

York Region Transit Operating

2005 Objectives and Key Work Initiatives

Improve the overall quality of public transit.

- Improve quality of contracted conventional services through implementation of quarterly Contractor Report Cards; the report cards will score contractor performance on the basis of selected performance measures.
- Develop new 5 Year Service Plans for both conventional and specialized transit services.
- Introduce new service delivery model for specialized transit services, along with new performance based contracts.

Engage in continuous improvement projects.

- Facilitate continuous improvement specifically through the application of results from:
 - Customer satisfaction surveys
 - Performance-based contract audits
 - Contractor performance measurement
- Provide employees with career development programs, including performance appraisal, goal setting and targeted learning.
- Review and continuous improvement of YRT processes, practices & policies.

Improve public transit's image.

- Implement new waste collection program for all YRT stops, shelters and terminals.
- Implement transit control centre for monitoring of transit services.
- Review service quality through use of the following:
 - Minimum Standards
 - CARES tickets – improved response times/follow-up
 - New service introduction, including improved service frequencies

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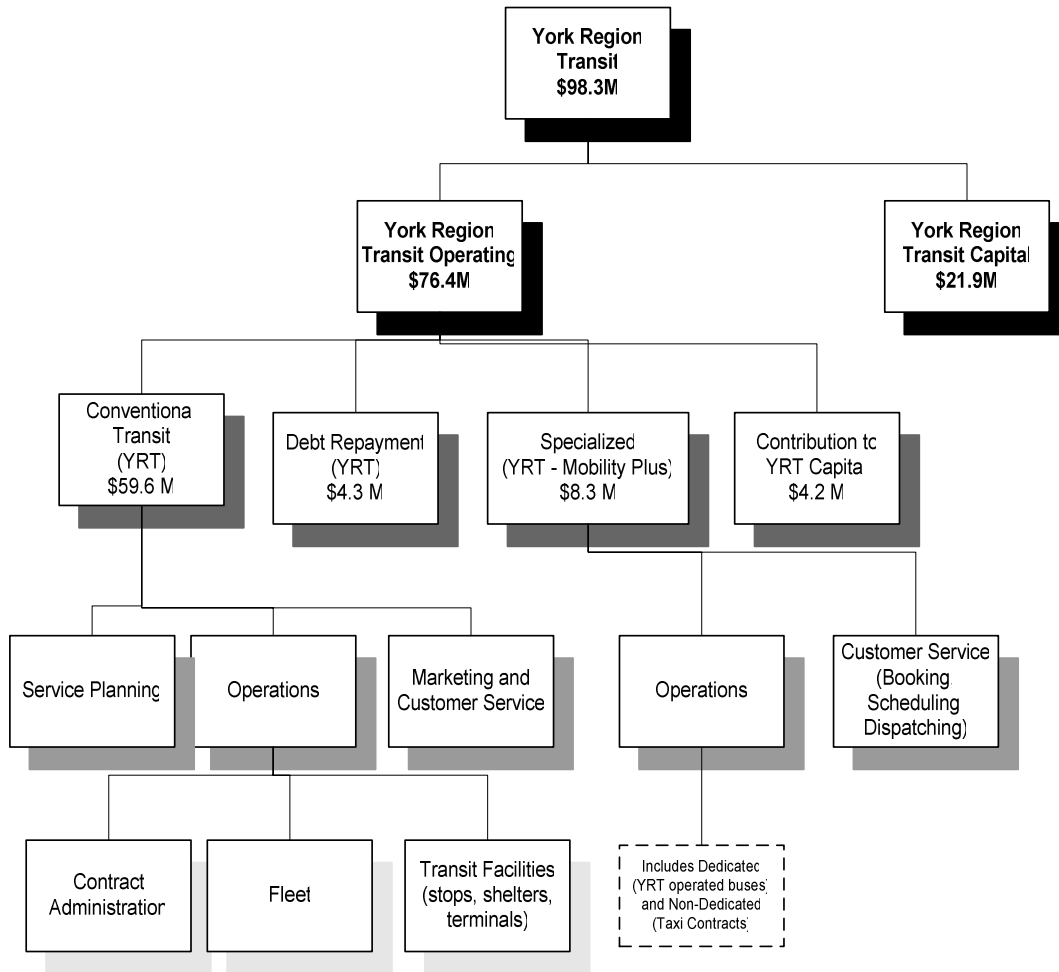
Effectively market public transit as an environmentally friendly and viable transportation option.

- Public Relations
- On-board direct marketing

Make public transit more accessible to people with disabilities or transportation limitations.

- Travel training program to encourage Mobility Plus registrants to make increased use of accessible conventional transit.
- Implement various Mobility Plus service initiatives including: free fare trial project (for Mobility Plus registrants using conventional transit); cross-boundary service to targeted destinations in Toronto; and cross-boundary Mobility Plus service to Don Mills, Downsview and Finch subway stations.

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Outlook for 2006/2007

The following are some of YRT's major 2006/2007 objectives and initiatives:

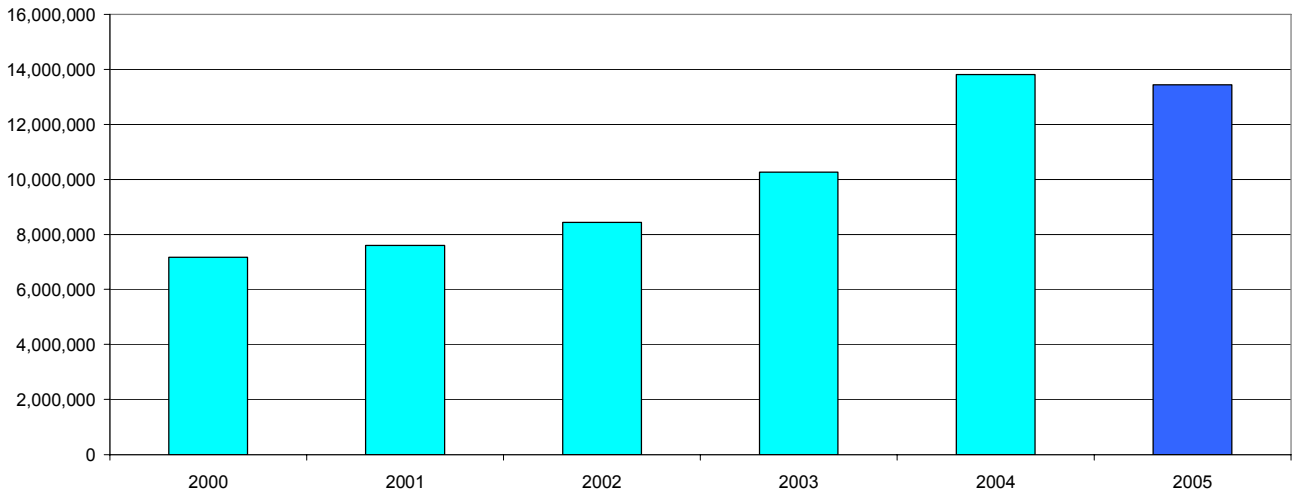
- The implementation of new 5-Year Service Plans for both conventional and specialized transit services will begin.
- A new performance-based operations and maintenance contract for the Markham/Stouffville areas will be awarded after an RFP procurement process is completed.
- The performance-based contracts for the Richmond Hill, Vaughan and Newmarket/Aurora/East Gwillimbury/Georgina areas will be extended, and will include an upgrading of the performance standards, and the associated bonuses and penalties.
- The new service delivery model for the Mobility Plus service will be fully implemented, including the introduction of performance-based contracts.
- Intelligent Transportation System (ITS) features will begin to be implemented on conventional transit services, including GPS, voice and data communications, automatic passenger counting, interactive voice response, etc.
- Construction will begin on one or more bus maintenance and storage facilities.
- Fully accessible conventional transit routes will be designated throughout the YRT network.
- Small, alternative fuel vehicles will begin to be introduced on YRT local routes.

