



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 4**  
**Committee of the Whole**  
**December 18, 2013**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by: \_\_\_\_\_  
Eddie Robar, Director of Metro Transit

**DATE:** December 9, 2013

**SUBJECT:** Proposed 2014/2015 Metro Transit Budget and Business Plan

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**ORIGIN**

At the October 22, 2013 Committee of the Whole, Council directed staff to present the 2014/15 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

**LEGISLATIVE AUTHORITY**

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

**RECOMMENDATION**

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2014/2015 Metro Transit Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 14/15 Budget and Business Plan documents.

## **BACKGROUND**

As part of the design of the 2014-2015 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 19, 2013 Committee of the Whole Regional Council considered and confirmed their Strategic Priority Outcomes and directed staff to: "develop the 2014/15 Budget and Business Plans in support of these priorities."

## **DISCUSSION**

Staff has prepared the proposed 14/15 Budget consistent with the preliminary fiscal direction received from Council on October 22, 2013 and aligned with Council Priorities as directed on November 19, 2013.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2014/15 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 22, 2013.

## **FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed budget for 2014-15. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

## **COMMUNITY ENGAGEMENT**

None are specifically associated with this report.

## **ENVIRONMENTAL IMPLICATIONS**

None

## **ALTERNATIVES**

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

## **ATTACHMENTS**

Metro Transit 2014 – 2015 Budget and Business Plan Presentation

**Metro Transit**  
**Proposed 2014/2015 Metro Transit Budget and Business Plan**  
**Committee of the Whole**

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**- 3 -**

**December 18, 2013**

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

Report Prepared by: Eddie Robar, Director of Metro Transit

Report & Financial Approval by: Original Signed by:

\_\_\_\_\_  
Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308

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## Metro Transit 14/15 Draft Budget and Business Plan

Committee of the Whole

December 18, 2013



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1




## 14/15 Proposed Plan

- Metro Transit is achieving the goals set by Council in the 2013-14 budget
- 2014-15 approach is funded within the guidelines of the 2013-14 approved approach
- There is no requirement for Metro Transit to raise fares
- There is no requirement for Metro Transit to raise the Local or Regional Transit rate
- Metro Transit is well positioned to achieve the path council approved in 2013-14

2

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## Agenda

- **Current Picture**
- **Where is Metro Transit Going?**
- **What does this mean?**

3

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## Metro Transit

### **Current Picture of Metro Transit**

4

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## Business Unit Overview

- 27 million rides annually – An increase of 2 million annual rides
- 267 conventional buses
- 3 Ferries
- 36 Access-A-Buses
- 20 MetroLink buses
- 25 MetroX buses
- 946 funded positions
- 2 transit centres
- 3 ferry terminals
- 11 bus terminals
- 16 Park & Ride Lots


**Replacement Value of Vehicle Assets**  
\$188,800,000

### Metro Transit Staff by Classification

Metro Transit by Classification	
ATU Access-A-Bus Operators	67
ATU Bus Maintenance	132
ATU Bus Operators	586
ATU Ferry Operators	41
Director	1
Manager	8
Non Union Admin	4
Non Union Non Supervisor	14
NSUPE	22
Supervisor	68
Temp Position	3
<b>Total</b>	<b>946</b>

5

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## 2013-14 Approved Approach

Projects	2013-14	2014-15	2015-16
AVL System Replacement			
New Transit Technology			
Lacewood Terminal			
New Ferry			
Ragged Lake Transit Centre Expansion			
Burnside Transit Centre Expansion			
Highfield Terminal Upgrade			
Ferry Terminal Pontoon State of Good Repair			
Conventional Bus Expansion	9	5	5
Conventional Bus Replacement	10	7	4
Access-A-Bus Expansion	2	2	2
Access-A-Bus Replacement	0	4	10
New Transit Map			

Delivered
  Reduced
  Not Delivered
  Not Required

6

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## 13/14 Deliverable Update

Project	Update
AVL System Replacement – Phase 1	Vendor award report expected early January
Lacewood Terminal	Construction is underway – Expected completion in December 2014
New Ferry	Construction is underway – In service May 2014
Ragged Lake Transit Centre Expansion	Construction is near complete
Highfield Terminal Upgrade	Construction well underway – Expected completion in January 2014
Woodside Ferry Terminal Pontoon	Tender evaluation in progress – Expected completion date is November 2014
Halifax Ferry Terminal Pontoon	Complete

