



2014 Annual Report



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April 27, 2015

To His Worship Mayor Matt Brown  
and Members of Municipal Council

**Re: 2014 London Transit Commission Annual Report**

On behalf of all London Transit employees and the Commission, I am pleased to submit LTC's 2014 Annual Report for Council's review and consideration. The report summarizes the Commission's 2014 performance against the strategic outcomes set out in the 2010-2014 Business Plan, both in terms of developing as an organization and building an effective and efficient transit system consistent with the expectations of Londoners.

Combined ridership of London Transit's Conventional and Specialized Transit Services reached 24.1 million rides, the highest combined ridership in London Transit history, for a 1% increase over 2013, and almost doubling ridership levels from 1998, while only increasing service hours by 28%. 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 solution to addressing both the service deficit and the ongoing service quality issues is the migration to a higher level of service delivery, as defined in the approved 2030 Transportation Master Plan, which calls for conventional transit to move to an enhanced corridors and nodes design using a Rapid Transit (RT) platform.

London Transit introduced its first "BRT light" service in the fall of 2013 as Route 90, a limited stop, express route travelling from Masonville to downtown. The service was so successful, it was extended to White Oaks Mall in the fall of 2014, and service frequency was increased to every 20 minutes from every 30 minutes during peak periods. In addition, a second "BRT light" route 91 was added in 2014, providing express service and limited stops along Oxford St from Wonderland Rd to Fanshawe College. The success of these routes illustrates the customer demand that exists for a higher level service delivery in London.

2015 will see continued development of the migration to a higher order of transit service with the completion of an extensive service (route structure) review, setting out recommendations for service improvements and enhancements over the next five years in preparation for the move to rapid transit.

Recommendations from the review have included:

- New and modified transit routes
- New express corridors
- Enhanced service frequencies
- Changes to hours of operation
- Linkages to future rapid transit corridors

*Wherever life takes you*



Together we can drive change.

The 2015 service plan will see the implementation of the recommendations set out in the plan beginning in September of 2015.

For the specialized service, registrant growth and legislative requirements for expanded eligibility criteria will continue to challenge the service going forward. Given these ongoing pressures, the focus going forward will shift to one of service integration between conventional and specialized services. Delivery models designed to relieve the pressure from the specialized service by shifting riders to the accessible conventional service will be assessed and implemented where feasible.

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.

Yours truly,



Eric Southern  
Chair

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## THE LONDON TRANSIT COMMISSION

### COMMISSION - CURRENT

ERIC SOUTHERN	CHAIR
SHERYL ROOTH	VICE CHAIR
JESSE HELMER	COMMISSIONER
DEAN SHEPPARD	COMMISSIONER
PHIL SQUIRE	COMMISSIONER

### SENIOR MANAGEMENT - CURRENT

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

## EXECUTIVE SUMMARY

London Transit's vision in the 2011-2014 Business Plan was one of being a customer-focused public transit organization.

The vision was 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

Consistent with the Business Planning Process, each year an annual report is completed and shared publicly. The report provides an overview of how the LTC performed against each of the strategic outcomes identified in the Business Plan.

The table below sets out the performance against the outcomes for the 2014 fiscal year.

Strategic Outcome	Grade	Comments
Safe and effective service	Needs Significant Improvement	Significant service quality/availability issues continue to exist. Conventional and specialized services continue to fall short of customer expectations.
Financially responsible	Good	Overall effective cost management including a flat-line of both City of London investment and rider investment (fares).
Reliable accessible infrastructure	Excellent	Assets are considered to be 'very good – fit for the future'.
Informed relationships	Satisfactory	Communications in all areas continues to be a work in progress.
Supporting employees being successful	Good	Improvements continued with respect to attendance management. Reorganization of several areas resulted in improved accountability.

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.

Combined ridership of London Transit's Conventional and Specialized Transit Services reached 24.1 million, the highest combined ridership in London Transit history, but only a 1% increase over 2013 ridership.

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 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 continued growth of the service.

The system needs to migrate to a higher level 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 Rapid Transit (RT) platform.

