



# The Corporation of the Town of Milton

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Report To: Council

From: Tony D'Alessandro, Director, Transit Services

Date: March 6, 2023

Report No: COMS-003-23

Subject: 2022 Transit Services Annual Report

Recommendation: THAT the 2022 Transit Services Annual Report be received.

## EXECUTIVE SUMMARY

- To mitigate financial impacts associated with the COVID-19 pandemic (and lower service utilization), staff continued to implement a multi-pronged delivery approach throughout 2022. Service objectives included:
  - Maintaining service levels on key transit routes and corridors
  - Rightsizing service with Alternative Service Deliveries (ASDs), Milton Transit OnDemand
  - Adding capacity, when/where necessary, to manage peak demand
- Ridership recovery has been incremental and prolonged due to shifting travel behaviour and associated factors. Annual 2022 ridership averaged 54% of pre-pandemic levels (76% by year-end) and is trending upward to 81% in January 2023.
- Comparing 2022 to 2021, annual ridership has:
  - Increased by 154% on conventional (fixed-route) and OnDemand services; 328,742 total revenue passenger trips
  - Increased by 91% on specialized (door-to-door paratransit) services; 15,177 total revenue passenger trips.
- 2022 financial performance was driven by external and service-related factors, including:
  - Increased fuel costs
  - Inflationary contract costs
  - Pandemic-related revenue impacts as a result of modest ridership recovery
  - Service reintroduction and growth
- Relative to pre-pandemic levels, revenue losses in 2022 were just under \$780,000, partially offset by Federal and Provincial Safe Restart Agreement (SRA) Phases 3 and 4 funding of \$375,355.

## EXECUTIVE SUMMARY

- Milton Transit OnDemand has continued to demonstrate increased productivity and efficiency.
- The 2023 Transit Division Work Plan focuses on the following strategic initiatives:
  - Transit Service Review and Master Plan Update
  - Transit Electrification Feasibility Strategy and Fleet Transition Roadmap
  - Diesel-to-Battery Electric Bus (BEB) Conversion Pilot Project
  - Procurement of Transit Fleet (growth-related)
  - Fall Service Planning and Annual Transit Accessibility Plan
  - Transit Garage Facility

## REPORT

### Background

This report provides a summary of the following:

1. 2022 System Performance (using indicators as per Appendix 1)
2. COVID-19 Ridership Recovery
3. OnDemand Service Update
4. Funding of 2022 COVID-19 Pressures
5. 2023 Transit Division Work Plan

The COVID-19 omicron variant reintroduced travel restrictions during the winter of 2021/2022. As a result, annual Milton Transit ridership and associated revenue were negatively affected. To mitigate financial impacts due to lower service utilization, staff continued to implement a multi-pronged delivery approach that focused on the following objectives:

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

Concurrently, staff advanced several transit initiatives in 2022, including: cross-boundary service connections with Halton Hills, Mississauga and Brampton, OnDemand growth into Boyne and Derry Green, and increased school-based connections. Working with our transit service provider, staff have been able to adapt and implement adjustments in light of variable demand and capacity needs.

The Federal and Provincial governments continued their commitment toward COVID-19 relief funding via the Safe Restart Agreement (SRA) - Phases 3 and 4. As with previous

## Background

phases, the SRA has helped offset revenue losses to ensure that consistent and reliable transit services remain available and sustainable. Key performance indicators (KPIs) presented in this report incorporate all funding allocated to date for operational impacts through December 31, 2022. The Town's allocation through the SRA Phase 3 - Supplementary funding was \$77,513 and through Phase 4 was \$297,842.

## Discussion

Annual 2022 ridership has averaged 54% of pre-pandemic levels (76% by year-end), with full recovery anticipated in 2024. Ridership recovery has been incremental and prolonged due to shifting travel behaviour and other external factors. While return-to-school learning has sustained youth ridership throughout the year, remote/hybrid work policies continue to influence the long-distance commuter market. As such, GO Transit has yet to reintroduce pre-pandemic service levels on the Milton rail corridor.

As recovery progresses, key policy changes and services additions adopted by Council over the last few years have been influential to support month-to-month ridership recovery (Appendix 2). Previous service initiatives include:

- Fare Policy Changes (ES-008-20)
  - Introduction of Universal two (2) hour transfer, September 2020
  - Introduction of No-Fare Child concession for ages 12 and under, September 2020
- Adoption of Alternative Service Deliveries (COMS-005-21)
  - Launch of Milton Transit OnDemand, September 2021
  - Additional capacity for school-related trips, September 2021
- GO Transit Fare Integration Program (Metrolinx initiative)
  - Elimination of co-fare for trips connecting with GO services, March 2022
- Cross-boundary service introduction (2022 Budget)
  - Introduction of service connection with Halton Hills Activan, March 2022
  - Introduction of service connection with Peel TransHelp, September 2022
  - Service and fare integration with MiWay, Brampton Transit, GO Transit, September 2022
- OnDemand growth (2022 Budget)
  - Service expansion into Boyne, September 2022
  - Service expansion into Derry Green, September 2022

Staff are projecting moderate ridership growth throughout 2023, reaching approximately 85% of pre-pandemic ridership levels by year-end.



