



# 2022 Budget Update

## 2020 – 2023 Multi-Year Budget

### TRANSIT

Photo: Tyler Walsh, courtesy Tourism Winnipeg

Standing Policy Committee on Infrastructure Renewal and Public Works  
December 4, 2021

# Agenda

1. Service Description, Objectives and Performance Measurement
2. Budget Overview and Highlights
3. Operating Budget:
  - Changes
  - FTEs / Salaries and Benefits
  - Referrals
4. Reserve Summary
5. Capital Budget:
  - Summary
  - Key Projects
  - Changes
  - Referrals
6. Other Important Information and Questions



# How We Did

## Performance Measurements\*

### Description

Winnipeg Transit operates a public transportation system that provides a network of service routes throughout the City which includes conventional, express and suburban 'DART' routes designed to meet various levels of demand city-wide with a fleet of low-floor accessible, GPS-equipped buses. Additionally, a parallel transit service is provided to individuals who are able to use the conventional transit in part or none of the time due to a disability in accordance with eligibility criteria.

### Our Winnipeg:



City Building (CB)

### Performance Reporting

OurWinnipeg Goal:	Service	Service Goal / Measure Description	2017	2018	2019	2020	2021
	Public Transit	<b>Encourage increased ridership by optimizing accessibility and improved service reliability.</b>					
		Conventional Transit - Passengers Carried (Annual)	48,098,447	48,409,060	48,770,208	24,788,979	21,603,677 <sup>^</sup>
		Transit Plus - Passengers Carried (Annual)	473,390	459,470	455,510	242,639	223,499 <sup>^</sup>
		Citizen Satisfaction (City of Winnipeg Annual Survey)	75%	66%	69%	59%	69%

#### Notes:

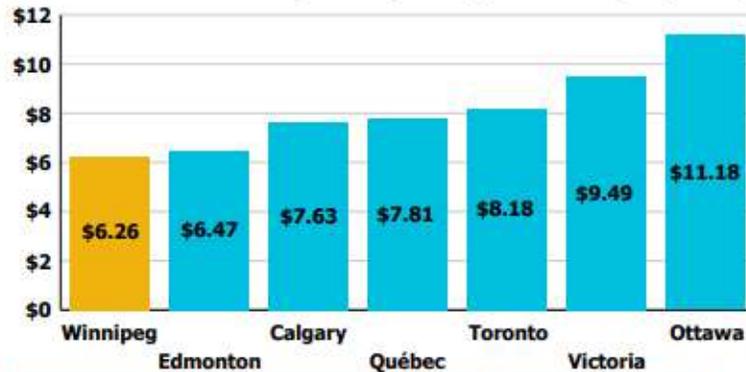
<sup>^</sup> Forecasted Ridership

\* Source: Volume 1, OurWinnipeg

# How We Did (Performance Measurements)

## Efficiency Measurements

**Conventional Transit Operating Cost per Passenger (2020)**



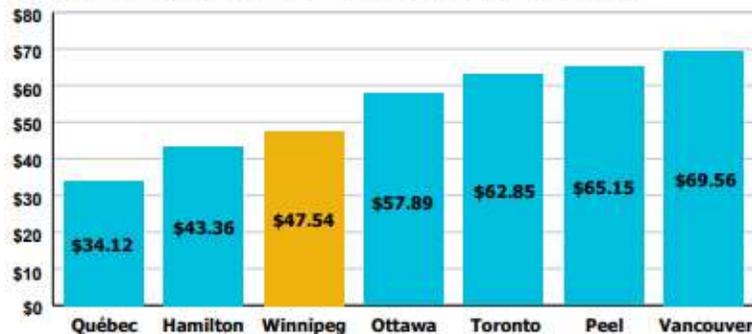
	2016	2017	2018	2019	2020
Wpg. Trend	\$3.02	\$3.12	\$3.27	\$3.36	\$6.26

Source: Canadian Urban Transit Association

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

Consistent with other municipalities, Winnipeg Transit's operating cost per passenger increased in 2020 as a result of significantly lower ridership on public transit due to the COVID-19 pandemic. Some cost mitigation measures were implemented during the year to reduce operating costs such as service reductions, bus operator layoffs, a hiring freeze and limited discretionary spending.

