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REVISED Dec 9/15
(Slides 3 & 7 of presentation only)

Item No. 3
Committee of the Whole
December 9, 2015

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Eddie Robar, Director, Halifax Transit

DATE: November 30, 2015

SUBJECT: Proposed 2016/17 Halifax Transit Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of September 22, 2015, staff is required to present the 2016/17 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 2016/2017 Halifax 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 16/17 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2016/2017 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 24, 2015 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2016/17 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 16/17 Budget consistent with the preliminary fiscal direction received from Council on October 20, 2015 and aligned with Council Priorities as directed on November 24, 2015.

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 2016/17 Budget and Business Plan documents to be presented to Council, as per the process and schedule in the September 22, 2015 Information Report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2016-17. 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 2016 – 2017 Budget and Business Plan Presentation

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.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.

Report Prepared by: Kimberley Cusack – Coordinator, Halifax Transit, 902.490.6624

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Report and Financial Approval by: Original Signed
Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

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(Slides 3 & 7 only)

Re: Item No. 3

HALIFAX TRANSIT

2016/17 Halifax Transit Draft Budget & Business Plan

Committee of the Whole

Business Unit Overview

REVISED

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 933 employees, two major Transit Centres, three ferry terminals, and several Bus Terminals.

Service Areas

- **Director's Office –** Provides leadership, guidance, assistance and support to the transit team. Responsible to review and respond to citizen service requests.
- **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.

Service Areas

- **Resource Support and Development** – Responsible for safety, training, recruitment, attendance management, and employee development.
- **Planning & Scheduling** – Responsible for service changes and route planning/scheduling; bus stop maintenance and additions; and capital projects including vehicles, buildings, and land.
- **Technical Services** – Responsible to implement, service and support technological systems.

