Agenda - Council – September 28, 2011

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – September 13, 2011

Item No. 1 Delegation of Authority – Chief Administrative Officer – Approvals of Additional Transit Service with Neutral Budgetary Impact

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works submits the following to Council:

1. That the Chief Administrative Officer be delegated the authority to approve adjustments to transit service to accommodate over-crowding on transit routes that have a neutral budgetary impact.

2. That the annual maximum for this approval be 12,000 hours of service (equivalent to 0.8% of budgeted annual bus hours).

3. That the Transit Department reports annually as part of the operating budget process the authority exercised under item #1.

4. That the Transit Department budget for the additional expenses associated with the service adjustment in subsequent years, which will include Full Time Equivalents (FTEs) only to the extent the expenditures are offset by an equal amount of revenue.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 13, 2011

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Delegation of Authority to the Chief Administrative Officer to Approve Additional Transit Service with Neutral Budgetary Impact**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works – EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn	D. Wardrop	M. Ruta	P. Sheegl

RECOMMENDATIONS

1. That the Chief Administrative Officer be delegated the authority to approve adjustments to transit service to accommodate over-crowding on transit routes that have a neutral budgetary impact.

2. That the annual maximum for this approval be 12,000 hours of service (equivalent to 0.8% of budgeted annual bus hours).

3. That the Transit department reports annually as part of the operating budget process the authority exercised under item #1.

4. That the Transit department budget for the additional expenses associated with the service adjustment in subsequent years, which will include Full Time Equivalents (FTEs) only to the extent the expenditures are offset by an equal amount of revenue.

REASON FOR THE REPORT

Changes to transit service requires the approval of the Standing Policy Committee on Infrastructure Renewal and Public Works. Any delegation of this authority would require the approval of the Committee.

IMPLICATIONS OF THE RECOMMENDATIONS

The delegation of this authority does not have a financial implication to the annual tax-supported contribution to Transit, or the grant received from the Province of Manitoba. However, there will be budget adjustments required to certain accounts, such as fare revenue, salaries and benefits, and fuel. However, the net of all adjustments to Transit will be zero. Transit will summarize these adjustments annually and present the effect during the operating budget review process. Based on 12,000 hours of service the increase in FTEs required could be 8 bus operators annually.

HISTORY

During the past few years, a combination of two major factors has resulted in growing incidences of passenger demand exceeding available service capacity. These factors include:

1. Growing ridership. Between 2002 and 2010, annual transit ridership has increased 20% to 45.2 million.

2. Conversion to a low-floor bus fleet. Low-floor buses, while providing "easy access" to all transit users, have only 39 seats, compared to 50 seats on high-floor buses. As the percentage of the fleet accounted by low-floor buses has steadily increased (from 36% in 2002 to 80% in 2010, for example), the actual "seat capacity" of the transit fleet has decreased (by 9% since 2002, despite the addition of 10 buses to the fleet size in 2010). The transit fleet is expected to be fully converted to low-floor buses in 2014.

Due to these factors, there are increasing instances where certain trips on busy routes experience over-crowding. In addition to causing a crowded ride, this causes a full bus to "pass up" passengers waiting at bus stops.

This is a major concern as passengers have planned their trips to arrive at destinations for work, school, and appointments based on Transit's published schedule. Having a passenger wait for a subsequent bus can cause significant disruption to a passenger's plans.

When over-crowding on buses occurs, it is important that the department act quickly to alleviate the problem, or risk a significant number of passengers being "passed up", which in turn, discourages ridership. When such situations arise, the Transit Department will initially make minor scheduling adjustments to more evenly distribute passengers amongst existing scheduled buses. However, in some situations, it is necessary to add an additional bus in between the buses experiencing the over-crowding to alleviate the problem. If this is not done, then the "passed up" passengers may choose to utilize alternative forms of transportation.

As such buses are added to meet a demonstrated demand, the fare revenues collected on these buses is typically sufficient to offset the incremental costs of operating the additional bus, such as salaries and fuel.

To enable the Transit Department to react quickly to these situations and to provide good customer service, it is recommended that the approval for these type of service adjustments be delegated to the Chief Administrative Officer. Based on experience during the past three years, an allowance of 12,000 annual hours (equivalent to 0.8% of budgeted annual bus hours) is recommended to be allocated for this purpose.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 14, 2011

Project Name:

Delegation of Authority to the Chief Administrative Officer to Approve Additional Transit service with neutral budgetary impact.

COMMENTS:

There are no financial implications to the recommendations in this report.

Tanis Yanchishyn, CA

Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Department: Transit
Division: Finance and Administration
Prepared by: Tanis Yanchishyn, CA
Date: *July 14, 2011*
File No.