

Analyst Briefing Notes
Budget Committee
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PART I: 2009 OPERATING BUDGET**Executive Summary**

- The Toronto Transit Commission (TTC) is responsible for the Conventional and Wheel-Trans systems. The Conventional Operating Budget is treated in a separate set of Analyst Notes.
- Using 188 specially equipped low-floor buses and contracted taxi services that include 140 accessible and 55 sedan taxis, Wheel-Trans provides transportation to persons with disabilities, based on the individual's physical functional mobility.
- Wheel-Trans trip demand is planned to increase by 3.9% in 2009. Meeting this demand, while maintaining a 2% unaccommodated rate, will create a pressure of \$3.918 million for 2009. This pressure is funded in the 2009 Recommended Operating Budget.
- The key challenges and opportunities for Wheel-Trans over the next three years include:
 - Meeting increasing demand for service while maintaining an unaccommodated rate of 2%;
 - Coping with the negative impact of increasing traffic congestion affecting on-time performance;
 - Lowering call wait times while demand increases; and
 - Accommodating peak demand with an aging fleet.

Wheel-Trans has established the following key service objectives over the next three years to address the challenges and opportunities outlined above:

- Maintaining 2008 service levels;
 - Migrating customers from telephone trip booking to on-line trip booking;
 - Integrating service with the conventional TTC system; and
 - Initiate improved standards for contracted service providers.
- The 2009 Recommended Operating Budget provides new funding for a variety of programs and activities which address Wheel-Trans' challenges, opportunities and key objectives.
 - To meet the increasing demand for service and to lower call wait times, various new technologies will be implemented;
 - Instituting a travel training program will encourage customers to migrate to the conventional TTC system;
 - The use of additional contract taxi service to replace buses will allow Wheel-Trans to maintain the balance between trip availability and service quality;

- Increasing training and monitoring to improve the quality of accessible taxi service; and
 - Adding resources and using technology to reducing trip booking wait times.
- For 2008, Wheel-Trans is projecting a year-end net expenditure of \$51.173 million which is \$0.172 million or 0.3% below the 2008 Approved Budget of \$51.345 million.
 - A number of factors have contributed to this under spending including operator costs being \$2.308 million less than budget as a result of delays in obtaining new vehicles, the deferral of the new Community Bus route and reduced bus crews, offset by contract services being \$2.166 million higher than budget due to higher than expected passenger trips in sedan and accessible taxis and the impact of the sedan taxi meter rate increase. As well, equipment maintenance will be \$0.684 million higher than budget due to the aging fleet and fuel costs will be under spent by \$0.631 million due to less bus service and fewer miles, the result of lower demand especially during the severe winter weather.
 - Wheel-Trans revenue will be slightly lower than expected in 2008 as a result of fewer passengers being carried at a lower average fare. Actual year-end positions are expected to be 455; which is 36 under budget.
 - The 2009 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 service demand, on-time service delivery will continue to be 92% in 2009. 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.

Table 1: 2009 Recommended Budget

(In \$000s)	2008		2009 Recommended Operating Budget			Change - 2009 Recommended from 2008 Approved Budget		FY Incremental Outlook	
	2008 Approved Budget	2008 Projected Actual	2009 Base	2009 New /Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	74,855.8	74,480.0	80,169.1	0.0	80,169.1	5,313.3	7.1	7,095.1	7,882.9
REVENUE	23,511.0	23,307.4	3,827.7	0.0	3,827.7	(19,683.3)	(83.7)	183.6	330.0
NET EXP.	51,344.8	51,172.6	76,341.4	0.0	76,341.4	24,996.6	48.7	6,911.5	7,552.9
Approved Positions	491.0	455.0	462.0	0.0	462.0	(29.0)	(5.9)		
TARGET			51,344.8		51,344.8				
\$ Over / (Under) Program Target			24,996.6		24,996.6				
% Over / (Under) Program Target			48.7%		48.7%				

