



# The Corporation of the Town of Milton

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Report To: Council

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From: Tony D'Alessandro, Director - Transit Services

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Date: March 21, 2022

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Report No: COMS-001-22

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Subject: 2021 Transit Services Annual Report

**Recommendation: THAT COMS-001-22 be received for information.**

## EXECUTIVE SUMMARY

- Staff continue to mitigate impacts associated with the COVID-19 pandemic, implementing a multi-pronged, transit service delivery approach in 2021. Objectives included:
  - Maintaining service levels on key transit routes and corridors
  - Rightsizing service with Alternative Service Deliveries (ASDs)
  - Adding capacity, where/when necessary, to manage peak demand
- Annual ridership trended between 20-35% of pre-COVID19 levels in 2021.
- Comparing 2021 to 2020, annual ridership has:
  - Decreased by 45% on conventional services; 129,537 total revenue passenger trips
  - Increased by 7% on specialized services; 12,046 total revenue passenger trips
- Ridership continues to be influenced by the COVID-19 pandemic restrictions and the affects of delta and omicron waves.
- OnDemand service implemented in September, 2021 has thus far demonstrated increased productivity and efficiency.
- Revenue losses in 2021 amounted to \$1.2 million, however, expenditure restraint along with federal/provincial funding resulted in the net cost of Transit services being in line with the 2021 approved budget.
- The 2022 Transit Division Work Plan focuses on the following key initiatives:
  - Safe, effective and efficient delivery of transit services during COVID-19
  - Transit Electrification Strategy and Fleet Transition Road Map
  - Implementation of Cross-boundary Service to Halton Hills; Mississauga

## EXECUTIVE SUMMARY

- Expansion of OnDemand Service
- Milton Education Village (MEV) Service Planning
- Procurement of transit fleet: replacement and growth (CORS-005-22)
- Transit Garage Facility; service contract considerations

## REPORT

### Background

This report provides a summary of the following:

1. 2021 Milton Transit System Performance (using indicators as per Appendix 1)
2. Milton Transit OnDemand Service Update
3. Continued COVID-19 Transit Response
4. Funding of COVID-19 Pressures in 2021
5. 2022 Transit Division Work Plan
6. 2022 Funding Support

The COVID-19 pandemic continues to present operational challenges to the transit industry, affecting overall performance. Since March, 2020, staff revised service objectives to focus on enhanced safety and non-discretionary passenger travel through the lens of an essential service. While some transit service was reinstated in September, 2021, relative to the reintroduction of in-person learning and GO Transit train service, pandemic waves from delta and omicron variants reintroduced travel restrictions. As a result, 2021 Milton Transit ridership and associated revenue were negatively impacted.

To mitigate financial impacts due to lower service utilization, staff implemented a multi-pronged, delivery approach in 2021: The approach focused on the following objectives:

- a. Maintaining service levels on key transit routes and corridors
- b. Rightsizing service with Alternative Service Deliveries (ASDs), Transit OnDemand
- c. Adding capacity, where/when necessary, to manage peak demand

Working with our service provider, staff have been able to adapt and implement adjustments quickly in light of variable demand and capacity needs, while still providing a basic level of mobility for essential trip making.

The Federal and Provincial governments continued to commit COVID-19 relief funding via the Safe Restart Agreement (SRA) - Phases 2 and 3. The SRA has helped offset revenue losses and incurred pandemic costs (e.g. enhanced cleaning) to ensure that consistent and reliable transit services remain available. Key performance indicators (KPI) presented in this report incorporate all funding allocated to date for operational impacts in 2021.



## Background

## Discussion

2021 transit ridership has been at 20-35% of pre-pandemic daily averages. Staff anticipate that ridership recovery to pre-pandemic levels will be incremental and prolonged due to shifted travel demands and other external factors (e.g. reinstatement of GO Train services/demand, consistent in-person learning, etc.). There will also be a need to further understand how remote working environments will progress in the medium-to-long term and the subsequent movement patterns of goods and services. Staff are projecting moderate ridership recovery into 2022 as Provincial health and safety measures are relaxed.

