENDATION**

It is recommended that the Commission approve:

1/ The 2003 Wheel-Trans Operating Budget of \$45.7M provided for in this report and companion documents which includes \$48.2M for service partially offset through revenues of \$2.5M, resulting in a subsidy increase of \$1.2M over the approved 2002 budget; and

2/ The Wheel-Trans Service Plan which encompasses the following key factors:

- Eligibility Criteria and Application Process remain unchanged;
- Registrant base increases by 10.7% to 30,100;
- Trip demand increasing by 5% to 1,658,600;
- Unaccommodated rate remains at 2%;
- Trips provided by accessible vehicles increase from 85% to 88%;
- Workforce increases by two;
- On-time delivery of service improved from 96% to 97%;

3/ Consider this report in concert with the following:

- a. the 2003 TTC Operating Budget; and
- b. 2003-2007 TTC Capital Program which includes in 2003 \$5.4M for the purchase of 12 ELF buses (\$3.3M) as well as facility improvements and scheduling enhancements (\$2.1M); and

4/ Forward this report to the City of Toronto Council for approval and to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information.

**FUNDING**

The Operating Budget for 2003 provides funding in the amount of \$45.7M which is required to meet the anticipated demand for service (\$48.2M), partially offset by revenues of \$2.5M.

By way of background, a fare increase would have limited impact on Wheel-Trans' ability to provide service since fare revenues represent approximately 5% of the overall operating budget expenditures.

At the required level of funding, Wheel-Trans will achieve the targeted 2% unaccommodated rate through expansion of bus and contracted taxi services as well as undertake various productivity and service quality initiatives. Funding below the requested level could increase the unaccommodated rate to approximately 7%.

**2003 Operating Budget Summary**

Major factors contributing to the 2003 funding request increase of \$1.2M over 2002 include a provision for additional service primarily due to the anticipated higher trip demand (\$1.2M), the impact of the April 2002 Collective Agreement which included 3% wage increases effective April 1 in each of 2002 and 2003 (\$1.5M), and elimination of the registrant fee (\$0.1M) which are partially offset by the completion of the Orion bus replacement contribution plan (\$1.6M).

The impact of the wage increase in 2002 (\$0.8M) was offset through savings associated with a combination of higher than anticipated vehicle productivity and the reallocation of trips from accessible vehicles to sedan taxis. Given the importance of accessible service to our customers, continuation of this increased level of sedan taxi service is not recommended and hence the 2003 Operating Budget reflects the total wage increase of \$1.5M.

The following table provides a comparison of the 2002 and 2003 Operating Budgets:

	<b>2002 BUDGET</b>	<b>2003 BUDGET</b>	<b>CHANGE</b>
<b>Demand (000s)</b>	1,579.0	1,658.6	79.6
<b>Ridership (000s)</b>	1,547.4	1,625.4	78.0
Registrants	90.0	95.5	5.5
Non-Registrants (Community Bus)	1,637.4	1,720.9	83.5
<b>TOTAL:</b>			
Unaccommodated Rate	2.0%	2.0%	--
<b>Financial Data (\$000s)</b>		48,202.3	1,203.7

Operating Expense	46,998.6	48,202.3	2,836.0
• Service	45,366.3	-	(1,632.3)
• ELF Bus Purchase	1,632.3	(2,461.6)	19.1
Operating Revenue	(2,442.5)	<b>45,740.7</b>	<b>1,184.6</b>
<b>Subsidy Required</b>	<b>44,556.1</b>		

## **BACKGROUND**

### **2002 Year in Review**

Trip demand for 2002 was anticipated to be 4% above 2001. This demand increase reflects the continued strong growth in the registrant base, the effect of ongoing service quality and productivity improvements, the continued impact of the medical restructuring resulting in increased outpatient activities, growth in dialysis trips, and a reinvestment in agency social programming. In order to accommodate as many trips as possible within available funding as well as meet service quality targets, accessible vehicle productivity was improved while maintaining a high level of service quality. Although the aforementioned initiatives combined with provision of a higher percentage of sedan taxi trips were able to partially offset the impact of the 3% wage increase and a slight increase in demand, Wheel-Trans registrants will experience an unaccommodated rate in the range of 2% to 3% which is marginally above the targeted level.

