



City of Hamilton
GENERAL ISSUES COMMITTEE
AGENDA

Meeting #: 20-002(c)
Date: January 22, 2021
Time: 9:30 a.m.
Location: Due to the COVID-19 and the Closure of City Hall

All electronic meetings can be viewed at:

City's Website:
<https://www.hamilton.ca/council-committee/council-committee-meetings/meetings-and-agendas>

City's YouTube Channel:
<https://www.youtube.com/user/InsideCityofHamilton> or Cable 14

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

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9. NOTICES OF MOTION

10. GENERAL INFORMATION / OTHER BUSINESS

11. PRIVATE & CONFIDENTIAL

12. ADJOURNMENT

From: Lakewood Beach Community Council <LakewoodBeachCC@hotmail.com>

Sent: November 22, 2020 8:02 AM

To: Pearson, Maria <Maria.Pearson@hamilton.ca>; Clark, Brad <Brad.Clark@hamilton.ca>; Collins, Chad <Chad.Collins@hamilton.ca>; DL - Council Only <dlcouncilonly@hamilton.ca>

Cc: clerk@hamilton.ca; Vander Heide, Jason <Jason.VanderHeide@hamilton.ca>; Dalle Vedove, Debbie <Debbie.DalleVedove@hamilton.ca>

Subject: Niagara Regional Transit On Demand Pilot Project - Nov 25 Council Agenda Item 5.2

Dear Clrs Pearson, Clark and Collins (and Honourable Mayor & Council)

Fiscal Impacts to Municipality : negative fare box revenue, loss of Gas Tax Revenue (taxi to bus is a transfer (boarding) and not a 'ride'), doubles city's cost per ride of users - all of which adversely impacts present and future funding available to expand conventional transit

Fiscal Impacts to Stoney Creek Property Taxpayers: cost of service provided to **Niagara** users Area-Rated to tax base in Stoney Creek

Fiscal Impacts to Users: upwards of 70% surcharges (seniors)

The expansion of NRT into the Winona Crossing is a good news story for the intra-municipality transit and for the economic recovery of the businesses located in that area. Unlike other major shopping destinations/employment areas, such as Ancaster Meadowlands, transit to that area however is via Transcab which has significant impacts that are at times overlooked or misunderstood.

By co-incidence, our association wrote to the Planning Staff a couple of weeks ago on Transcab. We are attaching that email of November 8th for your information.

We are at a loss to understand why the Staff Report presented to the Public Works Committee indicated this pilot project has "no financial implications to the City of Hamilton" . Niagara users will be able to use Transcab/HSR transit from Winona Crossing to travel to other destinations. There is **no revenue generated**; on average the city collects \$3.00 per Transcab/HSR ride and pays out \$5.75 to the provider of Transcab. The HSR portion of the "ride" itself is ~ 200% subsidized

Based on information we've been provided with from City Staff in the past, Transcab clearly has significant adverse financial impacts for the city, for the Stoney Creek taxpayers, for the users of the service, and overall for all Hamilton transit users.

As stated in previous emails over the years, we Creekers already pay for Transcab service to locations outside Stoney Creek (specifically the East Hamilton Business Park) and now it appears we will also be taxed for users from a completely different municipality !?! This inequity should end with the implementation of this pilot project.

Respectfully, we are again requesting that the \$1M + ?? cost of TransCab no longer be area-rated (downloaded to the backs) to the properties in Stoney Creek effective with the 2021 budget.

Viv / Anna/ Nancy
Lakewood Beach Community Council



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 22, 2021
SUBJECT/REPORT NO:	PRESTO Adoption (PW17033(f)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nancy Purser (905) 546-2424 Ext. 1876
SUBMITTED BY:	Debbie Dalle Vedove Director, Transit Public Works Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

As part of the Operating Agreement with PRESTO, there is a requirement to achieve an 80% adoption rate one year after the installation of the new equipment. As of November 27, 2020, the fleet has now been upgraded to the new equipment. This equipment has been designed to be future proof and allow for additional fare payment options including:

- Account-based ticketing
- Mobile Payments
- E-Tickets
- Open Payment
- Bar or QR Codes

On July 17, 2020, Council approved report PW17033(e) eliminating paper tickets and paper passes effective November 1, 2020, which will allow the City to achieve the required target adoption of 80%. Since PRESTO has not completed a solution for social agencies, special purpose tickets were introduced for agency and school board use and available for purchase at Hamilton GO Station to individuals in quantities of two (2). These special purpose tickets will remain available until a suitable replacement is created by PRESTO.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: PRESTO Adoption (PW17033(f)) (City Wide) - Page 2 of 4

The removal of paper tickets and paper passes was communicated using several different channels including, direct mail to vendors and social agencies, social media, advertising on buses, and the website, and in-person at the Hamilton GO Station and Municipal Service Centres.

We saw an immediate increase in adoption from July, 49% to August, 56% and it has continued to increase through October up to 64%. With tickets no longer available in November, adoption has now reached 77%.

Since November 1, 2020, no tickets have been sold at the Hamilton GO Station. All customers who have requested to purchase tickets have been converted to a PRESTO card.

PRESTO E-Tickets launched in Hamilton on September 1, 2020. The timing of this product release allowed Hamilton to offer another fare payment option to our customers that was contactless. The uptake of PRESTO E-Tickets has been steady, with approximately 2,000 weekly uses. Additional functionality released in December, allowing PRESTO E-Tickets to be emailed has given Social Agencies another avenue to provide transit to their clients in a safe manner by removing the requirement for the client to come to their office.

Future enhancement for 2021 includes electronic validation of PRESTO E-Tickets, which should allow social agencies to print a barcoded ticket for their clients. Open payment for credit and debit cards is being rolled out beginning with a Pilot in January for UP Express. Hamilton is currently scheduled to start rolling out this functionality in September 2021.

PRESTO is working towards a solution for Hamilton's specialized transit service; PRESTO functionality on DARTS is expected to be available in early 2021.

With the removal of paper tickets and paper passes, an array of interim choices has been made available for Accessible Transit Service (ATS) clients until they can tap a PRESTO card to pay for their trips on DARTS.

Three options are available to ATS clients:

OPTION 1: Paper Tickets

ATS clients can continue to purchase paper tickets for use on DARTS only, from the HSR Customer Service Centre (36 Hunter St.), or by mail from Accessible Transportation Services. DARTS Seniors tickets will continue to be available to purchase from DARTS drivers. Paper tickets will continue to be valid on DARTS until PRESTO equipment is available.

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SUBJECT: PRESTO Adoption (PW17033(f)) (City Wide) - Page 3 of 4

Paper tickets will no longer be sold at any other locations.

OPTION 2: PRESTO E-Tickets

ATS clients who have a smartphone and a credit card can pay with the PRESTO E-Tickets mobile app. PRESTO E-Tickets cost the same price as paper tickets and allow for a 2-hour transfer window.

OPTION 3: Monthly Pass on PRESTO

Clients who ride often can purchase a Student, Adult, or Senior monthly pass on a PRESTO card. Since the card cannot be tapped, clients are currently required to call ATS to verify that a pass was purchased.

ATS Customer Care Representatives report that, to date, while clients are initially a bit confused when they call to ask about PRESTO, the options we are presenting are clear for them and allow them to make the most practical choice for their circumstances.

Communication efforts to ATS clients advising of the above options included:

- Updated out front messaging on the ATS Customer Service line (905-529-1212).
- Updated messaging on the DARTS “hold” line and DARTS website.
- Updated messaging on the HSR PRESTO information web page.
- Information bulletin detailing options for payment mailed directly to new ATS clients with their approval letter, ATS clients who purchase fare by mail, all clients who have been active in 2020, all programs and agencies on the ATS high-volume DARTS user email list.
- Information bulletin provided to all City of Hamilton customer service locations including HSR Customer Service Office (Hamilton GO Centre), all Municipal Service Centres, and the Customer Contact Centre.
- “Take one” information cards distributed by DARTS Operators to clients as needed.
- These updates were communicated to Accessibility Committee for Persons with Disabilities (ACPD) at their November 10 meeting.

HSR staff continue to work with PRESTO and DARTS to facilitate as smooth a transition as possible to PRESTO for ATS clients by providing the above interim fare choices.

The solution that PRESTO is developing will be provided in the form of an “App”. This solution allows for the distribution of the software to devices already used by DARTS and its sub-contractors.

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SUBJECT: PRESTO Adoption (PW17033(f)) (City Wide) - Page 4 of 4

The introduction of PRESTO on DARTS will allow for Hamilton to be fully compliant with AODA transportation standards, as DARTS customers will pay the same fare and have the same payment options as those available on HSR.

APPENDICES AND SCHEDULES ATTACHED

None.



Hamilton

Transit

2021 OPERATING BUDGET

JANUARY 22 2021

PRESENTATION OUTLINE

- **TRANSIT COVID-19 RESPONSE**
- **TRENDS AND ISSUES**
- **2021 BUDGET**
- **(RE)ENVISION THE HSR - UPDATE**
- **ON DEMAND PILOT**



THANK YOU



OUR PRIORITIES



COMMUNITY ENGAGEMENT & PARTICIPATION

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.



ECONOMIC PROSPERITY & GROWTH

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.



HEALTHY & SAFE COMMUNITIES

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.



CLEAN & GREEN

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.



BUILT ENVIRONMENT & INFRASTRUCTURE

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.



CULTURE & DIVERSITY

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.



OUR PEOPLE & PERFORMANCE

Hamiltonians have a high level of trust and confidence in their City government.

