2013 Annual Report

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July 17, 2014

To Her Worship Mayor Joni Baechler
and Members of Municipal Council

Re: 2013 London Transit Commission Annual Report

On behalf of all London Transit employees and the Commission, I am pleased to submit LTC's 2013 Annual Report for Council's review and consideration. The report summarizes the Commission's 2013 performance, including successes and setbacks, both in terms of developing as an organization and building an effective and efficient transit system expected and deserved by Londoners.

Combined ridership for both services reached the 23.8 million ride mark and while that is the highest in London Transit history, it fell short of the 24.0 million target. From a quantitative and cost perspective, evidenced by such indicators as rides per capita, revenue cost recovery, and cost per ride, overall system performance continues to place London Transit at or near the top in all key service efficiency and effectiveness measures compared to its peer group of Ontario transit systems. However, it is increasingly apparent the status and the success are not sustainable, if fact the system is at a tipping point.

London Transit continues to be a very good investment and with investment growth will increase the economic, environmental and social returns to the City and its residents. The Commission has long recognized that, without significant change in the way service is delivered and supported, ridership will, at best, grow marginally, with a more likely scenario being a ridership loss as the overall system effectiveness in meeting customer needs/expectations declines and the system becomes more expensive to operate. The disparity between ridership growth and service hour growth has contributed to service quality pressures raising the question of sustainability. Inevitably, continued poor performance in the qualitative measures will have a negative impact on sustainability and growth of the service.

The system needs to migrate to a higher form of service delivery which requires increased investment. Without such migration supported by transit related policies, programs and investment, the system will cost more to carry the same or fewer riders. The required migration is defined in the approved 2030 Transportation Master Plan, which calls for conventional transit to move to an enhanced corridors and nodes design using a Bus Rapid Transit (BRT) platform. Change also has to take place regarding the delivery of specialized transit with such change being evidenced by the move to larger vehicles and the integration/shifting of specialized transit trips to accessible conventional transit.

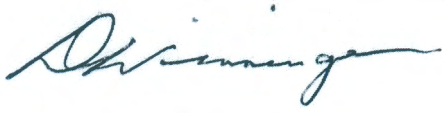
2014 will see continued development of the migration to a higher order of transit service with the completion of an extensive service (route structure) review. The review will be in two parts, namely:

- Part I - review of route structure assuming migration to BRT Strategy
- Part II - review of route structure assuming no BRT, given current service deficit and economic constraints

On the specialized service, registrant growth and legislative requirements for expanded eligibility criteria will continue to challenge the service going forward. The establishment of a new secondary service contract, having a full year of in-service use of larger vehicles, and the addition of 5,000 service hours should address the service performance issues faced in 2013. Beyond 2014, service integration between conventional and specialized will be critical to address the continued growing demand.

Appreciation is extended to London Transit employees for their dedication and commitment as well as Municipal Council and the Civic Administration for their continued support, particularly given the City's fiscal challenges.

Yours truly,



David Winninger
Chair

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THE LONDON TRANSIT COMMISSION

COMMISSION - CURRENT

DAVID WINNINGER	CHAIR
HAROLD USHER	VICE CHAIR
FRANK BERRY	COMMISSIONER
JONI BAECHLER	COMMISSIONER
ERIC SOUTHERN	COMMISSIONER

SENIOR MANAGEMENT - CURRENT

LARRY DUCHARME	GENERAL MANAGER
KELLY PALECZNY	DIRECTOR OF FINANCE & ADMINISTRATION
JOHN FORD	DIRECTOR OF TRANSPORTATION & PLANNING
CRAIG MORNEAU	DIRECTOR OF FLEET & FACILITIES
JOANNE GALLOWAY	DIRECTOR OF HUMAN RESOURCES

EXECUTIVE SUMMARY

London Transit is defined by its vision of being a customer-focused public transit organization. The vision is supported by five linked and, in certain respects, competing strategic outcomes, namely:

- a safe and effective service
- financially responsible
- reliable accessible infrastructure
- informed relationships
- supporting employees being successful

The table below provides an overview of how well the LTC performed against these five strategic outcomes during the 2013 fiscal year.