### 1. 2021 Milton Transit System Performance

Table 1 provides a summary of 2021 conventional service KPIs compared to 2019 and 2020. Milton Transit delivered 39,211 conventional service hours in 2021, representing 8% less service than in 2020 and 22% less service than in 2019 (pre-COVID levels). The amount of service delivered is directly attributed to lower demand requirements throughout 2021 (e.g. maintaining an enhanced-Saturday level of service). Service adjustments were also made in September, 2021, to accommodate projected trip demand upon the reintroduction of in-person learning and GO Transit train service, as well as rightsizing and introducing OnDemand services in Boyne and the 401 Industrial Park.

Conventional ridership (revenue passenger trips) surpassed 129,500 trips but decreased by 45% compared to 2020 and 79% compared to 2019 (pre-COVID levels). Service utilization performance followed the same downward trajectory.

Financial performance in 2021 was driven by the following factors:

- Inflationary contract costs
- Reintroduction of services, school-related adjustments and OnDemand growth in September
- Increased fuel costs
- Revenue impacts as a direct result of ridership performance

The COVID-19 pandemic has affected ridership on Milton access+ (specialized) service to a lesser extent. While annual ridership grew by 7% to 12,046 trips in 2021 - an increase of approximately 700 trips compared to 2020, ridership remained at 54% of pre-COVID levels. Capacity available on specialized services has been leveraged to deliver comingled, OnDemand services in key areas of town.

**Background**

**Table 1. 2019 - 2021 Key Performance Indicators - Conventional Services**

Indicator	2019	2020	2021 <sup>1</sup>	% Change 2020-2021
<b>Amount of Service</b>				
• Contracted Service Hours	50,031	42,617	39,211	-8%
<b>Ridership</b>				
• Boardings	647,301	262,100	144,515	-45%
• Revenue Passenger Trips	604,205	247,399	129,537	-48%
<b>Service Utilization</b>				
• Boardings per Contracted Service Hour	12.9	6.2	3.7	-40%
• Revenue Passenger Trips per Contracted Service Hour	12.1	5.8	3.3	-43%
<b>Financial Performance</b>				
• Expenditure	\$6,551,294	\$6,020,418	\$6,327,529	+5%
• Revenue	\$2,757,279	\$2,568,450	\$2,204,195	-14%
• NET	\$3,794,015	\$3,451,968	\$4,123,334	+19%
• Revenue/Cost Ratio	42%	43%	35%	-19%

**2. Milton Transit OnDemand Service Update**

Council approved the Milton Transit Alternative Service Delivery (ASD) Strategy, which included the implementation of OnDemand services, via COMS-005-21. Milton Transit OnDemand is a technology-enabled, demand-responsive service that uses a mobile application to allow customers to reserve transit trips in real time. The objective is to provide adjunct services that connect with the conventional transit system in order to facilitate multi-modal trip making.

Upon completion of a pilot in the spring of 2021, Milton Transit OnDemand was formally launched on September 7, in two (2) zones:

- **Boyne Zone**
  - Area bounded by Derry Road, Regional Road 25, Britannia Road, CN Rail corridor
  - OnDemand replaces Route 10
- **401 Industrial Park Zone**
  - Area within 401 Industrial Park
  - OnDemand replaces Routes 1A, 1B, 1C and Trans-cab service

<sup>1</sup> Includes OnDemand services



**Background**

These zones were strategically selected using thresholds and criteria established in the ASD Strategy. Table 2 provides a summary of 2021 KPIs for OnDemand for the first four (4) months of implementation (September - December 2021) compared to the previous four (4) months of fixed route service implementation (May - August 2021). In summary:

- OnDemand carried 6% more trips than conventional routes with 17% less service
- OnDemand service utilization was 30% higher than conventional routes
- OnDemand service was 25% more cost effective than conventional routes

