

Date: 2020-09-03

Subject: **Update on Transit Services**

Secondary Title: To provide a status update regarding impacts of COVID-19 on Brampton Transit, and to request a deferral of transit services planned for 2020 to 2021.

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Report Number: Brampton Transit-2020-072

Recommendations:

1. That the report from Alex Milojevic, General Manager, Transit, dated September 3, 2020, to the Committee of Council Meeting of September 23, 2020, re: **Update on Transit Services (Report Number Brampton Transit-2020-072, IB.C)**, be received; and,
2. That Council defer the fall 2020 transit service increases, approved as part of the 2020 budget, to the fall of 2021.

Overview:

- **Effective July 2, 2020, Brampton Transit re-introduced front door boarding, resumed fare collection, introduced a mandatory non-medical mask or face covering policy, and increased capacity from a 50% seated load to the equivalent of a seated load (with passengers able to choose to sit or stand as they wish).**
- **Effective July 15, 2020, Brampton Transit updated the mandatory mask policy to the City Mandatory Face Covering By-law 135-2020.**
- **Since April 2020, Transit has experienced increases in the average monthly absenteeism rates within the Maintenance and Operations divisions.**
- **Ridership: High level estimates for YTD as of August 19, 2020 is approximately 61% of 2019 ridership and is summarized as follows:**
 - **Jan 1 – Mar 20 | Pre-COVID:**
 - **13% higher than 2019.**
 - **Mar 21 – Jul 1 | Ceased fare collection:**

- 30% of 2019.
 - Jul 2 – Aug 19 | Resumed fare collection:
 - 49% of 2019.
 - Year-end Dec 31:
 - Projected to grow to approximately 60% of 2019 ridership.
- The Transit budget shortfall was \$12M at the end of July and is expected to grow to \$18M by the end of the year.
- As part of the 2020 budget, Council approved a transit service increase of 27.6K service hours (annualized), to address critical ridership pressures and to expand Züm service to Toronto Pearson Airport.
- As a result of COVID-19 and the reduced ridership demand, the 2020 transit service increases will be deferred to fall 2021, subject to Council approval of the recommendations contained within this report.
- As part of the 2020 budget, Council approved a one-time transfer from the General Rate Stabilization (GRS) fund, in the amount of \$900K, to offset the costs to expand Züm service to Toronto Pearson Airport.
- As a result of the deferral of services, the \$900K one-time transfer from the GRS will not be required in 2020 and will be carried over to Transit's 2021 operating budget, then operating impacts will be determined for the 2022 budget process.
- Brampton Transit will be receiving approximately \$24.6M in funding to assist with the impact of COVID-19 as follows:
 - Federal-Provincial Safe Restart Program (Transit) (Phase I of 2) - \$24M. This covers losses up to September 30, 2020. Phase 2 is still to be announced.
 - Provincial Municipal Enhanced Transit Cleaning Fund - \$0.6M
- Staff will report back to Council as may be required with further updates on transit services, funding, or the impacts of COVID-19.

Background:

Approved 2020 Fare & Service Adjustments:

At a Special Council Meeting, held on February 26, 2020, City Council approved Brampton's 2020 budget, which included:

- An increase of 17,200 transit service hours (annual), to address critical ridership demands, at a net cost of \$1,482K.
- An increase of 10,400 transit service hours (annual), to extend Züm service to Toronto Pearson Airport, at a net cost of \$900K offset by the approval of a one-time transfer from the GRS fund of \$900K.
- A fare change, effective April 13, 2020, contributing \$1.05M in revenue on an annual basis.
- Free Fares for Brampton seniors at an annual loss in revenues of \$750K.

At the Council Meeting, held March 25, 2020, Council enacted By-law 52-2020 to amend User Fee By-law 380-2003 regarding Brampton Transit Fees in response to the

COVID-19 Emergency, to amend the effective date of the fare change from April 13, 2020 to August 31, 2020.

At the Council Meeting, held on June 10, 2020, Council enacted an amendment to By-law 52-2020 to further adjust the effective date of the fare change from August 31, 2020 to a "Date to be set by Council". Also at this meeting, to avoid requiring seniors to come, in person to Brampton Transit facilities to acquire a senior ID Card, Council approved staff's recommendation to defer the fall implementation of the free fares for Brampton senior residents to a date in 2021 to be proposed in a future report to Council or as part of the 2021 budget process.