**Discussion**

**1. 2022 System Performance**

Table 1 provides a summary of 2022 conventional (includes OnDemand) and specialized service KPIs compared to 2021 annuals. Milton Transit delivered 46,400 service hours in 2022, representing 18% growth compared to the previous year. The amount of service provided in 2022 can be attributed to the annualization of services implemented within the previous year, the reintroduction of school-related trips, as well as the launch of cross-boundary service to Mississauga in September 2022. Conventional ridership (revenue passenger trips) surpassed 328,500 trips representing an increase of 154% compared to 2021 levels. Service utilization performance followed a similar positive trajectory.

**Table 1. 2021-2022 KPIs - Conventional (includes OnDemand), Specialized Services**

Indicator	2021	2022	% Change 2021-2022
<b>Conventional + OnDemand Services</b>			
<b>Amount of Service</b>			
• Contracted Service Hours	39,211	46,400	+18%
<b>Ridership</b>			
• Boardings	144,515	356,872	+147%
• Revenue Passenger Trips	129,537	328,742	+154%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	3.7	7.7	+108%
• Revenue Passenger Trips per Contracted Service Hour	3.3	7.1	+115%
<b>Specialized Services</b>			
<b>Ridership</b>			
• Revenue Passenger Trips	7,941	15,177	+91%

Specialized (Milton access+) ridership grew by 91% to 15,177 revenue passenger trips in 2022 - an increase of approximately 7,200 trips compared to 2021. Capacity available on specialized services continues to support the delivery of comingled, OnDemand services in key areas of town.

Table 2 provides a summary of 2022 financial performance compared to 2021. Financial performance on Milton Transit services in 2022 was driven by the following factors:

- External Pressures
  - Increased fuel costs
  - Inflationary contract costs
  - Pandemic-related revenue impacts as a result of moderate ridership recovery



**Discussion**

- Service Reintroduction and Growth
  - Reintroduction of services, school-related adjustments and annualization of OnDemand services
  - Expansion of OnDemand growth areas (Boyne, Derry Green)
  - Introduction of cross-boundary services to Mississauga, in partnership with the Town of Halton Hills

**Table 2. 2021-2022 Financial Performance (all services)**

Indicator	2021	2022	% Change 2021-2022
• Expenditure	\$6,984,425	\$8,333,422	19%
• Revenue	\$2,222,031	\$2,506,439	13%
• Net Expenditure	\$4,762,394	\$5,826,983	22%
• Revenue/Cost Ratio	31.8%	30.1%	-6%

**2. COVID-19 Ridership Recovery**

While Milton Transit continued to be influenced by pandemic-related trip reductions in 2022, there has been evidence of month-to-month ridership recovery on all transit services (Appendix 2). Table 3 provides a summary of 2022 KPIs compared to 2019 pre-pandemic levels.

**Table 3. 2019 vs 2022 KPIs - Conventional (includes OnDemand), Specialized Services**

Indicator	2019 (Pre-COVID)	2022	% of Pre-COVID
<b>Conventional + OnDemand Services</b>			
<b>Amount of Service</b>			
• Contracted Service Hours	50,031	46,400	93%
<b>Ridership</b>			
• Boardings	647,301	356,872	55%
• Revenue Passenger Trips	604,205	328,742	54%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	12.9	7.7	60%
• Revenue Passenger Trips per Contracted Service Hour	12.1	7.1	59%
<b>Specialized Services</b>			
<b>Ridership</b>			
• Revenue Passenger Trips	19,025	15,177	80%

## Discussion

Staff have continued to monitor recovery trends at a local, regional and industry-wide level. The following provides a summary of findings in the local context:

- Majority of service has been reintroduced via conventional and/or OnDemand delivery programs; cross-boundary growth services introduced in September 2022.
- While 2022 ridership averaged 54% of pre-COVID levels, year-to-date ridership is trending at 76% in December 2022 and 81% in January 2023.
- Staff anticipate continued month-to-month ridership recovery throughout 2023, with 100% recovery in 2024.
- Service utilization performance is affected by changing ridership composition and associated variable trip patterns (e.g. higher proportion of youth compared to GO Transit passengers). As a result, productivity improvements anticipated to be prolonged.
- Introduction of cross-boundary transit service has helped facilitate a broader labour market for local and regional employers.