**Table 2. Comparison of Fixed Route and OnDemand Services**

Indicator	Routes 1A, 1B, 1C , 10, Trans-Cab (May-Aug 2021)	Replaced with OnDemand (Sep-Dec 2021)	% Change
<b>Amount of Service</b>			
• Contracted Service Hours	2,345	1,946	-17%
<b>Ridership<sup>2</sup></b>			
• Boardings	5,456	5,770	+6%
• Revenue Passenger Trips	4,839	5,290	+9%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	2.3	3.0	+30%
• Revenue Passenger Trips per Contracted Service Hour	2.1	2.7	+29%
<b>Financial Performance<sup>3</sup></b>			
• 2021 Contract Rate	\$46.94/hour	\$42.45/hour	-10%
• Expenditure	\$110,074	\$82,608	-25%

It is important to note that while there is evidence of preliminary savings at a 1:1 rate comparison level, other considerations for determining the optimal transit service delivery model (whether conventional or OnDemand), shall continue to recognize the following:

- Meeting cost-benefit and productivity objectives
- Meeting strategic and/or value-based objectives
- Complexities of rationalizing/replacing fixed-routes that are integrated with GO services and/or other fixed-routes
- Propensity of transit use in growth areas

<sup>2</sup> COVID-19 continued to impact travel patterns and associated ridership during both time periods.

<sup>3</sup> Fixed costs excluded and assumed as constant for contract comparison purposes

## Background

- Uniformity/irregularity of development
- Customer adaptation willingness and associated communication complexities

Nonetheless, OnDemand service implemented in September, 2021, has thus far demonstrated increased productivity and efficiency. Staff will continue to monitor and assess optimal environments to maintain and expand OnDemand solutions, where practicable.

### 3. COVID-19 Transit Response

Milton Transit has continued to provide services in accordance with Public Health guidance and Provincial orders through multiple waves of COVID-19 transmission. A number of health and safety measures adopted in the initial pandemic response have been maintained and/or added, including:

- Enhanced vehicle cleaning, including all human touchpoints (e.g. buttons, pull-cords, stanchions, etc.)
- Bio-shields at operator compartments in vehicles
- Pre-screening signage at vehicle entries
- Personal operator supports (e.g. protocols, PPE, Vaccination Policy, etc.)
- Mandatory passenger mask policy
- Promotion of touchless mobile ticketing via Token Transit

Over the last several weeks, the Province has gradually eased a number of public health and workplace safety measures. As a result, staff will reevaluate existing measures in concert with other GTHA transit systems and with continued guidance from public health authorities, where applicable.

### 4. Funding of COVID-19 Pressures

Total lost revenue in 2021 due to the pandemic amounted to \$1.2 million. Collaboration with our service provider to quickly adjust service in response to changing demands and capacity needs enabled the Town to reduce costs by almost \$0.95 million, offsetting most of the lost revenue during the year.

In addition to internal mitigation, Table 3 summarizes Federal-Provincial funding allocated for Milton to assist with mitigating the financial impacts of COVID-19 in the area of transit services in 2021.



**Background**

**Table 3. Federal-Provincial Funding Allocations**

Program	Allocation Amount	Eligibility Criteria
Safe Restart Agreement - Transit Support - Phase 2	\$585,581	For eligible transit related financial pressures resulting from the pandemic incurred between October 1, 2020 and March 31, 2021
Safe Restart Agreement - Transit Support - Phase 3	\$437,158	For eligible transit related financial pressures resulting from the pandemic incurred between April 1, 2021 and December 31, 2021 (with the possibility of extension to December 31, 2022); funds may also be used for fare and service integration, on-demand microtransit and transformation of transit structures/governance

The Phase 2 and 3 Safe Restart funding allowed the Town to manage projected financial pressures through 2021. Of the total amount allocated, the Town was able to utilize \$637,730 of the Phase 2/3 funding in the operating budget towards eligible pressures from the pandemic. A further \$38,210 was utilized in the capital program to advance the OnDemand - microtransit project.

As a result of assistance provided by the Federal-Provincial governments, the budgeted \$300,000 contribution from the Tax Rate Stabilization Reserve to support transit services was not required in 2021.

