

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 31, 2012

SUBJECT: 2012 TTC FINAL BUDGET UPDATE

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

- (1) note the action taken by staff to implement the budgets as approved by the Commission at its meeting on December 14, 2011; and
- (2) approve proceeding with action consistent with the City Council decision at its meeting of January 17, 2012 to increase the 2012 City subsidy to the TTC by \$5 million to prevent service reductions.

FUNDING

City Council approved the 2012 TTC and Wheel-Trans Operating Budgets and the 2012-2021 TTC Capital Budget as approved by the Commission at its December 14, 2011 meeting, with the one exception. City Council also approved an additional \$5 million to prevent service reductions.

BACKGROUND

At its meeting of September 16, 2011, the Commission approved the preliminary 2012 TTC Operating Budget and the 2012 Wheel-Trans Operating Budget. Included in the preliminary 2012 TTC Operating Budget was a net reduction of \$14 million in service adjustments required to balance the 2012 budgets to accommodate the \$85 million City reduction target set for the TTC for 2012.

Those \$14 million in service adjustments were:

1. Return to Historical Loading Standards in Peak Periods (Rush hour)

In 2008, peak-period crowding conditions on all major routes in the system were reduced by approximately 10% through the addition of 89 new peak-period buses. With this service improvement reversed, there will be more crowding and less-frequent service on approximately 50 routes in the system. This reduction in service quality would save \$9.2 million in annual operating costs, with a forecast ridership loss of 1.9 million, equating to a \$3.7 million loss of fare revenue, resulting in a net operating savings of \$5.5 million per year. This change will affect customers using the busiest rush hour routes.

2. Return to Historical Loading Standards in Off-Peak Times

In 2004/2005, off-peak service on major routes was improved such that, on average, passengers would get a seat for their trip. The previous standard was that, on routes with service every 10 minutes or better, an average of 20% of passengers were required to stand. Reverting to this previous standard for all off-peak service will result in less-frequent service and more crowding on approximately 60 routes. This reduction in service quality will save \$11.7 million in annual operating costs, with a forecast loss in ridership of 1.8 million, equating to a \$3.5 million loss of fare revenue, resulting in a net operating savings of \$8.2 million per year. The change will affect customers using the busiest off-peak routes, at their busiest times.

In addition, the Commission approved the discontinuance of Wheel-Trans provided dialysis trips for ambulatory Wheel-Trans registrants who do not meet the Wheel-Trans eligibility requirements.

At its meeting on December 14, 2011, the Commission approved, amongst other things, the following changes to the staff recommended budget:

- (1) That \$5 million from the projected diesel fuel price savings in 2012 TTC Operating Budget be reallocated to retain ½ of the proposed peak service reductions.
- (2) That the CGM work with the City Manager and CFO to determine appropriate financing alternatives related to the \$45M Capital cost of vehicles and additional storage, and report back to the Budget Committee prior to the TTC's commitment to the purchase of the vehicles.
- (3) That dialysis trips for ambulatory customers who do not meet the Wheel-Trans eligibility requirements be continued until the end of June 2012 so that the TTC can continue to work with the MOHLTC, the LHINS and The Kidney Foundation to find a funding solution so that service can continue to be provided to ambulatory dialysis patients. This 6-month reprieve will result in \$2.5 million in unfunded service for ambulatory dialysis customers being operated.
- (4) That no new ambulatory dialysis customers be registered to receive Wheel-Trans service.

DISCUSSION

ACTION TAKEN:

- Service Adjustments

The Commission's December 14th direction to restore a net of \$5 million in peak service is largely being implemented on February 12, 2012. Consequently, all of the off-peak and

about half of the peak service adjustments, due to the changes in loading standards, will be implemented at that time, ie February 12, 2012. Attachment A provides a list of the service reductions planned for February 12, 2012. Attachment B provides a list of the previously proposed peak service reductions that will be maintained as a result of the Commission's December 14th decision. Overall, there will now be 42 service reductions made during peak periods on 35 bus routes and 90 service reductions during off peak periods on 36 bus and streetcar routes. Final adjustments will be made in peak periods in the March board period (starting March 25) to bring all services in line with the new peak loading standards. The resultant peak loading standard will be approximately mid-way between the historical and RGS loading standards – resulting in an improvement over historical standards of about 5%.

