



The Corporation of the Town of Milton

Report To: Council

From: Kristene Scott, Commissioner, Community Services

Date: March 30, 2020

Report No: COMS-003-20

Subject: 2019 Milton Transit Q4 Key Performance Indicators and 2019 Annual Summary Report

Recommendation: **THAT COMS-003-20 be received.**

EXECUTIVE SUMMARY

- This report provides an overview of Milton Transit Q4 and 2019 annual performance, accomplishments and upcoming work plan initiatives.
- Q4 ridership increased by 7% compared to 2018, an additional 10,923 revenue passenger trips, influenced by continued service loyalty and uptake from GO Transit and youth customers. Trip demand on the specialized transit system stabilized in Q4, surpassing 5,500 in the quarter.
- There were 647,301 total annual boardings reported in 2019, the highest ever recorded on conventional services, representing a growth rate of 9%. The specialized system grew by 5% to 22,290 annual passenger trips.
- 2019 net operating cost per passenger trip decreased 2% compared to 2018 (\$6.29)

REPORT

Background

This report presents key performance indicators (KPIs) to illustrate trends, patterns and observations on the Milton Transit system within the following areas:

Amount of Service

- Service Hours (total amount of contracted revenue service hours operated)

Ridership

- Boardings (all trips recorded, including transfers)



<p><u>Revenue Passenger Trips</u> (number of fare-paying trips recorded, less transfers)</p>
<p>Service Utilization</p> <ul style="list-style-type: none">• <u>Revenue Passenger Trips per Service Area Population</u> (a measure of ridership, controlling for Service Area Population¹)• <u>Boardings per Contracted Service Hour</u> (a measure of how well the service is used; all trips including transfers)• <u>Revenue Passenger Trips per Contracted Service Hour</u> (a measure of how well the service is used; fare-paying, linked-trips)
<p>Financial Performance</p> <ul style="list-style-type: none">• <u>Net Operating Cost per Revenue Passenger Trip</u> (a measure of service cost effectiveness. Also called municipal subsidy / tax levy per trip)• <u>Revenue/Cost Ratio</u> (a measure of overall system cost recovery from external revenue sources; e.g. fares, advertising, Provincial Gas Tax contributions, etc.)

Since September 2018, a number of initiatives have been implemented including service expansion into Boyne (10 Farmstead route) as well as amendments to the 1A Industrial route to accommodate a later shift time for employees working in the 401 Industrial Park area. These service additions have provided more available transit options for residents and visitors.

As part of the 2019 operating budget process, Council approved a motion to reduce the conventional and specialized transit service span on weekdays, scaling service back from 11:00pm to approximately 10:00pm during the weekday evenings. This service reduction began on April 1, 2019. On July 2, 2019, staff implemented an adjustment to peak-period service schedules to accommodate and maintain GO Train connections, in response to changed GO Train departure and arrival times at the Milton GO Station (ENG-033-19).

Discussion

Q4 Performance (Appendix 1)

Changes implemented throughout 2018 and 2019 decreased the amount of service provided in Q4 by 3% compared to 2018 levels. From a service use perspective, Q4 typically elicits the highest quarterly ridership due to the recommencement of employment and school routines, with ridership peaking in the months of October and November.

¹ Service Area Population represents the population within 400-metre travel path distance to/from an existing bus stop, derived from Halton Region population per dwelling type.



Revenue passenger trips exceeded 165,400 in Q4, an increase of 7%. Service utilization performance also grew 10%, surpassing 13 revenue passenger trips per service hour because of additional ridership uptake in the quarter relative to the service offering.

The specialized transit program (Milton access+) has undergone transformational changes over the last seven (7) years and continues to be reflective of an alternative service delivery approach established in 2013 (ENG-019-13, ENG-038-13). Ridership on the specialized system stabilized compared to 2018.

Q4 Financial Performance

From a financial perspective, the net operating cost per revenue passenger trip (municipal subsidy per trip) decreased by 6% to \$5.76 in Q4. This result is in line with an increase in revenue-generated ridership. The revenue-cost ratio has stabilized above 40% over the last 12 quarterly periods. Service cost efficiency performance in Q4 is partly attributed to the implementation of the reconfigured service contract extension with Diversified Transportation (CORS-042-18, CORS-055-19). Continued higher than expected fare media sales and GO Transit Fare Integration subsidies have supported a 7% increase in Q4 revenue compared to the previous year. Cost-effectiveness indicators remain in line with the progression and maturity of the specialized transit program as well as continued compliance with IASR 191-11, AODA. Similar to conventional service revenue composition and trends, customers on Milton access+ are transitioning from cash fares to pre-purchased fare media products. For example, transit ticket and pass sales revenue has increased by 526% in Q4 compared to 2018. The transition to fare media products incentivizes more frequent trip making, instilling service confidence and loyalty.

2019 Annual Performance (Appendix 2)

Milton Transit conventional service delivered over 50,000 service hours in 2019, a 2% increase compared to 2018. Annual conventional ridership reached 647,301 boardings² representing the highest annual trips recorded on Milton Transit since fixed-route service began in 2004. Favourable transit-supportive conditions, service maturity on some routes, as well as targeted marketing and technological enhancements (e.g. Magnusmode and real time TransitTracker), contributed to ridership growth in 2019.

While annual ridership trends are favourable, the ability to meet peak trip demand may increase service and capacity pressures in the short-medium term. Since 2010, the year-over-year cumulative rate of conventional ridership growth has outpaced service and population rates. Further improvements to accommodate service demand will be considered relative to recommendations from the Transit Master Plan Update and as part of the annual Capital and Operating Budget process.

