



2020 To 2023 Preliminary Operating and Capital Budgets

Winnipeg Transit



Standing Policy Committee on Infrastructure Renewal and Public Works

March 12th, 2020

Agenda

1. Strategic Objectives, Priorities and Performance Measurement
2. Preliminary Operating and Capital Budgets – Summary
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 - Salaries and Benefits, FTEs, and Vacancy Management
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 - Capital Budget Options and Reductions
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Strategic Objectives, Priorities and Performance Measurement

Strategic Objectives

Source: Community Trends and Performance Report - Volume 1 for 2020 Budget

- Encourage increased ridership by optimizing accessibility and improved service reliability.
- Enhance safety protocols to protect employees, passengers and specialized transit contractors.
- Develop a positive image through enhanced public information, communication systems and the use of technology.
- Minimize the impact on the environment through thoughtful bus procurement, use of fuel and maintenance strategies.
- Operate in a cost effective manner through a culture of continuous improvement and implementation of efficiencies.

Key Priorities

- Safety of employees, passengers and specialized transit contractors
- Service optimization
- Protect infrastructure through maintenance schedules for buses, auxiliary vehicles and facilities
- Ensure critical technology capabilities are maintained to support business outcomes

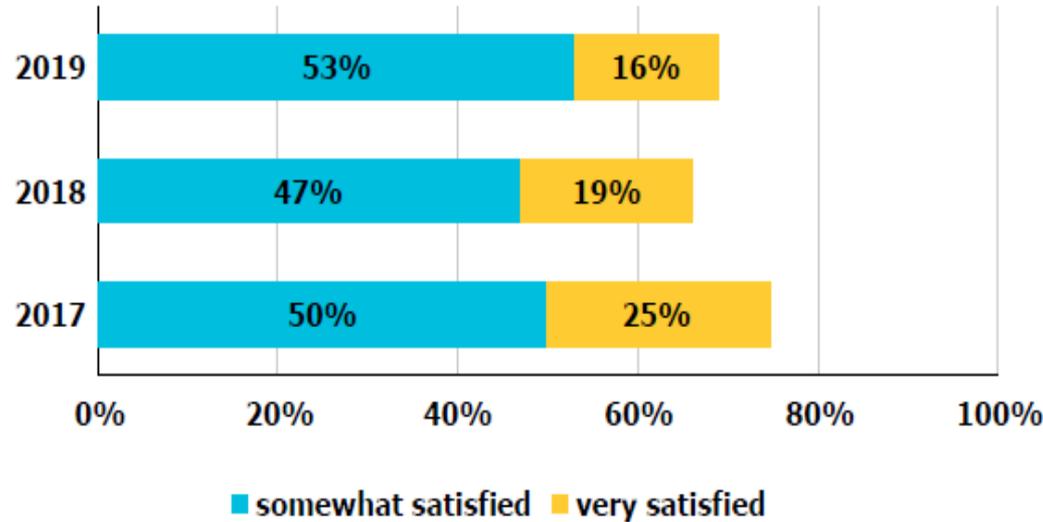
Department Service

- Winnipeg Transit contributes 100% to the Public Transit service

Strategic Objectives, Priorities and Performance Measurement

Effectiveness Measurements

Citizen Satisfaction for Users Who Use Transit Regularly



In 2019, the level of citizens who were somewhat satisfied or very satisfied with Winnipeg Transit was 69%.

Changes to the Department's funding model occurred in 2017. In light of a new funding reality and service environment, the Department is developing a long term strategy which balances funding challenges and service goals with a sustainable capital investment plan.

