



2021 Budget Update

2020 – 2023 Multi-Year Budget

TRANSIT



Photo: Mike Peters, courtesy Tourism Winnipeg

Standing Policy Committee on Infrastructure Renewal and Public Works

December 4, 2020

Agenda

1. Strategic Objectives, Priorities and Performance Measurement
2. Budget Overview
3. Operating Budget
 - Highlights
 - Changes
 - Reserve Summary
 - Referrals – N/A
 - Other Important Information
4. Capital Budget
 - Key Projects
 - Changes
 - Summary
 - Referrals – N/A
 - Other Important Information
5. Questions



TRANSIT - What We Do

Strategic Objectives

Source: Community Trends and Performance Report - Volume 1 for 2021 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

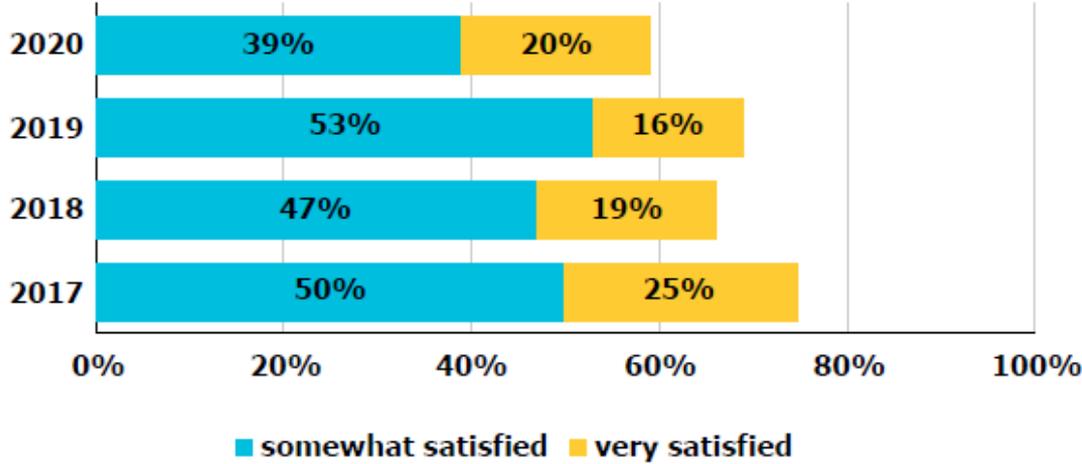
Department Service

- Winnipeg Transit contributes 100% to the Public Transit service

How We Did (Performance Measurements)

Effectiveness Measurements

Citizen Satisfaction for Users Who Use Transit Regularly



In 2020, the level of citizens who were somewhat satisfied or very satisfied with Winnipeg Transit was 59%.

2019 was a challenging year for Transit which faced a difficult winter, vehicle shortages (Transit Plus) and scheduling challenges all of which negatively impacted service reliability for both conventional transit and Transit Plus. The Department is developing the Transit Master Plan which will provide a long term strategy to balance service goals with available funding and a sustainable capital investment plan.

	2016	2017	2018	2019	2020
Total Satisfied	77%	75%	66%	69%	59%

Source: City of Winnipeg Annual Citizen Survey

How We Did (Performance Measurements)

Efficiency Measurements

Conventional Transit Operating Cost per Passenger (2019)



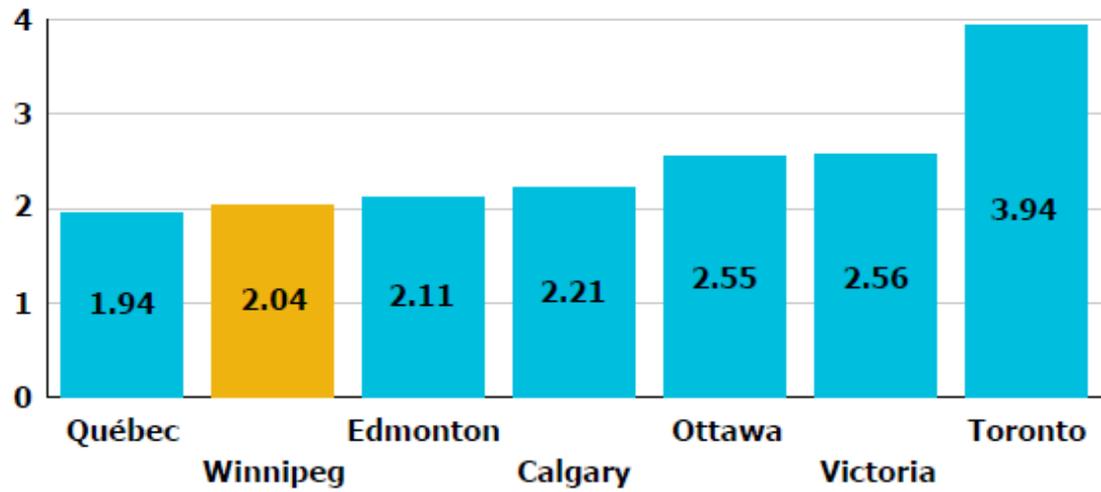
Winnipeg consistently operates one of the most cost efficient transit systems in Canada.