It should be noted that even with the return to pre-2004 vehicle crowding standards, the TTC will still be operating an overall level of service 17% higher than it did in 2004.

- Capital Costs

Staff continue to discuss sources of funding for the \$45 million in buses and temporary storage facilities required to add the list of peak service saved. Should the TTC final 2011 surplus be higher than the previously quoted estimate of \$12.5 million, staff will recommend to the Commission that it recommend to City Council that any increase in the final surplus be directed towards this item. Since the order for these buses must be placed by mid 2012, staff will report back to the Commission and the City Budget Committee before that date.

- Wheel-Trans

No new ambulatory dialysis customers have been accepted as registrants this year. In addition, staff are working on plans to increase the unaccommodated rate for Wheel-Trans trip requests up to 5% from the budgeted level of 2% in order to balance the budget and offset the \$2.5 million budget pressure caused by operating dialysis trips for ambulatory customers for 6 months.

CITY COUNCIL DECISION TO ADD \$5 MILLION TO THE TTC SUBSIDY 2012

At its meeting on January 17, 2012, City Council approved a motion that, amongst other things, included the following:

“The TTC budget be increased by \$5 million to prevent service reductions;”

The City of Toronto website includes the following regarding the January 17, 2012 City Council minutes with respect to this item:

“278. City Council increase the 2012 Operating Budget for the Toronto Transit Commission (TTC) by \$5 million to prevent service reductions and the necessary funds be provided by a draw from the Tax Stabilization Reserve.”

Staff conclude that the \$5 million can be used for operating expenses as the Commission directs, as long as it prevents \$5 million in service reductions. Since the \$5 million operating subsidy increase was not accompanied by any capital expenditure increase, it is not possible to add peak-period service. Additional peak service would require additional buses for which no capital funds were provided. In addition, the \$5 million in operating subsidy was provided from a draw from the Tax Stabilization Reserve rather than as an increase in the TTC subsidy. This represents a 2012 increase and does not necessarily represent an on-going increase in TTC operating funding from the City.

While the intention of the motion may have been to reduce \$5 million of off-peak service reductions, the Commission could choose one of the following options:

- (1) Restore \$5 million of the net \$8.2 million in off-peak service reductions. Attachment C provides a list of the off-peak reductions that will be implemented on February 12, 2012 that could be added back on March 25, 2012 if the \$5 million is directed by the Commission there. The approved additional funding would allow approximately 72 off-peak service increases to be made on 31 bus and streetcar routes. Of these service increases, 62 would fully restore off-peak service levels that were changed in February 2012, and 10 would partially restore off-peak service levels that were changed in February 2012. Of the 89 service changes made at off-peak times in February 2012, all but 17 would be fully or partially restored. The funding would allow the TTC's crowding standard for frequent off-peak routes to be changed so that, instead of increasing it to target a fully-seated bus or streetcar plus 25% additional passengers standing, it would be set to be a fully-seated bus or streetcar with approximately 15% additional passengers standing.

- (2) Restore Wheel-Trans service for dialysis trips for ambulatory passengers for the entire year of 2012 by overturning their December 14th decision as set out as item (3) on page 2 of this report. This would also eliminate the need to increase the unaccommodated rate from 2% to up to 5%.

SUMMARY

The Commission-directed changes to the staff recommended budget approved at the December 14, 2011 meeting have been implemented as discussed in this report. Staff have assessed the January 17, 2012 City Council decision to add \$5 million to the TTC 2012 operating budget to prevent service reductions. This report provides two options for the Commission to consider for the use of these funds.