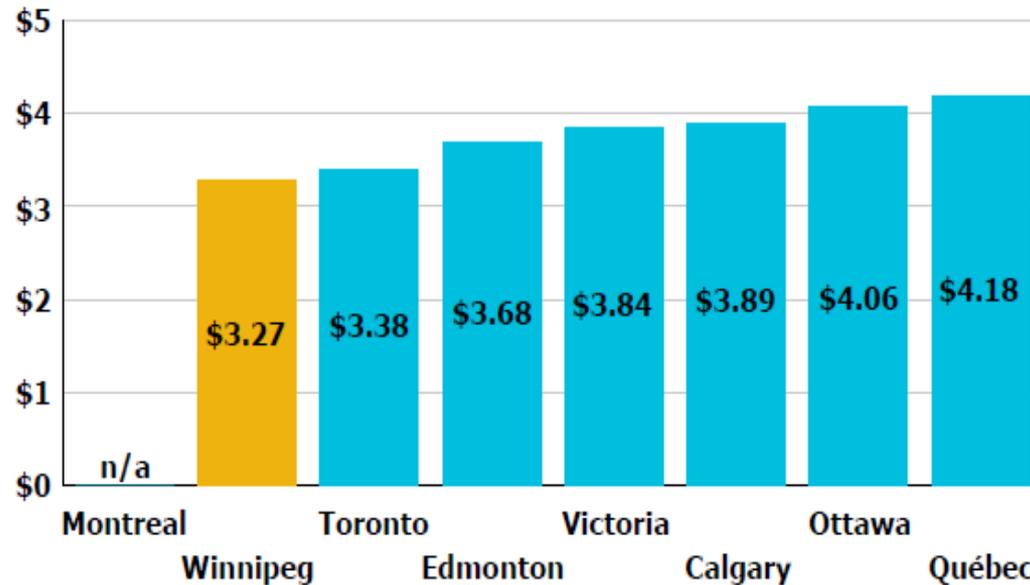
	2015	2016	2017	2018	2019
Total Satisfied	76%	77%	75%	66%	69%

Source: City of Winnipeg Annual Citizen Survey

Strategic Objectives, Priorities and Performance Measurement

Efficiency Measurements

Regular Transit Operating Cost per Passenger (2018)



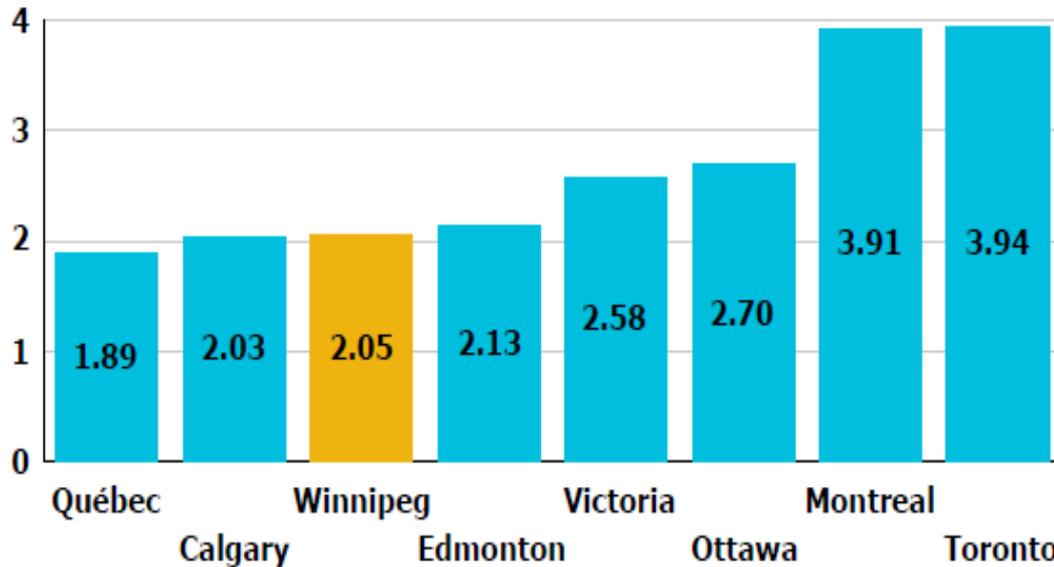
Winnipeg consistently operates one of the most cost efficient transit systems in Canada.

	2014	2015	2016	2017	2018
Wpg. Trend	\$2.80	\$2.91	\$3.02	\$3.12	\$3.27

Source: Canadian Urban Transit Association (includes only data available at publication)

Strategic Objectives, Priorities and Performance Measurement

Revenue Vehicle Hours/Capita (2018)



Winnipeg has remained among the lowest in Canada in terms of revenue vehicle hours per capita.