Strategic Outcome	Grade	Comments
Safe and effective service	Needs significant improvement	Significant service quality/availability issues exist. Conventional and specialized services did not meet customer expectations.
Financially responsible	Good	Overall effective cost management. Flat-lined City investment. Level fare pricing.
Reliable accessible infrastructure	Excellent	Considered to be "very good fit for the future."
Informed relationships	Satisfactory	Continues to be a work in progress. Currently in early stages of redevelopment.
Supporting employees being successful	Good	Better non-attendance performance. Progress on staff transitioning and training.

Having received a grade of 'needs significant improvement' in the area of 'safe and effective service' highlights an issue of service quality that needs to be addressed.

From a quantitative and cost perspective, evidenced by such indicators as rides per capita, revenue cost recovery, and cost per ride, overall system performance continues to place London Transit at or near the top in all key service efficiency and effectiveness measures, compared to its peer group of Ontario transit systems. However, it is increasingly apparent the status and the success are not sustainable. In fact, the system is at a tipping point.

Combined ridership of London Transit's Conventional and Specialized Transit Services reached 23.8 million. While that is the highest number in London Transit history, it fell short of the 24.0 million target set for 2013, due to service constraints.

London Transit continues to be a very good investment, and investment growth will increase the economic, environmental and social returns to the City and its residents. The Commission has long recognized that, without significant change in the way service is delivered and supported, ridership will, at best, grow marginally, with a more likely scenario being a ridership loss as the overall system effectiveness in meeting customer needs and expectations declines and the system becomes more expensive to operate.

The disparity between ridership growth and service hour growth has contributed to service quality issues, raising the question of sustainability. Inevitably, continued poor performance in the qualitative measures will have a negative impact on sustainability and growth of the service.

The system needs to migrate to a higher form of service delivery, which requires increased investment. Without such a migration, supported by transit related policies, programs and investment, the system will cost more to carry the same or fewer riders. The required migration is defined in the approved 2030 Transportation Master Plan, which calls for conventional transit to move to an enhanced corridors and nodes design using a Bus Rapid Transit (BRT) platform.

2014 will see continued development of the migration to a higher order of transit service with the completion of an extensive service (route structure) review. The review will be in two parts, namely:

- Part I - review of route structure assuming migration to BRT Strategy
- Part II - review of route structure assuming no migration to BRT Strategy, given current service deficit and economic constraints

For the specialized service, registrant growth and legislative requirements for expanded eligibility criteria will continue to challenge the service going forward. The establishment of a new secondary service contract, having a full year of in-service use of larger vehicles, and the addition of growth service hours should address the service performance issues faced in 2013. Beyond 2014, service integration between conventional and specialized services will be critical to address the continued growing demand.

SAFE AND EFFECTIVE SERVICE

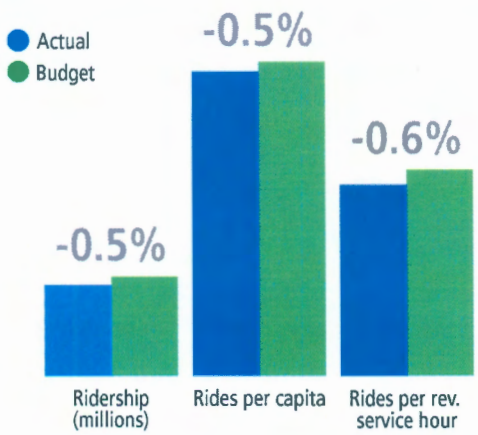
The service strategy is responsible for the development and delivery of accessible public transit services that are safe, sustainable and reflective of the needs and expectations of Londoners. The following table sets out an assessment of 2013 performance against key elements of this strategy.

