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Item No. 3
Committee of the Whole
February 4, 2015

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Eddie Robar, Director, Halifax Transit

DATE: February 4, 2015

SUBJECT: Proposed 2015/16 Halifax Transit Business Unit Budget and Business Plan

ORIGIN

At the October 21, 2014 Committee of the Whole, Council directed staff to present the 2015/16 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 2015/2016 Halifax Transit Business Unit 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 15/16 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2015/2016 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 18, 2014 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2015/16 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 15/16 Budget consistent with the preliminary fiscal direction received from Council on October 21, 2014 and aligned with Council Priorities as directed on November 18, 2014.

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 2015/16 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 21, 2014.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2015-16. 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

Halifax Transit Business Unit 2015 – 2016 Budget and Business Plan Presentation

Halifax Transit Business Unit

Proposed 2015/2016 Halifax Transit Business Unit Budget and Business Plan

Committee of the Whole

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February 4, 2015

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Report and Financial Approval by: Original Signed

Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308



2015/16 Halifax Transit Draft Budget and Business Plan

Committee of the Whole

2015-16 Proposed Approach

- ❑ Fulfill commitment reduced tax rate \$0.005
- ❑ Focus on service continuity with MacDonald Bridge re-decking
- ❑ Implement AVL system
- ❑ Procure fare management system
- ❑ Approved approach to the Halifax Transit network plan

Agenda

- ❑ Business Unit Overview
- ❑ 2014/15 Progress Report
- ❑ 2015/16 Overview

Business Unit Overview

Business Unit Overview

- ❑ Halifax Transit provides public transportation services through Conventional Bus, Ferry, Access-A-Bus, Community Transit, MetroLink, and MetroX vehicles.
- ❑ Operating the transit services are 927 employees, two major Transit Centres, three ferry terminals, and several Bus Terminals.

Service Areas

Conventional

- ❑ **Bus Operations** – Offers a network of fixed routes providing public transit services to the residents of HRM.
 - ❑ **Bus Maintenance** - Provides maintenance, repair, and cleaning/servicing to keep buses in good running order.
 - ❑ **Planning & Scheduling** – Responsible for service changes and route planning/scheduling; bus stop maintenance and additions; and capital projects including vehicles, buildings, and land.
-

Service Areas

- ❑ **Resource Support & Development** – Responsible for safety, training, recruitment, attendance management and employee development.
- ❑ **Technical Services** – Responsible for security, EMO planning, and implementation of technology projects.

Service Areas

Ferry Operations

A network of two fixed ferry routes providing public transit services to the residents of HRM within Halifax Harbour.

Access-A-Bus

Specialized shared, demand-based, door-to-door para-transit service for persons who are unable to use the conventional transit system.

Fiscal Services

Tax revenue, debt, reserve/capital funding

Business Unit Overview

- 19.5 million revenue rides
- 272 conventional buses
- 4 Ferries
- 38 Access-A-Buses
- 20 MetroLink buses
- 25 MetroX buses
- 2 transit centres
- 3 ferry terminals
- 11 bus terminals
- 16 Park & Ride Lots

Halifax Transit Staff by Classification

Halifax Transit by Classification	
ATU Access-A-Bus Operators	66
ATU Bus Maintenance	124
ATU Bus Operators	564
ATU Ferry Operators	39
Director	1
Manager	8
Non Union Admin	4
Non Union Non Supervisor	17
NSUPE	21
Supervisor	68
Proposed	12
Temp Position	3
Total	927



Business Unit Position Overview

Position Count						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
ATU Access-A-Bus Operators	56	60	63	66	66	66
ATU Bus Maintenance	115	118	118	124	124	124
ATU Bus Operators	489	500	537	555	564	564
ATU Ferry Operators	29	30	30	39	39	39
Director	1	1	1	1	1	1
Manager	7	8	8	8	8	8
Non Union Admin	2	3	4	4	4	4
Non Union Non Supervisor	11	12	12	16	17	17
NSUPE	18	18	19	20	21	21
Supervisor	62	62	65	67	68	68
Proposed				4	8	12
Temp Position	2	2	3	3	3	3
Total	792	814	860	907	923	927