**Transit Plus Operating Cost per Passenger (2020)**



	2016	2017	2018	2019	2020
Wpg. Trend	\$23.25	\$23.92	\$25.53	\$27.81	\$47.54

Source: Canadian Urban Transit Association

The operating cost per passenger for Transit Plus has consistently increased over the years in part due to the procurement of larger vehicles with enhanced accessibility features and added operational positions to support changing eligibility criteria, system requirements and implementation of the Ombudsman's recommendations.

Consistent with other municipalities, Winnipeg Transit Plus' operating cost per passenger further increased in 2020 as a result of significantly lower ridership on public transit due to the COVID-19 pandemic.

# Budget Overview



# Budget Overview

## (Service Based View)

Preliminary 2022 Budget Update				
Service Based Budget (in millions of \$)	% Contribution to Service Based Budget	Operating Budget (Deficit)	Capital Budget	Reserves, Net Income (Revenue Less Expenditures)
Public Transit	100.0	\$(97.6)	\$99.9	\$(0.1)

Notes:

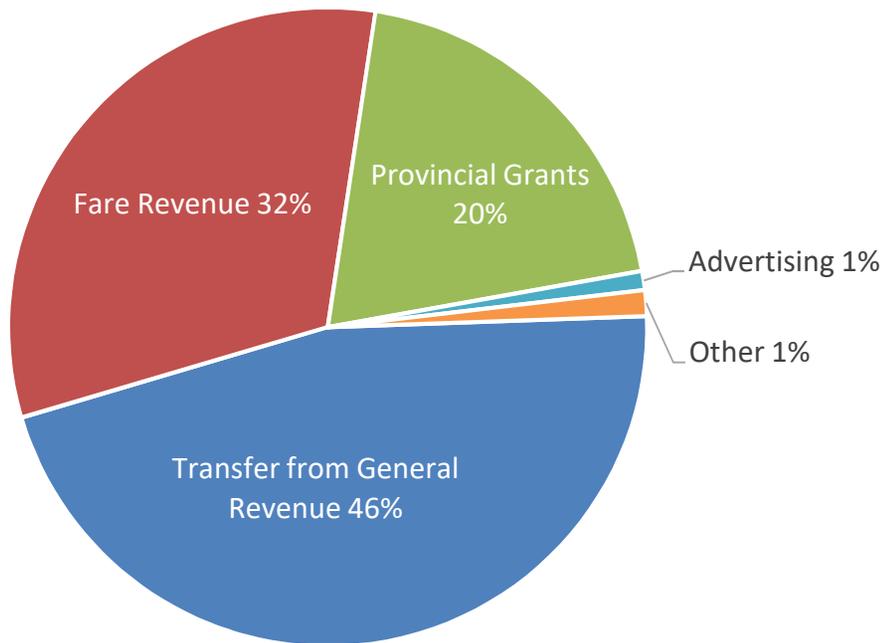
1. Operating deficit includes estimated financial impact from COVID-19 in 2022 and related cost mitigation strategies.

