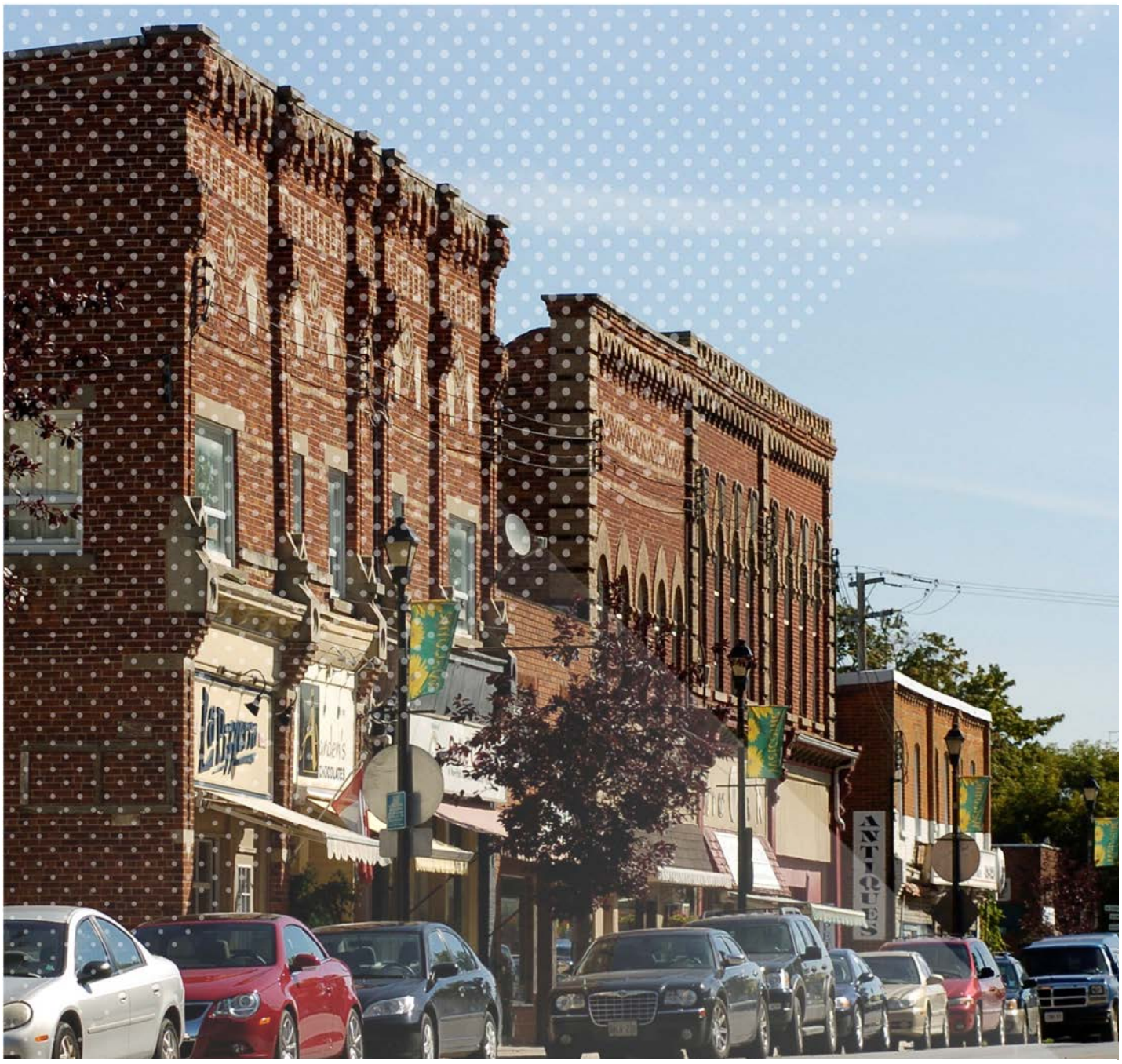
steer davies gleave

Transit Feasibility and Implementation Study

Interim Report 3
August 2016

County of Simcoe

Our ref: 2259201



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Prepared by:

Steer Davies Gleave
1500-330 Bay St
Toronto, ON, M5H 2S8
Canada

+1 (647) 260 4860
na.steerdaviesgleave.com

Prepared for:

County of Simcoe
1110 Highway 26
Midhurst, ON L0L 1X0
Canada

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A Public workshop summary

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1 Introduction

1.1 For several years, Simcoe County and its constituent municipalities have been actively exploring transportation options that address future needs. Pursuing a county-wide transit plan fits well with the overall multi-modal focus of the County's transportation strategy focus on the integration of land use and transportation, access and mobility and multi-modal integration.

1.2 The *Simcoe County Transit Feasibility and Implementation Study* is an opportunity to respond to the challenge of supporting transit initiatives in and between smaller urban communities and the larger centres, as well as understanding and addressing the needs of vast rural areas.

1.3 This study is an important opportunity to take the development of the options for transit service to the next level and demonstrate how a comprehensive approach to transit in the County can improve transportation choice and community access, while ensuring that services can be provided in an affordable manner— managing this dichotomy certainly helps to raise its opportunity for implementation.

1.4 This study will build on this extensive body of work and the experience of the local municipalities to define the feasibility of a broader county service that:

- serves local communities
- connects urban centres
- facilitates local, regional and inter-regional commuter travel
- supports the broader economic, environmental and social objectives of development in Simcoe County

1.5 Our work plan for the study comprises ten tasks:

1. Conduct project initiation
2. Develop consultation plan
3. Complete a needs and opportunities assessment
4. Develop vision, goals, and objectives
5. Identify and assess service delivery approaches
6. Develop and evaluate service options
7. **Develop prioritization plan for intermediate phases**
8. **Implications for specialized transit services**
9. **Fares and funding sources for transit services**
10. **Financial plan, implementation plan and study reporting**

1.6 This interim report contains amendments to the results of Task 7 following stakeholder engagement, plus the results of Tasks 8 to 10.

1.7 Following this introduction, there is a chapter on the public and stakeholder engagement activities, followed by chapters on the following study activities:

- **Service plan and prioritization (Chapter 3):** Discusses the recommended service plan and implementation phasing for the services proposed in the short term.
- **Implications for specialized transit services (Chapter 4):** Outlines the requirements for specialized transit arising from the *Accessibility for Ontarians with Disabilities Act* (AODA), and the resulting next steps for Simcoe County
- **Fares strategy (Chapter 5):** Presents the desired principles behind any fare arrangements involving Simcoe County transit services and other agencies' services, and describes the resulting framework and proposed fare structure.
- **Other funding sources (Chapter 6):** Describes the various sources of non-fare revenue, and calculates the likely impacts to the financial plan.
- **Financial plan and implementation plan (Chapter 7):** Shows the overall financial forecasts, plus the next steps required to implement transit.

2 Public and stakeholder engagement

2.1 Listening to and considering the views and perspectives of the various individuals and organization with an interest in inter-municipal transit has been a critical component of developing the recommendations in the study. While secondary sources of data and information (for example, demographic data, transportation modelling data, existing policy documents, past studies) help to better understand the travel need within the County, public engagement activities have played a pivotal role in ensuring that the study's findings, proposals and recommendations meet the community goals and objectives. A comprehensive engagement plan was developed at the outset of the study to ensure a collaborative and thorough consultative process.

2.2 Covering the specific topic areas within this Interim Report, the study team engaged with stakeholders and members of the public through ongoing Transit Advisory Committee (TAC) meetings, public workshops, as well as a wider stakeholder group meeting.

2.3 Full details on the consultation process and results were provided to Simcoe County in the *Public Information Centres Summary* and *Stakeholder Meeting Summary* reports in November 2015, which are included in Appendix A and B respectively.

Transit Advisory Committee meetings

2.4 Members of Transit Advisory Committee (TAC) provided ongoing support, as well as presented valuable perspectives and advice to the project team in areas including finalizing inter-municipal service designs, developing fare structures and policies, as well as defining a financial framework for inter-municipal transit services. TAC representatives also played an important role as a sounding board for communicating more complex concepts (including fare policies and service concepts) which proved to be helpful in refining the presentation to suit subsequent meetings to stakeholders and members of the public.

Public workshops

2.5 Two public workshops were held November 9 and 17, 2015. The public workshops were held in at the Midland Public Library and the Alliston Memorial branch of the New Tecumseth Public Library. The study team took a different engagement approach compared with the previous round of public consultations—focusing more on communicating well in advance about the proposed meetings and to leverage existing contacts received earlier in the study.

2.6 The study team preferred a workshop-style format for the public meetings because it presented more opportunity for participants to hear from one another – this can be an important decision support tool towards the end of projects where a decision must be made in an environment where there may be a number of different views.

2.7 To reach a broader audience, the study team organized an interactive webcast of the meeting, allowing participants to remotely attend, listen to the presentation and submit comments (via instant messenger) that could be responded to live during the meeting. Table 2.1 summarizes the feedback from the public workshops. Further detail of these concepts related to fares and service designs are discussed in Chapters 3 and 5.

Table 2.1: Feedback summary from the public workshops

Area	Comments
Fare policies	• Fares need to balance the need to offer an affordable transportation option, while also ensuring the service is cost-effective • No clear preference for flat fares vs. distance-based fares • Fares should be integrated with existing transit, ideally through a Presto-like smartcard system • Bulk (discounted) fare purchases by large organizations could increase both ridership and revenue
Service design principles	• The notion of running express and local buses on the same route should be explored • Connections to key trips attractors (educational, commercial, recreational) should be prioritized when deciding exact routing • The directness (or lack thereof) should be designed to maximize ridership.
Route alignment suggestions	• Prioritize connections from New Tecumseth to Bradford, rather than to Angus and Barrie. This will better connect them to the County and adjacent regions and communities (such as York). • Otherwise, no refinements to proposed network or sequencing

Stakeholder meeting

2.8 The stakeholder meeting, held on October 28th, 2015, covered organizations whose members, clients or customers currently or could potentially use transit services within the county. Representatives from twenty-five organizations participated in the meeting. Table 2.2 summarizes the feedback from the stakeholder meetings. As previously discussed, Chapters 3 and 5 includes further detail about fares and service design concepts.