	Toronto	Victoria	Québec		
	2015	2016	2017	2018	2019
Wpg. Trend	\$2.91	\$3.02	\$3.12	\$3.27	\$3.36

Source: Canadian Urban Transit Association

How We Did (Performance Measurements)

Revenue Vehicle Hours/Capita (2019)



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

	2015	2016	2017	2018	2019
Wpg. Trend	2.04	2.02	2.04	2.05	2.04

Source: Canadian Urban Transit Association

Transit Budget Overview



Budget Overview

(Service Based View)

Preliminary 2021 Budget Update				
Service Based Budget (in millions of \$)	% Contribution to Department Budget	Operating Budget Surplus/ (Deficit)	Capital Budget	Reserves Projected Ending Balance
Conventional Transit	93%	(\$96.5)	\$23.7	\$8.2
Transit Plus	7%	(\$7.8)	-	-
Chartered Bus & Special Events	-	-	-	-
Total Department		(\$104.3)	\$23.7	\$8.2

Notes:

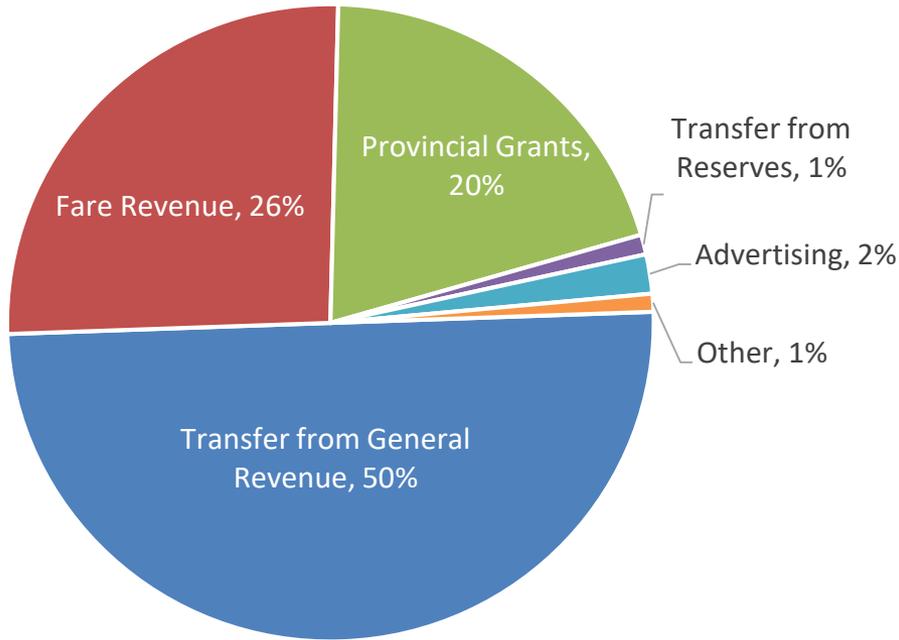
1. Includes the estimated financial impact from COVID through 2021 and related cost mitigation strategies.

