



Introduction

- Two parts to this workshop
 - Deep dive into the current state of Burlington Transit
 - Future options and choices by Jarrett Walker
- Until some of the current state issues are resolved, there is little point in pursuing any of the options for change
- This is the first time in many years we have been able to obtain a comprehensive assessment of the state of Transit. The picture is deeply worrisome.



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Current State Analysis of Burlington Transit



*Comparator data used in this presentation is sourced from the 2015 CUTA factbook

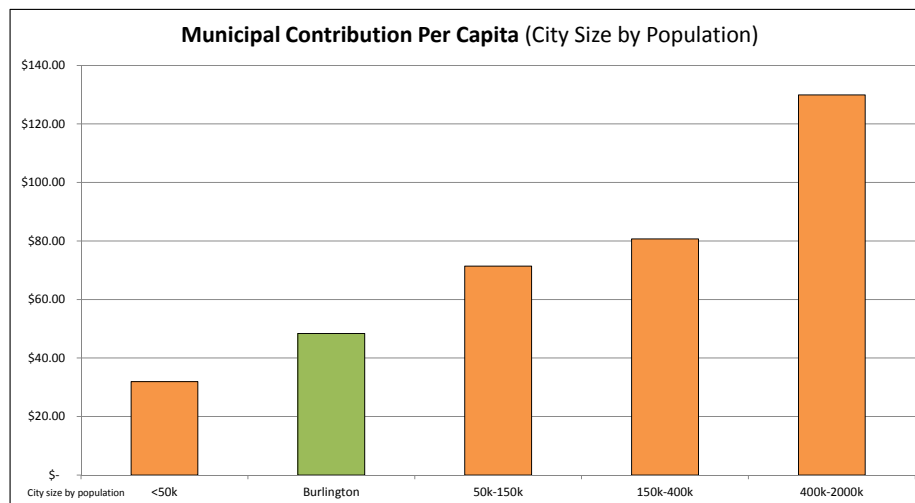
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“Golden Age for Transit”

- Transit Investment highest in Canadian history
- Federal PTIF Funding, Increased P. Gas Tax
- Transit is #1 priority of Toronto Citizens
- Transit imbedded in the Official plan
- Transit is a key to intensification – Grow Bold
- A “City that Moves” in strategic plan
- 905 municipalities list Transit as a key priority
- Age Friendly Plan recommends better Transit
- Millennials are less inclined to own cars
- Jarrett Walker Review of network in 2017

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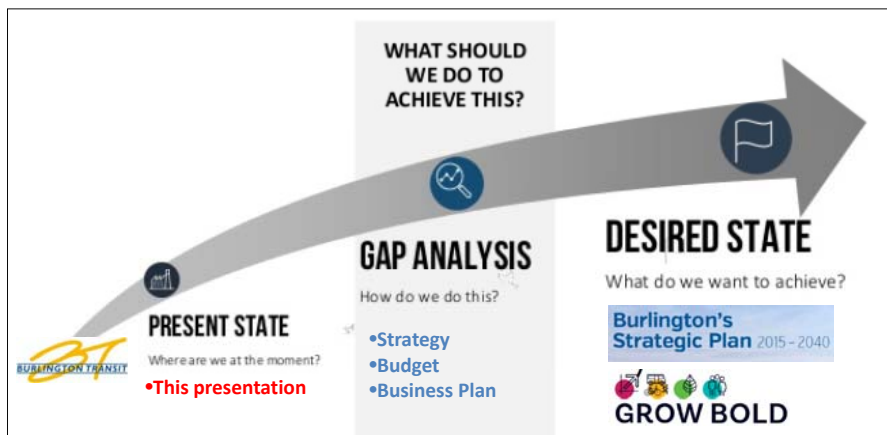
As a City Grows so does Transit Investment



Source 2015 CUTA Factbook

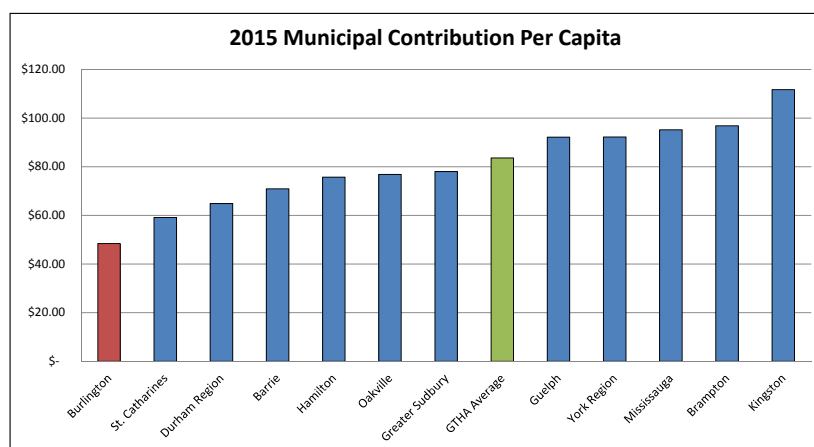
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Presentation: Current State