Key Elements	Grade
Reviewing the transit service to ensure it meets the needs of a growing, competing and changing market (includes: service design, routing, frequency and accessibility)	Needs Significant Improvement
Delivering the service consistent with defined schedules and standards	Needs Significant Improvement
Developing and implementing proven technology in support of an effective, efficient and evolving transit service	Good
Progressing in the development and delivery of integrated, accessible public transit services	Needs Significant Improvement

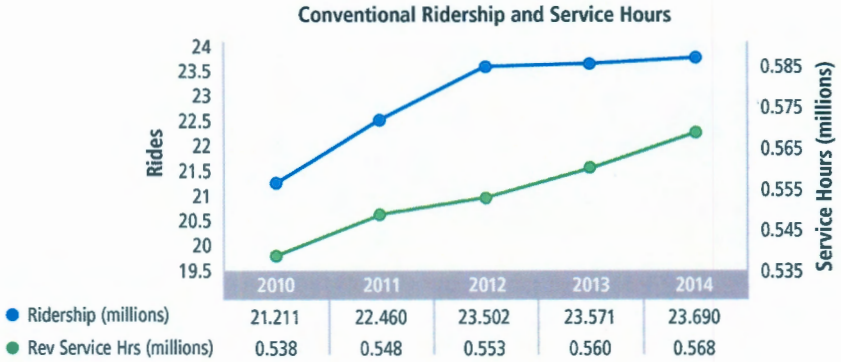
Conventional Transit Service

As noted in the following chart, 2013 ridership results fell short of expectations.

2013-Ridership Performance Actual versus Budget



The ridership and service hour performance over the period of 2010-2013 and that projected for 2014 is set out in the following chart. For the period of 2010-2013, the ridership growth to service growth ratio was 3 to 1.



As noted in the above charts, 'ridership', 'rides per capita', and 'rides per revenue service hour' peaked in 2012 and are expected to decline marginally in 2014. This is evidence that the system, in terms of design and capacity, is no longer meeting customer needs and expectations.

The hours of service added over the last number of years have been minimal due to current economic challenges, including constraints on public investment. The additional hours, best described as "maintenance hours", have been used to address the most significant service quality issues and ridership retention, not ridership growth.

London Transit measures service performance by comparison to a peer group of Ontario transit systems (with bus operations only, with populations greater than 100,000).

The following table sets out a comparison of 2012 key service performance indicators for LTC vs. the identified Ontario group average. The 2013 data for LTC is also shown, noting the 2013 group data will not be published until the fall of 2014.

The comparison information is compiled and published by the Canadian Urban Transit Association (CUTA).

Conventional Transit Services - Summary Performance Comparison
16 Ontario Conventional Transit Bus Only Operations - Population over 100,000

Description Service Performance	2012 Peer Average	2012 LTC	Ranking	2013 LTC
Ridership (millions)	11.883	23.482	**2nd**	23.571
Rides per capita	34.7	63.5	**1st**	63.1
Rides per service hr.	26.6	42.6	**1st**	42.1
Service hours per capita	1.3	1.5	**4th**	1.5
Service Area Population			**7th**	

As noted, while 7th in terms of population, rides per capita and rides per service hour ranks London first overall in comparison to the peer group. While the overall rankings place London high in comparison to the peer group, there needs to be a balance between "service efficiency" measures and "service quality" measures. With respect to the rides per service hour, London leads the peer group, but further analysis of this statistic, as set out below, indicates that the service has reached a tipping point.

London's historic and current ridership growth to service growth ratio has helped keep London in the lead when compared to its peer group, but has also led to an increase in service quality issues:

- 27% increase in the number of times buses have reported full loads
- Actual load counts for weekday service on a system-wide basis exceeding seated capacity for all time periods by 25% to 64% (with the exception of Early AM)
- 54% increase in service quality complaints (includes schedule adherence, overcrowding, missed passengers and transfer connection)

Such performance can be expected to result in a decline in ridership if improvements are not made. The following chart shows service performance complaints have trended upward since 2010, averaging approximately five complaints per every 100,000 riders. The most significant complaints have been schedule adherence (late) and missed passengers (full load). These two areas of complaint account for 43% of service complaints.

The other major area of analysis regarding service quality is Operator performance, which is assessed in terms of complaints and compliments. Performance results for 2010 to 2013 and projected results for 2014 are set out in the following chart.

The number of complaints regarding Operator performance has trended downward since 2010 (in terms of absolute numbers and when expressed as complaints per 100,000 riders).

While overall Operator performance complaints have declined, Operator performance compliments have increased in excess of 100% from 2010 to 2013. When viewed in concert with the decline in complaints, Operator performance trends are encouraging, particularly when related to the challenges associated with service performance.