Service Areas

- **Ferry Operations**

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

- **Access-A-Bus**

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

- **Fiscal Services**

  Tax revenue, debt, reserve/capital funding

Business Unit Overview

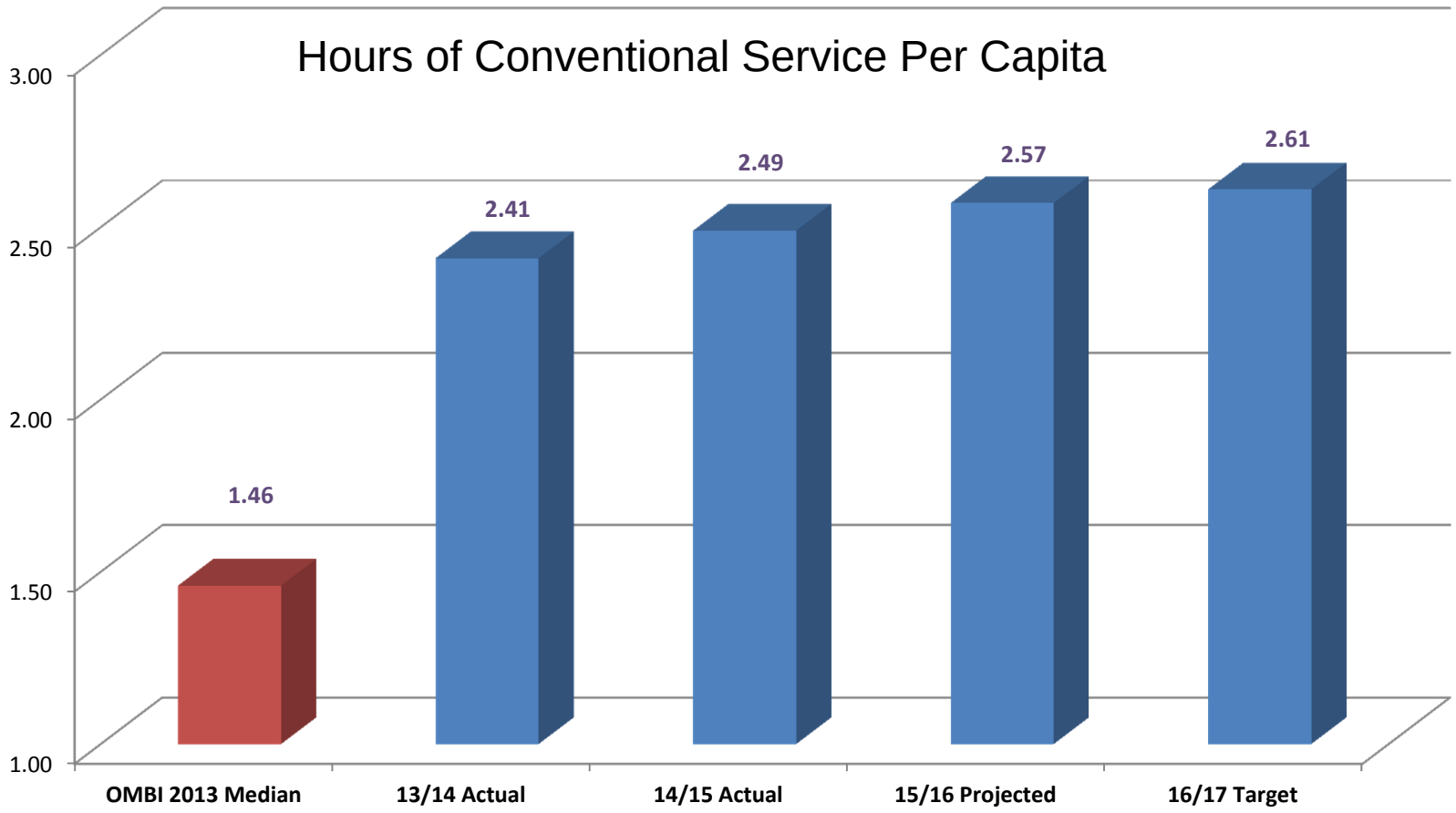
REVISED

- 19.2 million revenue rides
- 278 conventional buses
- 5 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	
ATU Access-A-Bus Operators	70
ATU Bus Maintenance	124
ATU Bus Operators	563
ATU Ferry Operators	40
Director	1
Manager	8
Non Union Admin	4
Non Union Non Supervisor	17
NSUPE	23
Supervisor	70
Proposed	12
Temp Position	1
Total	933

HALIFAX

Service per Capita



Note: - Excludes Ferry
- OMBI: Ontario Municipal Benchmarking Initiative.
- OMBI indicator definition: Revenue Vehicle Hours per Capita in Service Area

HALIFAX

Business Unit Position Overview

Position Count							
	2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
ATU Access-A-Bus Operators	56	60	63	66	66	66	70
ATU Bus Maintenance	115	118	118	124	124	124	124
ATU Bus Operators	489	500	537	555	564	564	563
ATU Ferry Operators	29	30	30	39	39	39	40
Director	1	1	1	1	1	1	1
Manager	7	8	8	8	8	8	8
Non Union Admin	2	3	4	4	4	4	4
Non Union Non Supervisor	11	12	12	16	17	17	17
NSUPE	18	18	19	20	21	21	23
Supervisor	62	62	65	67	68	68	70
Proposed				4	8	12	12
Temp Position	2	2	3	3	3	3	1
Total	**792**	**814**	**860**	**907**	**923**	**927**	**933**

HALIFAX

Business Unit Position Overview

Position Change Per Year							
	2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**Total**
ATU Access-A-Bus Operators	13	4	3	3		4	27
ATU Bus Maintenance	4	3		6			13
ATU Bus Operators	18	11	37	18	9	-1	92
ATU Ferry Operators		1		9		1	11
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	2	7
Supervisor	2		3	2	1	2	10
Proposed				4	8		12
Temp Position			1			-1	0
Total	**41**	**22**	**46**	**47**	**20**		**183**

HALIFAX

Halifax Transit Initiatives

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

Technology

- 15/16 Update
  - AVL installation
    - Completed installation in five of twelve test buses.
    - Mini fleet testing in progress.
    - Installed in 8 mobile supervisor vehicles
    - Operator training began in October
  - Technical evaluation of fare management is complete. The next steps in the process are under way

Technology

- 16/17 Deliverables
  - Complete the implementation of automated passenger counters
  - Complete the implementation of bus stop announcement, a voice call-out and text display system
  - Implementation of a fare management solution
  - Complete the implementation of the Computer Aided Dispatch/Automated Vehicle Locator system

Asset and Infrastructure Renewal

- 15/16 update
  - Replacement ferry, Craig Blake – In service
  - Hull 3 – name TBD – expected summer 2016
  - Halifax Ferry Terminal & Woodside Ferry Terminal upgrade project charter under development