Year 2002 highlights included:

- Growth in registrants of 12.9%;
- Growth in demand of 4% to 5%;
- Unaccommodated rate of 2%-3%;
- Lower service quality resulting from a higher level of sedan taxi trips;
- On-time system performance of 96%;
- Bus productivity above targets;
- Completion of the Orion bus replacement program;
- Expansion of Zone Bus services by 4 plus Express Bus Services by 2;
- Introduction of Ambulatory Bus operation;

- Introduction of a thirty minute trip booking window system-wide;
- Expansion of the common destination scheduling program;
- Expansion of the automatic telephone trip booking feature;
- On vehicle test of automatic vehicle location (AVL) technology;

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## **DISCUSSION**

### **2003 Operating Budget and Service Plan**

#### **Performance Overview**

The 2003 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 redesigning service delivery in order to improve productivity and efficiency (see table below). The fundamental approach and initiatives outlined in the Plan remain the foundation upon which the 2003 Operating Budget and Service Plan are developed.

### **WHEEL-TRANS PERFORMANCE**

#### **1994-2003**

	<b>1994</b>	<b>2003</b>	<b>CHANGE</b>	<b>%</b>
Workforce	471	381	(90)	(19)
Subsidy Per Trip	\$26.14	\$26.58	\$0.44	2
Productivity (pph)	4.06	5.28	1.22	30
Unaccommodated Rate	8.0%	2.0%	75% Improvement	
Cancellation Rate	27%	14%	48% Improvement	
Accessible Service	57%	88%	54% Improvement	

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### **Key Assumptions**

Key assumptions used in developing the 2003 Operating Budget and Service Plan include continuation of the eligibility criteria and application process, no change to the current sedan taxi tariff (meter rate), key origins and destinations remain relatively constant and the continuation of a 2% unaccommodated rate. In addition, it is expected that the current fare structure and rates will remain unchanged in 2003. As noted earlier, if a fare increase was implemented, its impact on Wheel-Trans would be negligible.

### **Key Issues**

The key issues faced in developing the Operating Budget and Service Plan relate to maintaining the balance between trip availability and service quality through a combination of providing additional service and improving vehicle productivity while at the same time maintaining the appropriate level of service quality. The expanded integration of Wheel-Trans service with the conventional accessible transit system will continue.

### **Demand Forecast**

For 2003, it is anticipated that the trip demand will be 1,658,600, a 5% increase over the 2002 budgeted level. This strong demand is reflective of a continued growth in the registrant base, the continued improvement in overall service quality, the ongoing impact of health care restructuring and its resultant increase in demand for outpatient trips, an increasing dialysis trips requirement, and the increased reinvestment by agencies into event programming.

Actual demand by trip purpose indicates medical trips represented the largest share of trips (52%) followed by social (21%), shopping (20%), and work/school (7%). As such, Wheel-Trans trips are primarily non-discretionary (70%) based on the fact that a portion of the shopping trips are for essential commodities such as food, medicine, etc.

The 2003 Service Plan has been developed to address this trip demand increase through various productivity and service quality initiatives as detailed later in this report.