Service reductions planned for February 12, 2012

42 Service reductions in the peak periods on
35 routes

90 Service reductions at off-peak times on
36 routes

Peak periods

192	Airport Rocket	Mon-Fri	Morning peak
117	Alness	Mon-Fri	Morning peak
6	Bay	Mon-Fri	Afternoon peak
21	Brimley	Mon-Fri	Afternoon peak
22	Coxwell	Mon-Fri	Afternoon peak
26	Dupont	Mon-Fri	Morning peak
34	Eglinton East	Mon-Fri	Morning peak
139	Finch-Don Mills	Mon-Fri	Morning peak
139	Finch-Don Mills	Mon-Fri	Afternoon peak
31	Greenwood	Mon-Fri	Morning peak
191	Highway 27 Rocket	Mon-Fri	Morning peak
110	Islington South	Mon-Fri	Afternoon peak
35	Jane	Mon-Fri	Morning peak
35	Jane	Mon-Fri	Afternoon peak
41	Keele	Mon-Fri	Afternoon peak
45	Kipling	Mon-Fri	Morning peak
45	Kipling	Mon-Fri	Afternoon peak
30	Lambton	Mon-Fri	Morning peak
56	Leaside	Mon-Fri	Morning peak
102	Markham Rd	Mon-Fri	Morning peak
46	Martin Grove	Mon-Fri	Morning peak
16	McCowan	Mon-Fri	Morning peak
57	Midland	Mon-Fri	Morning peak
133	Neilson	Mon-Fri	Morning peak
131	Nugget	Mon-Fri	Morning peak
67	Pharmacy	Mon-Fri	Afternoon peak
66	Prince Edward	Mon-Fri	Morning peak
134	Progress	Mon-Fri	Morning peak
134	Progress	Mon-Fri	Afternoon peak
123	Shorncliffe	Mon-Fri	Morning peak
53	Steeles East	Mon-Fri	Morning peak
53	Steeles East	Mon-Fri	Afternoon peak
60	Steeles West	Mon-Fri	Morning peak
81	Thorncliffe Park	Mon-Fri	Afternoon peak

TTC budget-related service reductions 2012

Service reductions planned for February 12, 2012

10	Van Horne	Mon-Fri	Morning peak
68	Warden	Mon-Fri	Morning peak
69	Warden South	Mon-Fri	Morning peak
69	Warden South	Mon-Fri	Afternoon peak
112	West Mall	Mon-Fri	Morning peak
89	Weston	Mon-Fri	Afternoon peak
96	Wilson	Mon-Fri	Morning peak
96	Wilson	Mon-Fri	Afternoon peak

Off-peak times

7	Bathurst	Mon-Fri	Midday
7	Bathurst	Mon-Fri	Early evening
7	Bathurst	Sat	Morning
7	Bathurst	Sat	Afternoon
7	Bathurst	Sun/hol	Morning
7	Bathurst	Sun/hol	Afternoon
24	Victoria Park	Sat	Afternoon
25	Don Mills	Mon-Fri	Midday
25	Don Mills	Mon-Fri	Early evening
25	Don Mills	Sat	09-19 Daytime
29	Dufferin	Mon-Fri	Early evening
29	Dufferin	Mon-Fri	Late evening
29	Dufferin	Sat	Morning
29	Dufferin	Sun/hol	Morning
29	Dufferin	Sun/hol	Afternoon
32	Eglinton West	Mon-Fri	Midday
32	Eglinton West	Sat	Morning
32	Eglinton West	Sat	Afternoon
32	Eglinton West	Sun/hol	Morning
32	Eglinton West	Sun/hol	Afternoon
34	Eglinton East	Mon-Fri	Midday
35	Jane	Sun/hol	Morning
35	Jane	Sun/hol	Afternoon
36	Finch West	Mon-Fri	Midday
36	Finch West	Mon-Fri	Late evening
36	Finch West	Sat	Morning
37	Islington	Mon-Fri	Midday
37	Islington	Sat	Afternoon
39	Finch East	Mon-Fri	Midday
39	Finch East	Mon-Fri	Late evening
39	Finch East	Sat	Late evening