Asset and Infrastructure Renewal

- 16/17 Deliverables
  - Construction, fit out and certification of a replacement ferry
  - Complete environmental assessments and other preparatory work required in advance of the Burnside Transit Centre expansion in 2017-18
  - Renovate the Halifax Ferry Terminal
  - Begin a multi-year renovation of the Woodside Ferry Terminal
  - Complete year one of the five year bus replacement plan, procuring 40 of 112 forty foot (40') conventional buses

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Asset and Infrastructure Renewal

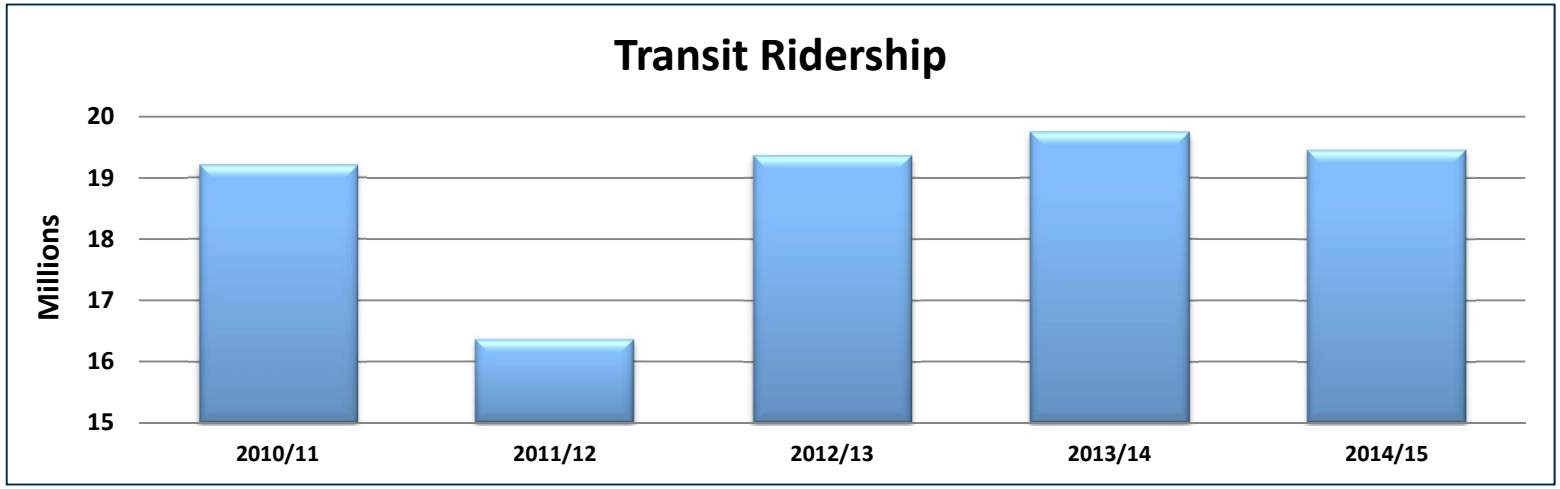
- 16/17 deliverables
  - Complete year one of the three year para-transit vehicle replacement plan, tendering and procuring nine of 28 para-transit vehicles
  - Complete a business case for the shift to alternative fuel usage in the conventional bus fleet

Service Plan

- 15/16 update
  - Lacewood Terminal – complete and in service
  - Burnside Transit Centre - project charter and RFP under development
  - Transit Moving Forward Together Plan consultation complete. Feedback being analyzed
  - Commuter rail feasibility study complete; consultant report was presented at TSC in October
  - Universal Accessibility Plan project charter under development

Service Plan

- Satisfaction with Transit
- Transit ridership down 1.47%
- Revenue from ridership up 2.04% to $33,141,897, from $32,480,600
- Hours and KMs of service increased by 3.45% and 2.45% respectively



