Agenda – Executive Policy Committee - July 20, 2005

REPORTS

Item No. 2 Request to Province of Manitoba for increased funding for Handi-Transit Service
File TT-1.3

STANDING COMMITTEE RECOMMENDATION:

On July 12, 2005, the Standing Committee on Fiscal Issues recommends that the City enter into discussions with the Province of Manitoba for an increase in funding for Handi-Transit services, and prior thereto, determine the amount of funding that has been provided by the Province of Manitoba for the last five (5) years for Handi-Transit services compared to the City's cost of providing Handi-Transit services for the same time frame.

Agenda – Executive Policy Committee - July 20, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 12, 1005, the Standing Committee on Fiscal Issues recommends that the City enter into discussions with the Province of Manitoba for an increase in funding for Handi-Transit services, and prior thereto, determine the amount of funding that has been provided by the Province of Manitoba for the last five (5) years for Handi-Transit services compared to the City's cost of providing Handi-Transit services for the same time frame, and submitted the matter to the Executive Policy Committee.

STANDING COMMITTEE DECISION:

On July 12, 2005, the Standing Committee on Fiscal Issues concurred in the administrative recommendation contained in the report dated June 16, 2005, from the Acting Director of Transit, namely, that a net over-expenditure authorization in the amount of $738,000.00 be approved to accommodate "guaranteed" and high priority Handi-Transit trips through to the end of 2005.

ADMINISTRATIVE REPORT

RE: Request for Over-Expenditure Authorization – Handi-Transit

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Tony Dreolini, Acting Director of Transit

REPORT DATE: June 16, 2005

RECOMMENDATION: That a net over-expenditure authorization in the amount of $738,000 be approved to accommodate "guaranteed" and high priority Handi-Transit trips through to the end of 2005.

REPORT SUMMARY

Key Issues:

1. The Canadian Charter of Rights and Freedoms and the Manitoba Human Rights Code require equitable treatment of individuals and reasonable accommodation for persons with special needs.
2. Council policy, as approved in September 1994 (Braid Report), is to provide a public transportation service for persons physically unable to use regular transit which is, "reasonably equivalent" to the regular transit service provided to able bodied persons.
3. The main characteristics of "reasonably equivalent" identified in the Braid Report are:
    - registration (application) for eligibility required
    - pre-booking requirement should be no more than 24 hours
    - fare structure should be similar to the regular transit system (adult cash fare), without concessionary (reduced) fares being provided
    - service area same as regular transit
    - hours of service comparable to regular transit service
    - trips provided according to priority system when demand exceeds capacity
    - door-to-door service
    - improved accessibility of the regular transit system (new buses purchased should be wheelchair accessible).
4. On October 18, 2000, Council approved Handi-Transit Policies and Guidelines recommended by the Handi-Transit Policy Advisory Committee that required Handi-Transit to accommodate all requests for "guaranteed" trips. Guaranteed trips include:

- medical trips such as dialysis, trips to a medical doctor, dentist, chiropractor, podiatrist, etc.
- therapy trips prescribed by a medical professional
- work trips
- post-secondary educational trips.

5. These policies and guidelines also require that Handi-Transit provide registrants a reasonable number of other high priority and discretionary trips as resources and funding permit.
6. During the first three months of 2005, Handi-Transit has accommodated a 5% increase in trip requests compared to the same period in 2004 (68% were "guaranteed" trip requests of which 60% were for medical or therapy purposes).
7. Handi-Transit accommodated a 6% increase in trip requests (545,611 trips) in 2004 compared to 2003.
8. Handi-Transit had to over-expend by $307,000 in 2004 to meet service level demands.
9. Service level demands are projected to increase approximately 6% in 2005 over 2004 (33,000 more trips for approximately 579,000 total trips in 2005).
10. The approved 2005 budget for Handi-Transit is based on the same service level as budgeted for 2004 or 510,000 trips. This is approximately 69,000 trips lower than the latest projection for 2005 and expected to result in a net shortfall of approximately $738,000 after applying Handi-Transit fare revenues.
11. An additional $738,000 above that budgeted for Handi-Transit service is required to provide guaranteed and other high priority trip requests through to the end of 2005.
12. The department does not have the financial ability to internally fund this shortfall and requires additional tax-support funding to achieve this.
13. Meeting expected service level demands this winter will require contractors to add to their fleets as they are presently at capacity. Approximately five to six months are required for contractors to add to their fleets considering the time required to prepare and evaluate bid opportunities, award contracts and allow contractors sufficient time to purchase and retrofit vans to accommodate wheelchairs.