# Budget Overview

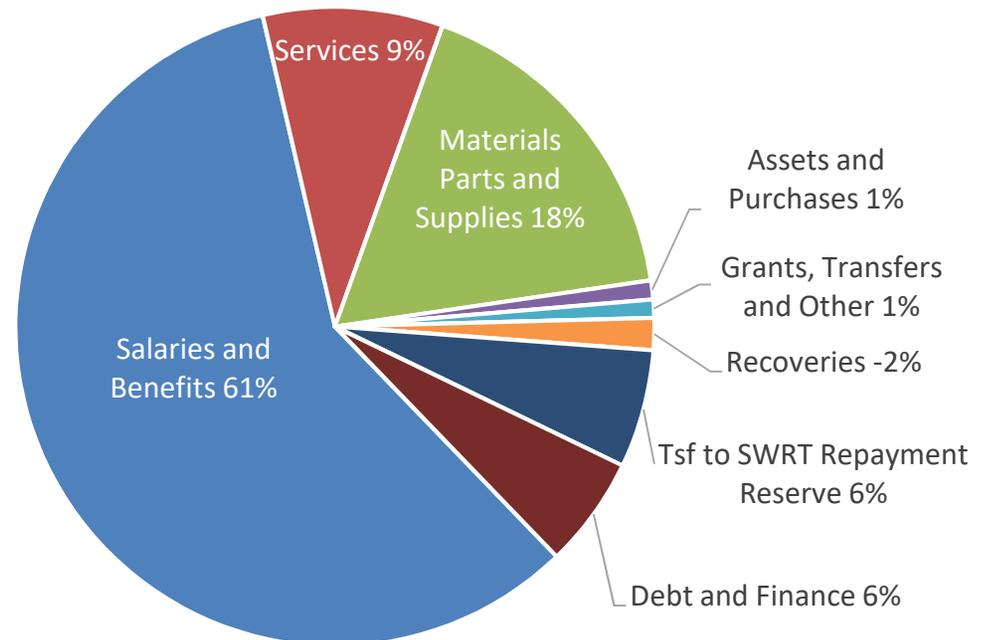
(Departmental View)

**2022 Preliminary Operating Budget = \$212.3 million**

## Revenue



## Expenditures



For Comparison:

	Forecast 2022	Adopted 2021
Fare Revenue	43%	26%
Transfer from General Revenue Fund	36%	50%
Provincial Grants	19%	20%
Other	2%	4%

# Operating Budget Highlights

Annual Operating Increase <sup>1</sup>	Average <sup>3</sup>
2022 Preliminary Budget	2.0%
Approved in the Multi-Year Budget <sup>2</sup>	2.5%

Budget Impacts – Excluded in MYB <sup>4</sup> , Included In Preliminary Budget	
Estimated impact of COVID-19	Maintain service at Council approved 2021 level for 2022
Added Accessibility Coordinator FTE offset with Vacancy Management	Expenditure Management of \$3.5 million to be funded through Retained Earnings
Budget recommendation to report back before December 31, 2022 with the proposed plan to deliver 22% to 30% of the Winnipeg Transit Plus program in-house beginning in 2024	Increase in transfer from General Revenue fund of 24% over the 2022 forecast

