

Date: 2021-11-25

Subject: Brampton Transit COVID-19 Recovery Update

Contact: Alex Milojevic, General Manager, Transit
alex.milojevic@brampton.ca, 905-874-2750 ext. 62332

Report Number: Brampton Transit-2021-1271

Recommendations:

1. That the report from Alex Milojevic, General Manager, Transit, dated November 25, 2021, to the City Council Meeting of December 8, 2021 re: Brampton Transit COVID-19 Recovery Update (Report Number Brampton Transit-2021-1271, IB.C), be received.

Overview:

- Ridership is currently trending over 75% of 2019 pre-pandemic levels
- Service is currently being operated at approximately 85% of pre-pandemic service hours.
- Many COVID-19 safety measures continue to remain in effect.
- 2022 Service Plans are highlighted in this report.
- At the ridership levels the 2022 budget submission is based on, upwards of \$25M could be needed in pandemic funding.
- Results from the updated Brampton Transit 5-year Business Plan (2023-2027) and customer surveys will help guide the pandemic recovery and future growth initiatives.

Background:

Since the beginning of the COVID-19 pandemic, Brampton Transit has followed the advice from Peel Public Health (PPH) in implementing the required policies and practices to maintain a safe environment for customers and operators.

Brampton City Council approved measures implemented to comply with COVID-19 safety measures and service strategies used to mitigate changes in ridership.

Brampton Transit has proactively adapted service hours and deployed resources as required in response to the COVID-19 capacity restrictions put in place by PPH and to address lower ridership demand at the start of the pandemic.

Current Situation:

Transit service for fall and winter 2021 continue to reflect the impact of COVID-19.

Public transit continues to be of integral importance for economic growth, social equity, and the environment. Even with on-board passenger capacity returned to pre-pandemic levels, the ability to fully recover ridership remains a challenge until resourcing levels and customer travel patterns return to pre-COVID levels, discussed below.

Over the next several months Transit's key service goals will be centered on the following three focus areas:

1. **Safe return:** Continue to advocate for a safe return of ridership by being responsive to COVID-19 measures guided by the province and put into place by PPH including changes to capacity restrictions, physical distancing, and use of PPE.
2. **Pivot to a new post-COVID reality:** Understand and incorporate changes to customers travel behaviours; for example, changes to time of day travel patterns, and return to physical presence at work and schools, to name a few.
3. **Return to full service:** Develop a responsible path to recover ridership, and grow ridership beyond pre-COVID levels.

Safe Return

On October 15, 2021, during the COVID-19 update for Brampton, Dr. Lawrence Loh (Peel's Medical Officer of Health) commented that trends do appear to be stable in the Region of Peel largely given approximately 82 per cent of Peel residents are fully vaccinated.

Effective November 10, 2021, Peel Public Health removed the previous capacity restrictions¹ in place for Brampton Transit.

Brampton Transit has taken preventative measures to limit the transmission of COVID-19 in all workplaces, and within the community as a whole. For example, some of these key efforts included, but are not limited to:

- mandatory wearing of masks on buses and within all transit facilities

¹ Passenger capacity restrictions, established by PPH, were in place between July 2, 2020 and November 10, 2021 were as follows:

- 40 foot bus: 35 people
- 60 foot bus: 55 people

This capacity was equivalent to a full-seated load. Passengers could choose to sit or stand.

- sanitization of the majority of transit vehicles every 24 hours, including all transit vehicles entering Pearson Airport and Brampton hospitals. This enhanced sanitization will continue as determined in consultation with PPH
- enhanced sanitization of all transit facilities
- capacity restrictions on buses and support vehicles, and inside facilities
- physical distancing in all facilities

Ridership

As vaccination rates grew in conjunction with some of the COVID-19 restrictions lifted throughout 2021, ridership demand in Brampton continued to recover. Refer to Table 2 which provides a history of ridership recovery (vs. 2019, pre-pandemic levels) and a high level 2022 forecast. Presently, weekly ridership levels (period ending November 7, 2021) are now steadily being observed at above 70% of pre-pandemic levels and growing.