Table 2.2: Feedback summary from the stakeholder meeting

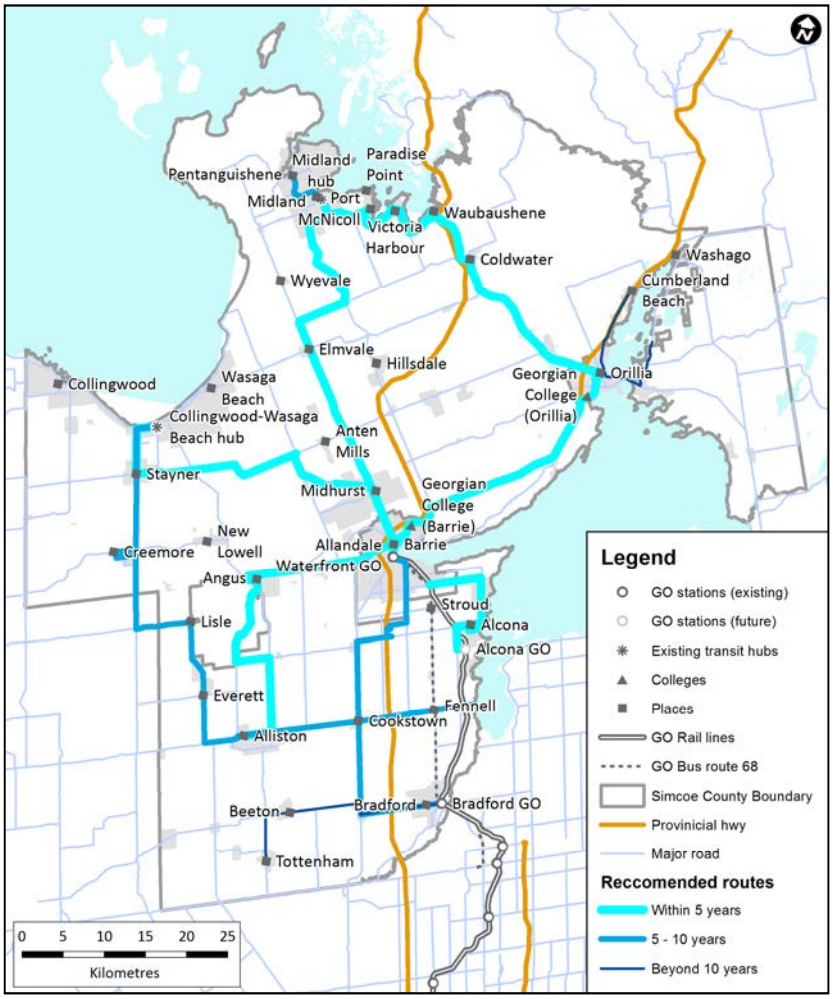
Area	Comments
Fare policies	• No clear consensus for flat fares vs. distance-based fares • Fare integration with local transit will help increase ridership and improve the customer experience • Balance needed between promoting ridership through low fares, and ensuring the service is affordable to the municipality

Area	Comments
Service design principles	• Prioritize connections to health care facilities, community/recreation centres, education institutions, and employment nodes. • Routes should be direct in areas without local transit, but be more coverage-orientated in mid-sized communities without local transit • Small communities along the route should have stops, as the time saved by not stopping would be minimal
Route alignment suggestions	• Move the Penetanguishene-Midland route to 'Stage Zero', as it is planned to be up and running shortly. • A number of suggested refinements to the proposed Midland-Barrie route • Add additional stages to show extensions of short-listed routes.

3 Service plan and prioritization

3.1 Interim Report #2 discussed the process and findings for the evaluation of the 'long list' of service concepts and the identification of routes that could be implemented in the short, medium, and long term, nominally defined during the study as "within five years", "between five to ten years", and "beyond ten years" respectively—as shown in Figure 3.1. This chapter focus on the recommended service plan and implementation phasing for the services proposed in the short term.

Figure 3.1: Map of routes and preliminary prioritization



3.2 Following consultation with the Transit Advisory Committee, stakeholders and the general public (as discussed in Section 2), the following changes were made to the draft service concept shown in Figure 3.1:

- **Midland–Barrie route**: There was no strong consensus for the route to operate via CR-27 or CR-93. In the draft service concept, this route ran along CR-27 via Elmvale. The two options would have the same operating and capital costs, and very similar ridership and fare revenue. In the recommended service plan the option of running along CR-93 via Hillsdale instead is retained as it would provide a more direct route to regional services such as the Royal Victoria Hospital and health services, and Georgian College.
- **Alliston connection**: This route connected Alliston to Barrie in the draft service concept; the recommended service plan is to connect Alliston with Bradford instead. This revised version of the connection was found to perform better under the evaluation process described in Interim report #2 as it would provide south Simcoe residents with more direct access to Central Local Health Integration Network (LHIN) health services.

Hubs and route typologies

3.3 The routes shown in Figure 3.1 are focused one of several key areas. Priority has been given to connecting Simcoe Area primary settlement areas designated in the Growth Plan for the Greater Golden Horseshoe.

3.4 The majority of these primary areas were identified as “hubs” for purposes of this study. The hubs mostly have their own local transit systems and are generally contiguous or near-contiguous urbanized areas. They also tend to be economically self-contained, so that a large proportion of trips are within the hub. However, a notable number of the trips made between hubs, and it is these trips that are primary targets for County-level transit. The hubs are:

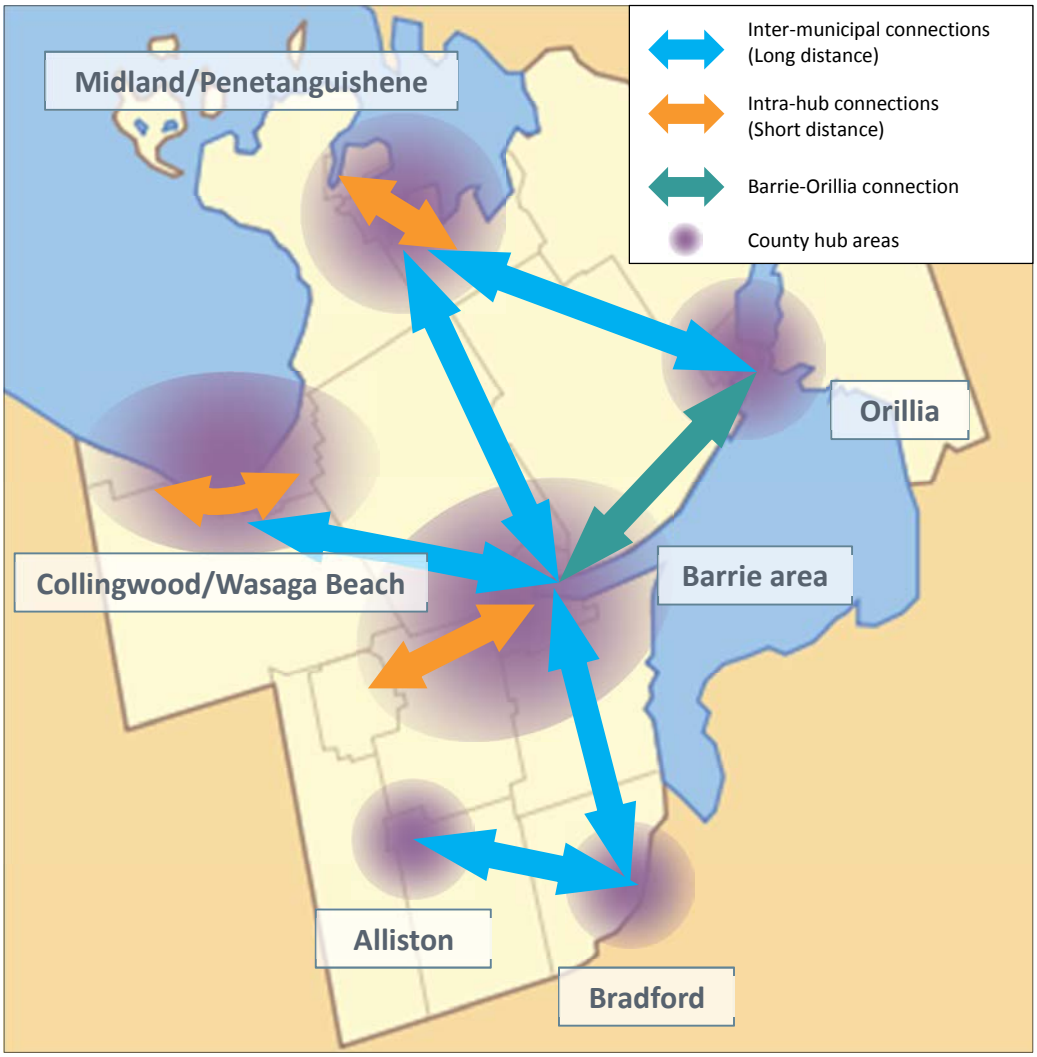
- Barrie and surrounding communities (including Angus, Midhurst and Alcona)
- Collingwood/Wasaga Beach
- Midland/Penetanguishene
- Orillia
- Alliston
- Bradford

3.5 The routes identified for short-term implementation are varied in length and in travel markets served. To assist with developing the strategy, three different connection typologies were established:

- **Inter-municipal connections**: operate between hubs
- **Intra-hub connections**: operate within hubs that span multiple local municipalities (such as Midland/Penetanguishene)
- **Barrie-Orillia connection**: connects two distinct neighbouring municipal urban areas and potentially connects other County transit services.

3.6 These connection typologies and applicable service areas (as applied to the short-term routes) are shown in Figure 3.2.

Figure 3.2: Connection typologies



3.7 Given the County's focus on these longer-distance hub-to-hub connections, there is a choice of two possible approaches for implementation, as identified in Interim Report #2:

- Operating more, shorter segments around most major urban areas
- Operating fewer, longer segments between some major urban areas

3.8 The County's desire to link regional destinations and increase economic cohesion resulted in the latter approach being chosen. Feedback from the advisory team and public consultation sessions reaffirmed this approach.

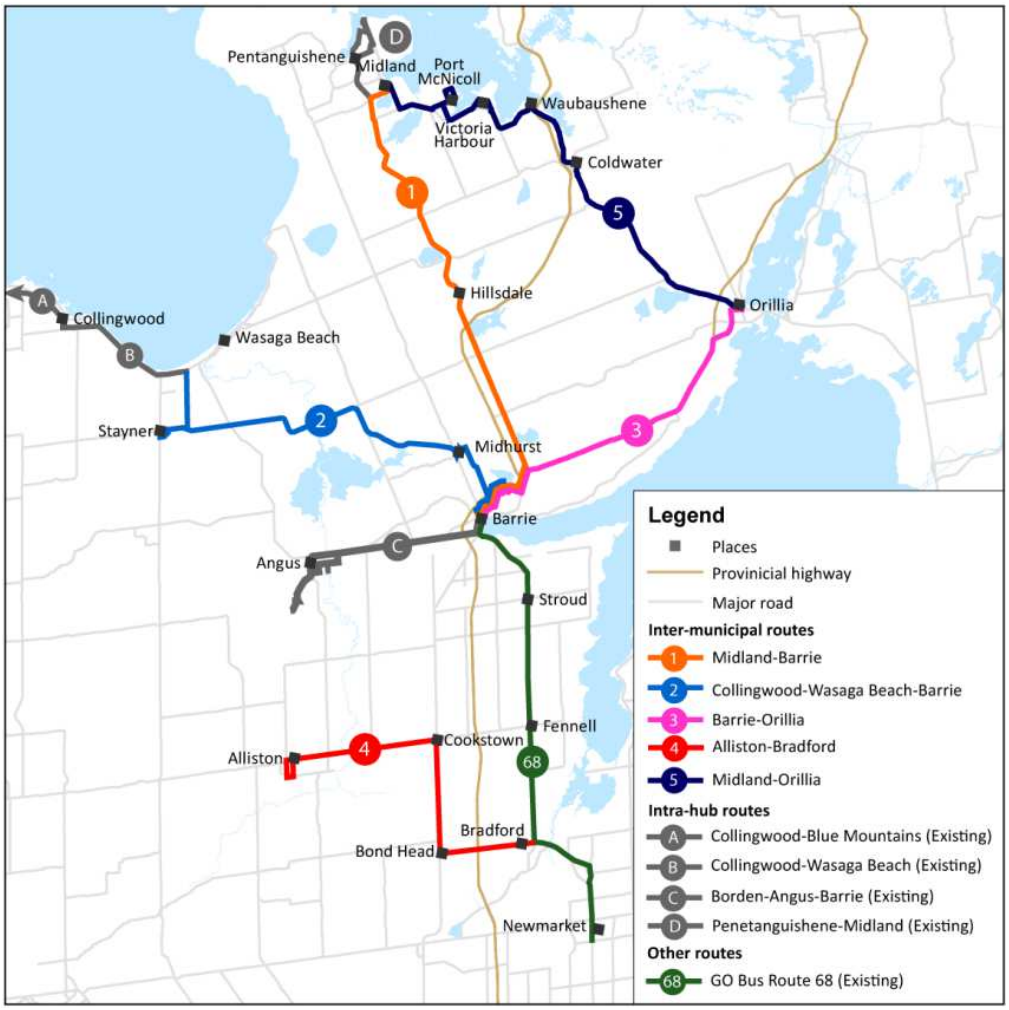
Recommended short-term plan

3.9 Based on feedback provided from the Transit Advisory Committee, stakeholders and the general public (as discussed in Section 2) the short-term service plan was defined as well as evaluated applying specific criteria identified through consultation. The multiple account evaluation (MAE)

framework is described in Chapter 5, Interim Report #2. The resulting recommended service plan is shown in Figure 3.3.