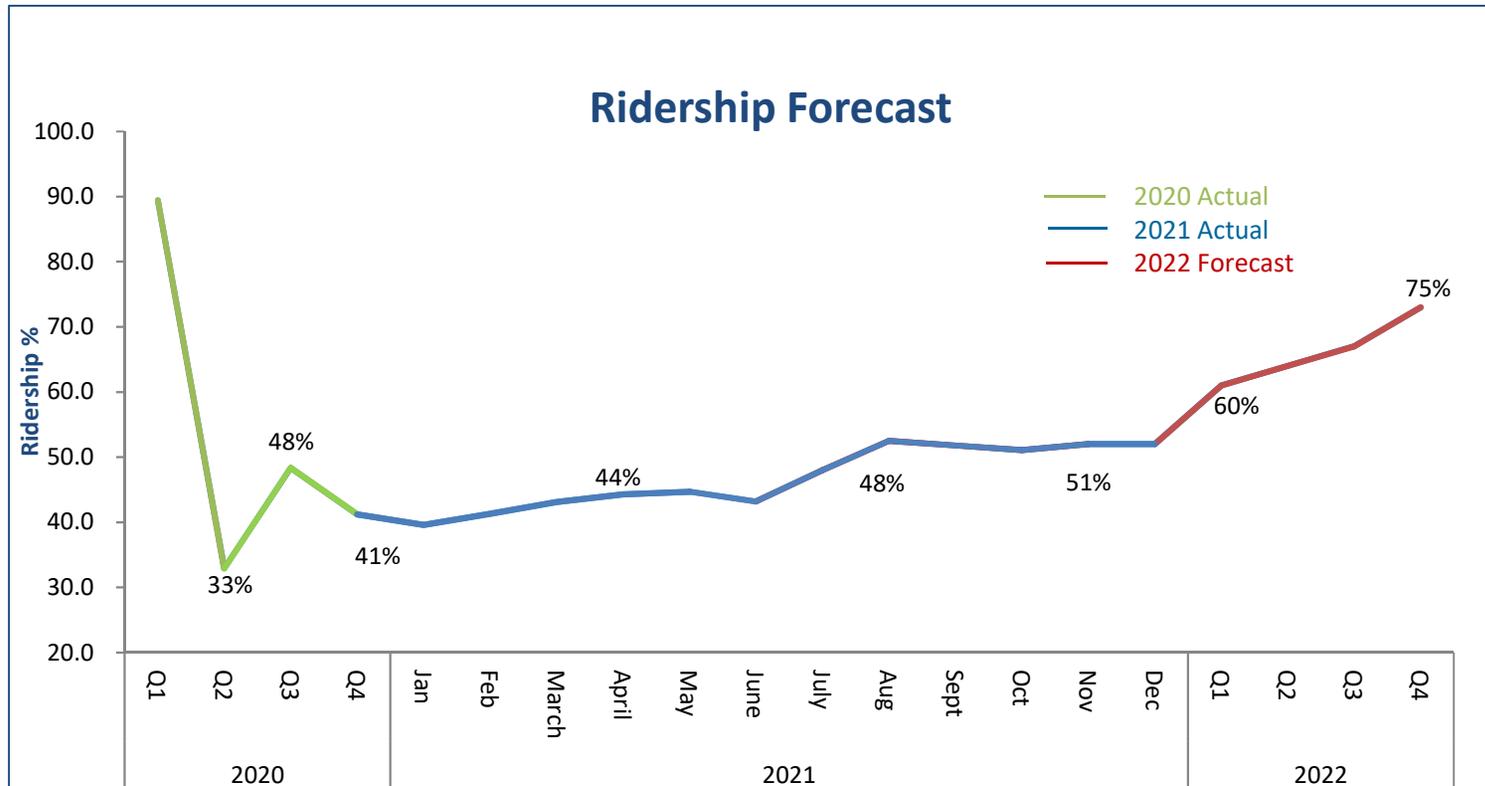
Notes:

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 annual expenditure increase for 2020 to 2023
4. Adopted Multi-Year Budget (MYB) 2020 & 2021 Budget, 2022 to 2023 Projections – December 16, 2020



# Operating Budget

# COVID-19 Budget Impact



## 2022 Budget Impact

(in millions of \$'s)

Lost fare revenue	\$ 27.441
Added cost of bus disinfection program	0.645
Transit Plus contractor savings	(1.700)
<b>Total Estimated Impact of COVID</b>	<b>\$ 26.386</b>

## Mitigation:

Retained earnings	\$ 3.500
Maintain 2021 service level	2.400
Reduced cash to capital funding	0.325
Transfer from General Revenue	20.161
<b>Total Cost Mitigation</b>	<b>\$ 26.386</b>