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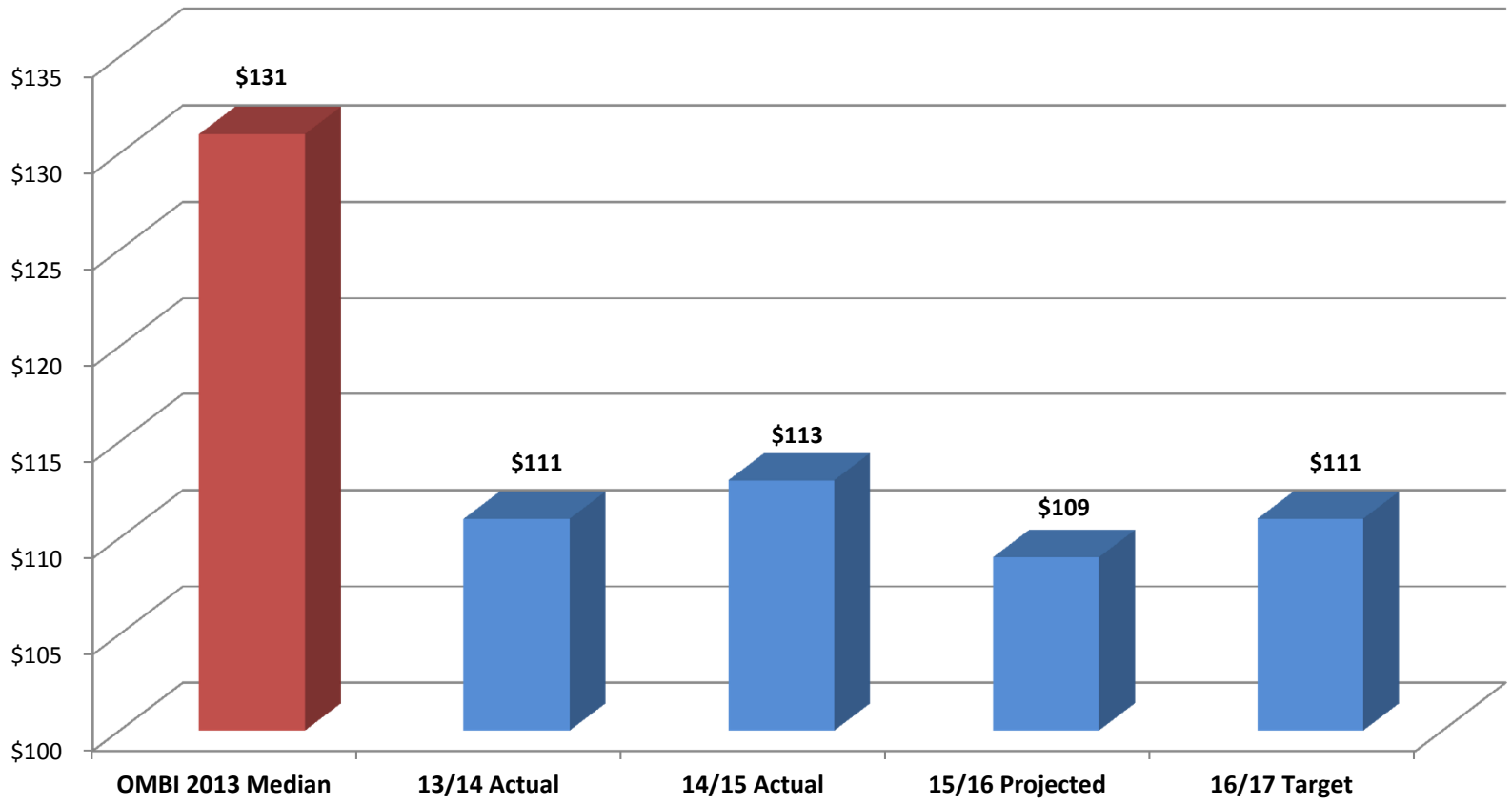
Service Plan

- 16/17 Deliverables
  - Begin design of the Wright's Cove Terminal
  - Prepare for initial implementation of the Moving Forward Together Plan
  - Construct a transit right turn lane on the west side of Windmill Road

2016/17 Overview

Cost to Operate

Cost to Operate Conventional Transit Bus per In-Service Hour



Note: - OMBI indicator definition: Total Cost (Expenses) per Revenue Vehicle Hour (includes amortization).
- HRM data does not include amortization

