



The Corporation of the Town of Milton

Report To: Council

From: Kristene Scott, Commissioner, Community Services

Date: September 21, 2020

Report No: COMS-005-20

Subject: 2020 Milton Transit Mid-Year Key Performance Indicators & Service Update

Recommendation: **THAT COMS-005-20 be received.**

EXECUTIVE SUMMARY

- Mid-year ridership decreased by 43% compared to 2019, influenced by the COVID-19 pandemic and associated Provincial orders restricting discretionary trip making.
- The Town will be receiving Federal and Provincial funding to support costs associated with enhanced cleaning and COVID-19 recovery impacts.
- Staff have implemented a number of COVID-19 restart and recovery initiatives, including: service reintroduction for anticipated seasonal demand, adoption of Fare Policy updates, mobile fare payment (e-ticket) solution, as well as accelerating the Alternative Service Delivery (ASD) project to deliver On-Demand/Microtransit services.
- The 2021 transit budget is being developed using principles of cost mitigation while positioning transit to support growth in the long-term planning horizon.

REPORT

Background

This report presents select performance indicators for the period of January - June, 2020:

<p>Amount of Service</p> <ul style="list-style-type: none"> • <u>Service Hours</u> (total amount of contracted revenue service hours operated)
<p>Ridership</p> <ul style="list-style-type: none"> • <u>Boardings</u> (all trips recorded, including transfers) • <u>Revenue Passenger Trips</u> (number of fare-paying trips recorded, less transfers)



Service Utilization

- Boardings per Contracted Service Hour (a measure of how well the service is used; all trips including transfers)
- Revenue Passenger Trips per Contracted Service Hour (a measure of how well the service is used; fare-paying, linked-trips)

Financial Performance

- Net Operating Cost per Revenue Passenger Trip (a measure of service cost effectiveness. Also called municipal subsidy / tax levy per trip)

Since mid-March, the COVID-19 pandemic has affected all service delivery programs throughout the Town, including transit. Staff revised service delivery objectives to focus on enhanced safety and non-discretionary passenger transportation under the lens of an essential service. Provincial orders to minimize and halt discretionary trips triggered the need to adjust transit capacity requirements with lower demand. As such, ridership impact on Milton Transit conventional and specialized services was significant.

In order to mitigate financial impacts and underutilization, staff implemented a modified, enhanced-Saturday level of service. Working with PWTransit, staff have been able to implement adjustments expeditiously in light of changing demand and capacity needs.

On March 20, Milton Transit froze fare collection in conjunction with introducing rear-door boarding and alighting (for promoting operator-passenger physical separation; restricting access to the farebox). Staff recorded ridership data during this period through the Automatic Passenger Counter (APC) system, verified with operator manual counts on the farebox. This technique was equivalent to other systems with similar technology.

Discussion

Mid-Year Performance (Appendix 1)

In the first six (6) months of 2020, Milton Transit delivered 20,980 service hours, a 17% decline compared to 2019 due to COVID-19-related service modifications implemented in March, April and May. Ridership surpassed 169,000 revenue passenger trips, but decreased by 43% compared to 2019 primarily due to provincial trip restrictions (system-wide trips) causing lower demand. Service utilization performance followed the same downward trajectory. The net operating cost per trip increased by 42% to \$9.04. The COVID-19 pandemic has also affected ridership on specialized services. Since seniors with limited mobility make-up of a majority of registrants, trip demand for the service during COVID-19 decreased by 39% to 6,901 trips in 2020.

COVID-19 Restart and Recovery Plan Implementation

As described in the Milton Transit COVID-19 Recovery Plan (ES-008-20 - Appendix B), the pandemic has provided staff an additional opportunity to review, recommend and accelerate strategic initiatives that support long-term service sustainability, resiliency and customer loyalty. The following provides a summary of initiatives implemented and/or planned in the immediate term:

1. Service Reintroduction

In anticipation of ridership growth from secondary school re-openings and the return of some GO service in September, Milton Transit reintroduced modified, fixed-route services, including:

- 30 minute peak service on routes that are anticipated to experience higher passenger volumes;
- Re-launch of the school special service, with adjusted scheduling times to reflect modified school arrival and dismissal times;
- Operational adjustments to Trans-Cab services (e.g. transfer location, service boundary);
- Re-introduction of regular service hour span for specialized services.