Business Unit Position Overview

	Position Change Per Year					
	2010-11	2011-12	2012-13	2013-14	2014-15	Total
ATU Access-A-Bus Operators	13	4	3	3		23
ATU Bus Maintenance	4	3		6		13
ATU Bus Operators	18	11	37	18	9	93
ATU Ferry Operators		1		9		10
Director						0
Manager		1				1
Non Union Admin		1	1			2
Non Union Non Supervisor	2	1		4	1	8
NSUPE	2		1	1	1	5
Supervisor	2		3	2	1	8
Proposed				4	8	12
Temp Position			1			1
Total	41	22	46	47	20	176

Halifax Transit Focus

- ☐ **Transforming the Customer Experience**
 - ☐ **Technology**
 - ☐ **Infrastructure and Asset Renewal**
 - ☐ **Service Review**

Technology

- Phase 1 investment in technology
 - AVL/GPS (Fall 2015 Pilot, tentative release Q2 16/17)
 - Public interfaces (push email and texts, where's my bus on smart phone)
 - Voice Stop Annunciation
 - Automated Passenger counters
- Phase 2 Fare technology (RFP 2015)
 - Re-loadable proximity cards for passes or QR codes on smart phone
 - Automated ticket transfers
 - Websites to re-load passes and more.....

Asset & Infrastructure Renewal

- Focus on environment for passengers and employees
- Replacement strategy for vehicles and vessels
 - Increased Accessibility
- Upgrading outdated infrastructure
 - Dartmouth Bridge Terminal
 - Highfield Terminal
 - Lacewood Terminal
 - Alderney Ferry Terminal
 - Woodside pontoon replacement
 - BTC Garage Expansion

Service Plan

- Service
 - External (Consultation February 2015)
 - Review the transit system to ensure we have one network philosophy that works
 - Ensure we are focused on generating ridership and keeping our system current
 - Internal
 - Healthy workplace strategies
 - Strategic approach to work environment
 - Programming centered on focus areas
 - Employee investment
 - » Ensuring our employees have necessary tools

14/15 Progress Update

14/15 Progress Update

14/15 Plan	Progress Update
Moving Forward Together Plan	<ul style="list-style-type: none">• The draft Moving Forward Together Plan is nearing completion. Halifax Transit has procured National Public Relations to assist in preparing and conducting consultation on the draft plan.• Consultation is expected to occur from February 2015 through to April 2015.

14/15 Progress Update

14/15 Plan	Progress Update
Service Expansion	<ul style="list-style-type: none">• Expanded Woodside Ferry service is in-service.• Expanded bus service to integrate Woodside Ferry is in-service.• Design of expanded bus service to Lacewood Terminal is complete and will begin August 24, 2015.

14/15 Progress Update

14/15 Plan	Progress Update
Transit Technology	<ul style="list-style-type: none">• Design implementation of the CAD/AVL replacement project is underway.• Evaluation of the RFP for a driving simulator is in the final stages.• The RFP for a fare management will be released in early 2015.

14/15 Progress Update

14/15 Plan	Progress Update
Bus Recapitalization Plan	<ul style="list-style-type: none">• Conventional buses have been received and are in-service.• Para-transit buses are expected by March 2015.• The final procurement of the New Flyer contract for 9 conventional 40' buses has been placed and delivery is expected by Fall 2015.

14/15 Progress Update

14/15 Plan	Progress Update
Ferry Recapitalization Plan	<ul style="list-style-type: none">• Design, construction, fit out and certification of the Replacement Ferries will be funded under this project.• We anticipate to procure two ferries, with one entering service in Spring 2015 and the other in Fiscal 16/17.• A third ferry may follow at a later date.