	2014	2015	2016	2017	2018
Wpg. Trend	2.07	2.04	2.02	2.04	2.05

Source: Canadian Urban Transit Association

Strategic Objectives, Priorities and Performance Measurement

Key projects

Southwest Rapid Transitway Stage 2 (SWRT2) Opening

Public Transit Infrastructure Funding Program (PTIF)

Winnipeg Transit Master Plan

Safety Initiatives

- Garage Expansion
- Transit Buses
- Garage Improvements
- Transit Shop Equipment
- Rapid Overhead Doors
- Hoist Replacement
- Rapid Transit Master Plan

2020 Preliminary Operating and Capital Budgets

1. Operating Budget – Annual year over year budget growth rates (%) based on 2019 expenditures

	4-Year Average
EPC Target to balance the budget	2.00%
Operating Options Presented to Committee in Fall 2019	2.00%
Preliminary Budget	2.52%

2. Cash to Capital Funding Levels

(in millions of \$)	2020	2021	2022	2023	2024	2025
Presented to Committee in Fall 2019	0.975	7.476	7.206	9.213	8.418	5.149
Preliminary Budget	2.805	7.476	7.206	9.213	8.418	5.149

Operating Budget Options

Options Presented to SPC vs. Preliminary Budget (in millions of \$)	Total 4-year Proposal	Total 4-year Prelim. Budget	Notes
a. Eliminate Paper Printed Schedules (pocket timetable)	(0.100)	(0.088)	
b. Reduce various accounts	(1.965)	(1.846)	Most notably reductions in advertising and auxiliary vehicle replacement
c. Reduce Community Grants	(0.296)	(0.277)	Includes elimination of Santa Bus and grant to Winnipeg Harvest
d. Discontinue BUStxt as a service information tool	(0.200)	(0.188)	
e. Reduce Transfer to Bus Replacement Program	(15.679)	(44.094)	Impacts Transit Bus capital budget
f. Decrease Frequency of Interior Bus Washes	(0.222)	(0.208)	
g. Decrease Frequency of Shelter Cleaning	(0.500)	(0.500)	
h. Remove Downtown Spirit Service	(1.826)	(1.781)	Change effective September, 2020
i. Remove DART Service	(1.849)	-	Option not accepted
j. End Weekday and Saturday Service at 24:15	(5.636)	-	Option not accepted
k. End Peak Hour Service at 17:45	(1.097)	-	Option not accepted
l. Service Rationalization*	(23.250)	(2.691)	Specific routes have been identified, change effective September, 2020
Total Adjustments	(52.620)	(51.672)	

Preliminary budgets amounts prorated for 2020 where applicable

* Preliminary budget amount shows net of impact to revenue

General Service Rationalization – Route Reductions

Route No.	Route Name	Day Type	Current Hours	Reduced Hours
10	St Boniface/Wolseley	Sunday	06:43 - 24:36	10:59 - 22:30
68	Crescent	Saturday	10:36 - 18:52	No Saturday Service
79	Charleswood	Saturday	05:32 - 26:05	05:32 - 19:00
79	Charleswood	Sunday	06:32 - 25:01	11:00 - 22:29
79	Charleswood	Weekday	08:33 - 26:05	08:33 - 22:30
82		Saturday	08:27 - 18:49	No Saturday Service
83		Saturday	08:07 - 22:21	11:00 - 19:00
83		Sunday	11:53 - 19:47	No Sunday Service
84		Saturday	05:36 - 23:41	11:00 - 19:21
85		Saturday	10:49 - 19:21	No Saturday Service
85		Sunday	10:51 - 19:01	No Sunday Service
85		Weekday	05:35 - 22:55	05:35 - 19:00
89		Saturday	06:54 - 25:22	No Saturday Service
89		Weekday	08:59 - 25:44	08:59 - 19:00
92		Saturday	06:47 - 23:25	11:00 - 19:00
92		Sunday	11:13 - 18:37	No Sunday Service
92		Weekday	08:28 - 24:25	08:28 - 19:00
93		Saturday	06:35 - 19:30	No Saturday Service
93		Sunday	11:32 - 17:33	No Sunday Service
94		Weekday	05:44 - 24:32	05:44 - 22:25
95		Saturday	07:43 - 19:18	No Saturday Service
95		Sunday	10:49 - 19:18	No Sunday Service
95		Weekday	05:21 - 20:46	05:21 - 19:00
97		Weekday	05:44 - 19:09	Rush Hour Only
98		Weekday	05:53 - 18:36	Rush Hour Only