Specialized Transit Service

The following table provides a comparison of 'ridership' and 'service hours actual' to 'budget performance' for 2013. As noted, 'ridership' results and 'actual service hours provided' fell short of targets.

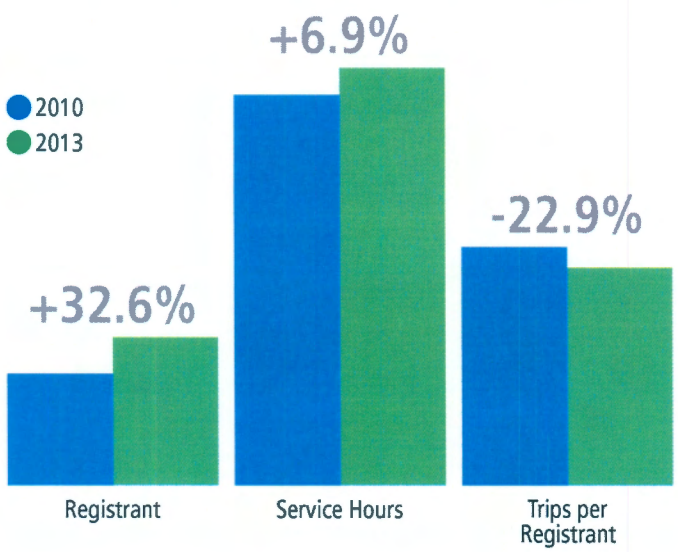
The major reasons for this shortfall were the cancellation by the provider of the secondary service contract, and a limited market to source alternative supply. The cancellation of the contract had a direct bearing on the significant increase in the number of non-accommodated trips, which exceeded the budget by 97%.

2013 Ridership and Service Hour Actual to Budget Performance

Description	Actual	Budget	Amount Better (Worse)	Percent Better (Worse)
Ridership				
Eligible passenger trips	229,438	248,100	(18,662)	(7.5)%
Attendant/companion trips	25,842	27,400	(1,558)	(5.7)%
	255,280	275,500	(20,220)	(7.3)%
Service hours	103,369	108,500	(5,131)	(4.7)%
Registrants	5,152	5,000	152	0
Eligible passenger trips per registrant	44.5	49.6	(5.1)	(10.3)%
Non-accommodated	15,929	8,103	(7,826)	(96.6)%
Non-accommodated trips per registrant	3.09	1.62	(1.5)	(90.8)%

The specialized transit service has also experienced an imbalance in registrant growth over service hour growth since 2010. As noted in the following table, registrant growth to service growth is approximately 5 to 1, which has resulted in trips per registrant declining over the period by approximately 23%.

Registrant to Service Hour Growth 2010 vs 2013



The following charts set out a comparison of 'total ridership', 'service hours' and the corresponding relationship of 'trips per registrant' and 'non-accommodated trips per registrant' for 2010 to 2013, and expectations for 2014.

	2010	2011	2012	2013	2014
Ridership (thousands)	238	255	267.2	255.3	267
Revenue Service Hours	96.7	102.6	105.3	103.4	111

	2010	2011	2012	2013	2014
Rides per Registrant	54.7	56.6	53.4	44.5	50.5
Non Accommodated per Registrant	1.3	1.2	2.4	3.1	1.6

As noted, rides per registrant and non-accommodated trips per registrant trended poorly in 2013, reaching the lowest and highest level respectively. The significant improvement expected for 2014 is based on a number of factors, including operating a full year with larger vehicles, which were the basis of the primary service contract award and subsequent secondary service contracts.

As referenced in the table below, service complaints have increased from 2010 to 2013 (in both absolute numbers and on a per 10,000 eligible passenger trips basis). The most significant area of increase is customer service, with the most common complaints being Operator conduct, no service available and long wait times on the booking line. The booking line system was upgraded, effective in the Fall of 2013. As such, it is expected that, going forward, the related number of complaints will decline.