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Performance Measures and Benchmarks

Ridership (Revenue Passenger Trips)

YRT Conventional



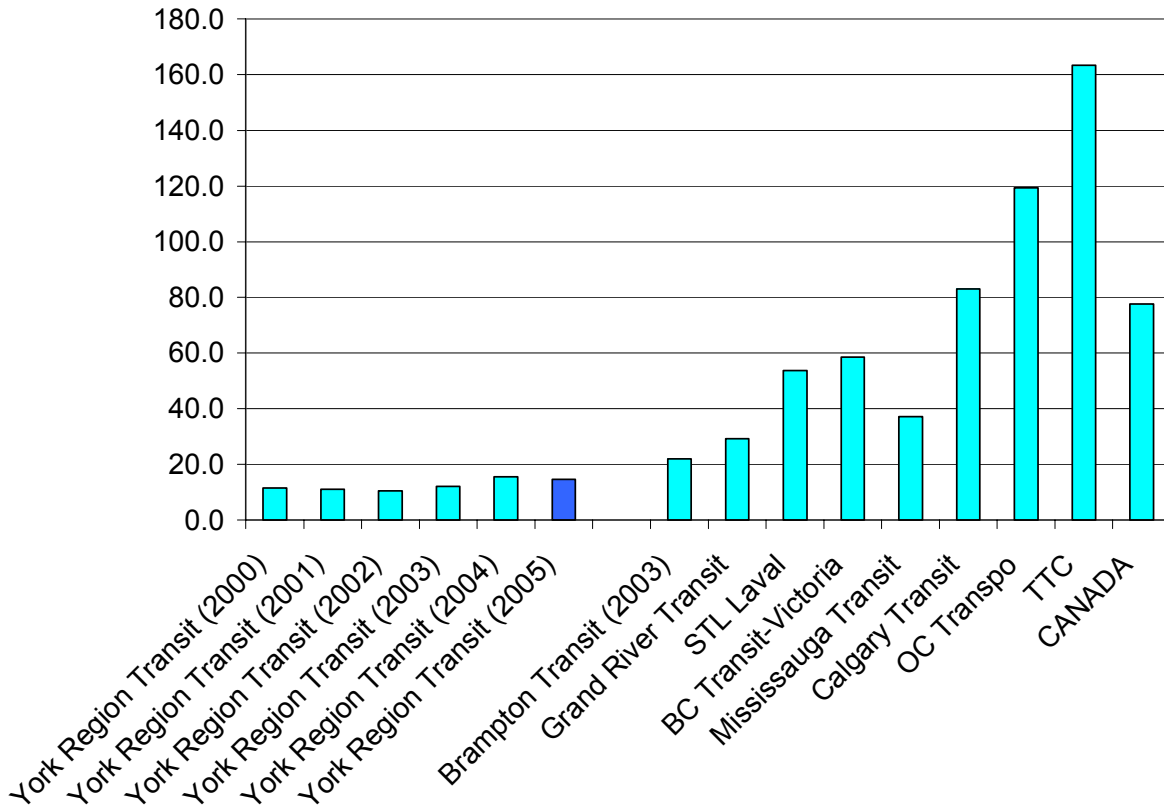
YRT conventional transit services carried 13.8 million passengers in 2004. Ridership in 2005 is expected to reach 13.4 million. As rapid transit operates for a full year in 2006, on the more heavily used corridors, overall ridership on YRT conventional services will experience a decrease.

Overall transit ridership in the Region has grown by some 40% since the amalgamation of municipal transit services in 2001. This does not include ridership on the Yonge C and Bayview services assumed from GO Transit in 2003.

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Passenger Trips per Capita

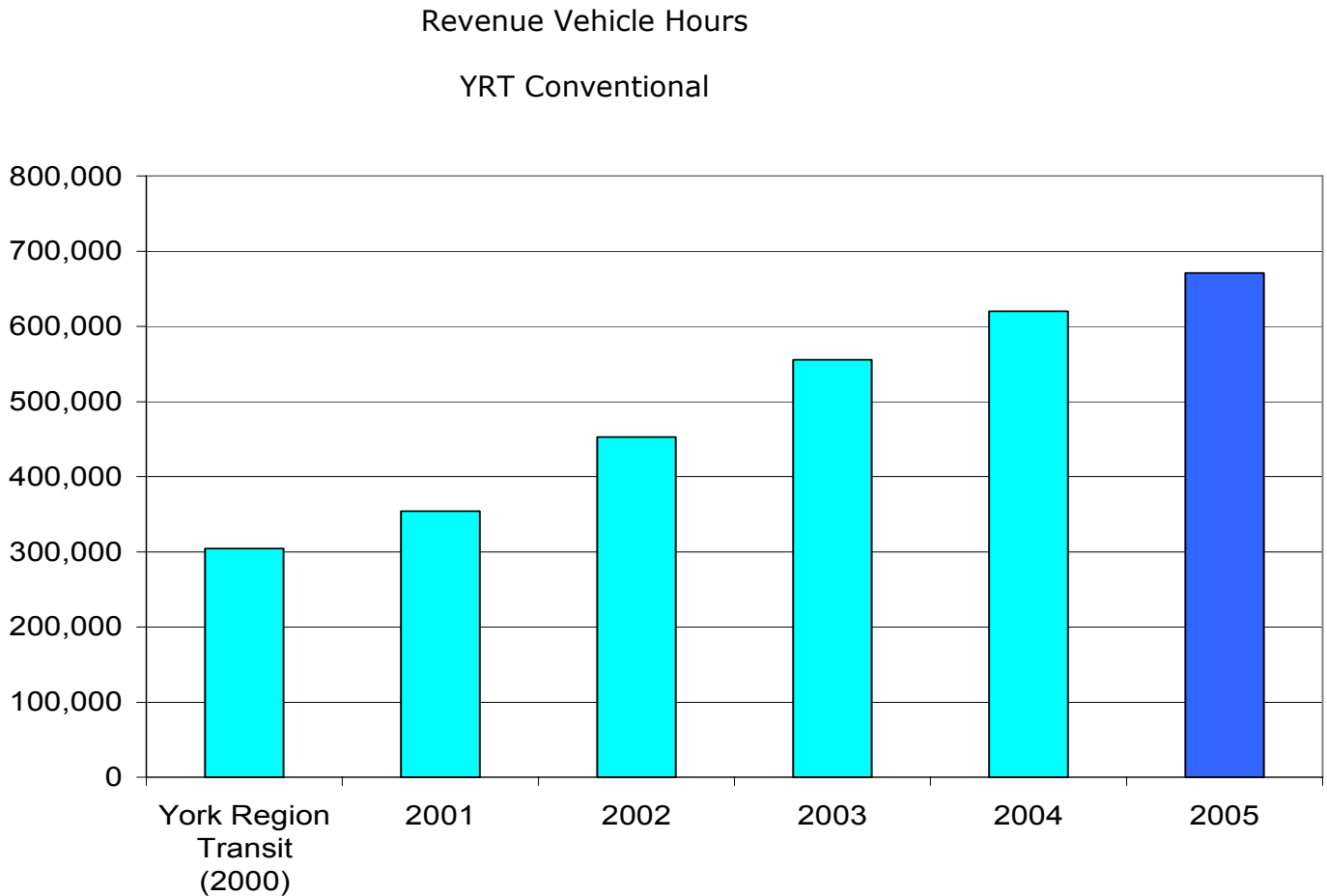
YRT Conventional



Passenger trips per capita, while growing, still lag behind all others in the peer group comparison.

It is expected that ridership will increase dramatically with the introduction of rapid transit services, particularly when BRT vehicles begin operating in their own rights-of-way in the next phase of the project.

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YRT operated 620,000 revenue vehicle hours in 2004 for its conventional transit service. This will increase to 671,000 hours in 2005. These figures include the service hours associated with the Yonge C and Bayview services assumed from GO Transit in 2003.