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Funding Overview



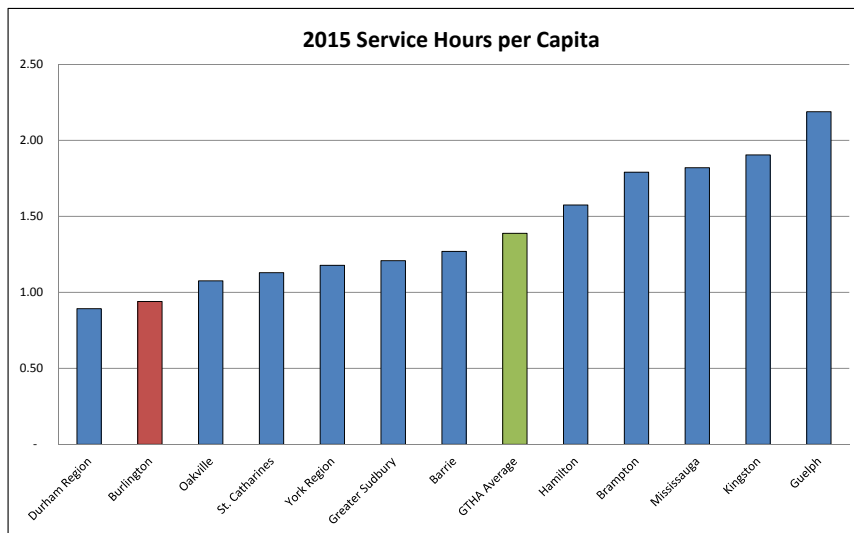
Source: 2015 CUTA Factbook

"If the goal is to minimize the subsidy to transit, then on a per capita basis Burlington is doing quite well. Compared to peer agencies, the municipal contribution to transit is very low."

~Jarrett Walker and Associates

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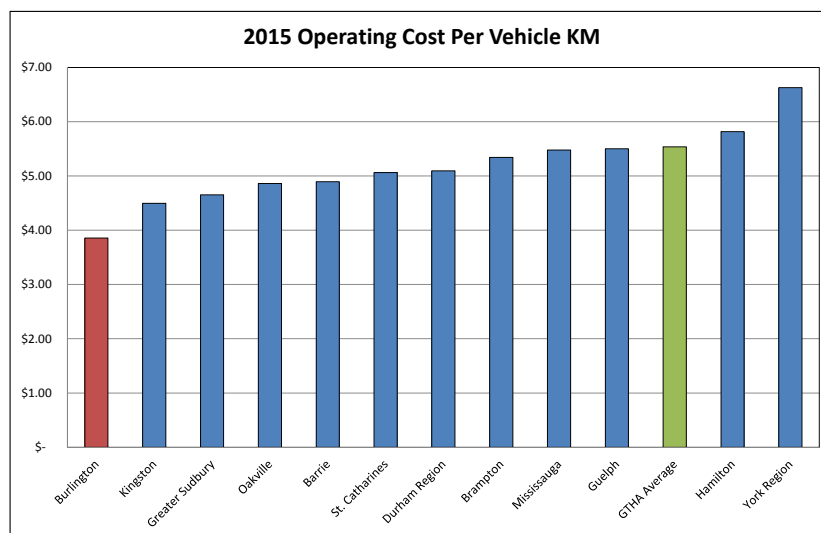
We Offer Less Service



Source: 2015 CUTA Factbook

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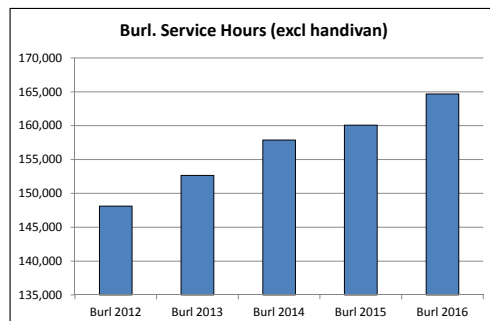
BT has lower operating costs...



Source: 2015 CUTA Factbook

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Service Increase – Reduced Reliability

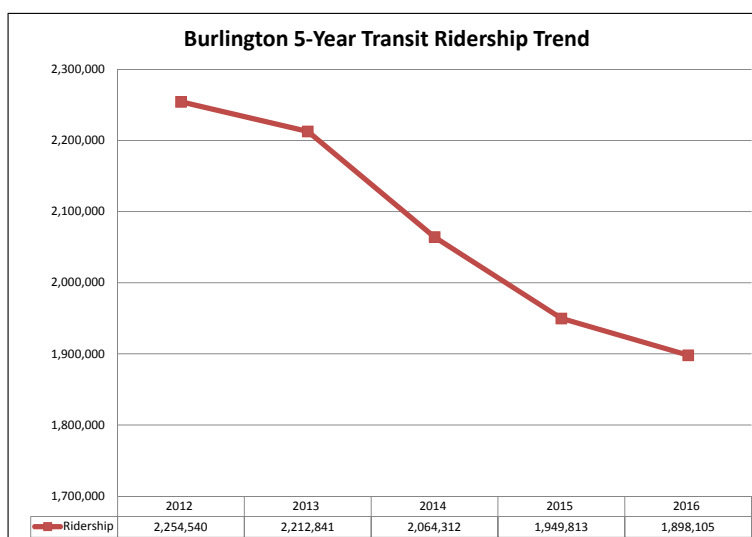


*“A key issue with (Burlington’s) existing network is that about **two-thirds** of existing service **does not** have sufficient layover and recovery to ensure reliable operations.”*