² Validated by farebox and Automatic Passenger Counter (APC) system. All passenger-counting systems are maintaining 97% data accuracy and integrity.



The specialized transit program continues to experience growth. In 2019, there were 22,290 trips taken on Milton access+, a 5% increase compared to 2018. Staff anticipate continued year-over-year growth on the specialized transit system because of expanded eligibility and service parity with the conventional system, as legislated by the Integrated Accessibility Standards Regulation (IASR 191-11), Accessibility for Ontarians with Disabilities Act (AODA). To accommodate this growth, Council approved a dedicated service delivery model for specialized services, implemented in January 2020 (ENG-015-18). The dedicated service delivery approach will be able to accommodate additional shared-ride opportunities to increase resource productivity. Staff will provide progress updates on the specialized service program in future KPI reports.

2019 Annual Financial Performance

Financial performance on the Milton Transit conventional system remained stable and efficient in 2019. As evidenced in Q3 and Q4, transit expenditures were influenced by a reconfiguration and extension of the service delivery contract with Diversified Transportation. There was also an increase to reserve funds in 2018 to accommodate asset replacement for new vehicle purchases. The annual revenue/cost ratio has remained stable at 42%, with a net operating cost per passenger (municipal subsidy per trip) at \$6.29, a decrease of 2% compared to 2018. Similar to observations in Q4, revenue is driven by increased fare media sales and Metrolinx/GO Transit Fare Integration subsidies. This result aligns with observations and community engagement themes from the 2019-2023 Milton Transit Service Review and Master Plan Update (ENG-021-19) whereby key transit markets, mainly youth and GO Transit commuters, are significantly contributing to sustained ridership and revenue growth (e.g. pre-purchased fare concession products; third-party subsidy programs).

2019 Key service accomplishments

The Transit Division delivered a number of key initiatives in 2019:

- 2019-2023 Milton Transit Service Review and Master Plan Update (ENG-021-19)
- Transit Operations Facility Feasibility and Functional Design Study (ENG-022-19)
- Service delivery contract extension with Diversified Transportation (CORS-055-19)
- Partnership with Magnusmode; travel training app for individuals with autism (August)
- Implementation of a new web page and real time TransitTracker system (November)
- Vehicle procurement for dedicated specialized transit model (December)

2020 - Looking Ahead

In alignment with strategic and budget priorities, staff have developed the 2020 Transit Division work plan that includes:



- Fare increase, effective January 2, 2020
- Implementation of dedicated specialized transit model (Q1)
- Fare policy update (Q2/Q3)
- Procurement of on-demand application (Q3)
- Minor service network modifications (Q3)
- Service and business planning for Steeles Ave cross-boundary service (Q1-Q4)

Summary

Demonstrated by a 9% growth in 2019 ridership, the system is meeting objectives that promote independence and sustainable mobility options for residents and visitors of all abilities. Initiatives planned in 2020 will continue to build on customer confidence and service loyalty.

Financial Impact

Reflecting the performance outlined above, the 2019 cost of transit service of \$4.3 million is virtually on par with the \$4.2 million budget. The variance can be attributed to the Specialized transit service which experienced increased trip demands in 2019 combined with an increase in monthly pass usage relative to a decrease in the number of cash fare paying trips as discussed through this report.

Respectfully submitted,

Kristene Scott

Commissioner, Community Services

For questions, please contact: Tony D'Alessandro, MCIP RPP Phone: Ext. 2548
Manager, Transit

Attachments

Appendix 1. Q4 Conventional and Specialized Service Performance

Appendix 2: 2019 Annual Conventional and Specialized Service Performance

CAO Approval

Andrew M. Siltala

Chief Administrative Officer

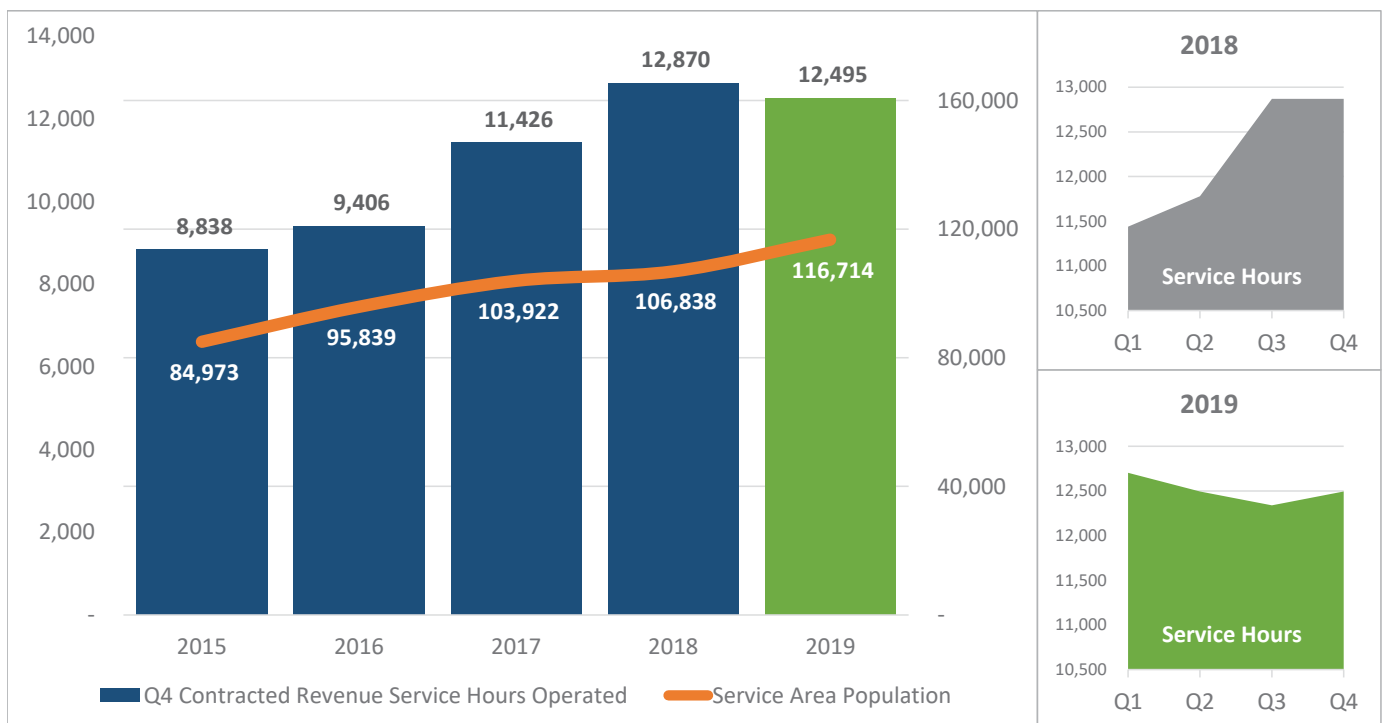
Appendix 1. Q4 Conventional and Specialized Service Performance

