



# The Corporation of the Town of Milton

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Report To: Council

From: Tony D'Alessandro, Director, Transit Services

Date: April 15, 2024

Report No: COMS-001-24

Subject: 2023 Transit Services Annual Report

Recommendation: **THAT the 2023 Transit Services Annual Report be received.**

## EXECUTIVE SUMMARY

- A return to pre-COVID ridership levels was realized sooner than anticipated in 2023, predicated on the continued execution of a multi-pronged delivery approach that focused on:
  - Maintaining service levels on key corridors
  - Rightsizing/expanding service with Alternative Service Deliveries (ASDs) and Milton Transit OnDemand
  - Adding service capacity, when and where warranted
- Milton Transit achieved record annual ridership in 2023, surpassing pre-pandemic levels in September, with full recovery achieved in Q4.
- Comparing 2023 to 2022, annual ridership has:
  - Increased by 89% on conventional (fixed-route) and OnDemand services; 619,927 revenue passenger trips
  - Increased by 60% on specialized (door-to-door paratransit) services; 24,215 revenue passenger trips
- 2023 financial performance was driven by external and service-related factors, including:
  - Inflationary contract costs
  - Static Provincial Gas Tax allocation
  - School-related service additions/adjustments, expansion of OnDemand
  - Annualization of cross-boundary services to Mississauga
  - Increased fare media (ticket and pass) sales and mobile e-ticket adoption

## EXECUTIVE SUMMARY

- Ridership outlook for 2024 is projected to surpass 2023 levels, influenced by community and post-secondary market growth.
- Milton Transit OnDemand has continued to demonstrate increased productivity, efficiency and effectiveness, where currently applied.
- The 2024 Transit Division Work Plan focuses on the following strategic initiatives:
  - Completion of 5-Year Transit Service Review and Master Plan Update
  - Completion of Transit Fleet Electrification Feasibility Strategy
  - Launch of Diesel-to-Battery Electric Bus (BEB) Conversion Pilot Project
  - Procurement of Transit Fleet (replacement and growth)
  - Further development of the Transit Garage Facility

## REPORT

### Background

A strategic theme to the Milton 2051 Vision and Strategic Plan, Milton Transit continues to deliver a safe, reliable and integrated transportation option for residents and visitors, as they navigate the community defined by smart density, placemaking, mobility and economic developments. Milton Transit offers mobility access to employment, retail, community resources, medical care and social/recreational opportunities across the town. Free connections with GO Transit, Brampton Transit, MiWay and Halton Hills Activan services provide customers with additional access to a broader service area in the GTHA, comprised of many trip generators and destinations.

The 2023 Transit Services Annual Report provides an overview of key accomplishments, operational performance and outlook for the coming year. The report includes the following sections:

1. 2023 System Performance (using indicators as outlined in Appendix 1)
2. Ridership Recovery from COVID-19 and 2024 Outlook
3. OnDemand Service Update
4. 2024 Transit Division Work Plan

On the heels of relaxed travel restrictions from the latest COVID-19 variant in winter of 2022, transit systems across Ontario continued to balance service levels with demand throughout

## Background

2023. For Milton, a return to pre-COVID ridership levels was realized sooner than anticipated, with the implementation of new and adjusted services that recognized changes in travel patterns, travel demand and ridership composition. This result was predicated on the continued execution of a multi-pronged delivery approach with the following objectives:

- Maintaining service levels on key corridors
- Rightsizing/expanding service with Alternative Service Deliveries (ASDs); OnDemand
- Adding capacity, when and where warranted

Some transit initiatives launched in 2022 were maturing in 2023, including the cross-boundary service to Mississauga, delivered under a cost share agreement with the Town of Halton Hills. Working with our transit service provider, staff have also been able to adjust services in light of variable demand and capacity needs.

The Federal and Provincial governments concluded the COVID-19 relief funding via the Safe Restart Agreement (SRA), Phase 4 and Top-Up funding by the end of 2022. As a result, the Provincial Gas Tax program was the sole, dedicated, external funding source received for transit by the Town in 2023.

## Discussion

Milton Transit achieved record annual ridership in 2023. Monthly conventional ridership surpassed pre-pandemic levels in September with full recovery reached in Q4 (Appendix 2). While in-school learning has sustained youth ridership throughout the year, remote/hybrid work policies continue to influence the long-distance commuter market. As a result, GO Transit has yet to reintroduce pre-pandemic service levels to the Milton rail corridor. Staff continue to work with Metrolinx to advance strategic interests and integrate bus and rail services, where practicable.