~Jarrett Walker and Associates

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Effectiveness – Ridership



Provincial Gas Tax and PTIF Funding is based on **ridership**

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Ridership – GTHA Comparators

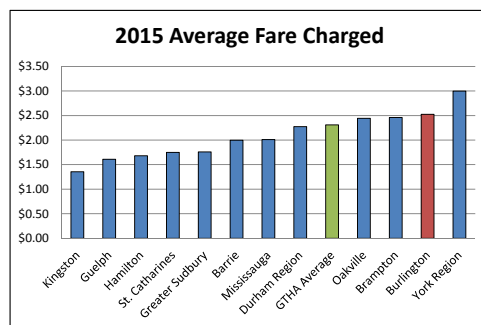
Transit Agency	Annual Ridership (Millions)				Annual Growth (%)			3-Year Change (%)
	2012	2013	2014	2015	2013	2014	2015	
Toronto (TTC)	514.01	525.19	534.82	537.60	2.1	1.8	0.5	4.6
Brampton (BT/Zum)	18.36	19.41	20.41	21.18	5.4	4.9	3.6	15.4
Burlington	2.25	2.21	2.04	1.95	-1.8	-8.3	-4.6	-13.3
Durham Region (DRT)	10.30	10.63	10.79	10.31	3.1	1.5	-4.7	0.1
Hamilton (HSR)	21.80	21.82	22.25	21.86	0.1	1.9	-1.8	0.3
Mississauga (MiWay)	34.76	35.79	36.61	37.46	2.9	2.2	2.3	7.8
Oakville	2.91	2.96	3.01	2.83	1.7	1.7	-6.4	-2.7
York Region (YRT/Viva)	22.16	22.71	22.45	22.12	2.4	-1.2	-1.5	-0.2
GO Transit	64.95	62.49	65.22	65.78	-3.9	4.2	0.9	1.3
Total GTHA Ridership	691.50	703.21	717.60	721.09	1.7	2.0	0.5	4.3

Source: 2016 TTC Report

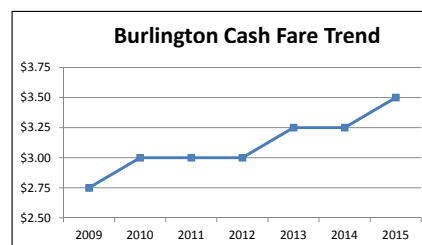
- Burlington Ridership in 2016 was 1.89M – another 3% reduction

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Price Elasticity Impacts Demand

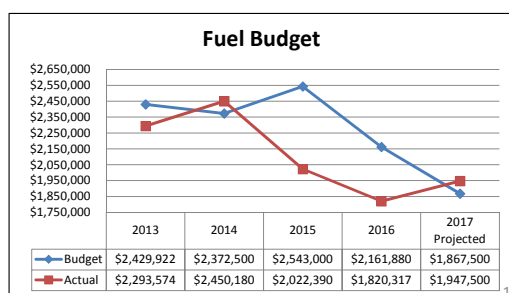
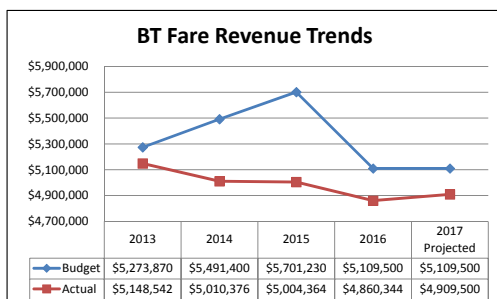