TRANSIT STRATEGIC DIRECTION

TRANSIT DIVISION STRATEGIC DIRECTION



**TRANSIT,
YOUR FIRST CHOICE.**

OUR PURPOSE

We provide customer-focused service that is safe, reliable, and inclusive.

GOALS

- 1** To consistently provide a customer experience that meets or exceeds the expectations of our current customer base while building a reputation that attracts new customers.
- 2** To maintain a transit service and infrastructure that keeps our system in a state of good repair.
- 3** To take ownership of a system that increases modal split through growth within current conditions and expansion to accommodate future needs.

HIGHLIGHTS OF TRANSIT'S COVID-19 PANDEMIC RESPONSE

Health and Safety of Staff and Customers is our priority

- Moved the yellow line 6ft behind the operator
- Treated the entire fleet with AEGIS Microbe Shield treatment
- Enhanced cleaning of buses nightly
- Moved to rear door boarding, paused fare collection, installed bungee cords to prevent entry into operator area
- Required the use of face coverings to board transit
- Installed bio-shields for operator compartment and returned to front door boarding and fare collection

HIGHLIGHTS OF TRANSIT'S COVID-19 PANDEMIC RESPONSE

Service Levels

- Immediate reduction of service to Saturday level to prevent cancellations due to staffing impacts from COVID
- Reduced capacity by blocking off seating to promote physical distancing
- Extra service and maximized use of articulated buses to minimize pass bys
- Multiple operator schedules produced and signed to address service levels
- Decreased capacity on buses to 1/3 – and then increased to 2/3 seated capacity and adjusted blocked seats as required
- Provided stop to stop service utilizing DARTS for customers using personal mobility devices and CNIB cardholders
- Once appropriate measures implemented, we increased to 100% seated capacity

HIGHLIGHTS OF TRANSIT'S COVID-19 PANDEMIC RESPONSE

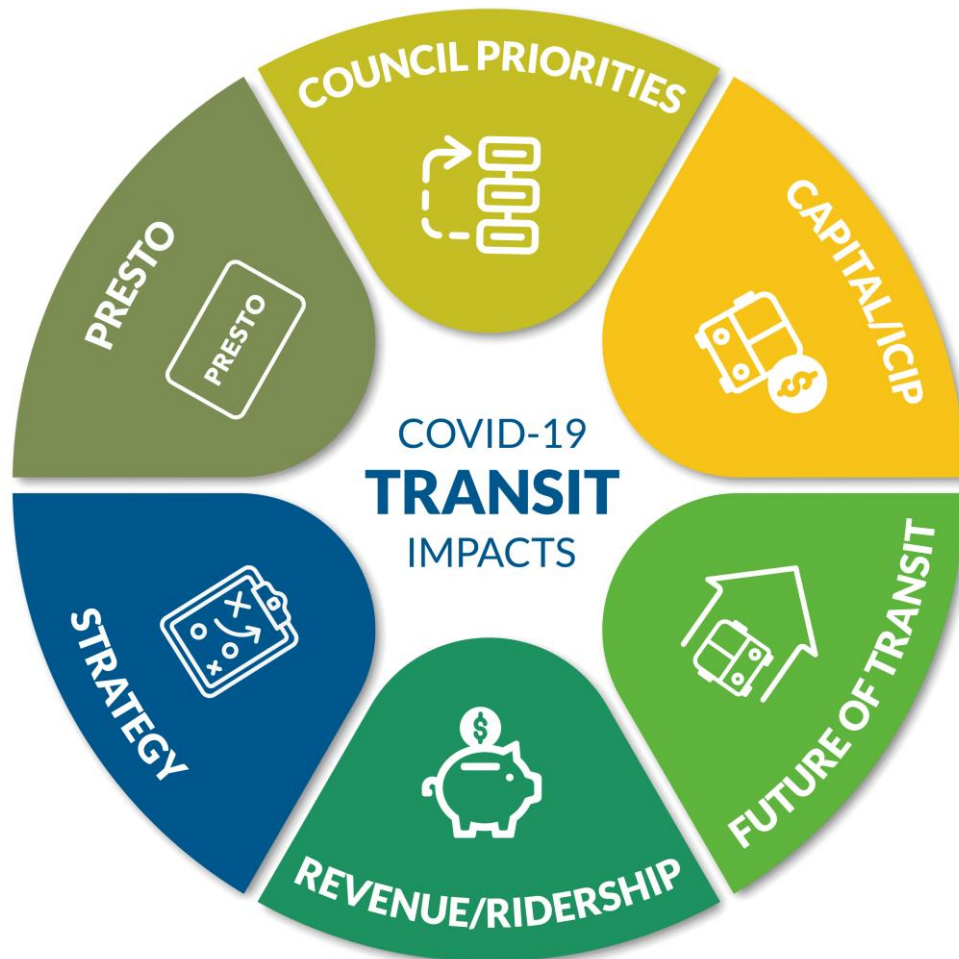
Communications

- Leveraged our Social Media channels and media partners to help communicate our rapidly changing messages to customers – engaging the @HSRNow Suite of services
- Provided updates for EOC Media Briefings and participated on a panel for a townhall
- Internal communications materials developed to relay information to staff in a timely manner
- Upgraded signs on all buses and shelters for physical distancing measures, mandatory masks, rear-door entry/exit
- On-board bus announcements to relay messaging

LOVE HSR OPERATORS CAMPAIGN



TRENDS AND ISSUES



TRENDS AND ISSUES



- **VISION ZERO**
- **EQUITY, DIVERSITY, INCLUSION**
- **CLIMATE EMERGENCY**

TRENDS AND ISSUES



2019

	BUDGETED	ACTUALS	
REVENUE	\$43,625,324	\$45,272,399	↑
RIDERSHIP	21,065,409	21,659,637	↑

2020

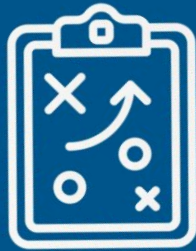
JAN - FEB		COVID	(FORECASTED)	
BUDGETED	ACTUALS		BUDGETED	ACTUALS
REVENUE	\$7,689,350	↑	\$47,176,090	\$ 23,074,389 ↓
RIDERSHIP	3,668,004	↑	22,110,034	11,772,242 ↓

TRENDS AND ISSUES



- **RIDERSHIP RECOVERY**
- **SAFE RE-START FUNDING**
- **PROVINCIAL GAS TAX (PGT)**
- **U-PASS Revenue**

TRENDS AND ISSUES



STRATEGY

- **YEAR 5**
- **IMPACT ON 10 YEAR TRANSIT STRATEGY**

TRENDS AND ISSUES



ICIP FUNDING APPROVALS

- **NEW MAINTENANCE AND STORAGE FACILITY (MSF)**
- **EXPANSION AND REPLACEMENT BUSES**

PRESTO ADOPTION UPDATE



The HSR is ending sales of paper tickets and passes on **October 31, 2020**.

Tickets remain valid until December 31, 2020.

Get your PRESTO card today.
Learn more at hamilton.ca/PRESTO

- ...saves you money.
- ...is easy to use.
- ...is convenient.
- ...saves you time.

- RETIREMENT OF LEGACY FARE MEDIA
- DEVICE REFRESH
- E-TICKETS
- PRESTO ADOPTION



PRESTO E-Tickets are here for HSR customers!

TRENDS AND ISSUES



- **TRANSPORTATION TASK FORCE RECOMMENDATIONS (BRT/LRT)**
- **AREA RATING**
- **(RE)ENVISION**



2021 BUDGET

2021 KEY BUDGET DRIVERS Page 27 of 79

	2020 Restated Budget Net (000's)	2021 Preliminary Budget Gross (000's)	2020 Preliminary Budget Net (000's)	\$ Net Change	% Net Change
Transit	\$78,067	\$141,519	\$80,755	\$2,688	3.4%

Key Drivers	Impact \$000	%
Employee Related Costs (Net) – Excludes Underperforming Routes	\$2,382	3.1%
Reductions to Underperforming Routes (PW20015) (Employee related cost \$857K & Vehicle \$103K)	(\$960)	(1.2%)
Contribution to Reserve to fund PRESTO commissions that will be incurred when ridership recovers	\$1,341	1.7%
Elimination of Paper Fare Media \$366K & PRESTO Device Refresh \$200K	(\$566)	(0.7%)
Transit Fleet Reserve Inflationary Increase	\$207	0.3%
Fuel – Diesel & Unleaded (Rate decrease from \$1.04/L Diesel / \$1.10/L Unleaded to reduced rate of \$1.00/L for both)	(\$395)	(0.5%)

Y5

13 
additional
buses

35
FTE 


Approximately
46,000
service
hours 

 Fare increase
\$0.05
effective
September 2021

Total Cost of
\$4,239,000
annualized over
two years 

TRANSIT YEAR 5 POSTPONEMENT (PW14015c) Page 29 of 79

- On June 17, 2020, as a result of COVID-19 Year 5 of the Transit Strategy that was scheduled to be implemented in September 2020 was postponed via report PW 14015c.
- The 2020 in-year savings resulting from the postponement of Year 5 is \$823,030 as noted in the below chart which was included in PW14015c Report.
- From a 2021 budget perspective, since Year 5 is already currently included in the 2020 base budget, there would be no increase to the 2021 budget related to the postponement of Year 5.