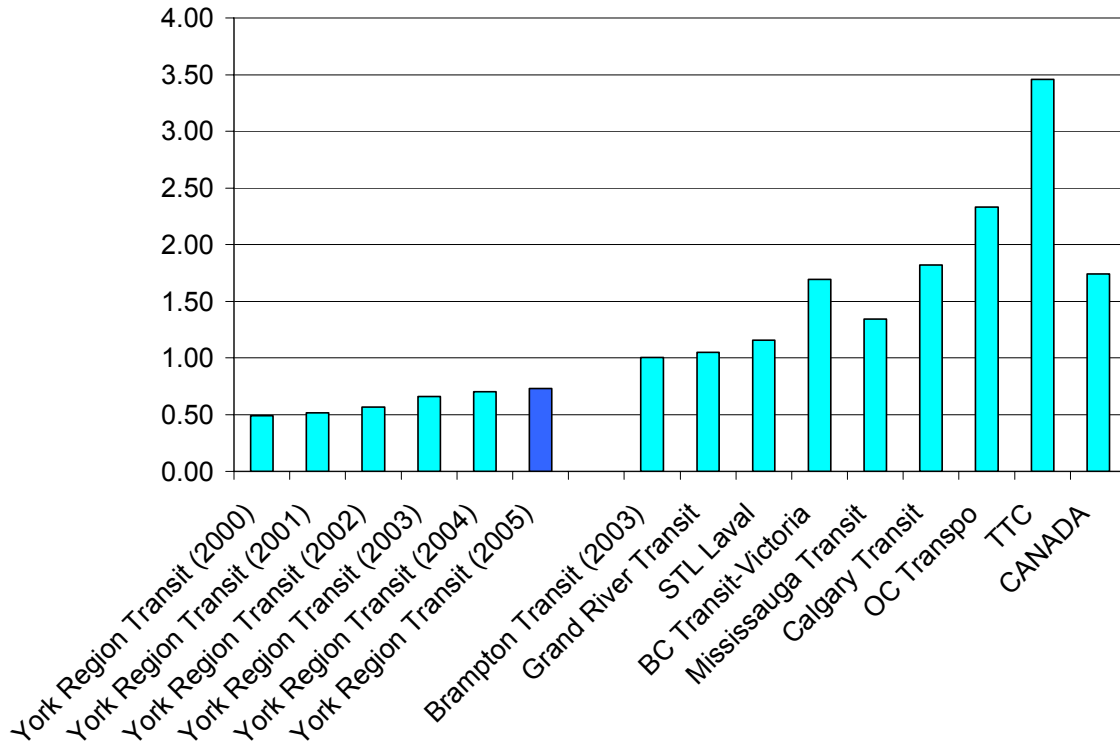
The revenue vehicle hours are continuing to increase in 2006 and 2007 even though rapid transit will be operating on the 4 main corridors. These service hours are needed to re-align YRT services to better feed the rapid transit routes.

Even not including the Yonge C and Bayview services, service hours have increased by more than 100% in the first four years of Regional transit.

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Revenue Vehicle Hours per Capita

YRT Conventional



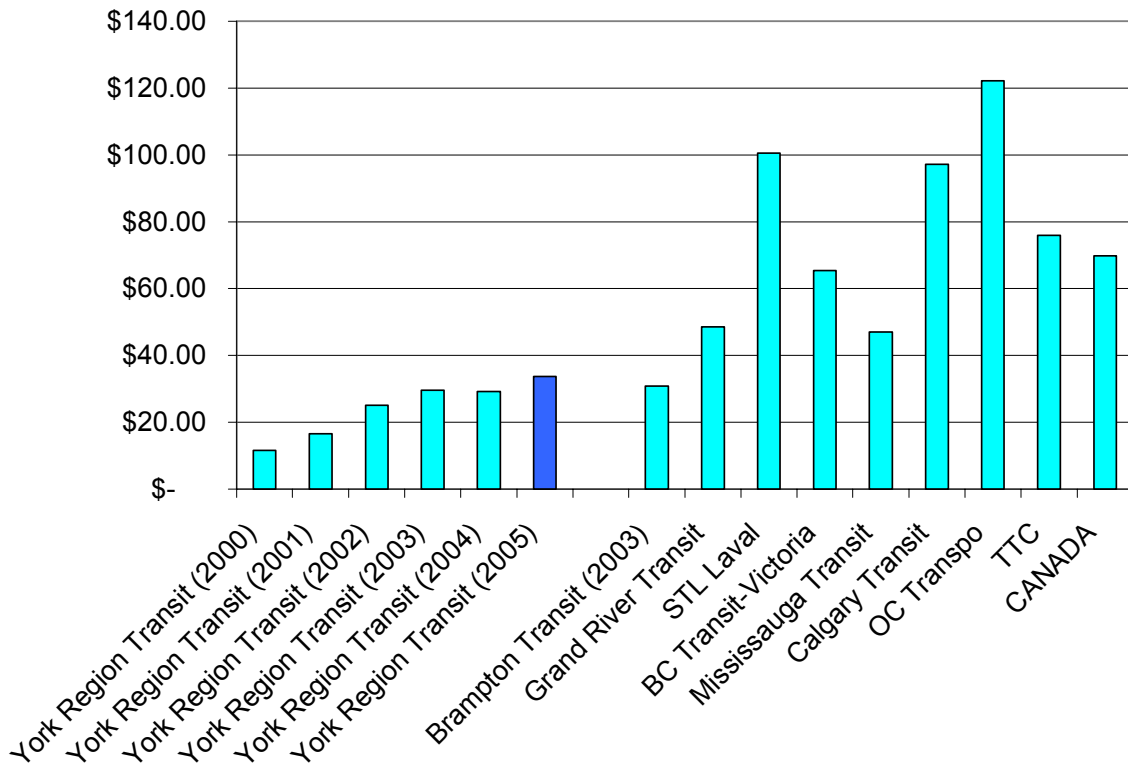
In the peer group comparison, York Region continues to provide the lowest rate of service per capita. In 2004, 0.70 hours of service were provided per capita, whereas the peer group range is between 1.00 and 3.46 per capita.

With the introduction of rapid transit service in 2005, the overall York Region figure will improve.

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Net Operating Cost per Capita

YRT Conventional

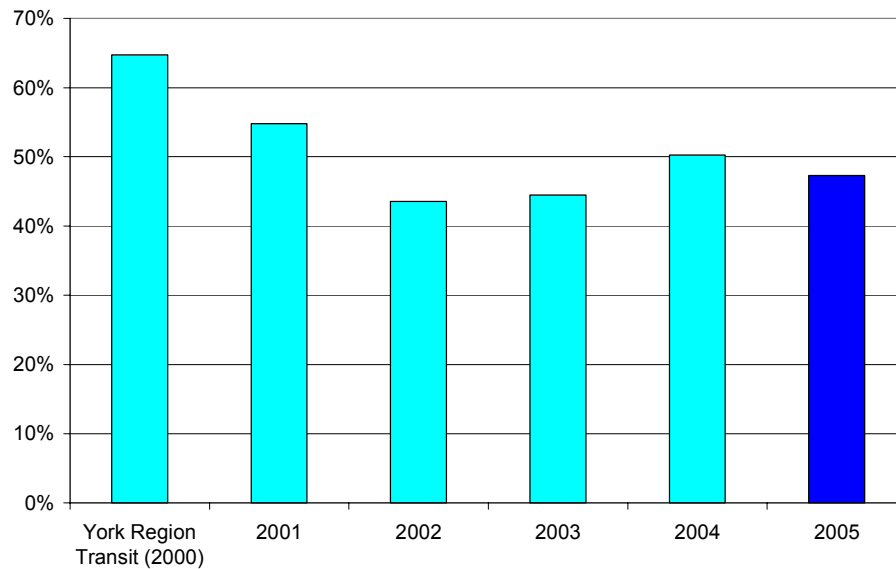


With the significant expansion of conventional transit services since amalgamation, along with the introduction of rapid transit services in 2005, net operating cost per capita (i.e. after fare box and other revenues) have increased dramatically. York Region, however, still trails most of its peer group in per capita spending on public transit services. The cost per capita will increase with the full introduction of rapid transit services in 2006.