Source: 2015 CUTA Factbook

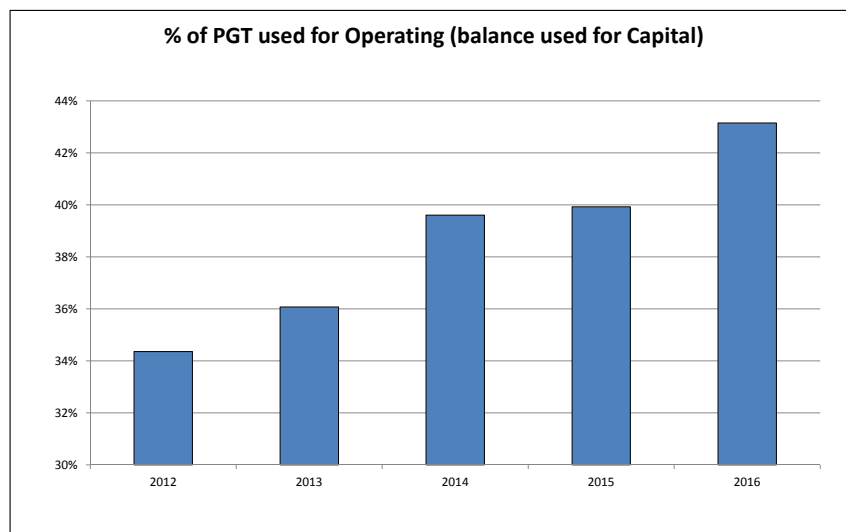


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Lower Revenues Offset By Fuel



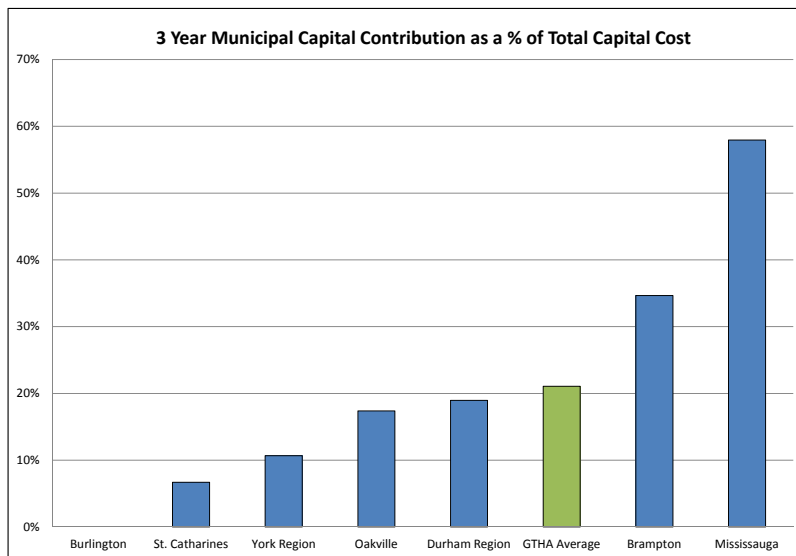
Provincial Gas Tax – Used for Operating



•2014 Provincial Gas Tax Revenue was adjusted for consistency due to accounting accrual changes

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Transit Capital - No Municipal Funding



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2006 Budget – Funding Changed

2006 PROPOSED CURRENT BUDGET

SUMMARY OF GROSS EXPENDITURES AND REVENUES

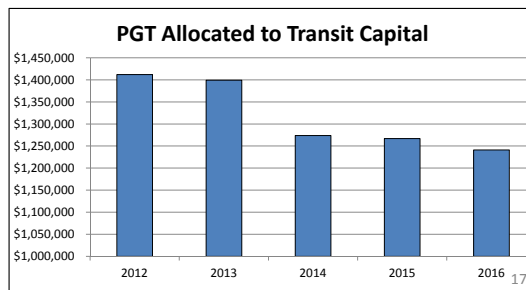
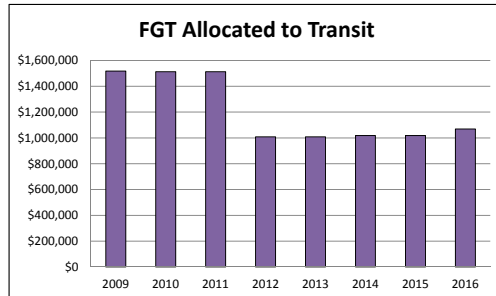
DEPARTMENT/PROGRAM	NET EXPENDITURES			
	2004 ACTUAL	2005 BUDGET	2006 BUDGET	% +/-
TRANSIT AND TRAFFIC				
Transit Service	\$ 3,239,176	\$ 3,141,433	\$ 1,596,620	-49.2%
Transit-Maint & Infrastructure	3,161,803	2,926,068	3,674,094	25.6%
HandiVan Operations	592,772	638,701	650,732	1.9%

“For 2006, the tax levy provision to the transit reserve funds has been removed. This has resulted in a decrease of \$1,505,000 in the transit budget. More recently, senior levels of government are providing funding for transit” ~ **Finance Report (F-3/06):**

- Ontario Transit Vehicle Program : **Discontinued in 2011**
- Federal Gas Tax Dedicated Transit Funding : **Discontinued in 2008**
- Federal Gas Tax: **Council reduced from 30% to 20% in 2012**
- Provincial Gas Tax to promote transit growth: **Declining ridership**

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Capital Use of Both Gas Taxes



*Note: PGT guidelines to be used for transit growth. 2014 adjusted for accounting method change.