# Operating Budget Submission Changes

Operating Budget (In millions of \$)	MYB Criteria	2022 Preliminary	2023 Projection	2022 to 2023 Total
<b>Mill rate Support - Council Approved from 2021 Budget Process (a)</b>		<b>(78.5)</b>	<b>(85.3)</b>	
<i>Increase (Decrease) From Forecast:</i>				
<i>Revenue:</i>				
Decrease in fare revenue	REV/COST	(27.9)	(0.7)	(28.6)
Decrease in advertising revenue	REV/COST	(1.0)	(1.0)	(2.0)
Increase in transfer from SWRT2 Pmt Reserve	REV/COST	0.6	0.7	1.3
<b>Revenue Net Change (b)</b>		<b>(28.3)</b>	<b>(1.0)</b>	<b>(29.3)</b>
<i>Expenditures:</i>				
Expenditure Management	REV/COST	(3.5)	-	(3.5)
Decrease in fuel	REV/COST	(3.3)	(3.5)	(6.8)
Decrease in Transit Plus contractors	REV/COST	(1.7)	(0.3)	(2.0)
Decrease in transfer to capital	REV/COST	(0.3)	-	(0.3)
Miscellaneous adjustments	HOUSEKEEP	(0.4)	0.3	(0.1)
<b>Expenditures Net Change (c)</b>		<b>(9.2)</b>	<b>(3.5)</b>	<b>(12.7)</b>
<b>Mill Rate Support - Preliminary Budget (a+b-c)</b>		<b>(97.6)</b>	<b>(82.8)</b>	

## Maintain Service at 2021 Level

- The preliminary budget includes a recommendation to maintain service at Council approved 2021 level.
- Each service change considers areas of changing demand and service hours are reallocated as needed.
- This is a temporary service reduction for the duration of 2022 only.



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

	2020 Adopted Budget	2021 Adopted Budget	2022 Preliminary	Increase / (Decrease) vs. 2021	2023 Budget Projection
<b>Full Time Equivalents</b> <i>(number of FTEs)</i>	1,604.54	1,624.46	1,619.31	(5.15)	1,619.75
<b>Salaries &amp; Benefits</b> <i>(in millions of \$)</i>	\$ 123.8	\$ 127.2	\$ 129.4	\$ 2.2	\$ 133.9
<b>Vacancy Management included in Salaries &amp; Benefits</b> <i>(in millions of \$)</i>	\$ (1.604)	\$ (1.634)	\$ (1.740)	\$ (0.106)	\$ (1.807)

Notes:

1. 2022 FTEs decreased by 8 temporary bus disinfection positions partially offset by added FTEs for implementation of some of the Ombudsman recommendations and an Accessibility Coordinator.
2. 1 FTE is approximately equivalent to \$74,244 for vacancy management in the 2022 budget submission. The budget includes 23.44 VM FTEs, increase of 1 FTE from 2021.
3. 11 temporary FTEs in the capital budget not included in operating budget (\$1,287,000)

# Operating Budget Referrals

## 2022 - 2023 Operating Budget Referrals

	Description (\$s surplus/(deficit))	2022		2023		Budget Approval
		FTE	\$	FTE	\$	
	<b>Referrals to the Budget Process (include only those from an elected official process):</b>					
1	Winnipeg Transit Master Plan (WTMP) and Transit's Investing in Canada's Infrastructure Program (ICIP) - additional operating and capital budget impacts					N/A
2	Exploration of Transit Plus 30% In-house Service Delivery <sup>1</sup>					✓
3	Cost of On-Request Transit Service in Castlebury Meadows and Waterford Green <sup>2</sup>	4.50	(147,500)	4.50	(442,500)	X
4	Winnipeg Transit Priority Seating Policy <sup>3</sup>	1.00	(106,000)	1.00	(108,120)	✓
	<b>Total Referrals to Date</b>	<b>5.50</b>	<b>(253,500)</b>	<b>5.50</b>	<b>(550,620)</b>	

**NOTES:**

1. Council has approved the implementation of a service model in which 22% to 30% of all Winnipeg Transit Plus service will be provided by in-house service providers effective in 2024.
2. The Administrative report that was tabled included three service levels as options. The FTEs and costing included here reflect the lowest service level option.
3. 1 FTE has been added for a dedicated Accessibility Coordinator but has been funded within existing operating budget dollars.