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Revenue/Cost Ratio

YRT Conventional

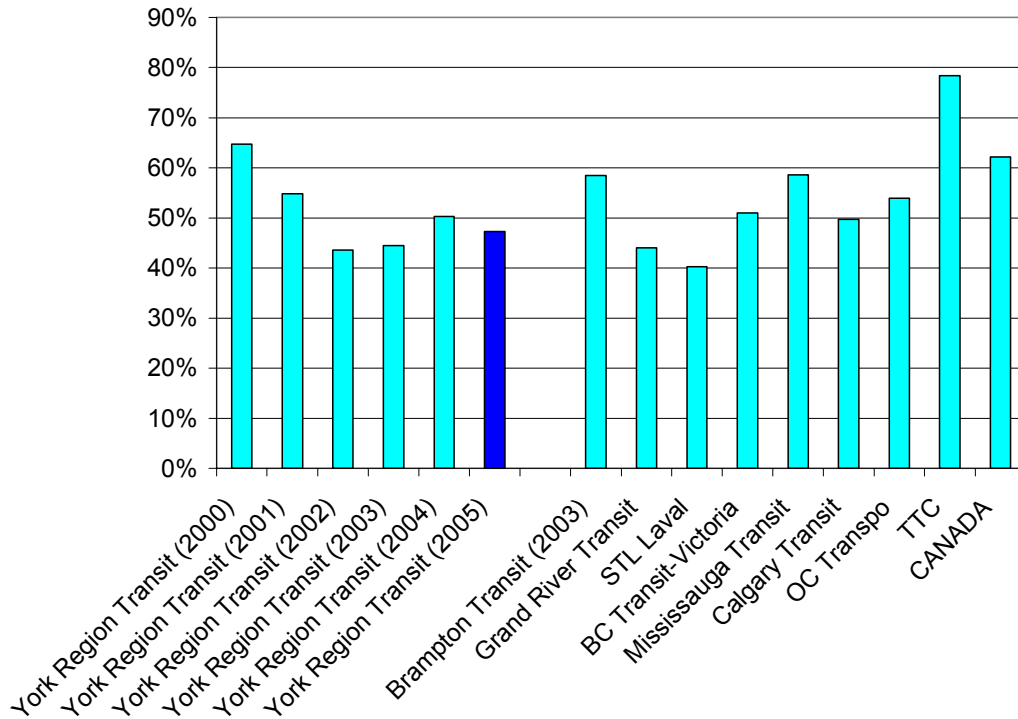


The revenue/cost ratio is expected to decrease for conventional transit services over the next few years, as rapid transit attracts more riders. The combined YRT and Rapid Transit R/C ratio should increase, however.

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Revenue/Cost Ratio

YRT Conventional



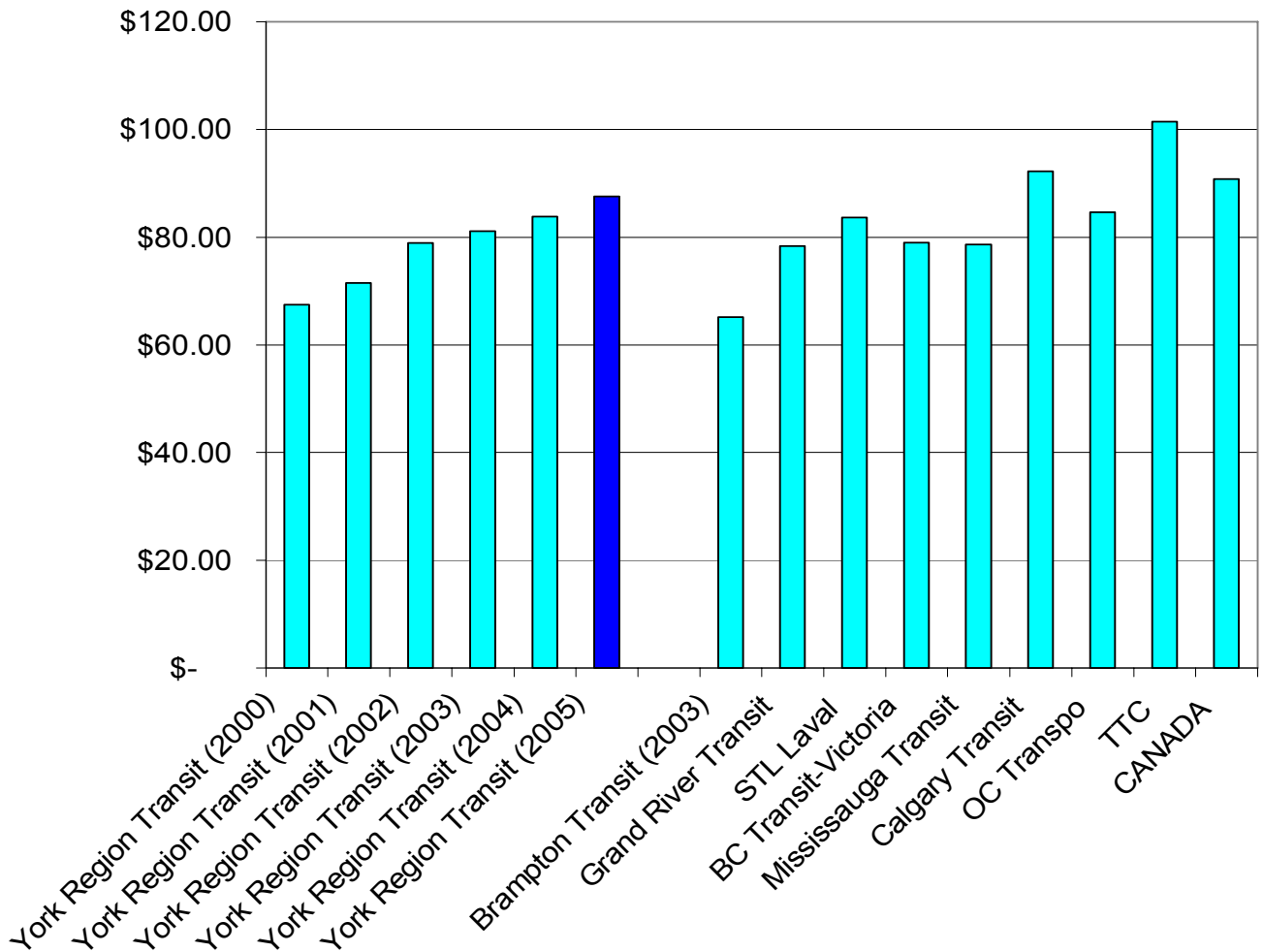
The revenue/cost ratio for conventional YRT services reached 50% in 2004. A further expansion of service, along with the introduction of rapid transit services, will see that figure drop to approximately 47% in 2005.

Once rapid transit is fully implemented in 2006, it is expected that the overall system revenue/cost ratio will improve and should continue to grow thereafter.