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Appendix 1A. Q4 Amount of Service - Conventional Service

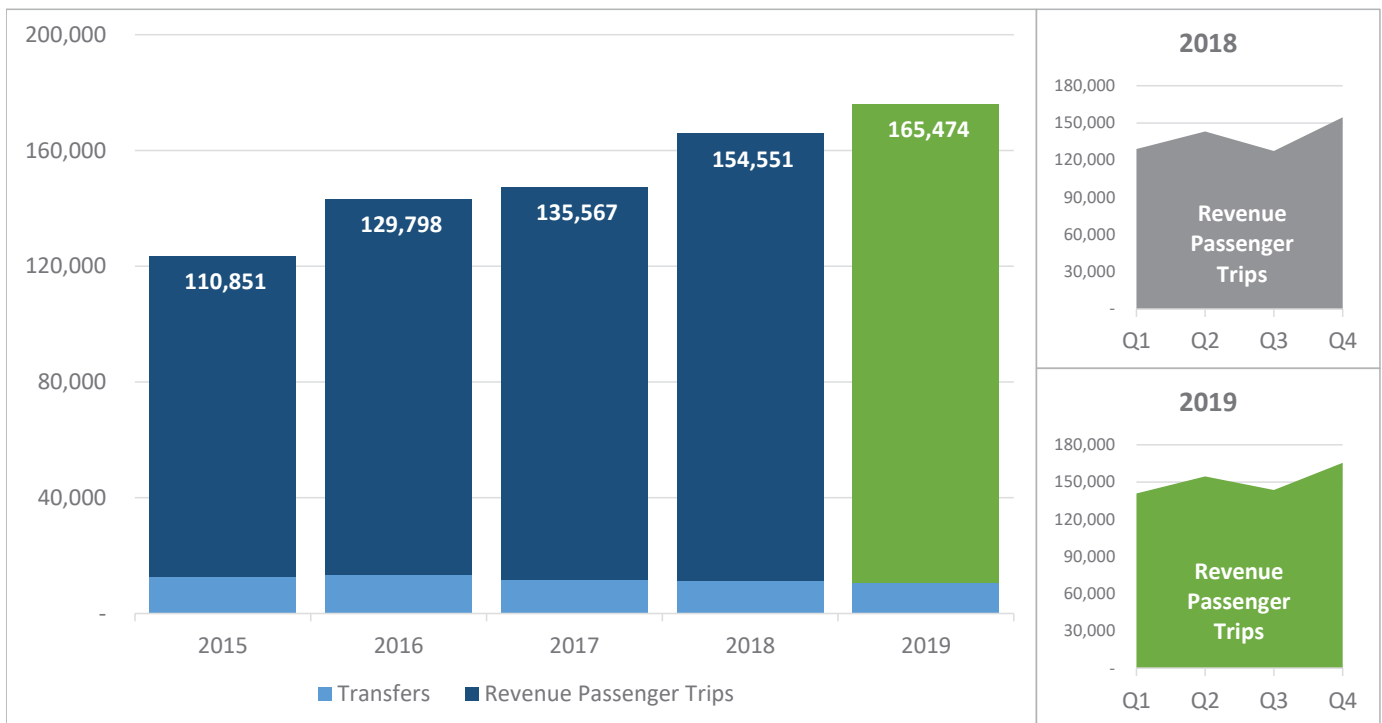
Q4 Year-Over-Year Contracted Revenue Service Hours Operated 2015-2019



	2015	2016	2017	2018	2019
Q4 Contracted Revenue Service Hours Operated	8,838	9,406	11,426	12,870	12,495
Service Area Population	84,973	95,839	103,922	106,838	116,714