London Transit introduced its first "BRT light" service in the fall of 2013 as Route 90, a limited stop route travelling from Masonville to downtown. The service was so successful, it was extended to White Oaks Mall in the fall of 2014, and service frequency was increased to every 20 minutes from every 30 minutes during peak periods. In addition, a second "BRT light" route was added in 2014, the Route 91 is a limited stop route travelling along Oxford St. from Wonderland Road to Fanshawe College.

2015 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 includes three parts, namely:

- Part I - An assessment of the existing route structure in light of current service quality and performance issues and service hour deficit. Recommendations resulting from this part of the review will focus on the short term (next five years).
- Part II - An assessment of the existing route structure with the view of recommending the restructuring/redefining of same in support of implementing rapid transit as defined in the City's 2030 Transportation Master Plan.
- Part III - An assessment and recommendation of potential changes to the existing informal Service Guidelines, noting such guidelines would be reflective of the direction of each of the above route structure reviews. The guidelines:
  - support ensuring that an acceptable level of service quality is provided;
  - provide a consistent and fair basis for evaluating service improvements and new transit services; and
  - balance improving the level of transit services with the need to use transit resources efficiently.

For the specialized services, 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 beginning in August 2014 helped to address service performance issues experienced earlier in the year. Going forward, service integration between conventional and specialized services will be critical to address the continued growing demand.



## SAFE AND EFFECTIVE SERVICE

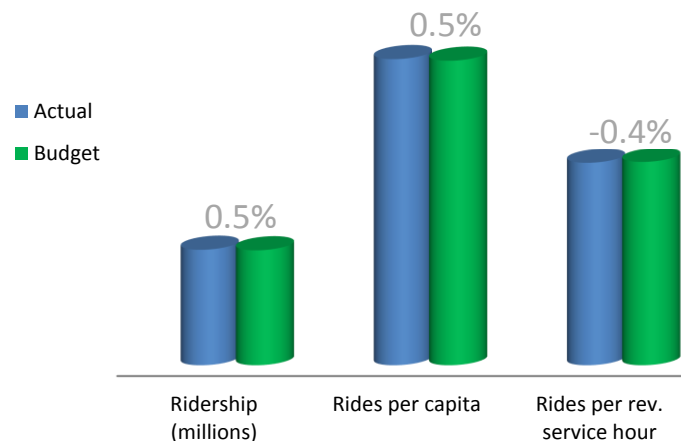
The service strategy is responsible for the development and delivery of accessible public transit services that are safe, sustainable and reflective of the needs and expectations of Londoners. The following table sets out an assessment of the 2014 performance against key elements of this strategy.

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 Services

As noted in the following chart which compares actual 2014 ridership and related measures to 2014 budget, expectations were met for two of the three key efficiency measures.

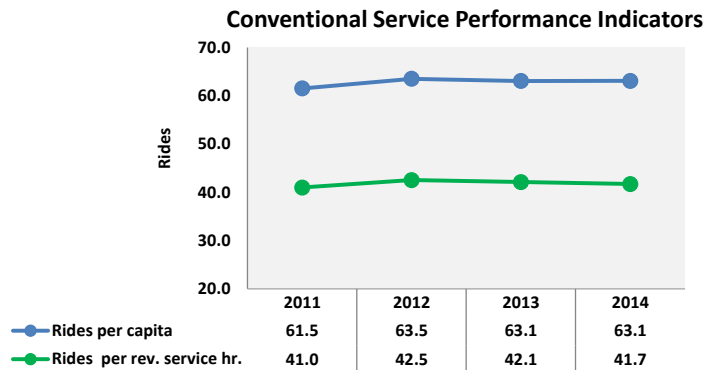
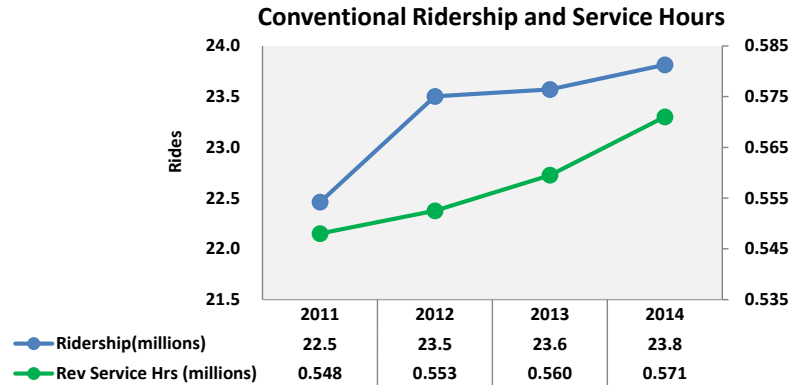
2014 Ridership Performance Actual vs. Budget