Transit Department
2017-2026 Proposed Capital Budget and Forecast
10-year All Projected Transit Services Requirements/Revenue

YEAR	BALANCE	NEW VEHICLES & EQUIPMENT**	VEHICLE & EQUIPMENT REPLACEMENT REQUIREMENTS**	TOTAL TRANSIT FACILITIES & BUILDINGS	TOTAL TRANSIT ROADWAYS	TOTAL TRANSIT REQUIREMENTS	ELIGIBLE TRANSIT REVENUE*	CUMULATIVE CLOSING BALANCE
2017	\$3,798,848	\$513,200	\$1,761,500	\$243,000	\$90,000	\$2,607,700	\$2,308,848	\$3,499,996
2018	\$3,499,996	\$713,900	\$1,861,500	\$56,000	\$90,000	\$2,721,400	\$2,359,746	\$3,138,342
2019	\$3,138,342	\$0	\$4,161,000	\$72,000	\$110,000	\$4,343,000	\$2,359,746	\$1,155,087
2020	\$1,155,087	\$200,700	\$2,357,000	\$121,000	\$110,000	\$2,788,700	\$2,359,746	\$726,133
2021	\$726,133	\$0	\$7,447,374	\$62,000	\$110,000	\$7,619,374	\$2,359,746	(\$4,533,495)
2022	(\$4,533,495)	\$200,700	\$4,104,000	\$65,000	\$110,000	\$4,479,700	\$2,359,746	(\$6,653,449)
2023	(\$6,653,449)	\$0	\$356,000	\$280,000	\$110,000	\$746,000	\$2,359,746	(\$5,039,703)
2024	(\$5,039,703)	\$0	\$3,167,000	\$20,000	\$110,000	\$3,297,000	\$2,359,746	(\$5,976,957)
2025	(\$5,976,957)	\$0	\$356,000	\$20,000	\$110,000	\$486,000	\$2,359,746	(\$4,103,212)
2026	(\$4,103,212)	\$0	\$356,000	\$20,000	\$110,000	\$486,000	\$2,359,746	(\$2,229,466)
TOTALS		\$1,628,600	\$28,927,374	\$959,000	\$1,060,000	\$29,974,874	\$23,646,560	

*Eligible Transit Revenue from: Development Charges and senior level government programs (Provincial Gas Tax, Federal Gas Tax)

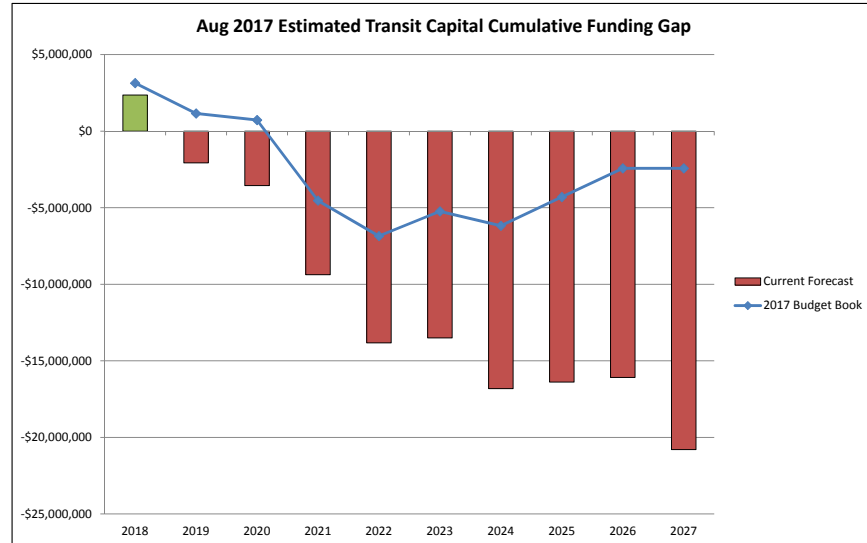
**Excludes Transit support vehicles

Source: Page 265 of 2017 Capital Budget Book

*Eligible transit revenue includes growth funding. Minimal expenses for growth.

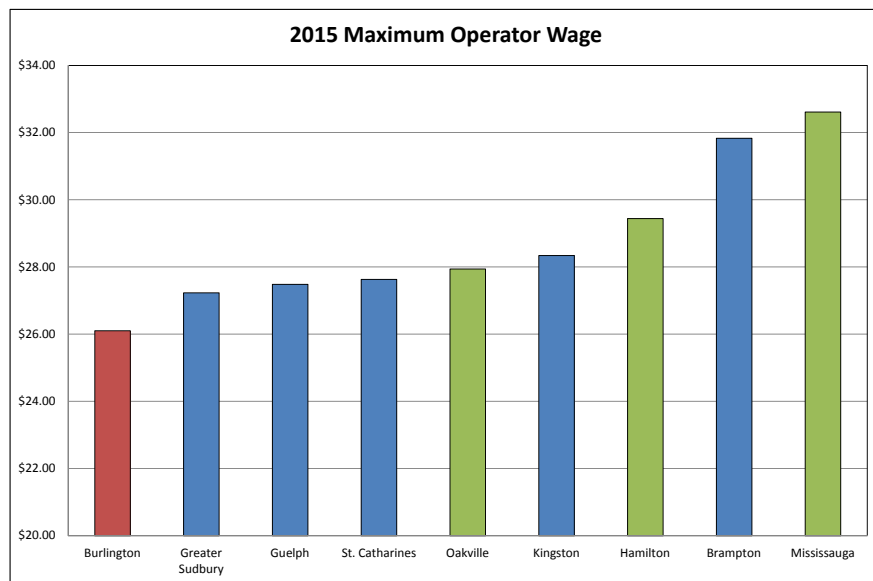
**Need is for "replacement" but only funding available is Fed Gas Tax.

