

Analyst Briefing Notes

Budget Committee

(January 28, 2008)

2008 OPERATING BUDGET

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January 29, 2008

2008 OPERATING BUDGET**Executive Summary**

- The TTC is responsible for the Conventional and Wheel-Trans systems. The Conventional Operating Budget is treated in a separate set of Analyst Notes.
- Using 178 specially equipped low-floor buses and contracted taxi services that include 110 accessible and 45 sedan taxis, Wheel-Trans provides transportation to persons with disabilities, based on the individual's physical functional mobility.
- The 2007 preliminary year-end net expenditure of \$45.267 million is anticipated to be \$0.500 million or 1.1% below the 2007 Approved Budget of \$45.766 million. This favourable variance is largely attributable to vehicle fuel being \$0.368 million underspent due to lower than planned fuel costs along with lower than expected demand in January and February as a result of extremely cold weather. This variance is also due to customer service costs being \$0.200 million underspent as marketing initiatives are behind schedule, as well as delays to planned technology.
 - Wheel-Trans trip demand is planned to increase 6.5% in 2008. Meeting this demand, while maintaining a 2% unaccommodated rate, will create a pressure of \$4.585 million for 2008. This pressure is funded in the 2008 Recommended Operating Budget.
- Wheel-Trans' strategic direction over the next three years is to provide specialized door-to-door transportation service for persons with the greatest need for accessible transportation. This will be accomplished through continuing integration and movement of trips on a volunteer basis, through travel training and assessment to take advantage of the fully accessible surface routes by 2011.
- The 2008 Recommended Operating Budget provides for Wheel-Trans' primary service measure, the unaccommodated rate, to be maintained at its traditional target rate of 2%. Even with the funding of increased costs included in the 2008 Recommended Operating Budget, on-time service delivery will decrease slightly from 94% in 2007 to 92% in 2008. To improve service quality, Wheel-Trans will introduce a new taxi service delivery model. It will expand its automated trip booking system to allow passengers to book trips online, increasing both productivity and service quality. Wheel-Trans will also expand its automated trip booking and improve telephone response times.
- Wheel-Trans faces the following difficulties in achieving its service mandate:
 - Maintaining a 2% unaccommodated rate while trip demand is increasing at an unsustainable 6.5%.
 - Impact of traffic congestion on vehicle productivity and on-time performance.
 - Addressing the constraints of the existing bus fleet - maintaining aging vehicles and, at the same time, finding a suitable replacement vehicle.

- Improving the quality of accessible taxi service.
- Reducing trip booking wait times.
- Introducing new technology, scheduling, trip booking and vehicle locating.
- The 2008 Recommended Operating Budget for Wheel-Trans is 10.0% (\$4.585 million) over the Program's 2007 Approved Operating Budget and provides funding to maintain 2007 service levels.

Table 1: 2008 Recommended Budget

(In \$000s)	2007		2008 Recommended Operating Budget			Change - 2008 Recommended from 2007 Approved Budget		FY Incremental Outlook	
	2007 Approved Budget	2007 Projected Actual	2008 Base	2008 New /Enhanced	2008 Operating Budget			2009	2010
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	68,771.3	68,290.0	73,862.2	0.0	73,862.2	5,090.9	7.4	4,600.0	4,500.0
REVENUE	23,005.0	23,023.5	23,511.0	0.0	23,511.0	506.0	2.2	(19,538.6)	264.5
NET EXP.	45,766.3	45,266.5	50,351.2	0.0	50,351.2	4,584.9	10.0	24,138.6	4,235.5
Approved Positions	459.0	458.0	491.0	0.0	491.0	32.0	7.0		
TARGET			45,766.3		45,766.3				
\$ Over / (Under) Program Target			4,584.9		4,584.9				
% Over / (Under) Program Target			10.0%		10.0%				

