

Council's Request for Information¹

During the 2015 Budget deliberations, Council had a number of questions regarding the Town's current transit services, route options, and alternative transit business models. At that time staff indicated it would bring back information for Council's consideration.

Council received an overview of proposed re-route options on February 23, 2015 by Codiac Transpo. Overall Council did appear to see some benefits in the proposed re-routes; however, was concerned about the additional financial implications of increasing hours of operation. Before making a decision on the re-routes or going to the public to seek their input on the re-routes options, Council wanted further information on its existing transit services.

This report includes the following information:

- Town's municipal plan policies on transit
- Overview of Transit Operations today
- Summary of Transit Performance and Financial Metrics
- Overview of Destination 2040 Report – Elements focused on Transit
- Overview of Transit Business Models
- Types/Sizes of Buses Comparisons

Municipal Plan Policies on Public Transit

Before responding to the questions Council posed regarding transit services, it will be beneficial to understand the foundation of what the Town has already stated/committed to on public transit. Section of 4.7 of the Town's Municipal Plan outlines the planning parameters the Town has established for public transit in the community. The overarching objective Council has stated in its municipal plan for public transit is it is interested in seeing the level of ridership with Codiac Transpo grow and that the level of the municipal subsidy decrease. To support increased ridership and growth of the transit systems the Town's developing guidelines in the municipal plan are designed to increase residential density and commercial activity along transit corridors to increase usage of public transit. The key policy statements are:

- **Policy 4.7.1** It shall be the intention of Council to improve frequency of service during peak travel times and to consider the possibility of expanding night services and weekend services as budget permits.
- **Policy 4.7.2** It shall be the intention of Council to provide staff support to Codiac Transpo to manage / liaise transit inquiries and develop improvement plans.
- **Policy 4.7.3** It shall be the intention of Council to recognize public transit as a component of the transportation system and to continue fiscal support for cost effective, publicly convenient

¹ This report will focus on Codiac Transpo and the general transit services. Accessible transit services are not a focus of this report.

transit services linking major employment, shopping and residential areas as well as to active transportation corridors.

- **Policy 4.7.4** In an effort to improve the viability and growth of public transit and to promote accessibility and connectivity in Riverview it shall be the intention of Council to direct residential and commercial intensification along transit corridors.
- **Policy 4.7.5** It shall be the intention of Council to support and encourage the Transit Authority to prepare a mid to long term transit service plan encompassing a scheme for improvement of transit service as well as an aggressive marketing strategy in the metropolitan region.
- **Policy 4.7.6** It shall be the intention of Council to support that all future bus purchases be Low Floor Accessible buses for the expansion of accessible transit throughout Codiac Transpo's service area.
- **Policy 4.7.7** It shall be the intention of Council to evaluate its public transit service with public consultations every 3-5 years as growth of the community warrants.

Transit Operations Today

Codiac Transpo is an operational department of the City of Moncton and both Riverview and Dieppe contract transit services from the City. A formal contract between Riverview and the City outlines the operational terms that have been established; financial parameters; as well as the Governance structure. The Town has one Councillor that represents that Town on Codiac Transpo's Governance Committee. Dieppe also has one representative and the City of Moncton has three representatives on the Committee.

The Town of Riverview has contracted its transit services from the Codiac Transpo since 1982. Codiac Transpo operates two bus routes in the Town of Riverview. Route 80 is a half hour loop that runs from Highfield Square to East Riverview. Route 81 in West Riverview is an hour loop that runs from Highfield Square through West Riverview back across the Causeway. The Town's current contract with Codiac Transpo is for 139 hours of service a week resulting in total expenditures of \$653,074 for 2015. The projected revenue for 2015 is \$133,000, which results in a net operating budget to Riverview taxpayers of \$525,574. In 2014, the town's total ridership numbers were 106,137².

The Town currently owns the two buses in operation. The buses are near the end of their useful life with ages of 18 years (West End) and 14 years (East End).

In 2014, Codiac Transpo introduced the use of counters on its buses to improve its tracking of riders on its bus system. The Town purchased one of these APC Units and installed it on the Route 81 bus; however, has been relocated to the 80 bus route on a period basis. Below are the most recent stats on average passengers a day on our two buses.