3.10 The recommended service plan includes five new inter-municipal hub-to-hub routes (numbered 1 to 5 in Figure 3.3) where the County will lead implementation. Figure 3.3 also incorporates the various existing shorter inter-municipal routes (lettered A to D) provided by the local municipalities. The reasons supporting this delineation of responsibilities are discussed in Chapter 6.

Figure 3.3: Recommended service plan



Prioritization and phasing

3.11 Implementing the recommended service plan in multiple phases will allow the County to spread the start-up costs over multiple years. Any lessons learned from implementing the initial phases can be applied to later phases, maximizing the success of the implementation.

3.12 Given the benefits of phased implementation, it is necessary to prioritize the routes for implementation. Higher-priority routes will be implemented in earlier phases; low-priority routes will be implemented in later phases.

3.13 The longer-distance hub-to-hub connections are the focus for the County, but these will not exist in isolation. Several local municipalities already have implemented their own inter-municipal services, and more locally-led inter-municipal connections are being considered. Consequently, there is a need for a consistent strategy for supporting existing and future inter-municipal connections.

3.14 The benefits offered by inter-municipal transit services to the local municipalities are different to those offered to the County. Consequently, there is also a need to distinguish between these two sets of benefits.

3.15 The hub-to-hub connections were prioritized into three stages for a phased implementation. In addition, a "Stage Zero" was identified. This stage forms the opportunity to establish consistent financial arrangements with existing inter-municipal transit services.

3.16 The recommended phasing is as follows:

- **Stage 0 (Existing Inter-municipal connections)**:
  - Wasaga Beach – Collingwood
  - Collingwood – Blue Mountains
  - Borden – Angus – Barrie
  - Penetanguishene – Midland
  - Bradford – Barrie (GO Transit)
- **Stage 1**:
  - Route 1: Midland – Barrie (3 vehicles)
- **Stage 2**:
  - Route 2: Barrie – Orillia (2 vehicles)
  - Route 3: Collingwood/Wasaga Beach – Barrie (3 vehicles)
- **Stage 3**:
  - Route 1: Alliston – Bradford (2 vehicles)
  - Route 5: Midland – Orillia (3 vehicles)

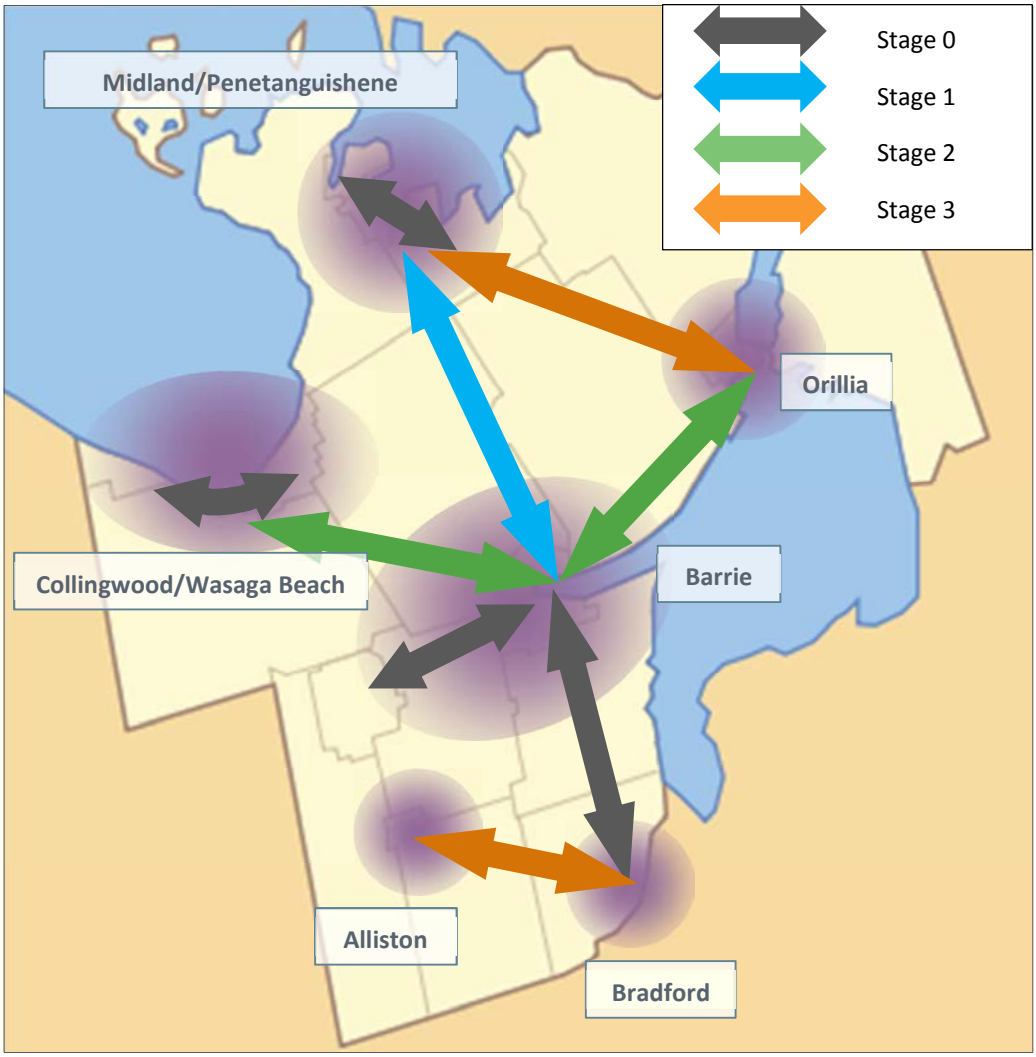
3.17 Table 3.1 shows the County routes at each stage, along with associated route information; Figure 3.4 shows a map of the recommended phasing.

Table 3.1: Inter-municipal service design summary

Route	Headway	Daily trips (each way)	Length (km)	Speed (km/hr)	Vehicles
Stage 1					
Route 1 - Midland – Barrie	60 mins	12	54	46.7	3
Stage 2					
Route 2 - Collingwood/Wasaga Beach – Barrie	60 mins	12	53	40.6	3
Route 3 - Barrie – Orillia	60 mins	12	38	40.4	2
Stage 3					

Route 4 Alliston – Bradford	60 mins	12	38	48.7	2
Route 5 Midland – Orillia	60 mins	12	64	40.0	3

Figure 3.4: Recommended phasing



4 Specialized transit and AODA considerations

4.1 The *Accessibility for Ontarians with Disabilities Act* (AODA, 2005) has a number of requirements for municipal transit service, and the requirements for a specialized transit service to complement conventional transit. This chapter outlines the requirements for specialized transit service and the resulting next steps for Simcoe County.

AODA requirements

4.2 There would need to be a **parallel service** to accommodate people who are unable to walk to the nearest stop because of their disability. The specialized transit would need to provide **origin to destination** service. However, this does not necessarily require a curb-to-curb direct service – passenger journeys may be accommodated using multiple trip legs using the variety of different services types. For instance, the passenger may be picked up by a specialized transit provider, connect to fixed-route transit stop, and then be picked by another specialized transit provider at the other end.

4.3 If a desired **transit stop** is not available (either temporarily or permanently), then passengers would need to be allowed to board/alight at the closest available safe location (even if that is not a transit stop). The vehicles would need to be equipped to provide electronic pre-boarding and on-board announcements.

4.4 There would be need **coordinated service** with other specialized transportation service providers. Specialized services serving adjacent or overlapping service areas must coordinate to with one another to facilitate connections. The **service span** would need to be the same as fixed-route transit.

4.5 Passengers would need to be able to **book travel** for the same day, or failing that, three hours before the end of service on the previous day. In addition, Simcoe County would need to arrange **customer service and dispatching**, and provide **coordinated information** to passengers. If possible, Simcoe County could work to arrange a one-stop telephone line for specialized transit service

4.6 Finally, the **fares** for specialized service cannot be higher than the conventional fixed route fare, and must follow the same fare structure regarding passenger classes (e.g. adult, student, senior, etc) and fare categories (e.g. cash, ticket, monthly pass, etc). The available fare payment options

(e.g. cash on board, pre-purchases, smartcard, etc) would need to be the same as fixed-route service. Also, no fare can be charged to a support person accompanying a person with a disability where there is a need for a support person.

Other specialized considerations

Coordination with proposed inter-municipal services and existing local specialized services

4.7 The situation for specialized transit in Simcoe County will be complex, given the presence of both inter-municipal and local transit services.

4.8 The inter-municipal specialized services nominally need to only serve areas within walking distance of stops served by conventional inter-municipal services. If passengers wish to travel to destinations within hubs beyond this area, then they may have to transfer to local specialized transit services as well (if services to the area are available). Potentially this could include connections to/from locations only just outside this area. Consequently, it would be better for passengers if inter-municipal specialized vehicles were able to operate over a slightly broader area.

4.9 Conversely, there could be benefits in using local specialized operators' vehicles for some short inter-municipal trips (e.g. Barrie-Midhurst), rather than transferring on the edge of local operators' service area.

4.10 However, if a specialized operator provides service outside their nominal service area, then there is a (potential) cost to them and a saving to another specialized operator. This shows the need for financial arrangements to compensate specialized operators for trips (or portions of trips) that are outside their nominal service area.

4.11 These potential situations also reinforce the need to coordinate bookings between different operators. Potential benefits to customers and operators cannot be realized if customers must make separate bookings with local and inter-municipal services.

4.12 Given that Simcoe County has no past experience operating transit services, it is likely that it would contract out the operations and delivery of services (both fixed-route and specialized) to a third party operator. Operating functions for specialized services, including customer service and reserving trips would also be included as part of that contract.

4.13 In the simplest arrangement, the successful third-party contractor would handle trip booking and dispatching only for trips with an inter-municipal component. While not required under AODA legislation, it would be ideal that the reservationist would also make bookings on behalf of customers with other specialized transit service providers, where applicable.