Operating Budget Overview

Cost Element Groups	2014-15		2015-16		2016-17
Expenditures	Budget	Actual	Budget	Q3 Projection	Proposed
Compensation and Benefits	67,118,400	65,836,849	70,932,000	69,090,979	71,881,200
Office	1,677,500	664,647	1,003,300	988,600	937,100
External Services	1,635,000	2,025,826	1,897,400	2,055,900	2,761,600
Supplies	952,450	1,000,309	1,076,600	1,115,100	1,057,800
Materials	38,000	49,347	40,900	267,700	184,900
Building Costs	2,187,350	3,048,314	2,111,700	2,113,900	2,055,700
Equipment & Communications	860,700	851,506	797,600	751,900	814,600
Vehicle Expense	20,372,100	21,848,875	18,508,600	18,421,300	18,202,600
Other Goods & Services	1,476,200	1,541,614	1,904,000	1,775,800	1,814,300
Interdepartmental	14,000	-156,474	-86,000	-73,900	-86,000
Debt Service	5,426,900	5,394,211	4,385,100	4,385,100	3,902,100
Other Fiscal (OCC, capital funding, reserves)	9,264,000	8,497,115	9,934,500	11,114,821	10,759,100
Total Direct & Indirect Costs	111,022,600	110,602,139	112,505,700	112,007,200	114,285,000
Revenues					
Tax Revenue	-33,342,100	-33,481,945	-33,748,500	-33,748,500	-34,491,000
Area Rate Revenue	-42,730,000	-42,679,224	-43,304,800	-43,304,800	-44,257,500
Fee Revenue	-34,123,000	-33,521,508	-34,568,500	-34,067,500	-34,599,000
Other Revenue	-827,500	-919,462	-883,900	-886,400	-937,500
Total	-111,022,600	-110,602,139	-112,505,700	-112,007,200	-114,285,000
Net Surplus/Deficit	**0**	**0**	**0**	**0**	0

HALIFAX

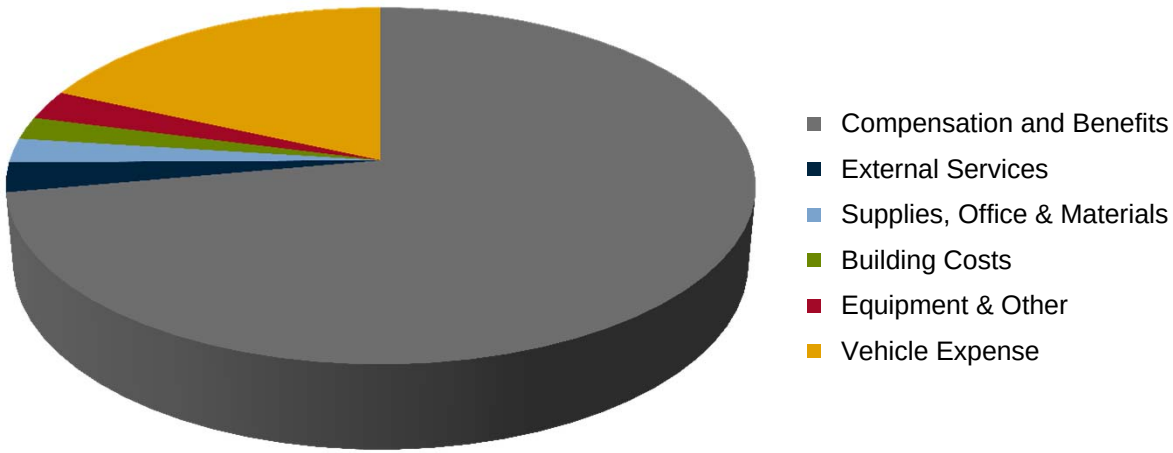
Direct Costs Overview

Cost Element Groups	2014-15		2015-16		2016-17
Expenditures	Budget	Actual	Budget	Projected	Proposed
Compensation and Benefits	67,118,400	65,836,849	70,932,000	69,090,979	71,881,200
Office	1,677,500	664,647	1,003,300	988,600	937,100
External Services	1,635,000	2,025,826	1,897,400	2,055,900	2,761,600
Supplies	952,450	1,000,309	1,076,600	1,115,100	1,057,800
Materials	38,000	49,347	40,900	267,700	184,900
Building Costs	2,187,350	3,048,314	2,111,700	2,113,900	2,055,700
Equipment & Communications	860,700	851,506	797,600	751,900	814,600
Vehicle Expense	20,372,100	21,848,875	18,508,600	18,421,300	18,202,600
Other Goods & Services	1,476,200	1,541,614	1,904,000	1,775,800	1,814,300
Total Direct Costs*	**96,331,700**	**96,867,287**	**98,272,100**	**96,581,179**	**99,709,800**