Mitigated Service Expenditures:	Year 5 2020 In-Year Mitigation Impact	
Employee Related Costs	1,034,980	Savings
Maintenance Costs	1,032,350	Savings
Fare Revenue	(1,077,000)	Loss
Total Net Operating Costs	990,330	Net Savings
Contribution to Reserves - Expansion Fleet	822,700	Savings
Contribution from Reserves - Tax Stabilization	(990,000)	Loss
Total Net In-Year Mitigated Impact	\$ 823,030	Net Savings

SPECIALIZED TRANSIT BUDGET

Budgeted Cost / Trip

\$27.59



Forecasted Actuals
Cost / Trip

\$43.36

Budgeted Trips

885,000



Forecasted
Trips

327,450

Total Budget

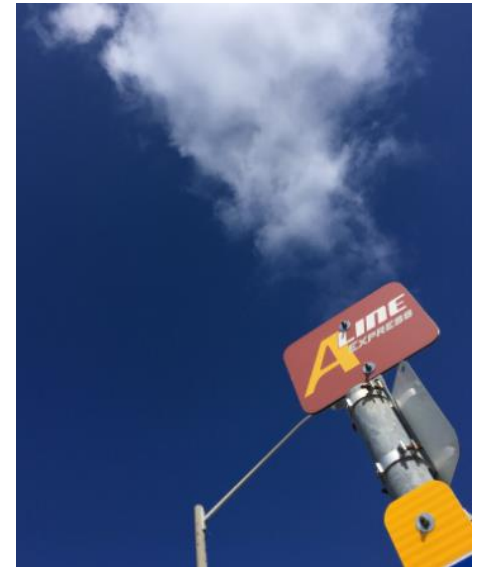
\$24,413,130



Forecasted
Expenditures

\$14,200,000

10 YEAR TRANSIT STRATEGY: SERVICE ENHANCEMENTS



YEAR FIVE ENHANCEMENTS – ROUTE 44 RYMAL



IMPROVED PEAK AND EVENING FREQUENCY



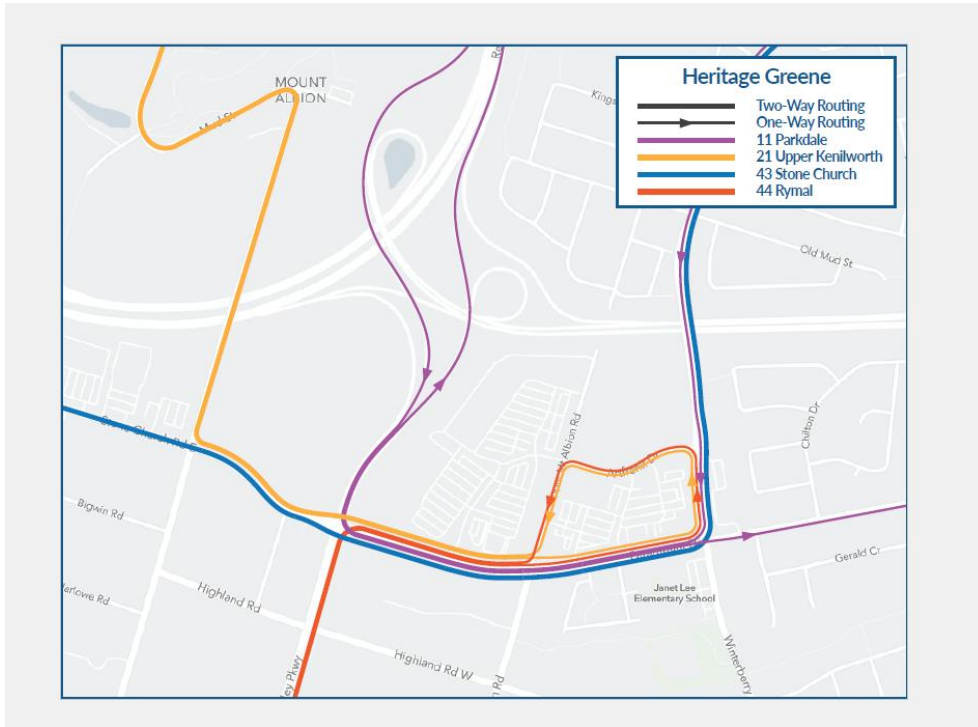
YEAR FIVE ENHANCEMENTS – ROUTE 20 A LINE