Service reductions planned for February 12, 2012

41	Keele	Mon-Fri	Midday
41	Keele	Sat	Morning
41	Keele	Sat	Afternoon
44	Kipling South	Mon-Fri	Midday
45	Kipling	Mon-Fri	Midday
45	Kipling	Mon-Fri	Early evening
45	Kipling	Sat	Afternoon
47	Lansdowne	Mon-Fri	Midday
52	Lawrence West	Mon-Fri	Midday
53	Steeles East	Mon-Fri	Early evening
54	Lawrence East	Mon-Fri	Midday
58	Malton	Mon-Fri	Midday
60	Steeles West	Mon-Fri	Midday
60	Steeles West	Sat	Morning
60	Steeles West	Sun/hol	Morning
63	Ossington	Mon-Fri	Midday
63	Ossington	Sat	Morning
63	Ossington	Sat	Afternoon
68	Warden	Mon-Fri	Midday
84	Sheppard West	Mon-Fri	Midday
84	Sheppard West	Sat	Afternoon
85	Sheppard East	Mon-Fri	Midday
85	Sheppard East	Sat	Afternoon
85	Sheppard East	Sat	Early evening
85	Sheppard East	Sun/hol	Morning
85	Sheppard East	Sun/hol	Afternoon
89	Weston	Sat	Afternoon
95	York Mills	Sat	Morning
95	York Mills	Sat	Afternoon
96	Wilson	Mon-Fri	Midday
102	Markham Rd	Mon-Fri	Midday
129	McCowan North	Mon-Fri	Midday
129	McCowan North	Mon-Fri	Early evening
165	Weston Rd North	Mon-Fri	Midday
190	Scarborough Centre Rocket	Sat	Afternoon
199	Finch Rocket	Mon-Fri	Midday
199	Finch Rocket	Mon-Fri	Early evening
501	Queen	Mon-Fri	Midday
501	Queen	Mon-Fri	Early evening
501	Queen	Sat	Morning
501	Queen	Sat	Afternoon

Service reductions planned for February 12, 2012

501	Queen	Sat	Early evening
501	Queen	Sun/hol	Morning
501	Queen	Sun/hol	Afternoon
504	King	Sat	Morning
504	King	Sat	Late evening
505	Dundas	Mon-Fri	Midday
505	Dundas	Sat	Morning
505	Dundas	Sat	Afternoon
505	Dundas	Sun/hol	Afternoon
506	Carlton	Mon-Fri	Midday
506	Carlton	Sat	Daytime
506	Carlton	Sun/hol	Daytime
510	Spadina	Mon-Fri	Early evening
510	Spadina	Sun/hol	Morning
510	Spadina	Sun/hol	Morning
512	St Clair	Mon-Fri	Midday
512	St Clair	Sat	Daytime
512	St Clair	Sun/hol	Afternoon

**Service in peak periods for February 12, 2012
being maintained**

Peak periods

192	Airport Rocket	Mon-Fri	Afternoon peak
7	Bathurst	Mon-Fri	Morning peak
7	Bathurst	Mon-Fri	Afternoon peak
6	Bay	Mon-Fri	Morning peak
11	Bayview	Mon-Fri	Morning peak
9	Bellamy	Mon-Fri	Morning peak
17	Birchmount	Mon-Fri	Morning peak
42	Cummer	Mon-Fri	Morning peak
23	Dawes	Mon-Fri	Afternoon peak
25	Don Mills	Mon-Fri	Morning peak
29	Dufferin	Mon-Fri	Morning peak
29	Dufferin	Mon-Fri	Afternoon peak
32	Eglinton West	Mon-Fri	Morning peak
39	Finch East	Mon-Fri	Morning peak
39	Finch East	Mon-Fri	Afternoon peak
41	Keele	Mon-Fri	Morning peak
54	Lawrence East	Mon-Fri	Morning peak
54	Lawrence East	Mon-Fri	Afternoon peak
57	Midland	Mon-Fri	Morning peak
116	Morningside	Mon-Fri	Morning peak
116	Morningside	Mon-Fri	Afternoon peak
79	Scarlett Rd	Mon-Fri	Morning peak
85	Sheppard East	Mon-Fri	Morning peak
24	Victoria Park	Mon-Fri	Morning peak
24	Victoria Park	Mon-Fri	Afternoon peak
112	West Mall	Mon-Fri	Morning peak
95	York Mills	Mon-Fri	Morning peak