Funding Gap Has Increased



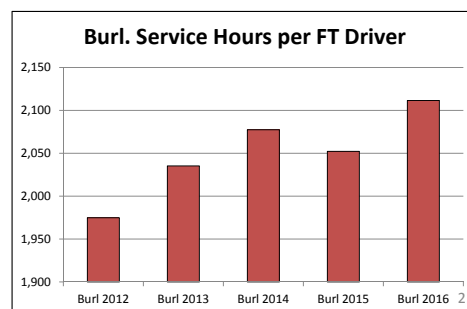
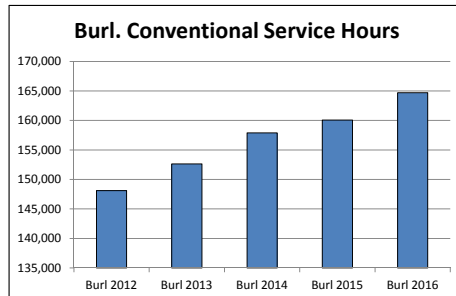
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Staffing Review



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Service Changes - Squeeze

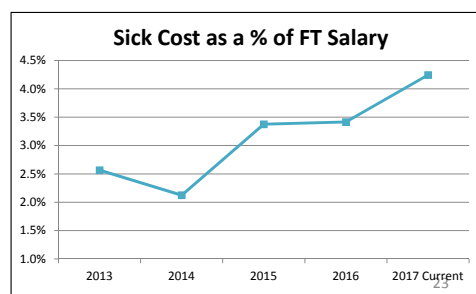
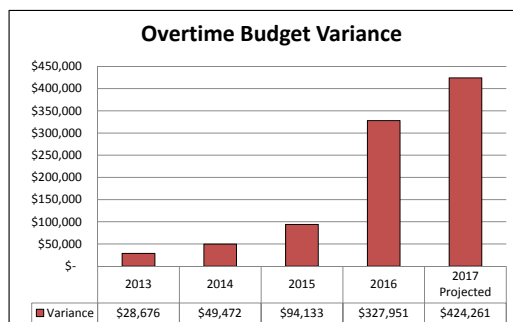


Casual Operators

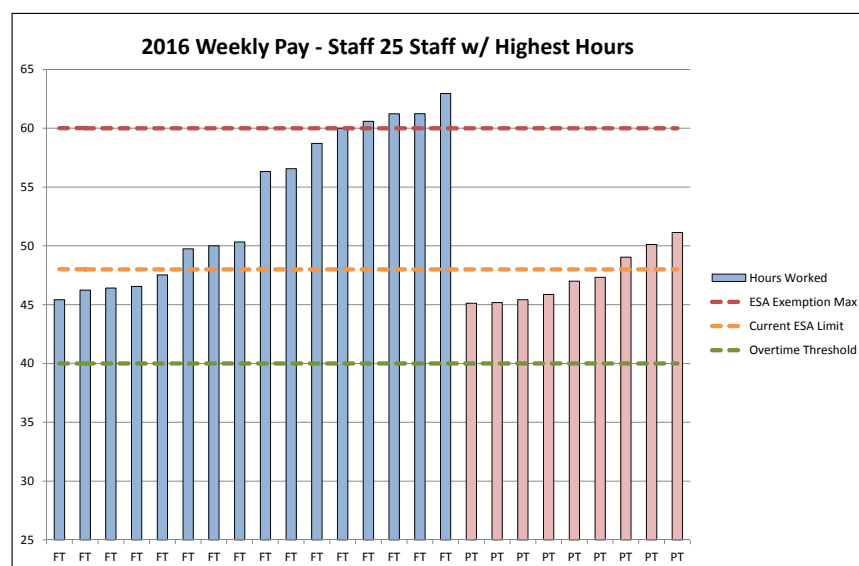
- Part Time staff are paid less – lower municipal contribution
- “Part Time” staff average **over 44 hours per week**
- **Poor working conditions:**
 - no minimum hour guarantee
 - need to be available 7 days a week
 - reduced benefits
 - schedule given Friday prior to start of the week
- **56% annual turnover** rate for casuals
 - Significant recruitment and training time and costs
 - Regular FT staff need to cover turnover **overtime**