IMPROVED PEAK FREQUENCY AND EVENING SPAN



YEAR FIVE ENHANCEMENTS – STONEY CREEK MOUNTAIN

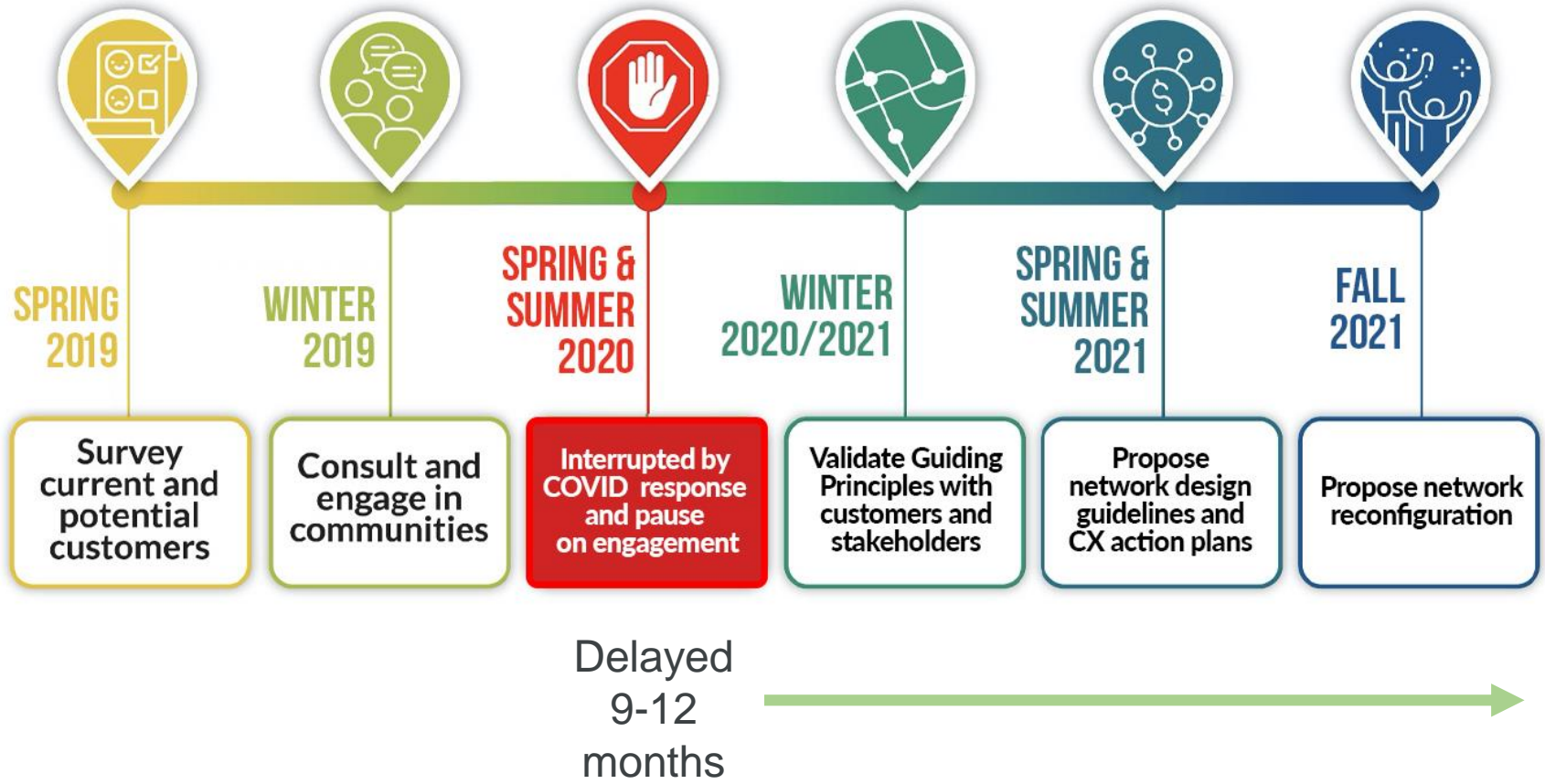


ROUTING CHANGE AND IMPROVED CONNECTIVITY



(RE)ENVISION THE HSR

UPDATED PROJECT TIMELINE



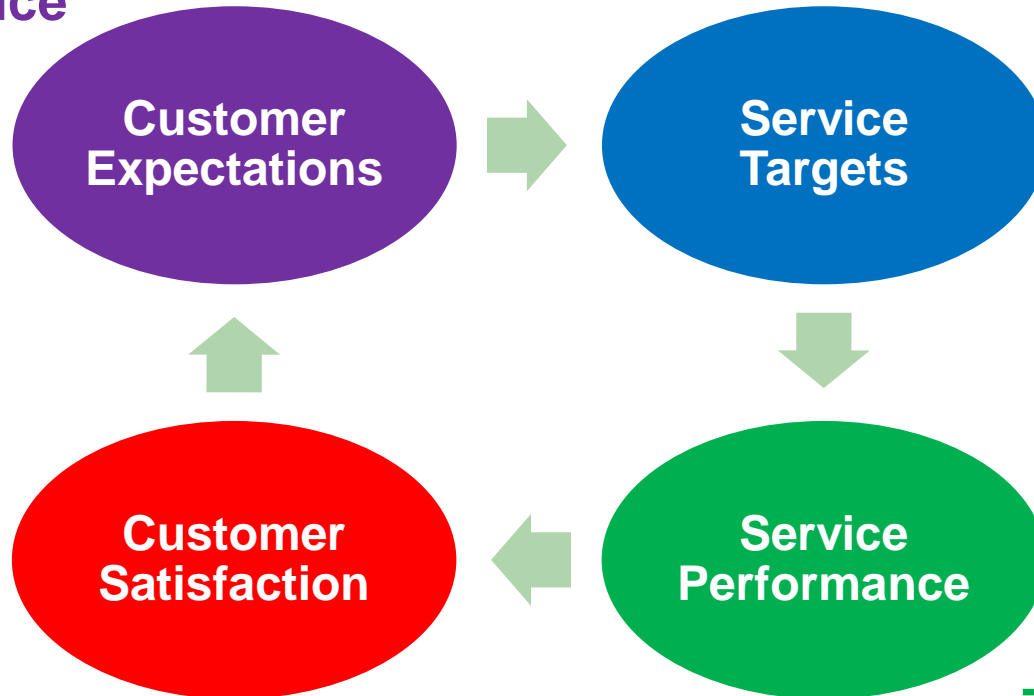
TRANSIT'S ROLE IN THE COMMUNITY



PURPOSE OF (RE)ENVISION

What customers want from the service

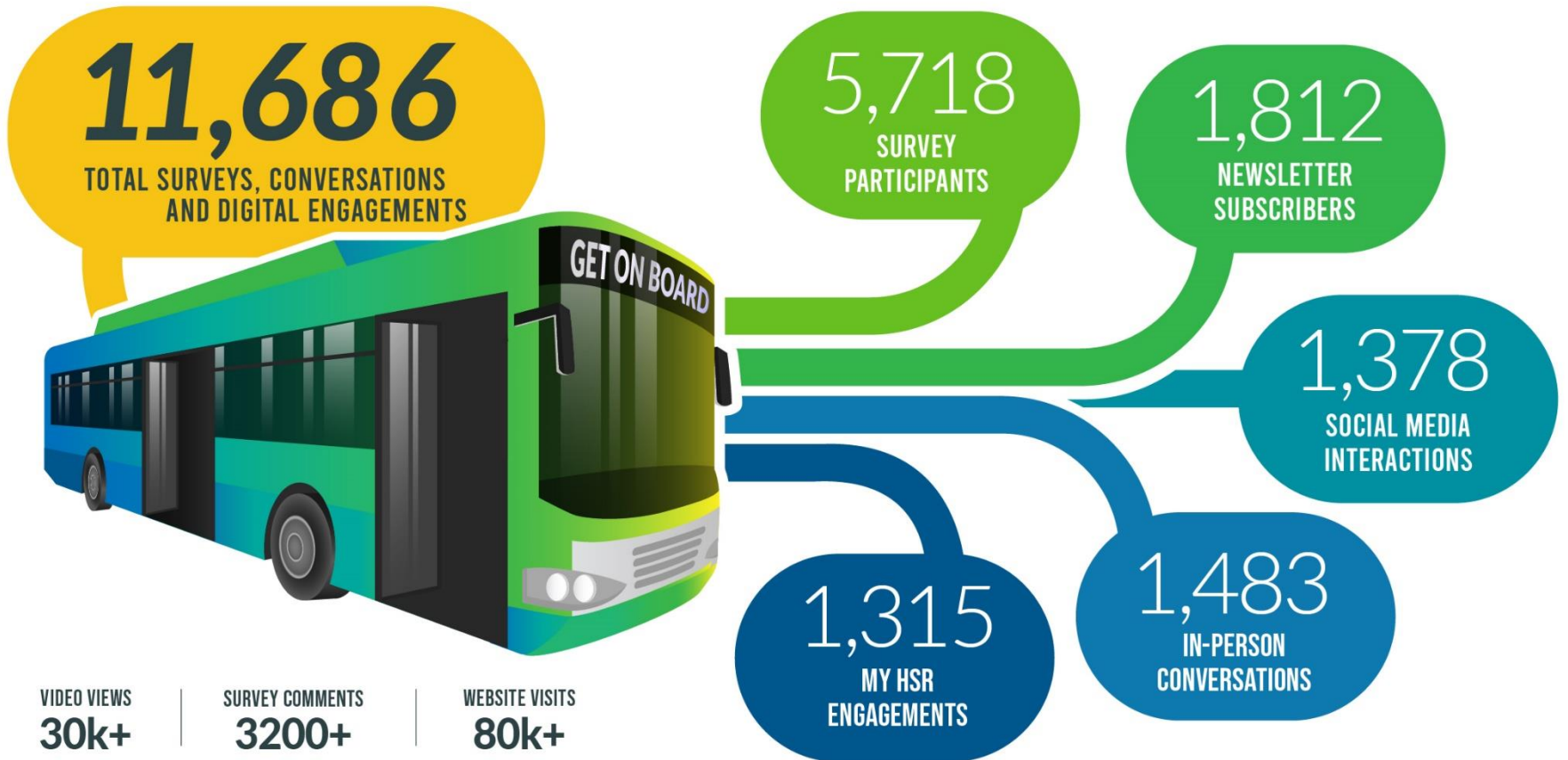
The service we plan to deliver



How customers feel about the service

The service we actually deliver

BROAD ENGAGEMENT



WHAT WE'VE HEARD?

- On-time service **reliability**
- Waiting time at **transfers between routes**
- **Weather protection**, comfort & cleanliness at stops
- Frequency on **weekends** & holidays
- Bus **crowdedness**

- Reduced # of **transfers** required
- Reduced total **trip time** (similar to car)
- Increased **connectivity** to other modes

- Fare **affordability** (from engagement)



DRAFT GUIDING PRINCIPALS





Customer Experience is at the heart of what we do.

- Customers know their rights and responsibilities
- Easy to use at every step of the journey
- Make it right when things go wrong



We honour equity, diversity and inclusion.

- Everyone can afford to take transit when they need it
- Become barrier-free
- Everyone has a right to feel welcome and safe while using transit



We deliver on our promise.

- Be reliable and on-time
- Customers can access transit when and where they need it
- Riding a bus is comfortable
- Over-crowding is managed and minimized
- Stops, shelters and terminals are welcoming



We connect, innovate and evolve.

- Mobility is integrated
- Network reconfiguration
- Micro-mobility and service innovation (technology)
- Modernized marketing to new riders



We engage with our employees.

- Engaged employees
- Exceptional customer service experiences
- Employees actively support and participate in continuous improvement opportunities



*We make a positive impact on communities,
the environment and the economy.*

- Design communities with a transit-first philosophy
- Strong partnerships with businesses
- Understand the role of transit in an emergency
- HSR is one of the greenest transit fleets in Canada



ON DEMAND TRANSIT PILOT

40


GUIDING PRINCIPLES IN ACTION - WATERDOWN



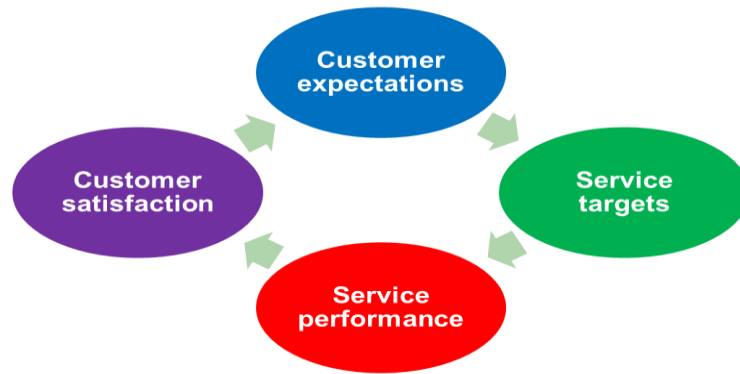
Customer Experience is at the heart of what we do.



We honour equity, diversity and inclusion.



We deliver on our promise.



We connect, innovate and evolve.

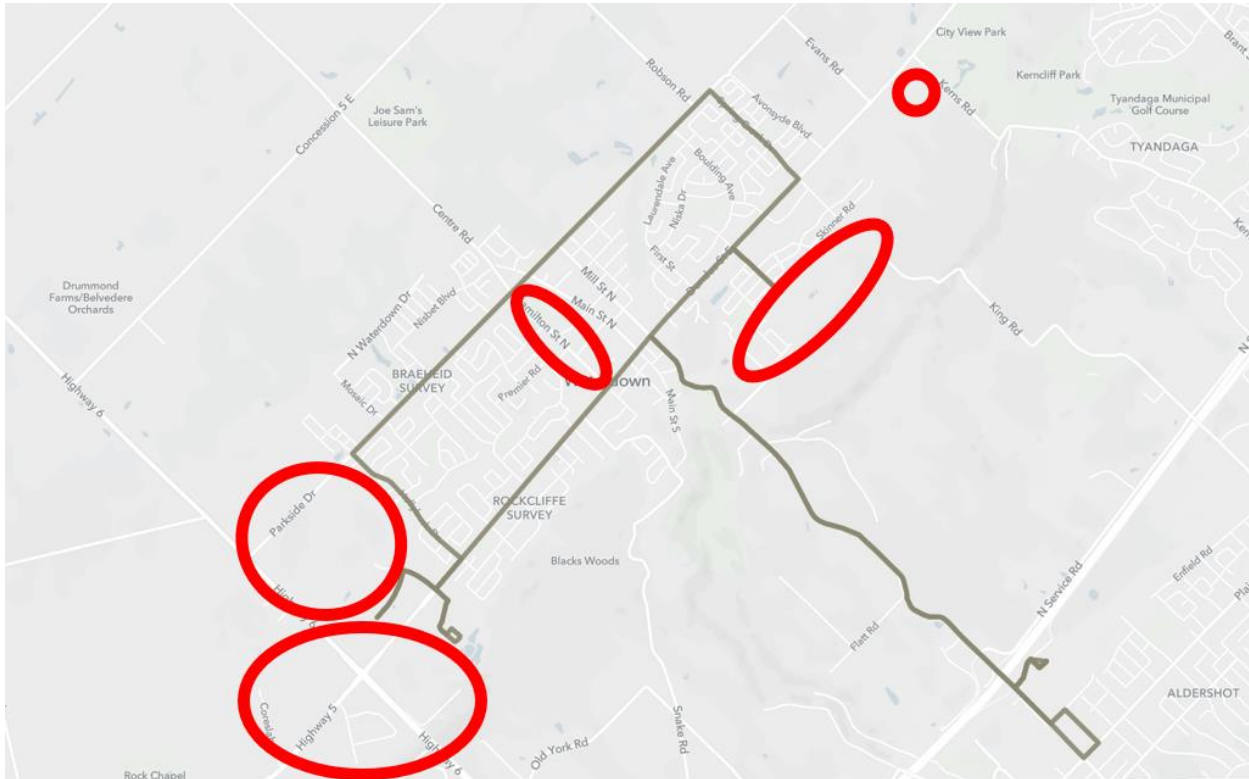


We engage with our employees.