Brampton Transit COVID-19 Response Plan:

As per Council approval of the Brampton Transit COVID-19 Response (C089-2020 on March 25, 2020):

- Effective March 21 through July 1:
 - Fare payment was not required.
 - Customers boarded through the rear doors.
 - Customers with accessibility needs who required the use of the ramp continued to use the front doors.
 - Operators area and priority seating was blocked off from riders to support physical distancing.
 - To ensure there was adequate distance between everyone on the bus, including employees, seats were identified with yellow tape and passengers were asked to not sit in these seats.
- March 23, service reductions were implemented.
 - Enhanced Saturday Service was provided Monday to Friday, regular Saturday service on Saturdays and regular Sunday service on Sundays.
 - Bus loads limited to half seated capacity to support recommended physical distancing practices. This means that once buses were half-full, stops will be bypassed and passengers may be left behind. Every effort was being made to deploy buses to pick up the remaining passengers.
 - On busier routes, articulated buses were put in place to assist with passengers' ability to maintain physical distancing while on board.

Brampton Transit COVID-19 Recovery Plan – Phase I:

As per Council approval of the Brampton Transit Recovery Plan (CW130-2020 on June 10, 2020), effective July 2, 2020:

- On buses and at Terminals, all passengers and operators are required to wear a non-medical mask or face covering (with the exception of children 2 years of age and under, the elderly or others that have medical conditions that would prevent them from wearing).
- Fare payment resumed, promoting PRESTO by waiving the \$6 card issuance fee for a limited time.
- Front door boarding resumed.

- Bus loads increased to the equivalent of full seated capacity, with passengers able to choose to sit or stand as they wish.

Brampton Transit Mandatory Face Covering By-law:

- Refer to C264-2020 being the Council report approving the Mandatory Face Covering By-law 135-2020 on July 8, 2020.
- Mandatory use of non-medical mask or face covering while attending an indoor public place including on Brampton Transit buses.
- By-law in effect, currently, from July 15, 2020 through September 30, 2020.

Current Situation:

The emergence of COVID-19 as a global pandemic has resulted in an unprecedented emergency response by the City. In support of provincial and regional emergency declarations, the City declared a Level 1 Major Emergency on March 17, 2020.

Measures were put in place to ensure the safety of all staff, our contractors, and the public. The City closed all facilities to the public on March 16, 2020. Brampton Transit Administrative Offices were closed to the public on March 23, 2020 and the Customer Service Counters at terminals were closed on April 27, 2020 (based on lower ridership and no fare payment required).

Customer Service counters at terminals (excluding Trinity Commons) were re-opened to the public on June 22, 2020, supporting the resumption of fare collection on July 2, 2020 along with returning to front door boarding and rear door exiting, maintaining physical distancing, and mandatory use of non-medical masks or face coverings.

Ridership/Service:

Although transit facilities were closed to the public and access restricted to all contractors, transit buses continued to run as staff provided essential front-line services to the public. In terms of ridership demand, refer to Appendix A for a year over year comparison graph for 2018, 2019, 2020. For the period January 1 through August 19, 2020:

- From January 1 through March 22 transit services and facilities continued to run uninterrupted; and,
- Effective March 23 service frequencies were reduced and/or routes were temporarily suspended.
 - Additional service hours and the number of buses servicing those routes remaining in operation were increased however to manage capacity and support physical distancing.

| Period | Ridership | Service |
|-----------------|---|---|
| Jan 1 to Mar 20 | <ul style="list-style-type: none"> • Approximately 13% higher than 2019. | <ul style="list-style-type: none"> • This was the pre-COVID-19 period and full service was being provided. |