- The 2009 Recommended Operating Budget for Wheel-Trans of \$76.341 million net is \$24.997 million or 48.7% over the Program's 2008 Approved Operating Budget and provides funding to maintain 2008 service levels.
- The 2009 Recommended Operating Budget is comprised of base funding of \$80.169 million in gross and \$76.344 million net with no new or enhanced services. Approval of the 2009 Recommended Operating Budget will reduce the approved complement by 29 positions for one year.
- The 2009 Recommended Operating Budget funds the Program's key cost drivers including: an aging fleet which results in increased contract services (\$2.2 million) and in higher maintenance costs (\$0.700 million); a cost of living allowance (COLA) (\$1.310 million); Provincial funding which will not recur in 2009 (all Provincial funding is allocated to TTC Conventional in 2009) (\$19.768 million); higher accident claims (\$0.200 million); and improved reservations and dispatch which result in higher telephone and wireless costs (\$0.200 million).
- The 2010 Outlook net increase of \$6.912 million includes a cost of living increase as well as \$1.500 million in incremental diesel fuel costs, partially offset by a \$1.332 million decrease in contract costs as the service mix returns to normal with the purchase of new vehicles. Revenue increases are a modest \$0.184 million or 4.8%.
- Funding in Wheel-Trans' 2009 Recommended Operating Budget to maintain acceptable levels of service, in concert with the accessibility improvements on the TTC's conventional service, permits the City of Toronto to meet the requirements of the Accessibility for Ontarians with Disabilities Act.
- In 2009, Wheel-Trans will provide the following service to the residents of Toronto:
 - Trip demand of 2,324,500 trips, a 4% increase over 2008;
 - Scheduled service from 6:00 am to 1:00 am on weekdays, the same as subway hours of operation, and 7:00 am to 1:00 am on weekends;
 - A maximum on-board time of 2.5 times the direct travel time (90 minutes maximum);
 - 98% of requested trips accommodated; and
 - Door-to-door, community bus, community link and zone service.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Wheel-Trans of \$80.169 million gross and \$76.341 million net, comprised of the following service:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Accessible Transit Services	80,169.1	76,341.4
Total Program Budget	<u>80,169.1</u>	<u>76,341.4</u>

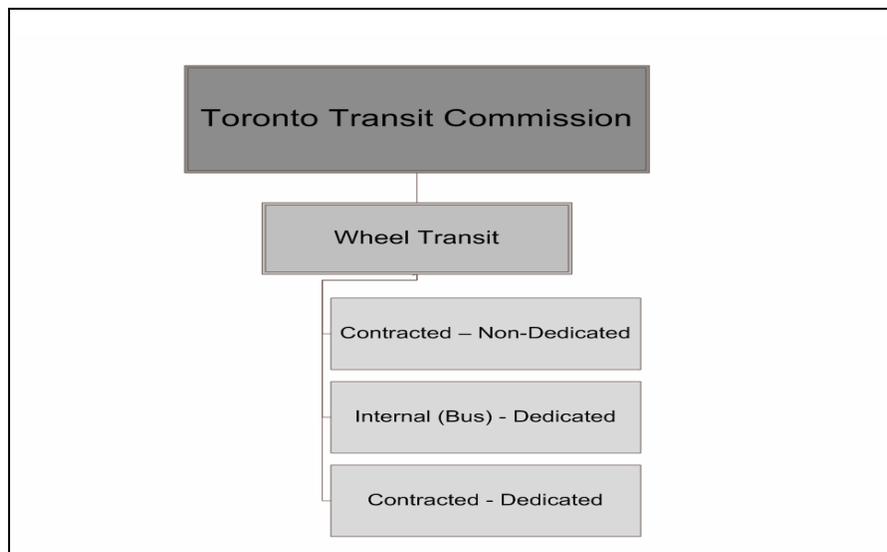
2. the Chief General Manager of the Toronto Transit Commission, in consultation with the Financial Planning Division, report back to Budget Committee in the Spring of 2009 with a 5-year Operating Plan based on ridership and service delivery that will be updated annually to take into account expected trends in salary costs, fuel costs and general inflationary pressures; address the continuing increase in demand for Wheel-Trans trips; and will provide options to migrate passengers to the Toronto Transit Commission’s conventional system.

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

Wheel-Trans provides door-to-door accessible transit service in Toronto. 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). Wheel-Trans’ accessible transit service facilitates the mobility of 34,200 active customers people who would otherwise have great difficulty accessing work, school, medical services or shopping outside of their homes. This allows many of these people to remain in their own homes rather than having to live in an institutional setting. This enhances their quality of life and reduces the impact on social services in the City of Toronto. Services are provided through accessible buses and contracted accessible minivans and sedan taxis. It is expected that, in 2009, 2.4 million rides will be provided.