We make a positive impact on communities, the environment and the economy.

SERVICE TARGETS AND PERFORMANCE - WATERDOWN



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CONNECTING WITH THE COMMUNITY - WATERDOWN



 *We connect, innovate and evolve.*



 *Customer Experience is at the heart of what we do.*



 *We make a positive impact on communities, the environment and the economy.*



BARRIERS TO MEETING NEEDS - WATERDOWN



INNOVATE - WATERDOWN



*We connect,
innovate and evolve.*



ON DEMAND TRANSIT



Flexible

Innovative

Better Experience

App Based

Optimization

Old idea with a new look

Needs to be tested

ON DEMAND TRANSIT



Rider App



Driver App



Live View



Via Operations Center (VOC)



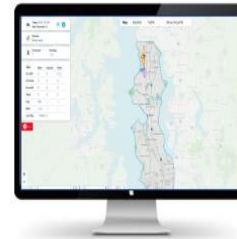
ON DEMAND TRANSIT – SOFTWARE AS A SERVICE



Rider App



Driver App



Live View



Via Operations Center (VOC)

ON DEMAND TRANSIT - RISKS



ON DEMAND TRANSIT - OUTCOMES



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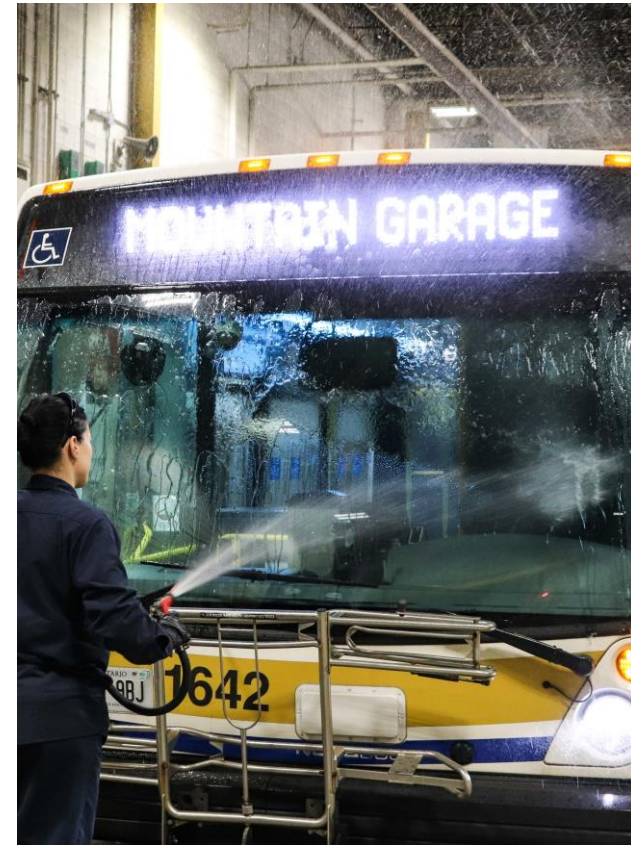


We engage with our employees.



ON DEMAND TRANSIT - TIMELINE







INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
DATE:	January 22, 2021
SUBJECT:	(Re)envision the HSR Update and Guiding Principles (PW20005(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ali Sabourin (905)546-2424, Ext 1858
SUBMITTED BY:	Debbie Dalle Vedove Director, Transit Public Works Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

The (Re)envision the HSR project launched in mid-2018 and aims to both reconfigure the transit network and transform customer experience. The project is based on broad stakeholder engagement and strives to grow ridership and make transit a first choice.

The COVID-19 pandemic has posed a challenge to the project timelines. The City of Hamilton paused all in-person public engagement efforts and as such, the majority of HSR engagement events in 2020 were cancelled. The date to present the draft guiding principles was postponed from June 2020 to January 2021.

At the same time, the pandemic has highlighted the vital role transit plays during times of uncertainty. During phase one of the pandemic response, while residents avoided non-essential travel and followed orders to shelter in place, transit provided stable service that helped society function. Many essential workers, such as healthcare providers, shipping and food industry workers, and grocery clerks rely on transit and the rest of the community benefits from the essential services provided.

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**SUBJECT: (Re)envision the HSR Update and Guiding Principles (PW20005(a))
(City Wide) - Page 2 of 8**

Indeed, transit will continue to play a vital role as Hamilton responds and the economy continues to recover.

Background

Throughout 2019 and the first quarter of 2020, the Transit Division conducted extensive public and stakeholder engagement on the future of conventional transit service delivery in Hamilton. (Re)envision the HSR included a wide-ranging survey of almost 6,000 customers and residents, the results of which were shared in Information Report (PW20005) in January 2020. (Re)envision also attended over 50 community events and neighbourhood meetings, met with dozens of community stakeholders, and conducted digital consultation with hundreds of participants on the My HSR public engagement website. In addition, HSR Operators and staff shared their feedback, insights and ideas through a staff survey and HSR planning staff are participating in a comprehensive network review led by researchers from McMaster University's Department of Civil Engineering.

While the network reconfiguration is the most significant tangible outcome expected from the (Re)envision project, the purpose is much broader. Every aspect of transit's service delivery has been examined, to look for ways to improve the customer experience and grow ridership by increasing the satisfaction of existing customers and attracting new ones to the service. This will ultimately be achieved by understanding what existing and potential customers expect from the service, and how our current levels of service are meeting those target quality expectations, described in Figure 1 as the Quality Loop Model.

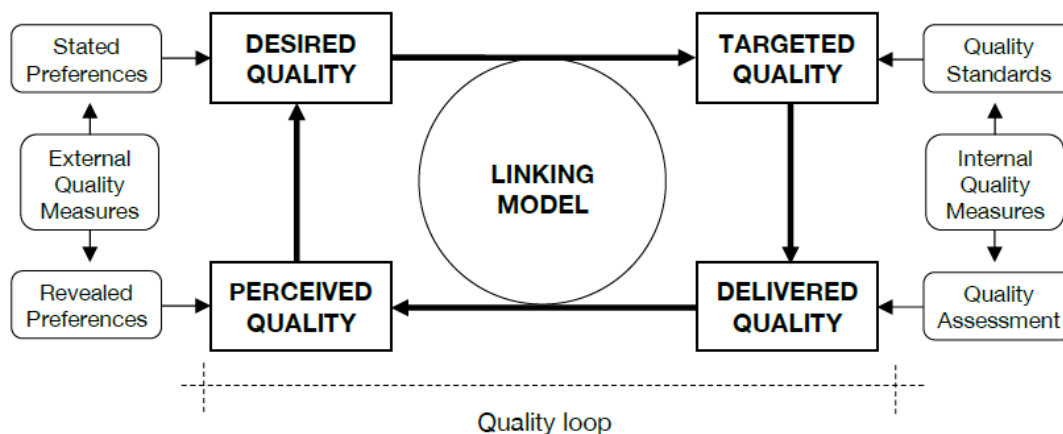


Figure 1: The Quality Loop Model

In addition to the eventual network reconfiguration to be proposed later in the project, several action plans will also be introduced to support customer acquisition endeavours,

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**SUBJECT: (Re)envision the HSR Update and Guiding Principles (PW20005(a))
(City Wide) - Page 3 of 8**

ranging from small projects, to pilot initiatives, to larger service transformation activities that will help to shape the remaining years of the 10-Year Local Transit Strategy.

Strategic Context

Transit service is critical to the City's economic, social, cultural and environmental activities and outcomes. Transit supports essential service, economic growth, employment and education sectors, culture and tourism, climate change, and promotes healthy and safe communities. By providing accessible and affordable mobility to all residents throughout the City of Hamilton, transit increases equity and the freedom to move.

The 10-Year Local Transit Strategy, approved by Council in 2015, supports the City of Hamilton's Transportation Master Plan that seeks an appropriate balance within different transportation modes. Hamilton is mid-way through the strategy, including two paused years, with year five planned for implementation in 2021. It is important to note that the (Re)envision project provides the opportunity to guide the allocation of service hours and investment in transit.