Possible TTC service increases				
Could be implemented March 25, 2012, if approved by Commission on or before February 1, 2012				
62	February off-peak service changes fully reversed			
10	February off-peak service changes partially reversed (shown "**")			
31	Routes with improved off-peak service			
17	February off-peak service changes would continue unchanged			
*	7	Bathurst	Mon-Fri	Midday
	7	Bathurst	Sat	Morning
	7	Bathurst	Sat	Afternoon
	7	Bathurst	Sun/hol	Morning
	7	Bathurst	Sun/hol	Afternoon
*	506	Carlton	Mon-Fri	Midday
	506	Carlton	Sat	Daytime
	506	Carlton	Sun/hol	Daytime
*	25	Don Mills	Mon-Fri	Midday
	25	Don Mills	Mon-Fri	Early evening
	25	Don Mills	Sat	Daytime
	29	Dufferin	Mon-Fri	Early evening
	29	Dufferin	Mon-Fri	Late evening
	29	Dufferin	Sat	Morning
	29	Dufferin	Sun/hol	Morning
	29	Dufferin	Sun/hol	Afternoon
*	505	Dundas	Mon-Fri	Midday
	505	Dundas	Sat	Morning
	505	Dundas	Sat	Afternoon
	505	Dundas	Sun/hol	Afternoon
*	34	Eglinton East	Mon-Fri	Midday
	32	Eglinton West	Mon-Fri	Midday
	32	Eglinton West	Sat	Morning
	32	Eglinton West	Sat	Afternoon
	32	Eglinton West	Sun/hol	Morning
	32	Eglinton West	Sun/hol	Afternoon
*	39	Finch East	Mon-Fri	Midday
	39	Finch East	Mon-Fri	Late evening
*	199	Finch Rocket	Mon-Fri	Midday
	199	Finch Rocket	Mon-Fri	Early evening
*	36	Finch West	Mon-Fri	Midday
	36	Finch West	Mon-Fri	Late evening
	41	Keele	Mon-Fri	Midday
	504	King	Sat	Morning
	504	King	Sat	Late evening
	45	Kipling	Sat	Afternoon
	44	Kipling South	Mon-Fri	Midday

ATTACHMENT C (2 of 2)

Possible TTC service increases				
Could be implemented March 25, 2012, if approved by Commission on or before February 1, 2012				
62	February off-peak service changes fully reversed			
10	February off-peak service changes partially reversed (shown "***")			
31	Routes with improved off-peak service			
17	February off-peak service changes would continue unchanged			
47	Lansdowne	Mon-Fri	Midday	
54	Lawrence East	Mon-Fri	Midday	
52	Lawrence West	Mon-Fri	Midday	
*	58 Malton	Mon-Fri	Midday	
129	McCowan North	Mon-Fri	Midday	
129	McCowan North	Mon-Fri	Early evening	
63	Ossington	Mon-Fri	Midday	
63	Ossington	Sat	Morning	
63	Ossington	Sat	Afternoon	
*	501 Queen	Mon-Fri	Midday	
501	Queen	Mon-Fri	Early evening	
501	Queen	Sat	Morning	
501	Queen	Sat	Afternoon	
501	Queen	Sat	Early evening	
501	Queen	Sun/hol	Morning	
501	Queen	Sun/hol	Afternoon	
190	Scarborough Centre Rocket	Sat	Afternoon	
85	Sheppard East	Mon-Fri	Midday	
85	Sheppard East	Sat	Afternoon	
85	Sheppard East	Sat	Early evening	
85	Sheppard East	Sun/hol	Morning	
85	Sheppard East	Sun/hol	Afternoon	
510	Spadina	Mon-Fri	Early evening	
510	Spadina	Sun/hol	Morning	
510	Spadina	Sun/hol	Morning	
512	St Clair	Mon-Fri	Midday	
512	St Clair	Sat	Daytime	
512	St Clair	Sun/hol	Afternoon	
53	Steeles East	Mon-Fri	Early evening	
60	Steeles West	Mon-Fri	Midday	
24	Victoria Park	Sat	Afternoon	
165	Weston Rd North	Mon-Fri	Midday	
96	Wilson	Mon-Fri	Midday	
95	York Mills	Sat	Morning	
95	York Mills	Sat	Afternoon	