The daily conventional service allocation in September accounts for approximately 70% of pre-COVID-19 levels. In addition to regular touchpoint meetings with Halton School Board Transportation and Metrolinx-GO Transit, staff will continue to carefully monitor services throughout September and October, and realign service to demand, where necessary and feasible.

2. Fare Policy Update and Mobile Fare Payment Adoption

Since March 20, Milton Transit had frozen fare collection in conjunction with the adoption of rear door boarding/alighting. With the implementation of COVID-19 health and safety measures, all transit services recommenced fare collection on September 1, with implementation of the updated Fare Policy approved by Council through the Milton Transit COVID-10 Recovery Plan (ES-008-10). Key aspects of Fare Policy changes include the introduction of a two (2) hour universal transfer as well as a fare exemption for passengers 12 years and under. The updated Fare Policy meets the following long-term service objectives:

- Improve ridership, customer convenience and ease of use
- Discontinue obsolete fare media products; multiple human touchpoints
- Align with regional fare integration initiatives
- Set the stage for next generation mobile fare payment options
- Support growth and sustainability

In support of the Fare Policy objectives, staff have accelerated the implementation of a mobile fare payment (e-ticket) solution as a means to make fare payment and validation more convenient for customers. Through a competitive procurement process, Token Transit was awarded a two (2) year contract for the provision of mobile fare payment services. The Token Transit mobile app is active with Milton Transit fare media products, and is downloadable free-of-charge on Google Play and the App Store. Token Transit is also well integrated with third party trip planning platforms, including Transit App and Moovit; whereby passengers can purchase electronic fare media directly through journey apps they are already familiar with and use. This integration will be available for Milton Transit services in Q4.

Staff will be marketing the Token Transit app throughout the fall and winter as a contactless fare payment alternative for customers who regularly use mobile devices.

3. Alternative Service Delivery (ASD)

The 2019-2023 Milton Transit Service Review and Master Plan Update (ENG-021-19) recommended the adoption of new mobility/alternative service delivery solutions to address complex service requirements. The 2020 Capital Budget approved the procurement of an on-demand platform to facilitate specialized service growth as well as introduce Home-to-Hub services. The intent of the project is to define not only a scope of services that meets current and future needs, but can also be deployed selectively for longer-term crisis management.

A number of possible scenarios are being investigated through the ASD scope, including but not limited to:

- Specialized transit service administration, scheduling, dispatching and online trip booking capabilities
- Home-to-hub service, where an on-demand service is used in newly developed neighbourhoods (or other) to connect to the Milton Transit conventional network via a transfer point
- Industrial/employment area solution (similar to the Home-to-Hub concept)
- Point-to-point/microtransit solution for times that span before/after current Milton Transit hours of operation (e.g. evenings past 10pm, Sundays, Holidays, etc.)
- On-demand solution to supplement GO Transit connections
- Rural microtransit solution
- Potential integration with Mobility as a Service (MaaS) providers
- Any combination of the above

As recommended in the Transit Master Plan Update, staff intend on implementing ASD as a transitional mechanism to rationalize transit routes and services based on trip demand and meeting productivity objectives. Staff are accelerating this project

to enable testing of various scenarios and be in a position to phase focused implementation throughout 2021. It is anticipated that the Request for Proposal (RFP) for an On-Demand solution will be released by October 1, 2020.