The scope of work for the Milton Transit Service Review and Master Plan Update (COMS-002-23) will reflect on implications from the COVID-19 pandemic, as well as associated ridership recovery assumptions in the short, medium and long term.

### 3. OnDemand Service Update

In an effort to improve service productivity and efficiency, Milton Transit OnDemand was launched in 2021, replacing existed-conventional route(s), or introducing service in low demand, transitional areas. OnDemand service is currently provided in parts of Boyne, Derry Green and the 401 Industrial Park using criteria defined in the Alternative Service Delivery (ASD) Strategy (COMS-005-21).

Table 4 provides a comparison of OnDemand and conventional services, during the same four-month time period and associated service area. In summary:

- OnDemand has carried 44% more trips than conventional routes, with fewer attributed service hours
- OnDemand service utilization was 65% higher than conventional routes
- OnDemand service was 21% more cost effective than conventional routes in the areas



Discussion

Table 4. Comparison of Previous Conventional-Fixed Route and OnDemand Services

Indicator	Previous Conventional Routes (May-Aug 2021)	Replaced with OnDemand (May-Aug 2022)	% Change
<b>Amount of Service</b>			
• Contracted Service Hours	2,345	2,056	-12%
<b>Ridership</b>			
• Boardings	5,456	7,829	+44%
• Revenue Passenger Trips	4,839	6,936	+43%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	2.3	3.8	+65%
• Revenue Passenger Trips per Contracted Service Hour	2.1	3.4	+62%
<b>Financial Expenditure</b>			
• 2022 Contract Rate	\$49.99	\$45.22	-10%
• Expenditure	\$117,227	\$93,063	-21%

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

- Meeting strategic and/or value-based objectives
- Complexities of replacing routes that are integrated with other services and/or fixed-routes
- Propensity of transit use in growth areas
- Uniformity/irregularity of development
- Customer adaptation willingness and associated communication complexities

Nonetheless, OnDemand service implemented since 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.

4. Funding of 2022 COVID-19 Pressures

Total lost revenue in 2022 due to the pandemic amounted to just under \$780,000. Table 5 summarizes Federal-Provincial funding allocated for Milton to assist with mitigating the financial impacts of COVID-19 in the area of transit services in 2022.

## Discussion

**Table 5. Federal-Provincial Funding Allocation**

Program	Allocation Amount	Eligibility Criteria
Safe Restart Agreement Phase 3 - Supplementary Transit Funding	\$77,513	For eligible transit related financial pressures resulting from the pandemic incurred in the month of January 2022
Safe Restart Agreement Phase 4 - Transit Support	\$297,842	For eligible transit related financial pressures resulting from the pandemic incurred between February 1, 2022 and December 31, 2022

The Safe Restart funding allowed the Town to manage projected financial pressures through 2022. As a result of assistance provided by the Federal-Provincial governments, the budgeted \$200,000 contribution from the Tax Rate Stabilization Reserve to support transit services was not required in 2022.

## 5. 2023 Transit Division Work Plan

Table 6 summarizes Transit Division work plan initiatives for 2023 that feed into the Community Services departmental work plan, aligning with the Council-Staff Work Plan (ES-009-20).

**Table 6. 2023 Work Plan Initiatives**

Key Projects/Deliverables	Area of Focus	Council-Staff Work Plan Alignment	Timing
a. Milton Transit Service Review and Master Plan Update	Integrated Transit Strategy	Community Attractiveness and Competitiveness	Q2-Q1 2024
b. Transit Electrification Feasibility Strategy and Fleet Transition Road Map	Climate Change and Sustainability	Community Attractiveness and Competitiveness	Q1-Q3
c. Diesel-to-Battery Electric Bus (BEB) Conversion Pilot Project	Climate Change and Sustainability	Community Attractiveness and Competitiveness	Q1-Q4
d. Procurement of transit fleet: growth- place order	Asset Management	Planning for Growth	Q1-Q2
e. Fall service planning, Annual Transit Accessibility Plan	Integrated Transit Strategy	Community Attractiveness and Competitiveness	Q1-Q3





**Discussion**

f. Transit Garage Facility	Service Innovation and Growth	Planning for Growth; Community Attractiveness and Competitiveness	Q1-Q4
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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. Staff will provide Council with an update upon further developments.

**Financial Impact**

As ridership continues to recover from the pandemic, revenue losses in transit continue to be experienced relative to pre-pandemic levels and were just under \$780,000 in 2022. However, ongoing internal mitigation, coupled with the continued federal/provincial funding allocated, resulted in the net cost of transit services being slightly favourable to budget for 2022.

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
- Appendix 2. 2019-2022 Month-to Month Ridership Recovery

Approved by CAO  
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>

## Appendix 2. 2019-2022 Month-to-Month Ridership Recovery