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Gross Cost per Vehicle Hour

YRT Conventional



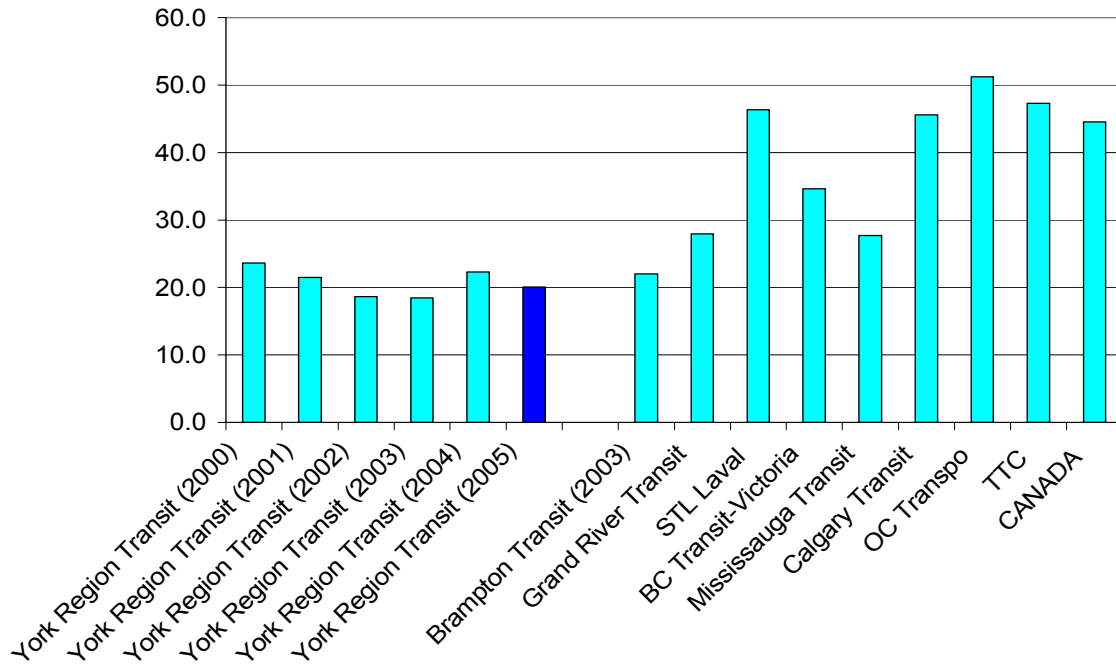
Conventional transit services in the Region are comprised of YRT services operated under contract with Miller Transit, Can-ar Coach Services and Laidlaw Transit, as well as services contracted from the TTC.

On a combined basis in 2004 (i.e. including both YRT and TTC contracted services) the cost per revenue vehicle hour is \$84. For those services operated for YRT by private operators, the cost is \$60/hour, which would be amongst the lowest in the peer group. TTC contracted costs, on the other hand, are over \$100 per hour.

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Passenger Trips per Revenue Vehicle Hour

YRT Conventional

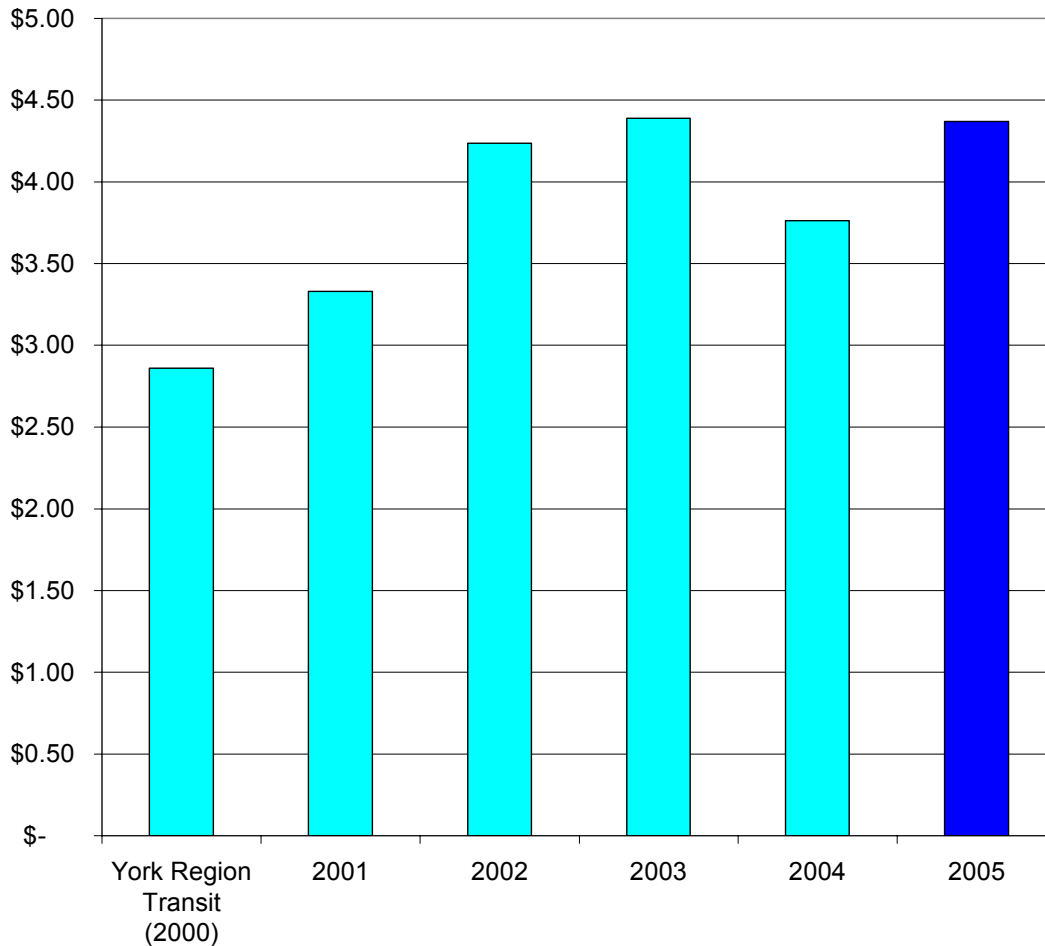


YRT passengers per revenue vehicle hour on YRT conventional services are expected to decrease slightly in 2005, as rapid transit gains ridership in the four main corridors.

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Gross Cost per Passenger Trip