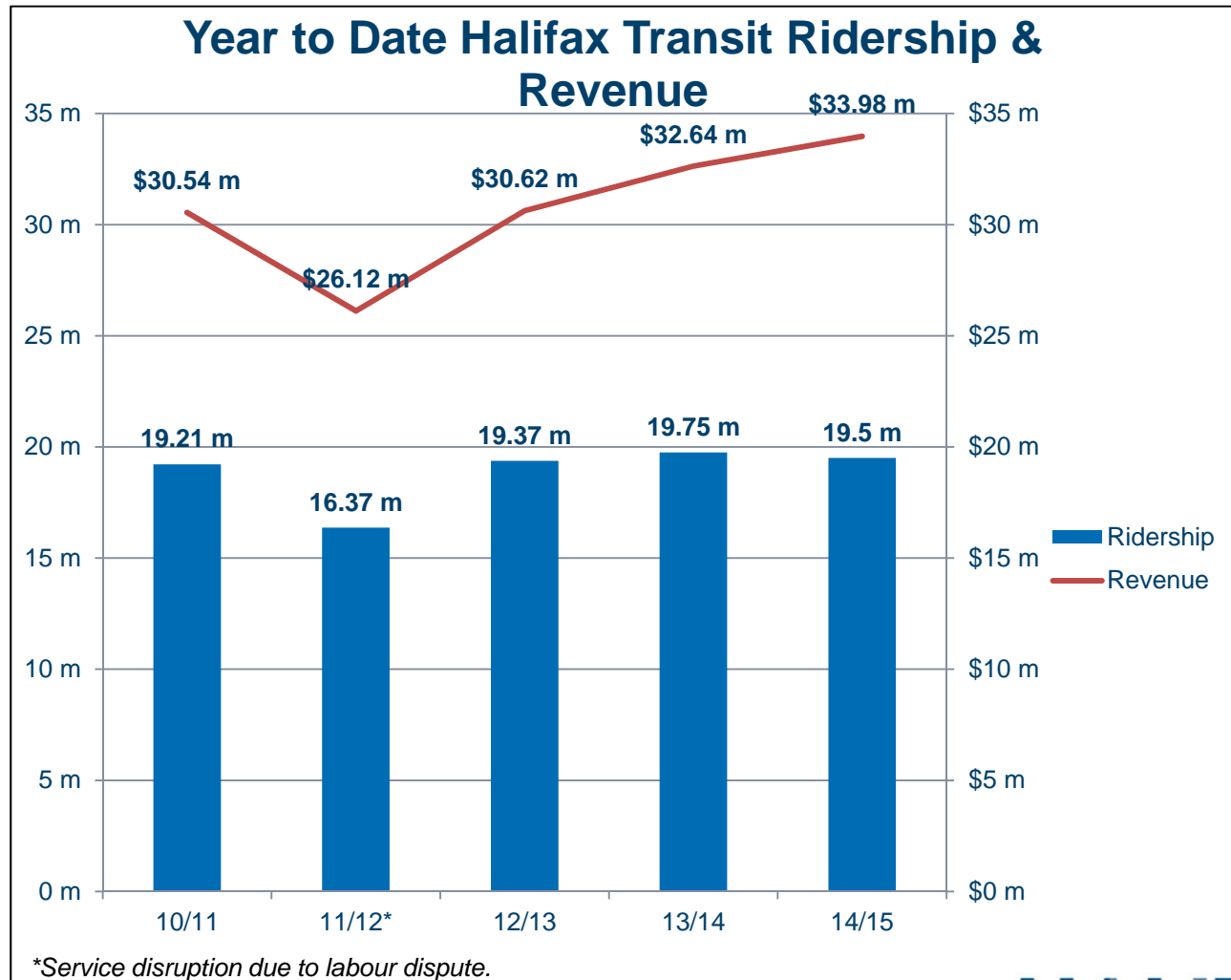
14/15 Progress Update

14/15 Plan	Progress Update
Lacewood Terminal / Terminal Renovations	<ul style="list-style-type: none">• Construction of the terminal is underway. The facility is scheduled to be complete in Summer 2015.• Renovations to the Alderney Ferry Terminal are complete.
Healthy Workplace Strategy	<ul style="list-style-type: none">• 177 employees have received human rights training.• 1400 hours of continuous training for bus operators has been delivered this year.• A healthy workplace needs assessment is underway.

14/15 Progress Update

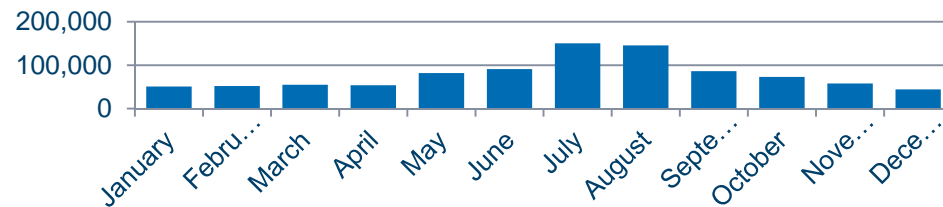
14/15 Plan	Progress Update
Bridge Re-decking Mitigation Plan	<ul style="list-style-type: none">• MacDonald Bridge closures are scheduled to begin March 1, 2015.• Regular routes have been re-scheduled and shuttle service is planned effective February 23, 2015.• Corporate Communications is working to create a public awareness campaign.