4.14 While any third-party provider (including private or individual not-for-profit agencies) could offer the functions for trip booking, scheduling, and dispatching for inter-municipal trips only, there may be some added benefit (e.g. additional financial efficiencies and customer service benefits) to partner with an existing local specialized transit provider—particularly when there will likely be a high number of coordinated trips taking place.

4.15 Simcoe County should liaise with local municipalities regarding coordinated dispatch and information provision for specialized transit. The County would also benefit from discussions with

Barrie and Orillia regarding coordinated dispatch and information provision. Simcoe County will need to agree protocols with specialized service in neighbouring municipalities (Barrie, Orillia, York, Durham) regarding passengers transferring between their services.

"Family of services" concept

4.16 Responding to increasing demand for specialized transit services, a number of transit agencies are considering innovative approaches to providing services to continue to offer responsive services that meet the unique travel needs of people with disabilities.

4.17 Transit agencies across Ontario already provide different types of services including local fixed-route transit, demand responsive transit, shuttle services, and specialized transit services. Under the 'family of services' concept, each requested specialized trip is evaluated to determine how best the family of services could be utilized to offer passengers where they need to go.

4.18 Depending the ability of the passenger and places they wish to go, a specialized transit reservationist may offer a trip that includes taking a specialized bus for the first leg of the riders' journey, dropping them off at a safe and accessible transfer location, and boarding a fixed-route service on an accessible vehicle. This concept may be relevant particularly to accommodate long-haul trips between county hub areas. The successful implementation of this concept requires strong coordination between the County's specialized and fixed-route services, as well as with local transit agencies as well.

5 Fares strategy

5.1 The proposed inter-municipal transit service is designed to connect communities across the County with an attractive and affordable transportation alternative to the currently available choices of private automobile, taxi, and motor coach. A key objective is that the fare structure for this inter-municipal service needs both to be financially sustainable for the County and municipalities and to encourage consistent ridership.

5.2 In addition, the fare structure should not require local municipalities to make significant new investments in fare collection technology to facilitate transfers; however, it should be able to accommodate future investments to accept more advanced fare payment technologies including electronic fare cards, bank cards, and mobile phone ticketing.

5.3 These objectives informed the determination of the fare structure development principles, the creation of the fare structure framework, and the assessment of the fare structure alternatives.

5.4 While the fare structure contemplates an initial common inter-municipal hub-to-hub cash fare for all passenger classifications, it is expected that the structure would be applied to other fare products such as tickets and passes. The same structure could also allow fares to vary by passenger class (e.g. adult, senior, student), albeit with a likely reduction in the average fare paid.

Principles

5.5 The guiding principles behind the development of a fare structure for an inter-municipal transit service across the entire County that is integrated with the various municipal services operating in the County are summarized in Table 5.1. These principles were developed by the study team and vetted through the consultation process.

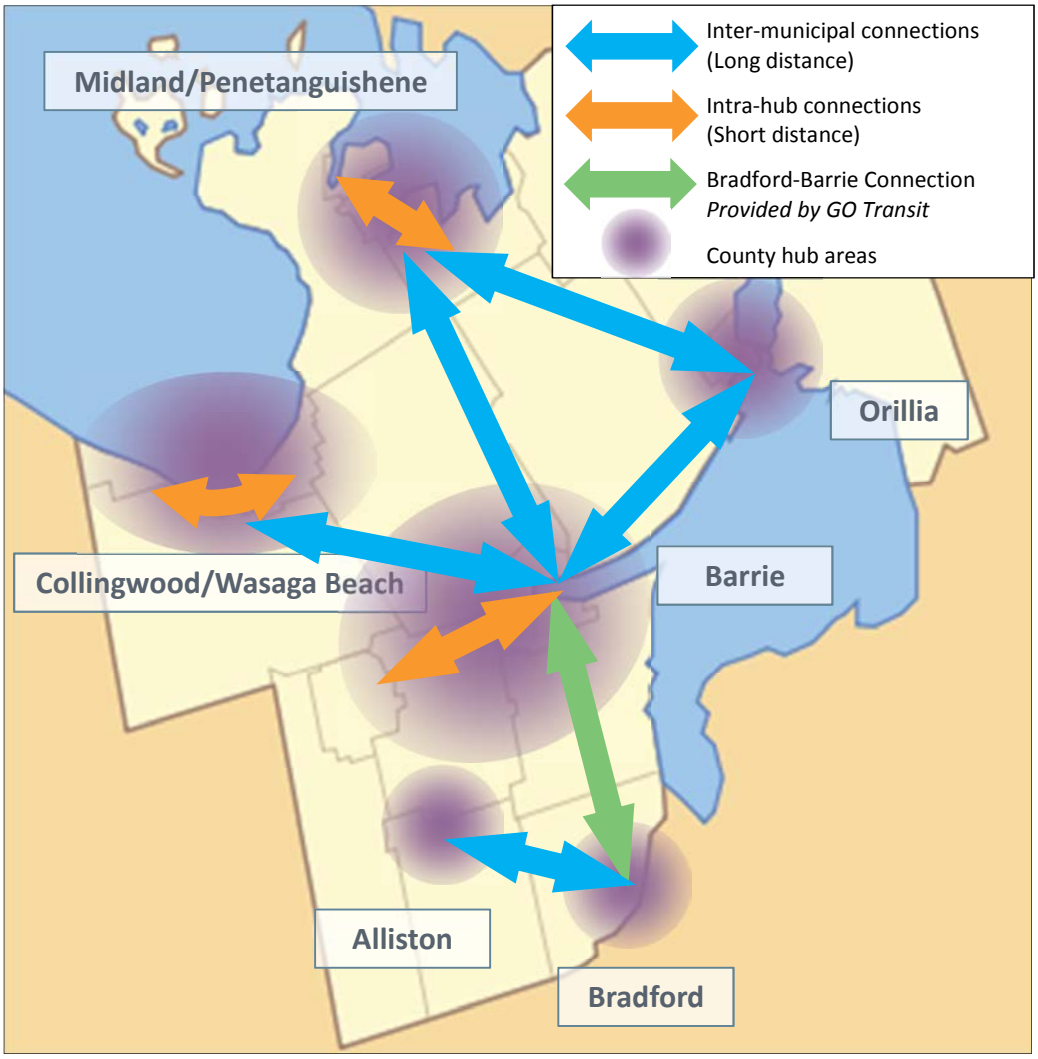
Table 5.1: Key principles for developing a fare structure for Simcoe

Principle	Passenger Perspective	Operator/Municipal Perspective
Simple	Easy and logical for transit users to understand	Simple to implement, operate and manage
Affordable	Fare should be affordable for transit users	Fare should ensure appropriate operator cost effectiveness
Consistent	Fare structure should be consistent throughout the County	Fare structure should enable appropriate operator fare revenue recovery

Framework

Figure 5.1 depicts the proposed inter-municipal transit service fare structure framework involving six municipal hubs, some of which include more than one municipality with connectors between these municipalities and six inter-municipal services that provide a transit service connection between a number of the adjacent hubs.

Figure 5.1: Fare structure framework

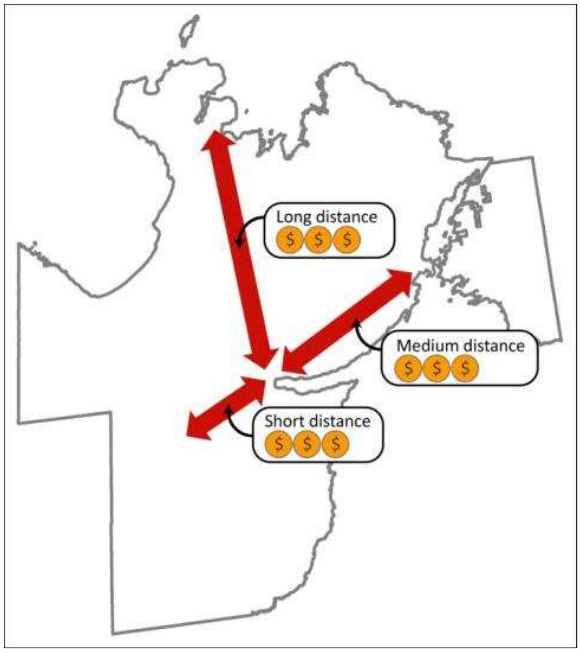


Considerations

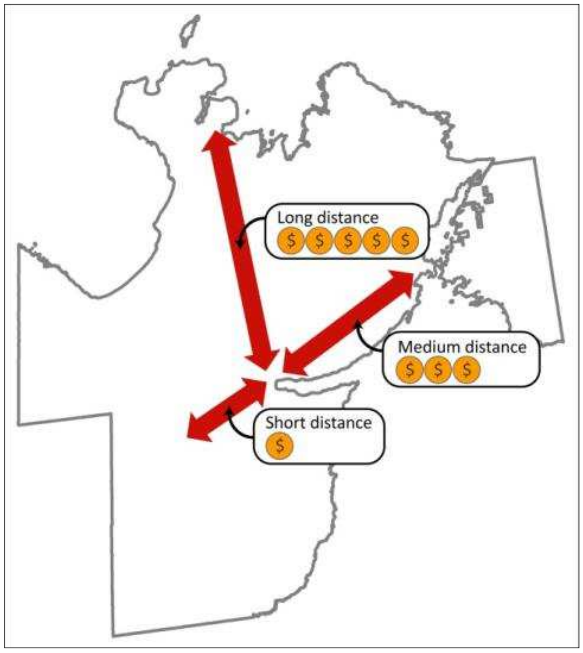
5.6 When considering the development of a County-wide inter-municipal transit service fare structure, there are a number of important issues that need to be addressed including:

- Offer a flat fare or a distance-based fare
  - Should inter-municipal fares vary according to the distance travelled? or
  - Should fares be the same regardless of the distance travelled?
  - Should this apply across the entire County or for hub-to-hub segments?

Figure 5.2: Flat vs. distance-based fares



One fare for all inter-municipal connections in the County



Varied fare prices by distance or zones for inter-municipal connections in the County

- Considering existing fare policy precedents:
  - How important is the fare-by-distance structure precedent offered by current inter-municipal providers? (e.g. Angus-Barrie service, GO Transit)
  - How do we establish a consistent fare structure when some structures are already in place?
- Encouraging service integration:
  - How can we encourage passengers to use municipal services (e.g. Midland Transit) to connect to proposed inter-municipal services?
  - Fare payment mechanisms – how do we collect a distance-based fare with a paper and cash-based manual fare system?

Fare Integration Alternatives

5.7 The fare structure for inter-municipal transit services can be built around the full gamut of fare integration assumptions. Fare integration approaches can range from no fare integration at all, whereby an additional full fare must be paid for every transfer to another service provider, through to full and complete fare integration between inter-municipal and intra-hub service providers. Full fare integration means the initial service provider fare is paid and every transfer to another service provider on a continuous journey is free. A middle-ground solution is partial fare integration with some level of linked ride transfer discount for transfers between inter-municipal and intra-hub service providers for a continuous journey. The three fare integration approaches are described in the sections below.