The 'rides per revenue service hour' measure can be viewed from two perspectives, in that the higher it is, the more efficiently the service is operating (i.e. buses are full), and the lower it is, the more quality the service is from a customer perspective, in that the buses will be less crowded and customers will, more often, be able to get a seat. This measure is one that requires a delicate balance in order to ensure efficiency and offer quality at the same time.



The ridership and service hour performance over the period of 2011-2014 is set out in the following chart. For the period of 2011-2014, the ridership growth outstripped the service growth by a ratio of 1.5 to 1. When a system has capacity to accommodate increased ridership, this type of growth is positive as it makes the system more efficient. In London's case, where overcrowding has been an issue for some time, this trend is viewed as negative as it demonstrates that while the service hours are increasing, they are not keeping pace with ridership growth, resulting in ongoing service quality issues.



As noted in the above charts, 'rides per capita'<sup>1</sup>, and 'rides per revenue service hour'<sup>2</sup> peaked in 2012 and declined marginally through 2013 and 2014. This is evidence that the system, in terms of design and capacity, is no longer meeting customer needs and expectations. In terms of 'rides per capita', the decline and flat-line indicates that ridership growth is no longer keeping pace with population growth.

The hours of service added over the last number of years are considered minimal due to 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.

<sup>1</sup>Rides per capita: total rides divided by population – provides for comparison of ridership levels across municipalities of varying populations

<sup>2</sup>Rides per revenue service hour: total rides divided by total hours vehicles are providing service – measures the efficiency of the system

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 2013 key service performance indicators for LTC vs. the identified Ontario group average. The 2014 data for LTC is also shown, noting the 2014 group data will not be published until the fall of 2015. The comparison information is compiled and published by the Canadian Urban Transit Association (CUTA).

**Conventional Transit Services – Summary Performance Comparison**

Description Service Performance	2013 Peer Average	2013 LTC	Ranking	2014 LTC
Ridership (millions)	12.1	23.6	2 <sup>nd</sup>	23.8
Rides per capita	34.9	63.1	1 <sup>st</sup>	63.1
Rides per service hour	26.6	42.1	1 <sup>st</sup>	41.7
Service hours per capita	1.3	1.5	5 <sup>th</sup>	1.5
Service area population			7 <sup>th</sup>	

Note: Peer group includes 16 Ontario transit systems in municipalities with a population greater than 100,000. (York Region, Mississauga, Durham Region, Brampton, Hamilton, Waterloo Region, London, Windsor, Oakville, Burlington, St. Catharines, Sudbury, Barrie, Guelph, Thunder Bay and Kingston).

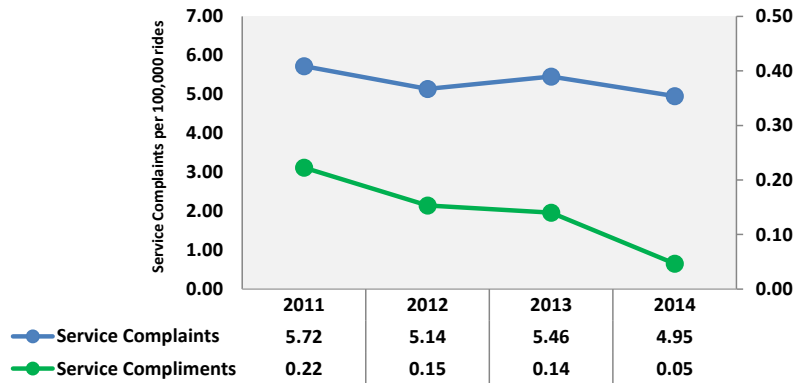
As noted, while 7<sup>th</sup> in terms of population, rides per capita and ‘rides per service hour’ ranks London first overall in comparison to the peer group. While the overall rankings place London high in comparison to the peer group, there needs to be a balance between “service efficiency” and “service 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.