² Ridership numbers are based on average fares not from the APC Units. (counters on buses)

Average Passengers per day 2014		Bus 81 West Route	Bus 80 East Route
October	Monday to Friday	240	34
	Saturday	137	28
	Sunday	65	7
November	Monday to Friday	244	33
	Saturday	132	28
	Sunday	52	8
December	Monday to Friday	221	42
	Saturday	125	39
	Sunday	49	8

Performance Metrics

There are a number of performance metrics that can be used to measure the effectiveness of a transit system. The relevance of the performance metrics will depend on how a community values and wants to measure its transit system, as the various transit metrics can contradict each other. Is the cost versus revenue ratio the most important; or is it ridership per capita; or is it total cost per hour to operate; or net municipal investment per capita, etc. Whatever metric a community values or places the most significant importance on will influence how a municipality invests and manages its transit system. The following will summarize some of those metrics for Codiac Transpo, Riverview itself, and other communities where data was available.

Metric	Description	Data ³
Revenue/ Cost Ratio	Metric that measures the relationship between the revenue collected from fares compared to total cost to operate the transit system <i>(Note: trend in most transit systems is the revenue to cost ratio is declining as costs continue to increase, however transit authorities are less inclined to pass those costs on to the passengers)</i>	Codiac Transpo – 35%
		Codiac's peers – 36%
		Riverview – 24%
		Milton, Ontario – 28%
		Guelph, Ontario – 52%
Net Municipal Investment Per Capita	This is the annual net cost on a per capita basis. This is calculated using total cost less revenue received, divided by the number of residents. <i>(Riverview's investment in transit per capita is below Moncton and its comparable groups.)</i>	Codiac Transpo - \$55.67
		Codiac's peers - \$52.74
		Riverview - \$27.30
		Milton, Ontario - \$30.10
		Guelph, Ont - \$104.2
Ridership per Capita	Measurement of the number of transit riders compared to the per capita population of the service area. <i>(Ridership per capita is notable below other communities. This demonstrate that a significant portion of the population do not use public transit. On the positive side it does demonstrate an area of potential</i>	Codiac Transpo - 21
		Riverview – 5.5
		Milton, Ontario – 5.4

³ Sources of Data – Destination 2040 Study; Town of Milton Transportation Master Plan; Town of Riverview/Codiac Budget 2015

<i>Metric</i>	<i>Description</i>	<i>Data³</i>
	<i>growth for transit usage)</i>	
Riverview's share of ridership compared to share of budget	Riverview's ridership % of total Codiac	5.15%
	Riverview's share of expenditures	6.08%

The various performance metrics for transit systems can have an inverse relationship so it is difficult to assess the efficiency and strength of the system. For example, the Destination 2040 report does highlight that Codiac Transpo has done a good job increasing its ridership numbers compared to its peer groups. However, that has not translated into improved revenue to costs ratio, because there has been no change in fares for a number of years. So while riders are increasing, the costs to run a transit service are increasing as well, so the increase in ridership is not sufficient enough to offset the growth in costs.

Overall, the Destination 2040 Report indicated that Codiac Transpo's "level of investment and its return on investment (i.e. ridership) is comparable to many similar-sized communities across the country; however, in some aspects it is slightly behind its peers (i.e. net investment per capita, etc)."

The performance data on Riverview seems to show overall that while we have low ridership numbers per capita, compared to other communities and Greater Moncton as a whole, our investment in the transit system per capita is much lower than other communities. This always ends up being a chicken and egg debate. Should a community invest more in its transit operations (more routes; more hours; shorter loops, etc) to increase ridership, so riders pay more for the operations of the system or do you wait to invest in transit when there is a public/ridership demand for it. The trend in the industry is the most successful transit systems will see ridership increases as service improves (frequency; locations, etc) and land use planning principles in those municipalities are more "transit friendly".

Assessing the performance of a transit system against its peer group can be used as a good yard stick to measure the value of the system. Another method to measure the value a community places on its transit system is to compare the level of investment into the system compared to other municipal programs. The table below highlights how the Town of Riverview's tax revenue for a typical home is allocated to the various programs and services offered by the Town. Of the revenue collected from a typical home, \$5.00 a month goes towards our share of public transit services. Public transit is the third lowest of the municipal services that the Town of Riverview invests in for its residents.