Wheel-Trans provides three services: bus service, dedicated contract services and non-dedicated contract services as set out below in the Program Map.

Program Map



Service Challenges and Opportunities

The following are key service challenges and opportunities for Wheel-Trans over the next three-years:

- ***Increasing demand for service:***

Wheel-Trans demand will increase by 3.9% in 2009. This trend is expected not only to continue in the future, but to accelerate. This constant increase in demand requires additional Wheel-Trans resources each year just to maintain existing service standard of a 2% unaccommodated rate.

- ***Coping with the negative impact of increasing traffic congestion on on-time performance:***

The population of Toronto and the density of development are increasing, causing greater traffic congestion. Increased traffic congestion means that average trip times increase. As well as congestion, Wheel-Trans operators must also contend with more speed bumps, longer trip lengths, and the larger mobility devices being used by Wheel-Trans customers. Consequently, it is increasingly difficult to maintain Wheel-Trans' on-time performance.

- ***Lowering call wait times while demand increases:***

Over one million calls will be placed to the Wheel-Trans call centre in 2009. The call centre will be challenged to keep up with this increasing call demand. In addition, Wheel-Trans management has determined that call wait times should be reduced in order to provide the level of service that Wheel-Trans customers expect.

- ***Accommodating peak demand with an aging fleet:***

The Wheel-Trans fleet has exceeded its life expectancy. The aging fleet has meant that fewer vehicles will be available for service in 2009, even with a total of 85 vehicles being rebuilt to extend their life. This lack of available vehicles makes it increasingly difficult for Wheel-Trans management and staff to meet service demands.

Service Objectives

In 2009, Wheel-Trans will incorporate the impact of previous years' initiatives in order to minimize any decrease in vehicle productivity and to improve service to provide quality para-transit service while meeting increased demand. Wheel-Trans' challenges and opportunities outlined above are addressed by the following service objectives:

- ***Maintaining 2008 service levels:***

Wheel-Trans will maintain current service levels by migrating customers to the TTC conventional transit system, by using numerous technological innovations and through improving telephone reservation response times.

- ***Migrating customers from telephone trip booking to on-line trip booking:***

One way of improving the reservations response time and reducing the length of call wait is to migrate customers from telephone trip booking to on-line trip booking. Wheel-Trans plans to educate and encourage the estimated 40% of its customers who have internet access to move from booking their trips by phone to booking their trips on-line.

- ***Integrating service with the Conventional TTC system:***

Wheel-Trans staff will continue to encourage customers to take advantage of conventional fixed-route accessible transit service by making it convenient and advantageous for customers to book their trips to accessible subway stations.

- ***Improved accessible taxi service:***

New contracts with taxi companies for the provision of accessible taxi and sedan service go into effect in January 2009. Wheel-Trans intends to raise the quality of accessible taxi service by initiating improved standards for contracted service providers and closely monitoring the service provided.

Priority Actions

- ***Technology implementation:***

In order to meet the increasing demand for service and also to lower call waiting times, Wheel-Trans is implementing new technology in 2009 which will address all of the service objectives. Wheel-Trans will keep pace with increasing demand through productivity improvements such as:

- Provision of internet trip booking, cancellations and service updates;
- Use of Automatic Vehicle Location / Global Positioning Systems;
- Improving computerized scheduling using a batch process to provide more trips;
- Expanding zone service in order to transport more customers using the same resources; and
- Developing internet access for trip planning.

- ***Travel training program:***

As a way of migrating customers to the accessible TTC conventional service, beginning in the summer of 2009, Wheel-Trans will offer a travel training program through which customers will be shown the benefits of the TTC's accessible conventional transit network with 28 accessible subway stations and 170 accessible bus routes. As part of the program, the customer's ability to travel to various destinations will be analyzed. Customers who are deemed able to travel on the accessible fixed route service and have access to the accessible transit network will receive a detailed service guide, as well as "group" or "peer one-on-one" training. It is hoped that by promoting and providing this program, Wheel-Trans will be able to encourage customers who have sufficient mobility to migrate from Wheel-Trans to the conventional TTC system. As well, whenever possible, staff will link services such as Zone, Community Link and Community Bus services as well as door-to-door trips with the accessible transit network at subway stations and service depots allowing customers to transfer to the conventional service, thereby further supporting service integration.