Implications of the Recommendation(s):

General Implications:

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

Policy implications:

X	No
	Yes

Comment:

Environmental Implications:

X	No
	Yes

Comment:

Human Resources Implications:

X	No
	Yes

Comment:

Financial Implications:

	Within approved current and/or capital budget
X	Current and/or capital budget adjustment required

Comment**:** Service level demands are expected to increase by approximately 6% in 2005 (33,000 more trips than 2004) based on the demand trend between November 2004 and March 2005. Expected trip demand exceeds budget by 69,000 trips. It is projected that Handi-Transit net expenditures will exceed the 2005 approved budget by at least $738,000 given the increased service level demand includes high percentages of "guaranteed" priority trips.

REPORT

REASON FOR THE REPORT:

Operating Budget over-expenditures greater than $10,000 require the approval of the Standing Committee on Fiscal Issues.

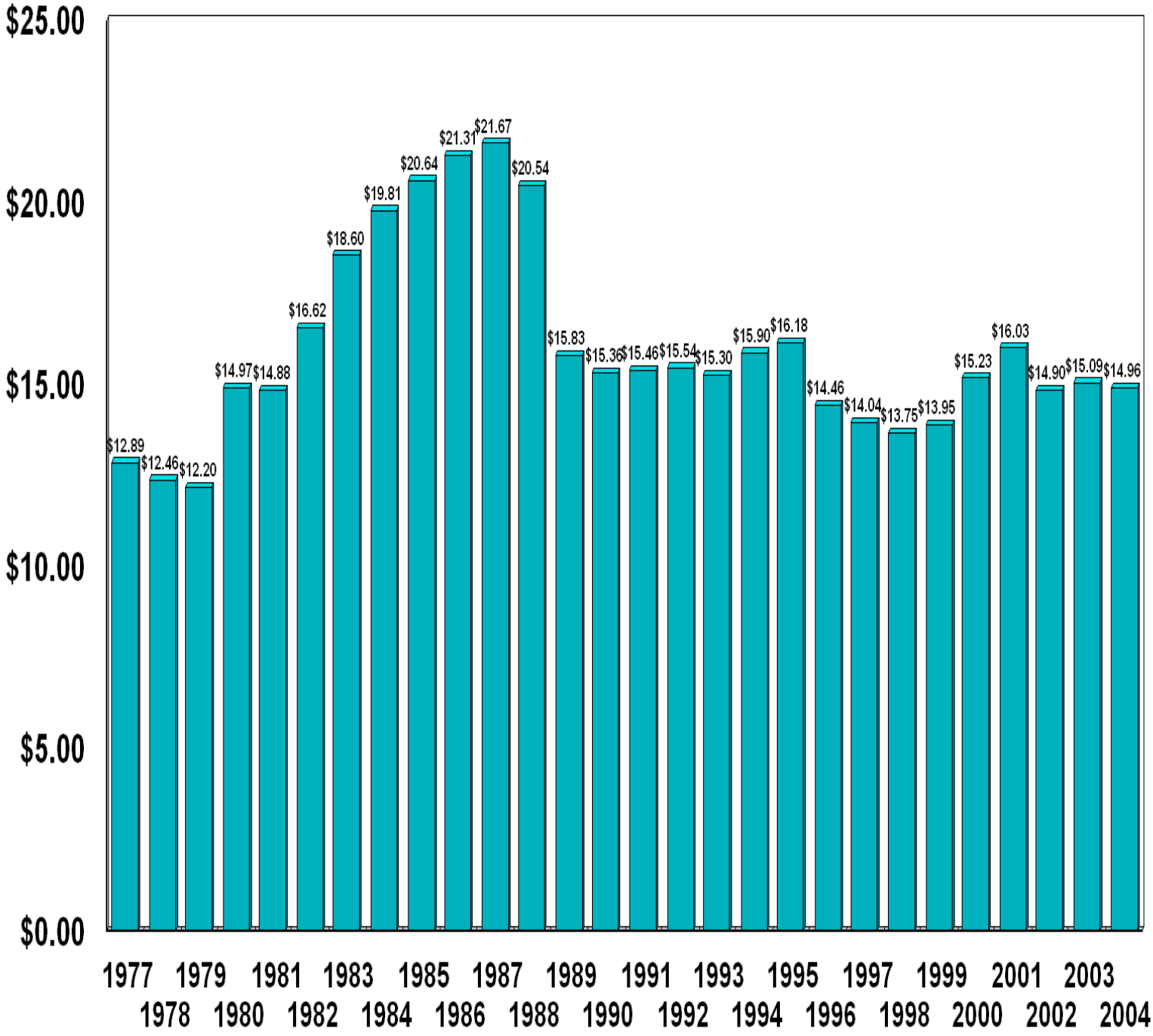
HISTORY:

Organization of Handi-Transit**:**

In 1977, Handi-Transit began as a demonstration service to provide service for those persons who were physically unable to use regular transit. Winnipeg Transit provided service using regular bus operators and City owned vehicles.

By 1988, the demand for Handi-Transit service had increased well beyond the funding available to accommodate the demand. As a result, the Transit Department began to contract out the increasing demand for service to private contractors in the taxi business on a brokerage basis, i.e., all requests for service would come to Handi-Transit who would prioritize them and schedule them on existing resources to the extent possible, including vehicles provided by private contractors.
By 1996, 70% of the total service was delivered by private contractors. In June, 1997, the remaining 30% of the service delivery was contracted out to private sector contractors on a brokerage basis. This move significantly reduced service delivery costs as demonstrated in the following chart.

Handi-Transit Total Cost per Passenger 1977 to 2004



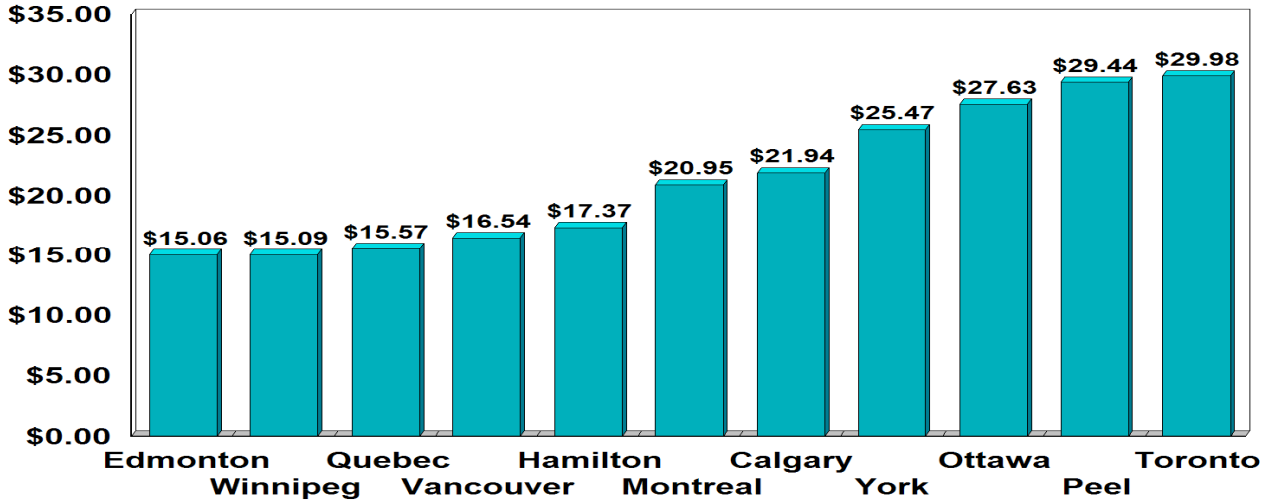
In addition to these steps, the application of information technology has greatly improved Handi-Transit's efficiency. An automated scheduling system, developed by Transit's Information Systems staff, was implemented in February 2001 and replaced a manual scheduling system. In addition to improving efficiency and capacity, it also enabled Handi-Transit to improve customer service by reducing the advance-booking requirement from two days to one and reduced FTE staff positions by four. Efforts in this area continue.