Table 1

Period	Ridership (vs. 2019)
Jan-Mar 2020	<ul style="list-style-type: none"> • Approx. 13% higher (pre-COVID period)
Apr-Dec 2020	<ul style="list-style-type: none"> • Began COVID-19 at an estimated 30% ridership • Grew to approximately 50% by year end
Jan-Oct 2021	<ul style="list-style-type: none"> • Began 2021 at approximately 50% • Grew to approximately 70% at end of October, with highest single day of 2021 ridership during the pandemic recorded on October 27, 2021.
High Level 2022 Estimate	<ul style="list-style-type: none"> • No capacity restrictions, return to full service, and return to pre-COVID employee absenteeism rates. • Forecasted at approximately 70% for Q1, reaching 80% in Q4

This trend is encouraging as we are approaching the average weekday ridership for all of 2017, and as capacity restrictions have been recently lifted this upward trend is expected to continue. Refer to Appendix A for a summary of ridership for the four year period 2018-2021(Q3).

Although ridership is still lagging behind pre-COVID levels, the future is optimistic for Brampton Transit. In comparison with transit agencies within the Greater Toronto & Hamilton Area (GTHA), Brampton Transit is reporting the highest ridership recovery rates (2021 versus 2019):

- September YTD: 67% versus average of approximately 50% for GTHA agencies
- Annual YTD: at 56% versus average of approximately 40% for GTHA agencies

This trend may be attributed to the ridership demands in Brampton being more centralized, connecting more of our residents to essential jobs in Peel Region, rather than helping people travel to jobs in downtown Toronto. Trips on transit that are ending

in the downtown financial district in the City of Toronto are not expected to recover fully until such time building occupancy rates return to pre-COVID levels.

According to research conducted by the Strategic Regional Research Alliance, as of November 1, 2021, occupancy rates are running at about 15% of pre-COVID levels². New data indicates that the number of workers in Toronto's financial district is still down by 77%³.

Pivot to a new post-COVID-19 reality

COVID-19 has had an unprecedented impact to the transit industry. It is important to seek out industry best practices and knowledge in order to better understand how transit agencies across Canada plan to recover from and adapt to a post-COVID environment.

To this end, in April 2021, the American Public Transit Association (APTA) organized a virtual study mission to Canada, in collaboration with the Canadian Urban Transit Association (CUTA). This three-day long session aimed at developing pandemic-resilient recovery strategies and examined the future of transit through the lens of recovery.

Many businesses have either fully or partially transitioned staff to work from home and will continue to operate this model. Students continue to either fully or partially study virtually. As we continue to recover from the pandemic these changes will require transit agencies to study travel pattern data to determine the potential changes in passenger demand.

Due to the impact of reduced capacity and/or changes to passenger travel needs, some of the riders have switched travel modes, to alternatives such as walking and/or riding bicycles, or made other transportation arrangements. Riders may be wary to return to crowded buses and transit facilities. The retail and entertainment industries have also suffered greatly through COVID-19 which has also further impacted ridership. According to a Toronto Star article published in early October, "*Transit use likely won't return to pre-COVID levels for years*"⁴.

Staff are focused on understanding changes to travel patterns because of COVID-19, for example the possibility of less inter-regional commuter and more local trips. Developing plans to influence COVID-19 behaviours and ensure perceptions of safe travel will be crucial to ridership recovery.

² <https://srraresearch.org/covid/category/Occupancy+Index>

³ <https://www.thestar.com/business/2021/11/10/new-data-shows-number-of-workers-in-financial-district-is-still-down-by-77-per-cent-and-experts-say-it-may-never-recover.html>

⁴ The Star (Toronto, ON), October 6, 2021:

<https://www.thestar.com/news/gta/2021/10/06/its-too-much-of-a-risk-riders-left-the-ttc-in-droves-over-covid-19-could-that-trigger-a-public-transit-death-spiral.html>

Notwithstanding the aforementioned, public transit continues to provide vital service to our community and is important for economic growth, social equity, and the environment within the region. Public transit remains as important now as it was before COVID-19.

Throughout the pandemic, Transit staff have utilized Transit's established Service Standards, previously endorsed by City Council, for guidance in prioritizing service level adjustments as transit service was adapted to balance available resources with the fluctuating ridership demand. Staff continue to work directly with a number of major employers, school boards, post-secondary institutions and connecting transit agencies to identify changing travel patterns and adjust services accordingly. Some examples include:

- service frequency adjustments to maximize the utility of available resources and match service levels with demand
- schedule changes to meet staggered shift times implemented by some large employers
- additional trips as some sectors ramped up employment, or continued to expand their operations

Transit staff will soon commence an update to the Transit Five-Year Business Plan and Service Strategy (2023-2027). Much of the service development work planned for the Service Strategy section will include assessing the longer-term impacts of the pandemic on ridership and travel patterns, which will further inform a service recovery strategy, and feed into the 2023 Annual Transit Service Plan.