- ***Increasing accessible taxi service to temporarily replace part of the accessible bus fleet:***

In order to improve the quality of contract taxi service, the new taxi contracts which came into effect in January, 2009 will incorporate improvements such as driver selection processes, a stricter

screening process including an annual Vulnerable Person check, a more robust sensitivity training program, and better monitoring of the delivery of service on the street to ensure contract compliance (schedule adherence, reliable and clean vehicles, and routine quality assurance audits of performance). This will raise the quality of service to Wheel-Trans customers and increase the availability of accessible taxis in the community. Accessible taxi service will be increased temporarily in 2009 while the change over from the existing fleet to the new vehicles takes place. The traditional mix of service providers will be restored in 2010. Wheel-Trans, through all of these initiatives, will continue to comply with the Accessibility for Ontarians with Disabilities Act (AODA).

- ***Improving the reservation system:***

To facilitate improved telephone wait times and to offer customers a viable alternative, customers will be encouraged to make full use of the technology offered such as RideLine features or online alternatives to get service updates, book, cancel or modify a trip. Changes to the phone system will allow customers to select the options that best meet their needs and allow automation to assist them whenever possible. As well, the introduction of internet trip booking will benefit the 40% of Wheel-Trans customers who have access to a computer.

PART III: 2008 BUDGET VARIANCE ANALYSIS

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals *	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	67,490.0	74,855.8	74,480.0	(375.8)	(0.5)
REVENUES	3,264.0	23,511.0	23,307.4	(203.6)	(0.9)
NET EXP.	64,226.0	51,344.8	51,172.6	(172.2)	(0.3)
Approved Positions	454.0	491.0	455.0	(36.0)	(7.3)

Based on the Wheel-Trans Period 11 (November 30, 2008) Income Statement

2008 Experience

Wheel-Trans' Period 11 (November 30, 2008) Income Statement projects actual 2008 expenditures of \$51.173 million net, including the impact of the latest collective bargaining agreement. This represents a positive variance of \$0.172 million or 0.3% under the Program's 2008 Approved Operating Budget of \$51.345 million net.

A number of factors have contributed to this under spending:

- Operator costs will be \$2.308 million less than budget as a result of delays in obtaining new vehicles, the deferral of the new Community Bus route and reduced number of bus crews needed to operate a smaller number of buses.
- Contract services will be \$2.166 million higher than budget due to higher than expected passenger trips in sedan and accessible taxis and impact of sedan taxi meter rate increase.
- Equipment maintenance will be \$0.684 million higher than budget due to the aging fleet.
- Fuel costs will be under spent by \$0.631 million due to less bus service and fewer miles, the result of lower demand especially during the severe winter weather.
- Wheel-Trans revenue will be slightly lower than expected in 2008 as a result of a lower average fare.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

The aging fleet will continue to impact Wheel-Trans in 2009 with increasing equipment maintenance costs and more resources being devoted to contract services and less on operator costs. This change is the primary reason salaries and benefits drop by \$1.267 and contract services increase \$5.451 million from the 2008 to 2009.

PART IV: 2009 RECOMMENDED BASE BUDGET
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Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Approved Budget	2009 Recommended Base	Change 2009 Recommended Base vs. 2008 Approved Budget		FY Incremental Outlook	
	\$	\$	\$	%	2010 \$	2011 \$
	GROSS EXP.	74,855.8	80,169.1	5,313.3	7.1	7,095.1
REVENUE	23,511.0	3,827.7	(19,683.3)	(83.7)	183.6	330.0
NET EXP.	51,344.8	76,341.4	24,996.6	48.7	6,911.5	7,552.9
Approved Positions	491.0	462.0	(29.0)	(5.9)	551.0	582.0
NET TARGET		51,344.8				
\$ Over / (Under) Program Target		24,996.6				
% Over / (Under) Program Target		48.7%				