Handi-Transit Operating Costs and Passenger Revenue:

Approximately 10% of the cost of the service is recovered from the passenger, which is comparable to other Canadian jurisdictions.

The Canadian Urban Transit Association (CUTA) compiles performance statistics of major cities across Canada. Winnipeg's Handi-Transit operation compares favourably with other Canadian Cities in terms of Total Cost per Handi-Transit Passenger.

2003 Total Cost per Passenger



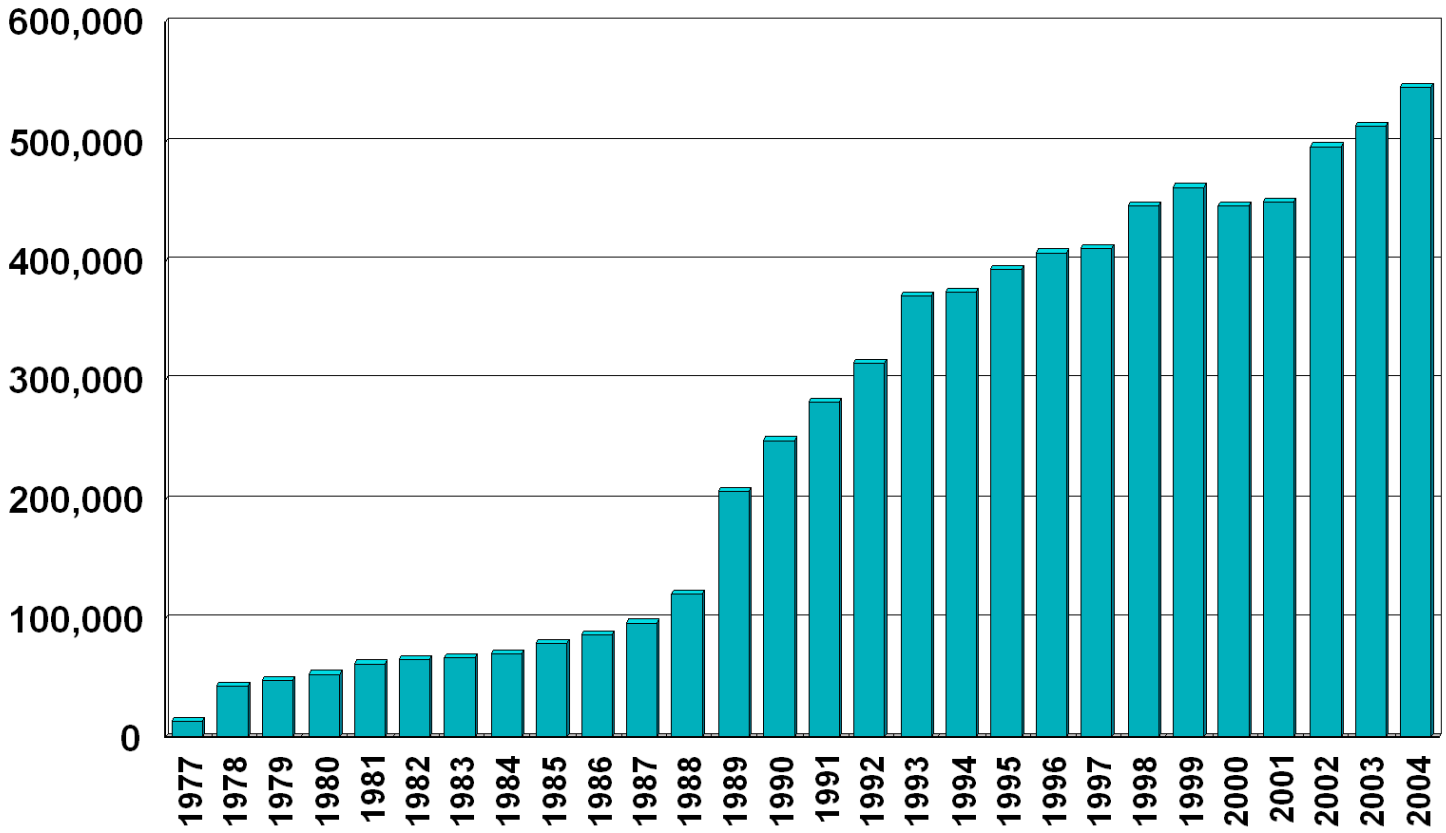
Accessibility of Regular Transit:

All regular transit buses purchased by the City since 1994 have been easy access low floor designs. By June 2005, over 50% of the bus fleet will be made up of low floor buses. This number will allow 39 weekday routes to be operated exclusively with accessible buses and all Saturday, Sunday and Holiday service to be accessible. This will provide some Handi-Transit registrants an opportunity to use the regular service.

Ridership Growth:

Although steps have been taken to minimize costs and improve the efficiency and capacity of the operation, the demand for Handi-Transit service continues to grow as Winnipeg's population ages and the number of people with disabilities living in the community increases. As a result, Handi-Transit ridership is increasing. The following chart shows the increase in trips provided over the years.

Handi-Transit Ridership (in thousands) 1977 to 2004



Funding:

While demand increased significantly in the late '80's and early '90's and has been steadily growing since then, the amount of Provincial support for transit has remained relatively unchanged. The following table depicts relevant provincial operating funding the Department has received since 1988 for regular transit and Handi-Transit:

	Provincial Operating Grant	* Provincial Capital Grant	** Provincial HT Brokerage Grant	Provincial Special HT Grant	Total Provincial Operating Grants $$	% of Expenses
1988	$15,890,247	$396,556	$100,000		***$16,386,803***	***22.9%***
1989	$15,242,983	$554,896	$362,500		***$16,160,379***	***22.2%***
1990	$16,216,229	$469,566	$425,000		***$17,110,795***	***22.4%***
1991	$16,582,970	$307,221			***$16,890,191***	***21.7%***
1992	$17,450,000	$150,000			***$17,600,000***	***22.0%***
1993	$16,672,500	$115,000			***$16,787,500***	***20.9%***
1994	$16,672,500	-$1,295			***$16,671,205***	***20.8%***
1995	$16,672,500	$236,440			***$16,908,940***	***19.8%***
1996	$16,339,000	-$530			***$16,338,470***	***18.9%***
1997	$16,339,000	$26,116			***$16,365,116***	***18.0%***
1998	$16,339,000				***$16,339,000***	***18.2%***
1999	$16,339,000				***$16,339,000***	***18.0%***
2000	$16,339,000				***$16,339,000***	***17.4%***
2001	$16,339,000			$515,000	***$16,854,000***	***17.2%***
2002	$16,339,000			$515,000	***$16,854,000***	***17.2%***
2003	$16,339,000			$1,015,000	***$17,354,000***	***16.9%***
2004	$16,339,000			$515,000	***$16,854,000***	***15.7%***

* Funding for handi-transit buses (when the department directly delivered handi-transit service).

** Special funding to accommodate service growth.

The cost to operate the City's transit system, including its Handi-Transit service, has increased since 1988. In spite of that, the Provincial grant has remained relatively unchanged.

The financial impact of this is depicted in the last column where the proportion of total transit operating expenses funded by the Province have fallen from 23% to under 16%. It is only during the last four years that the Province has dedicated additional funding for the City's Handi-Transit service.

Current Initiatives:

Handi-Transit is continuing to make improvements intended to increase the efficiency and capacity of its program. The process for determining the eligibility for Handi-Transit service is currently under review. Transit submitted recommendations to address this issue to the Standing Committee of Public Works in November 2004; however, concerns raised by organizations representing persons with disabilities resulted in a request for Transit to consult further with the community. New recommendations will be forthcoming in a separate report; however, any changes will not affect the demand for Handi-Transit service in 2005. In fact, certain sectors of the disabled community are advocating an expansion of the eligibility criteria that would significantly increase service level demands and consequently, the costs of providing Handi-Transit service in the future.