The annual service hour increase for conventional services in 2014 was 17,400; almost three times that which had been provided in previous years. The additional hours were targeted at improving the quality of the service being provided, vs. attracting additional ridership.

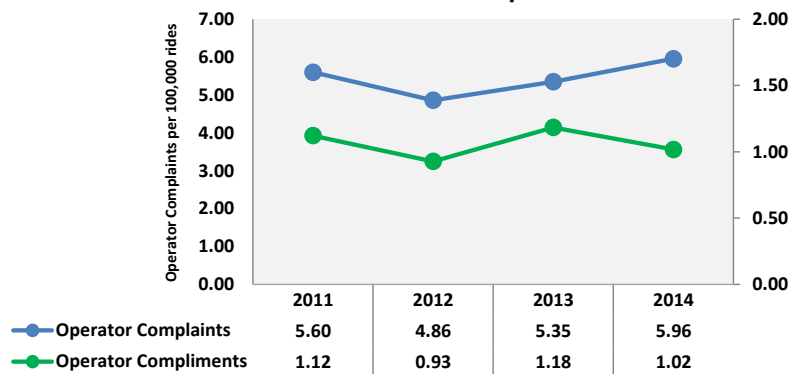
Service quality is also measured through the tracking of customer contacts which can be received via phone, email or commentary provided to the operator. The following chart shows service performance complaints have trended slightly downward since 2011, when represented as complaints per 100,000 riders. The actual number of complaints has remained somewhat constant over the period, averaging approximately five complaints per every 100,000 riders. The most significant complaints have been schedule adherence (early or late) and missed passengers (full load). These two areas of complaint account for approximately 80% of service complaints.

**Customer Contacts - Service Performance**



The other major area of analysis regarding service quality is Operator performance, which is assessed in terms of both complaints and compliments. Performance results for 2011 to 2014 are set out in the following chart.

**Customer Contacts - Operator Performance**



The number of complaints regarding Operator performance has trended upward since 2011 (in terms of absolute numbers and when expressed as complaints per 100,000 riders). Given the continued trend, a new education program was developed in late 2014 for Operators specifically linked to current customer service trends. The program provides additional guidance and support to Operators on how best to effectively manage issues such as schedule adherence and overcrowding, while emphasizing appropriate driver behavior and re-iterating professional customer service expectations. The revised program will be rolled out in 2015.

*Specialized Transit Services*

The following table provides a comparison of ‘ridership’ and ‘service hours actual’ to ‘budget performance’ for 2014. As noted, ‘ridership’ results and ‘actual service hours provided’ fell short of targets.

The major reason for this shortfall was the delay in getting the secondary contract in place, resulting in a limited ability to increase service hours until August 2014. Subsequent to the additional five vehicles being placed in service, service was increased and the non-accommodated trip rate declined as expected.

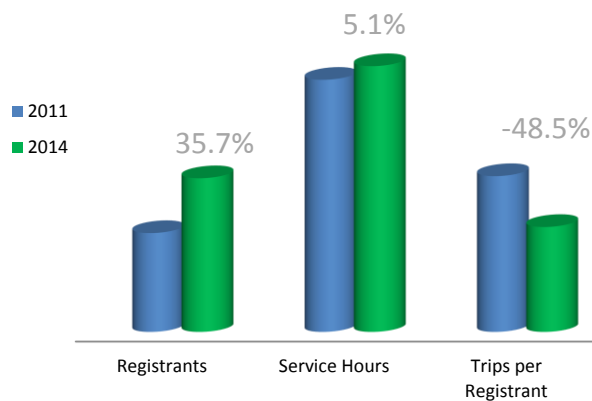
### 2014 Ridership and Service Hour Actual to Budget Performance