**5. 2022 Transit Division Work Plan**

Table 4 illustrates Transit Division Work Plan initiatives for 2022 that feed into the Community Services departmental work plan, aligning with the Council-Staff Work Plan (ES-009-20).

**Table 4. 2022 Work Plan Initiatives**

Key Projects/Deliverables	Area of Focus	Council-Staff Work Plan Alignment	Timing
a. Maintain safe, effective and efficient transit services during COVID-19	COVID-19 Response and Recovery	Community Attractiveness and Competitiveness	Q1-Q4
b. Transit Electrification Strategy and Fleet Transition Road Map	Climate Change and Sustainability	Community Attractiveness and Competitiveness	Q1-Q4



**Background**

c. Implementation of Cross-boundary Service to Halton Hills; Mississauga	Integrated Transit Strategy	Planning for Growth; Community Attractiveness and Competitiveness	Q3
d. Expansion of OnDemand Service			
e. Milton Education Village (MEV) Transit Service Planning			
f. Procurement of transit fleet: replacement and growth (CORS-005-22)	Asset Management	Planning for Growth	Q1 (place order)
g. Transit Garage Facility; service contract considerations	Service Innovation and Growth	Planning for Growth; Community Attractiveness and Competitiveness	Q1-Q4

A significant project currently in progress is the Transit Garage Facility development. The 2020 and 2021 Capital Budget approved land acquisition, design and construction commencement for a Transit Operations Facility. Staff are currently evaluating land acquisition opportunities that satisfy program requirements recommended in the Transit Operations Facility Feasibility and Functional Design Study (ENG-022-19). The Town was successful in acquiring funding through ICIP - Public Transit Stream to an upset allocation of \$7,187,583 in combined Federal and Provincial funding to support project costs. Upon further developments, staff will provide Council with an update on land acquisition later in 2022, including next steps and service contract considerations.

**6. 2022 Funding Support**

With a lockdown occurring in January, 2022, in response to the ongoing pandemic, transit operations have continued to be impacted early in the year. Town staff have submitted an application for top-up funding as part of the Safe Restart funding program for up to \$77,513, which represents the net financial pressure from the month.

On February 17, 2022, the Federal Government announced up to \$750 million in funding for municipalities to replace continued transit revenue losses. This funding will be allocated on a 70% ridership, 30% population basis. It is anticipated that the Provincial Government will announce a similar funding program, given recent media coverage. Staff will provide further details to Council as information becomes available.

The Town's own cost mitigation strategies will continue to be utilized as well.





### Financial Impact

The COVID-19 pandemic and associated responses have continued to impact ridership throughout 2021, with a total revenue loss of \$1.2 million. However, active and ongoing coordination with our provider to adjust service to demand, coupled with federal/provincial funding received, resulted in a net cost of Transit services being in line with the 2021 approved budget.

Respectfully submitted,

Kristene Scott  
Commissioner, Community Services

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

### Attachments

Appendix 1. Key Performance Indicators Definitions

CAO Approval  
Andrew M. Siltala  
Chief Administrative Officer

### Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

## Appendix 1. Key Performance Indicators Definitions

<b>Amount of Service</b> <ul style="list-style-type: none"><li>• Service Hours (total amount of contracted revenue service hours operated)</li></ul>
<b>Ridership</b> <ul style="list-style-type: none"><li>• Boardings (all trips recorded, including transfers)</li><li>• Revenue Passenger Trips (number of fare-paying trips recorded, less transfers)</li></ul>
<b>Service Utilization</b> <ul style="list-style-type: none"><li>• Boardings per Contracted Service Hour (a measure of how well the service is used; all trips including transfers)</li><li>• Revenue Passenger Trips per Contracted Service Hour (a measure of how well the service is used; fare-paying, linked-trips)</li></ul>
<b>Financial Performance</b> <ul style="list-style-type: none"><li>• Revenue/Cost Ratio (a measure of overall system cost recovery from external revenue sources; e.g. fares, advertising, Provincial Gas Tax contributions, etc.)</li></ul>