

**Pilon, Janet**

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**Subject:** Covid-19 Impact on Area Rating of Transit - Transcab Formula

**From:** Lakewood Beach Community Council

**Sent:** June 17, 2020 11:54 AM

**To:** DL - Council Only <[dlcouncilonly@hamilton.ca](mailto:dlcouncilonly@hamilton.ca)>

**Cc:** [clerk@hamilton.ca](mailto:clerk@hamilton.ca)

**Subject:** Covid-19 Impact on Area Rating of Transit - Transcab Formula

Dear Honourable Mayor and Council,

It has occurred to us that in addition to properties (*within what was the City of Hamilton boundaries 20 years ago*) likely being hit the hardest due to Area Rating, those of us in the TransCab boundaries are likely also to bear a disproportionate levy for the decrease in transit revenues due to covid-19.

A reasonable person would assume that Transcab levies are based on actual cost to operate. If for example, the supplier is paid \$1M for the year's service, levies of \$1M are applied to the properties, within the pre-ward boundary review wards that have Transcab areas within those old ward boundaries. (*quite the mouthful but we think we got that right. Please note the properties that pay for Transcab don't all receive it; and some locations which receive Transcab service don't all pay for it*)

Yet, the formula used by HSR Staff is to 'convert' to 'transit kilometres' & 'transit hours' to determine an 'equivalent conventional service'. The actual formula is:

HSR calculates "TransCab kilometres" using a formula. These kms are then added to the HSR bus route km operating in the Transcab area to arrive at a total transit km for the Area Rated boundary . ie Stoney Creek. A community's total km's determines its share of the Transit levy.

HSR uses TransCab passenger trips & costs, HSR system-wide trips & costs and then converts these inputs into "equivalent conventional service hours". Then, using HSR system-wide km/hr, an "equivalent conventional service kilometres" calculation is made for TransCab.

Here is the calculation for Stoney Creek TransCab however the same applies to Glanbrook TransCab:

MODEL FOR DETERMINING TRANS-CAB HOURS & KILOMETRES	
Input	Stoney Creek 2016
Average gross cost per customer trip on HSR System:	\$ 3.38
Average trips per hour on HSR System:	29
Cost per Trans-Cab customer trip:	\$ 5.75
Forecast trips:	84000
Equivalent conventional service hours:	4,849
HSR System km/hr:	19.2
<b>Equivalent conventional service kilometres:</b>	<b>93,102</b>
<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="border: 1px solid black; padding: 2px; text-align: center;">Total Operating Expenses/Regular Service Passenger Trips</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Regular Service Passenger Trips/Total Vehicle Hours</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">contract price</div> </div>	

Using HSR bus system expenses, HSR passenger trips, HSR bus hours & HSR bus speed, along with the TransCab contract price per customer trip and the forecast TransCab passenger trips, the equivalent kilometers are calculated.

What might not be obvious, is that if the average gross cost per trip city-wide increases (which is the case due to covid-19), there is an increase in the Transcab levy (no matter what the corresponding decrease in invoices paid (cost) might be for the actual Transcab service)

Some of you may recall that our initial concern from 4 years ago, was the fact that as the city-wide HSR bus service expands outside of our area (average trips per hours and/or kms per hour delivered), due to this formula, Transcab levies increase.

As we learned more, we were then concerned that some locations receiving Transcab service are outside of the 'transcab levied areas'.

Now we are bringing this formula to your attention again, in light of covid-19 impacts potentially impacting/increasing Transcab levies for 2021.

Respectfully, we are requesting that this out-dated and illogically complex formula be re-visited.

Thank you for your consideration,

Lakewood Beach Community Council