DISCUSSION:

The Canadian Charter of Rights and Freedoms and the Manitoba Human Rights Code require equitable treatment of individuals and reasonable accommodation for persons with special needs. Specialized door-to-door transit services are the method used to meet the transportation needs of persons unable to access the regular transit system due to a physical disability.

A task force appointed by the Committee of Works and Operations in 1992 developed Council's policy concerning Handi-Transit service. The task force was comprised of representatives from organizations representing persons with disabilities, Handi-Transit Operations Advisory Committee, City Council and Transit Administration. Council approved the recommendations of the task force, referred to as the Braid Report, in September 1994.

This task force focused on what was required of the public transit system in Winnipeg to meet requirements of Canadian and Manitoba law to address the unique and diverse needs of persons with physical disabilities. One key human rights issue the task force addressed was defining the characteristics of what constitutes a "reasonably equivalent" transportation system for persons with physical disabilities to the regular transit service provided to able-bodied persons.

The main characteristics of "reasonably equivalent" identified in the Braid Report are:

- registration (application) for eligibility required
- pre-booking requirement should be no more than 24 hours
- fare structure should be similar to the regular transit system (adult cash fare), without concessionary (reduced) fares being provided
- service area same as regular transit
- hours of service comparable to regular transit service
- trips provided according to priority system when demand exceeds capacity
- door-to-door service
- improved accessibility of the regular transit system (new buses purchased should be wheelchair accessible).

One of the characteristics of "reasonably equivalent" recognized in the policy adopted by Council is that the fare structure for Handi-Transit should be similar to the adult fare of the regular transit system. It is important to highlight that this policy is consistent with other jurisdictions across the country with the average passenger fare in Canada being $2.19 in 2003.

Handi-Transit is receiving over 3,000 new applications each year. Yearly service level demands increased 3% in 2003 and 6% in 2004.

Service level demands are expected to increase by approximately 6%, or 33,000 trips, in 2005 over 2004 based on demand trend between November 2004 and March 2005. This level of demand exceeds budget by approximately 69,000 trips. It is projected that Handi-Transit net expenditures will exceed the 2005 approved budget by approximately $738,000 given the increased service level demand includes high percentages of "guaranteed" trips.

"Guaranteed" trips defined in Handi-Transit Policies and Guidelines, approved by Council on October 18, 2000, include the following:

- medical trips such as dialysis, trips to a medical doctor, dentist, chiropractor, podiatrist, etc.
- therapy trips prescribed by a medical professional
- work trips
- post-secondary educational trips.

These policies and guidelines also require Handi-Transit to provide registrants a reasonable number of other high priority and discretionary trips as resources and funding permit.

Of the 150,235 trips provided between January and March 2005, 68% were "guaranteed", 20% were high priority (such as support groups, business, essential shopping). Only 12% were discretionary requests (such as recreational, visiting, non-essential shopping).

The distribution of the "guaranteed" trip requests are outlined in the chart below:

Type of "Guaranteed" Trips (68% of Total) January – March, 2005	***Percentage of "Guaranteed" Trips***	***Number of Trips***
Medical trips such as dialysis, trips to a medical doctor, dentist, chiropractor, podiatrist, etc.	56%	57,210
Therapy trips prescribed by a medical professional	5%	5,108
Work trips	35%	35,756
Post-secondary educational trips	4%	4,086

Just over 60% (62,318 trips) of all “guaranteed” trips were medical appointments of some sort.

Handi-Transit was unable to accommodate an average of 20 trip requests each day during the first three months of 2005 (1,774 in total), a number historically considered consistent with Council’s policy. The highest number of trip requests Handi-Transit was unable to provide in any one day was 64.

To keep within the approved budget, Handi-Transit would have to reduce daily trips by approximately 375. Such a significant change in Council’s policy would have major impact on citizens with disabilities.

The Provincial Government has adopted a policy of increased emphasis on home care to reduce reliance on institutional care for the elderly and persons with disabilities. Handi-Transit is a critical enabler in assisting the Province to achieve this objective. It is anticipated that overall service level demands and, in particular, medical trip requests, will continue to increase given the over 65 years of age group will become a much greater proportion of Winnipeg’s total population over the next two decades. In addition, many physically disabled persons are completely dependent upon Handi-Transit for their transportation needs. Given that social service and medical costs are the responsibility of the Provincial Government, Handi-Transit funding arrangements are in need of further negotiation with the Province.