Description	Actual	Budget	Amount Better (Worse)	Percent Better (Worse)
Eligible passenger trips	231,770	267,400	(35,630)	(13.3)%
Attendant trips	26,834	26,700	134	0.5 %
<b>Total ridership</b>	<b>258,604</b>	<b>294,100</b>	<b>(35,496)</b>	<b>(12.2)%</b>
Service hours	108,145	110,900	(2,755)	(2.5)%
Registrants	6,254	5,300	954	18.0 %
Eligible passenger trips/registrant	37.1	50.4	(13.3)	(26.5)%
Non-accommodated trips/registrant	2.4	1.5	(0.9)	(59.3)%

Non-accommodated trip – trip request that cannot be accommodated within 30 min of requested pick up time

The specialized transit service has also experienced an imbalance in registrant growth over service hour growth since 2011. As noted in the following chart, the ratio of registrant growth to service growth is approximately 5 to 1, which has resulted in trips per registrant declining over the period by approximately 49%.

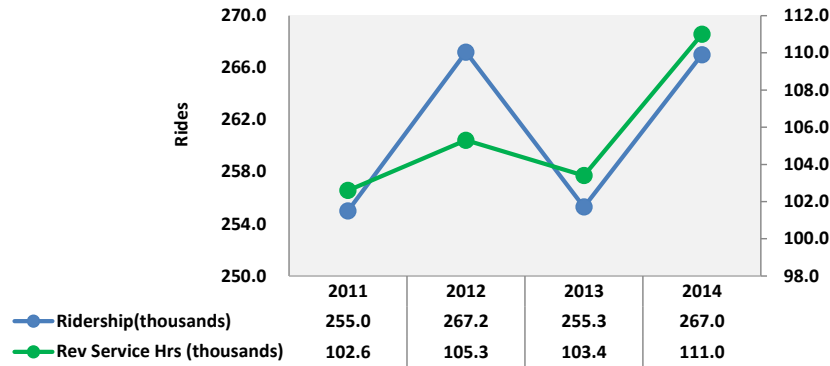
Registrant to Service Hour Growth 2011 vs. 2014



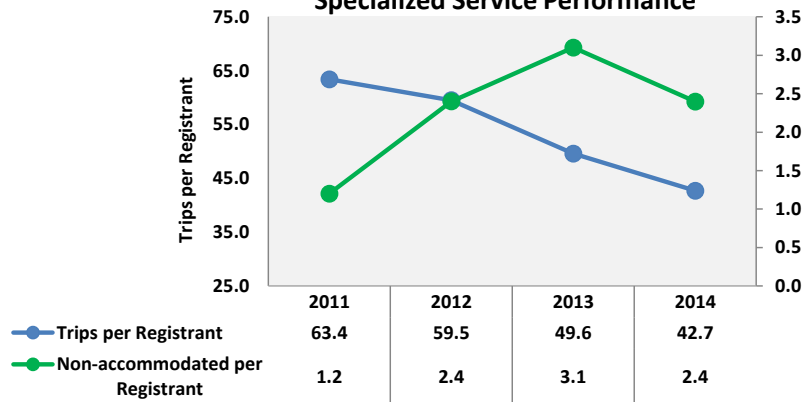
Ridership levels are more closely tied to service levels on the specialized services given the capacity limitations on the vehicles (i.e. maximum 6 mobility devices and 10 seated passengers, no standees), and as such the relationship between the two is linear. The move to larger vehicles in 2014 (max capacity 16 vs. historic 10), affords the opportunity to provide a greater number of trips within the same hours, increasing overall service efficiency.

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 2011 to 2014. The increase in non-accommodated trips per registrant and decrease in total trips per registrant in 2013 is directly related to a service contract cancellation and resulting inability to schedule the budgeted service hours.

### Specialized Ridership and Service Hours



### Specialized Service Performance



As noted, trips per registrant and non-accommodated trips per registrant trended poorly over the period, with an improvement in non-accommodated trips per registrant in 2014. The improvement was due to the introduction of an additional five vehicles to the service beginning in August under a secondary contract.

As referenced in the table below, service complaints have remained somewhat consistent over the period of 2011 to 2014 (in both absolute numbers and on a per 10,000 eligible passenger trips basis). In the area of customer service, the most common complaints include Operator conduct, no service available and long wait on the booking line. The Operator conduct issues are referred to the service provider for follow up and appropriate action. The booking line system is scheduled for replacement in 2015 and as such, it is expected that the related number of complaints will decline on a going forward basis.

