

Request for Decision

Ridership Growth Envelope

Presented To: Operations Committee

Presented: Monday, Oct 22, 2012

Report Date Wednesday, Oct 17, 2012

Type: Managers' Reports

Recommendation

Staff requests that the Operations Committee approve the Ridership Growth Envelope and its initiatives for inclusion in the Budget for approval of the Finance and Administration Committee.

Background

The City has been in receipt of dedicated Provincial Gas tax funds since 2004. These funds are classified as obligatory funds as they have to be set aside for transit related expenditures. Prior to 2007, these funds were used primarily for capital related expenditures. Unlike Federal Gas Tax, these funds are not a permanent source of revenue for the City, as the allocation is made only on an annual basis. The annual anticipated allocation is approximately \$2.6 million. The long term financial plan for Transit is heavily reliant on Provincial Gas Tax funding for capital bus replacement and the new Transit/Fleet Garage.

In 2007 Council approved the creation of a \$1 million dollar Ridership Growth Envelope funded by the Provincial Gas Tax. This envelope is used to fund new initiatives which have as an objective to increase transit ridership. After an appropriate trial period the initiatives are reviewed and evaluated to determine if in fact they should be permanently implemented and form part of the base service offered to the community. Many initiatives introduced since 2007 have been successful and are still being funded through the ridership Growth Envelope today.

The current amount funded by the Ridership Growth Envelope is \$1,104,339.

Moving permanent initiatives to the base would provide some flexibility within the envelope to try new initiatives. However, in doing so, there would be an equal increase to the tax levy.

Staff has reviewed the current initiatives and has determined that they should continue to form part of the base level of service with the exception of two individual trips. The removal of these two trips will reduce the

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Division Review

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Recommended by the Department

Tony Cecutti, P.Eng., FEC
General Manager of Infrastructure
Services
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Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
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funding requirement by \$44,800.

Staff is also recommending that the Ridership Growth Envelope be reduced over the next several years as per detailed in the long term financial plan for Transit.

As part of our business planning for Ongoing Continuous Improvement, staff is currently working on standards which will be used to evaluate the performance of all transit routes on a regular basis. These standards will be used to determine if changes should be made to routes and individual trips. Staff will present the standards to the operations committee once they are established.

Staff recommends the approval of the 2013 Ridership Growth Envelope as presented in the attachment and the establishment of standards for consideration for future ridership programs.

CITY OF GREATER SUDBURY

Transit Services

10/2/2012

Summary - Transit Committee Service Level Enhancements

| Currently Funded Options (2013) | Gross Cost | Revenues | Net Cost | Transfers to Base | Revised Total | Transfers to Base | Revised Total |
|---|-------------|-------------|-----------|-------------------|---------------|-------------------|---------------|
| | 2013 | | | 2014 | | | |
| Hi All | \$99,320 | \$0 | \$99,320 | | | | |
| Attached are the proposed 2013 misc user fees (2012 fees updated by CPI for 2013), If you have any change: | \$119,374 | (\$10,145) | \$109,229 | | | | |
| Thank you | \$201,783 | (\$44,000) | \$157,783 | | | | |
| <u>4. Handi Transit - extending service hours to match regular transit route hours*</u> | \$35,625 | (\$3,122) | \$32,503 | | | | |
| <u>5. Transcab - extending service hours to match regular transit route hours</u> | \$41,208 | \$0 | \$41,208 | | | | |
| <u>6. Garson to downtown</u> | \$25,323 | (\$2,000) | \$23,323 | | | | |
| <u>7. Lively Route 701</u> | \$59,267 | (\$14,200) | \$45,067 | | | | |
| <u>8. Double bus on New Sudbury Routes (reduced \$44,800 due to two underperforming routes)</u> | \$243,050 | (\$54,000) | \$189,050 | | | | |
| <u>9. Youth Summer transit passes</u> | \$25,000 | \$0 | \$25,000 | | | | |
| <u>10. Transcab RR15 to Chelmsford</u> | \$15,000 | \$0 | \$15,000 | | | | |
| <u>11. Grant Program - For NPO's</u> | \$25,000 | \$0 | \$25,000 | | | | |
| <u>12. One Additional Valley East Route</u> | \$49,928 | (\$8,400) | \$41,528 | | | | |
| <u>13. Add an Azilda/Chelmsford trip on weekdays to close the gap between 10:00 a.m. and 12:30 p.m.</u> | \$29,809 | (\$6,200) | \$23,609 | | | | |
| <u>14. Adding a Valley route to close the gap between 11:30 a.m. and 2:30 p.m.</u> | \$50,979 | (\$18,000) | \$32,979 | | | | |
| <u>15. Add an outbound Azilda/Chelmsford trip on Saturdays</u> | \$2,500 | (\$1,000) | \$1,500 | | | | |
| <u>16. Increase Transcab Frequency to Wahnapiatae and Skead</u> | n/a | n/a | n/a | | | | |
| <u>17. Adding a Valley route 703 to close the gap between 9:30 p.m. and 11:30 p.m.</u> | \$50,979 | (\$4,500) | \$46,479 | | | | |
| Total Options Funded from Provincial Gas Tax (2012 and prior) | \$1,074,145 | (\$165,567) | \$908,578 | \$0 | \$908,578 | \$0 | \$908,578 |

| Proposed Options (2013) - Funded by Provincial Gas Tax | Expenses | Revenues | Net Amount | Options to Fund | Options to Fund |
|--|----------|----------|------------|-----------------|-----------------|
| | 2013 | | | 2014 | |
| Total Options to be Funded from Provincial Gas Tax (2013 and beyond) | | | | \$0 | \$0 |
| Revised net costs to be funded from Provincial Gas Tax | | | | \$908,578 | \$908,578 |
| Budget/Capital Plan | | | | \$1,059,539 | \$1,000,000 |
| Provincial Gas Tax funding (available)/unavailable in Reserve Fund | | | | (\$150,961) | (\$91,422) |
| Operating Cost Reduction Funding | | | | \$150,961 | \$91,422 |
| U-Pass Funding | | | | \$0 | \$0 |
| Total provincial gas tax required to fund net costs | | | | \$1,059,539 | \$1,000,000 |

| | |
|--|-------------|
| Contribution from Reserve | |
| 4760 | 50,000 |
| 4772 | 576,320 |
| 4775 | 0 |
| 5480 | 292,827 |
| 4780 | 140,393 |
| Total Contributions from Reserves (2013) | \$1,059,541 |