Specialized Transit Service Performance - Complaints/Compliments 2010 - 2013

Description	2010	2011	2012	2013	3 Year Change
Complaints					
Customer Service	67	77	97	112	45
Service Performance	15	6	14	8	(7)
	82	83	111	120	38
Complaints per 100,000 rides	34.5	32.5	41.5	47	13
Percent change year over year		1.2%	33.7%	8.1%	46.3%
Compliments	14	32	16	17	3
Compliments per 100,000 rides	5.9	12.5	6	6.7	0.8
Percent change year over year		128.6%	(50)%	6.3%	21.4%

As with conventional transit, specialized transit performance results are assessed from a service perspective in comparison to all other Ontario specialized transit systems. The following table sets out a comparison of key service performance indicators for LTC in 2012 vs. the identified Ontario group average, as well as 2013 performance for LTC.

Service performance indicators are, for the most part, consistent with the Ontario average, with the exception being trips taken per eligible registrant. London's performance is at 77% of the group average. As previously noted, it is expected that registrant trip performance will improve with the move to larger vehicles and the restoration of a secondary service contract in 2014.

Specialized Transit Services - Summary Performance Comparison
Ontario Specialized Transit Systems

Description	2012 Ontario Avg.	2012 LTC	2013 LTC
Service Performance			
Service Hours per capita	0.2	0.3	0.3
Total trips per capita	0.65	0.72	0.68
Total trips per service hour	2.8	2.5	2.5
Percent eligible registrant trips	92.3%	89.9%	89.8%
Trips per eligible registrant trips	69.5	53.4	44.4

FINANCIAL RESPONSIBILTY

The strategy calls for prudent fiscal management, balancing investment requirements between investment partners (customer and public). The following table sets out an assessment of 2013 performance against key elements of this strategy.

Key Elements	Grade
Investment that supports customer expectations for a service that is predictable, reliable, safe, accessible and affordable	Satisfactory
Recognition by all stakeholders that the return on investment includes consideration of the social, economic and environmental returns an effective and efficient public transit system provides the community	Needs Improvement
Recognition that fares (and fare media options) must be both attractive and competitive, providing the opportunity to grow and maintain ridership gains	Good
Establishing a sustainable fiscal plan, including effective management of reserves	Good
Ensuring decisions regarding expenditure investment (both operating and capital) are strategic, consider risk management and are subject to Business Case development	Excellent
New and renewed investment and commitment to the continuous review and improvement of systems, processes and procedures	Excellent

2013 Operating Budget Program

The 2013 operating budget program for conventional and specialized transit service totalled approximately $63.519 million, resulting in a net favourable operating performance of approximately $0.444 million or 0.7%.

The major factors contributing to the favourable operating budget performance include:

- lower than expected fuel costs (price-related)
- lower than expected net contracted service delivery costs for specialized service associated with the early cancellation of the secondary service contract
- lower ridership and related revenue on both conventional and specialized services
- lower than expected funding transferred from Provincial Gas Tax reserve fund, given overall net lower than expected operating costs
- lower than expected personnel costs primarily related to delays in hiring replacement staff associated with retirements and terminations

The favourable operating performance was applied, consistent with the administrative guidelines, to the reserves and reserve funds. As noted in the following chart, the actual source of 2013 operating investment was consistent with expectations. City investment levels have, for the most part, been flat-lined over the course of the last four years, given the economic climate and related constraints on public investment.

2013 Operating Budget Source of Investment
Conventional and Specialized Transit Services

Description	2013 Actual	2013 Budget
Transportation revenue	50.6 %	50.1 %
Operating revenue and reserve transfers	3.6 %	3.4 %
Provincial gas tax	5.6 %	7.3 %
City of London	40.1 %	39.2 %
	100.0 %	100.0 %

Total operating expenditure investment (millions) $63.519

Financial performance is compared to the Commission's peer group in the same manner as service performance for the respective services is. In terms of conventional service in comparison to the peer group, London's performance is at or near the top in all key financial performance indicators, as noted in the following table.