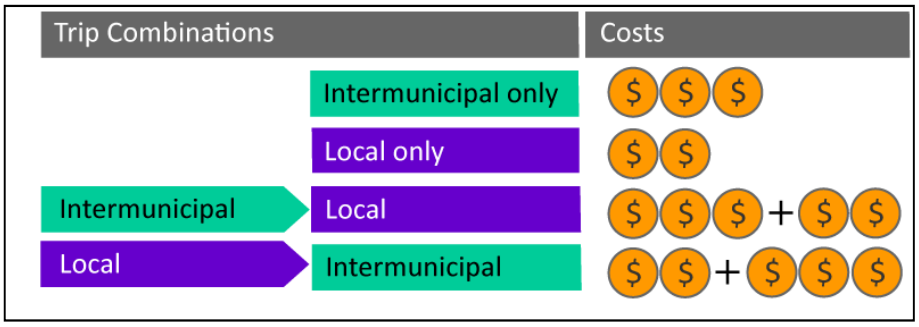
No fare integration – 'Status quo' alternative

5.8 The no fare integration scenario is where linked ride transfer discounts are not provided and characterized by the following attributes:

- Additional fares required for all transfers between any inter-municipal route, any intra-hub services route and any municipal service area
- Inter-municipal route may offer zonal fares for some routes depending on length of that route
- Municipal service providers offer flat fare in its service area and intra-hub services offer separate flat fare on its routes

5.9 An illustration of the relative costs of the no fare integration concept and a summary of advantages and disadvantages of this concept are included in Figure 5.3.

Figure 5.3: Relative costs with no fare integration



Advantages	Disadvantages
• Already implemented • Easy to operate and understand • Does not require a County transfer subsidy • Does not require a transfer subsidy reconciliation	• Does not encourage integrated County-wide travel • Is not particularly logical from customer perspective • Does not provide free/discounted transfers on connecting transit services

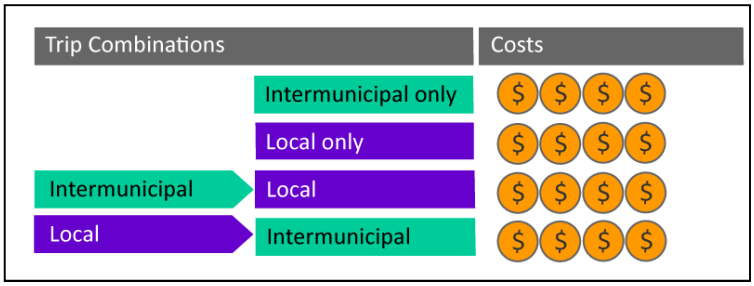
Full fare integration alternative

5.10 The full fare integration scenario where free linked ride transfer discounts are provided and characterized by the following attributes:

- A common flat fare is charged for a continuous journey between any two points in the County served by inter-municipal, intra-hub and municipal routes
- A full transfer fare subsidy is provided for continuous journey transfers between inter-municipal, intra-hub and municipal service areas
- Provides free/discounted transfers on connecting transit services

5.11 An illustration of the relative costs of the full fare integration concept and a summary of advantages and disadvantages of this concept are included in Figure 5.4.

Figure 5.4: Relative costs with full fare integration



Advantages	Disadvantages
• Provides affordable County-wide transit service • Encourages integrated travel • Eliminates current intra-hub fare inequities • Is simple to understand from customer perspective • Is simple to operate using paper transfers • Provides free/discounted transfers on connecting transit services	• Affordability depend on level of County fare and transfer subsidy • Not equitable to have same fare for very short and for very long journeys • Revenue reconciliation required between individual operators is required • Existing local transit fares may need to be increased

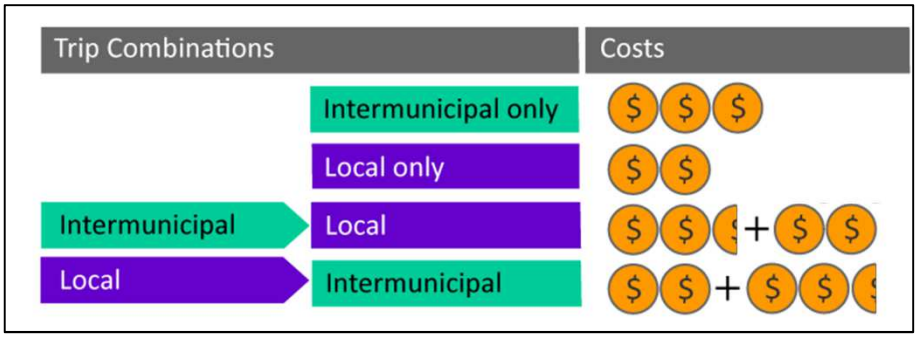
Partial fare integration alternative

5.12 In the middle is the partial fare integration scenario where some level of linked ride transfer discount is provided for transfers between inter-municipal and intra-bus service providers for a continuous journey and characterized by the following attributes:

- A partial transfer fare subsidy is provided for continuous journey transfers between any inter-municipal routes, intra-hub routes and any municipal service area
- Inter-municipal services may offer zonal fares for some routes depending on length of that route
- Municipal services offers flat fare in its service area
- Intra-hub services use a flat fare, and may offer a discount to other transit users

5.13 An illustration of the relative costs of the partial fare integration concept and a summary of advantages and disadvantages of this concept are included in Figure 5.5.

Figure 5.5: Relative costs with partial fare integration



Advantages	Disadvantages
• Provides affordable County-wide transit service • Encourages integrated travel • Eliminates current intra-hub fare inequities • Is simple to understand from customer perspective • Is simple to operate using paper transfers and cash top-up • Provides free/discounted transfers on connecting transit services	• Affordability depends on level of County fares and transfer subsidy • Unless each operator retains all fare revenue it collects, revenue reconciliation may be required between individual operators

Recommended fare structure alternative

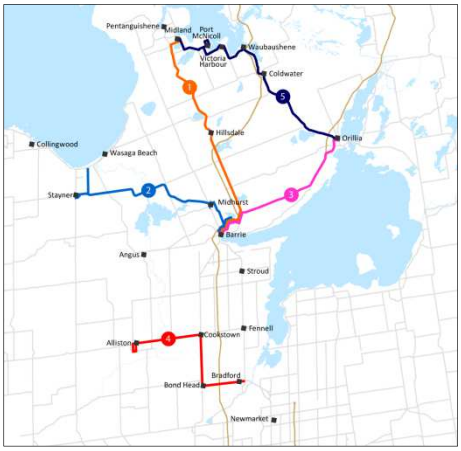
5.14 The partial fare integration fare structure is recommended because it most satisfactorily addresses each of the fare structure development principles from the perspectives of both the passenger and from the operator/municipality. More particularly, the partial fare integration alternative:

- Provides consistent inter-municipal fares and fare policies across the entire County
- Ensures that Inter-municipal fares and fare policies are simple for passengers to understand
- Ensures that fares for inter-municipal journeys and for combined inter-municipal and intra-hub journeys are relatively affordable compared to most alternative travel option
- Preserves local municipality control over intra-hub fares and fare policies
- Is consistent across the County with the exception of inter-municipal journeys that originate or end in Collingwood or The Blue Mountains
- Can be readily implemented and easily operated using existing intra-hub fare collection equipment and processes including cash, paper-based and smart card based fare products
- Provides that each inter-municipal and intra-hub service provider retains all fare revenue that it collects thereby eliminating the requirement for inter-operator fare revenue reconciliation
- Provides free/discounted transfers on connecting transit services

Proposed fare structure

5.15 The proposed fare structure covers three types of routes in the Simcoe County, as described in Table 5.2.

Table 5.2: Route types for fare structure

Routes	Description
	**Hub-to-Hub Inter-Municipal Services:** • Fare structure assumes the same fare for all adjacent Hub-to-Hub journeys across the County • Fare structure assumes the same fare for journeys that end or begin part way along the Hub-to-Hub route
	**Existing Intra-Hub Services:** • Each hub includes several municipalities as indicated in the map. • Intra-hub service is provided by existing municipal service providers operating within the hub, each of which establishes its own fares and fare policies in its own service area • Fare structure assumes full fare integration within both the Midland-Penetanguishene hub and within the Barrie-Angus-Borden hub • Fare structure assumes no fare integration within the Collingwood-Wasaga Beach hub, consistent with its current operation
	**Bradford-Barrie GO Service:** • Existing GO Transit rail and bus services connecting Barrie, Bradford and points south not included in fare structure. • GO Transit has discounted fare agreements with many local transit agencies, and this should be subject to further study.

The proposed fare structure covers intra-hub services and inter-municipal services, and trips can involve various combinations of those. Table 5.3 describes how fares and transfers would work under the proposed partial fare integration fare structure.

Table 5.3: Proposed partial fare integration fare structure transfer arrangements

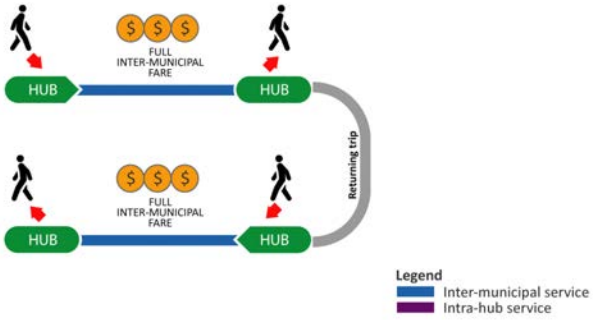
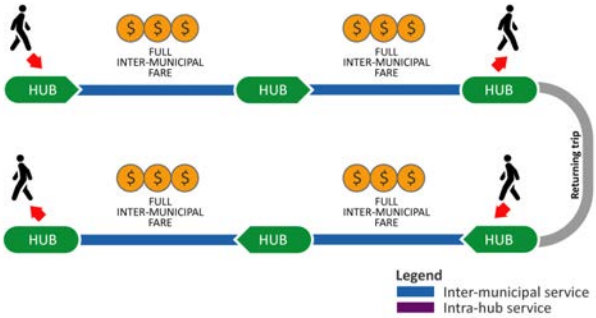
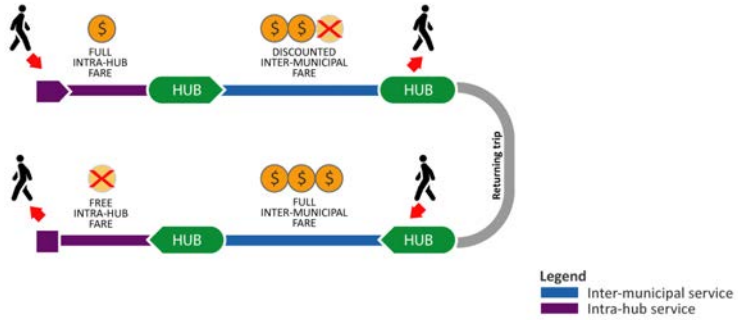
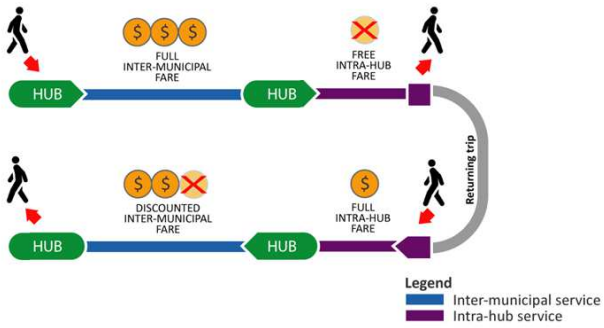
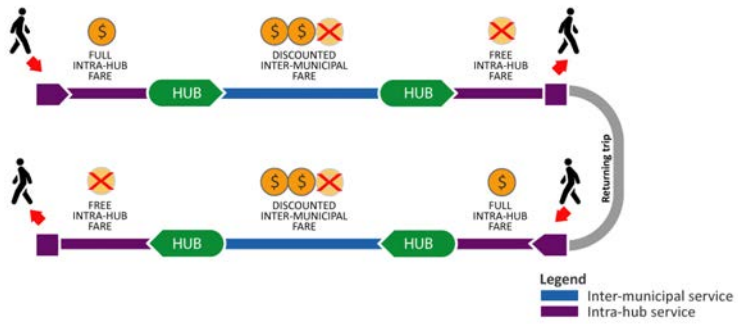
Diagram	Description
Case 1 – Intra-hub travel	
	• Providers' standard fare polices apply – not under purview of Simcoe County.
Case 2 – Inter-municipal service travel (one only)	
	• Passenger pays the full inter-municipal fare when travelling from one hub to another • Passenger still pays the full inter-municipal fare even when travelling a portion of the inter-municipal service
Case 3 – Inter-municipal services travel (multiple)	
	• Passenger pays an additional full inter-municipal fare with each subsequent inter-municipal service.