As critical as transit service is to the City's overall sustainability, and despite the direction provided by the 10-Year Local Transit Strategy, there are noteworthy external factors that present opportunities and challenges that will influence the network reconfiguration and the future of transit in Hamilton:

(i) Opportunities

- Youth, seniors, newcomers, low-income families, and people with disabilities rely on public transit to improve their quality of life and represent important customer audience segments.
- COVID-19 demonstrated the essential service that transit provides to keep society functioning by transporting essential workers, such as healthcare providers, shipping and food industry workers, and grocery clerks.
- Rising cost of real estate, housing, education, and groceries strain household income and erode purchasing power; as such, walking, cycling, and public transit become important and affordable mobility options.
- Influx of new residents to Hamilton from the GTHA and beyond, who prefer or are accustomed to using transit over other modes of transportation.
- The looming climate crisis is amplifying the need to reduce CO₂ emissions and divert the use of single occupant vehicles toward public transit.

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(ii) Challenges

- Area-rated taxation policy for transit limits transit growth in Flamborough, Glanbrook, Ancaster, Stoney Creek and Dundas, which have been the focus areas of economic development.
- Suburban areas of the city continue to expand outside the Urban Transit Boundary, creating “transit deserts” (e.g. Binbrook).
- Economic growth continues in areas where frequent transit service is not yet available for workers who rely on affordable transportation options, particularly in areas such as the Airport Employment Growth District (AEGD), Flamborough and Ancaster Business Parks.
- Awaiting decisions on the direction for rapid transit (e.g. BRT, LRT) along the B-line corridor of the BLAST network, which will become the backbone of the network reconfiguration.
- COVID-19 has reduced ridership and customer confidence is strained (temporarily).
- Potential ongoing operational impacts related to the second wave of COVID-19.
- Funding for transit is relatively fixed, with approximately 53% of operating costs funded by the tax levy.

Importantly, (Re)envision provides a platform for internal and external stakeholders by giving a voice to customers and identifying or amplifying strategic and collaborative opportunities that will grow ridership and strengthen the city’s overall sustainability.

Draft Guiding Principles

The engagement effort has culminated in a collection of proposed guiding principles. These draft guiding principles consolidate the most commonly expressed values, expectations and ideas from current and potential HSR customers, stakeholders and staff.

The draft guiding principles appear below, along with aspirational outcomes that each principle strives to achieve. The order of the principles does not imply a hierarchy of importance.

1. Customer experience is at the heart of what we do

- Be transparent with customers: Customers know their rights and responsibilities.
- Be easy to use at every step of the journey: The whole customer journey from start to finish is easy for customers.
- Make it right when things go wrong: Customers feel their feedback and complaints are resolved satisfactorily.
- Exceed customer expectations: Customers are passionate fans of the HSR.

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2. We honour equity, diversity and inclusion
 - Leave nobody behind: Everyone can afford to take transit when they need it.
 - Neighbourhoods matter: Everyone across the Transit Urban Boundary can consider transit a viable option for their transportation needs.
 - Become barrier-free: Everyone can expect a transit service that goes beyond the minimum requirements to be truly accessible for all.
 - Welcome aboard: Everyone has a right to feel welcome and safe while using transit.

3. We deliver on our promise
 - Be reliable and on-time: Customers know they can rely on the service to meet their needs.
 - Commitment to our standards: Customers can access transit when and where they need it.
 - Riding a bus is comfortable: Customers ride buses that are clean and comfortable.
 - Over-crowding is managed and minimized: Customers do not have to wait too long due to over-crowded buses.
 - Stops, shelters and terminals are welcoming: Customers can wait at stops that are clean, free of graffiti, and have comfortable and accessible amenities.

4. We connect, innovate and evolve
 - Mobility is integrated: Customers can connect with other forms of transportation to complete their journey successfully.
 - Reconfigure our routes to serve the Hamilton of today: Customers can optimize their travel by taking direct trips to major destinations.
 - Be ready for tomorrow: Customers continually benefit from new and innovative features to make transit their first choice.
 - Marketing to new riders: New customers start using transit to increase modal share for conventional transit.

5. We engage with employees to improve customer experience
 - Employees are our strength: Employees feel engaged in helping to shape the future of transit in Hamilton.
 - Join our team: Customers celebrate the quality of the experience they receive from our staff.
 - Ready for change: Employees actively support and participate in continuous improvement opportunities.

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6. We make a positive impact on communities, environment and economy
- Design communities with a transit-first philosophy: Residents live in well-designed urban and suburban communities that prioritize transit service.
 - Improve quality of transit in suburban areas within the Urban Transit Boundary: Customers living, working and learning in suburban areas of the city benefit from frequent and reliable service, and reduced travel time.
 - Strong partnerships with businesses: Business communities embrace transit service to benefit their employees and customers.
 - Support advocacy within communities: Community partners have trust and confidence in the HSR
 - Understand the role of transit in an emergency: Customers can rely on us for their essential travel, even during a pandemic emergency.
 - Acting on climate change: HSR is one of the greenest transit fleets in Canada.

A summary of the guiding principles, target outcomes and operating principles is provided in Appendix “A” attached to Report PW20005(a).

Revised Timeline

It is important to note that like all aspects of the City of Hamilton’s operations over the last several months, the (Re)envision project has been impacted by COVID-19. A significant amount of public engagement around the draft guiding principles was planned for the spring and summer months but was subsequently postponed or cancelled.

Most significantly, the network review led by McMaster is founded upon ridership and operational metrics from 2019 and early 2020, prior to COVID-19. These metrics may not fully reflect the future travel needs and behaviours of HSR customers, due to the currently unpredictable medium- and longer-term impacts of the pandemic on ridership.

Further analysis is required by staff before recommendations can be developed for review and consultation. As COVID-19 response activities at the HSR stabilize, the project team will resume the analysis.

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Figure 2 represents the revised project timeline, assuming a best-case scenario based on current situation:

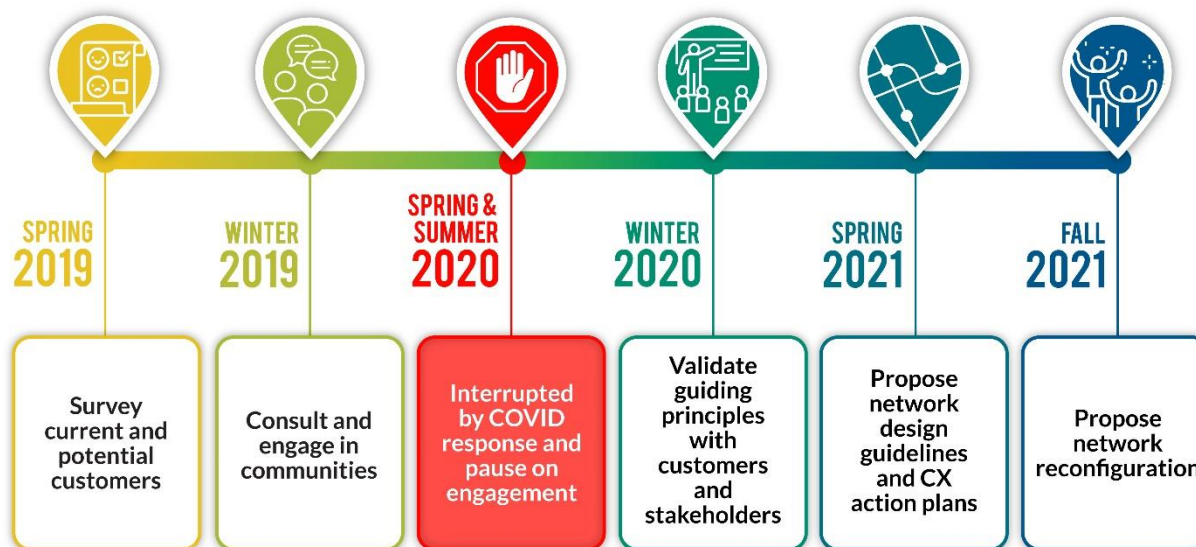


Figure 2: Revised Project Timeline

If there are further COVID-19 impacts into 2021, staff may be diverted to priority operational responses, which may place the project timeline at risk of further delays. The external challenges mentioned earlier may also continue to impact the project timeline. Staff will continue to seek resolutions or mitigating opportunities to external challenges in order to ensure timelines can be met as closely as possible.

Next Steps

The draft guiding principles are an output from the broad and deep engagement activities to date and require validation. The next step, therefore, is to validate the draft guiding principles with internal and external stakeholders, customers and the broader community. Once validated, the guiding principles will inform the final phases of the (Re)envision project and shape the remaining years of the 10-Year Local Transit Strategy.

The engagement effort will include digital engagement and will explore customer expectations and behaviours considering COVID-19 that will be crucial to support ridership recovery, stability, and ultimately growth.

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Conclusion

(Re)envision the HSR is a transformative initiative based on extensive stakeholder engagement. Once the draft guiding principles are validated, there will be a solid framework to guide the next phase of the (Re)envision project including network reconfiguration, service design and the customer experience.

At the same time, (Re)envision the HSR is aligned to the City of Hamilton's strategic priorities and positioned to both grow ridership and enhance the quality of life in Hamilton. Now more than ever, the outcomes of (Re)envision are crucial to the City of Hamilton's recovery and its longer-term sustainability.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PW20005(a) – Summary of Guiding Principles, Target Outcomes and Operating Principles

Summary of Guiding Principles, Target Outcomes and Operating Principles

Guiding Principle #1: Customer experience is at the heart of what we do

Target Outcome	Operating Principle(s)
1.1. Be transparent with customers: Customers know their rights and responsibilities.	<ul style="list-style-type: none"> a. We make it clear what rights our customers have when riding the bus. b. We make it clear what behaviours are welcomed and acceptable on transit.
1.2 Be easy to use at every step of the journey: The whole customer journey from start to finish is easy for customers.	<ul style="list-style-type: none"> a. We regularly involve customers in the design of our service. b. We focus on simplicity when communicating with customers. c. We continuously improve the information available to customers.
1.3 Make it right when things go wrong: Customers feel their feedback and complaints are resolved satisfactorily.	<ul style="list-style-type: none"> a. We welcome feedback from customers and residents. b. We trust our customers and take their feedback and complaints very seriously. c. We track and monitor feedback and complaints over time to support continuous improvement.
1.4 Exceed customer expectations: Customers are passionate fans of the HSR.	<ul style="list-style-type: none"> a. We delight customers wherever practical and possible.