7

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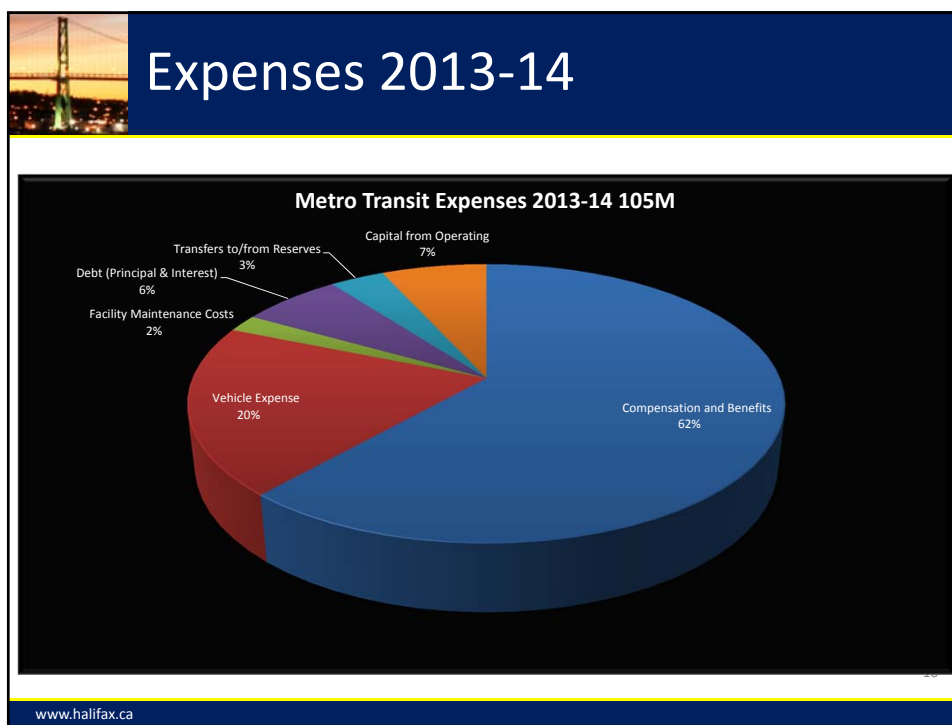
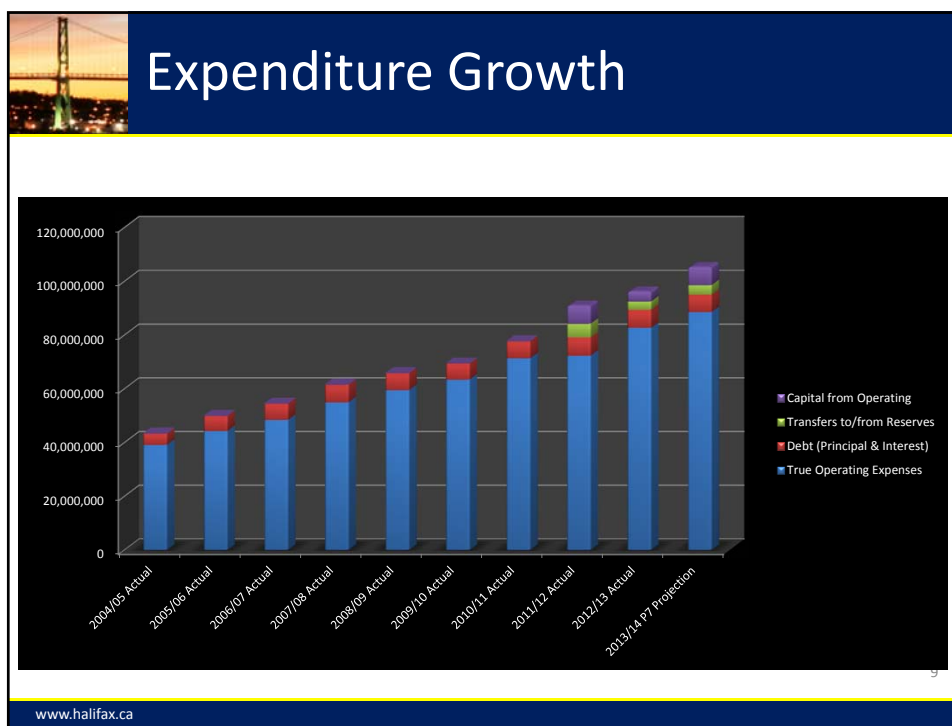