| | | |
|-----------------|---|---|
| | <ul style="list-style-type: none"> • This was prior to ceasing fare collection and introducing rear door boarding. | |
| Mar 21 to Jul 1 | <ul style="list-style-type: none"> • High level estimates of approximately 30% of 2019 ridership. | <ul style="list-style-type: none"> • This was the period of no-fare collection • Rear-door boarding introduced • Capacity reduced to 50% seated load • General level of service was on average about 65% (weekdays) and 87% (weekends). • This includes cancelled services that was re-directed to busier routes to support physical distancing. |
| | <ul style="list-style-type: none"> • Implemented enhanced cleaning and daily sanitizing of buses and terminals, much of was achieved by re-assigning employees from the Customer Service Counters in our transit terminals that were closed because fare collection had ceased. | |
| Jul 2 to Aug 19 | <ul style="list-style-type: none"> • Approximately 50% of 2019 ridership. | <ul style="list-style-type: none"> • Resumed fare collection. • Returned to front door boarding. • Capacity was increased to equal fully seated loads. |
| | <p>Notes:</p> <ul style="list-style-type: none"> • Mandatory Mask By-law restrictions introduced. Generally a very high rate of compliance continues to be observed by staff (95% or higher). • Ridership is projected to grow to approximately 60% of 2019 ridership levels by year-end. | |

Fall 2020 Service:

Additional service will be implemented effective September 8, 2020, with approximately half of the remaining routes that are currently temporarily suspended, reintroduced. Brampton Transit will also operate special service to support the reopening plans of school boards, as well as additional unscheduled services to help address some continued closed-door incidents. Further enhancements are planned for later in the fall and into 2021, which will be dependent on demand, capacity within the system and available resources.

Deferral Züm service to Toronto Pearson Airport to 2021

Given the impact of COVID-19 on revenue and ridership demand the above service is not required for implementation in the fall of 2020. Staff are therefore recommending a deferral of the Züm extension to Toronto Pearson Airport to fall of 2021.

As part of the 2020 Approved Operating Budget, Council approved the expansion of Züm service to Toronto Pearson Airport at a net cost of \$900K being funded from a one-time transfer from the GRS fund. As a result of this service being deferred to 2021, the \$900K one-time transfer from the GRS will not be required in 2020 and will therefore be carried over to Transit's 2021 operating budget, then operating impacts will be determined for the 2022 budget process.

2020 Year-to-Date Revenues/Expenditures and Year-End Projection:

Refer to Table 1 below for a summary of the 2020 Transit financial overview:

Table 1

| 2020 Transit Financial Overview | | | | | | | | | | |
|---------------------------------|---|--------------|-------------|-------------------------|------------|--------------------------|--------------|-------------|-------------------------|------------|
| Account Category | 2020 Year-to-Date (as of July 31, 2020) | | | | | 2020 Year-End Projection | | | | |
| | Budget | Actuals | % of Budget | Shortfall/ (Savings) | % | Budget | Projection | % of Budget | Shortfall/ (Savings) | % |
| Transit Revenues [A] | (\$48M) | (\$23M) | 48% | \$25M | 52% | (\$87M) | (\$45M) | 52% | \$42M | 48% |
| Provincial Gas Tax [B] | \$0M | \$0M | 0% | \$0M | 0% | (\$13M) | (\$13M) | 100% | \$0M | 0% |
| Transit Expenditures [C] | \$97M | \$84M | 87% | (\$13M) | (13%) | \$178M | \$154M | 87% | (\$24M) | (13%) |
| Net [A]+[B]+[C] | \$49M | \$61M | | \$12M | 25% | \$77M | \$95M | | \$18M | 23% |
| COVID-19 Impacts** | \$0M | \$2M | | \$2M | | \$0M | \$4M | | \$4M | |
| Transit Total | \$49M | \$63M | | \$14M | 29% | \$77M | \$99M | | \$22M | 28% |

Assumptions:

**Ridership and fare revenues will return to 60% of budget by year end.*

***Incremental costs relating to COVID for items such as enhanced cleaning, additional sick credits, physical distancing and mandatory mask signage, etc. These expenses have been captured in the City's emergency measures cost centres.*

Cost Containment: In light of COVID-19 there were a number of cost containment measures implemented in an effort to minimize the financial impact due to the loss of fare revenues. Examples of some the key measures are summarized in Table 2 below:

Table 2

| Program Area | Cost Containment Savings |
|---------------|---|
| Labour/Salary | A large portion of these savings continue to develop as a result of reduced service. |
| Overtime | Limiting the amount of approved overtime to only essential needs (for example, only using overtime to avoid cancelling the last bus late at night). |
| Diesel Fuel | Two factors are contributing to these savings. 1. As are result of reduced service, there has been less diesel fuel consumed, and 2. There has been a reduction in the per litre cost of diesel fuel, resulting in budget savings (budgeted \$1.00/L, current rate approximately \$0.73/L). |

| | |
|-----------------|---|
| Bus Maintenance | With reduced service and the subsequent reduction in kilometres driven. |
| PRESTO Fees | As a result of lower fare revenues, along with the period of free-fares, there has been a subsequent savings in commission fees paid to PRESTO. |

COVID-19 Sick Time: In consultation with Senior Leadership Team and Human Resources, 80 hours of COVID-19 sick time credits were provided to unionized Transit frontline staff, valued at approx. \$3.1M.