# Reserve Summary

<b>Reserve Name</b>	<b>2022</b> (in \$000's)				
	Beginning Balance	Revenue	Expense	Net (Revenue less Expenses)	Forecasted Ending Balance
Transit Bus Replacement Reserve	\$ 29	\$ -	\$ -	\$ -	\$ 29
SW Rapid Transit Corridor Reserve	1,276	3	3	-	1,276
SW Rapid Transitway (Stage 2) Payment Reserve	10,721	13,208	13,335	(127)	10,594
Transit Infrastructure Reserve <sup>1</sup>	-	-	-	-	-
<b>Total Reserves</b>	<b>\$ 12,026</b>	<b>\$ 13,211</b>	<b>\$ 13,338</b>	<b>\$(127)</b>	<b>\$ 15,626</b>

Notes:

1. On April 29, 2021 Council approved the establishment of the Transit Infrastructure Reserve for the purpose of funding the annual debt and financing costs incurred for the replacement of the North Garage capital project. Effective January 1, 2024 this reserve will be funded through dedicated property tax revenue transferred from the General Revenue Fund.

# Capital Budget



## Capital Summary – By Service

Service (\$000's)	2021 Adopted Budget <sup>1</sup>	2022 Preliminary	2023 - 2027 Forecast	6-year Total
Public Transit	\$ 23,712.0	\$ 99,915.0	\$ 486,533.0	\$ 586,448.0
<b>Total Capital Submission</b>	<b>\$ 23,712.0</b>	<b>\$ 99,915.0</b>	<b>\$ 486,533.0</b>	<b>\$ 586,448.0</b>

Note 1 - On April 29, 2021 Council approved a revised 2021 Capital Budget in the amount of \$35.892 million to accommodate Transit's Investing in Canada Infrastructure Program application

# Key Projects in the Capital Budget

Project Name	Budget Year (s)	Amount (\$000's)	Benefits to the Community
<b>Investing in Canada Infrastructure Plan (ICIP):</b> <ul style="list-style-type: none"> <li>- Transition to Zero Emission Buses Program</li> <li>- North Garage Replacement</li> <li>- Radios and Intelligent Transportation Systems (ITS) Replacement</li> <li>- Primary Transit Network Infrastructure</li> <li>- Rapid Transit (Downtown Corridors) Preliminary Design</li> <li>- Wheelchair Securements Retro-fit</li> </ul>	2022 - 2026	\$510,229.0	Through the Investing in Canada Infrastructure Program Winnipeg Transit will realize several key strategic goals which are critical to achieving a balanced and sustainable transportation service for Winnipeg.
<b>Transit Roof Replacement and Ventilation Upgrade</b>	2022 - 2025	\$ 9,000.0	The Fort Rouge campus facilities require replacement of the existing ventilation systems due to a regulatory change in allowable levels of airborne nitrogen dioxide in diesel exhaust, age and inefficiency of the equipment and pressure imbalances throughout the buildings.
<b>Hoist Replacement at Fort Rouge Garage</b>	2022 2024 - 2026	\$ 13,365.0	Replacement of the hoists ensures buses are maintained in a timely manner and service to customers is not affected.
<b>Transit Plus In-House Service Delivery</b>	2023	\$ 9,250.0	<p>This project will facilitate the transition of a percentage of the Transit Plus service currently provided by contractors to being provided by in-house resources and includes the purchase of vehicles and outfitting.</p> <p>This budget does not include funding for the provision of long term storage for the vehicles.</p>