YRT Conventional

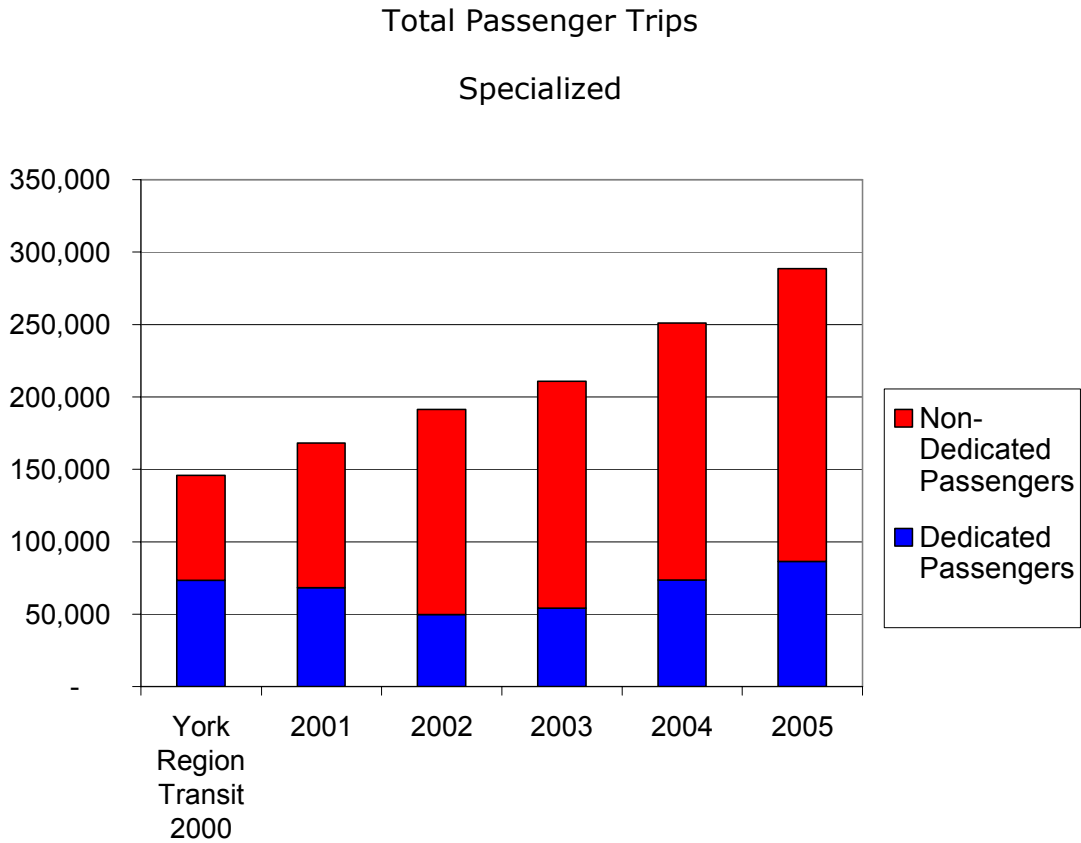


Since the amalgamation of transit services in 2001, increased service levels have resulted in increased ridership. For example, in 2002, YRT service was introduced to several municipalities that previously had no service, including Georgina, East Gwillimbury and King. While ridership is increasing at the highest rate in the GTA, costs are increasing at an even higher rate.

In 2003, YRT added 78,600 revenue vehicle hours (not including GO hours) (17% increase) in accordance with the 5-Year Service Plan. Although ridership also increased some 10% in the same period, the relative increase in service hours is greater than the ridership increase, therefore causing the total cost per passenger to go up.

The reduction in the total cost per trip in 2004 can be attributed to the assumption of the Yonge C and Bayview GO services, as these routes have a higher ridership. The increase in 2005 is due to a slowing conventional transit ridership growth as a result of a shifting of ridership to rapid transit.

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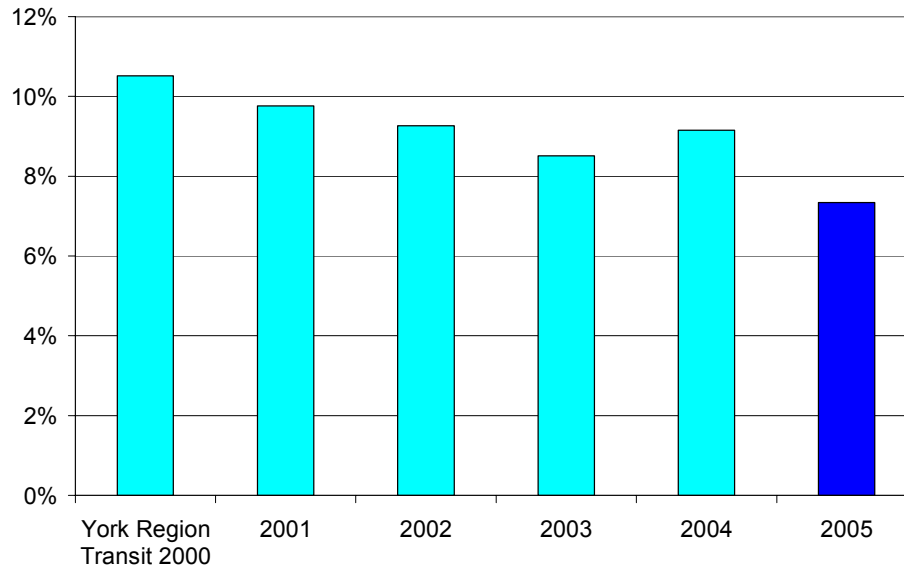


Specialized passengers are expected to continue increasing by 15% for 2005. This growth is due to an increase in the registrant base and an increase in the overall average number of trips per registrant. The growth in the number of medical and retirement facilities within the Region is having a significant impact on the registrant base.

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Revenue/Cost Ratio

Specialized



The YRT Mobility Plus revenue/cost ratio is 9.2% in 2004. This is a fairly consistent figure across Canada for specialized transit services.

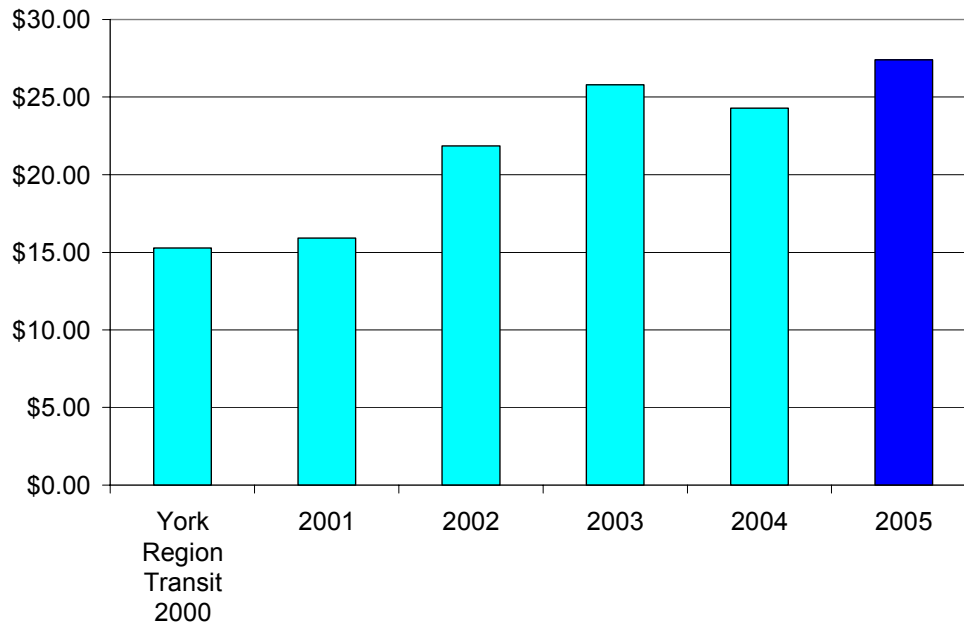
The revenue/cost ratio is expected to decline over the next few years due to an increase in taxi meter rates and longer trips causing costs to increase without an equal increase in revenues. A recommendation to remove the personal attendant trip charge is also negatively affecting the r/c ratio in 2005.

The cost recovery for the Mobility Plus service is far lower than conventional transit due to the nature of the door-to-door service.

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Gross Cost per Passenger

Specialized



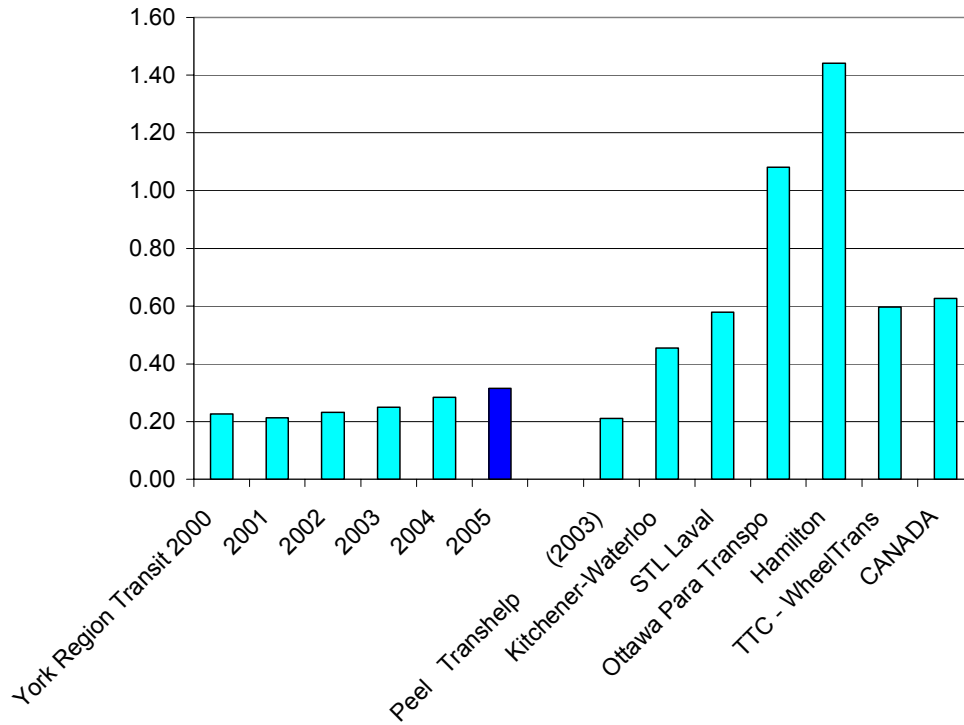
The total cost per passenger trip for Mobility Plus is estimated to be around \$27 in 2005. The total cost figure includes both the dedicated and non-dedicated services, and is before farebox revenues are deducted.