Transit Ridership

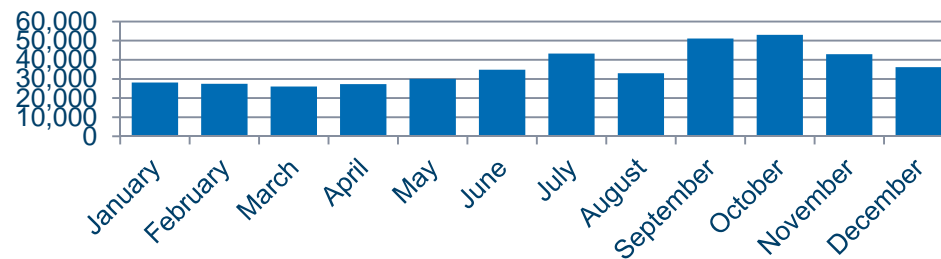


Transit Ferry Ridership

Alderney Ferry 2014 Ridership



Woodside Ferry 2014 Ridership



2015/16 Overview

Budget Overview

Cost Element Groups	2013-14		2014-15		2015-16
Expenditures	Budget	Actual	Budget	Q3 Projection	Proposed
Compensation and Benefits	62,489,700	60,484,250	67,118,400	65,885,400	70,927,500
Office	934,300	616,535	1,677,500	779,300	984,300
External Services	808,200	747,267	1,635,000	1,733,800	1,841,500
Supplies	1,172,900	1,167,247	952,450	1,166,700	1,071,150
Materials	0	4,122	38,000	44,000	38,000
Building Costs	155,000	143,312	2,187,350	2,748,900	2,194,100
Equipment & Communications	694,000	760,608	860,700	1,123,400	794,900
Vehicle Expense	20,584,600	20,820,414	20,372,100	20,614,400	16,718,600
Other Goods & Services	1,328,100	914,736	1,476,200	1,608,500	1,814,900
Interdepartmental	2,016,300	1,892,345	14,000	-40,400	-86,000
Debt Service	6,564,000	6,537,283	5,426,900	5,394,200	4,385,100
Other Fiscal (OCC, capital funding, reserves)	9,551,900	11,990,368	9,264,000	9,364,300	11,980,950
Total	106,299,000	106,078,487	111,022,600	110,422,500	112,662,000
Revenues					
Tax Revenue	-31,930,000	-31,680,066	-33,342,100	-33,494,100	-33,811,000
Area Rate Revenue	-40,910,000	-40,893,983	-42,730,000	-42,788,000	-43,398,600
Fee Revenue	-32,594,400	-32,548,230	-34,123,000	-33,714,300	-34,568,500
Other Revenue	-792,700	-910,802	-827,500	-866,800	-883,900
Total	-106,227,100	-106,033,081	-111,022,600	-110,863,200	-112,662,000
Net Surplus/Deficit	71,900	45,406	0	-440,700	0

