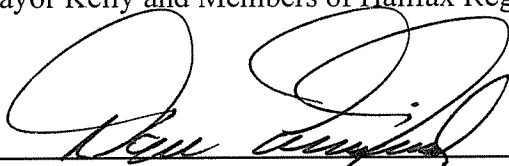


Halifax Regional Council
April 14, 2009
Committee of the Whole
April 21, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy CAO - Operations

DATE: April 7, 2009

SUBJECT: **Expanded Rural Transit Options**

ORIGIN

- December 9, 2008 Council approved a contract extension and expedited acquisition of six replacement vehicles to potentially be utilized to expand off peak service in 2009/10.
- December 16, 2008 Committee of the Whole approved in principle that the draft 2009/10 budget be prepared using “Regional” and “Local” area rates for transit service.
- February 10, 2009 Council approved including a conventional transit route for the Sambro loop in the 2009/10 budget “funded through the general tax rate”.
- March 3, 2009 Council approved inclusion in the proposed Metro Transit operating budget for the upcoming 2009/10 and subsequent fiscal years, funding for conventional transit routes to service the communities of Prospect, Timberlea, Fall River, Cow Bay, Lawrencetown, Musquodoboit Harbour, and Lucasville Road in the manner fully integrated with the existing Metro Transit services, and examine funding through the general tax rate and/or other means identified by HRM staff and approved by Council; the first service to commence as soon as the required buses are available. And, be it further resolved that the current Community Transit based area-rated transit services in Beaver Bank, Hammonds Plains and Porters Lake also be incorporated into the same conventional transit service delivery model.

- March 3, 2009 Committee of the Whole approved the inclusion of a transit fare increase in the proposed 2009/10 budget in order to partially close the funding gap related to service expansion in Years 2 - 5 of the 5 Year Approach to Transit Enhancements.

RECOMMENDATIONS

It is recommended that Halifax Regional Council direct staff:

1. Defer any requests for the addition of any new Rural Transit Services not currently in the 5-Year Approach to Transit Enhancements until a plan is in place to pay for the expanded services
2. Direct staff to develop Rural Transit Service Standards, and return to Council in September 2009 as part of the updated Operational Plan, with an outline approach and a financial plan to introduce Rural Transit Services, including recommendations to help Council determine under what conditions rural service should be expanded, and in what order of priority, recommendations regarding operational issues, service design and required changes to the 5 year capital plan, as well as the necessary adjustments required to the current approved 5 Year Approach to Transit Enhancements.

BACKGROUND

In April 2008 Council approved the 5 Year Approach to Transit Enhancements which contemplates a capital investment of \$137 million in transit from the 2008/09 fiscal year to 2012/13. In December 2008 Council subsequently approved the contract extension for the expedited acquisition of six replacement vehicles. In that report staff Council also directed staff to investigate opportunities to use these replacement vehicles to expand off peak service and include these options for Council consideration as part of the 2009/10 budget process. These enhancements are critical to addressing existing limitations and customer expectations, particularly as they relate to the Burnside Business Park. The following Table 1 outlines service enhancements presented to Council in the report:

Table 1: Proposed 2009/10 Service Enhancements

Route	Day	Initiative	Annual Hours	Net Annual Cost (\$000)
1	Weekday	Increase mid-day frequency - 10 min	5,900	\$395.1
66	Weekday	Increase mid-day frequency - 30 min	4,500	296.7
66	Weekday	Extend evening service to Sackville	1,200	83.5
16	Saturday	Implement all-day service	2,500	164.3
20	Saturday	Extend service to downtown	1,900	124.1
60	Sunday	Running time issue	700	44.5
82	Sunday	Running time issue	1,100	73.5
Total			17,800	\$1,181.7

As previously reported to Council, introduction of expanded service will require additional operating funds, with the gap growing to an estimated \$16.3 million by 2012/13 (Appendix A). At the March 3, 2009 Committee of the Whole, Council approved a transit fare increase for inclusion in the 2009/10 operating budget. The additional fare revenue is to partially fund the cost of expanded service in 2009/10 and beyond.