Federal and Provincial Relief Funding

In collaboration with the Canadian Urban Transit Association (CUTA) and Ontario Public Transit Association (OPTA), staff have advocated for short and long-term relief funding from the Federal and Provincial governments to offset transit operational impacts associated with COVID-19. Throughout the pandemic, transit agencies have been incurring impacts such as:

- Fare revenue loss due to lower trip demand and halted fare collection
- Increased costs for enhanced vehicle cleaning, health and safety measures
- Long-term transitional costs to re-engage transit markets and/or redefine transit services/relevancy
- Other operational and/or contractual costs

On June 29, the Province announced the Municipal Transit Enhanced Cleaning (MTEC) program, a \$15 million funding initiative for municipalities to support enhanced cleaning of transit systems to help reduce the risk COVID-19 exposure. The Town's allocation under this program is \$48,536, which was determined using a modified version of the Gas Tax formula (e.g. 70% ridership and 30% population using 2019-2020 Gas Tax program data). All eligible costs are to be claimed for the period April 1 to December 31, 2020.

The Federal-Provincial Safe Restart Agreement (SRA) was announced on July 27. This agreement included up to \$4 billion in one-time emergency assistance for municipalities to support and deliver critical services:

- Up to \$2 billion to support municipal operating pressures
- Up to \$2 billion to support municipal transit systems

The Province has established a two-phase approach to allocate SRA funding as a means of providing flexibility to address current and ongoing financial pressures, as well as impacts of a potential second wave of COVID-19 (Table 1).



Table 1. Safe Restart Agreement Funding

Phase	Purpose	Timeline
Phase 1	Immediate relief funding	Costs incurred from April 1 - September 30, 2020
Phase 2	Ongoing support funding	Costs over and above Phase 1 allocation to March 31, 2021

The Town's Phase 1 funding allocation is \$460,236. Future funding allocation for Phase 2 will be determined based on continuous need and meeting objectives to promote ridership growth and service sustainability. Staff will provide further updates to Council when available and where applicable, including any recommendation to execute required Transfer Payment Agreements (TPAs) with MTO.

2021 Transit Budget Strategy

The development of the 2021 Transit Budget will reflect key principles outlined in the Transit Master Plan Update, including:

- Defining expectations; building on current successes (e.g. value-based versus performance-based services)
- Applying a "Family of Services" approach to service integration (e.g. transit can look different in a number of applications, dependent on meeting key objectives)
- Reallocating services where practicable to improve performance; productivity
- Adopting new mobility/ASD solutions to address unique service needs
- Providing a plan for service growth
- Financial sustainability

These principles align with Council Staff Work Plan initiatives (ES-009-20) supporting the four (4) focus areas:

- Planning for growth
- Increasing revenue potential
- Community attractiveness and competitiveness
- Service innovation

Recognizing the financial pressures associated with the COVID-19 pandemic (CORS-044-20), staff have strategized while developing the transit capital and operating budget to target priorities that mitigate impact on the property tax base, while positioning transit to support growth in the long-term planning horizon. Subject to significant trip demand changes, staff anticipate the continuation of a modified service throughout most of 2021, layering ASD programs when tested, reliable and readily available. Provincial relief funding via the SRA and anticipated Provincial Gas Tax contributions will be leveraged to

gap prolonged ridership recovery efforts caused by shifted travel patterns and remote working environments.

The uncertainty brought forward by COVID-19 has affected the ability to proceed with high-profile collaborative initiatives that support service integration (e.g. municipal cost sharing arrangements for service connections with neighbouring municipalities). These initiatives typically require jurisdictional commitments to support aligned service objectives. Nonetheless, staff will continue to explore short and long-term opportunities for conventional and specialized transit integration through ASD applications and working with neighbouring municipalities to support enhanced transit connectivity.