Diagram	Description
Case 4 – Intra-hub → Inter-municipal travel	
	• Passenger pays the regular full intra-hub fare upon boarding the first mile intra-hub service • Passenger presents a paper transfer when boarding the connecting inter-municipal service, paying the regular inter-municipal fare, less $1.00 • On the way back, passenger pays the regular Inter-municipal fare when boarding the initial Inter-municipal service, but is not required to pay the pay the last mile intra-hub fare
Case 5 – Inter-municipal → Intra-hub travel	
	• Passenger pays the regular Inter-municipal fare when boarding the initial Inter-municipal service • Passenger presents a paper transfer when boarding the connecting intra-hub service • Passenger is not required to pay the last mile intra-hub fare • On the way back, passenger pay regular full intra-hub fare upon boarding the first mile intra-hub service, and pays the regular inter-municipal fare, less $1.00
Case 6 – Intra-hub → Inter-municipal → Intra-hub travel	
	• Passenger pays the regular full intra-hub fare upon boarding the first mile intra-hub service • The revenue is retained by the first mile intra-hub service provider • Passenger then presents a paper transfer when boarding the connecting inter-municipal service • Passenger pays the regular inter-municipal fare, less $1.00 • The inter-municipal fare revenue is retained by the inter-municipal service provider • Passenger then presents a paper transfer when boarding the last mile intra-hub service • Passenger is not required to pay the last mile intra-hub fare • On the way back, passenger goes through the same payment procedure

5.16 The principle of free transfers *to* local systems by inter-municipal passengers will not reduce revenue for that local transit system. This is because the inter-municipal traveller would not use the local transit system at the 'far' without the inter-municipal service. Further, that local transit system will still get a fare when the inter-municipal traveller makes their return trip.

5.17 As shown in Table 5.4, the proposed partial fare integration fare structure also aligns with the principles described earlier from the perspective of both passengers and operators.

Table 5.4: Comparison with principles

Principle	Passenger Perspective	Operator Perspective
Simple	• Fare structure is logical and easy for passengers to understand	• Fare structure can be implemented with existing services and with minimal new fare collection technology investment. • All operators retain all fare revenue they collect, eliminating requirement for inter-operator fare revenue reconciliation. • No requirement to collect zone-based or fare-by-distance based fares using cash and paper-based manual fare technology.
Affordable	• Fares are relatively affordable compared to alternative travel options	• Generates a proportion of revenue in line with peer agencies
Consistent	• Structure provides consistent inter-municipal fares and fare policies across the entire County	• Preserves local municipality control over intra-hub fare policies • Does not provide free/discounted transfers on connecting transit services

Recommended fare level

5.18 To provide a benchmark for Simcoe County's inter-municipal fares, it is useful to examine fares for various existing inter-municipal services. As described previously, there are a number of existing inter-municipal services operating within Simcoe County. The adult cash fares for these services as shown in Table 5.5.

Table 5.5: Fares for existing inter-municipal services in Simcoe County

Services	Contractor(s)	Fare	Fare Media/Notes
Borden-Angus-Barrie	Barrie Transit	$ 6.00	$3 if transferring from BT $4 if transferring from Angus
Orillia-Barrie	Ontario Northland / Hammond Transportation	$ 8.95	Ticket
Bradford-Barrie	GO Transit	$ 8.40	Cash + Presto smart card
Midland-Barrie	Hammond Transportation	$ 19.78	Ticket
Collingwood-Wasaga Beach-Barrie	Greyhound	$ 20.50	Ticket
Midland-Orillia	Hammond Transportation	$ 32.21	Ticket

5.19 Within Ontario, there are several public transit agencies that operate long-distance inter-municipal services. These fulfil a similar function to the proposed inter-hub services. Those services (and their adult cash fare) are:

- Niagara Region – $6.00

- Ride Norfolk – $6.00
- Muskoka Extended Transit – $3.00
- Deseronto Transit – $10.00

5.20 As a result, it is recommended that the inter-municipal adult cash fare should be $7 per trip, with a $1 discount for passengers transferring from local transit. Pre-purchased tickets or period passes could be made available at lower price per trip.

Consultation

5.21 The inter-municipal transit service fare structure development process, the evaluations and observations made and the conclusions as they were reached were reviewed regularly with the Project Working Team and were shared at both the Transit Advisory Committee Meeting and the Project Stakeholder Committee Meeting. In addition, selected elements of the recommended fare structure were presented for feedback at Public Information Sessions held in Midland and Alliston.

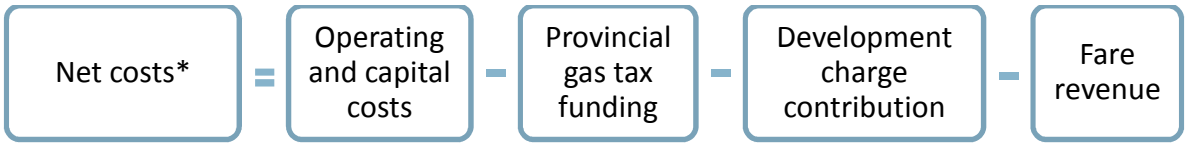
5.22 The observations made and comments received through these consultations included:

- There is strong support for setting a common fare for each hub-to-hub inter-municipal transit journey, regardless of the length
- Fare affordability is very important
- There is an interest in offering a fare discount for seniors and people on social assistance
- Fare payment process simplicity is important
- There is a strong desire to be able to continue to use existing fare collection technology and fare media (cash and paper-based)
- There is an interest in being able to purchase and use period passes or tickets instead of having to pay cash on each boarding
- There is a desire to reduce the number of new fare payments required for every leg of a linked journey; ideally paying just once
- Not every passenger has access to or will be comfortable using a smart phone
- Having said that, there is a desire for the fare structure to be able accommodate evolving future new payment technologies

6 Funding sources

6.1 Municipally-run transit services in Ontario are funded from a variety of sources. Figure 6.1 shows the relationship between the amount required from property taxes, costs, and the various other funding sources. Each section in this chapter provides the details of each the items shown in this equation.

Figure 6.1: Funding sources and relationship.



* Most likely to be funded through property taxes

Funding options

6.2 The recommended service plan includes both intra-hub routes and inter-municipal routes. However, the County has a greater focus on the inter-municipal routes. Consequently, there are two options for covering the net costs of the proposed services:

- **Option 1 – Delineated responsibilities**: County pays for inter-municipal routes; local municipalities pay for intra-hub routes
- **Option 2 – Shared responsibilities**: Costs of inter-municipal routes and intra-hub routes are split equally between County and local municipalities.

6.3 Regardless of which option is chosen for the other routes, it likely that the Barrie-Orillia route would be treated as a special case, as it has significant benefits to municipalities outside of Simcoe County (namely, Barrie and Orillia). However, it has been treated the same as other inter-municipal routes in this assessment. Meaningful discussions between relevant parties is required to provide an indication as to the proportion of shared responsibilities.

6.4 Figure 6.2 and Figure 6.3 illustrate the routes and shows the County property tax allocation for each route under Option 1 and Option 2 respectively.

Figure 6.2: County funding allocation with Option 1 (Delineated responsibilities)

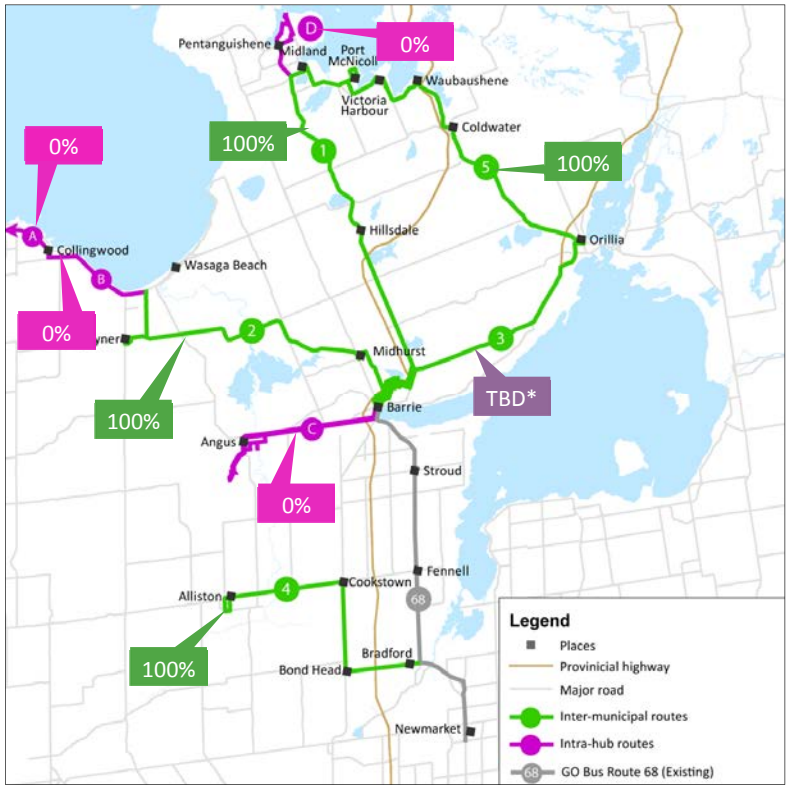
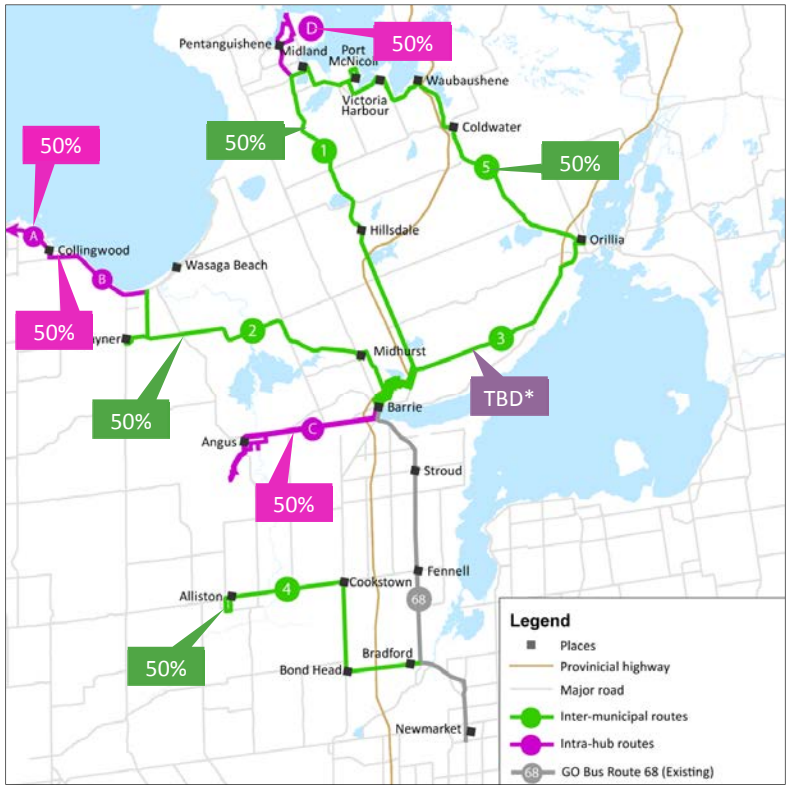


Figure 6.3: County funding allocation with Option 2 (Shared responsibilities)



* Proportion to be determined with discussions with Barrie and Orillia.