As ridership slowly returns to pre-COVID levels, Brampton Transit will be renewing our Customer Charter⁵ to our commitment in ensuring the transit services provided are reflective of our customers' expectations in a post-COVID environment. As part of this process, we are considering undertaking a customer survey(s) to collect important feedback regarding our customers' new travel patterns, service expectations, ridership challenges, and requests for additional services or information.

Return to Full Service

COVID Impacts on Employee Absenteeism

Transit continues to service the front lines. As a result our workforce, especially within our transit operators and maintenance staff groups, continue to experience a high level of absenteeism. Refer to Table 2 below which highlights the quarterly breakdown of absenteeism during COVID.

⁵ Brampton Transit's Customer Charter:
<https://www.brampton.ca/EN/residents/transit/customercharter/Pages/Welcome.aspx>

Table 2

Period	Operations	Maintenance
Pre-COVID	7%	6%
Q3 2020	15%	10%
Q4 2020	13%	8%
Q1 2021	12%	8%
Q2 2021	16%	12%
Q3 2021	13%	9%

Service

As a result of the pandemic City Council has approved recommendations regarding the deferral of transit services as follows:

- 2020 Service Plan was deferred to 2021, and then again to fall of 2022
- new service previously planned for fall 2021 or 2022 has now been subsequently deferred to 2023
- the majority of the planned service initiatives outlined in the Service Strategy section of Transit's 5-Year Business Plan (2018-2022) have not been implemented
- the service strategy will be updated as part of the 2023-2027 5-Year Business Plan Update being undertaken in 2022

Transit is presently operating at approximately 85% of pre-pandemic service hours on a daily basis. Full service has yet to be restored back to pre-COVID levels due to the various effects of the pandemic, including:

- availability of resources (including impacts from increased absenteeism in operations and maintenance)
- need to reallocate resources to manage system pressure points
- reduced capacity in place per PPH from July 2, 2020 through November 10, 2021

The majority of the arterial corridor network has been restored to regular operation and is operating at or above pre-COVID service levels. Some off-peak service and a number of lower ridership local service routes remain canceled or are operating at reduced serviced levels. Modest service improvements are being made on an ongoing basis as resources are available, based on the following criteria:

- matching service levels to ridership demand
- addressing system pressure points (overcrowding, changing travel patterns)
- increased ridership demand in employment lands (not pandemic related)
- maintaining service quality and on-time performance
- maximizing service coverage

Staff continue to actively monitor resource levels and travel patterns and are hopeful that more service will be added back in the near future. Based on resource availability, it has been possible to implement some minor service improvements, including:

- schedule adjustments to improve service quality and on time performance
- frequency and span of service adjustments, primarily earlier and later service on main corridor routes to meet shift times for major employers as they expanded their operations

Additional service quality adjustments are currently under review for implementation early in 2022. Transit staff also continue to work directly with a number of large employers across the city to adjust services to best meet the needs of their employees.

Transit staff are currently working with staff from the Greater Toronto Airport Authority on revised plans to extend Züm Bovaird to the Airport, and will be undertaking further analysis over fall 2021 and Q1/2022 to develop a revised 2022 Annual Transit Service Plan, including the launch of Züm service to Pearson Airport, targeting fall 2022.

On-demand Transit: Brampton Transit is exploring the use of on-demand transit to offer a flexible way of providing transportation, at times and days when alternative options, to regular transit buses, might prove more cost efficient.

During the 2019 City Services Review, a detailed review of the viability for on-demand transit at Brampton concluded that the high-degree of productivity of Brampton Transit routes precluded any improvement opportunities for on-demand transit.

The impact of COVID-19 on ridership, in terms of passenger volumes and travel patterns, create an opportunity for a second look with a modified approach.

A pilot project, using on-demand technology combined with service delivered by Brampton Transit operators and buses will test the option of targeted service based on specific service requests as opposed to a fixed schedule for those sections of the City and times where usual ridership numbers were impacted by COVID-19. This pilot project is expected to be launched in Q2 2022.