## 13/14 Deliverable Update


Project	Update
Conventional Bus Expansion	Service Improvements Complete February
Conventional Bus Replacement	Complete
Access-A-Bus Expansion	In progress
Access-A-Bus Replacement	Complete
New Transit Map	Award report has been submitted

8

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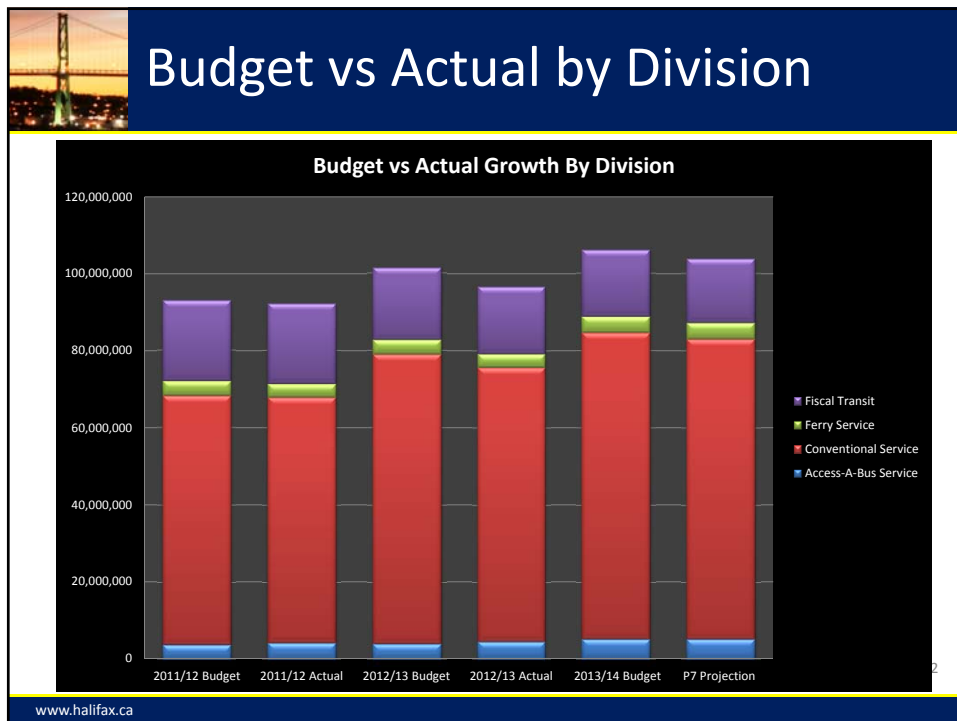



## Year Over Year Service Area Budget Overview

Metro Transit Expenses by Service Area	2011/12 Budget	2011/12 Actual	2012/13 Budget	2012/13 Actual	2013/14 Budget	P7 Projection
Access-A-Bus Service	3,846,300	4,320,436	4,073,000	4,659,527	5,318,500	5,340,400
Conventional Service	64,435,200	63,600,635	74,961,000	71,084,300	79,405,800	77,796,100
Ferry Service	3,847,300	3,486,461	3,808,000	3,507,823	4,235,300	4,233,300
Fiscal Transit	20,806,400	20,762,452	18,623,300	17,400,749	17,244,400	16,568,300
<b>Total Expenses</b>	<b>92,935,200</b>	<b>92,169,984</b>	<b>101,465,300</b>	<b>96,652,399</b>	<b>106,204,000</b>	<b>103,938,100</b>

11

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## 13/14 Operating Budget Overview