- July 31, 2020: Approximately \$0.8M (25%) of the sick time credit has been used.

Absenteeism: Transit has experienced an increase in absenteeism rates due to COVID-19. A continued higher than normal absenteeism rate may be experienced as service is fully restored to pre-COVID levels.

A high level summary of these impacts within our Maintenance and Operations divisions, comparing average monthly off hours from January through March 2020 to April through July, 2020, are approximately as follows:

- Maintenance: increased from an average of 6% (pre-COVID) to an average of 10% (during-COVID).
- Operations: increased from an average of 7% (pre-COVID) to an average of 15% (during-COVID).

Pre-Screening: Each employee is required to complete a pre-screening prior to coming to work for their shift. As service levels increase, absenteeism will be a limiting factor on the amount of service we may be able to provide.

Daily Sanitization: Since mid-March, Transit has been able to utilize modified workers and/or mobilize re-assigned staff to assist in these efforts. This is not sustainable, however, and a longer term solution is being developed for consideration as part of the 2021 budget when submitted to Council for approval. Staff effort and materials costs associated with daily sanitization of buses and facilities are expected to continue into 2021 and will need to be addressed through the 2021 operating budget process. This level of cleaning and sanitization is expected.

In response to COVID-19, transit drastically enhanced the level of cleaning and sanitizing both on-board transit buses and at transit facilities. Transit has a target of sanitizing all buses over a course of 48 hours, but through utilization of modified operators, the re-assigning of PT terminal staff and the use of overtime by transit general service persons, Transit staff have been able to sanitize all buses within a 24 hour period. Transit estimates the labour cost to perform this enhanced cleaning will be almost \$2M by the end of the year.

This level of enhanced cleaning may continue in 2021, especially if a second and/or third wave occurs, and any additional costs not reimbursed through the Safe Restart Program, will need to be addressed as part of the 2021 budget process.

Looking ahead to 2021:

- Economic results are uncertain.
- Ridership recovery will be uncertain including the impact of a possible second wave.
- What is certain:
 - (1) The economy is reopening gradually.
 - (2) Ridership is coming back slowly but relatively steadily.
 - (3) School trips will be impacted this fall, and staff will be closely monitoring the situation.
 - (4) Many companies are still having employees work from home.
 - (5) Job loss recoveries are uncertain, and
 - (6) At some point in the near future, operating at the equivalent of a seated load will mean ridership demand will exceed the effective capacity of the service, and a return to full pre-COVID-19 service may be required sooner than 2021.
- The 2021 Transit budget is being prepared based on the following assumptions:
 - (a) Ridership will start at approximately 60% of the 2019 ridership levels and will grow by 5% each quarter in 2021, reaching 80% of 2019 ridership by the end of 2021. Staff will continue to closely monitor ridership results and report on this during the budget process and throughout 2021.
 - (b) The 2020 service additions approved by Council for the fall of 2020 will be deferred and implemented in the fall of 2021, subject to Council approval of the recommendations contained within this report. Based on current and projected 2021 ridership levels there will be no additional service expansion requested as part of the 2021 budget process.
 - (c) Particular attention will be paid to the timing of the extension of Züm service to Toronto Pearson Airport and will only be implemented as service demand increases due to an increase in passenger volumes through the airport. This is subject to and upon Council approval of the recommendations contained within this report.
 - (d) Provincial gas tax funding for 2021 will be held at 2020 budget levels.

Corporate Implications:

Financial Implications:

Deferral of the 2020 approved transit service increases and the one-time transfer from the GRS fund, will result in a net budget savings of \$1,482K in 2020. These savings have been identified above as a cost containment measure and will reduce the impact of the 2020 revenue loss. As a result of discussion and details provided surrounding the Provincial-Federal Safe Restart Agreement, Transit staff anticipate COVID impacts for the 2020 budget year will be recovered.