Council-Directed Initiatives Update

Council provided direction to staff to review the following transit initiatives:

1. Options to support, incentivize senior trips (from 2020 Budget deliberation)
2. Promote and raise awareness of transit services on Saturdays, including youth engagement opportunities (from Notice of Motion, February 10, 2020 Council Meeting)

Table 2. Summary of Council-Directed Transit Initiatives

Directive	Area of Focus	Description
1. Options to support, incentivize senior trips	Affordability	<ul style="list-style-type: none"> • Concession fare discount • SPLIT program • Fare Policy changes - 2 Hour Universal Transfer
	Service	<ul style="list-style-type: none"> • Specialized service during seniors hours (COVID-19 response) • Dedicated specialized service implementation
	Customer Experience	<ul style="list-style-type: none"> • Online travel training through Magnusmode app
	Planning and Accessibility	<ul style="list-style-type: none"> • Annual Accessibility Plan • Engagement with Milton Accessibility Advisory Committee (MAAC)



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2. Promoting and raising awareness of transit services on Saturdays	Youth Engagement	<ul style="list-style-type: none"> Fare Policy changes - 2 Hour Universal Transfer; Kids 12 and under ride free Mobile fare payment option Engagement with Milton Youth Advisory Committee and Milton Youth Task Force
	Customer Experience	<ul style="list-style-type: none"> Online travel training through Magnusmode app Mobile fare payment app promotions
	Service	<ul style="list-style-type: none"> Explore ASD applications on Saturdays

Staff will continue to deliver initiatives that support the growth of key transit markets as part of ridership recovery planning.

Financial Impact

Financial results for Transit, including the projected impacts of COVID-19, are submitted to Council regularly throughout the year as part of Town wide financial updates, with the most recent being the July, 2020 Operating Statements (CORS-049-20).

Respectfully submitted,

Kristene Scott
Commissioner, Community Services

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

Appendix 1. 2020 Mid-Year Conventional and Specialized Service Performance

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

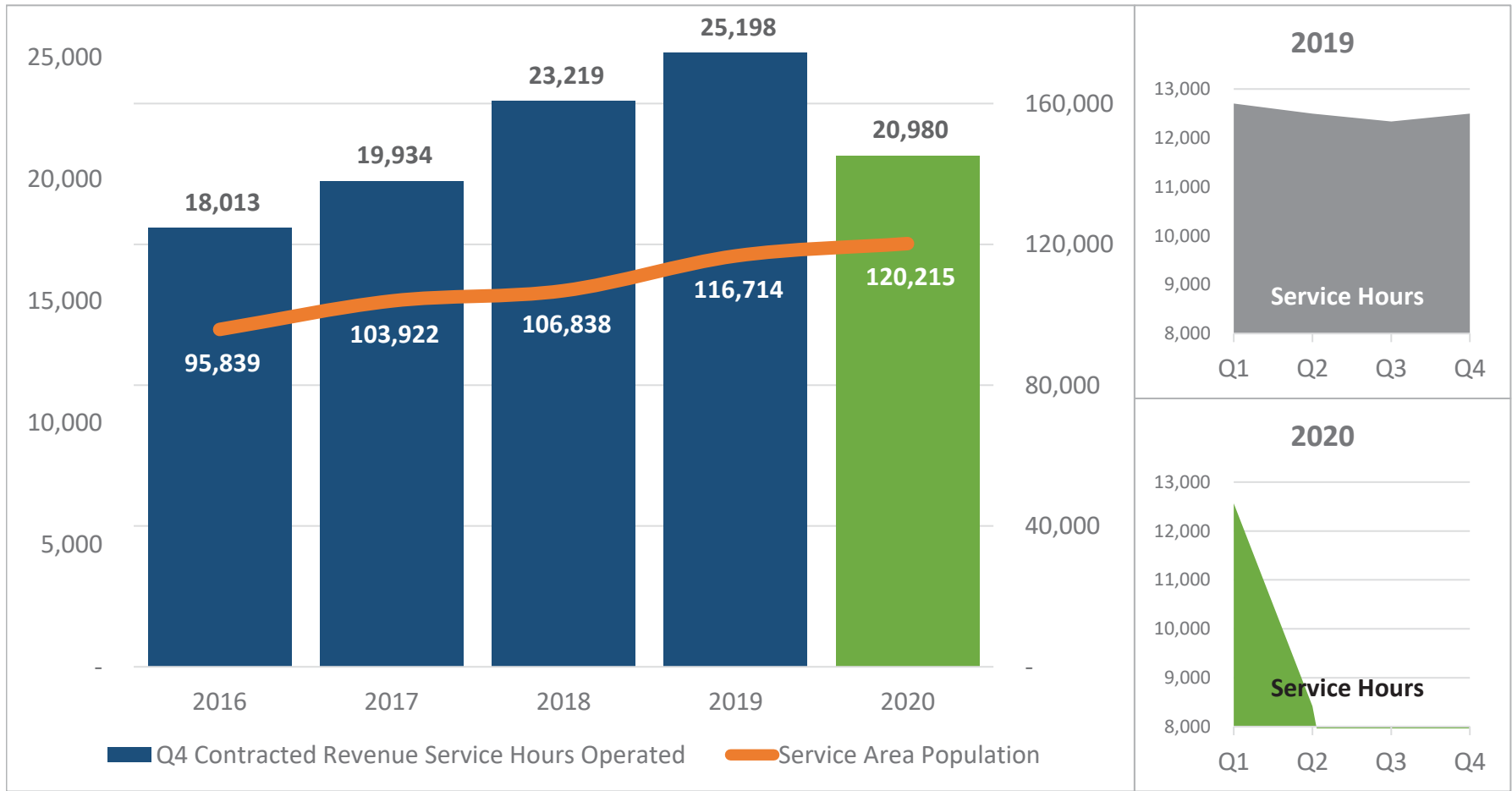
Appendix 1. 2020 Mid-Year Conventional and Specialized Service Performance