Conventional Transit Services - Summary Performance Comparison
16 Ontario Conventional Transit Bus Only Operations - Population over 100,000

Description	2012 Peer Average	2012 LTC	Ranking	2013 LTC
Financial Performance				
Operating cost per ride	$4.43	$2.48	**16th**	$2.49
Municipal investment per ride	$2.13	$0.89	**16th**	$0.93
Total Operating Cost Sharing				
Municipality	50%	35.9%	**16th**	37.2%
Passenger & operating	40.8%	57.6%	**1st**	57.8%
Provincial gas tax	9.2%	6.5%	**9th**	5%

As noted, municipal operating investment is well below the peer group average, ranked 16th (last) of the 16 transit systems comprising the peer group. Consistent with the peer group comparison of service efficiency measures, financial performance measures must also maintain an appropriate balance. In order for the transit service in London to grow to meet the expectations of the public at large and those set out in the 2030 Transportation Master Plan, the municipality will need to increase the level of investment to be consistent with other jurisdictions.

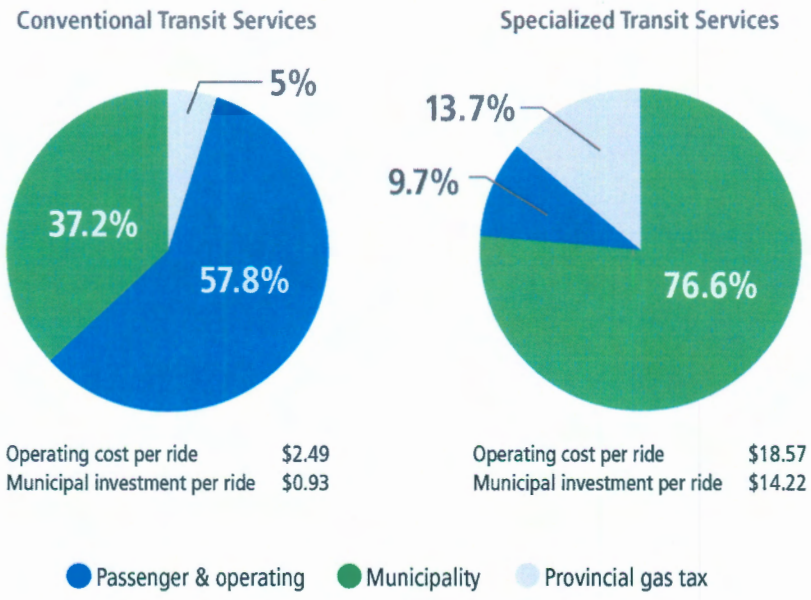
When increased investment is viewed in light of the operating cost per trip measure, what becomes evident is that the return on the investment from the City's perspective will be significantly higher than that being experienced by other jurisdictions. London Transit continues to be a very good investment and with growth investment will increase the economic, environmental and social returns to the City and its residents.

The same favourable financial performance applies to specialized transit services, as indicated in the following table, noting for both services, the operating costs and municipal costs per trip are significantly lower than the peer group average. As with conventional transit, municipal investment in specialized transit is well below the Ontario average.

Specialized Transit Services - Summary Performance Comparison
Ontario Specialized Transit Systems

Description	2012 Ontario Average	2012 LTC	2013 LTC
Financial Performance			
Operating cost per total trips	$31.45	$16.21	$18.57
Municipal cost per total trips	$28.43	$12.68	$14.22
Total Operating Cost Sharing			
Municipality	90.4%	78.2%	76.6%
Passenger & operating	7.4%	11%	9.7%
Provincial gas tax	2.2%	10.8%	13.7%

2013 Percent Share of Source Investment
Conventional and Specialized Transit Services

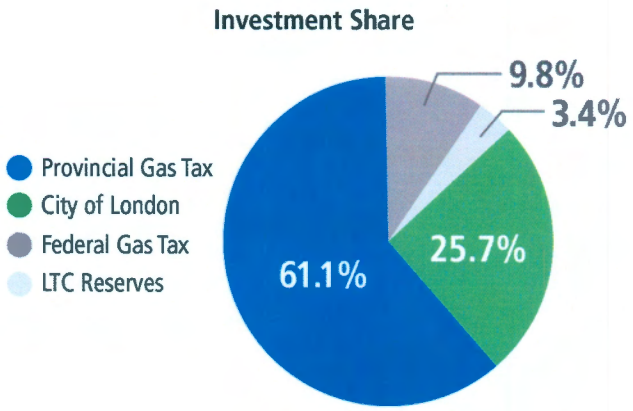


2013 Capital Budget Program

The 2013 capital investment program totalled approximately $15.3 million, of which some 88% applied to four key projects. Two of the four programs were completed. The other two are multi-year projects. The four projects include:

- bus replacement: a $5.9 million project providing replacements for 12 buses was completed in 2014. The program was critical to supporting fleet reliability and lowering fleet maintenance costs by moving to an average fleet age of six years.
- bus expansion: a $1 million project completed in 2014 provided for the expansion of the fleet by two buses.
- two transformational projects cover a multi-year term: the Bus Rapid Transit (BRT) Strategy development at $2.8 million and the Smart Card System at $3.7 million.

All of the capital programs operated within budget. Capital investment is shared as follows.



INFORMED RELATIONSHIPS

The strategy calls for continuous, consistent and effective communication with all stakeholders, supporting informed relationships and development of critical partnerships at local, provincial and national levels. The following table sets out an assessment of 2013 performance against key elements of this strategy.

Key Elements	Grade
Build and sustain informed relationships with all stakeholders (both internal and external to the LTC) supporting accessible public transit services	Satisfactory
Communicate in a clear, consistent and timely manner with all stakeholders	Satisfactory
Build supportive relationships with municipal officials including linkages to key municipal plans and programs	Satisfactory
Seek public and political support at the local, provincial and federal level	Satisfactory
Maximize the effectiveness of a variety of communication tools	Needs Improvement

Overall, good progress was made supporting consistent and effective communications with all stakeholders in 2013, as evidenced by:

- the "interactive voice response" system (providing real-time service information) was accessed 0.6 million times
- the LTC's website and WebWatch were accessed 8.4 million times
- the public drop-in sessions and meetings with community groups were a success
- the move toward standardized messaging and format for communication with customers
- the growing use of electronic messaging for internal communications, directly related to the immediacy of the communications
- awareness campaigns focusing on riding respectfully were rolled out, setting expectations for customers riding with strollers and expectations for courtesy & priority seating areas
- the communication strategy associated with the marketing and promotion of the business case for London Bus Rapid Transit Strategy was created
- the "Transit 101" session was held with the Ministry of Transportation regarding London's Transit's issues, challenges and performance. The session focus was awareness of transit outside the GTHA

While progress was made in 2013, significant efforts are required in all areas of communication going forward.

RELIABLE ACCESSIBLE INFRASTRUCTURE

The reliable accessible infrastructure strategy addresses the maintenance, retention, and acquisition of equipment, facilities, and fleet. The goal is to ensure they are accessible, reliable and maintained in a state of good repair. This is done in support of the consistent delivery of a quality service and a safe and healthy work environment. Specific programs and policy direction associated with the strategy are reflected in the Commission's Asset Management Plan. The programs' investment totals $157.4 million, $93.4 million of which is in rolling stock. The following table sets out an assessment of LTC Assets.

Assets	Grade
Facility – 450 Highbury	Very good – fit for the future
Facility – 3508 Wonderland	Very good – fit for the future
Rolling Stock	Very good – fit for the future
Shelters, stops and pads	Good – adequate for now
Fare and data collection systems	Good – adequate for now
AVL/radio system (smart bus technology)	Very good – fit for the future
Shop equipment and tools	Very good – fit for the future
Smart card system	Very good – fit for the future
All other infrastructure (e.g. service fleet)	Very good – fit for the future

The assigned assessment ratings were assessed on infrastructure needs associated with maintaining current service levels and an ongoing commitment to investing as a priority in a state of good repair both in terms of capital investment and maintaining and development of pro-active preventative maintenance programs for buses including ancillary system vs. reactive and establishing full service agreements covering both maintenance and upgrades for technology (system) based infrastructure.

Strict adherence to the strategy over the past 10 years has resulted in the elimination of the infrastructure deficit. With the exception of 'shelters, stops and pads' and the 'fare and data collection system', the LTC's assets are assessed as being *"very good – fit for the future"* which is the highest rating assignable.