Appendix 1B. Q4 Ridership - Conventional Service

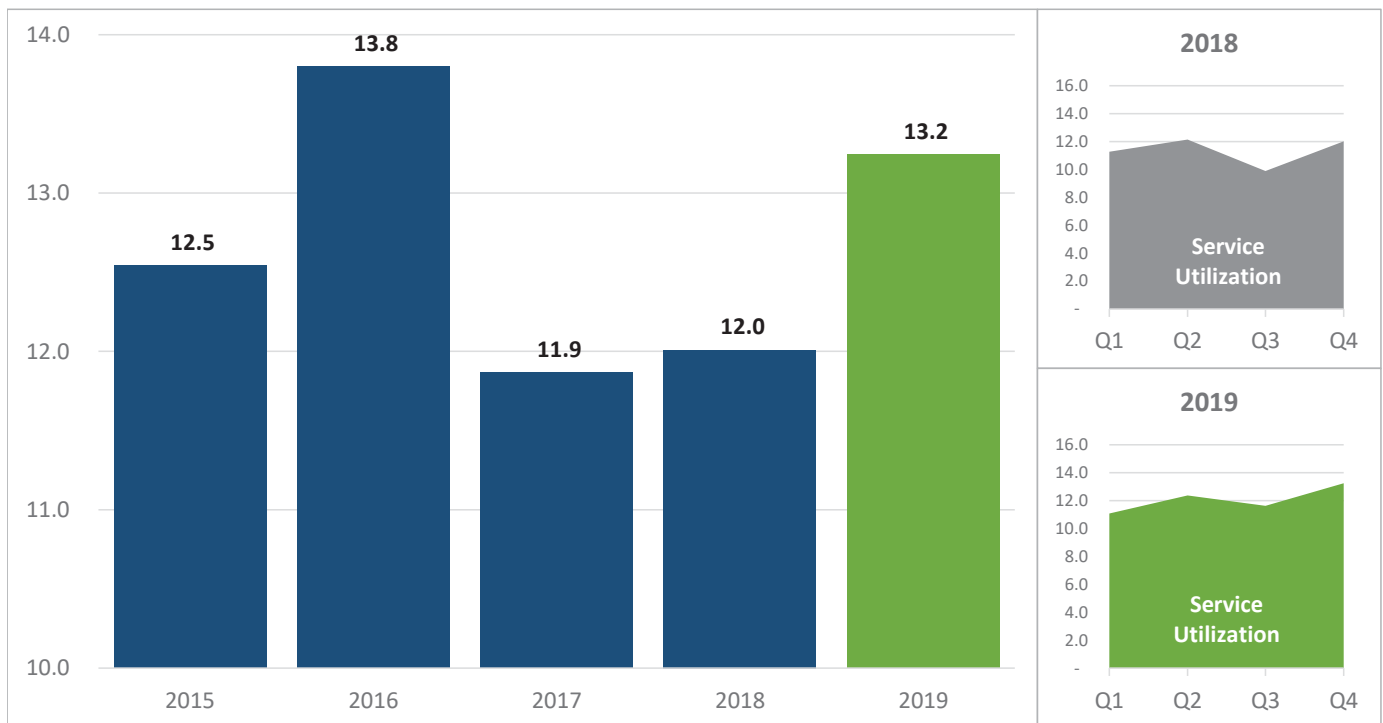
Q4 Year-Over-Year Revenue Passenger Trips 2015-2019



	2015	2016	2017	2018	2019
Boardings	123,358	143,064	147,380	165,780	176,075
Transfers	12,507	13,266	11,813	11,229	10,601
Revenue Passenger Trips	110,851	129,798	135,567	154,551	165,474
Year-Over-Year % Change	--	17%	4%	14%	7%

Appendix 1C. Q4 Service Utilization - Conventional Service

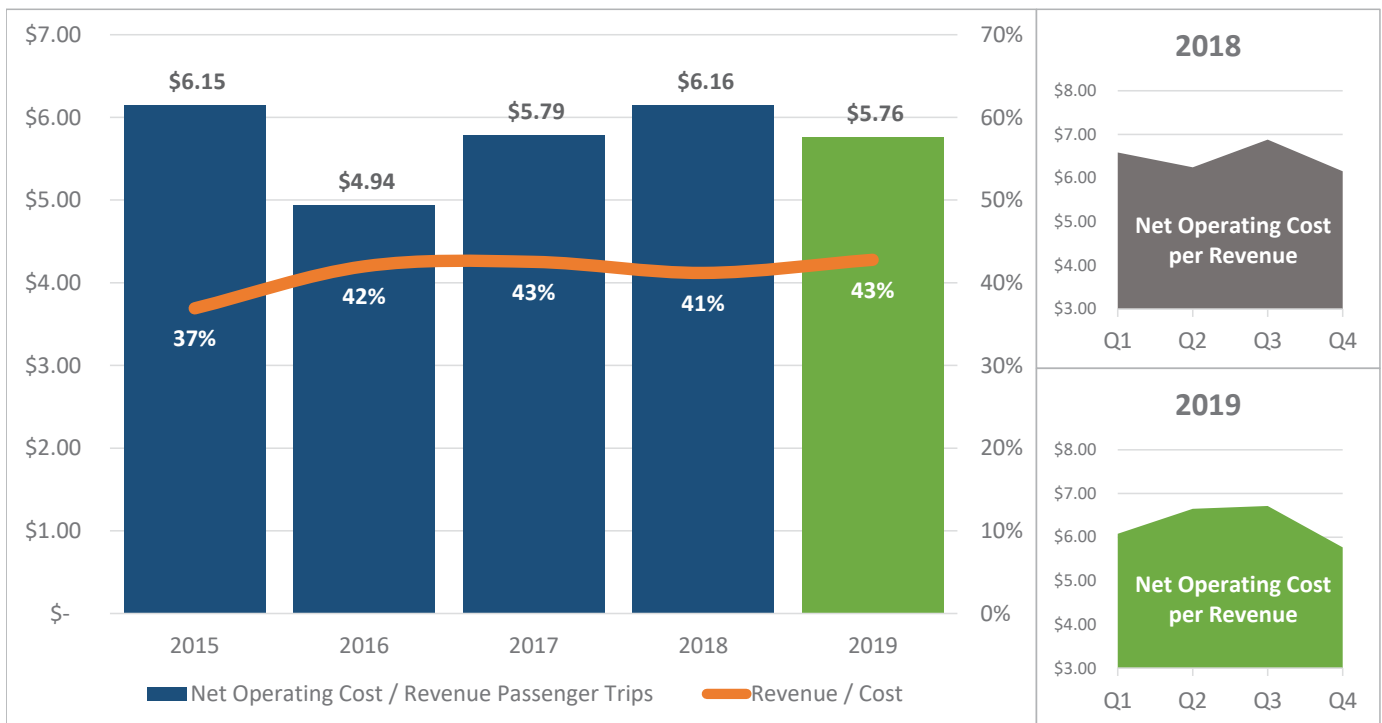
Q4 Year-Over-Year Revenue Passenger Trips / Contracted Revenue Service Hour 2015-2019