List of Figures

- 1A** Mid-Year Amount of Service (Jan-Jun) - Conventional Service
- 1B** Mid-Year Ridership (Jan-Jun) - Conventional Service
- 1C** Mid-Year Service Utilization (Jan-Jun) - Conventional Service
- 1D** Mid-Year Financial Performance (Jan-Jun) - Conventional Service
- 1E** Mid-Year Ridership and Financial Performance (Jan-Jun) - Specialized Service

Appendix 1A. Mid-Year Amount of Service Jan-Jun - Conventional Service

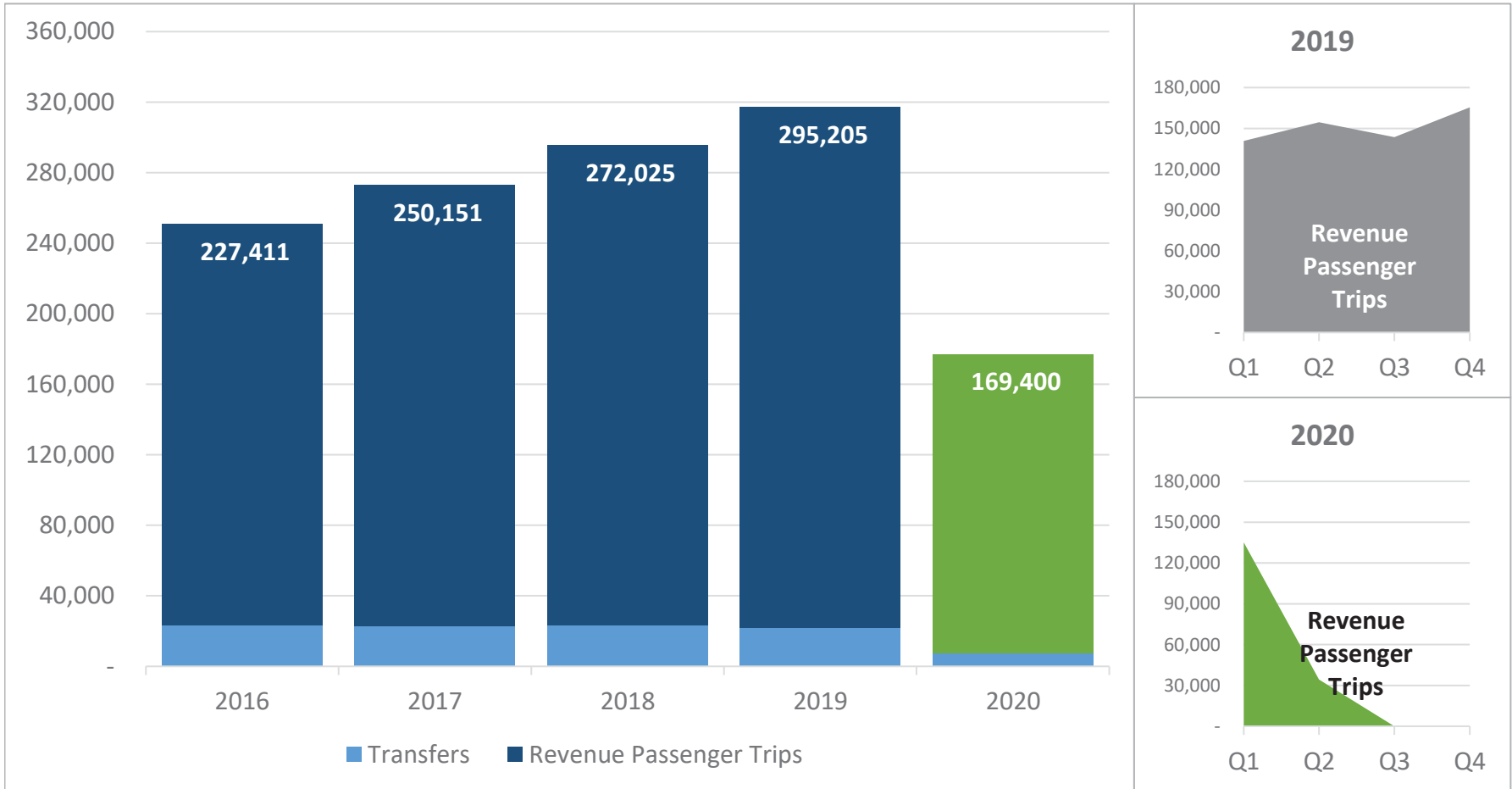
Year-Over-Year Contracted Revenue Service Hours Operated 2016-2020



	2016	2017	2018	2019	2020
Q4 Contracted Revenue Service Hours Operated	18,013	19,934	23,219	25,198	20,980
Service Area Population	95,839	103,922	106,838	116,714	120,215