Guiding Principle #2: We honour equity, diversity and inclusion

Target Outcome	Operating Principle(s)
<p>2.1 Leave nobody behind: Everyone can afford to take transit when they need it.</p>	<ul style="list-style-type: none"> a. We are transparent with customers about our fare structures, policies and ways to maximize value. b. We make it affordable for young families to choose transit. c. We encourage and make it easy/affordable for high school students to choose transit. d. We encourage and make it easy/affordable for college and university students to take transit. e. We encourage and make it easy/free for 80+ seniors to take transit. f. We offer an effective and easy-to-access discount pass program to those in need. g. We are fair and equitable in our fare policies.
<p>2.2 Neighbourhoods matter: Everyone across the Transit Urban Boundary can consider transit a viable option for their transportation needs.</p>	<ul style="list-style-type: none"> a. We plan our network to enhance service to currently underserved communities where demand warrants.
<p>2.3 Become barrier-free: Everyone can expect a transit service that goes beyond the minimum requirements to be truly accessible for all.</p>	<ul style="list-style-type: none"> a. We proudly achieve compliance with all accessibility standards. b. We constantly explore opportunities to become more accessible. c. We work collaboratively to eliminate or mitigate barriers to access.
<p>2.4 Welcome aboard: Everyone has a right to feel welcome and safe while using transit.</p>	<ul style="list-style-type: none"> a. We embrace every customer's uniqueness and honour their diversity. b. We take a stand against hate, harassment and discrimination. c. We reflect the diversity of our ridership in our marketing. d. We work with our partners to build a connection with all diverse communities. e. We apply an equity lens to all new programs and policies.

Guiding Principle #3: We deliver on our promise

Target Outcome	Operating Principle(s)
3.1 Frequent, reliable and on-time: Customers know they can rely on the service to meet their needs.	<ul style="list-style-type: none"> a. Our schedules make sense to customers. b. We're frequent. c. We're where we're supposed to be, when we're supposed to be there.
3.2 Commitment to our standards: Customers can access transit when and where they need it.	<ul style="list-style-type: none"> a. We're there when you need us. b. We go where you go. c. We're within walking/rolling/riding distance
3.3 Riding a bus is comfortable: Customers ride buses that are clean and comfortable.	<ul style="list-style-type: none"> a. We work with bus manufacturers to get the most durable and comfortable seating for customers. b. We manage the heating and cooling according to best practices, test each bus regularly and repair buses that don't meet the standards.
3.4 Over-crowding is managed and minimized: Customers do not have to wait too long due to over-crowded buses.	<ul style="list-style-type: none"> a. We plan our network to minimize over-crowding. b. We inform customers when disruptions occur that will impact service.
3.5 Stops, shelters and terminals are welcoming: Customers can wait at stops that are clean, free of graffiti, and have comfortable and accessible amenities.	<ul style="list-style-type: none"> a. We improve the quality of stops, shelters and terminals for comfort, cleanliness, safety and accessibility. b. We work with community partners to protect assets and promote cultural and neighbourhood place-making opportunities. c. We collaborate with vendors, community stakeholders and internal partners to ensure neighbourhoods are positively impacted by shelter and stop amenities.

Guiding Principle #4: We connect, innovate and go forward

Target Outcome	Operating Principle(s)
4.1 Mobility is integrated: Customers can connect with other forms of transportation to complete their journey successfully.	<ul style="list-style-type: none"> a. We connect with ATS and DARTS service. b. We connect to GO Transit. c. We connect to Burlington Transit. d. We connect to modes of active transportation. e. We connect to the harbour / waterfront. f. We connect to the skies / airport.
4.2 Marketing to new riders: New customers start using conventional transit to increase modal share for conventional transit.	<ul style="list-style-type: none"> a. We seek out potential new customers and engage them to make transit their first choice. b. We regularly assess the satisfaction with our service and compare to similar transit agencies in the GTHA and beyond.
4.3 Reconfigure our routes to serve the Hamilton of today: Customers can optimize their travel by taking direct trips to major destinations.	<ul style="list-style-type: none"> a. We take the most-direct route for the most travelled trips. b. We design the network for robustness and overcoming vulnerabilities.
4.4 Be ready for tomorrow: Customers continually benefit from new and innovative features to make transit their first choice.	<ul style="list-style-type: none"> a. We look for opportunities to improve our network every year, in collaboration with our customers and staff.

Guiding Principle #5: We engage with our employees to improve customer experience

Target Outcome	Operating Principle(s)
5.1 Employees are our strength: Employees feel engaged in helping to shape the future of transit in Hamilton.	<ul style="list-style-type: none"> a. We engage employees continuously, to learn from them about opportunities to improve the customer experience.
5.2 Join our team: Customers celebrate the quality of the experience they receive from our staff.	<ul style="list-style-type: none"> a. We attract and retain the best customer-oriented employees to Transit.
5.3 Ready for change: Employees actively support and participate in continuous improvement opportunities.	<ul style="list-style-type: none"> a. We're excited about the future and our role in continuously adapting to meet the transportation needs of Hamilton and its residents.

Guiding Principle #6: We make a positive impact on communities, environment and economy

Target Outcome	Operating Principle(s)
6.1 Design communities with a transit-first philosophy: Residents live in well-designed urban and suburban communities that prioritize transit service.	a. We collaborate with internal and external partners to help plan and design communities for transit service, today and in the future.
6.2 Improve quality of transit in suburban areas within the Urban Transit Boundary: Customers living, working and learning in suburban areas of the city benefit from frequent and reliable service and reduced travel time.	a. We focus on opportunities to grow transit ridership within suburban areas of the city by improving service within those communities.
6.3 Strong partnerships with businesses: Business communities embrace transit service to benefit their employees and customers.	b. We collaborate regularly with businesses, BIAs and Chambers of Commerce.
6.4 Support advocacy within communities: Community partners have trust and confidence in the HSR.	a. We recognize and appreciate grassroots organizing that takes place in the community.
6.5 Understand the role of transit in an emergency: Customers can rely on us for their essential travel, even in a pandemic emergency.	a. We provide transit service to those who keep our world going in times of emergency.
6.6 Acting on climate change: HSR is one of the greenest transit fleets in Canada.	a. We invest in technologies and enact best practices to reduce our carbon footprint.



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 22, 2021
SUBJECT/REPORT NO:	Update on Financial Implications of Revenue and Ridership (PW20061(a)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nancy Purser (905) 546-2424 Ext. 1876
SUBMITTED BY:	Debbie Dalle Vedove Director, Transit Public Works Department
SIGNATURE:	

COUNCIL DIRECTION

Staff was directed to report back to the General Issues Committee (GIC) during the 2021 Transit Budget with a report on the ridership, revenue and service impacts related to the COVID-19 pandemic and post-COVID-19 pandemic recovery periods; and,

Staff was directed to report back to GIC during the 2021 Transit Budget with a report that re-evaluates the financial plan for the remaining Years of the 10 Year Local Transit Strategy.

INFORMATION

When the above direction was given it was anticipated that there would a better understanding of the recovery timeline as we entered 2021. However, the COVID-19 pandemic continues to impact Transit as the Province returns to lockdown due to the second wave. While vaccines are now available and being distributed throughout Canada, it is practical to expect full immunization to be completed by the end of 2021. Therefore, Public Health restrictions, such as physical distancing and mask wearing will continue to remain in place throughout much of 2021. Elementary and secondary schools returned to in-person learning at the start of the fall school term on augmented schedules. Under current lockdown protocols, elementary and secondary school have now returned to full virtual learning until February 10, 2021. Colleges and Universities