	2015	2016	2017	2018	2019
Boardings / Contracted Revenue Service Hour	14.0	15.2	12.9	12.9	14.1
Revenue Passenger Trips / Contracted Revenue Service Hour	12.5	13.8	11.9	12.0	13.2
Year-Over-Year % Change	-	10%	-14%	1%	10%

Appendix 1D. Q4 Financial Performance - Conventional Service

Q4 Year-Over-Year Net Operating Cost / Revenue Passenger Trip 2015-2019



	2015	2016	2017	2018	2019
Net Operating Cost / Revenue Passenger Trip	\$ 6.15	\$ 4.94	\$ 5.79	\$ 6.16	\$ 5.76
Revenue / Cost	37%	42%	43%	41%	43%
Total Operating Expenditure / Contracted Service Hours	\$ 122.24	\$ 117.47	\$ 119.55	\$ 125.69	\$ 133.40

Appendix 1E. Q4 Ridership and Financial Performance - Specialized Service

Q4 Year-Over-Year Ridership and Net Operating Cost / Revenue Passenger Trip 2015-2019



	2015	2016	2017	2018	2019
Revenue Passenger Trips	4,105	4,754	5,290	5,620	5,536
Net Operating Cost / Revenue Passenger Trip	\$ 19.32	\$ 20.49	\$ 27.71	\$ 26.51	\$ 21.20

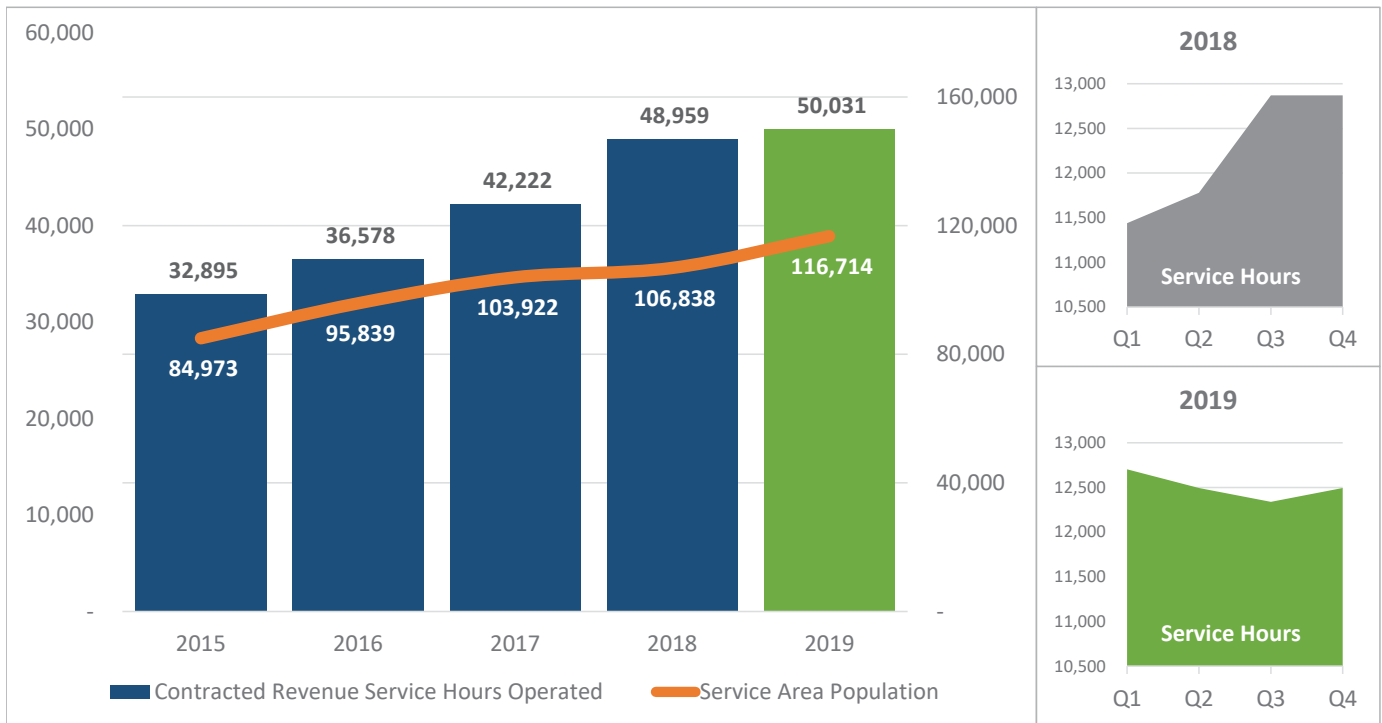
Appendix 2. 2019 Annual Conventional and Specialized Service Performance