Total Property Tax Revenue	\$22,907,219		Typical home Cost Per Month \$
Fire and safety services	2,683,162	12%	23
Police	3,118,234	14%	27
Roads, sidewalks and snow removal	2,722,528	12%	23
Solid waste collection	825,143	4%	7
Urban planning and Building Inspection	124,317	1%	1
Public transit	592,314	3%	5
Debt principal and interest	3,334,810	15%	28
General government	770,808	3%	7
Parks, Leisure and Community Events	3,326,916	15%	28
Economic Development and Tourism	456,203	2%	4
Capital items financed from current taxes	4,010,278	18%	34
Transfer to capital reserves	942,506	4%	8
	22,907,219	100%	\$ 195.00

In comparison to other communities, the Town's investment in public transit is smaller as a percentage of its budget when you look at the other services that the community provides. For example, the typical investment per average home in other communities per month (as examples) is of the following magnitude: Moncton, NB - \$12 per month; Calgary, Alberta \$17.49 per month; Stratford, Ontario - \$8.5 per month.

Destination 2040 Report - Focus on Public Transit

The overall Destination 2040 Regional Transportation Master Plan outlines seven priorities for the region:

- **Manage travel demand** – encourage people to make fewer trips, shorter trips, or more efficient trips.
- **Maximize network efficiency** – improve the operation of existing infrastructure to enable better performance to be obtained without increasing road capacity.
- **Build a multimodal network** – developing a transportation network that is suitable for and able to accommodate all users.
- **Improve connections between communities** – filling in the gaps in the network.
- **Provide for safety and ease of use** – ensuring transportation services are delivered in a safe, accessible and equitable way for all members of the community to use.
- **Promote environmental sustainability and GHG reduction** – reducing the number of long distance trips that need to be made, the time lost to congestion, and the proportion of trips made by single-occupant vehicles; and
- **Intensify land use patterns** – densification and transit-oriented design along key corridors.

The report states that “to makes this work, all three municipalities, will need, collaboratively, to build and maintain effective transit, provide safe active transportation options, improved transportation user education initiatives and incentives, increased densification and mixed use development, act to reduce the “car first” culture ... in the Tri-community.”

Therefore, one of the key components of the integrated regional transportation plan being proposed for the Greater Moncton region is public transit. Included in this regional master plan is a 10 year transit strategy for Codiac Transpo. The priorities included in the transit plan are:

- ***Develop an enhanced and interconnected transit network.*** – These recommendations focus on redesigning routes to improve efficiency and effectiveness of the current system.
- ***Ensure Transit accessibility to all users.*** These are recommendations related to improving conventional services to provide better services to accessible passengers therefore, reducing the burden on specialized services.
- ***Provide information about transit choices and services*** – These are recommendations related to promotion of alternative means of transportation. Increasing awareness that there are other options than a car.
- ***Implement transit supportive land use design guidelines*** – These recommendations focus on how the municipalities must improve land use planning regulations so that they support alternative, non-auto travel modes.

This regional plan does identify some opportunities for the three communities to grow and expand its public transit ridership numbers. The transit plan indicates that if the Greater Moncton region grew to a population of 200,000 in 25 years that it should target a transit ridership percentage of population between 4% to 7%. This would be viewed as very successful. Today transit ridership represents about 1% of the population.

It is of interest to note that one of the statements made by the authors of the transit strategy (HDR Consultants) is “from the perspective of transit customers, they do not discern between one municipal jurisdiction or the other for cross-boundary travel; they simply want to get from A to B in a seamless manner.” Therefore from a business perspective, it makes sense that a transit business model should:

- Enables all municipal jurisdictions to better meet the regional transportation vision;
- Provides for local service decisions being made by the respective municipal jurisdictions;
- Takes advantage of economies of scale from rolling stock and fixed variable cost perspectives; and
- Ensure consistency in establishing policy guidelines, including customer service.

Overall, the report endorses the governance and operational transit framework that exist in Greater Moncton today.

Business Transit Models

There are a number of business models used in the world today for public transit. Models can range from completely private to completely public to somewhere in between. The predominate model that exist in North America today, are publicly owned or governed systems. During the budget deliberation

there were a number of comments raised regarding the possible business model for transit in Riverview. Below is a brief summary of the various models and pros and cons to those models.