2009 Recommended Base Budget

- The 2009 Recommended Base Budget gross expenditures are \$80.169 million reflecting an increase of \$5.313 million or 7.1% over the 2008 Approved Operating Budget of \$74.856 million. While the increase in gross expenditures includes the annualization of the cost of living increase due to the contract signed in 2008, salary costs have dropped as the aging of the fleet means that a smaller number of buses are available for service and consequently fewer Wheel-Trans buses and operators are used in 2009. However, the cost of contract services increases \$5.436 million in 2009 to offset the decrease in accessible bus service.
- The 2009 recommended revenues are \$19.683 million or 83.7% lower in 2009 compared to 2008 due to \$19.768 million in Provincial one-time funding which will not recur in 2009. Fare revenue increases modestly by \$0.085 million due to planned higher passenger volume.
- The 2009 Recommended Base Budget for Wheel-Trans is \$76.341 million net. This is \$24.997 million (48.7%) over the Program's net target of \$51.345 million set at a 0% increase over the 2008 Approved Operating Budget given that COLA costs are firm and incorporated. The 2009 Recommended Base Budget provides sufficient funding to maintain 2008 service levels.
- Wheel-Trans' 2009 Recommended Operating Budget reflects 29 fewer positions (462 positions in 2009 versus 491 positions in 2008) due to shifting service to taxis as a result of fleet availability issues. In order for the Program to maintain a 2% unaccommodated rate while meeting a 4% increase in demand, Wheel-Trans will rely more heavily on contracted services of accessible taxis and sedans.

- 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 2009 while addressing service demands.

2009 Key Cost Drivers and Reduction Strategies

- The additional \$5.313 million in expenditures recommended for the Program's 2009 Recommended Base Budget is needed to fund the annualized cost of 2008 approved new services, wage increases for exempt staff, non-salary economic factors, as well as other base changes. The recommended funding increase is required to cover the following:
 - An increase in the usage of contract services of \$2.2 million, including a \$1 million increase due to higher taxi fares approved by Council in 2008.
 - Increased cost of living adding \$1.310 million to salaries and benefits.
 - Mileage costs for maintenance and fuel are projected to grow by \$0.3 million. Diesel fuel costs have been locked in for 2009 through the purchase of futures contracts.
 - Additional maintenance costs of \$0.7 million to keep the aging Elf vehicles road-worthy.
 - Higher accident claims of \$0.2 million.
 - Additional telephone and wireless costs for reservations and automatic vehicle location of \$0.2 million.
 - Employee benefit costs associated with the increased labour costs are projected to increase by \$0.2 million.
- The pressures on the 2009 Recommended Base Budget are significantly increased by \$19.768 million in one-time Provincial funding which will not recur in 2009. This funding decrease dwarfs the increase in Wheel-Trans revenue of \$0.085 million which is due to increased ridership.

2010 and 2011 Outlook: Net Incremental Impact

Wheel-Trans' net outlook for 2010 is projected to be \$6.912 million. Funding will be required to meet expected increases in demand of between 6% and 8% with the passenger demand increasing from 2.325 million riders in 2009 to over 2.4 million riders in 2010 and approximately 2.6 million riders in 2011. A new modal split of 50.1% buses will be required in 2010 as per the current collective agreement with Local 113, ATU. The 2% unaccommodated rate will remain the same as in 2009, but will decrease to .2% in 2011 to comply with AODA legislation. No impact for the next collective bargaining agreement is included in the 2011 outlook. No fare increase is assumed for 2010 and 2011. Wheel-Trans net outlook for 2011 is \$7.553 million with the majority of costs allocated to increasing demand for service, lowering the unaccommodated rate, maintaining a larger fleet of buses and supporting a 24-hour service operation.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

2009 Recommended New / Enhanced Service Priority Actions

The Wheel-Trans' 2009 Recommended Operating Budget does not include any funding for new and/or enhanced service priority actions.

PART VI: ISSUES FOR DISCUSSION

2009 Budget Issues

Increased Trip Demand

Wheel-Trans will continue to be faced with a significant increase in demand for service in 2009, as outlined in the table below. The demand for service in 2009 is projected to increase by 88,000 trips to 2.325 million trips from 2.237 million trips budgeted in 2008. The total number of riders actually taken on Wheel-Trans is expected to increase by 2.8% to 2.375 million riders in 2009. This trend will not only continue in the future, but will accelerate as the “baby boomers” age. 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 continue to seek efficiencies in the way it runs its operation.