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- 2E** 10-Year Growth Rate Trend - Conventional Service
- 2F** 2019 Ridership and Financial Performance - Specialized Service

Appendix 2A. 2019 Amount of Service - Conventional Service

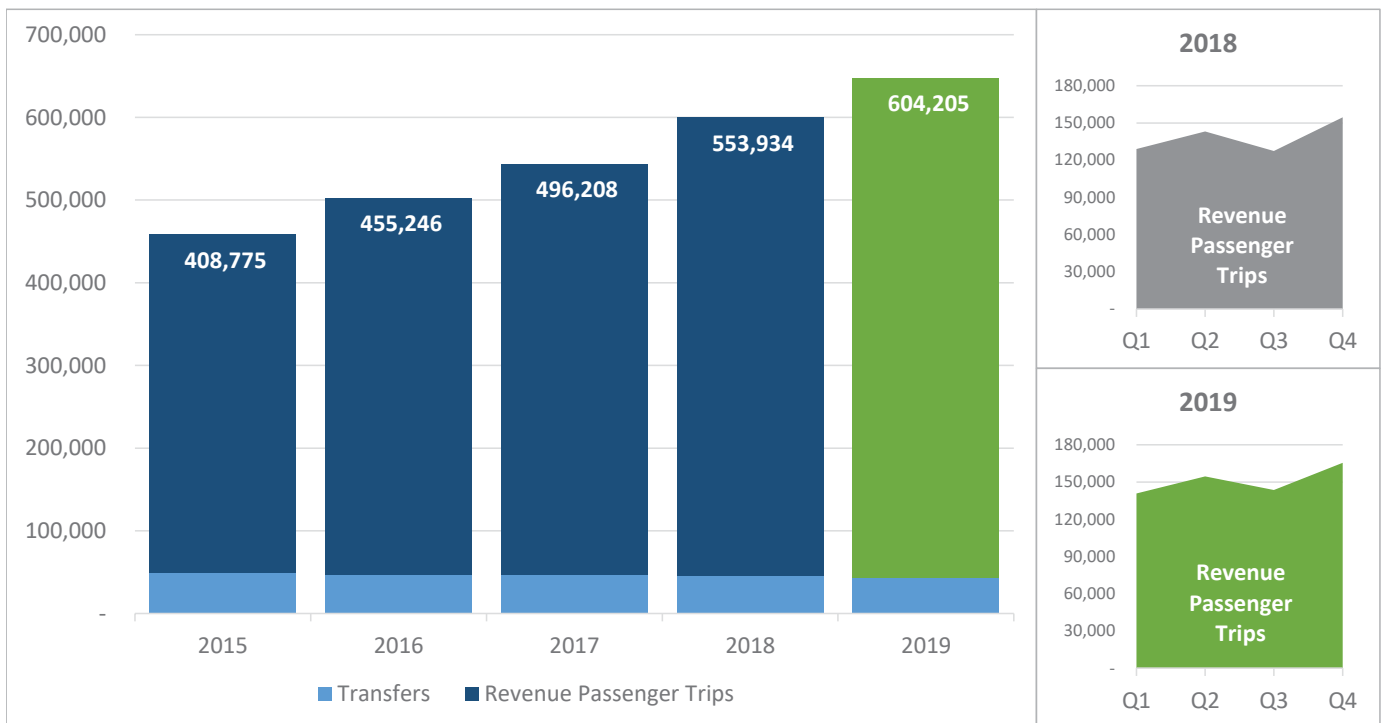
Year-Over-Year Annual Contracted Revenue Service Hours Operated 2015-2019



	2015	2016	2017	2018	2019
Contracted Revenue Service Hours Operated	32,895	36,578	42,222	48,959	50,031
Service Area Population	84,973	95,839	103,922	106,838	116,714