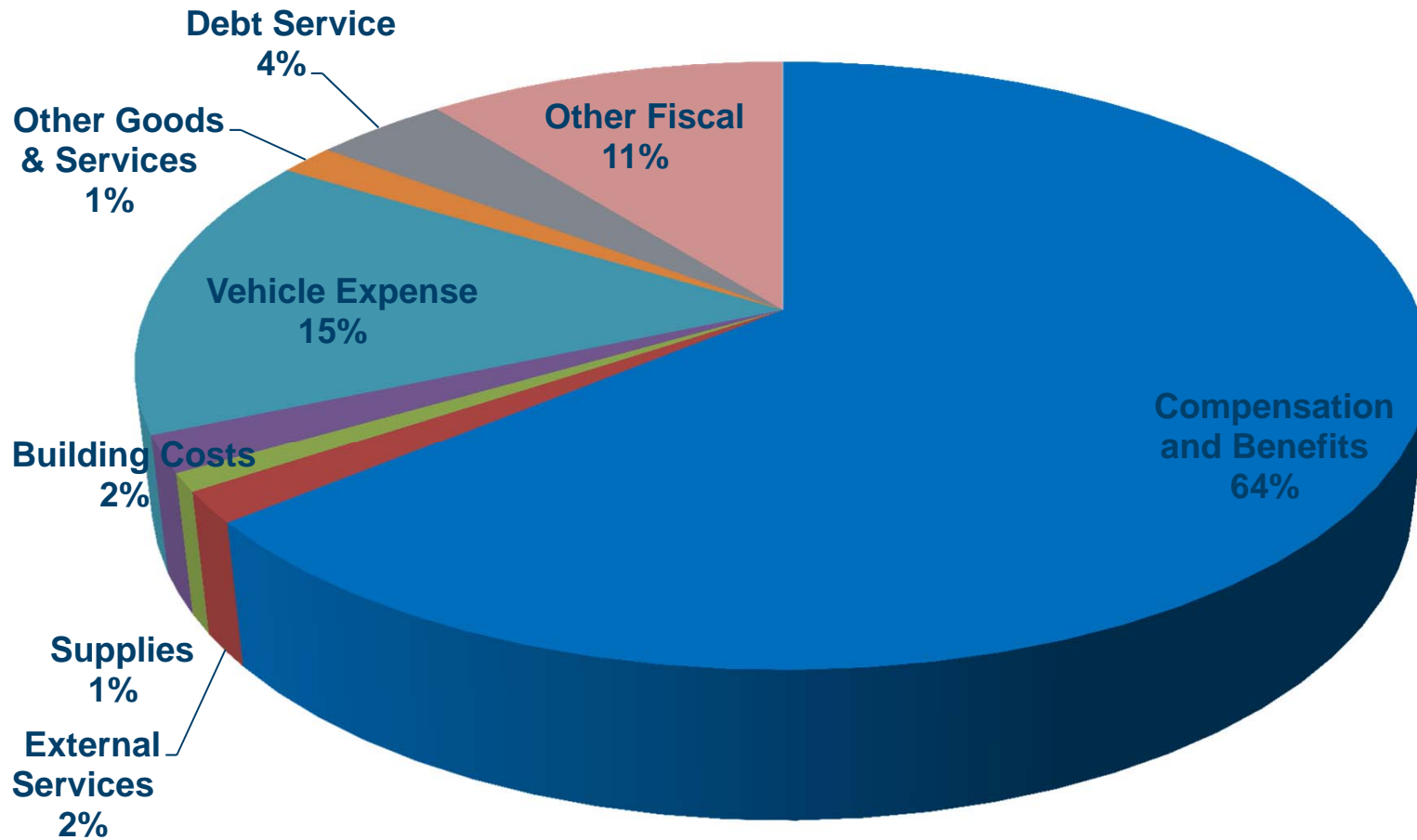
2015/16 Halifax Transit Draft Budget and Business Plan