Rural Transit service is not part of the scope of the 5 Year Approach to Transit Enhancements, however there is a planned implementation of Rural Express service (MetroX) with the first route along the Highway 103 corridor scheduled for the Fall of 2009, and two additional routes planned in 2011/12 along the Highway 107 and 102 corridors. Any increase in scope to the plan, such as the introduction of Rural Transit, will increase the operating gap even further.

Metro Transit currently operates two Community Transit routes to Beaver Bank and Porters Lake. These routes are outside of the Urban Core, and as such are funded through an Area Rate. Additionally, the service is provided through separate Collective Agreement provisions that determine the operating parameters. Under these provision, there is a different rate of pay for operators and Community Transit service is precluded from picking up or dropping off within the Urban Core. A third route, the Hammonds Plains Route 33 operates as a hybrid route, with portions Area Rated and portions General Rated. The service is provided under the Conventional Operator provisions of the Collective Agreement and a fare of \$2 is charged versus the \$3 fare for the other two Community Transit routes.

An updated Operational Plan is currently in development and one of the key deliverables of the Plan will be revised Service Standards, including Rural Transit standards. These standards will identify appropriate alternative service delivery options, i.e. vehicle type and size, and establish service frequency, time-of-day standards and performance (revenue recovery) standards. Staff expect to return to Council in September 2009 with the updated Plan for approval.

DISCUSSION

Staff recognizes that it is Council's desire to improve transit service to rural areas of HRM. The challenges to meeting this expectation fall into a number of broad categories as follows:

- ▶ Operational issues - supervisory coverage, radio coverage, Department of Transportation (DOT) requirements, matched boundary changes for Access-a-Bus, Collective Agreement Provisions
- ▶ Facility constraints - Burnside Transit Centre is overcapacity and cannot accommodate additional vehicles until the Ragged Lake Transit Centre (RLTC) opens in May 2010
- ▶ Vehicle constraints - with the exception of MetroX vehicles currently in production there will be no expansion vehicles acquired until after RLTC opens
- ▶ Operating funds - Rural Transit is currently outside of the scope of the 5 Year Approach to Transit Enhancements, and adequate operating funds have yet to be secured for the service expansion currently in the Plan

Based on these constraints, staff have endeavoured to estimate the cost of introducing the Rural Transit service as requested by Council in its February 10 and March 3 motions. These estimated costs are summarized in Table 2 below:

Table 2: Proposed Rural Transit Routes - Operating Costs

Route	Passengers per Hour	Projected Annual Ridership	Annual Revenue	Annual Op'g Cost	Net Op'g Cost	Recovery
Porters Lake *	7.1					
Hammonds Plains **						
Musquodoboit Harbour	10.5	76,300	\$152,600	\$552,400	\$399,800	27.6%
Cow Bay	8.0	43,700	\$87,400	\$419,800	\$332,400	20.8%
Beaver Bank (existing)	7.8	44,500	\$89,000	\$437,100	\$348,100	20.4%
Fall River	7.8	38,500	\$77,000	\$377,400	\$300,400	20.4%
Prospect	6.2	26,700	\$53,400	\$330,200	\$276,800	16.2%
Sambro	5.8	32,000	\$64,000	\$419,800	\$355,800	15.2%
Lucasville	5.4	17,900	\$35,800	\$250,600	\$214,800	14.3%
Lawrencetown	5.4	26,100	\$52,200	\$371,800	\$319,600	14.0%
Timberlea	5.3	20,300	\$40,600	\$294,800	\$254,200	13.8%
Total		326,000	\$652,000	\$3,453,900	\$2,801,900	18.9%

* To be replaced by Musquodoboit Harbour Route

** Operates as Route 33 Conventional Service

In addition to these annual operating costs staff have identified an additional \$7.8 million in capital costs to acquire vehicles, expand the radio coverage, and construct the estimated 435 bus stops.