6.5 The funding allocation details under each option are summarized in Table 6.1.

Table 6.1: Funding allocation options

Route	Municipality	% Responsibility of Costs	
		Option 1 – Delineated responsibilities	Option 2 – Shared responsibilities
Intra-hub routes	Simcoe County	0%	50%
	Local municipalities	100%	50%
	Barrie and Orillia	0%	0%
Inter-municipal routes (excluding Barrie-Orillia service)	Simcoe County	100%	50%
	Local municipalities	50%	50%
	Barrie and Orillia	0%	0%
Barrie-Orillia service	Simcoe County	To be determined	
	Local municipalities	To be determined	
	Barrie and Orillia	To be determined	

6.6 The remaining sections in this chapter distinguish between intra-hub route (short distance connections) costs and inter-municipal routes (long distance connections) costs where appropriate.

Operating costs

6.7 The recommended service plan includes the vehicle requirements and service hours for each stage. Assuming weekday-only, 12 hour (6 am—6 pm) service, this allows the annual service hours to be calculated at each stage. The annual operating and maintenance costs using a rate of $90/service-hour, based on typical values for areas similar to Simcoe County. This includes the cost of operating parallel specialized transit.

6.8 For the purposes of this study administration costs were calculated included as follows[1]:

- Transit supervisor:
  - 0.5 FTE under Stage 1 and Stage 1+2 with delineated responsibilities;
  - 1.0 FTE under Stage 1+2 with shared responsibilities, and Stage 1+2+3
- Coordinator / Planner: 1.0 FTE for all stages under both options
- Customer service:
  - 0.5 FTE under Stage 1 with delineated responsibilities
  - 1.0 FTE under Stage 1+2 with delineated responsibilities
  - 1.5 FTE under Stage 1+2+3 with delineated responsibilities
  - 1.5 FTE under all stages with shared responsibilities

6.9 The costs (not salaries) were assumed to be approximately $120,000/year for the transit supervisor, 90,000/year for the coordinator/planner, and $70,000/year for customer service representative.

[1] County staff reports have assumed the same staffing costs for both options.

6.10 For marketing, an allowance of $60,000 was used inter-municipal services alone, and $100,000 for both inter-municipal and intra-hub services for the first four years of service. The costs are assumed to be $40,000 and $50,000 for subsequent years starting at year five to reflect a smaller required marketing budget as the system moves away from the initial implementation. Cost assumptions are based on 2016 constant dollars.

6.11 Table 6.2 shows the annualized operating costs at each phase of implementation.

Table 6.2: Annualized operating costs (constant 2016 dollars)

Item	Stage 1	Stages 1+2	Stage 1+2+3
Inter-municipal services			
Operating and maintenance costs	$1,512,000	$2,419,000	$3,931,000
Marketing	$60,000	$60,000	$60,000
Administration	$188,000	$224,000	$318,000
Total inter-municipal operating costs	**$1,760,000**	**$2,703,000**	**$4,309,000**
Intra-hub services			
Operating and maintenance costs	$1,357,000	$1,357,000	$1,357,000
Marketing*	$40,000	$40,000	$40,000
Administration*	$130,000	$94,000	$0
Total intra-hub operating Costs	**$1,527,000**	**$1,491,000**	**$1,397,000**

* Marginal costs compared with inter-municipal services alone.

Capital costs

Vehicles

6.12 The recommended service plan includes the vehicle requirements. The number of vehicles required for service was increased by 20 percent to cover vehicles for specialized service, and by an additional 10 percent for spares. This is in keeping with industry norms.

6.13 The forecast number of passengers for the inter-municipal routes implies that smaller cutaway transit vehicles will provide sufficient capacity. These cost $130,000, and have a useful life of nine years. For the intra-hub routes, 30-foot buses were deemed appropriate, as these services tend to experience peaks in demand at certain times of day. These buses cost $440,000, and have a useful life of twelve years. Cost assumptions are based on 2016 constant dollars.

6.14 The proposed bus types are shown in Table 6.4.

Figure 6.4: Photos of proposed bus types

Cut-away bus

30-foot bus

Bus stops

6.15 The routes in the recommended service plan include portions in areas with existing transit service, and hence with existing bus stops. Examining the (two-way) length of routes outside the these areas and applying an average stop spacing of 500 metres yields the number of bus stops in both urban and rural areas.

6.16 This calculation only applies to the inter-municipal routes, as it is assumed that bus stop for intra-hub services would already be constructed by local municipalities.

6.17 The bus stops costs include landing pads, garbage containers, and sign installation at all bus stops, plus shelters at select stops, for an average capital cost of $5,000 per stop. Bus stop infrastructure is assumed to have a useful life of 15 years. Cost assumptions are based on 2016 constant dollars.

Summary

6.18 Table 6.3 shows the total capital costs associated with each phase of implementation.

Table 6.3: Cumulative capital costs (constant 2016 dollars)

Item	Stage 1	Stages 1+2	Stage 1+2+3
Inter-municipal services			
Number of buses (Conventional, specialized, spares)	6	10	17
Bus costs	$780,000	$1,300,000	$2,210,000
Number of stops	23	64	143
Stop infrastructure costs (Landing pads, sign installation; shelters in some areas)	$115,000	$320,000	$715,000
Total inter-municipal capital costs	**$895,000**	**$1,620,000**	**$2,925,000**
Intra-hub services			
Number of buses (Conventional, spares)	6	6	6

Bus costs	$2,640,000	$2,640,000	$2,640,000
Total intra-hub operating capital costs	**$2,640,000**	**$2,640,000**	**$2,640,000**

6.19 Table 6.4 shows the annualized costs (that is, the cost of each item divided by its useful life). This is the average annual capital expenditure on replacing capital assets. The actual capital expenditure each year will vary, as some assets will reach life expiry in groups. For example, a fleet of buses all purchased at the same time for implementing a stage will all need replacing in the same year.

Table 6.4: Annualized capital costs (constant 2016 dollars)

Item	Stage 1	Stages 1+2	Stage 1+2+3
Inter-municipal services			
Bus costs	$87,000	$144,000	$246,000
Stop infrastructure costs (Landing pads, sign installation; shelters in some areas)	$8,000	$21,000	$48,000
Total inter-municipal capital costs	**$95,000**	**$165,000**	**$294,000**
Intra-hub services			
Bus costs	$220,000	$220,000	$220,000
Total intra-hub operating capital costs	**$220,000**	**$220,000**	**$220,000**

Provincial gas tax funding

6.20 The Province of Ontario operates a program whereby a portion (2 cents per litre) of its gasoline tax revenues are given to municipalities operating transit. The amount provided is based on the number of trips on the transit system, and the population of the municipality it serves.

6.21 For the 2014-15 financial year, based on a direct of population and ridership ("direct calculation scenario") the amounts provided were as follows:

- $0.27 per passenger trip (based on CUTA statistics)
- $7.94 per person residing in the municipality that municipal transit services were provided (based on figures from Ministry of Finance)

6.22 However, despite whatever amount is generated based on the formula below, the total amount provided under the program is capped at 75 percent of municipal spending in the previous year ("capped scenario").

6.23 Some municipalities within Simcoe County already have local transit, and hence use the gas tax program. Following discussions with the Ministry of Transportation (MTO), it was determined that Simcoe can 'use' population in its constituent municipalities without local transit (and hence not participating in the gas tax program). Table 6.5 shows how the applicable population figure of 135,000 for Simcoe County was derived.

Table 6.5: Available population for gas tax funding

Municipality	Population (2011 Census)	Local transit?	Applied Population
Adjala-Tosorontio	10,603	No	10,603
Bradford West Gwillimbury	28,077	Yes	--
Clearview	13,734	No (*study underway)*	13,734
Collingwood	19,241	Yes	--
Essa	18,505	Yes	--
Innisfil	32,727	No (*potential service*)	--
Midland	16,572	Yes	--
New Tecumseth	30,234	No	30,234
Oro-Medonte	20,078	No	20,078
Penetanguishene	9,111	Yes	--
Ramara	9,275	No	9,275
Severn	12,377	No	12,377
Springwater	18,223	No	18,223
Tay	9,736	No	9,736
Tiny	11,232	No	11,232
Wasaga Beach	17,537	Yes	--
Total	**277,262**	--	**135,492**

6.24 Given the funding formula and the forecast number of passengers, virtually all the funding Simcoe County would receive under the gas tax program is population-based rather than ridership-based. The table therefore shows that Simcoe County could receive up to $1.1 million per year under the gas tax program.

Development charge contribution

6.25 The mechanism for calculating development charge contributions towards transit expenses was recently changed. Previously, eligible growth-related capital expenditures had to be based on levels of service based on past 10 years. This meant new transit agencies did not have any eligible costs.

6.26 However, under the revised *Development Charges Act*, eligible growth-related capital expenditures can be based on planned levels of service projecting 10 years in the future. Transit is a relatively recent inclusion, and the ramifications and procedures have yet to be established. Because of this, no development charge contributions have been included in the financial plan. However, the County is conducting a review of development charges, which can potentially include information about planned transit services.

Fare revenue

6.27 Fare revenues are derived from the fare mechanism and ridership levels. The former was described in Chapter 4, and this section provides details on the ridership forecasts process.

6.28 The ridership forecast used a 'direct demand' process. Each route serves a particular area, and the number of weekday trips made within that area was calculated. The data source for the 'service start-up' number of trips was the 2011 Transportation Tomorrow Survey (TTS). These were factored according to the population distribution with each zone to exclude trips by people not living near a transit route. Simcoe County's TransCAD model was used to derive the growth rates from present day to 2031, and these were applied to the TTS data to derive the number of trips in 2031.

6.29 These trips covered all journey purposes and (existing) modes in the time period 6am to 6pm (the proposed service span). Any trips that are made by existing municipal transit systems (such as trips within Midland, or trips between Collingwood and Wasaga Beach) were excluded.