Budget Overview

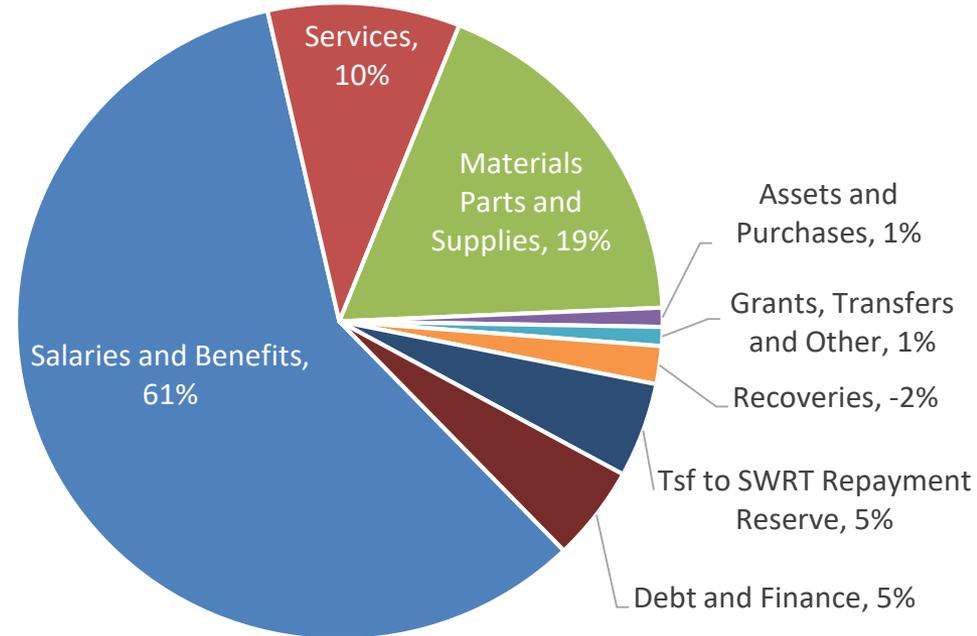
(Departmental View)

2021 Preliminary Operating Budget

Revenue



Expenditures



For comparison - 2020 Adopted Revenue:

- Fare Revenue 45%
- Transfer from General Revenue Fund 33%
- Provincial Grants 20%
- Other 2%

Transit 2021 Operating Budget



Operating Budget Highlights

Annual Tax Supported Operating Increase ¹	Average ³
2021 Preliminary Budget	2.5%
Approved in the Multi-Year Budget ²	2.5%

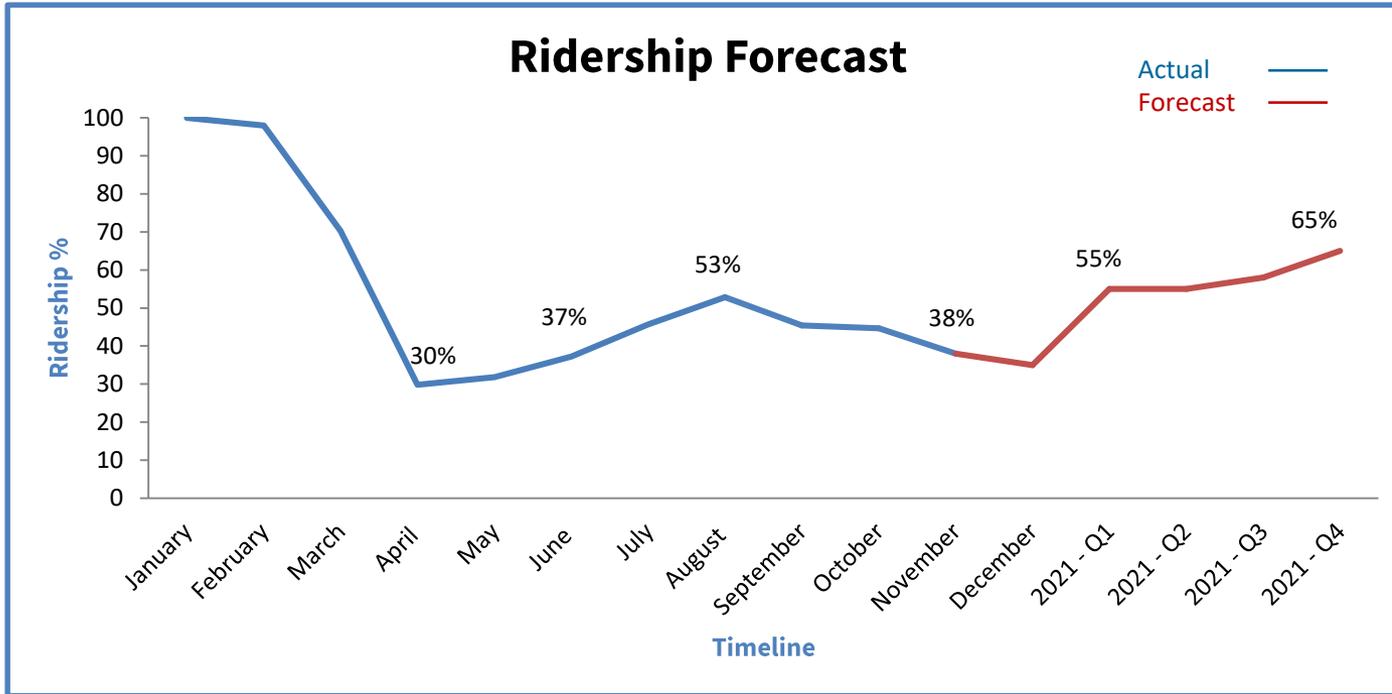
Budget Impact - Approved in MYB ²	
Fare free travel for children 11 and under	Phased-in implementation of Ombudsman recommendations for Transit Plus
Removal of the 500 meter service area policy for Transit Plus	Increase discount for WINNpass program to 40% off a full fare monthly pass
Inflationary fare increase	