Appendix 2B. 2019 Ridership - Conventional Service

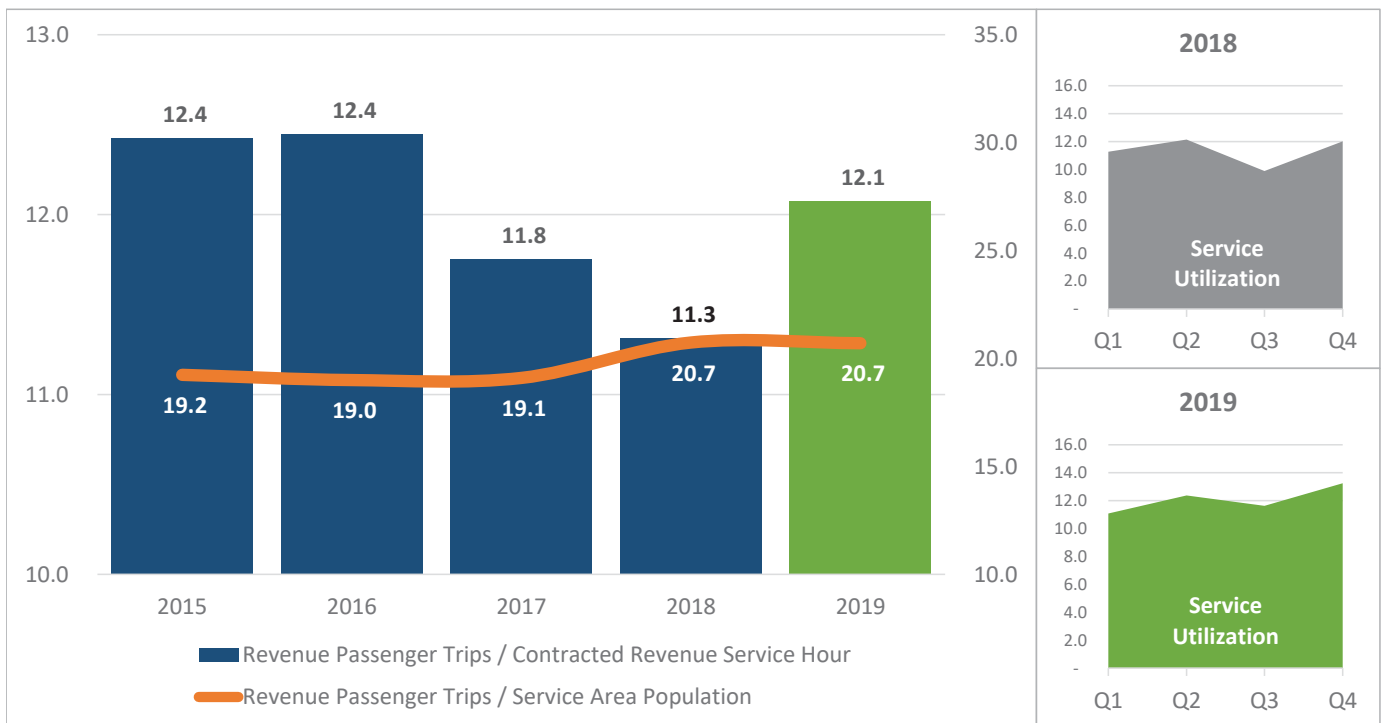
Year-Over-Year Annual Revenue Passenger Trips 2015-2019



	2015	2016	2017	2018	2019
Boardings	457,982	502,297	543,052	599,363	647,301
Transfers	49,207	47,051	46,844	45,429	43,096
Revenue Passenger Trips	408,775	455,246	496,208	553,934	604,205
Year-Over-Year % Change	--	11%	9%	12%	9%

Appendix 2C. 2019 Service Utilization - Conventional Service

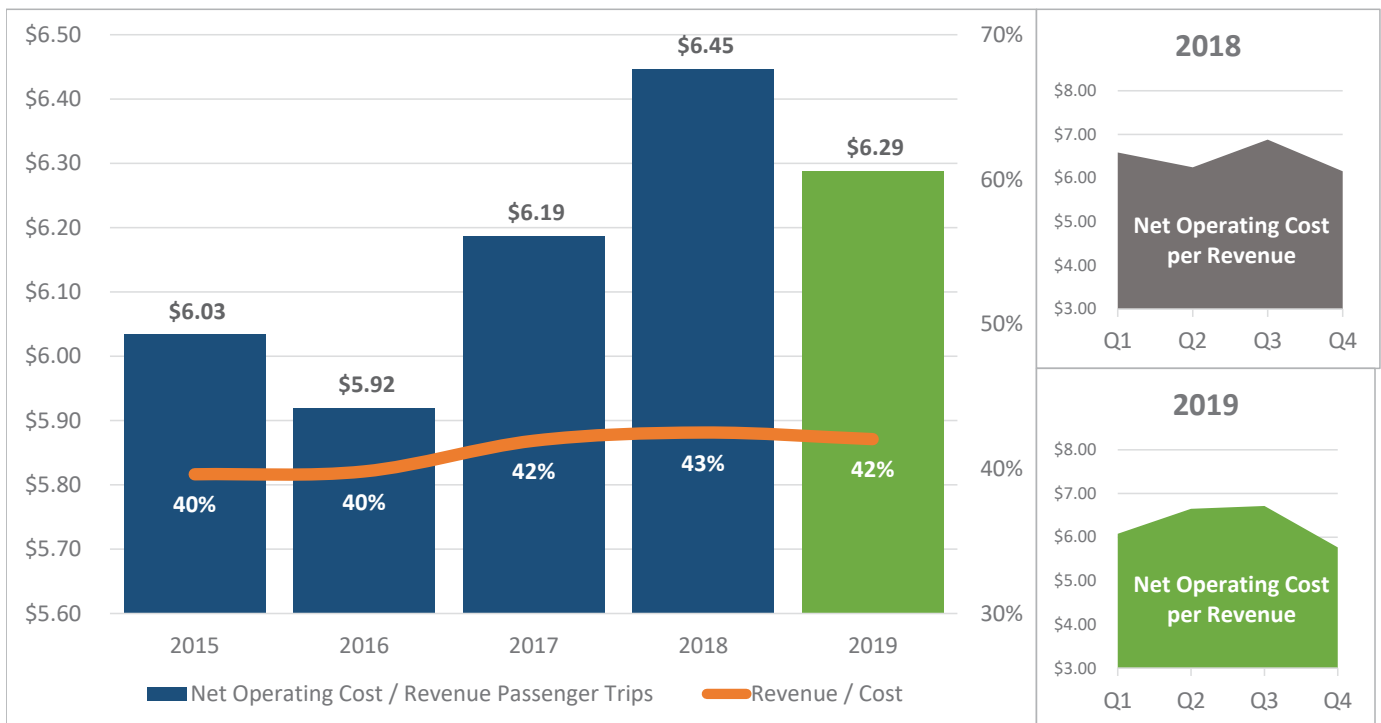
Year-Over-Year Annual Revenue Passenger Trips / Contracted Revenue Service Hour 2015-2019