6.30 The total number of trips was converted to the forecast transit ridership by applying an estimated transit mode share. This was derived from experience in other municipalities and professional judgment.

6.31 At service start-up, the Barrie-Orillia service is expected to attract a higher mode share than other inter-municipal routes. This is because of the higher transit use in these two cities, and the presence of significant student travel market. The assumed mode shares are shown in Table 6.6.

Table 6.6: Mode share assumptions at initial implementation

Route section	Barrie-Orillia route	All other routes
Hub to/from hub	0.9%	0.75%
Hub to/from corridor	0.5%	0.5%
Corridor to/from corridor	0.3%	0.3%
Within hub	*N/A*	0.4%*

* Refers specifically to local travel within Alliston where local transit services are currently not available

6.32 The resulting forecast annual ridership by route is shown in Table 6.7. If multiple routes are in operation, then the potential ridership for the combined set of routes will be higher than sum of the potential ridership for each individual route. This is because the combination of routes enables trips between the areas served by different routes. However, the recommended service plan's route structure, the size of the relevant travel markets, and the desire to be conservative with ridership forecasts resulted in this effect not being applied.

Table 6.7: Forecast annual boardings by route

Route	Stage 1	Stages 1+2	Stage 1+2+3
Route 1: Midland–Barrie	27,600	27,600	27,600
Route 2: Wasaga Beach–Barrie	--	27,900	27,900
Route 3: Barrie–Orillia	--	29,700	29,700
Route 4: Alliston–Bradford	--	--	26,000
Route 5: Midland–Orillia	--	--	26,300
Total	**27,600**	**85,100**	**137,500**

6.33 The ridership turned into fare revenue based on the fare rules described in Chapter 4. However, the fares for some user groups (such as children, seniors and students) and fare types (such as pre-purchased tickets and monthly passes) will be less than the headline cash fare of $7. Consequently, the average fare per boarding was taken to be 33 percent (less than headline fare), at $4.75. This factor was based on observations of the relationship between headline (adult cash) fare and average fare revenue per boarding at other transit agencies.

6.34 A discount for transferring from inter-municipal services onto local services was modelled at $1. This discount was assumed to be the same for all user groups and fare types. Various transfer rates between inter-municipal services and other transit services were assumed, depending on the presence and location of trip attractors, and the level of service.

6.35 The resulting forecast annual revenue is shown in Table 6.8.

Table 6.8: Forecast annual revenue by route for inter-municipal services

Route	Stage 1	Stages 1+2	Stage 1+2+3
Route 1: Midland–Barrie	$125,000	$125,000	$125,000
Route 2: Wasaga Beach–Barrie	--	$115,000	$115,000
Route 3: Barrie–Orillia	--	$134,000	$134,000
Route 4: Alliston–Bradford	--		$122,000
Route 5: Midland–Orillia	--		$119,000
Total *(to Simcoe County)*	**$125,000**	**$284,000**	**$525,000**

7 Financial and implementation plan

Financial plan

7.1 As discussed in Chapter 6, there are two options for funding transit services in Simcoe County:

- **Option 1 – Delineated responsibilities**: County pays for inter-municipal routes; local municipalities pay for intra-hub routes
- **Option 2 – Shared responsibilities**: Costs of inter-municipal routes and intra-hub routes are split equally between County and local municipalities.

7.2 Table 7.1 and Table 7.2 show the various revenues and costs (detailed in Chapter 6) under each option with and without the Barrie-Orillia route, respectively.

7.3 Option 1 provides a clearer and more predictable structure for the County's planning and financial responsibilities, as it would only be responsible (and fully responsible) for services that connect between hubs, leaving other more local services to be operated and funded by local municipalities (who would have a better understanding over the travel needs of its residents).

7.4 Under Option 2 (shared responsibilities), any decisions made with financial consequences will require approval form Simcoe County and all local municipalities with service. These decisions will include service span, frequency, routings, fare levels, and amenities. This could be problematic if a change benefits one part of Simcoe more than another. For example, a frequency increase on a route would need to be paid for by all municipalities, even if it only benefited some of them.

7.5 As a result, it is recommended Option 1 (delineated responsibilities) be implemented. This will ensure the financial effects of any changes are mostly closely aligned with the geography-specific benefits.

7.6 The Barrie-Orillia route still needs further discussion about cost-sharing opportunities, and hence the costs and revenues presented in these tables do not include this route. If Simcoe County is responsible for less than 100 percent of the costs (and hence collects less than 100 percent of the revenue), then the required net costs to the County would be between the values shown in Table 7.1 and in Table 7.2.

Table 7.1: Financial plan summary (without Barrie-Orillia)

	Option 1 Delineated responsibilities			Option 2 Shared responsibilities		
	Phase 1	**Phase 1+2**	**Phase 1+2+3**	**Phase 1**	**Phase 1+2**	**Phase 1+2+3**
COSTS ($000s)						
Operating costs						
Service operations and maintenance (inter-municipal and intra-hub services)	907	1,814	3,326	2,264	3,172	4,684
Administration and marketing	248	284	378	418	418	418
Capital costs (annualized)						
Vehicles (inter-municipal and intra-hub services)	87	144	246	307	379	480
Bus stop infrastructure	8	21	48	8	21	48
Total annualized costs	**1,249**	**2,264**	**3,997**	**2,997**	**3,990**	**5,629**
REVENUES ($000s)						
Fare revenue (inter-municipal and intra-hub services)	125	240	481	325	440	681
Required other revenue (costs less fare revenue)	1,125	2,024	3,517	2,671	3,549	4,948
Simcoe County portion	*1,125*	*2,024*	*3,517*	*1,336*	*1,775*	*2,474*
Local municipality portion	*0*	*0*	*0*	*1,336*	*1,775*	*2,474*
Provincial gas tax for Simcoe County	482	868	1,105	572	761	1,060
Required County property tax revenue	**643**	**1,157**	**2,412**	**763**	**1,014**	**1,414**

Totals may not match due to rounding.

Table 7.2: Financial plan summary (with Barrie-Orillia)

	Option 1 Delineated responsibilities			Option 2 Shared responsibilities		
	Phase 1	**Phase 1+2**	**Phase 1+2+3**	**Phase 1**	**Phase 1+2**	**Phase 1+2+3**
COSTS ($000s)						
Operating costs						
Service operations and maintenance (inter-municipal and intra-hub services)	1,512	2,419	3,931	2,869	3,776	5,288
Administration and marketing	248	284	378	418	418	418
Capital costs (annualized)						
Vehicles (inter-municipal and intra-hub services)	101	173	274	350	408	509
Bus stop infrastructure	8	21	48	8	21	48
Total annualized costs	**1,869**	**2,898**	**4,631**	**3,645**	**4,623**	**6,263**
REVENUES ($000s)						
Fare revenue (inter-municipal and intra-hub services)	258	373	614	459	574	815
Required other revenue (costs less fare revenue)	1,610	2,524	4,017	3,186	4,049	5,448
Simcoe County portion	*1,610*	*2,524*	*4,017*	*1,593*	*2,025*	*2,724*
Local municipality portion	*0*	*0*	*0*	*1,593*	*2,025*	*2,724*
Provincial gas tax for Simcoe County	690	1,082	1,113	683	868	1,167
Required County property tax revenue	**920**	**1,442**	**2,904**	**910**	**1,157**	**1,557**

Totals may not match due to rounding

Sensitivity to operating cost rate

7.7 The operating cost rate was estimated to be $100/service hour. The cost includes both conventional and specialized service. This rate was obtained by examining comparable cost rates for existing transit services within Simcoe County and similar jurisdictions.

7.8 The approach taken with estimating operating costs for such studies is to allow for some additional costs to account for some contingencies. To understand the effects of the assumed operating cost rate on net costs to the County, a sensitivity analysis was conducted. This showed the potential County property tax revenue that would be required under each phase of implementation would be with varying rates. The results are shown in Table 7.3.

Table 7.3: Required County net costs by operating cost rate

Operating cost per service hour ($/hr)	Stage 1	Stage 1+2	Stage 1+2+3
$90/hour	$591,000	$1,053,000	$2,079,000
$95/hour	$617,000	$1,105,000	$2,246,000
$100/hour	**$643,000**	**$1,157,000**	**$2,412,000**
$105/hour	$669,000	$1,209,000	$2,578,000
$110/hour	$695,000	$1,260,000	$2,745,000

* Sensitivity figures based on inter-municipal services only (with Barrie-Orillia connection excluded) under the delineated responsibilities model

7.9 Table 7.3 shows that there is little variation under Stage 1. Consequently, the risk of Stage 1 having significant financial variation from the results in this report is low.

7.10 The table shows that there is quite a large variation under Stage1+2+3, depending on the assumed operating cost per hour. However, the operating cost rate is not expected to change significantly as the program expands from Stage 1 to Stage 1+2+3. This means that the actual operating cost rate from Stage 1 can used to evaluate the financial requirements for subsequent stages. Consequently, there will be very little uncertainty in Stage 1+2 and Stage 1+2+3 after Stage 1 has been implemented.

Implementation plan

7.11 Future steps for implementing a transit service in Simcoe County are summarized in Table 7.4.

Table 7.4: Implementation plan steps

Activity	Notes
Approval of recommended service by Council	Approval of the recommended business plan will initiate further work in implementing the proposed service. Some of this work may take place before any staffing changes.
Develop a staffing plan	Define job descriptions for new staff and implement staffing changes to support the service

Activity	Notes
Work on local municipalities to ensure service coordination and use of its bus stops	Collaborate with local municipalities to ensure proposed inter-municipal services continue to operate in an integrated fashion with local services. Work to ensure that inter-municipal services can use bus stops and terminal locations within hub areas (where there is existing service).
Work on confirming fare structure with local agencies	Agree fare structure with local municipalities. Set fare table, covering the various passenger classes (e.g. adult, senior, student) and fare categories (e.g. cash, pre-paid ticket, monthly pass)
Obtain public vehicle licence	Simcoe County has jurisdiction to operate a public transit service within its borders. However, it will need to obtain a public vehicle license from the Ministry of Transportation to operate a service into Barrie and Orillia.
Identify service operations approach and develop operations plan	Decide operating model (e.g. private contractor, or contract with existing public operator) for the service. Decide whether to procure buses directly, or include it as part of contract's terms). Create and issue tender document (if private contractor).
Develop marketing plan	Identify a plan to raise awareness of the proposed service in the community, develop a branding approach, build anticipation leading up to the services, and reinforce available services on an ongoing basis.
Develop bus stop location and implementation plan	Plan the location of bus stops, design the stop concepts, and install/construct planned amenities.
Develop customer service and fare media materials	Develop transit service materials (e.g. maps, schedules, fare information, basics on how to use the service), publish information in print at major local destinations as well as on the County's website. Design and produce fare media (e.g. tickets and monthly passes) for sale.
Conduct staff training	Train customer service staff to be able to answer questions related to the new transit service, and ensures local agency's customer service staff are also able to answer questions.
Launch service	Begin operation of the new service.
Monitor and report on the performance of the service	Monitor the service on an ongoing basis—however, undertake more rigorous monitoring at start of service, refine assumptions as service continues as well as with later stages of implementation

A Public workshop summary

B Stakeholder group meeting summary