## Preliminary Budget – Listing of Capital Projects (\$000s)

Project Name	2022 Preliminary Budget	2023 - 2027 Forecast	6-Year Total
Transit Information Technology Program	\$ 534.0	\$ 2,150.0	\$ 2,684.0
Transit Building Replacement / Refurbishment	642.0	11,936.0	12,578.0
Transit Roof Replacement and Ventilation Upgrade	1,700.0	7,300.0	9,000.0
Transition to Zero Emission Buses (Formerly Transit Buses)	49,775.0	226,652.0	276,427.0
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	-	-	-
Accessibility Program	250.0	1,250.0	1,500.0
Heavy Shop Equipment Replacement Program	200.0	1,000.0	1,200.0
Hoist Replacement at Fort Rouge Garage	2,785.0	10,580.0	13,365.0
Heated Shelters	1,500.0	1,500.0	3,000.0
Transit Improvements	-	600.0	600.0
Radios and Intelligent Transportation Systems (ITS) Replacement	-	17,279.0	17,279.0
North Garage Replacement	42,529.0	155,886.0	198,415.0
Primary Transit Network Infrastructure	-	20,400.0	20,400.0
Rapid Transit (Downtown Corridors) Preliminary Design	-	7,000.0	7,000.0
Wheelchair Securements Retro-fit	-	13,750.0	13,750.0
Transit Plus In-House Service	-	9,250.0	9,250.0
<b>Total Preliminary Budget</b>	<b>\$ 99,915.0</b>	<b>\$ 486,533.0</b>	<b>\$ 586,448.0</b>

# Capital Budget Changes

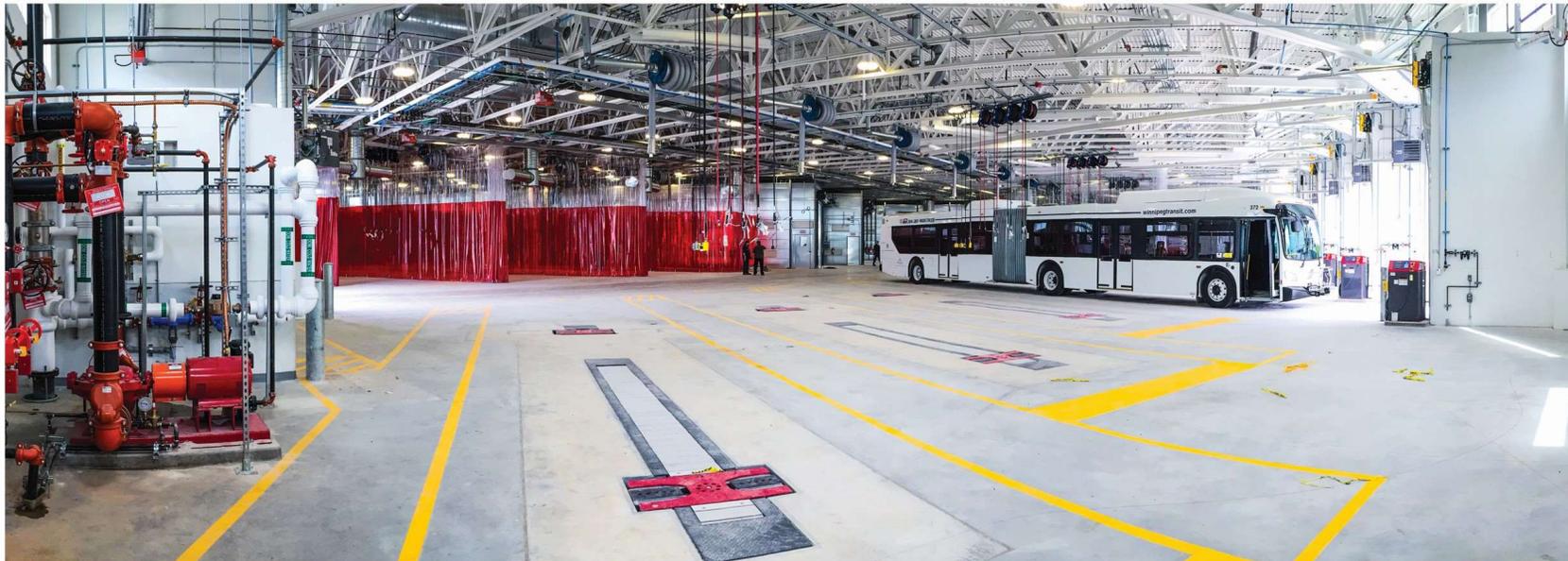
Projects (\$000's)	MYB Criteria	2022 Preliminary	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2022 to 2026 Total	2027 Forecast	6-year Total
<b>Council Approved Forecast</b>		\$ 28.7	\$ 28.3	\$ 29.2	\$ 27.5	\$ 28.0	\$ 141.7		\$ 141.7
Increase / (Decrease) From Forecast:									
A) Changes as a result of Transit's ICIP Application	COUNCIL	70.6	92.1	99.7	42.3	105.4	410.1		410.1
B) Building Replacement/Refurbishment Program	COUNCIL / HOUSEKEEP	-	(0.6)	(0.3)	(4.0)	(0.6)	(5.5)		(5.5)
C) - Roof Replacement and Ventilation Upgrade	REV/COST	0.2	0.9	0.7	2.5		4.3		4.3
- Hoist Replacement	REV/COST	0.2		(0.3)	1.5	0.5	1.9		1.9
- Information Technology	REV/COST	0.2					0.2		0.2
D) Transit Plus In-House Service	COUNCIL		9.3				9.3		9.3
2027 Preliminary Budget	REV/COST							24.4	24.4
Total Changes		71.2	101.7	99.8	42.3	105.3	420.3	24.4	444.7
<b>PRELIMINARY CAPITAL BUDGET</b>		\$ 99.9	\$ 130.0	\$ 129.0	\$ 69.8	\$ 133.3	\$ 562.0	\$ 24.4	\$ 586.4