Appendix 1B. Mid-Year Ridership Jan-Jun - Conventional Service

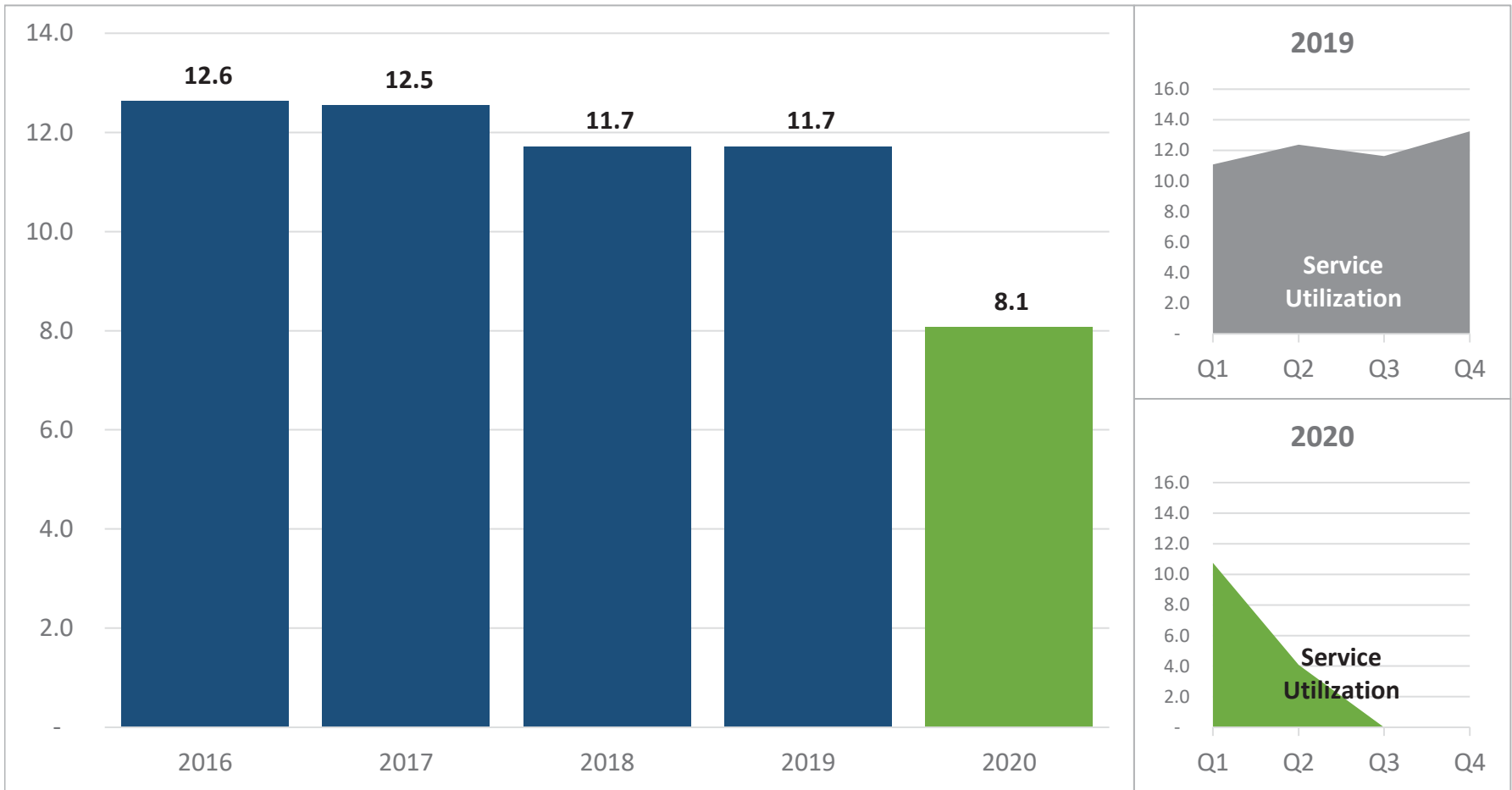
Year-Over-Year Revenue Passenger Trips 2016-2020



	2016	2017	2018	2019	2020
Boardings	251,018	272,915	295,334	317,038	177,115
Transfers	23,607	22,764	23,309	21,833	7,715
Revenue Passenger Trips	227,411	250,151	272,025	295,205	169,400
Year-Over-Year % Change	--	10%	9%	9%	-43%