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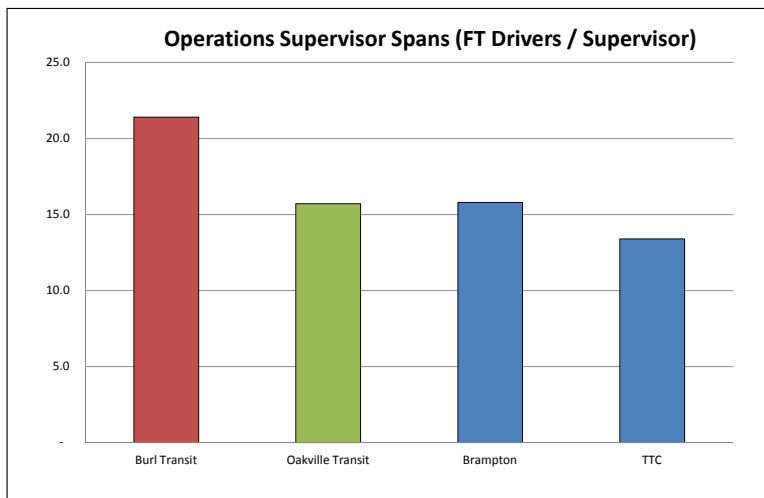
Impact of Staffing



Transit Operator Working Hours



Transit Supervision Review

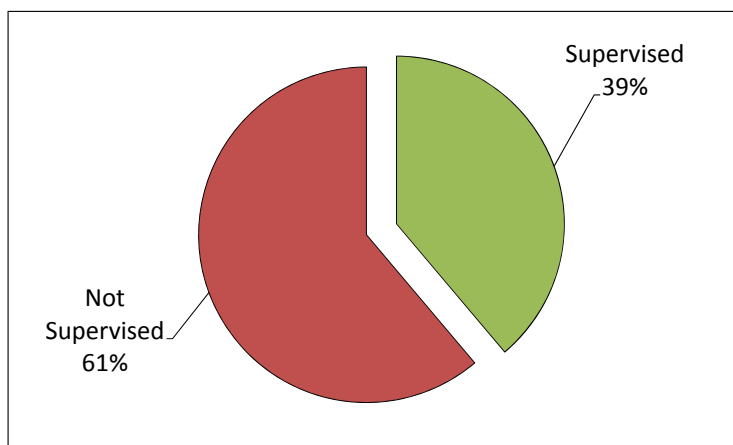


Source: 2015 CU/TA data and Agency Staffing Reports

Over 50% of service hours Operations Supervisors work alone

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Maintenance Supervisor Coverage

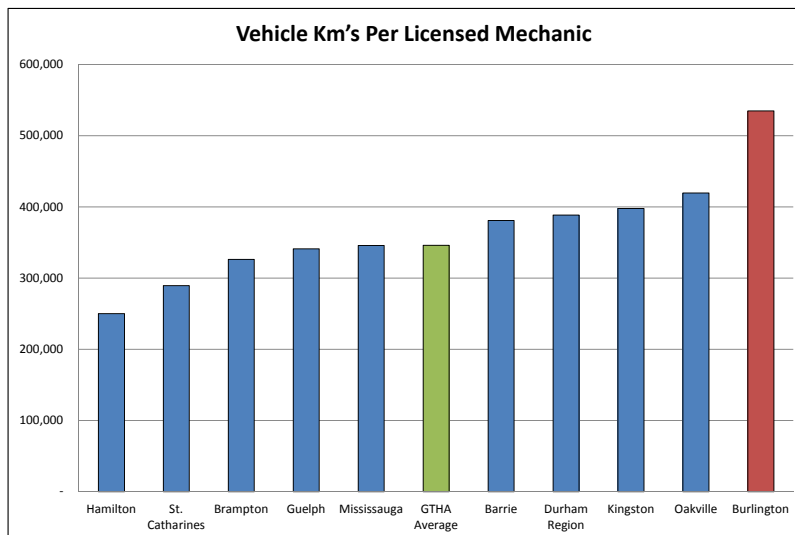


“Burlington Transit, with **only one** maintenance supervisor has the least supervisor coverage of the transit systems interviewed, which have up to 3 supervisors on staff for similar garage hours as Burlington “

~Transit Consulting Network 2014

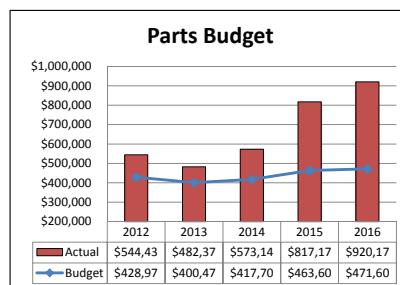
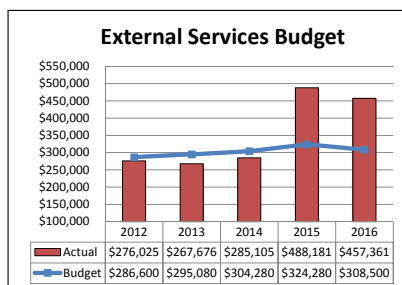
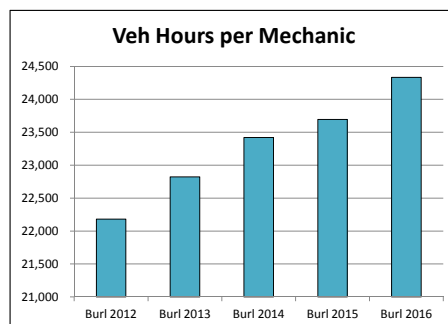
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Maintenance Review