The total cost per passenger trip is expected to decrease over the next few years as new scheduling software will enable increased productivity by combining more shared trips.

In 2002, Mobility Plus implemented cross-boundary service throughout the Region in accordance with the 5-Year Service Plan. This has had the effect of increasing average trip length, which in turn has increased the cost per trip. Ongoing improvements to the computerized scheduling software should improve overall service efficiency.

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Trips per Capita
Specialized



Mobility Plus trips per capita are generally lower than the peer group because of the lower average age of York Region's population. Passenger trips are expected to increase by 15% for 2005. This growth is due to an increase in the registrant base and an increase in the overall average number of trips per registrant. The growth in facilities within the Region is having a significant impact on the registrant base.

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Operating Impact of Capital

A total of 51,000 new conventional transit revenue service hours are proposed to be introduced in 2005. This will involve the acquisition of 20 additional transit vehicles. At an average cost of \$450k per vehicle, this will result in total vehicle related capital costs of \$9M in 2005.

Staffing Resources

Permanent FTE's	2003 Budget	2004 Budget	2005 Budget	2006 Outlook	2007 Outlook
Full-Time FTE's (PFT)	59.0	66.0	98.0	113.0	121.0
Part-Time FTE's (PPT)	<u>4.3</u>	<u>6.3</u>	<u>7.3</u>	<u>8.1</u>	<u>8.1</u>
Total Permanent FTE	<u>63.3</u>	<u>72.3</u>	<u>105.3</u>	<u>121.1</u>	<u>129.1</u>
Net Change	6.0	9.0	33.0	15.8	8.0

*98 Full-time FTE in 2005 includes 91 Transit, 4 Business Support Services, and 3 Infrastructure Planning Staff

The equivalent of 27 FTE of the new staff required for YRT are related to the introduction of the rapid transit services.

2005 Permanent Staff Justifications

Administrative Clerk – Operations/Rapid Transit (1 FTE)

This position is required to handle general administrative duties (filing, correspondence, payroll) in the Operations area as a result of workload associated with the new rapid transit program.

Transit Inspectors – Conventional Operations (2 FTE)

These new positions will perform field monitoring and reporting of the operations of transit services by York Region Transit contractors and TTC. An increase in service hours and implementation of rapid transit services will require additional inspectors to perform these duties. Additional duties will also include assisting with the coin collection process.

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Assistant Operations Manager/Senior Supervisor – Conventional Operations (1 FTE)

Manager of Operations requires assistance with added responsibility of rapid transit in the areas of fleet, operations and facilities.

Operations Data Analyst (Reports & Reconciliation) – Conventional Operations (1 FTE)

This position will be responsible for Performance Based Contracts, and ticket and revenue reports and reconciliations.

Service Planner – Service Planning (1 FTE)

Since 2001, revenue service hours have more than doubled, ridership is almost double of what it was in 2001 (including Yonge/Bayview) and the number of new transit routes has increased by almost 20%. Only one new position has been added (Accessible Planner – primarily related to the Mobility Plus operations and accessible transit service integration). This new position will be responsible for service planning related to rapid transit integration, as well as assisting with general data management (ridership, revenue, operating stats), development review in terms of transit supportive land use and public/stakeholder consultation (Annual Service Plan) and provide support for municipal, regional and GTA transit initiatives. Other duties will also include providing assistance with System performance reviews, KPI and business planning activities.

Customer Service Coordinator – Marketing (1 FTE)

Increase in ridership and the implementation of rapid transit will have a major impact on the number of Web site visits, e-mail inquiries and call centre inquiries and Fare media sales. Additional staff is required to assist with this increased work load. Currently, the call center answers approximately 500 calls a day and enters approximately 250 CARES tickets a month.

Graphic Designer – Marketing (1 FTE)

Art work production is very expensive. The production of ads, infoposts, service updates etc. in-house would save more than the salary expense associated with this new position and would also result in a quicker turn around.

Community Liaison Officer – Marketing (1 FTE)

The implementation of rapid transit will require major education and awareness to the public and media by organizing special events throughout the Region. YRT staff currently attend approximately 40 special events a year.

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Fare Media Assistants – Marketing (1 FTE)

Implementation of rapid transit will have a major impact on customer service. Two part-time Fare Media Assistants are required to roam terminals to assist riders and to assist with the front reception duty.

Revenue Administrator (TVMs/TTVM) (1 FTE)

This position will be responsible for the administration of the revenue management system for rapid transit. This includes reconciliation of sales vs revenue, debit and credit card transactions, contract administration, maintaining and reloading machines etc.

Transit Management Systems - Supervisor (1 FTE)

This position is recommended as a result of a review of staffing requirements for the ITS component of the rapid transit program. YRT will have a stewardship role with respect to all ITS hardware and software, as well as the interim Transit Control Centre. Some of the duties will include the administration of ITS, troubleshooting and liaison with corporate IT and Roads Operations for TSP.

Transit Management Systems –Data Coordinator (1 FTE)

This position is recommended as a result of a review of staffing requirements for the ITS component of rapid transit. The position will be responsible for all data management associated with the new transit management systems. Some of these duties will include managing all data, creation of reports from the system and data base storage on service.

Operations Supervisor – Rapid Transit (1 FTE)

This position will be responsible for overseeing all rapid transit on-street operations, and administering the rapid transit performance based contract.

Fleet Technician – Rapid Transit (1 FTE)

The overall fleet size is increasing by 40%, from 241 buses to 338 buses, 80% of which is for the new rapid transit service. This position will be responsible for ensuring contractors are properly maintaining buses.

Facilities Technician – Rapid Transit (1 FTE)

This position will assist the Facilities Coordinator in overseeing the rapid transit facilities capital projects and maintenance activities. The implementation of the Quick Start Program requires the Facilities Section to upgrade existing street furniture, remove existing furniture, perform in-field site-by-site evaluations, and tender concrete work and the purchase of new shelters, including installation. In

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2005, the number of new stop/station sites will increase by 119 for rapid transit and by 75 for new YRT services.

Ticket Inspectors – Rapid Transit (5 FTE)

These positions will be responsible for inspecting the passengers' tickets for proof-of-payment on the rapid transit corridors. The inspectors will work in teams with the special constables.

Fare Enforcement Special Constables – Rapid Transit (7 FTE)

These positions will be responsible for inspecting the passengers' tickets for proof-of-payment on the rapid transit corridors. The special constables will work in teams with the ticket inspectors. There will be 5 teams of special constables and ticket inspectors. Additional teams of special constables are required as back up to assist with any escalated enforcement situations.

Fare Enforcement Shift Supervisor – Rapid Transit (1 FTE)

Shift supervisors are required to manage the day-to-day activities of the enforcement officer teams.

Fare Enforcement Radio Dispatcher/Data Analyst – Rapid Transit (3 FTE)

A radio dispatcher/data analyst will be on duty every day during the 18 hour operation of Quick Start to provide radio back up for repeat offender requests. This person will also be required to analyze the infraction data and to prepare the court documents and responses.