Other Implications:

2020 Growth Buses:

- Transit has taken delivery of the 23 growth buses scheduled for delivery in 2020.
- Ordering of in-service buses for 2021 will be delayed.

Federal-Provincial Safe Restart Agreement:

- On July 27, 2020, as part of the federal-provincial Safe Restart Agreement, the Ontario government announced that it had secured up to \$4 billion in one-time emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19, and deliver the critical services people rely on every day.
- This investment will provide support to municipalities and municipal transit systems to help them deal with financial pressures related to COVID-19, maintain critical services and protect vulnerable people as the province safely and gradually opens. It includes:
 - Up to \$2 billion to support municipal operating pressures; and
 - Up to \$2 billion to support municipal transit systems.
- The City of Brampton is set to receive an allocation of \$10.9M under Phase 1 to support municipal operating pressures.
- Brampton Transit is also set to receive additional funding support, which will be allocated as follows:
 - Phase 1: \$666 million (1/3rd) will be allocated to municipal transit systems based on the same ridership formula used to calculate the Gas Tax allotments.
 - City of Brampton will receive up to \$24,031,309 in support for COVID-19 related expenditures incurred from April 1, 2020 to September 30, 2020.
 - Phase 2: Details on the remaining \$1.33B (remaining 2/3rds) are still to be announced at the time of writing this report, but are currently indicating coverage for eligible expenditures up to March 31, 2021.

Other funding programs

- New - ICIP Resiliency Funds:
 - Note this will allow municipalities to redirect up to 10% of the Investing in Canada Infrastructure Program (ICIP) allocation to COVID-19 related projects. The full City of Brampton ICIP allotment for the Transit Stream has been previously applied for and is awaiting various levels of approval.
- New - Provincial Municipal Transit Enhanced Cleaning (MTEC) Fund:
 - The provincial government has announced a new funding program to assist municipal transit agencies by providing funding under the Municipal Transit Enhanced Cleaning (MTEC) fund.
 - The Ontario Government is providing up to \$15M to 110 municipalities across the province to support enhanced cleaning of municipal public transit systems to keep passengers and employees safe and help reduce the transmission of COVID-19.

- On June 29, 2020, Mayor Brown was notified by the Minister of Transportation that Brampton Transit will receive an allocation of \$602,038 under the MTEC.
- Eligible costs will include direct costs incurred by the municipality on or after April 1, 2020 and on or before December 31, 2020.

Term of Council Priorities:

In support of *Living the Mosaic: Brampton 2040 Vision*, this report achieves the following Term of Council Priorities for 2019-2022:

- Brampton is a healthy and safe City. Continue to ensure the safety and well-being of our citizens.
- Brampton is well run City. Maintaining effective stewardship of municipal assets and services.

Conclusion:

Transit leadership would like to take this opportunity to acknowledge and thank our frontline workers for continuing to come to work during this pandemic and by doing so enabled Brampton's essential services to keep moving. Brampton Transit took reasonable steps in consultation with Peel Public Health and transit agencies country-wide.

Some staff were re-deployed from their regular duties, especially those affected by the closure of our Customer Service Counters at our terminals, to re-assigned duties including the sanitization of our buses and facilities to keep our customers and their co-workers safe. These tireless efforts continue today on daily basis.

Passenger loads on buses are currently limited to roughly a full seated load or 35 people on a standard bus. Ridership levels have returned to almost 60% of comparable 2019 levels. Based on these two items, staff do not believe the fall service increases approved as part of the 2020 budget are required. Staff recommend deferring the implementation of these service increases to the fall of 2021.

The City of Brampton is set to receive approximately \$24.6M in combined COVID-19 funding from the federal and provincial governments under Phase 1 of the Federal-Provincial Safe Restart Agreement and the Provincial Municipal Transit Enhanced Cleaning Funding. Additional funding is also possible beyond September 30, 2020 to March 31, 2021, as more details are released as part of Phase 2 of the Federal-Provincial Safe Restart program.

As Brampton Transit progresses forward along the reopening pathway, staff will continue to follow the recommendations and guidance provided by senior levels of government and public health officials. Further update reports will be submitted to City Council periodically for the duration of the pandemic as required.

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Attachments: Appendix A – Brampton Transit Ridership: 2018, 2019, 2020 YTD

Appendix A
BRAMPTON TRANSIT RIDERSHIP
2018, 2019, 2020 YTD