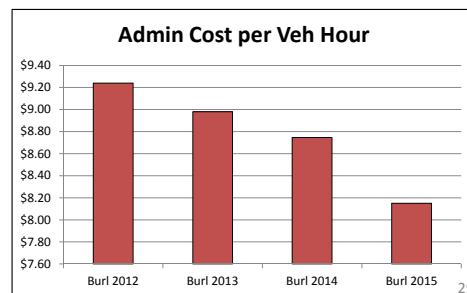
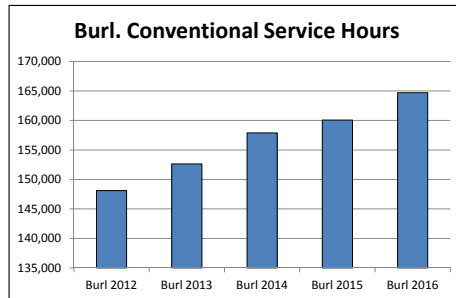
"Industry standard preventative maintenance should be 72 inspections per month – BT performs 12 - 1/5th of industry standards" – **Transit Consulting Network, 2014**²⁷

Mechanics Can't Keep Up

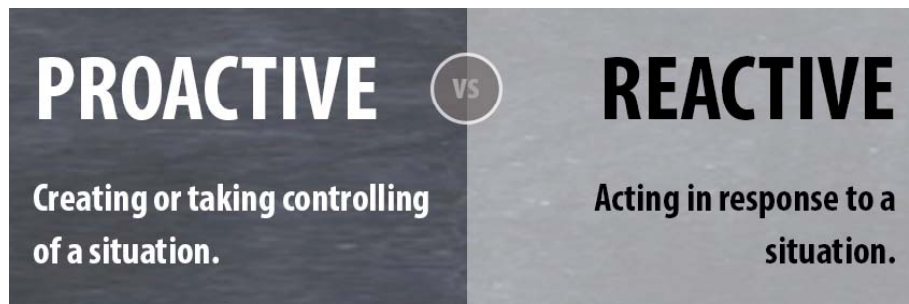


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Admin - Support Has not Kept Up



Strategy - Operating In Reactive Mode



“Generally, Burlington Transit should consider less reactive activities in order to concentrate on forward-looking business planning”

~2016 Data Analytics Audit (Internal Audit)

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Summary

- Service hours have expanded, largely funded by reducing, or not increasing, critical back end functions, hence the low comparative cost of operations
- Financially un-sustainable operation with declining revenues and increasing costs, saved each year largely by low gas prices
- Cost has increased while service quality is poor (primarily redeemed only by the exceptional commitment of the drivers)
- Ridership is in serious decline, 16.5% decline in last four years, continuing to decline
- Service was expanded with an FTE cap, resulted in creative staffing solutions that were costly, inefficient, (largely casuals) and in turn negatively impacted service quality.



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Summary Continued

- No Capital budget for vehicle replacement as of 2019
- We relied on Provincial and Federal programs to fund capital with zero municipal contribution to capital. Most of those other funding programs have ended.
- Transit operators routinely working over 50 hours, sometimes 60 hours a week. Serious safety concerns.
- Casuals working an average of 42 hours a week, yet 56% annual turnover.
- Serious deficiencies in maintenance, particularly preventative maintenance.
- Serious deficiencies in supervision, with mechanics often working alone, and supervisors often unable to leave the building.
- Until very recently, planning has been entirely reactive, with routes and service plans often shaped by squeaky wheel forces, rather than good system planning.



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The Choice

- **Current State:** Burlington Transit is providing poor service, for fewer people each year, at an increasingly higher cost, and running major deficits that are hidden by fuel costs. **It is not sustainable.**
- The Choices:
 1. Either cut back service levels to provide more reliable service, improve maintenance, improve supervision, and change driver makeup,
 2. Fund the service at a level that allows the current service to be sustainable, and addresses the poor service quality that is impacting ridership.



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Critical Next Steps

- Focus on stabilizing our current operation
- Making changes to maximize existing resources
- Improving service delivery and reliability
- Identify quick wins
- Pre-budget Council report to address immediate staffing issues
- Budget 2018 Business Cases – Focus on Stability

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Future Direction

- Change Management Plan (SOP's)
- Maximize use of current technology
- Jarrett Walker - 2019 Route Network Design
- Development of 5 year business plan
- Development and Tracking of KPI's
- Future Growth Strategy
- Leveraging emerging urban mobility technology

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