- The 2008 Recommended Operating Budget for Wheel-Trans is \$50.351 million net and is comprised of base funding with no new or enhanced initiatives. Approval of the 2008 Recommended Operating budget will result in the Program's staff complement increasing from 459 to 491 approved positions.
 - Wheel-Trans' net outlook is \$24.139 million in 2009 and \$4.236 million in 2010. There is no provision in the outlooks for increases in the cost of living. Funding will be required to meet expected increases in demand of between 6% and 7%. The modal split of 52.5% buses and the 2% unaccommodated rate will remain the same as in 2008. The incremental revenue is reduced by \$19.539 million in 2009 due to uncertainty regarding the continuation of approximately \$20 million in one-time Provincial funding for 2008. The incremental revenue increases \$0.265 million in 2010 due to increases in the number of passengers carried. No further fare increase is assumed for 2009 or 2010.
- The 2008 Recommended Base Budget is \$4.585 million or 10.0% over the 2008 target. The base budget incorporates the Program's key cost drivers including:
 - Three months of COLA from the current collective bargaining agreement. The contract with Wheel-Trans staff ends on March 31, 2008 and COLA increases will not be known until contract negotiations, which are currently underway, are concluded. Therefore, funding reflects costs of living increases for the first quarter of 2008 only.

- Maintaining 2007 service levels while addressing increasing demand for service
- Increased costs due to a bus fleet that is beyond its expected service life
- Improving call wait times while demand increases
- These are partially defrayed by farebox revenue increases of \$0.506 million from both increased ridership and the November 2007 fare increase.
- The Wheel-Trans 2008 Recommended Operating Budget provides for the following services:
 - Operating and maintaining a fleet of 148 (178 by yearend 2008) large capacity economical low-floor accessible buses
 - Delivering an accessible taxi service using 89 (110 by yearend 2008) accessible taxis and 32 (45 by yearend 2008) sedan taxis under contracted service to provide 2.310 million Wheel-Trans rides, up 123,300 trips or 5.6% from 2007
 - Using high capacity bus service to accommodate 52.5% of all trips with the balance of passengers carried by contracted taxis using accessible (35%) and sedan taxis (12.5%)
 - Providing 7 routes for fixed route community bus service, serving local community areas populated with a concentration of hospitals, seniors homes, malls and medical facilities
 - Maintaining an unaccommodated rate of 2%, or 44,700 riders
 - The expansion of zone areas, express bus and service depots, adding two Community Buses, increased peak-period service, easier telephone trip-booking through an 'express trip' booking feature, the provision of internet trip booking and enhancements to the scheduling system all of which are expected to increase vehicle productivity.
- The 2008 Recommended Operating Budget advances a number of strategic priorities including:
 - Integrating Wheel-Trans services with the accessible services of the TTC's Conventional network
 - Transferring trips to the TTC conventional transit modes
 - Creating a new service delivery model based on linking trips
 - Reducing the time required to book trips
 - Transitioning to new accessible taxi service providers

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Operating Budget for Wheel-Trans of \$73.862 million gross and \$50.351 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Accessible transit services	<u>73,862.2</u>	<u>50,351.2</u>
Total Program Budget	<u>73,862.2</u>	<u>50,351.2</u>

2. the Chief General Manager of the Toronto Transit Commission report back to Budget Committee in Spring 2008, as part of the City's Service Planning process, with a 5-year Operating Plan based on ridership and service delivery that would be updated annually to take into account expected trends in salary costs, fuel costs and general inflation and would address the continuing increase in demand for Wheel-Trans trips and would provide options to migrate passengers to the Toronto Transit Commission's conventional system.

Section A: 2007 Budget Variance Analysis

Table 2: 2007 Budget Variance Review

	2006 Actuals	2007 Approved Budget	2007 Projected Actuals*	2007 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	%
GROSS EXP.	62,515.0	68,771.3	68,290.0	(481.3)	(0.7)
REVENUES	2,918.0	23,005.0	23,023.5	18.5	0.1
NET EXP.	59,597.0	45,766.3	45,266.5	(499.8)	(1.1)
Approved Positions	439.0	459.0	458.0	(1.0)	(0.2)

Source: *Projected Actuals Based on the September 31, 2007 Variance Report.

2007 Experience

Wheel-Trans' projection for year-end as per the 3rd Quarter Variance Report indicates actual expenditures to be \$45.267 million net. This represents a positive variance of \$0.500 million or 1.1% of the Program's 2007 Approved Operating Budget of \$45.766 million net.

A number of factors have contributed to this under spending:

- Fuel costs were under spent by \$0.368 million due to lower than planned fuel prices and less trip demand as a result of severe winter weather.
- Customer service costs were under spent by \$0.200 million due to marketing initiatives being behind schedule.

Wheel-Trans revenue is expected to be on budget at year end.