### **Registrant Base**

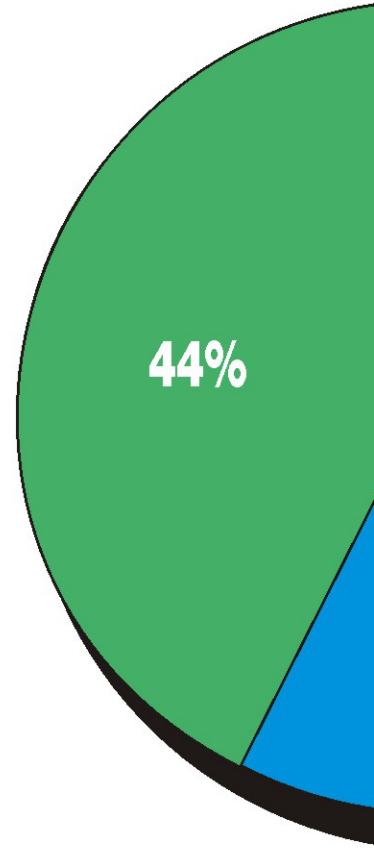
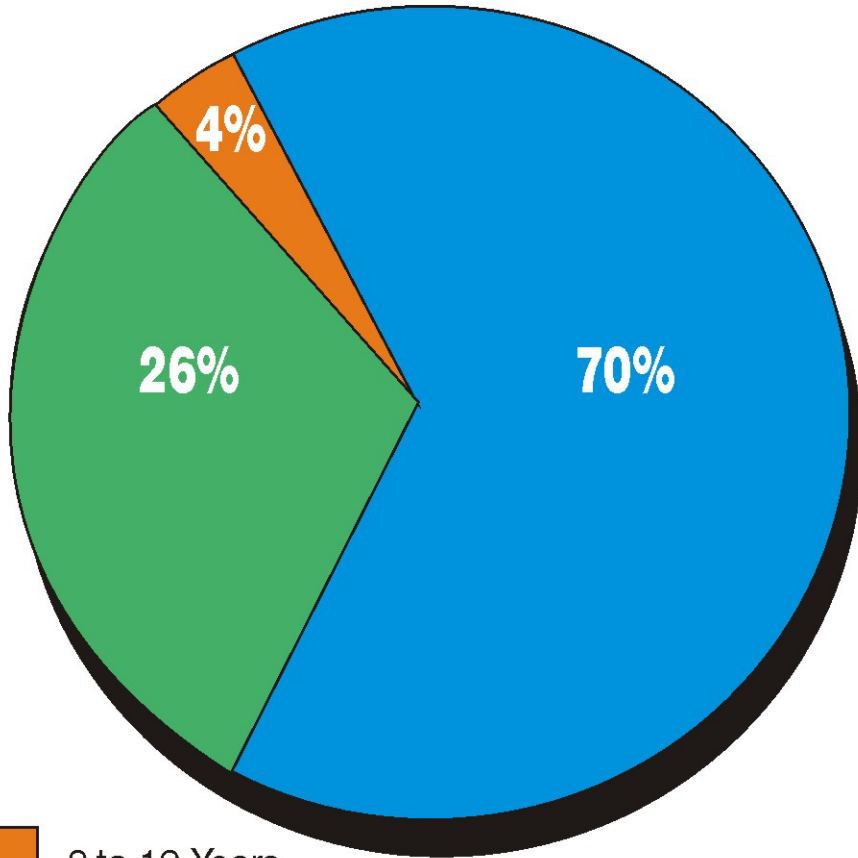
It should be noted that the current Wheel-Trans eligibility criteria will continue to identify those individuals who require accessible transit services the most, based on a person's level of physical functional mobility. The Wheel-Trans eligibility criteria and




application process has been supported by the Court when previously challenged under the Canadian Charter of Rights and Freedoms.

Both ambulatory and non-ambulatory registrants continue to increase at a significant rate, with ambulatory registrants growing at a more rapid rate which is attributed to disabilities such as arthritis plus the availability of alternative mobility devices. These differing growth rates over the past few years have resulted in the proportion of non-ambulatory registrants (wheelchair and scooter) being reduced from 60% to 56%, and an increase in the ambulatory base (use of other mobility device) from 40% to 44%.

Registrant growth continues in all age categories with seniors increasing at a slightly greater rate due predominately to the population's longer life span. The largest registrant segment is seniors over 65 years of age (70%) (as shown below); with individuals between 75-84 years of age remaining the largest segment of the seniors group.

## **REGISTRANT PROFILE**



-  0 to 19 Years
-  20 to 65 Years
-  Over 65 Years

Improved availability of in-person interview locations throughout the City has provided for greater convenience when applying for Wheel-Trans service. For 2003 it is anticipated that 5,400 customers will apply for service of which 4,600 will be accepted based on the current 85% acceptance rate. With the impact of attrition, the year-end registrant base will increase to 30,100. This registrant base increase will not directly translate into a similar increase in trip demand since the overall ageing of the registrant base has resulted in a reduced trip rate, and some customers are registering for service 'just in case' their primary transportation provider(s) are not available.

### **Service Plan**

The 2003 Service Plan is directed at keeping pace with increasing demand, improving the quality of service, and increasing peak period service.

Based on the current eligibility criteria and registrant profile, the vast majority of Wheel-Trans customers require accessible vehicles if they are to receive the appropriate quality of service. To ensure a proper balance between trip availability and service quality within available funding, the level of trips provided on accessible vehicles will be increased from the current rate of 85% to 88%; namely buses (53%) and accessible taxis (35%). A number of initiatives directed at addressing further service quality improvements, are planned for 2003.