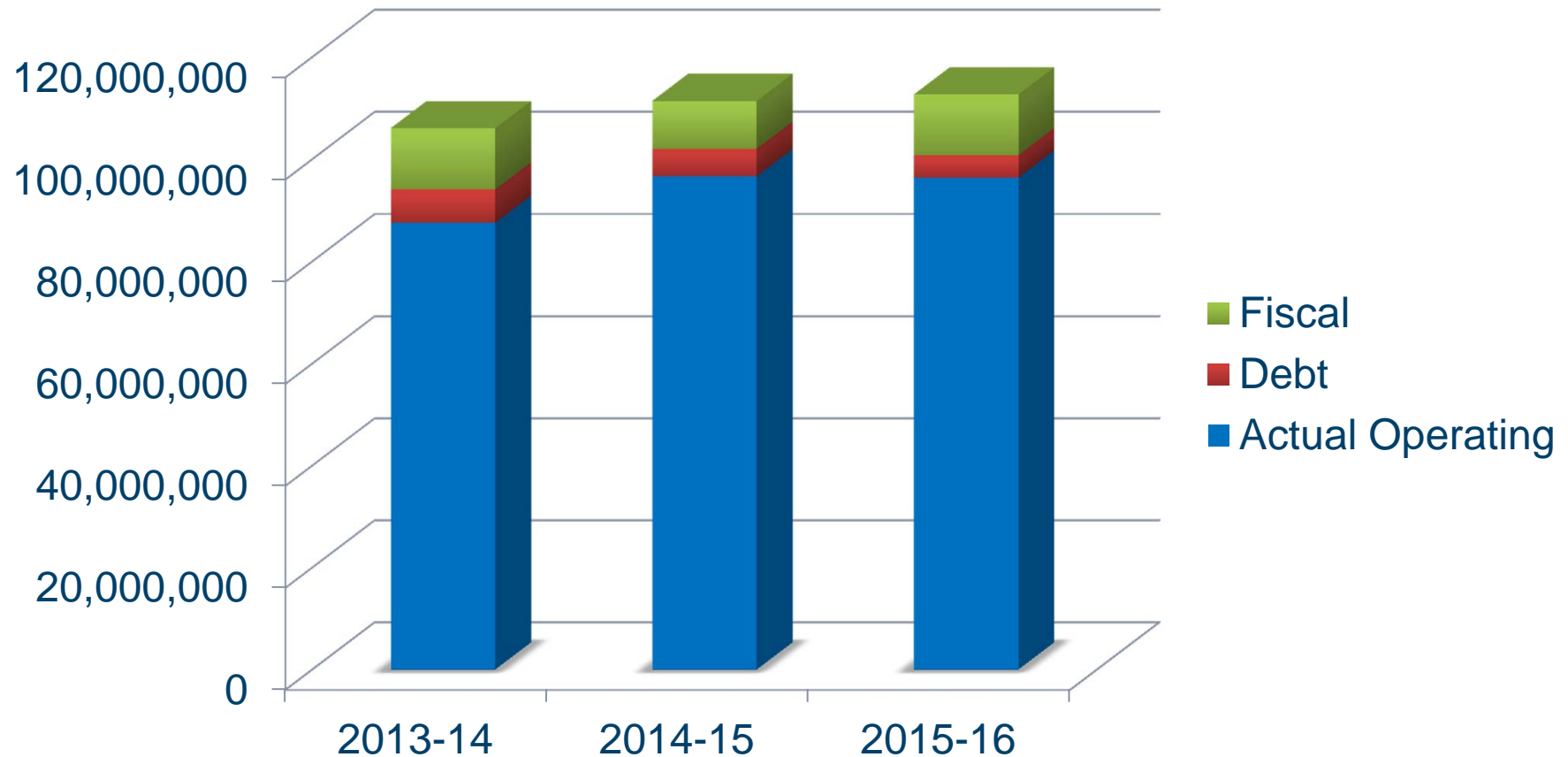
Operating Expense Overview

Cost Element Groups	2013-14		2014-15		2015-16
Expenditures	Budget	Actual	Budget	Q3 Projection	Proposed
Compensation and Benefits	62,489,700	60,484,250	67,118,400	66,270,500	70,927,500
Office	934,300	616,535	1,677,500	779,300	984,300
External Services	808,200	747,267	1,635,000	1,733,800	1,841,500
Supplies	1,172,900	1,167,247	952,450	1,166,700	1,071,150
Materials	0	4,122	38,000	44,000	38,000
Building Costs	155,000	143,312	2,187,350	2,748,900	2,194,100
Equipment & Communications	694,000	760,608	860,700	853,400	794,900
Vehicle Expense	20,584,600	20,820,414	20,372,100	20,458,900	16,718,600
Other Goods & Services	1,328,100	914,736	1,476,200	1,608,500	1,814,900
Total	90,183,100	87,550,836	96,331,700	95,664,000	96,295,950