2007 Cost Containment Savings

- Wheel-Trans did not implement cost containment savings in 2007 or 2008.

Impact of 2007 Operating Variance on the 2008 Recommended Budget

The 2007 variances will have no impact on Wheel-Trans' 2008 Recommended Operating Budget.

Section B: 2008 Operating Budget Overview**3-Year Operating Budget Overview**

- Wheel-Trans Operations is the service area of TTC responsible for door-to-door accessible transit service in the City of Toronto. Service is provided by accessible buses and contract accessible minivans and sedans.
- Wheel-Trans' strategic direction is to provide specialized door-to-door transportation service for persons with the greatest need for accessible transportation, as established by a set of eligibility standards based upon an individual's physical functional mobility. Transportation services are provided within the City of Toronto boundaries, to the Airport, and to established boundary transfer points in order to co-ordinate trips with specialized transit services to and from the Greater Toronto Area (GTA).
- The 2008 Recommended Operating Budget for Wheel-Trans is \$50.351 million. This is \$4.585 million (10.0%) over the Program's net target of \$45.766 million and largely maintains 2007 service levels. The 2008 Recommended Budget incorporates certain base expenditures and attempts to minimize their effects by recommending a feasible reduction option.
- Wheel-Trans's 2008 Recommended Operating Budget will add funding for 32 additional positions to the Program to maintain a 2% unaccommodated rate. The staffing complement will thus increase from 459 to 491 approved positions.
 - For 2008, salary and wage impacts alone account for an incremental net pressure of \$0.3 million. This includes 3 months of a cost-of-living adjustment from 2007. The full pressure of salary increases in 2008 cannot be ascertained until the terms of a new collective bargaining agreement which is currently being negotiated are known.
- The Program will continue to face mounting base pressures including rising salary, utility and other costs. In the absence of incremental revenues, service efficiencies and/or major cost cutting measures, Wheel-Trans will be challenged to meet the City's affordability targets beyond 2008 while addressing service demands.

Challenges and Issues

The Wheel-Trans' mission is:

To provide safe, reliable, courteous and efficient specialized door-to-door transportation service for persons with the greatest need for accessible transportation.

To achieve this mission, the Program must successfully meet the following challenges and issues:

- Wheel-Trans will experience a continued increase in the number of active registrants, with an anticipated 7,100 more people registering in 2008. In turn, the demand for trips will also increase to 2,236,500 trip requests. Some 71% of Wheel-Trans registrants will

be over the age of 65 years and this percentage is expected to continue to grow as the population of the City of Toronto ages. In addition 57% will be ambulatory.

- At the same time as Wheel-Trans has increasing demands from registrants, it will strive to maintain its service levels. This budget provides for Wheel-Trans' primary service measure, the unaccommodated rate, to be maintained at its traditional target rate of 2%. Even with the funding of increased costs included in the 2008 Recommended Operating Budget, on-time service delivery will decrease slightly from 94% in 2007 to 92% in 2008.
- To improve service quality, Wheel-Trans will introduce a new taxi service delivery model. It will expand its automated trip booking system to allow passengers to book trips online, increasing both productivity and service quality. Wheel-Trans will also expand its automated trip booking by simplifying its Express Booking system and improve telephone response times by adding 2 Reservationists.
- In 2008, Wheel-Trans will also upgrade its scheduling system and provide accessible transit training in an effort to encourage the migration of Wheel-Trans passengers to the Commission's accessible transit system.
- To this end, the TTC has been requested to report back to Budget Committee in Spring 2008, as part of the City's Service Planning process, with a 5-year Operating Plan based on ridership and service delivery that would be updated annually to take into account expected trends in salary costs, fuel costs and general inflation and would address the continuing increase in demand for Wheel-Trans trips and would provide options to migrate passengers to the TTC's conventional system.

Strategic Priorities

One of the Council's priorities is to improve accessible transit in the City of Toronto. The 2008 Recommended Operating Budget for Wheel-Trans directly advances the provision of accessible transit for the citizens of Toronto.