2021 Year-to-Date Revenues/Expenditures and Year-End Projections

Refer to Table 3 below for a summary of the 2021 Transit Financial overview:

Table 3

2021 Transit Financial Overview										
Account Category	2021 Year-to-Date (as of Sep 30, 2021)					2021 Q3 Year-End Projection				
	Budget	Actuals	% of Budget	Shortfall/ (Savings)	%	Budget	Actuals	% of Budget	Shortfall/ (Savings)	%
Transit Revenues [A]	(\$64M)	(\$35M)	55%	\$29M	45%	(\$87M)	(\$51M)	59%	\$36M	41%
Provincial Gas Tax [B]	\$0M	\$0M	0%	\$0M	0%	(\$13M)	(\$13M)	100%	\$0M	0%
Transit Expenditures [C]	\$125M	\$110M	88%	(\$14M)	(12%)	\$181M	\$164M	91%	(\$17M)	(9%)
Net Impact [A]+[B]-[C]	(\$60M)	(\$75M)		\$14M	24%	(\$80M)	(\$99M)		\$19M	24%
COVID-19 Impacts**	\$0M	\$3M		\$3M		\$0M	\$6M		\$6M	
Transit Total	(\$60M)	(\$78M)		\$17M	29%	(\$80M)	(\$105M)		\$25M	32%

Assumptions:

**Ridership and fare revenues will return to 70% for Q4.*

***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.*

COVID Relief Funding: Safe Restart Agreement (SRA)

The Safe Restart funding program largely concludes at the end of 2021. Refer to Table 4 below for a summary of the funding to date:

Table 4

Year	SRA Funding Received			MTEC Funding Received	Available Funding	Transit Deficit	Remaining Funding
	Phase 1	Phase 2	Phase 3				
2020	\$24,031,000	\$ -	\$ -	\$ -	\$24,031,000	(\$ 22,650,000)	\$1,381,000
2021	-	\$13,043,000	\$23,493,000	\$602,000	\$38,519,000	(\$ 25,340,000)	\$13,179,000 *
2022	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 25,000,000)	(\$25,000,000)
*Note: Staff to confirm ability to use remaining SRA funding to offset Transit's 2022 deficit with the MTO.							

- During phase 2, Brampton was allocated a total of \$30.1M but only received \$13M based on actual COVID financial impacts. This resulted in \$17M in unclaimed funds that staff advocated be made available beyond phase 3.
- The November 4 Fall Economic Statement confirmed that all unclaimed phase 2 funding allocations were being pooled and reallocated to transit agencies whose phase 3 impacts exceeded their allocations, as a one-time top-up.
 - Therefore, unclaimed phase 2 funding is no longer available to Brampton.
- Ongoing funding support is needed until ridership returns to pre-COVID levels.
 - Staff continue to advocate for this funding at all levels of government.

2022 COVID Impacts

Multiple unknown factors related to COVID-19 recovery still remain, which could alter any forecasted impacts for 2022, including, but not limited to:

- Has COVID permanently changed work and post/secondary trip patterns with respect to remote working and learning?

- What is the impact of businesses that have closed permanently or pandemic-related job losses?
- How long will it be before transit riders feel comfortable enough to board transit vehicles in pre-COVID crowding standards?

As noted in Table 2, assuming resource levels return to pre-pandemic levels early in 2022, it is estimated that transit ridership and related revenues could start the year at 70% and grow to 80% by year-end 2022.

Based on these assumptions, it is estimated there could be a COVID-19 related shortfall of approximately \$25M in 2022, broken down between a revenue loss of \$20M along with \$5M in costs relating to the enhanced sanitization of facility/buses, additional security at terminals and other various COVID-19 related expenses. A 5% change to the above estimated ridership recovery would have an approximate \$4M impact on Transit revenues (i.e. If ridership averages 90% in 2022, Transit's COVID-19 related shortfall would be \$13M and if ridership averaged 60% in 2022, the shortfall would be \$37M). Staff will continue to closely monitor ridership.