Cost Element Groups	2011-12 Budget	2011-12 Actual	2012-13 Budget	2012-13 Actual	2013-14 Budget	2013-14 P7 Projection
<b>Expenditures</b>						
Compensation and Benefits	53,648,434	53,236,477	59,733,400	57,865,983	62,427,800	61,690,000
Office	712,100	572,789	723,000	655,066	930,500	853,200
External Services	528,541	754,082	591,000	643,266	808,200	793,200
Supplies	935,600	622,748	983,000	770,642	1,172,900	1,226,600
Materials	3,500	25,556	0	0	0	100
Building Costs	77,900	85,834	75,000	164,085	155,000	211,700
Equipment & Communications	584,400	677,382	652,000	700,586	694,000	690,000
Vehicle Expense	15,516,683	16,176,302	19,038,000	18,594,340	20,584,600	19,756,300
Other Goods & Services	3,274,181	755,671	3,066,900	936,811	1,298,800	1,295,900
Interdepartmental	0	(624,618)	1,969,000	3,066,545	2,016,300	1,981,300
Debt Service	6,349,850	6,733,059	6,765,000	6,763,139	6,564,000	6,494,500
Other Fiscal	11,304,000	13,154,701	7,869,000	6,491,934	9,551,900	8,945,800
<b>Total</b>	<b>92,935,189</b>	<b>92,169,984</b>	<b>101,465,300</b>	<b>96,652,399</b>	<b>106,204,000</b>	<b>103,938,100</b>
<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>P7 Projection</b>
Tax Revenue	(28,066,000)	(28,108,355)	(29,997,000)	(29,949,040)	(31,930,000)	(31,680,100)
Area Rate Revenue	(35,855,000)	(35,871,848)	(38,368,000)	(38,729,628)	(40,910,000)	(40,886,000)
Fee Revenues	(31,663,100)	(26,545,374)	(32,332,300)	(30,525,430)	(32,591,800)	(32,510,600)
Other Revenue	(760,300)	(844,062)	(768,000)	(804,390)	(772,200)	(862,100)
<b>Total</b>	<b>(96,344,400)</b>	<b>(91,369,638)</b>	<b>(101,465,300)</b>	<b>(100,008,488)</b>	<b>(106,204,000)</b>	<b>(105,938,800)</b>
<b>Net (Surplus)/Deficit</b>	<b>(3,409,211)</b>	<b>800,345</b>	<b>0</b>	<b>(3,356,089)</b>	<b>0</b>	<b>(2,000,700)</b>

13

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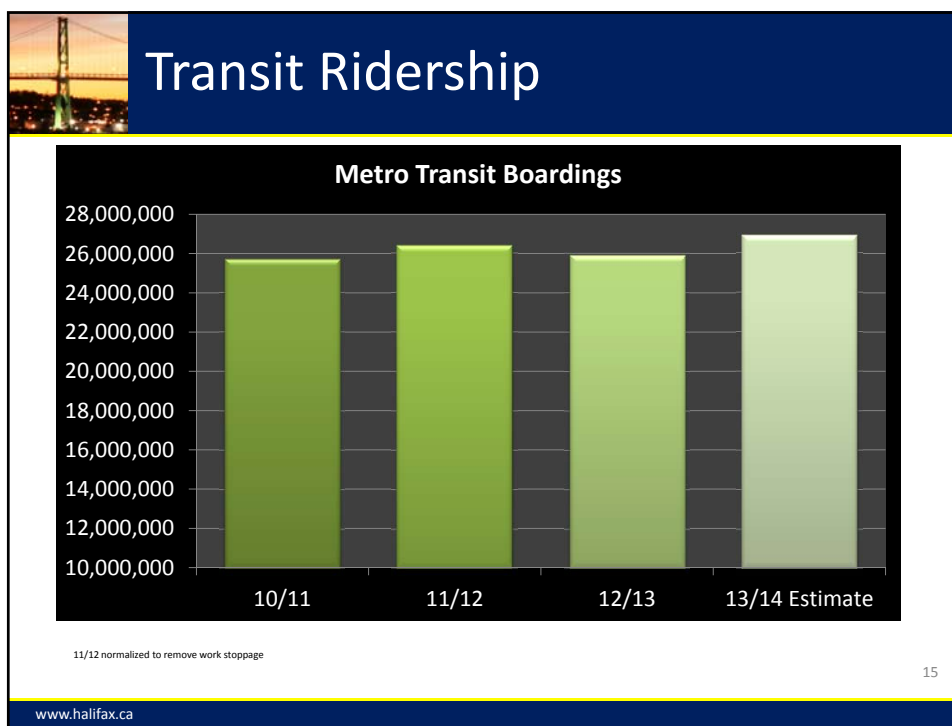