Section C: 2008 Recommended Base Budget

Table 3: 2008 Recommended Base Budget

	2007 Approved. Budget	2008 Recommended Base	Change 2008 Recommended Base vs. 2007 Approved Budget		FY Incremental Outlook	
					2009	2010
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	68,771.3	73,862.2	5,090.9	7.4	4,600.0	4,500.0
REVENUE	23,005.0	23,511.0	506.0	2.2	(19,538.6)	264.5
NET EXP.	45,766.3	50,351.2	4,584.9	10.0	24,138.6	4,235.5
Approved Positions	459.0	491.0	32.0	7.0		
NET TARGET		45,766.3			0.0	0.0
\$ Over / (Under) Program Target		4,584.9			24,138.6	4,235.5
% Over / (Under) Program Target		10.0%			52.74%	9.25%

2008 Recommended Base Budget

- The 2008 Recommended Base Budget of \$50.351 million net represents a \$4.585 million (10.0%) increase over Wheel-Trans's 2007 Approved Budget. The 2008 Recommended Base Budget will largely serve to maintain service levels offered in 2007.
- Cost-of-living adjustments (COLA) that average 3.25% for the first quarter of 2008 are non-discretionary outlays that comprise \$0.300 million of the recommended gross expenditure increase of \$5.091 million.
- Budgeted revenue for 2008 is \$0.506 million greater than the 2007 Approved Budget.
- The 2008 Recommended Base Budget results in 491 approved positions. This is an increase of 32 positions from the 2007 approved complement in order to maintain a 2% unaccommodated rate.

2008 Key Cost Drivers and Reduction Strategies

- The additional \$5.091 million in expenditures recommended for the Program's Base Budget is needed to fund the annualized cost of 2007 approved new services, union settlements and wage increases for exempt staff, non-salary economic factors, as well as other base changes. This increase includes:
 - a \$1.3 million increase for usage of contract services
 - a \$1.8 million increase for higher operator and dispatching reservationist costs

- \$0.9 million in higher employee benefit costs associated with the increased labour costs
- \$0.4 million for mileage costs for increased maintenance and fuel
- Taxi contracts will increase \$0.7 million
- These increases are partially offset by an increase in revenue of \$0.506 million, of which approximately \$0.183 million is due to the increase in ridership and \$0.323 million is due to the annualized impact of the November 2007 TTC fare increase.

2009 and 2010 Outlook: Net Incremental Impact

Wheel-Trans' net Outlook is \$24.139 million in 2009 and \$4.236 million in 2010. There is no provision in the outlooks for increases in the cost of living as the current collective bargaining agreement ends on March 31, 2008 and future increases will not be known until the next agreement is signed. Funding will be required to meet expected increases in demand of between 6% and 7% with the passenger demand increasing from 2,236,500 riders in 2008 to 2,381,900 million riders in 2009 and 2,548,600 riders in 2010. The modal split of 52.5% buses and the 2% unaccommodated rate will remain the same as in 2008. Revenue will decrease by \$19.539 million in 2009 due to uncertainty over one-time Provincial funding and increase \$0.265 million in 2010 due to increases in the number of passengers carried. No further fare increase is assumed for 2009 or 2010.

Section D: 2008 Recommended Service Priorities

There are no new or enhanced service priorities recommended.

Section E: Issues for Discussion

2008 Operating Budget Issues

Increased Trip Demand

2008 Ridership Overview Plan

	2007 Budget	2007 Actual	2008 Budget	Level Change	Percent Change
Customer Demand	2,099,200	2,072,500	2,236,500	137,300	6.5%
Unaccommodated Rate	2.0%	2.0%	2.0%	N/A	N/A
Passengers Carried (Registrants)					
Bus	1,076,800	947,400	1,146,900	70,100	6.5%
Accessible Taxis	718,000	784,400	766,700	48,700	6.8%
Sedan Taxis	257,300	289,800	273,000	15,700	6.1%
Community Bus	134,100	91,100	122,900	-11,200	-8.4%
Total Ridership	2,186,200	2,112,700	2,309,500	123,300	5.6%

Wheel-Trans will continue to be faced with a significant increase in demand for service. The demand for service in 2008 is projected to increase by 137,300 trips to 2.237 million trips from 2.099 million trips budgeted in 2007. The total number of riders actually taken on Wheel-Trans is expected to increase by 5.6% to 2.310 million riders in 2008. This trend will not only continue in the future, but will accelerate as the “baby boom” cohort ages. The current trend is unsustainable for Wheel-Trans. The Program is faced with the need to change its method of service delivery and eligibility and to seek efficiencies in the way it runs its operation.