This Plan reflects the strategic deployment of higher capacity buses, small capacity accessible taxis and sedan taxis. The bus fleet is predominately used to service peak period demand between 7:00 a.m. and 7:00 p.m. Scheduled bus service will continue to be based upon a minimum productivity standard at 2.0 passengers per hour (pph) with 118 buses required to meet anticipated peak hour demand.

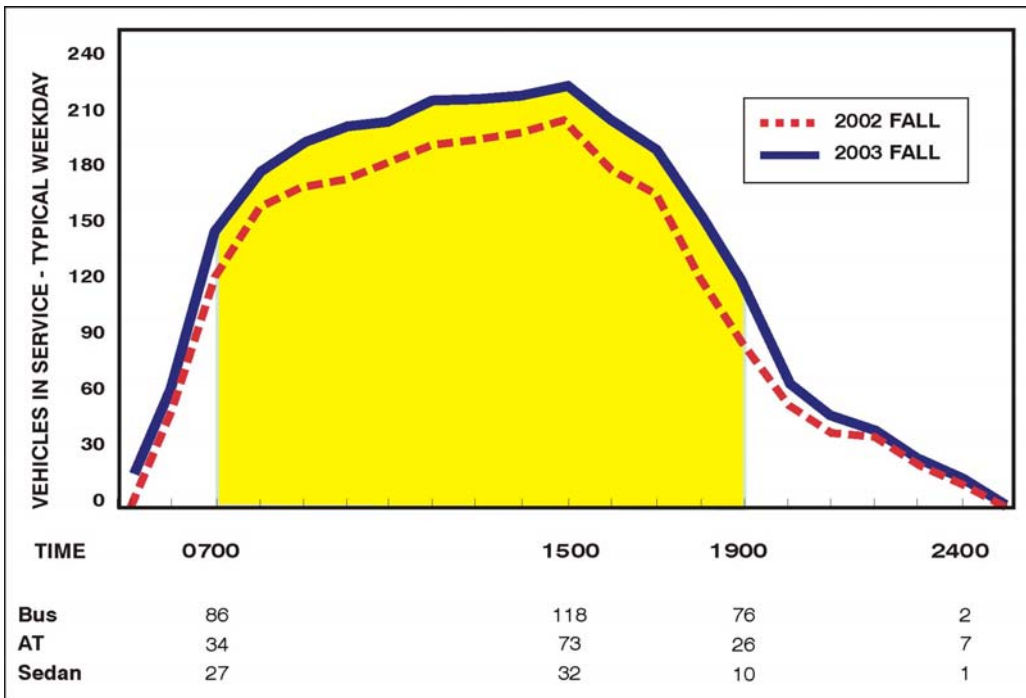
Since the accessible taxis do not have the capacity to accommodate larger mobility devices which are becoming more commonplace, the larger bus capacity is required to



address the non-ambulatory peak demand. In addition, buses are more capable of accommodating the peak demand to and from high volume destinations, as well as providing the opportunity for granting same day trip requests.

While also serving the peak period, Wheel-Trans contracted service vehicles (accessible and sedan taxis), become the primary service provider during the off-peak periods. Accessible taxis available for service will increase from 68 to 73 in order to provide the level of accessible trips forecast for 2003.

Adjusting the service profile (as illustrated below) by allocating the additional service 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.



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**Service Initiatives**

Incorporated into the 2003 Service Plan are the full year impact of initiatives undertaken this year plus new initiatives directed at improving overall service productivity, enhancing service quality through the improved 'on-time' delivery of service, scheduling updates, and customer access to information.