2009 Ridership Overview Plan

	2008 Budget	2009 Budget	Level Change	Percent Change
Customer Demand	2,236,500	2,324,500	88,000	3.9%
Unaccommodated Rate	2.0%	2.0%	N/A	N/A
Passengers Carried (Registrants)				
Bus	1,146,900	970,800	-176,100	-15.4%
Accessible Taxis	766,700	899,900	133,200	17.4%
Sedan Taxis	273,000	403,400	130,400	47.8%
Community Bus	122,900	100,600	-22,300	-18.1%
Total Ridership	2,309,500	2,374,700	65,200	2.8%

Compounding the problem is the fact that few Wheel-Trans trips are discretionary, with 57% for medical appointments and 19% for social appointments, 16% 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 2008 and the 2009 Recommended Operating Budget has maintained the 2% target which will translate into 46,400 passengers being unaccommodated during 2009. As the following chart shows, the actual unaccommodated rate had generally been 3% or higher in the early part of this decade, however, in the last two years and for 2009, reservation, dispatch and service initiatives have kept the rate at 2%.

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	42,400	2,062,900	2.0%
2008	44,700	2,236,500	2.0%
2009	46,400	2,324,500	2.0%

Note: 2003 to 2007 are actuals, 2008 and 2009 are budget

Wheel-Trans operators also have to contend with increased traffic congestion and construction on City roads. The 2009 Recommended Operating Budget facilitates Wheel-Trans maintaining its unaccommodated rate while dealing with increased service demand and traffic congestion by providing funding of \$3.918 million for increased costs of delivering this service. Therefore, it is recommended that:

the Chief General Manager of the Toronto Transit Commission, in consultation with the Financial Planning Division, report back to Budget Committee in Spring 2009, with a 5-year Operating Plan based on ridership and service delivery that will be updated annually to take into account expected trends in salary costs, fuel costs and general inflationary pressures and will address the continuing increase in demand for Wheel-Trans trips and will provide options to migrate passengers to the Toronto Transit Commission'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 the remaining subway stations with elevators in order to make all 70 stations fully accessible by 2020. This Easier Access project will have, Phases II and III, resulted in a total cost of \$ 452 million. As well, the TTC is in the process of buying accessible buses, 130 of which will go into service in 2009 and 120 in 2010, with the bus fleet expected to be fully accessible in 2010. The City has also committed to purchasing 204 new fully-accessible streetcars for over \$1.2 billion over the next ten years. 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 2009, Wheel-Trans will encourage customers, who are able, to move to using the TTC's conventional transit system. 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 services such as Zone, Community Link 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.

Wheel-Trans' initiative to transfer trips to other service modes will serve in the future to reduce the growth in demand, although the impact in 2009 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 Decrease

The size of the Wheel-Trans staff will decrease by 29 from 491 budgeted in 2008 to 462 in the 2009 budget or 6.0%. The operator headcount will decrease by 33 as a result of the delay in acquiring new buses. The number of operators for 2009 will remain at the 2008 actual level. The decrease in trip capacity will be made up by increasing the use of taxis. There will also be a decrease of two information technology positions. The decrease in the number of operators and information technology technicians will be partially offset by the hiring of two additional reservationists to support peak period call demand and reduce customer telephone wait times. Also a clerk will be hired to manage the additional taxi service monitoring and reporting. There will also be one additional coach technician, a service person and a general body repairperson / painter hired to address decreased bus productivity and the aging fleet. In order for the Wheel-Trans service to be sustainable over the long term, Wheel-Trans must find ways to avoid growing its staff complement each year.

No Fare Increase

The Wheel-Trans fare is the same as the fare on the TTC's conventional service. The TTC's 2009 Recommended Operating Budget does not recommend a fare increase for 2009.

New Taxi Contracts

The 2009 Recommended Operating Budget includes a \$2.154 million in increase in funding for accessible taxis due to 133,200 additional trips (\$2.5 million) and the introduction of monthly management fees (\$0.500 million). This is somewhat offset by a lower cost per kilometre (\$0.800 million) which was negotiated in the new service contracts. As well, \$3.282 million is recommended for increased sedan taxi costs to accommodate an additional 130,400 trips combined with longer trip distances (\$2.300 million) as well as a taxi meter rate increase approved by Council in 2008 (\$1.000 million).