Compounding the problem is the fact that few Wheel-Trans trips are discretionary, with 57% for medical appointments and 21% for social appointments, 14% for shopping and 8% for work or school. At the same time, Wheel-Trans is committed to maintaining its service standards. The target for the unaccommodated rate (the number of passengers who requested a ride but were not able to be accommodated due to capacity constraints) was 2% in 2007 and the 2008 Recommended Operating Budget has maintained the 2% target which will translate into 44,700 passengers being unaccommodated during 2008. As the following chart shows, the actual unaccommodated rate has generally been 3% or higher in the last 5 years.

Wheel-Trans Unaccommodated Rate

<u>Year</u>	<u>Passengers</u>	<u>Total</u>	<u>Rate</u>
	<u>Unaccommodated</u>	<u>Demand</u>	
2003	49,700	1,558,500	3.2%
2004	45,300	1,756,500	2.6%
2005	60,200	1,854,300	3.2%
2006	62,000	1,962,500	3.2%
2007	41,900	2,099,200	2.0%
2008	44,700	2,236,500	2.0%

Wheel-Trans operators also have to contend with increased traffic congestion and construction on city roads. The 2008 Recommended Operating Budget facilitates Wheel-Trans maintaining its unaccommodated rate while dealing with increased service demand and traffic congestion by providing funding of \$3.953 million for increased costs of delivering this service.

Therefore, it is recommended that the Chief General Manager of the Toronto Transit Commission report back to Budget Committee in Spring 2008, as part of the City's Service Planning process, with a 5-year Operating Plan based on ridership and service delivery that would be updated annually to take into account expected trends in salary costs, fuel costs and general inflation and would address the continuing increase in demand for Wheel-Trans trips and would provide options to migrate passengers to the TTC's conventional system.

Service Integration and Migrating Wheel-Trans Riders to the Conventional TTC System

The TTC is in the midst of a large capital project to retrofit all 69 TTC subway stations with elevators in order to make them fully accessible by 2020. This Easier Access project will, in Phases II and III, cost \$448 million. As well, the TTC is in the process of buying accessible buses, 193 of which will go into service in 2008. The City has also committed to purchasing 204 new fully-accessible streetcars for over \$1.2 billion. With this massive investment in making the conventional TTC service modes accessible, it is necessary for Wheel-Trans to migrate as many of its current and potential passengers as possible to the conventional system.

In 2008, Wheel-Trans will encourage customers, who are able, to move to using the TTC's conventional transit system, whenever possible. Customers who wish to travel on the conventional system will be assessed on their ability to cope with the challenges of traveling on fixed route transit. It is anticipated that this, along with in-service training and trip planning programs, will encourage Wheel-Trans customers to seek alternative transportation options. As well, Wheel-Trans staff will link service such as Express, Zone and Community Bus service, as well as door-to-door trips, with the accessible transit network at subway stations and service depots which will allow customers to transfer to the conventional service. This budget facilitates service integration by providing \$0.086 million in additional funding in 2008.

Wheel-Trans' initiative to transfer trips to other service modes will serve in the future to reduce the growth in service demand, although the impact in 2008 will be minimal given that the program is voluntary and focused on new registrants. To be fully successful in migrating passengers, Wheel-Trans needs to create a comprehensive multi-year plan encompassing accessible travel training and assessment, as well as revised eligibility criteria.

Workforce Increases

Wheel-Trans staff will increase from 459 budgeted in 2007 to 491 in the 2008 budget or 7.0%. Of these staff, 27 will be operators to provide additional trips, especially during peak periods. Of these 27, there are 23 who are required in order to meet increased trip demand, three due to less productivity per vehicle as a result of the age of the buses and one additional community bus operator. There are also two additional coach technicians to address decreased bus productivity and the aging fleet. One additional Storeperson is required to improve the accuracy of the parts inventory and support off-shift bus maintenance. As well, two additional Reservation positions are required in order to reduce the lengthy wait times that customers were experiencing in 2007 in order to book trips. In order for the Wheel-Trans service to be sustainable over the long term, Wheel-Trans needs to find ways to avoid growing its staff complement each year.

2007 Fare Increase

The TTC Commission approved a fare increase effective November 2007 which raised the price of a ticket 15 cents to \$2.25 and the price of a Metropass from \$99.75 to \$109.00. This is the same fare structure used by Wheel-Trans. The average Wheel-Trans fare will increase from \$1.48 to \$1.62.