**Specialized Transit Service Performance – Complaints/Compliments 2011-2014**

Description	2011	2012	2013	2014
Customer Service	77	97	112	104
Service Performance	6	14	8	11
<b>Total complaints</b>	<b>83</b>	<b>111</b>	<b>120</b>	<b>115</b>
Complaints per 100,000 riders	32.5	41.5	47.0	44.5
Percent change year over year		27.6%	13.1%	(5.4)%
Compliments	32	16	17	28
Complaints per 100,000 riders	12.5	6.0	6.7	10.8
Percent change year over year		(52.3)%	11.2%	62.6%

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 2013 vs. the identified Ontario group average, as well as 2014 performance for LTC.

**Specialized Transit Services – Summary Performance Comparison**

Description	2013 Ontario Avg.	2013 LTC	2014 LTC
<b>Service Performance</b>			
Service hours per capita	0.2	0.3	0.3
Total trips per capita	0.60	0.68	0.69
Total trips per service hour	2.8	2.5	2.5
Percent eligible passenger trips	92.2%	89.8%	89.6%
Trips per eligible registrant	65.9	44.4	41.4

Average includes all specialized services operating in Ontario

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 63% of the group average. As previously noted, it is expected that registrant trip performance will improve in 2015 with the move to larger vehicles and the restoration of a secondary service contract in late 2014.

## FINANCIAL RESPONSIBILITY

The strategy calls for prudent fiscal management, balancing investment requirements between investment partners (customer and public). The following table sets out an assessment of 2014 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	Needs Improvement
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

### *2014 Operating Budget Program*

The 2014 operating budget program for conventional and specialized transit services totalled approximately \$66.293 million with a net favourable operating performance of approximately \$1.262 million or 1.9%.

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 services associated with the late start of the secondary service contract
- higher than expected funding transferred from Provincial Gas Tax reserve fund, given overall net higher 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 2014 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.

**2014 Operating Budget Source of Investment  
Conventional and Specialized Transit Systems**

Description	2014 Actual	2014 Budget
Transportation revenue	48.7%	49.5%
Operating revenue and reserve transfers	4.9%	3.3%
Provincial gas tax	7.9%	7.8%
City of London	38.5%	39.4%
	100.0%	100.0%

Financial performance is compared to the Commission's peer group in the same manner as service performance for the respective services. In terms of conventional services 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**

Description Service Performance	2013 Peer Average	2013 LTC	Ranking Out of 16	2014 LTC
<b>Financial Performance</b>				
Operating cost per ride	\$4.44	\$2.40	16 <sup>th</sup> (lowest)	\$2.48
Municipal cost per ride	\$2.17	\$0.93	16 <sup>th</sup> (lowest)	\$0.93
<b>Total Operating Cost Sharing</b>				
Municipality	48.9%	38.7%	15 <sup>th</sup>	35.6%
Passenger & Operating	42.7%	60.1%	1 <sup>st</sup> (highest)	57.4%
Provincial gas tax	8.4%	5.2%	11 <sup>th</sup>	7.0%

Note: Peer group includes 16 Ontario transit systems in municipalities with a population greater than 100,000. (York Region, Mississauga, Durham Region, Brampton, Hamilton, Waterloo Region, London, Windsor, Oakville, Burlington, St. Catharines, Sudbury, Barrie, Guelph, Thunder Bay and Kingston).

As noted, LTC's municipal operating investment is well below the peer group average, ranked 15<sup>th</sup> (second 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.