Intermediate Accountant Transit – BSS (1 FTE)

This new position (Intermediate Accountant) is needed to provide financial accounting support for York Region Transit. The branch has continued to grow dramatically since Regional amalgamation in 2001. The rapid transit program will begin operating in 2005 and will add additional pressures to the existing group. This new position, will analyze and manage cash, ticket and pass sales as well as the revenues associated with the new Ticket Vending Machines (TVM's) which will be introduced next year. In addition, this individual will be responsible for managing contractor payments and the growth in general accounting workload. Not filling this position will result in the uploading of revenue activities to Transit staff making the branch less effective and eliminate the existing segregation of duties between BSS and Transit staff. It could also introduce higher risks associated with safeguarding of Regional assets.

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Operating Financial Summary

\$000's	2003 Actual	2004 Estimate	2004 Budget	2005 Budget	2006 Outlook	2007 Outlook
Gross Expenditures:						
Staff Related Costs	4,075	4,663	4,704	6,825	8,766	9,002
Program Costs	43,542	50,278	50,052	65,531	88,592	97,333
Occupancy/R & M Costs	1,448	2,510	2,473	3,062	2,798	3,025
Minor Capital	63	58	58	227	231	236
Contributions to Reserves	0	151	0	126	129	131
Financial Items	2,319	2,635	2,835	5,180	8,620	12,028
Inter Charges/Recoveries	409	570	526	(11,502)	(29,058)	(30,839)
Total Expenditures	51,856	60,865	60,649	69,449	80,078	90,916
Revenues:						
Municipal Revenues	0	0	0	0	0	0
Provincial Funding	0	0	0	0	0	0
Federal Grants	0	0	0	0	0	0
Fees and Charges	(20,818)	(26,426)	(26,446)	(28,505)	(25,412)	(27,785)
Development Charges	(804)	(722)	(722)	(744)	(745)	(793)
Contribution from Reserves	0	(120)	(120)	(120)	(120)	(120)
Other	0	0	0	0	0	0
Total Revenues	(21,622)	(27,268)	(27,288)	(29,369)	(26,277)	(28,698)
Tax Levy Impact	30,233	33,597	33,360	40,080	53,801	62,218
Interdepartmental Allocations	1,621	2,544	2,544	2,711	2,715	2,718
Business Plan excl. Cont. to Cap	31,855	36,141	35,904	42,791	56,515	64,936
Contribution to Capital	0	0	0	4,199	5,500	6,500
Business Plan Total	31,855	36,141	35,904	46,990	62,015	71,436

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Financial Explanations

Budget Change Explanations (2005/2004)	Gross		Net Tax Levy	
	(\$000's)	%	(\$000's)	%
2004 Budget excluding Interdepartmental & Contribution to Capital	60,649		33,360	
1a) Base - Price Pressure				
Conventional				
Salary & Benefits increase	45	0.1%	45	0.1%
Wage Increase Adjustment	182	0.3%	182	0.5%
Fuel price increase (as per contract escalation clause)	800	1.3%	800	2.4%
Contractor rate increases - conventional operations	1,038	1.7%	1,038	3.1%
Terminal Leases (TTC & GO now charging for use of terminals)	170	0.3%	170	0.5%
Marketing Revenue (Reduction of unachievable revenue from base)	0	0.0%	97	0.3%
Salaries & Benefits recovered from Capital projects (existing staff)	(145)	(0.2%)	(145)	(0.4%)
Salaries & Benefits recovered from Rapid Transit (existing staff)	(437)	(0.7%)	(437)	(1.3%)
Increase in Revenue due to Fare Increase	0	0.0%	(584)	(1.7%)
Various Inter/Intra Dept allocations (Fleet, Insurance)	299	0.5%	299	0.9%
Intra Dept Charge to Specialized & Rapid Transit	(638)	(1.1%)	(638)	(1.9%)
Specialized				
Wage Increase Adjustment	75	0.1%	75	0.2%
Contribution to Reserve for YRT Mobility Bus Replacement	126	0.2%	126	0.4%
Specialized service taxi contract meter rate increase	721	1.2%	720	2.2%
Intra Departmental Allocations	112	0.2%	113	0.3%
Casual Salaries	40	0.1%	40	0.1%
	2,387	3.9%	1,901	5.7%
1b) Efficiencies/Program Reductions				
Higher Projected Ridership Revenue	0	0.0%	(910)	(2.7%)
TTC Contract Capital Depreciation	(360)	(0.6%)	(360)	(1.1%)
Consulting	(35)	(0.1%)	(35)	(0.1%)
	(395)	(0.7%)	(1,305)	(3.9%)
1c) Mandatory/Legislated		0.0%		0.0%
	0	0.0%	0	0.0%

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Budget Change Explanations (2005/2004)	Gross		Net Tax Levy	
	(\$000's)	%	(\$000's)	%
1d) Annualization	1,992		596	
Conventional				
Conventional service contracts (new services introduced in 2004)	1,185	2.0%	895	2.7%
Organizational Review	80	0.1%	80	0.2%
YRT Debt Repayment	699	1.2%	699	2.1%
Casual Salary & Benefits (inadequate base for vacation & sick relief for CSRs)	114	0.2%	114	0.3%
Transit Management Systems - Manager (2004 FTE)	76	0.1%	76	0.2%
Specialized				
Specialized transit 10% demand increase during 2004	437	0.7%	466	1.4%
Rapid Transit				
Conventional services related to Rapid Transit				
Savings on BRT corridors	(271)	(0.4%)	(68)	(0.2%)
Increased service on feeder routes	795	1.3%	652	2.0%
New YRT Staff 100% Charged to Rapid Transit				
Transit Management Systems - Supervisor (1 FTE)	76	0.1%	76	0.2%
Transit Management Systems - Data Coordinator (1 FTE)	59	0.1%	59	0.2%
Revenue Administrator (1 FTE)	59	0.1%	59	0.2%
Fare Enforcement Staff - Special Constable Enforcement Officer (5 FTE)	207	0.3%	207	0.6%
Fare Enforcement Staff - Ticket Inspector (5 FTE)	102	0.2%	102	0.3%
Fare Enforcement Staff - Special Constable Cruising Emergency Team (2 FTE)	83	0.1%	83	0.2%
Fare Enforcement Staff - Radio Dispatcher/Data Analyst (3 FTE)	89	0.1%	89	0.3%
Fare Enforcement Staff - Shift Supervisor (1 FTE)	41	0.1%	41	0.1%
Customer Service Coordinator (1 FTE)	63	0.1%	63	0.2%
Community Liaison Officer (1 FTE)	65	0.1%	65	0.2%
Fare Media Assistant (1 FTE)	46	0.1%	46	0.1%
Salaries & Benefits recovered from Rapid Transit	(889)	(1.5%)	(889)	(2.7%)
All YRT Operational Chargebacks to Rapid Transit				
Salaries & Benefits	1,568	2.6%	1,568	4.7%
Contractor O & M Costs	5,000	8.2%	5,000	15.0%
One time Mobilization Costs	2,500	4.1%	2,500	7.5%
Terminal Leases & Maintenance	430	0.7%	430	1.3%
Insurance	616	1.0%	616	1.8%
Computer Software Licensing	348	0.6%	348	1.0%
TTVM/TVM Maintenance	174	0.3%	174	0.5%
Coin Pick up & Processing	150	0.2%	150	0.4%
Fare Enforcement Equipment	170	0.3%	170	0.5%
Other cost items	943	1.6%	943	2.8%
Allocated Overhead from Transit Administration	638	1.1%	638	1.9%
Payment from Rapid Co.	(12,538)	(20.7%)	(12,538)	(37.6%)
	3,115	5.1%	2,913	8.7%
Total Price Pressure, Efficiency, Mandatory & Annualization	5,107	8.4%	3,509	10.5%