The impact of the 2007 fare increase in 2008 will be \$0.323 million in additional revenue for Wheel-Trans. The 2008 Recommended Operating Budget does not account for a further fare increase in 2008.

New Taxi Contracts

Wheel-Trans currently uses contracts with eight taxi companies to provide accessible taxi service to its customers. These contracts were to expire at the end of 2007, however, the TTC Commission approved their extension until new service contracts are in place in mid-2008. Wheel-Trans intends to raise the quality of accessible taxi service by stressing in the new contracts improved driver selection criteria, enhanced sensitivity training for drivers and better monitoring of the level of service delivery. Wheel-Trans staff anticipate awarding three new accessible taxi contracts by July 2008. There are \$0.480 million in increased funds in the 2008 Recommended Operating Budget for this purpose.

Bus Fleet Constraints

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, vehicle breakdowns are occurring with greater frequency. Wheel-Trans has had difficulty finding a suitable replacement bus, especially considering the need to accommodate mobility devices which tend to be larger today than when the current buses were purchased. An RFP for 198 buses was issued in late 2007 with delivery of the first 50 buses expected by the end of 2008. As well, 70 buses will be overhauled by the end of 2010 which will extend their service life by three or four years. Bus fleet constraints have been addressed with an additional \$0.451 million in expenditures in this budget.

Trip Booking

In 2008, Wheel-Trans will take steps to reduce telephone wait times for customers who are booking trips. Reservationists will handle over 1 million incoming telephone calls. In order to deal with this call volume, customers will be encouraged to take advantage of technology which Wheel-Trans

provides such as RideLine and online alternatives to book, cancel or modify a trip, or to receive service updates. In order to reduce trip booking wait times, this budget provides \$0.146 million in additional funding for call centre trip booking.

Stable Provincial Funding

Funding received from the Provincial government is currently provided on an ad-hoc basis. The City and the TTC will continue to work toward obtaining long-term stable provincial funding. The 2008 Recommended Operating Budget for the City of Toronto includes \$92 million in provincial gas tax funding corporately allocated for transit as well as \$19.769 million in one-time funding for Wheel-Trans operations for 2008. While this funding makes a significant contribution to the funding of Wheel-Trans operations, the ad-hoc nature of this funding creates uncertainty regarding budgeting for future year operations.

Future Year Issues

Collective bargaining agreements, other employee costs, service requirements, energy needs, and inflationary increases will continue to exert pressure in 2009 and 2010. In order to meet the increasing demands for accessible transit service from an aging population while at the same time maintaining a 2% unaccommodated rate, Wheel-Trans will continue efforts to increase the efficiency of its service including increased use of computer technology. Nonetheless pressure will continue for increased funding in future years.

Appendix 1

Summary of Recommended Base Budget Changes From 2007 Approved Budget

(In \$000s)	Summary of 2008 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2009	2010
		\$	\$	\$	\$	\$
2007 Council Approved Operating Budget	459.0	68,771.3	23,005.0	45,766.3	0.0	0.0
In-year approvals and technical adjustments						
Corporate adjustments						
2007 Approved Operating Budget	459.0	68,771.3	23,005.0	45,766.3	0.0	0.0
Prior year impacts		576.2	(19,768.5)	20,344.7		
Zero base items						
Economic factors		37.1		37.1	1,500.0	2,100.0
Adjusted Base Budget	459.0	69,384.6	3,236.5	66,148.1	1,500.0	2,100.0
Other base changes	32.0	4,477.6		4,477.6	3,100.0	2,400.0
Base revenue changes			506.0	(506.0)	(229.9)	(264.5)
Recommended Service Level Adjustments:						
Service efficiencies						
Revenue adjustments			19,768.5	(19,768.5)	19,768.5	
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	32.0	4,477.6	20,274.5	(15,796.9)	22,638.6	2,135.5
2008 Recommended Base Budget	491.0	73,862.2	23,511.0	50,351.2	24,138.6	4,235.5
2008 Program Operating Target	N/A	N/A	N/A	45,766.3	0.0	0.0
% Over (Under) Program Target				10.0%	52.7%	9.25%
% Over (Under) 2007 Appvd. Budget				10.0%	52.7%	9.25%

Appendix 2
Summary of Service Level Adjustments