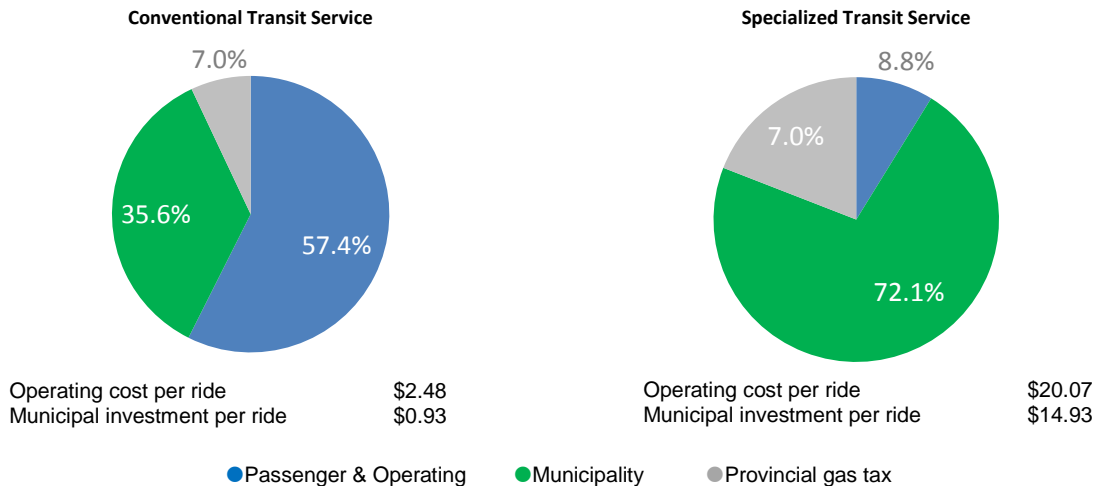
When increased investment is viewed in light of the operating cost per trip measure, what becomes evident is that the return on the investment from the City's perspective will be significantly higher than that being experienced by other jurisdictions. London Transit continues to be a very good investment 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 and municipal costs per trip are significantly lower than the peer group average. As with conventional transit, municipal investment in specialized transit is also well below the Ontario average.

**Specialized Transit Services – Summary Performance Comparison  
Ontario Specialized Systems**

Description Service Performance	2013 Peer Average	2013 LTC	2014 LTC
<b>Financial Performance</b>			
Operating cost per ride	\$31.89	\$18.57	\$20.07
Municipal cost per ride	\$28.75	\$14.22	\$14.93
<b>Total Operating Cost Sharing</b>			
Municipality	90.2%	76.6%	72.2%
Passenger & Operating	7.3%	9.7%	8.8%
Provincial gas tax	2.5%	13.7%	19.1%

**2014 Percent Share of Source Investment  
Conventional and Specialized Transit Services**

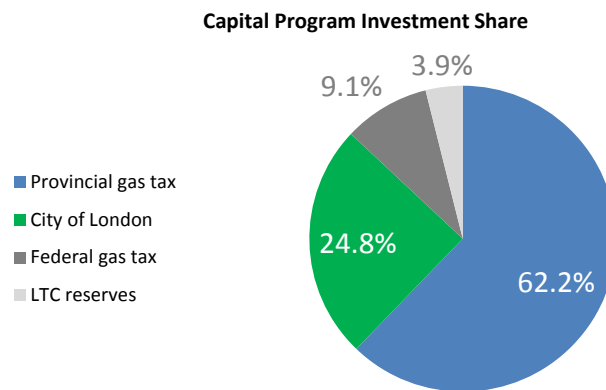


## 2014 Capital Budget Program

The 2014 capital investment program totalled approximately \$16.5 million, of which 85% 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 bus replacement program is critical to supporting fleet reliability and lowering fleet maintenance costs by moving to an average fleet age of six years.
- bus expansion: a \$2.4 million project completed in 2014 provided for the expansion of the fleet by five buses.
- two transformational projects covering 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 in 2014 was 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 2014 performance against key elements of this strategy.

Key Elements	Grade
Build and sustain informed relationships with all stakeholders (both internal and external to LTC) supporting accessible public transit services	Good
Communicate in a clear, consistent and timely manner with all stakeholders	Good
Build supportive relationships with municipal officials including linkages to key municipal plans and programs	Good
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 2014, 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 9.8 million times
- the public drop-in sessions and meetings with community groups were a success
- the growing use of electronic messaging for internal communications, directly related to the immediacy of the communications
- Driving Change, the communication strategy associated with the marketing and promotion of the business case for a Bus Rapid Transit Strategy was created and distributed widely
  - the second phase of the Driving Change communication strategy included a number of information brochures directed at transit riders and distributed on-board buses. The brochures included ‘Why Transit Matters’, ‘Answering Your Questions’, ‘Bus Rapid Transit (BRT): The Future of Mobility’ and ‘The Budget: Investing in the Future of London’s Mobility’.