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Supplies	622,748	770,642	1,172,900	1,226,600
Materials	25,556	0	0	100
Building Costs	85,834	164,085	155,000	211,700
Equipment & Communications	677,382	700,586	694,000	690,000
Vehicle Expense	16,176,302	18,594,340	20,584,600	19,756,300
Other Goods & Services	755,671	936,811	1,298,800	1,295,900
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<b>Net (Surplus)/Deficit</b>	<b>800,345</b>	<b>(3,356,089)</b>	<b>0</b>	<b>(2,000,700)</b>

14

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## Metro Transit

### Where is Metro Transit going?

16

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## Vision

To be the transportation mode of choice for the citizens of HRM

Our sole focus for the next few years is on Changing the Customer Experience

17

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## Pillars

- Technology
- Service Review
  - Internal
  - External
- Infrastructure & Assets

18

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## Technology

- Phase 1 - Begin installation
  - CAD/AVL replacement
    - Traveller Information Systems
  - Automated Stop Annunciation
- Phase 2 – Request for Proposal
  - Begin work on Fare Management Systems
- Fleet Focus

19

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## Service Review

- Internal
  - Healthy Workplace
    - Reduce absenteeism through consistent administration of HRM's attendance support program
    - Develop, monitor, and report on healthy workplace strategies in the areas of wellness, health promotion, employee appreciation and recognition to improve the workplace and employee health and wellbeing
    - Reduce preventable collisions and establish a consistent means of investigation to prevent recurrences

20

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## Service Review

- Internal
  - Healthy Workplace
    - Deliver Continuous Training Program for bus operators
    - Deliver Human Rights training to all Metro Transit employees
    - Ensure safety training is current for all supervisors


21

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## Service Review

- External
  - Consultation phase 1 complete
  - Begin phase 2 consultation of the Moving Forward Plan in coordination with RP+5
    - Review network concepts with the public



22

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## Infrastructure & Assets

- Lacewood Terminal
- Alderney Ferry Terminal
- Woodside Pontoon
- Buses
- Ferry

23

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## Mission

To provide a safe, convenient and reliable public transit service

1. Technology Enhancement (**Convenience**)
2. Service Review (**Reliability**)
3. Infrastructure/Asset Renewal (**Safety**)

24

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## 14/15 Priority Initiatives

Priority Outcome	Priority Initiative	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
Transportation	New and Improved Transit Technology	\$12.3M	\$15.8M	\$5.7M
Transportation	Strategic Five Year Plan			
Transportation	Expanded Bus & Ferry Service	\$2.6M	\$2.7M	\$2.7M
Organizational Capacity	Healthy Workplace Strategy			
Organizational Capacity	Safety – Collision Investigation			
Transportation	New and Renovated Bus & Ferry Terminals	\$4M	\$ .8M	\$ .3M
Transportation	Service Design Related to the MacDonald Bridge Re-Decking			

25

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## Financial Strategy

- Additional Revenue
  - Fare & Ridership Increase - \$1M
  - Service Expansion - \$500K
  - Transit & Commercial Tax - \$3M
- 13/14 Projected Surplus - \$2M

26

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## 14/15 Cost Reduction Efficiencies

### Operating Efficiencies

- 58 new hires in 13/14 = \$600K saved through wage steps
- 68 new hires in 14/15 = \$550K saved through wage steps
- Fleet Recap & Maintenance = \$250K Saved in R&M
- Vacancy Management = \$1M Saved in compensation

Overall efficiencies approximately = \$2.4M

27

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## Year to Year Base Comparison

### 13/14 Expenses at 14/15 Costs

Items	13/14 Budget	13/14 Period 7 Projection	14/15 Proposed	Variance to Budget
Tax Revenue	\$72,566,000	\$72,566,100	\$76,120,000	\$3,554,000
Fare Revenue	\$32,591,800	\$32,442,300	\$34,127,800	\$1,536,000
Salaries, Wages & Benefits	\$56,852,200	\$56,503,600	\$60,160,500	\$3,308,300
Overtime	\$5,575,600	\$5,186,400	\$5,224,200	-\$351,400
Vehicle Repair & Maintenance	\$9,009,500	\$8,473,800	\$9,160,900	\$151,400
Diesel	\$11,575,100	\$11,282,500	\$10,550,000	-\$1,025,100