Budget Impact – Not Projected in MYB ¹ , Included In Preliminary Budget ⁴	
Impact of COVID-19 including service reduction	One time reduction in SWRT Corridor and Bus Replacement reserves
Pilot program for On-Request Transit Service	

Notes:

1. Based on expenditures before capital related expenditure
2. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
3. Average for 2020 to 2023
4. Services impacted is not an exhaustive listing

2021 Operating Budget – Estimated COVID Impact



2021 Budget Impact (in millions of \$'s)

Lost fare revenue	\$ 40.8
Added cost of bus disinfection program*	0.6
Total Estimated Impact of COVID	<u>\$ 41.4</u>

*includes the addition of 8 added temporary FTEs

Mitigation:

Eliminate cash to capital funding	\$ 7.5
Retained earnings	4.0
Reduced service schedule	1.4
Transfer from General Revenue	28.5
Total Cost Mitigation	<u>\$ 41.4</u>

Operating Budget Changes

Operating Budget (in millions of \$)	MYB Criteria	2021 Preliminary	2022 Projection	2023 Projection	2021 to 2023 Total
Deficit Funded through Transfer from Gen. Revenue Council Approved Multi-Year Budget 2020 to 2023 (a)		(\$78.5)	(\$85.6)	(\$95.3)	
<i>Increase (Decrease) From Forecast:</i>					
<i>Revenue:</i>					
Net decrease in fare revenue	REV/COST	(40.6)	-	-	(40.6)
Transfer from Transit Bus Replacement Reserve	REV/COST	1.2	-	-	1.2
Transfer from SWRT Corridor Reserve	REV/COST	0.9	-	-	0.9
Miscellaneous adjustments	HOUSEKEEP	(0.2)	-	-	(0.2)
Revenue Net Change (b)		(38.7)	-	-	(38.7)
<i>Expenditures:</i>					
Decrease in Cash to Capital	REV/COST	(7.5)	(6.4)	(9.2)	(23.1)
Expenditure adjustment to be funded through retained earnings	REV/COST	(4.0)	-	-	(4.0)
Decrease in motive fuel and carbon tax	REV/COST	(1.0)	-	-	(1.0)
Miscellaneous adjustments	HOUSEKEEP	(0.4)	(0.7)	(0.8)	(1.9)
Expenditures Net Change (c)		(12.9)	(7.1)	(10.0)	(30.0)
Surplus/(Deficit) - Preliminary Budget (a+b-c)		(\$104.3)	(\$78.5)	(\$85.3)	

Service Reduction – 6% in total bus hours

- The preliminary budget includes service reductions that equate to an average 6% general decrease from normal levels.
- Reductions were strategically directed at addressing:
 - Post-Secondary schools holding on-line learning
 - A number of organizations have staff working from home
- The proposed service level changes result in:
 - Full regular service
 - Reduced Post-Secondary service
 - 85% Express service
 - Full High School service
- The resulting service schedule is the equivalent of what has been implemented for the fall and winter service changes.
- This is a temporary service reduction for the duration of 2021 only.



Full Time Equivalents (FTEs)

	2020 Adopted Budget	2021 Budget Submission	Increase / (Decrease)	2022 Budget Projection	2023 Budget Projection
Full Time Equivalents <i>(number of FTEs)</i>	1,605	1,624	19	1,619	1,620

Increase/Decrease:	
Full year of SWRT2 service	12
Full year of new programs	7
Full year of service rationalization	(12)
Transit Plus policy changes	4
2021 Forecasted FTE Increase	11
Temporary staff for bus disinfection	8
2021 Preliminary FTE Increase	19

Reserve Summary

Reserve Name (in thousands of \$)	2021			
	Beginning Balance	Revenue	Expense	Forecasted Ending Balance
Southwest Rapid Transitway (Stage 2) Repayment Reserve	\$ 10,540	\$ 11,128	\$ 14,740	\$ 6,928
Southwest Rapid Transit Corridor Reserve ¹	2,177	3	903	1,277
Transit Bus Replacement Reserve ²	1,229	1	1,201	29
Total Reserves	\$ 13,946	\$ 11,132	\$ 16,844	\$ 8,234

Notes:

¹ Includes a one time transfer of \$900,000 to the General Revenue Fund.