Efforts to minimize costs during the warmer weather will continue, but given the high numbers of “guaranteed” requests, the department will not be able to fulfill Council’s policy of “guaranteed” trip requests (as well as a reasonable number of other high and discretionary priority trip requests) while, at the same time, maintaining costs within the Council approved budget.

While this increased demand will generate greater than budgeted handi-transit passenger revenue, the additional demand will require additional funding of $738,000.

Meeting expected service level demands this winter will require contractors to add to their fleets because they are presently at capacity. It takes approximately 5 to 6 months to get additional vehicles on the road when considering the time required providing bid opportunities, awarding contracts and allowing time for companies to purchase vehicles and retrofit vans to accommodate wheelchairs.

FINANCIAL IMPACT STATEMENT:

Project Name: Request for Over-expenditure -- Handi-Transit

Date: June 16, 2005 First Year of Program: 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Ienter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 848,000	$ 848,000	$ 848,000	$ 848,000	$ 848,000
Less: Incremental Revenue/Recovery	110,000	110,000	110,000	110,000	110,000
Net Cost/(Benefit)	$ 738,000	$ 738,000	$ 738,000	$ 738,000	$ 738,000
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ 738,000	$ 738,000	$ 738,000	N/A	N/A

Additional Comments: Service level demands are expected to increase by approximately 6% in 2005 (33,000 more trips than 2004) based on the demand trend between November 2004 and March 2005. Expected trip demand exceeds budget by 69,000 trips. It is projected that Handi-Transit net expenditures will exceed the 2005 approved budget by at least $738,000 given the increased service level demand includes high percentages of "guaranteed" priority trips.

The above financial impact assumes an overall service level equal to 579,000 trips and no changes to the trip unit cost. In all likelihood, both service demand and the trip unit cost will increase in years subsequent to 2005.

The budgets for 2006 and 2007 are administrative only and have not been adopted by Council.

Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:
None

THIS REPORT SUBMITTED BY:

Department: Transit
Division: Handi-Transit
Prepared by: Catherine Caldwell
File No.

The City of Winnipeg
Request For Over-Expenditure Authorization

Department: TRANSIT **Date:** June 16, 2005

INCREASE TO REVENUE OR RECOVERIES (Accounting Distribution Code, Description & Amount) **(Company/Account/Centre) (Account Title) (Amount)**			**OVER-EXPENDITURE REQUESTED** (Accounting Distribution Code, Description & Amount) **(Company/Account/Centre) (Account Title) (Amount)**			Explain why the over-expenditure is necessary and the level of risk associated with not receiving the revenues or recoveries involved. Discuss the impact on the level of service in all areas affected as a result of this over-expenditure (i.e. increased/maintained). Attach additional page if space insufficient.
442-420001-45XXXX	Handi-Transit Passenger Revenue	$110,000	442-421701-521020	Handi-Transit Contractor Services	**$848,000**	The department will not be able to fulfil Council's policy of "guaranteed" trip requests (as well as a reasonable number of other high and discretionary priority trip requests) while, at the same time, maintaining costs within the Council approved budget. "Guaranteed" requests are 68% of all trip requests. Service level demands are expected to increase by approximately 6% in 2005 (33,000 more trips than 2004) based on demand trend between November 2004 and March 2005. Expected trip demand exceeds budget by 69,000 trips. It is projected that Handi-Transit net expenditures will exceed the 2005 approved budget by at least $738,000 given the increased service level demand includes high percentages of "guaranteed" priority trips. While this increased demand will generate greater than budgeted handi-transit passenger revenue, the additional demand will require additional tax support of

Explanation for non-approval:

Requested By:	Reviewed & Approved By:	Recommended By:	Recommended/Approved By:	Recommended By:	Approved By:
Department Manager	Department Controller	Department Head	Chief Financial Officer	Chief Administrative Officer	Standing Committee on Fiscal Issues (If req'd)