Appendix 1C. Mid-Year Service Utilization Jan-Jun - Conventional Service

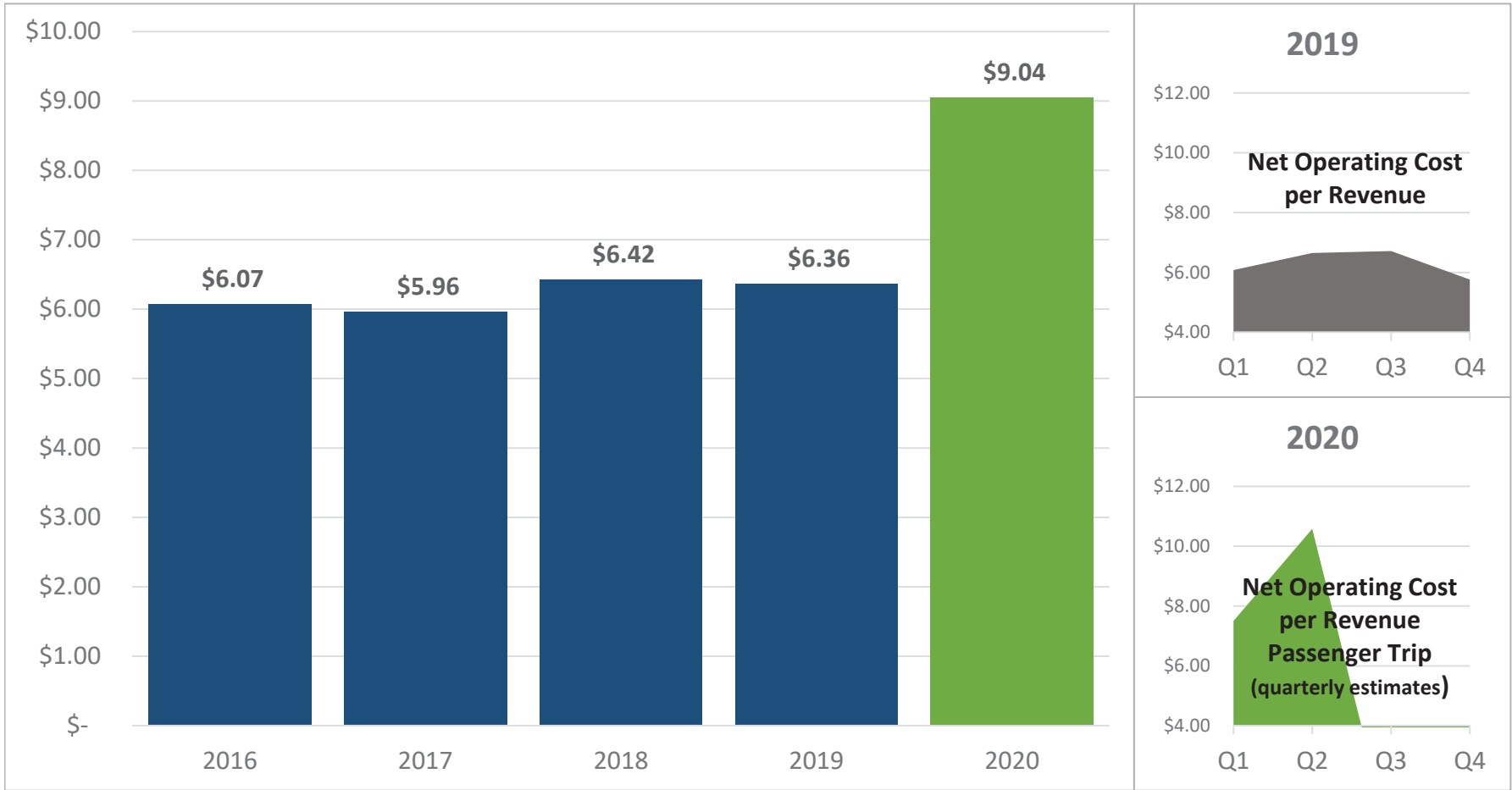
Year-Over-Year Revenue Passenger Trips / Contracted Revenue Service Hour 2016-2020



	2016	2017	2018	2019	2020
Boardings / Contracted Revenue Service Hour	13.9	13.7	12.7	12.6	8.4
Revenue Passenger Trips / Contracted Revenue Service Hour	12.6	12.5	11.7	11.7	8.1
Year-Over-Year % Change	-	-1%	-6%	0%	-31%

Appendix 1D. Mid-Year Financial Performance Jan-Jun - Conventional Service

Year-Over-Year Net Operating Cost / Revenue Passenger Trip 2016-2020



	2016	2017	2018	2019	2020
Net Operating Cost / Revenue Passenger Trip	\$ 6.07	\$ 5.96	\$ 6.42	\$ 6.36	\$ 9.04

Appendix 1E. Mid-Year Ridership and Financial Performance - Specialized Service

Year-Over-Year Ridership and Net Operating Cost / Revenue Passenger Trip 2016-2020



	2016	2017	2018	2019	2020
Revenue Passenger Trips	8,027	9,743	10,306	11,398	6,901
Net Operating Cost / Revenue Passenger Trip	\$ 20.49	\$ 27.71	\$ 26.51	\$ 21.20	\$ 28.65