Status of Fare Changes

A. Free Fares for Brampton Seniors 65+:

Details on this initiative were approved by City Council as part of CW253-2021 on May 19, 2021. Given the uncertainty of COVID and the 4th wave Brampton has been experiencing, along with the capacity restrictions in our Transit facilities, Transit staff feel it is best that Brampton Seniors do not visit Transit facilities to obtain a Senior ID card and PRESTO card over the next few months. Although Transit currently offers an online application and renewal process for the Senior ID card, Transit is unable to offer an online option to purchase the PRESTO card with the appropriate classification – seniors are therefore required to come into a Transit facility for initial card configuration to allow transit staff to perform this task.

Transit staff are still planning to launch free fares for Brampton Senior Residents during this Term of Council, aiming for Q1 2022. Staff are investigating potential in person transactions on an appointment basis, and are working with Recreation and other departments to confirm additional locations, such as community centres, that could provide additional space, while ensuring the right safety protocols will be in place to protect Brampton's seniors and City of Brampton employees.

B. 2020 fare changes for cash and adult categories

Through the 2020 budget process, City Council approved the introduction of fare changes (inflationary increases to cash and adult fares) effective April 13, 2020. City Council subsequently deferred the fare changes (through By-laws 041-2020, 052- 2020, and 096-2020) to August 31, 2020 and then later to a "Date to be set by Council". Also approved by City Council as part of CW253-2021 on May 19, 2021, City Council further deferred the fare changes to a date in 2022 to be determined as part of the 2022 budget process.

Transit is targeting the fall of 2022 to implement these fare changes, which would coincide with the anticipated introduction of the remaining deferred service. The recovery from COVID-19 and impacts on transit agencies will continue to be monitored and any adjustments to this timeline will be communicated to Council in a future report along with an update to the user fee By-Law as required.

Corporate Implications:

Financial Implications:

Based on the assumption that staff resource levels return to pre-pandemic levels early in 2022 and that Transit ridership and related revenues could start the year at 70% and grow to 80% by year end, the resulting deficit is projected to be approximately \$25 million in 2022.

After funding the Q3 Year-End projected deficit of \$25.3 million in 2021, approximately \$13.2 million is anticipated to remain in City reserves. Staff will confirm ability to use remaining SRA funding to offset Transit's 2022 deficit with the MTO.

Brampton was eligible to receive \$30.1 million under phase 2 of the Safe Restart Agreement (Transit Stream). However, only a portion of this total allocation was claimed (\$13.1 million), which represented Transit's net COVID-related financial impacts between October 1 2020 and March 31 2021. At this time, all unclaimed phase 2 funding has been pooled and made available to municipalities who require a phase 3 top-up based on actual impacts. Staff continue to advocate for additional ongoing operating support until Transit ridership returns to pre-COVID levels.

The General Rate Stabilization Reserve (GRS) was not utilized during the course of this pandemic and in the event that further Covid relief funding is not available in 2022, the GRS will be drawn upon to balance the operating budget.

As at September 30, 2021 the GRS was \$89.6 million net of commitments. Within this balance is \$16.1 million of relief funding. Once this amount is excluded, the GRS balance sits at \$73.5 million, which is \$3.2 million less than the Council approved target of \$76.7 million.

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:

Staff continue to work with PPH on COVID-19 recovery guidelines. Focus remains on ridership recovery, adaptability, and readiness with pre-pandemic resource levels that will support the increased ridership demand resulting from the progressive lifting of restrictions. While recent ridership statistics in Brampton are encouraging and trending upwards in right direction, there is still a road to recovery to return to pre-pandemic ridership level.

Active participation will continue on the national (CUTA) and provincial (OPTA) recovery task forces, coordinating to ensure our recovery supports the Government of Canada's plan to "Build Back Better" by accelerating actions for a green recovery. This includes the important work progressing transition to a zero emission bus fleet along with design-build considerations for the new Third Transit Facility (including electrification to support ZEBs and LEED standards for environmental design).

Understanding the impact of COVID on travel patterns, getting ready to provide the right level of service as required, and preparing for the implementation of new opportunities (like ZEB, and on-demand transit) remain the focus for 2022.

Authored by:

Scott Gillner
Senior Policy Advisor, Transit Services

Reviewed by:

Ivana Tomas
Director, Transit Services

Approved by:

Alex Milojevic,
General Manager, Transit

Submitted by:

David Barrick,
Chief Administrative Officer

Attachments:

Appendix A - Brampton Transit Ridership: 2018, 2019, 2020, 2021 (Q3)