*Reserve contributions, debt and capital funding are considered to be indirect costs

HALIFAX

Expenses 2016-17

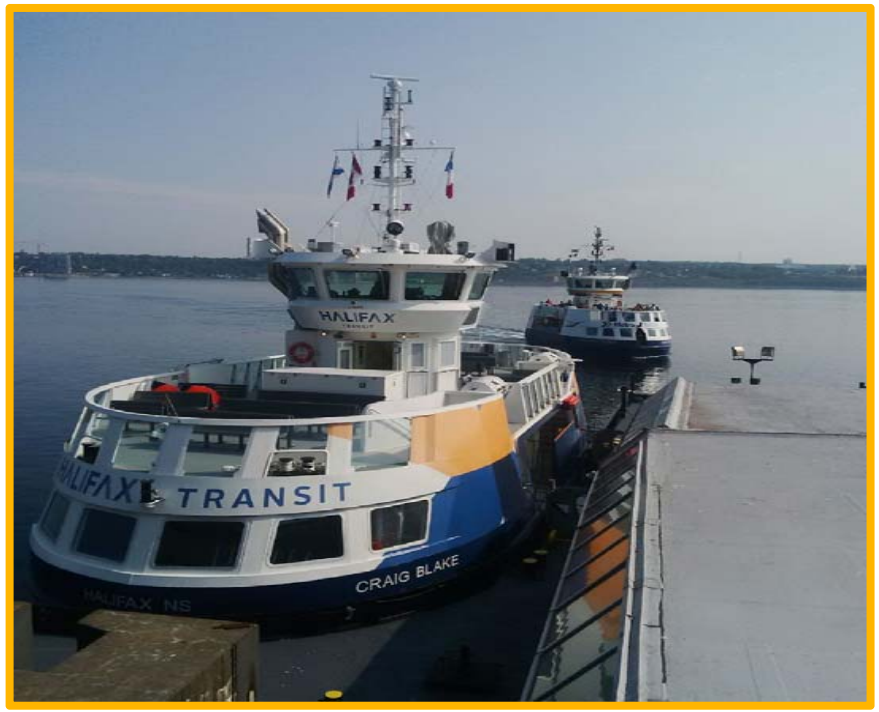


Service Area Budget Overview

Net Operations Support Expenses by Service Area	14/15		15/16		16/17
	Budget	Actual	Budget	3rd Quarter Projection	Proposed Budget
Access - A - Bus Operations	5,268,800	5,245,350	6,033,500	5,520,712	6,198,800
Conventional Operations	48,586,000	49,098,701	50,519,800	49,838,657	52,257,200
Ferry Operations	2,601,100	2,117,024	2,467,100	2,328,510	2,225,100
Transit Facilities	3,091,200	4,618,903	3,343,300	3,495,500	3,658,300
Fiscal Transit	-59,547,100	-61,079,978	-62,363,700	-61,183,379	-64,339,400
Business Unit Total	**0**	**0**	**0**	**0**	0

HALIFAX

16/17 Cost Efficiencies

Initiative/Action	Proposed 16/17	Projected 17/18	Projected 18/19	3 Year Cumulative	Opportunities/Comments
Reduced Overtime	$500,000	$500,000	$500,000	$1,500,000	Reduced operator overtime
Increased Vacancy Savings	$200,000	$200,000	$200,000	$600,000	Expected increase in vacancy savings
Surplus in Supplies & Building	$132,000	$132,000	$132,000	$396,000	Reduced uniform & building maintenance budget, one time bus stop decals moved to capital
Efficiencies in Vehicle Maintenance	$253,000	$253,000	$253,000	$759,000	Efficiencies in ferry maintenance, reduced cost of fuel
Efficiencies in other expenses	$132,000	$132,000	$132,000		Reduced training, operator license renewal, operator medical and recruiting budget, cost to berth spare ferry lower than budget
Debt	$483,000	TBD	TBD	$483,000	Decrease in the cost of debt payments
Total Cost Reductions	$1,700,000	$1,217,000	$1,217,000	$3,738,000	

Questions and Discussion