- The following routes will no longer have Saturday service: 68, 82, 85, 89, 93, 95
- The following routes will no longer have Sunday service: 83, 85, 93, 95

Service Impacts

Service Hours

	2020	2021	2022	2023	Total
General Service Rationalization	(6,247)	(18,740)	(18,740)	(18,740)	(62,467)
Downtown Spirit Service	(3,891)	(11,673)	(11,673)	(11,673)	(38,910)
SWRT2	51,453	68,604	68,604	68,604	257,265
Net Service Hour Added	41,315	38,191	38,191	38,191	155,888

2020

- General service rationalization and elimination of Downtown Spirit service prorated for September implementation
- SWRT2 prorated for April implementation

Operating Budget – Program Changes

Preliminary Budget - Changes to Programs (in millions of \$)	Total 4-year Prelim. Budget *	Explanation
Provincial Ombudsman's Recommendations (Transit Plus)	2.449	Phased in over 4 years
Amendment to the 500 meter policy for (Transit Plus)	1.308	Amended to city limits
Implementation of children under 12 ride for free	5.431	Report will be tabled in 2020 with implementation plan, includes funding for 2 buses
Low Income Program - revenue impact	6.487	Program will be launched April 1, 2020
Eliminate U-Pass program ¹	(15.000)	Effective June 2020
Total Budget Adjustments from Other Programs	0.675	
Total Budget Adjustments from Options	(51.672)	
Total Operating Budget Adjustments	(50.997)	

¹. Post-secondary concessionary fare products remain available and include a 4 month semester pass at a 32% discount from equivalent full fare monthly passes.

* all amounts are shown net of revenue impact

Year over Year Variance Explanations

(in millions of \$)

Year over year (increase) / decrease	2020 Preliminary Budget	2021 Budget Projection	2022 Budget Projection	2023 Budget Projection
1) <i>Revenue change due to the following:</i>				
- Increase in fare revenue	\$ 5.546	\$ 2.259	\$ 1.049	\$ 1.631
- Decrease in charter revenue	(0.686)	-	-	-
- Miscellaneous adjustments	0.156	0.224	0.168	0.165
Net Revenue Change	\$ 5.016	\$ 2.483	\$ 1.217	\$ 1.796
2) <i>Expenditure change due to the following:</i>				
- Increase (decrease) in salary and benefits	2.222	3.387	3.013	4.034
- Increase in transfer to SW Rapid Transitway Payment Reserve	1.947	2.013	2.079	2.145
- Increase in carbon tax	0.786	0.532	0.496	-
- Increase in Transit Plus contracts	0.205	0.875	0.509	0.678
- Increase in debt and finance	0.164	1.393	1.436	1.124
- Increase (decrease) in transfer to Capital	\$ (2.234)	\$ 4.671	\$ (0.270)	\$ 2.007
- Increase (decrease) in bus parts	(0.753)	0.490	0.396	0.891
- Increase (decrease) in fuel	(0.611)	0.174	0.385	0.405
- Miscellaneous adjustments	0.091	0.255	0.304	0.213
Net Expenditure Change	\$ 1.817	\$ 13.790	\$ 8.348	\$ 11.497

Operating Budget (Departmental/Service Based Basis)