² Includes a one time transfer of \$1,200,000 to the General Revenue Fund.

Transit Capital Budget



Capital Budget Summary

List of Capital Projects:
 (‘\$000s)

	2021 Budget	Forecast					6-Year Total
		2022	2023	2024	2025	2026	
1 Transit Buses	\$ 17,615	\$21,737	\$22,905	\$22,462	\$23,669	\$23,391	\$131,779
2 Hoist Replacement at Fort Rouge Garage	1,100	2,600	-	3,300	2,500	3,050	12,550
3 Transit Building Replacement / Refurbishment	600	600	828	881	600	600	4,109
4 Transit Information Technology Program	500	325	500	325	325	500	2,475
5 Accessibility Program	250	250	250	250	250	250	1,500
6 Heavy Shop Equipment	200	200	200	200	200	200	1,200
7 Transit Roof Replacement and Ventilation Upgrade	1,947	1,500	1,500	1,800	-	-	6,747
8 Heated Shelters	1,500	1,500	1,500	-	-	-	4,500
9 SWRT (Stage 2) and Pembina Highway Underpass	-	-	-	-	-	-	-
10 Transit Improvements - NEW	-	-	600	-	-	-	600
TOTAL CAPITAL PROJECTS	\$ 23,712	\$28,712	\$28,283	\$29,218	\$27,544	\$27,991	\$165,460

Key Projects in the Capital Budget

Project Name	Budget Year	Amount (\$000s)	Benefits to the Community
Transit Buses	2021	\$17,615	Transit strives to ensure that sufficient buses are in service for riders 365 days of the year. Gradually replacing the older buses is critical to ensuring a consistent level of service.
Hoist Replacement	2021	\$1,100	Transit’s in-ground hoists are critical to ensuring daily fleet maintenance demands are met and providing uninterrupted service delivery and addressing safety concerns.
Building Replacement/Refurbishment	2021	\$600	Ensuring facilities are adequately maintained reduces possible impacts to service due to bus downtime, reduces maintenance work and increased costs.
Transit Information Technology	2021	\$500	Customer-facing technology provides service information to the customer and solutions for planning, scheduling, and internal communications that directly impact the customer experience.
Accessibility Program	2021	\$250	Transit needs to be accessible to all riders. This program works toward ensuring transit services are fully accessible and barrier-free.

Capital Budget Changes

Projects (in millions of \$)	MYB Criteria	2021					2021 to 2025 Total	2026 Forecast ¹	6-year Total
		Preliminary Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast			
Council Approved Forecast		\$ 28.6	\$ 27.6	\$ 28.6	\$ 30.5	\$ 25.0	\$ 140.3	-	\$ 140.3
Increase / (Decrease) From Forecast:									
Buses ²	REV/COST	(3.5)	-	0.5	(0.5)	-	(3.5)	(4.0)	(7.5)
Hoist Replacement	REV/COST	(1.4)	1.1	(1.5)	(0.7)	2.5	-	3.0	3.0
Transit Improvements - NEW	REV/COST	-	-	0.6	-	-	0.6	-	0.6
2026 - Various Projects	REV/COST						-	29.0	29.0
Total Changes		(4.9)	1.1	(0.4)	(1.2)	2.5	(2.9)	28.0	25.1
PRELIMINARY CAPITAL BUDGET		\$ 23.7	\$ 28.7	\$ 28.2	\$ 29.3	\$ 27.5	\$ 137.4	\$ 28.0	\$ 165.4

¹ 2026 amounts are new funding within the 6-year capital budget for existing projects. Some of the significant projects in 2026 include the following:

- Buses \$23.4 million
- Hoists \$3.0 million

² The forecasted number of buses included in each year's budget is:

2021	2022	2023	2024	2025	2026
25	30	31	29	30	30

Other Important Capital Budget Information

ICIP Funding Streams



Public Transit Infrastructure Stream (PTIS) - Building new urban transit networks and service extensions that will transform the way that Canadians live, move and work.

- **Outcomes:** Improving capacity, quality, safety and access to public transit systems

- This program has potential funding of \$535 million towards capital projects that provide improved access to, and improved quality of, existing and future transit infrastructure.
- Transit priorities will be aligned with the Winnipeg Transit Master Plan which is to be tabled in the 1st quarter of 2021
- Council will determine the projects that are submitted as part of Transit's application.

Questions?