Bus Fleet Constraints

Out of the current fleet of 140 ELF low-floor buses, 104 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. In late 2008, a contract was signed for the purchase of 110 new buses with delivery of the first 41 buses expected by the end of 2009. As well, 77 buses will be overhauled by the end of 2010 which will extend their service life by three or four years. Eventually, a total of 198 new buses will be purchased, 147 to replace the existing fleet and 51 additional buses to meet growing ridership demand. Bus fleet constraints have caused a decrease in the use of buses in 2009 resulting in a one-time decrease in bus service expenditures of \$1.038 million.

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. In 2008, \$100 million in one-time funding for transit operations was received, of which \$19.768 million was allocated to Wheel-Trans. This one-time Provincial funding will not be received again in 2009, thereby adding almost \$20 million pressure to the Wheel Trans' 2009 Recommended Operating Budget.

Future Year Issues

Future Year Costs

Collective bargaining agreements until March 2011, compliance with AODA legislation in 2011, other employee costs, service requirements, expansion energy needs, and inflationary increases will continue to exert pressure in 2010 and 2011. In order to meet the increasing demands for accessible transit service from an aging population while at the same time balancing trip availability with service quality, 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 A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	491.0	74,855.8	23,511.0	51,344.8	0.0	0.0
In-year approvals and technical adjustments Corporate adjustments						
2008 Approved Operating Budget	491.0	74,855.8	23,511.0	51,344.8	0.0	0.0
Prior year impacts		16.6	(19,768.5)	19,785.1	6,439.7	7882.9
Zero base items		(86.9)		(86.9)	76.5	
Economic factors		1,780.0		1,780.0	1,690.7	
Adjusted Base Budget	491.0	76,565.5	3,742.5	72,823.0	8,206.9	7,882.9
Other base changes	(29.0)	3,603.6		3,603.6	(1,111.8)	
Base revenue changes			85.2	(85.2)	(183.6)	(330.0)
Recommended Service Level Adjustments:						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	(29.0)	3,603.6	85.2	3,518.4	(1,295.4)	(330.0)
2009 Recommended Base Budget	462.0	80,169.1	3,827.7	76,341.4	6,911.5	7,552.9
2009 Program Operating Target	N/A	N/A	N/A	51,344.8	0.0	0.0
% Over (Under) Program Target				48.7%		
% Over (Under) 2008 Appvd. Budget				48.7%		

Appendix D

Program Summary by Expenditure Category

CLUSTER: Agencies, Boards and Commissions PROGRAM: Wheel-Trans							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	43,310.4	41,184.4	42,043.2	(1,267.2)	(2.9%)	48,482.9	52,714.8
Materials and Supplies	10,053.8	9,691.2	11,033.7	979.9	9.7%	12,724.4	14,047.5
Equipment				0.0	n/a		
Services & Rents	20,944.3	22,916.2	26,395.0	5,450.7	26.0%	25,359.7	27,687.6
Contributions to Capital				0.0	n/a		
Contributions to Reserve/Res Funds				0.0	n/a		
Other Expenditures	547.3	688.2	697.2	149.9	27.4%	697.2	697.2
Interdivisional Charges				0.0	n/a		
TOTAL GROSS EXPENDITURES	74,855.8	74,480.0	80,169.1	5,313.3	7.1%	87,264.2	95,147.1
Interdivisional Recoveries				0.0	n/a		
Provincial Subsidies	19,768.5	19,768.5		(19,768.5)	(100.0%)		
Federal Subsidies				0.0	n/a		
Other Subsidies				0.0	n/a		
User Fees & Donations	3,742.5	3,538.9	3,827.7	85.2	2.3%	4,011.3	4,341.3
Transfers from Capital Fund				0.0	n/a		
Contribution from Reserve Funds				0.0	n/a		
Contribution from Reserve				0.0	n/a		
Sundry Revenues				0.0	n/a		
TOTAL REVENUE	23,511.0	23,307.4	3,827.7	(19,683.3)	(83.7%)	4,011.3	4,341.3
TOTAL NET EXPENDITURES	51,344.8	51,172.6	76,341.4	24,996.6	90.8%	83,252.9	90,805.8
APPROVED POSITIONS	491.0	455.0	462.0	(29.0)	(5.9%)	551.0	582.0