While progress was made in 2014, 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 \$163.8 million, \$96.9 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)	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	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 2014 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 for 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, noting 2014 saw:

- upgrading of training programs (driver certification, diversity, human rights, customer service, and others) for all front line operations employees (to be delivered over a three 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 7.8 days per employee with work related injury/illness averaging 0.1 day per employee.
- ongoing review and change to the organization's structure, reflecting the performance review management program principle of ensuring the most efficient and effective use of resources

The planning and development of the organization has been challenging, considering investment constraints and due to the fact that approximately 30% of the individuals in the 24 management/supervisor roles were new to their position over the past three years.

## TRANSFORMATIONAL INITIATIVES

Going forward, a number of key initiatives will be completed/undertaken that will be pivotal in moving toward the changes that are required in order for London's public transit services to be as effective and efficient as possible, while at the same time, meeting the demands of current and future transit customers. The following provides a brief overview of a number of the initiatives LTC will play a role in and/or lead going forward.

### *The London Plan*

The Draft London Plan (Official Plan), currently under consideration by Municipal Council, serves to define the goals and priorities that will shape the growth, preservation and evolution of London over the next twenty years. The London Plan is exciting, exceptional and connected; it also 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.

### *Rapid Transit Project - Shift*

Subsequent to Municipal Council's adoption of the TMP, the next required step in proceeding toward a rapid transit implementation is the completion of a provincially mandated environmental assessment (EA). The EA project was started in 2014, with a formal public launch under the brand name "Shift" taking place in January 2015. The Shift project focuses on rapid transit as part – along with cars, bikes and pedestrians – of the transportation system that will help London and prosper.

Shift started with an *Environmental Assessment* (EA) – a public process that provides all citizens with an opportunity to have input in planning and designing a rapid transit network, ultimately, it will define where rapid transit will go, what it will look like, and how it will be implemented. The first stage of Shift will be completed by fall 2015. This stage will assess:

- the need for rapid transit;
- the problems that rapid transit can help solve such as congestion, over-crowded buses, the high cost of driving;
- which streets are suitable for rapid transit and how streets can be designed to improve mobility for everyone no matter how they travel; and,
- the form of rapid transit, including vehicle type (bus, rail or a hybrid), the alignment and technologies.

The second part of the study, to be completed by summer 2016 will:

- develop a detailed design for the preferred rapid transit routes; and,
- provide a plan to build the rapid transit network including how it will be funded.



### *LTC Route Structure and Service Guidelines Review*

In 2014, given the planned eventual move to a rapid transit platform, coupled with the ongoing service performance issues, the Commission directed administration to have a review of the current conventional transit services completed. The contract for completion of the review was awarded to Dillon Consulting, and included three component parts, namely:

- Part I - An assessment of the existing route structure with the view of recommending the restructuring/redefining of same in light of current service quality and performance issues and deficit assuming status quo (should London's Rapid Transit Strategy, as defined in the City's 2030 Transportation Master Plan, not be implemented as expected). The redefinition is to consider the added service hours and fleet expansion as set out in the provisional 2015-2018 operating and capital estimates.
- Part II - An assessment of the existing route structure with the view of recommending the restructuring/redefining of same in support of implementing rapid transit as defined in the City's 2030 Transportation Master Plan.
- Part III - An assessment and recommendation of potential changes to the existing informal Service Guidelines, noting such guidelines would be reflective of the direction of each of the above route structure reviews. The guidelines:
  - support ensuring that an acceptable level of service quality is provided;
  - provide a consistent and fair basis for evaluating service improvements and new transit services; and
  - balance improving the level of transit services with the need to use transit resources efficiently.

The final report and recommendations are set to be approved by the Commission in the spring of 2015, setting the direction for the service in preparation for the move to rapid transit.

### *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 eight years while supporting overall operating efficiency.

Phased implementation of the system is scheduled for the spring of 2015.