Model	Pros	Cons
Private Sector Contract: under this model all capital assets, overall management of the service and operations, and would be governed by a contract with a public entity.	<ul style="list-style-type: none"> Financial risk transferred to private operator Customer issues deferred to private operator No internal resources required to manage 	<ul style="list-style-type: none"> No control/ influence over operations and services Not integrated into other transportation plans/ strategies of the town. Not integrated into tri-community system.
Public Sector Ownership/Private Sector Management: in this model the municipality delegates all functions, including policy and planning, management and operations to a contractual service provider. Municipality covers the annual operating deficit.	<ul style="list-style-type: none"> Customer issues can be referred to private operator. Residents may still demand action from the municipality Limited internal resources required to manage 	<ul style="list-style-type: none"> Limited control/ influence over operations and services Not integrated into other transportation plans/ strategies of the town. Not integrated into tri-community system. Financial Risk: Operating deficits
Public Municipal Transit: this is the most common transit model in North America. All aspects of the transit services are directly operated by a municipality.	<ul style="list-style-type: none"> Control over policy, programs and operations of service Can be responsive to customer service issues 	<ul style="list-style-type: none"> Financial Risk: all capital and operating obligations Pressure from public/ riders to meet their needs Internal staff resources required to manage operations

The Town of Riverview (and Dieppe) have a somewhat of a hybrid model with its transit services today. While we contract operational transit services, including management oversight, from the City of Moncton, we still own our assets; namely, the buses and bus stop infrastructure.

Transit Options

One of the other questions that was posed by Council during the budget deliberations was what other type/size of buses that may be an option to operate in Riverview. A common question that is asked about transit services is, “wouldn’t smaller buses that appear to be fuller be better than larger buses that have capacity available during non-peak operating times”? While the appearance of a full bus may sound very appealing, smaller buses because of their limited life cycle and KM capacity are not usually more financially efficient than larger buses. In some cases using smaller buses with their limited expected life span may be more costly than using the larger buses, as is used by Codiac Transpo today.

Other communities that have converted to or used smaller buses for some of their smaller routes have regretted that decision from a financial and lifecycle perspective. The Halifax Regional Municipality during the past number of years acquired a number of smaller buses for their operations and have indicated if they were to do it all over again they would not make that decision.

There were a number of sources that consistently compared the useful life of buses and all came to a similar conclusion that purchasing a consistent fleet of large buses would be better than a fleet of smaller buses. From a fleet maintenance budget and mechanical perspective it is more beneficial to have a common fleet of buses instead of various types of buses.

The table below shows the useful life of buses.

Bus type	Capacity	Life Cycle	KM	Capital costs
40 Foot Bus	27 to 40	15 years	1,100,000	\$500,000
30 Foot Bus	26 to 35	10 to 12 years	750,000	\$350,000
Mini Bus	10 to 22	5 years	300,000	\$100,000 to \$250,000

Notes sources: October 2009 Dillon Report City of Moncton and US Department of Federal Transit Administration Report – April 2007; City of Fredericton – Strategic Plan for Transit Services (2013); Prince George Transit Future Plan -2013

Additional Considerations

On a concluding note, if the Town wanted to explore the concept of operating its own transit services there are a number of issues that would need to be studied. The Town does not have internal resources with those skill sets to do that work. Operational requirements that would need to be considered included:

- What infrastructure would be need for a bus depot (a sizable garage would have to be built);
- What level of transit management would have to be in place;
- How many mechanics and drivers would be required;
- How many buses would be required to operate in town and how many back up buses would we need to maintain to keep operations sustainable.

Sources of Information for the Review

- Destination 2040 Regional Master Plan – including 10 year Transit Strategy
- City of Moncton Public Transit System Review 2009 (Dillion Report)
- Useful Life of Transit Buses and Vans – US Federal Transit Administration – 2007
- Prince George – Transit Future Plan
- City of Fredericton – Strategic Plan for Transit Services – 2008
- City of Guelph – 2013 Transit Annual Report
- Town of Milton’s Transit Master Plan 2013
- Town of Riverview – Municipal Plan
- Numerous articles on the topic of public transit