SUPPORTING EMPLOYEES BEING SUCCESSFUL

The strategy calls for the development of a results-oriented organization that supports employees being successful in their roles, lets employees know what is expected, supports them in meeting and exceeding expectations, and recognizes their contributions accordingly. The following table sets out an assessment of 2013 performance against key elements of this strategy.

Key Elements	Grade
Developing an environment and culture that is inclusive and collaborative, respects individual dignity, and promotes professionalism, accountability, open communication and teamwork	Good
Promoting a work environment that is supportive to employees in successfully fulfilling their roles in the organization by providing appropriate feedback, recognition and reward	Good
Fostering an attitude of continuous improvement whereby employees are encouraged and supported to make positive change	Good
Ensuring that human resource continuity needs are met through the identification of future requirements and the means of meeting those needs	Good
Creating a safe work environment with encouragement and support for employee health and wellness	Good

The overall rating of the strategy is defined as good. 2013 saw:

- establishment of multi-year agreements with both union and non-union employees with compensation changes reflecting the current economic climate
- upgrading of training programs (customer services, defensive driving, and others) for all front line operations employees (delivered over a 3 year period)
- continued development of performance-based management
- continued improvement on attendance and disability management results. Average disability lost time (STD, LTD, and WSIB) declined to 9.0 days per employee with work related injury/illness averaging 1.0 day per employee.
- ongoing review and change to the organization's structure, reflecting the impact of growth

The planning and development of the organization has been challenging, considering investment constraints and 10% of the current management/supervisor positions (24 positions – covering 24/7 operations at two facilities) remained vacant for most of 2013 and, of those, 30% of the individuals in management/supervisor roles were new to their position over the past two years.

TRANSFORMATIONAL INITIATIVES

The Draft London Plan (Official Plan) serves to define the goals and priorities that will shape the growth, preservation and evolution of London over the next twenty year. The London Plan is exciting, exceptional and connected and recognizes that transportation and land use planning are inextricably linked. The London Plan is congruent with and supportive of the City's approved 2030 Transportation Master Plan (TMP), which in turn is consistent with the direction of London Transit's Long Term Growth Strategy.

The referenced plans and strategies are reflective of a number of key transformational projects. These initiatives include the development of *Bus Rapid Transit Strategy* and the *Smart Card System*.

Bus Rapid Transit Strategy (BRT)

The BRT is an *integral part* of London's 2030 Transportation Master Plan (TMP), which was adopted by Municipal Council in 2012. The BRT is a bus-based rapid transit system that mirrors many of the features of a rail system with the flexibility and cost savings associated with using over-the-road vehicles. London's BRT includes new infrastructure and service design improvements that will transform how public transit service is delivered.

When fully implemented, BRT will improve travel-time performance, increase passenger capacity of the transit network, and improve the quality of service for transit passengers. The $382 million investment, expected to be shared equally by the 3 levels of government provides a 11.3% rate of return over a 30 year period or $1.80 of benefits for every $1 invested. The BRT supports economic development, efficient land use, improved public safety, expanded community access and capital cost avoidance of $290 million in road widening that would have to be completed in BRT does not proceed.

Two service components of the redesign include:

- two BRT routes, operating north/south and east/west. The north/south would use Richmond/Wellington corridors and the east/west would use Oxford/Dundas corridors.
- enhanced local feeder services supporting the BRT corridors (defined through an extensive review and restructuring of existing routes)

2014 will see continued development of the BRT strategy including:

- continued discussion with the provincial and federal governments on support and funding for the BRT
- undertaking of environmental assessments along the north/south corridor
- a review and redesign of the current route structure to support the BRT strategy

Smart Card System

The smart card system is a technology-based fare payment system that will transform, with the exception of cash fares, LTC's fare policies, programs and processes. The system, once fully implemented will replace existing ticket and pass media programs with reloadable smart cards having the same characteristics.

All conventional buses will have fixed proximity readers where customers will tap with their smart card to record the trip, levy the appropriate fare and apply the 90 minute transfer. Hand-held readers will be utilized on all specialized vehicles to record the trip, levy the appropriate fare and apply the 90-minute transfer.

The $3.7 million investment fully funded by Provincial Gas Tax provides an expected payback of 8 years while supporting overall operating efficiency.

Phased implementation of the system is scheduled for the Fall of 2014.