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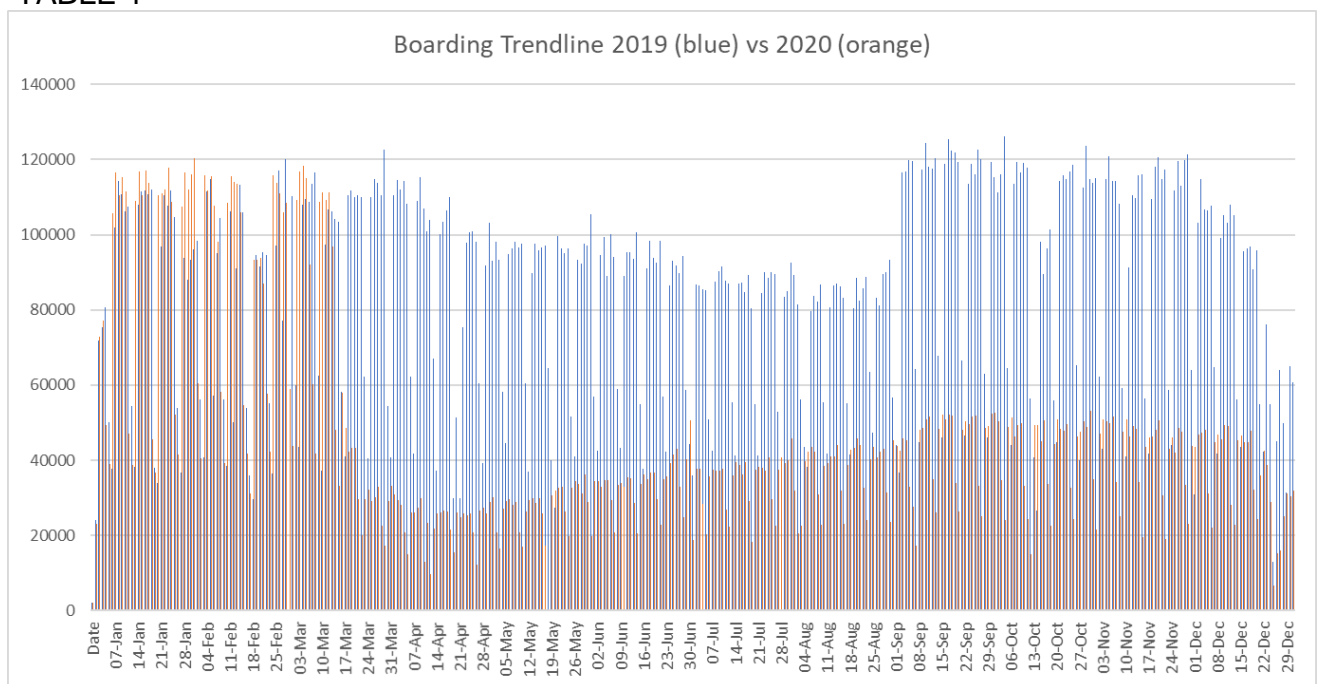
are opting for primarily distance learning during the winter semester. Many organizations have extended work from home initiatives as far out as September or longer. Restrictions impacting tourism, concerts, festivals, and professional sports are expected to remain in effect throughout 2021. Each of these has an impact on ridership and the timing of Transit’s recovery.

2020 Ridership, Revenue, and Service

Pre-pandemic saw ridership increases that surpassed budget expectations, which signals the success of the investments that Council has made through the 10 Year Local Transit Strategy.

Transit has continued to support many essential workers, such as healthcare providers, food industry workers, and grocery clerks who rely on transit to get to work. As the province opened and more businesses and schools returned, Transit demand also increased as shown in Table 1.

TABLE 1



The loss of 10.3 million in ridership has had a significant impact on Transit revenues with an estimated loss of \$24.2 million for 2020. These funds are being recovered through the Safe Restart Program.

As a result of the pandemic and reduction in ridership, service was adjusted to ensure Transit was able to provide the scheduled hours and to better match customer's

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requirements. During the first few months, an enhanced Saturday service was provided, with service levels increasing as the province re-opened, finishing the year providing 89% of normal fall service hours or the equivalent of a summer board. This reduction generated savings mostly in fuel costs that have been applied to partially offset the revenue losses as instructed by the Safe Restart Agreement funding application instructions.

The demand for DARTS service has been low since the beginning of the pandemic. It is estimated that only 37% of the 885,000 trips forecasted in the 2020 budget will be provided which will result in a favourable variance at year's end of approximately \$10.2 million. This favourable variance has also helped partially offset the HSR revenue losses as instructed by the Safe Restart Agreement funding application instructions.

These variances are summarized in Table 2 which has been funded by the Province under Safe Restart Program.

TABLE 2

2020 Actual Impacts Apr to Nov	
April	\$ 2,475,038
May	\$ 2,553,384
June	\$ 2,279,670
July	\$ 374,119
August	\$ 186,308
September	\$ 1,093,071
October	\$ 995,524
November	\$ 966,356
December (Forecast)	\$ 1,001,819
2020 Projected COVID Deficit 2020 Apr to Dec:	\$ 11,925,289
Phase 1 Funding:	\$ 17,211,723
Remaining Funding for 2021 Jan to Mar	\$ 5,286,434

The Safe Restart Funding has been allocated to cover the period from April 1, 2020, through March 31, 2021, in two phases. The remaining funding of \$5.3 million is forecasted to cover the expected COVID-19 unfavourable variances from January to March. Both the Federal and Provincial governments agree that transit is important to the recovery of Municipalities, however, no further funding announcements have been made.

2021 Ridership, Revenue, and Service

Since the Summer of 2020 when the information was first provided on ridership and revenue shortfalls more information has become available. The Province is currently in a second wave requiring a second lockdown, University and Colleges remain virtual for

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the winter and summer. It is expected that health care workers and the vulnerable population will be immunized by the end of March. In forecasting 2021, staff anticipates that restrictions will start to lift April through August allowing larger gatherings, all schools will return to regular programming in September, and that some employers will begin to have employees return to the workplace. Therefore, the scenario provided in Table 3 is the most likely to occur for HSR in 2021.

TABLE 3

2021 Potential Budget Variance

Scenario	Ridership	%	Revenue	%
	-10,671,216	-45.61%	\$20,272,532	-43.49%
Assumptions: 40% return in ridership Jan-Mar, 55% return Apr-Aug, 65% Sep-Dec, Year 5 implemented, Work From Home remains high, University/College remains virtual through winter and summer, all schools return to regular programming for 2021/2022 academic year.				

The following chart summarizes the potential impacts on 2021 specialized transit ridership. The scenario compares a 2021 Maintenance budget against a potential delivery of only 68% of the forecasted trips by year's end.

2021 Potential Budget Variance			
Budget Year	Ridership	Cost/Trip	Municipal Funding
2021 Maintenance Budget	885,000	\$27.59	\$24,413,130
2021 DARTS Projections	605,593	\$36.30	\$21,981,150
Variance	(279,407)	\$8.71	(\$2,431,980)

For the early months of 2021 service will be provided on a reduced schedule similar to what occurred in 2020. It is expected that service will return to budgeted levels with the 2021 Summer Board. It is anticipated that the implementation of Year 5 of the 10 Year Local Transit Strategy in September as scheduled so we can begin our post-pandemic recovery.

As previously detailed in Report PW20061, should additional funding not be provided by higher levels of government for April to December 2021, other funding sources such as Vehicle Replacement Reserve and Provincial Gas Tax Reserve could be considered to address the revenue shortfall anticipated.

10 Year Local Transit Strategy

The 2021 budget includes year 5 of the 10-year Local Transit Strategy. Due to the COVID-19 pandemic, year 5 of the 10-year Local Transit Strategy, originally planned for implementation in September 2020, was postponed (PW14015(c)). As a result of the

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postponement, there are no further increases in the 2021 budget related to the 10 Year Local Transit Strategy as Year 6 has been shifted to 2022. The implementation of the Year 5 service enhancements will support ridership recovery as the service additions are targeted along the A and S lines of the BLAST network, incorporating the Airport and Waterfront as well Rymal Road which has seen significant development. With the pandemic continuing to create uncertainty on a day to day basis, there remains an opportunity to review the need for this additional service as final planning will occur in May 2021.

Staff was directed to report back to GIC during the 2021 Transit Budget with a report that re-evaluates the financial plan for the remaining Years of the 10 Year Local Transit Strategy. The financing of the 10 Year Local Transit Strategy was revised in 2019 through report (PW14015b) Recalculation of the 10 Year Local Transit Strategy. Through this review, ridership and revenue were re-evaluated to properly reflect elasticity as it relates to fares and service. As a result revenue was increased for the remainder of the plan and prior to the pandemic Transit was on target to exceed those levels. While there is an indication that recovery could begin in the Fall of 2021, this does not provide effective data to be able to re-evaluate the financial plan for the remaining years of the 10 Year Local Transit Strategy at this time. Transit is required, however, to provide an update into the next Development Charge (DC) by-law which is expected to be completed by the summer of 2023. Therefore, staff expects that during 2022 with experience post-pandemic, that a revised 10 Year Local Transit Strategy can be developed for presentation to Council in 2023. The update will continue to ensure that investments support the Transportation Master Plan (TMP). The TMP updated in 2015 has a target of 12% modal split for Transit to be achieved by 2031, at which time the City's population is expected to reach 660,000. Transit's current modal split based on the 2016 Transportation Tomorrow Survey is 7%. Key objectives of the Transportation Master Plan include improving environmental sustainability, reducing dependence on single-occupant vehicles, promoting improved options for walking, cycling, and transit, maintaining and improving the efficiency of trips related to the movement of goods and servicing of employment areas while supporting the City's growth.

Recovery

Our City Survey 2019 results show HSR satisfaction rating improved 6% over 2018. The survey included one (1) open-ended question that allowed respondents to comment on the one thing they feel the City of Hamilton should do to reach the vision of being 'the best place to raise a child and age successfully'. Transit is number 5 in the list of 20 themes, with comments that include - increasing or improving "public transit" - improving bus service, expanding routes and service areas, improving service schedule and frequency, etc. - the LRT. These results show that the investments Council made through the 10 Year Local Transit Strategy are valued by the City of Hamilton citizens and that they are looking for investments in the service to continue.

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In surveys prepared by various interest groups through the early part of the pandemic, a significant number of customers stated that they will only feel comfortable returning or beginning to use Transit once a vaccine has been made available.

Given that Canada will have completed vaccinating everyone who wants one by the end of 2021, Transit may be able to begin the recovery process in the fall of 2021 with full efforts throughout 2022. It is still too early to determine what the specific recovery plan will entail, however, ensuring that the service remains in place and grows where the City does will provide the underlying support required to entice customers back, attract new customers and make Transit your first choice.

APPENDICES AND SCHEDULES ATTACHED

N/A

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