Expenses 2015-16



Expenditure Growth



	2013-14		2014-15		2015-16		
Expenditures	Budget	Actual	Budget	Q3 Projection	Proposed	Net of Fare Recovery	Cost Recovery
Conventional	79,500,800	77,967,200	80,960,100	80,320,500	81,362,700	48,598,200	40.3%
Ferry	4,235,300	3,652,100	4,854,500	4,494,000	4,919,600	2,516,200	48.9%
Access-A-Bus	5,318,500	5,308,300	5,518,800	5,547,500	6,285,900	6,015,900	4.3%
Transit Facilities	0	0	3,091,200	3,870,000	3,091,200		
Operating Cost of Capital	1,128,500	623,236	1,907,100	1,432,000	636,550		
Total Operating Expenses	90,183,100	87,550,836	96,331,700	95,664,000	96,295,950		
Fiscal (Debt, reserves)	16,115,900	18,528,064	14,690,900	14,758,500	12,125,700		
Total Expenditures	106,299,000	106,078,900	111,022,600	110,422,500	112,662,500		
Revenue							
Fee	33,315,300	33,387,300	34,877,500	-34,522,600	-35,437,900		
Tax	72,911,800	72,645,800	76,145,100	-76,340,600	-77,224,100		
Total Revenue	106,227,100	106,033,100	111,022,600	-110,863,200	-112,662,000		
Net Surplus/Deficit	0	45,800	0	-440,700	0		

15/16 Operating Budget Highlights

- ❑ Reduction of Transit Tax \$0.005
- ❑ Tax reduction proposed in the 13/14 Budget & Business Plan

13/14 Approved Plan

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

15/16 Operating Budget Highlights

- ❑ Reduction of the Local and Regional rate
 - ❑ Local rate reduction of \$0.003
 - ❑ Regional rate reduction of \$.002
- ❑ \$2.7M reduction in tax revenue
- ❑ \$3.7M revenue increase from assessment growth in Local, Regional and Commercial tax revenue

15/16 Operating Budget Highlights

- ❑ Reduction of bus maintenance costs
- ❑ Allow for additional employee training & development
- ❑ Public consultation on new service plan
- ❑ Opening of Lacewood Terminal
- ❑ AVL implementation mini-fleet testing
- ❑ Bridge re-decking service continuity plan

Bridge Re-decking Plan Costs

Route	Adjustment	Annual Hours	Annual Cost
Conventional Service			
Shuttles*	Shuttles for the MacDonald Bridge closure	16,251	\$990,512
Adjustments*	Scheduling adjustments related to the bridge closure	2,074	\$135,094
Conventional Total		18,325	\$1,125,606

Route	Adjustment	Annual Hours	Annual Cost
Ferry Service			
Alderney	Additional ferry service	1,526	\$457,650
Ferry Total		1,526	\$457,650

Route	Adjustment	Annual Hours	Annual Cost
Access-A-Bus Service			
AAB	Two expansion Access-A-Bus buses	4,360	\$270,786
Access-A-Bus Total		4,360	\$270,786

Grand Total		24,211	\$1,854,041
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15/16 Cost Reduction Initiatives

Cost Reduction Initiative	Proposed 15/16 Saving
Bus Maintenance – New tire contract, collaborating with Youth Live, improved warranty recovery	\$250,000
Ferry maintenance	\$100,000
Reduction in printed media – guides, maps, inserts	\$50,000
Fleet Focus	
Absenteeism Reduction 1%	\$416,978
Vacancy Management	\$800,000
Wage Step Savings	\$300,000
Total to offset Base Cost increase	

15/16 Priority Initiatives

Priority Outcome (Why we are doing it)	Strategic Initiative (What we propose to do)	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Transportation – Asset Service Plan	Transit Asset & Infrastructure Renewal	\$14.3M	\$21.8M	\$21.7M
Transportation – Integrated Mobility	Transit Service Plan			
Transportation - Technology	Transit Technology	\$1.2M	\$18.7M	\$3.1M

15/16 New or Expanded Services

- Technology AVL implementation mini-fleet testing
- Lacewood Terminal
- New Replacement Ferry
- Halifax & Woodside Ferry Terminal Renovation
- Access-A-Bus Expansion
- Commuter Rail Study
- MacDonald Bridge Re-Decking Service Continuity
 - Additional Transit service shuttles
 - Increased Alderney Ferry service
- Increased accessible routes Route 80 & 81
- Moving Forward Together Plan

Halifax Transit

- Is achieving the goals set out by Halifax Regional Council
- Following through on the commitment to reduce the Transit Tax rate
- No requirement to raise fares
- Focus on achieving technological implementation
- Focus on getting approved network service plan

Questions and Discussion

