

2016 2019 | MULTI-YEAR BUDGET



London
CANADA

AMENDMENT FORM – CASE #13

STRATEGIC AREA OF FOCUS: STRENGTHENING OUR COMMUNITY

INITIATIVE: SUBSIDIZED TRANSIT FOR SENIORS

SERVICE(S): SUBSIDIZED TRANSIT

SERVICE LEAD(S): LYNNE LIVINGSTONE, MANAGING DIRECTOR, NEIGHBOURHOOD, CHILDREN AND FIRE SERVICES

TYPE OF AMENDMENT: NEW COUNCIL DIRECTION

Budget Amendment Tax Levy Impact (\$000's)	2016	2017	2018	2019	2016-2019 TOTAL
Expenditure	\$0	\$0	\$0	\$285	\$285
Revenue	\$0	\$0	\$0	\$0	\$0
Net Requested Tax Levy (Cumulative)	\$0	\$0	\$0	\$285	\$285
Net Incremental Tax Levy	\$0	\$0	\$0	\$285	\$285
Annual Tax Levy Impact % ¹	0.0%	0.0%	0.0%	0.05%	

Note 1: The tax levy impact is calculated using the approved budget.

AMENDMENT 1: SUBSIDIZED TRANSIT FOR SENIORS

Operating Budget Table (\$000's)

Subsidized Transit for Seniors	2016	2017	2018	2019		2020-2025	
	Net	Net	Net	Expenditure	Net	Expenditure	Net
Approved Budget	401	434	0*	0	0	0	0
Cumulative Amendment				285	285	1,712	1,712
Revised Budget				285	285	1,712	1,712

* The previous budget for the seniors transit subsidy was re-allocated to fund the income-based transit subsidy program per Council direction.

Tax Levy Per Cent Impact Table

Tax Levy Impact (Incremental Changes)	2016	2017	2018	2019	2016-2019 Average
Operating Impact	0.0%	0.0%	0.0%	0.05%	0.01%

Staffing Table

Staffing Summary (Cumulative Changes)	2019
# of Full-Time Employees Impacted	0
# of Full-Time Equivalents Impacted	0.0
Full-Time Equivalents Cost (\$000's)	\$0

Key Performance Indicator(s) Table

Metrics (Cumulative Changes)	2016	2017	2018	2019
# of subsidized bus tickets issued yearly to seniors	548,957	534,106	N/A	606,981*
Annual cost	\$258,010	\$251,030	N/A	\$285,300*

*Anticipated number of subsidized bus tickets and associated annual cost based on estimated increase in seniors population from 2016 to 2019 (10.57%).

What is the reason(s) for the budget amendment(s)?

At the Municipal Council meeting on December 18, 2018, Council resolved: “*That the proposed reinstatement of reduced cost of Senior’s Bus Tickets BE REFERRED to 2019 Budget Process and the Civic Administration BE DIRECTED to establish a source of financing. (2018-C12) (4.2/1/CWC)*” This budget amendment has been prepared to address that direction.

Historical Program:

Subsidized Transit for Seniors (25% subsidy)

- Up until December 31, 2017, seniors (age 65 and over) received a 25% subsidy on both tickets and monthly passes.
- The budget for this program in 2017 was \$434,334 (for both monthly passes and tickets).
- The total cost to subsidize monthly bus passes for seniors in 2017 was \$159,294. The total cost to subsidize bus tickets for seniors in 2017 was \$251,030. The cost for the full program was therefore \$410,324 for 2017.
- As part of the 2018 Budget Update process, the seniors subsidized transit program ended as Council endorsed the income-related subsidized transit program for individuals 18 and over.

Current Programs:

The City of London currently provides the following subsidized transit programs:

1. Subsidized Transit for the Visually Impaired (100% subsidy)

- The current budget for this program is \$160,000.
- For the first 11 months of 2018, the total cost of this subsidized program was \$144,559.
- In 2017, this program was over-expended by approximately \$5,000.

2. Children 12 and under Ride for Free

- The current budget for this program is \$150,254.
- For the first 11 months of 2018, the total cost of this subsidized program was \$395,639.

3. Income-Related Transit Program for Individuals 18 years of age and over (\$52.00/month bus pass)

- The current budget for this program is \$442,770, which previously funded the subsidized transit program for seniors. At Council’s direction any costs in excess of the current budget are to be funded first through property tax supported operating budget surplus and, if required, through a drawdown from contingency reserves.
- For the first 11 months of 2018, the total cost of this subsidized program was \$375,026.
- As endorsed by Council, Civic Administration is undertaking an evaluation of this program.
- Seniors (65+) represent approximately 13% of participants in the Income-Related Transit Program (for example, in October 2018, of the total 1,338 passes sold, 174 passes were sold to seniors).

- There are approximately **64,000** seniors in London in 2016, comprising approximately 16.5% of London's total population and approximately **2.5%** of these seniors (1,550 people) have income below the low-income cut off after tax.
- By 2036, it is estimated there will be **103,000** seniors living in London – this is a 61% increase.
- It is estimated that up to **28,699** adults (18+) are eligible for the new income-related program; approximately **1,550 (5.4%)** of this eligible population is made up of seniors 65+.

4. Subsidized Transit for Youth Ages 13 up to and including 17 (\$52.00/month bus pass)

- There is no permanent budget currently allocated for this program; at Council's direction this pilot program is being funded first through property tax supported operating budget surplus and, if required, through a drawdown from contingency reserves.
- This program started on September 1, 2018.
- The cost of this subsidized program for its first 3 months in operation was \$47,748.
- This is currently a pilot program for 18 months at which time it will be reviewed as part of the 2020-2023 Multi-Year Budget process.

As part of the 2017 Year End Operating Budget Monitoring Report, approved by Council on April 24, 2018, a \$5 million contribution to the Operating Budget Contingency Reserve was authorized to set aside funding for the children 12 and under, youth 13-17 and income-related subsidized transit programs.

Civic Administration has identified that as part of the 2020-2023 Multi-Year Budget process, a single business case for all subsidized transit programs will be brought forward for consideration.

Given the cancellation of the Seniors Subsidized Transit program in January 2018, the London Transit Commission (LTC) no longer has stock of senior passes or tickets. Should this budget amendment be approved, Civic Administration will work with LTC administration on an implementation plan to re-introduce the Seniors Subsidized Transit program.