2020 Preliminary Operating Budget and 2021 to 2023 Budget Projections in millions of \$	2018 Actual	2019 Budget	2020 Preliminary Budget	Year over Year Increase / (Decrease)	%	Exp. No.	2021 Projection	2022 Projection	2023 Projection	4 year Average % Change
GOVERNMENT GRANTS	42.024	41.970	42.024	0.054			42.024	42.024	42.024	
SERVICE AND OTHER	90.528	91.675	96.637	4.962			99.120	100.337	102.133	
TOTAL REVENUE	132.552	133.645	138.660	5.016	4%	1	141.143	142.360	144.156	1%
SALARIES & BENEFITS	114.408	121.403	123.624	2.221			127.011	130.025	134.059	
SERVICES	18.094	21.372	20.208	(1.164)			21.379	22.246	23.100	
MATS PARTS & SUPPLIES	34.387	37.969	38.595	0.626			39.711	41.078	42.342	
ASSETS & PURCHASES	0.842	0.861	0.724	(0.137)			0.799	0.679	0.894	
GRANTS, TRANSFERS & OTHER	22.144	4.789	4.827	0.038			4.924	5.011	5.100	
RECOVERIES	(3.674)	(4.591)	(4.235)	0.356			(4.368)	(4.480)	(4.716)	
TOTAL OPERATIONAL EXPENDITURES	186.201	181.803	183.743	1.940	1%		189.456	194.559	200.779	3%
DEBT & FINANCE CHARGES	5.411	10.216	10.380	0.164			11.773	13.209	14.334	
TRANSFER TO CAPITAL	0.607	5.039	2.805	(2.234)			7.476	7.206	9.213	
TRANSFER TO BUS REPLACEMENT RESERVE	1.437	-	-	-			-	-	-	
TRANSFERS TO SWRT PAYMENT RESERVE	5.300	7.148	9.095	1.947			11.108	13.187	15.332	
TOTAL EXPENDITURES	198.956	204.206	206.023	1.817	1%	2	219.812	228.161	239.658	4%
Deficit funded through Transfer from General Revenue	66.405	70.561	67.363	(3.199)			78.669	85.801	95.502	

Total Operational Expenditures (before capital related expenditures) Year over Year % Change	1%	3%	3%	3%	3%
Total Expenditures Year over Year % change	1%	7%	4%	5%	4%

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management

2020 - 2023 Preliminary Operating Budget

	2019 Adopted Budget	2020 Preliminary Budget	Increase / (Decrease)	2021 Budget Projection	2022 Budget Projection	2023 Budget Projection
Full Time Equivalents <i>(number of FTEs)</i>	1,570.42	1,602.06	31.64	1,611.51	1,614.36	1,614.80
Salaries & Benefits <i>(in millions of \$)</i>	\$ 121.4	\$ 123.6	\$ 2.2	\$ 127.0	\$ 130.0	\$ 134.1
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (1.603)	\$ (1.612)	\$ (0.009)	\$ (1.637)	\$ (1.668)	\$ (1.700)

Added FTEs for the SWRT2 service plan, low income program, implementation of children under 12 ride free, and implementation of the Manitoba Ombudsman recommendations are partially offset by the FTE impact from the options.

FTE Changes - 2023 In Comparison to 2019 Budgeted FTEs

	2023
New Programs	63.29
Options to Reduce	
Vacant	(15.91)
Filled	(3.00)
Total from Options to Reduce	(18.91)
Total Changes	44.38

Other Important Operating Budget Information



Fares held to inflationary increases

Amendment to the policy for public transit service for large events

Southwest Rapid Transitway (Stage 2) operating costs

Increased debt and finance costs from added long term debt

Transfer of the dedicated property taxes to SWRT2 payment reserve

Capital Budget

TRANSIT - TRANSIT SYSTEM FUND Capital Investment Plan - Authorization (\$000's)

Authorization

	2019 Adopted	2020 Preliminary Budget	Forecast					6-Year Total
			2021	2022	2023	2024	2025	
1 Transit Information Technology Program (formerly Innovative Transit Program)	700	-	500	325	500	325	325	1,975
2 Transit Building Replacement / Refurbishment	-	336	600	600	828	881	600	3,845
3 Transit Roof Replacement and Ventilation Upgrade (formerly Transit Building Roof Replacement and Ventilation Upgrade)	2,335	1,500	1,947	1,500	1,500	1,800	-	8,247
4 Transit Buses	22,209	20,960	21,138	21,737	22,360	23,007	23,669	132,871
5 Accessibility Program	500	500	250	250	250	250	250	1,750
6 Heavy Shop Equipment Replacement Program	1,805	-	200	200	200	200	200	1,000
7 Hoist Replacement at Fort Rouge Garage	1,400	1,500	2,500	1,500	1,500	4,000	-	11,000
8 Land Acquisition	1,000	-	-	-	-	-	-	-
9 Heated Shelters	1,031	1,500	1,500	1,500	1,500	-	-	6,000
10 Low Income Bus Pass	236	139	-	-	-	-	-	139
11 Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	-	-	-	-	-	-	-	-
12 2019 One-Time Projects	8,555							
TOTAL CAPITAL PROJECTS	39,771	26,435	28,635	27,612	28,638	30,463	25,044	166,827