## Variance from Forecast:

- A) Addition of Investing in Canada Infrastructure Program (ICIP) projects as approved by Council on April 29, 2021.
- B) Reallocation of Federal Canada Community-Building Funds from Building Replacement/Refurbishment to Hoist Replacement and Ventilation Upgrades.
- C) Reallocated budget to Hoist Replacement and Roof/Ventilation programs to accommodate increased material/project costs and next phase of ventilation work.
- D) Transit Plus In-House Service - new capital budget to facilitate the transition for a portion of the contracted Transit Plus service in house.

# Capital Budget Referrals

Referral Wording	SPC and Date	2022	2023	2024	2025	2026	2027
		(\$'000's)					
Winnipeg Transit Master Plan (WTMP) and Transit's Investing in Canada's Infrastructure Plan (ICIP) - additional operating and capital budget impacts	Council April 29, 2021	N/A					
Exploration of Transit Plus 30% In-House Delivery	IRPW July 7, 2021		\$9,250.0				



# 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

Project Name	Budget Year	Proposed Funding (\$000s) (2021 - 2026)			
		Total Project Costs	Federal	Provincial	City
Bus Radio and Intelligent Transportation System Replacement	2024-2025	\$ 17,279	\$ 5,390	\$ 4,493	\$ 7,396
North Garage Replacement	2021-2025	\$ 200,066	\$ 73,023	\$ 60,846	\$ 66,197
Transition to Zero Emission Buses	2021-2026	\$ 280,391	\$ 110,655	\$ 92,203	\$ 77,533
Rapid Transit (Downtown Corridors) Preliminary Design	2025-2026	\$ 7,000	\$ 2,660	\$ 2,216	\$ 2,124
Primary Transit Network Infrastructure	2025-2026	\$ 20,400	\$ 7,266	\$ 6,104	\$ 7,030
Wheelchair Securements Retro-fit	2025-2026	\$ 13,750	\$ 4,606	\$ 3,838	\$ 5,306
<b>Total Public Transit Infrastructure</b>		<b>\$ 538,886</b>	<b>\$ 203,600</b>	<b>\$ 169,700</b>	<b>\$ 165,586</b>

# QUESTIONS?