Key policy decisions and service additions adopted by Council over the last few years have been influential to support ridership recovery in 2023. Previous service initiatives include:

- Changes to Fare Policy; fare products
  - Introduction of universal two (2) hour transfer, Sept 2020
  - Introduction of No-Fare Child concession for ages 12 and under, Sept 2020
  - Launch of mobile e-ticketing with Token Transit, Sept 2020
- Adoption and expansion of Alternative Service Deliveries (ASDs)

## Discussion

- Launch of Milton Transit OnDemand, Sept 2021
- Additional capacity for school-related trips, Sept 2022, 2023
- Adjustment to GO Transit Fare Integration Program (Metrolinx initiative)
  - Elimination of co-fare for trips connecting with GO services, March 2022; annualized in 2023
- Introduction and annualization of cross-boundary services
  - Service connection with Halton Hills Activan, March 2022
  - Service connection with Peel TransHelp, Sept 2022
- Service and fare integration with MiWay, Brampton Transit, GO Transit, Sept 2022; annualized in 2023
- Growth of OnDemand services
  - Service expansion into Boyne and Derry Green, Sept 2022
  - Service expansion into Mattamy National Cycling Centre, Sept 2023

These directives have broadened the reach of transit to diversified markets, contributing to ridership growth.

### 1. 2023 System Performance

Table 1 provides a summary of 2023 conventional (includes OnDemand) and specialized (Milton access+) service KPIs compared to 2022 annuals. Milton Transit delivered 58,256 service hours in 2023, representing a 26% growth in services compared to the previous year. The amount of service provided in 2023 can be attributed to annualized cross-boundary services implemented in the fall of 2022, as well as the reintroduction and addition of secondary-school trips. Conventional ridership (revenue passenger trips) surpassed 619,000 representing an increase of 89% compared to 2022 levels. Service utilization performance followed a similar positive trajectory, in line with pre-COVID productivity.

Consistent with the conventional service, specialized service (Milton access+) continued to operate throughout 2023, ensuring mobility to registrants who rely on the service for access to the community. Specialized ridership grew by 60% to 24,215 revenue passenger trips in 2023, representing an increase of approximately 8,000 trips compared to 2022. Capacity available on specialized services continues to support the delivery of comingled, OnDemand

**Discussion**

services in key areas of town. Staff will continue to monitor capacity on specialized transit should ridership maintain a similar growth rate throughout 2024.

**Table 1. KPIs - Conventional (includes OnDemand), Specialized Services, 2022-2023**

Indicator	2022	2023	% Change 2022-2023
<b>Conventional + OnDemand Services</b>			
<b>Amount of Service</b>			
• Contracted Service Hours	46,400	58,256	+26%
<b>Ridership</b>			
• Boardings	356,872	681,199	+91%
• Revenue Passenger Trips	328,742	619,927	+89%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	7.7	11.7	+52%
• Revenue Passenger Trips per Contracted Service Hour	7.1	10.6	+49%
<b>Specialized Services</b>			
<b>Ridership</b>			
• Revenue Passenger Trips	15,177	24,215	+60%

Table 2 provides a summary of 2023 financial performance compared to 2022. The rate of revenue generated by accelerated ridership recovery outpaced the rate of expenditure. As a result, the revenue/cost ratio increased by 7% in 2023 to 32.3%.

**Table 2. Financial Performance (all services), 2022-2023**

Indicator	2022	2023	% Change 2022-2023
• Expenditure	\$8,333,422	\$9,916,440	+19%
• Revenue	\$2,506,439	\$3,205,988	+28%
• Net Expenditure	\$5,826,983	\$6,710,452	+15%
• Revenue/Cost Ratio	30.1%	32.3%	+7%

Financial performance on Milton Transit Services in 2023 was driven by the following factors:

- External Pressures
  - Inflationary contract costs

## Discussion

- Static Provincial Gas Tax allocation
- Service Reintroduction and Growth
  - Incremental reintroduction of services
  - School-related service additions/adjustments
  - Expansion of OnDemand services
  - Annualization of cross-boundary services to Mississauga, under a cost-share agreement with the Town of Halton Hills
- Fare Revenue Growth
  - Increased fare media sales
  - High adoption rate (74%) for mobile e-ticketing (Token Transit)

## 2. Ridership Recovery from COVID-19 and 2024 Outlook

A return to pre-COVID ridership levels was realized sooner than anticipated, with month-to-month ridership recovering in September and continuing throughout Q4 (Appendix 2). Table 3 provides a summary of 2023 KPIs compared to 2019 pre-pandemic levels.