List of Capital Projects:

- 1 Transit Information Technology Program
(formerly Innovative Transit Program)
- 2 Transit Building Replacement / Refurbishment
- 3 Transit Roof Replacement and Ventilation
Upgrade (formerly Transit Building Roof
Replacement and Ventilation Upgrade)
- 4 Transit Buses
- 5 Accessibility Program
- 6 Heavy Shop Equipment Replacement Program
- 7 Hoist Replacement at Fort Rouge Garage
- 8 Land Acquisition
- 9 Heated Shelters
- 10 Low Income Bus Pass
- 11 Southwest Rapid Transitway (Stage 2) and
Pembina Highway Underpass
- 12 2019 One-Time Projects

TOTAL CAPITAL PROJECTS

Capital Budget Options

Options Presented to SPC vs. Preliminary Budget	Total 6-year Proposal	Total 6-year Preliminary Budget *	Explanation
Information Technology	(725)	(725)	
Building Replacement / Refurbishment	(3,112)	(3,112)	
Roof & Ventilation Upgrades	84	84	
Transit Buses	(62,172)	(60,842)	Changed by the addition of 2 buses for the Children Under 12 Program
Accessibility Program	(1,750)	(1,250)	2020 budget amount added back
Hoist Replacement at Fort Rouge Garage	400	400	
Land Acquisition	(3,000)	(3,000)	
Heated Bus Shelters	(5,600)	400	Heated shelter program added back
Total Capital Budget Reductions	(75,875)	(68,045)	

*Changes over 6 year budget program

Capital Forecast to Preliminary Budget Reconciliation

ATTACHMENT TO THE PRESENTATION (APPENDIX 1)

Other Important Capital Budget Information

1. Comparison of Capital Budget Funding Sources

Transit System Fund (\$ 000's)	June Submission	March Preliminary	Variance
Financing Sources:			
Cash to Capital	108,363	40,267	(68,096)
Transit Bus Replacement Reserve	73,827	23,157	(50,670)
Federal Gas Tax	42,193	42,193	-
External Debt	10,350	51,071	40,721
Retained Earnings	139	10,139	10,000
Total Capital Financing	234,872	166,827	(68,045)

2. Bus Replacement Comparison

Bus Replacement (# of buses)	2020	2021	2022	2023	2024	2025	Total
June Submission	44	38	42	42	42	42	250
March Preliminary	32	30	30	30	30	30	182
6-Year Bus Reduction Total	(12)	(8)	(12)	(12)	(12)	(12)	(68)

Budget Referrals

Operating Budget Referrals			2020	2021	2022	2023
Manitoba Ombudsman's Recommendations for Winnipeg Transit Plus	Resources required to implement the service improvements included in the report. Budget reflects recommendations phased-in over 4 years.	Council (January 30, 2020)	✓	✓	✓	✓
Low Income Transit Pass Program	Policy and Financial Impact / Budget impact resulting from estimated lost revenue. Program on schedule to launch April 1, 2020.	IRPW (December 5, 2019) / Council (October 24, 2019)	✓	✓	✓	✓
Provide Free Fare for Children Under the Age of 12	Report which outlined options and estimated costs for providing free fare to children under 12 was approved. Budget recommendation proposed for Department to report back in Fall, 2020 with implementation plan and timeline .	IRPW referred report to budget process (June 25, 2019)	✓	✓	✓	✓
2018 Award Report for Transit Buses	Impact on maintenance from increased number of articulated buses in fleet (2 FTEs)	EPC (September 12, 2018)	x	x	x	x

Included in the budget	✓
Not budgeted	x

Questions?