These costs are significant but it is important for Council to note that the single biggest factor in arriving at these estimates is the service delivery model used. Given the current fleet composition and the constraints in the Collective Agreement, staff have no other alternative at present than to operate with Class 2 licenced operators . There are a number of more cost effective service delivery models to be considered, for example Dial-a-Ride, Vanpool, taxis, and small buses, however staff need time to plan and implement a more appropriate strategy for meeting the needs of rural communities.

To advance planning for improvements to Rural Transit, staff see three necessary steps:

Step 1: Revise Service Design Standards for Rural Transit

Complete the Operational Plan with an emphasis on alternative service delivery models and appropriate service standards for Rural Transit. This Plan will provide a “blueprint” for the development of a comprehensive strategy for implementation of Rural Transit throughout HRM.

Step 2: Determine the Mechanism for Funding Rural Transit

In order for staff to proceed with planning and implementation of transit service in the rural areas the current taxation scheme for transit will need to be addressed. On December 16, 2008 Council approved in principle that the draft 2009/10 budget be prepared using “Regional” and “Local” area rates for transit service.

Step 3: Develop a Rural Transit Plan

Guided by revised Service Design Standards and enabled by an appropriate funding mechanism staff will develop a multi-year plan for the introduction of Rural Transit. This Rural Transit Plan will either replace elements of the current 5 Year Approach or will add new elements and/or extend the time frame for the Plan.

Council’s motions of February 10 and March 3 directed staff to include 9 new Rural Transit routes in it’s 2009/10 Operating Budget for introduction as soon as the required vehicles were available. As previously discussed, no additional vehicles are available or planned until 2010/11 with the exception of the currently ordered MetroX vehicles. If it is Council’s desire to proceed with some form of Rural Transit, staff could use 1 or 2 of the ordered vehicles in order to “pilot” one Rural Transit route. The route selected from those proposed would be at the direction of Council. Operating funding for the “ pilot” route could come from the funds earmarked for service expansion in 2009/10 related to the fare increase, however one or more of the initiatives proposed in Table 1 would have to be deferred to a later year. Using the MetroX vehicles would mean that staff would be unable to respond to anticipated demand once the Highway 103 service is introduced later this year. Further, introduction of a new Rural Transit route without a comprehensive strategy would

make it difficult in the future to make changes to the Collective Agreement and service delivery model.

ALTERNATIVES

Council could direct staff to proceed with introducing one Rural Transit route in 2009/10 on a “pilot” basis using the MetroX vehicles and expansion funding provided by the fare increase. If this were Council’s direction the Sambro Loop route would be logical choice as it is further along in terms of community consultation and service development.

BUDGET IMPLICATIONS

There are no direct budget implications for the recommendations within this report. Amendments to the Rural Transit Service standards within the updated Operational Plan may entail budget implications however these will be outlined in the Plan when presented to Council.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN


This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

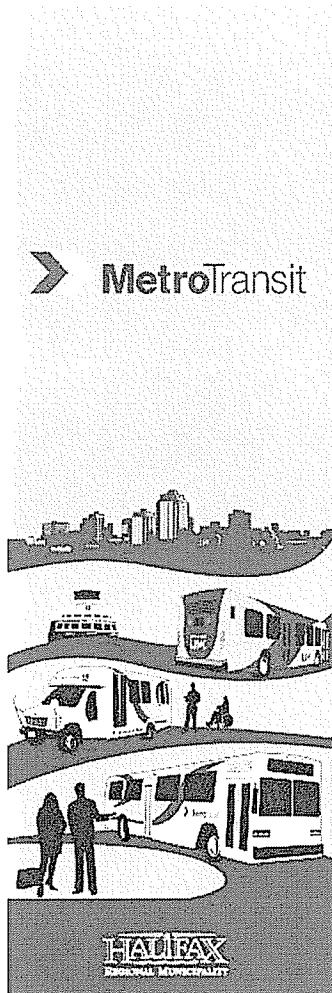
AppendixA: Operating Funding Gap Slide

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: 
Mike Labrecque, Director, TPW

APPENDIX A:
Transit Funding Gap Slide



Operational Funding Gap (adjusted)