To improve overall vehicle productivity from 5.10 to 5.28 passengers/hour, the following major initiatives will be undertaken:

- Zone Bus service will expand from 10 to 14 locations and existing zones reviewed as to the potential for expansion to cover wider geographical areas and/or longer service periods. Wherever possible, Zone service will link with accessible rapid transit stations and accessible conventional service routes to support further service integration;

- Zone Service will be supplemented through the use of accessible taxis to accommodate increased service demand for accessible service;
- further expansion of Express Bus Service from 4 to 6 with each having a central depot for transferring customers destined for the downtown core or major subway terminal. Express bus service improves vehicle productivity by accommodating these trips on a reduced number of high capacity buses;
- registrants will be encouraged to become familiar with the accessible conventional rapid transit system to further service integration. Familiarization training will be conducted and where appropriate, customers will be encouraged to transfer at a nearby accessible subway station and, if required, they would be picked up by a Wheel-Trans vehicle at the beginning or end of their subway ride;
- the expansion of AVL (automated vehicle location) technology to the entire bus fleet and thereby improve schedule adherence, facilitate more efficient schedule adjustments, permit the backfilling of gaps due to cancellations and increase 'same day' trip accommodation;
- ambulatory bus service will be expanded primarily in the downtown core to accommodate large concentrations of ambulatory riders originating from common destinations such as various hospitals and institutions, thereby decreasing the number of vehicles required to efficiently meet trip demand;
- four (4) existing Community Bus routes will be reviewed and communication programs will be undertaken to increase ridership;
- the full year impact of a 30 minute trip booking window will permit improved scheduling and 'same day' trip accommodation;
- continue expansion of transfer locations across the City's northern boundary in order to improve cross-boundary service integration;
- introduction of a more restrictive Cancellation Policy directed at registrants who repeatedly have late cancellations and no-shows during peak periods. The existing educational campaign will continue to focus on the impact cancellations have on service (223,000 lost trips in 2002) as well as the necessity of maintaining a 75% minimum trip utilization rate for the premium "Prebook" service; and
- complete a review of the WTIS scheduling system in order to achieve the improvements required to support the aforementioned initiatives.

The attached 'Appendix A' illustrates the various current and planned service initiatives for 2003.

To improve service quality, the following initiatives will be undertaken:

- improve on-time service delivery from 96% to 97% through the application of automatic vehicle location technology (AVL) and implementing scheduling enhancements such as time/distance matrix updates;
  - increase accessible service from 85% to 88% of total trips accommodated by expanding the bus fleet from 133 to 145 and accessible taxi fleet from 68 to 73 vehicles as well as achieving increased overall vehicle productivity;
  - increase service monitoring and expand customer information base through performance audits, the continued application of contracted service penalties and premiums, contracted service reviews, 'secret shopper' assessments, and market surveys;
  - continue to accommodate 96% of original customer requested trip times within 30 minutes through improved scheduling activities targeted at better matching service and trip profiles;
  - increase use of the automated telephone trip booking feature through selective marketing and customer trial;
  - realise the full year effect of an automated customer 'call-back' feature to provide updated trip status information with respect to time, vehicle changes, and trips late by more than twenty (20) minutes;
  - undertake scheduling system improvements to address the impact of traffic congestion predominantly in the p.m. peak period; and
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- improve customer access to information through an expanded 'outreach' program involving up to 60 information sessions with various agencies, hospitals, and institutions, issuing a quarterly Wheel-Trans newsletter, provision of information on the TTC Web page, and expanding the availability of display materials, etc.

### **Revenues**

Based on demand and registrant growth projections, it is anticipated that revenue will be about \$2.5M, marginally higher than the 2002 budgeted level. Although no additional revenue allocation is provided for in 2003, Wheel-Trans staff will also be exploring alternative revenue sources through advertising to assist in offsetting expenditures.

### **Capital Program**

The Capital Budget for 2003 has been prepared in support of the operating requirements to ensure continued improvements to strengthen service delivery, improve bus productivity and reliability, and ensure customer access to information. The Capital Budget request of \$5.4M is required for the purchase of 12 ELF buses (\$3.3M) as well as provide for facility improvements (\$1.3M). In order to improve efficiency and service continuity, the Capital Budget also includes \$0.8M for initiatives such as the expansion of the Wheel-Trans bus tracking (AVL) program which will improve 'on-time' service delivery and accommodation of 'same day' trip requests. The Wheel-Trans Information System (WTIS) will continue to be enhanced in support of improving scheduling performance and trip accommodation.

### **SUMMARY**

The 2003 Wheel-Trans Operating Budget and Service Plan as well as Capital Program requests has been developed to address an increasing demand for service and 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, reduce operating costs, and redesign service directed at improving overall productivity and service quality.

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October 15, 2002

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Attachments: Appendix 'A'