28

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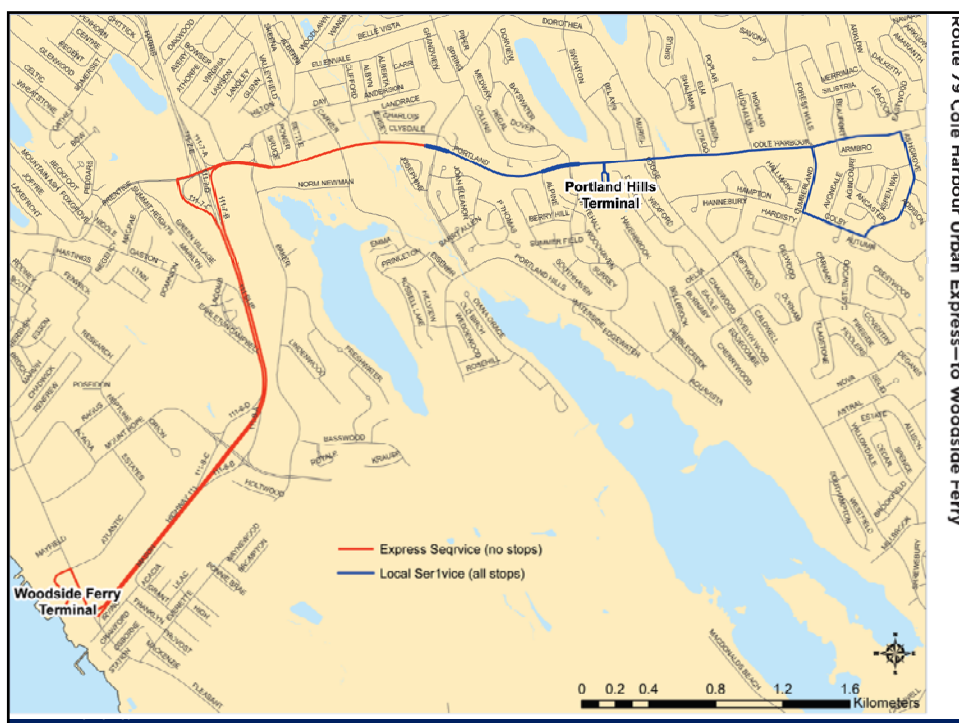
## 14/15 New or Expanded Services

- Technology
- Woodside Expansion Ferry
- Lacewood Terminal
- Route 78 & 79 Urban Express in Support of the Woodside Ferry

29

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## 14/15 Capital Projects

Project Description	2014-15	2015-16	2016-17
	(Millions)		
Halifax Ferry Terminal	\$0.00	\$0.53	\$0.00
Lacewood Terminal	\$3.35	\$0.00	\$0.00
Ferry Terminal Pontoon	\$0.68	\$0.25	\$0.25
Ferry Replacement	\$4.40	\$0.00	\$0.00
MetroX Replacement	\$0.00	\$0.00	\$3.13
New Transit Technology	\$11.60	\$15.20	\$5.05

32



## 14/15 Capital Projects

Project Description	2014-15	2015-16	2016-17
	(Millions)		
Access-A-Bus Expansion	\$0.25	\$0.25	\$0.25
Access-A-Bus Replacement	\$0.40	\$1.00	\$0.70
Conventional Bus Expansion	\$2.35	\$2.40	\$2.40
Conventional Bus Replacement	\$4.40	\$1.80	\$10.35

33

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## Metro Transit

**What does this mean?**

34

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## What does this mean?

- Metro Transit is achieving the goals set by Council in the 2013-14 budget
- 2014-15 approach is funded within the guidelines of the 2013-14 approved approach
- There is no requirement for Metro Transit to raise fares
- There is no requirement for Metro Transit to raise the Local or Regional Transit rate
- Metro Transit is well positioned to achieve the path council approved in 2013-14

35

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## Questions and Discussion

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