	2015	2016	2017	2018	2019
Boardings / Contracted Revenue Service Hour	13.9	13.7	12.9	12.2	12.9
Revenue Passenger Trips / Contracted Revenue Service Hour	12.4	12.4	11.8	11.3	12.1
Year-Over-Year % Change	-	0%	-6%	-4%	7%
Revenue Passenger Trips / Service Area Population	19.2	19.0	19.1	20.7	20.7

Appendix 2D. 2019 Financial Performance - Conventional Service

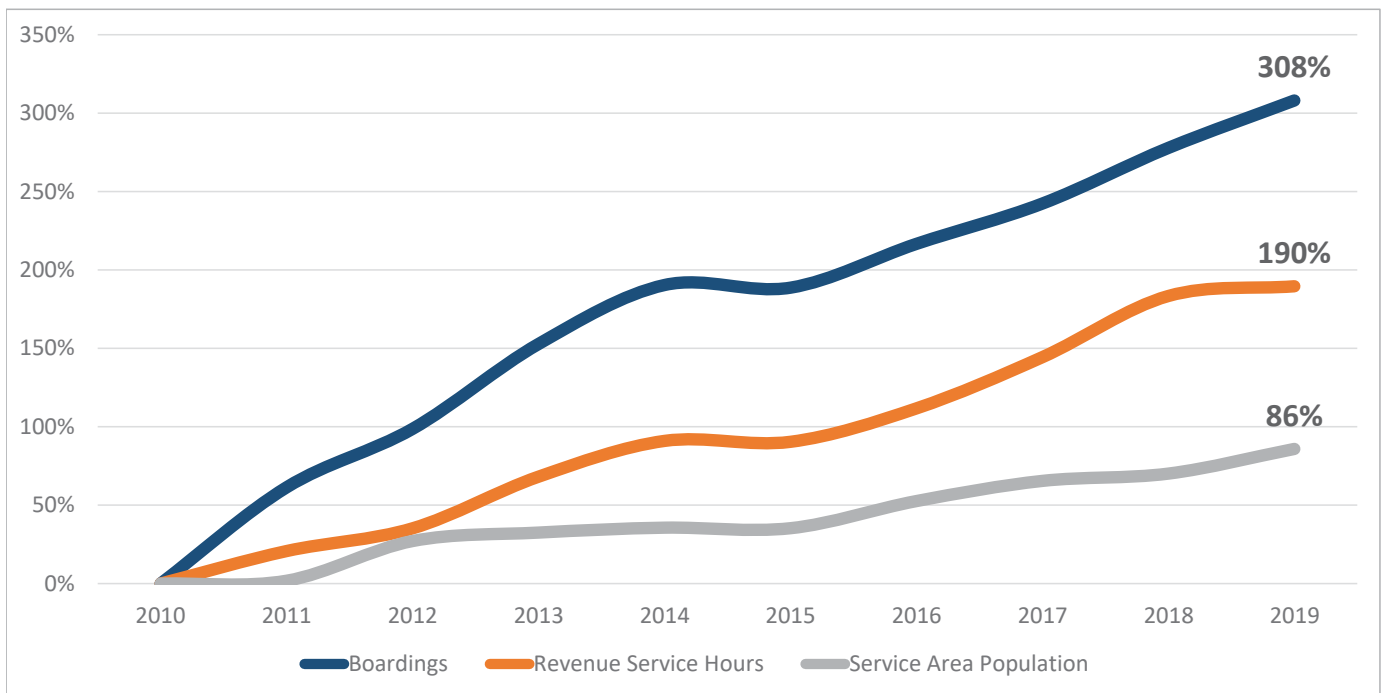
Year-Over-Year Annual Net Operating Cost / Revenue Passenger Trip 2015-2019



	2015	2016	2017	2018	2019
Net Operating Cost / Revenue Passenger Trip	\$ 6.03	\$ 5.92	\$ 6.19	\$ 6.45	\$ 6.29
Revenue / Cost	40%	40%	42%	43%	42%
Total Operating Expenditure / Contracted Service Hours	\$ 124.19	\$ 122.41	\$ 125.23	\$ 126.86	\$ 131.06

Appendix 2E. 10-Year Growth Rate Trend - Conventional Service

Year-Over-Year Annual Growth Rate Trend - Cumulative 2010-2019



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Boardings	158,639	256,016	315,178	401,028	460,654	457,982	502,297	543,052	599,363	647,301
Revenue Service Hrs	17,277	20,862	23,365	29,054	32,996	32,895	36,578	42,222	48,959	50,031
Service Area Pop	62,800	63,939	79,842	83,227	85,191	84,973	95,839	103,922	106,838	116,714

Appendix 2F. 2019 Ridership and Financial Performance - Specialized Service

Year-Over-Year Annual Ridership and Net Operating Cost / Revenue Passenger Trip 2015-2019



	2015	2016	2017	2018	2019
Revenue Passenger Trips	15,227	17,199	19,691	21,238	22,290
Net Operating Cost / Revenue Passenger Trip	\$ 14.49	\$ 17.99	\$ 18.48	\$ 20.49	\$ 19.89