**Table 3. KPIs - Conventional (includes OnDemand), Specialized Services, 2019 vs 2023**

Indicator	2019 (Pre-COVID)	2023	% of 2019 (Pre-COVID Level)
<b>Conventional + OnDemand Services</b>			
<b>Amount of Service</b>			
● Contracted Service Hours	50,031	58,256	116%
<b>Ridership</b>			
● Boardings	647,301	681,199	105%
● Revenue Passenger Trips	604,205	619,927	103%
<b>Service Utilization</b>			
● Boardings per Contracted Service Hour	12.9	11.7	91%
● Revenue Passenger Trips per Contracted Service Hour	12.1	10.6	88%
<b>Specialized Services</b>			
<b>Ridership</b>			
● Revenue Passenger Trips	19,025	24,215	127%

## 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:

- All service hours have been reintroduced via conventional and/or OnDemand delivery programs; annualized cross-boundary services in 2023.
- 2023 conventional and specialized ridership averaged 103% and 127% of pre-COVID levels respectively.
- A measurement of how often service is used, service utilization performance (revenue passenger trips per contracted service hour) is trending favourably at 81% to pre-COVID levels, affected by changing ridership composition and variable trip patterns (e.g. higher proportion of youth compared to other demographics).
- Cross-boundary transit service has helped facilitate a broader labour market for local and regional employers.

While ridership levels and demand have returned, the travel patterns and priorities for Milton Transit riders have changed due in part to the continued existence of remote/hybrid working environments, as well as the launch of post-secondary programs at satellite campuses in town. These transformational changes, coupled with planned community growth, will continue to accelerate ridership demand throughout the coming years. As such, staff anticipate double-digit percentage ridership growth by the end of 2024. Further assessment of demand and capacity requirements in the short, medium and long term will be reviewed through the 5-Year Transit Service Plan and Master Plan Update, currently in progress.

### 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 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 59% more revenue trips than conventional routes, with 17% additional service hours



**Discussion**

- OnDemand service utilization was 33% higher than conventional routes (increased vehicle productivity)
- OnDemand service was 33% more cost effective (on a per revenue passenger trip basis) than conventional routes

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

Indicator	Previous Conventional Routes (May-Aug 2021)	Replaced with OnDemand (May-Aug 2023)	% Change
<b>Amount of Service</b>			
• Contracted Service Hours	2,345	2,746	+17%
<b>Ridership</b>			
• Boardings	5,456	9,899	+81%
• Revenue Passenger Trips	4,839	7,689	+59%
<b>Service Utilization</b>			
• Boardings per Contracted Service Hour	2.3	3.6	+57%
• Revenue Passenger Trips per Contracted Service Hour	2.1	2.8	+33%
<b>Financial Expenditure</b>			
• 2023 Contract Rate	\$49.99	\$45.22	-10%
• Expenditure	\$117,227	\$124,174	+6%
• Expenditure Per Revenue Passenger Trip	\$24.23	\$16.15	-33%

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 - routes
- Propensity of transit use in growth areas
- Uniformity/irregularity of development



**Discussion**

**4. 2024 Transit Division Work Plan**

Table 6 summarizes Transit Division work plan initiatives for 2024 that align with the 2023-2027 Town Strategic Plan.

**Table 6. 2024 Work Plan Initiatives**

<b>Key Projects/Deliverables</b>	<b>Strategic Themes</b>	<b>Timing</b>
a. Completion of 5-Year Transit Service Review and Master Plan Update	Connected Transit and Mobility; Planned Community Growth	Q2-Q3
b. Completion of Transit Fleet Electrification Feasibility Strategy	Innovate in Technology and Process	Q2-Q3
c. Launch of Diesel-to-Battery Electric Bus (BEB) Conversion Pilot Project	Innovate in Technology and Process	Q2-Q3
d. Procurement of transit fleet: replacement and growth - place order	Connected Transit and Mobility; Planned Community Growth	Q1-Q2
e. Further development of the Transit Garage Facility	Connected Transit and Mobility	On-going

A significant project currently in progress is the Transit Garage Facility. 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.

**Summary**

Demonstrated by an 89% growth in 2023 ridership, the Milton Transit system is meeting objectives to promote safe and sustainable mobility options for residents and visitors of all abilities. Transformational ridership composition changes, coupled with planned community growth, will continue to accelerate ridership demand throughout the coming years.



### Financial Impact

The net cost of providing transit service in 2023 was favourable to budget by \$652,189 which was largely driven by revenues associated with increased GO Transit fare integration subsidies and fare media sales, combined with savings in fleet costs, particularly vehicle maintenance and fuel.

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: 2019-2023 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. 2019-2023 Month-to-Month Ridership Recovery**  
 (Conventional services only, excludes OnDemand)

