

**CITY OF HAMILTON**

**CITY MANAGER'S OFFICE**

<b>Report to:</b> Mayor and Members Committee of the Whole	<b>Submitted by:</b> Chris Murray City Manager
<b>Date:</b> April 14, 2009	<b>Prepared by:</b> Lora Fontana, Ext.4091 Connie Wheeler, Ext. 5779 Don Hull, Ext.1860 Tony Tollis, Ext.4549

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(e)) (City Wide)**

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Discussion of Appendix "A" of Report PW05075(e) in camera in accordance with Section 8.1, subsections (d) and (f) of the City's Procedural By-law and Section 239 of the Ontario Municipal Act as the subject matter pertains to subsection (d) labour relations or employee negotiations; and subsection (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose, and necessary communications containing third party information supplied in confidence and protected under the Municipal Freedom of Information and Protection of Privacy Act.

**RECOMMENDATION:**

- (a) That Council receive the information requested of staff at the City Council meeting of October 1, 2008, contained within Confidential Appendix "A" to this report;
- (b) That staff be authorized and directed to negotiate a modified service delivery model with DARTS, as described within the "Analysis/Rationale" section of this Report, assigning functional accountability for scheduling of dedicated specialized transit services to DARTS, conditional upon successful negotiation of a three (3) year Agreement, with an option for a further one-time renewal of up to five (5) years at the sole discretion of the City and upon further Council approval, provided that:
  - (i) DARTS develop, deliver and maintain a rolling five (5) year business and operating plan which conforms to the general guidelines set out by Council with regard to current and future capital and operating budgets;
  - (ii) DARTS confirm the essential mandate of its Board of Directors to be management and delivery of an efficient and effective accessible transportation service as defined in any such Agreement;
  - (iii) any such Agreement with DARTS be performance based, with performance metrics as outlined in Appendix "C" to this Report, and
  - (iv) any such Agreement be to the satisfaction of the General Manager of Public Works and the City Solicitor;

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(e)) (City Wide) - Page 2 of 6**

- (c) That staff be authorized and directed to develop a re-branding strategy for the DARTS component of the ATS program to be reflective of the respective roles of the City as program owner and DARTS as a program deliverer, and report back to Council with further specific recommendations to enable that strategy.

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Chris Murray  
City Manager

**EXECUTIVE SUMMARY:**

Council, at its meeting held October 1, 2008 approved the following direction:

*That staff be directed to review and report back to Committee of the Whole respecting Option D – the Internal City Model, of the Accessible Transportation Services Review (Report PW05075(d)), and to include in that report the projected costs and any legal implications associated with same.*

Council's direction was based in part from a presentation made by the Amalgamated Transit Union (ATU) Local 107 appearing as a delegation to Committee of the Whole on September 18, 2008. In their presentation, ATU 107 asserted that the staff estimate of \$1.2 million in increased ongoing operating budget costs associated with the "in-house" model could be mitigated through negotiations with ATU 107. In their presentation, ATU 107 advised that:

*"ATU 107 is prepared to negotiate in good faith with HSR (City) to help ensure a smooth transition of Para-transit Services at a cost that is less than projected by the ATS Sub-Committee"*

Information requested by Council regarding projected costs and legal implications is contained within Confidential Appendix "A" to this Report.

Three primary points of consideration in putting forward the Recommendations in this Report have been:

- o confirmation of the ATU 107 position on the Internal City Model;
- o successful negotiation by DARTS of a collective agreement to June 30, 2012; and
- o the impending expiration of the existing extension of the Agreement between the City and DARTS on June 30, 2009.

There is an urgent need to have a satisfactory service delivery model in place to allow several key ATS strategic initiatives, including DARTS relocation, ATS eligibility policy implementation, and AODA compliance, to move forward in the latter part of 2009 and into 2010.

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(e)) (City Wide) - Page 3 of 6**

The Recommendations within this Report vary from those previously presented in Report PW05075(d). Specifically, Recommendation (b) would assign the operational function of dedicated specialized transit service scheduling to DARTS, recognizing that this particular function has an overarching impact on DARTS business processes and performance, and the City's ability to monitor and take action on the financial and operating performance of DARTS as its contractor. Assignment of the scheduling function alone will provide DARTS with full autonomy and accountability with regard to control of its resources, which has the greatest impact on organizational performance. Further, Recommendation (b) to this Report varies from a similar recommendation in Report PW05075(d), aligning the proposed term of the contract between the City and DARTS with the collective agreement between DARTS and CUPE 5167, while allowing for a continued relationship beyond 2012 based on satisfactory performance by DARTS of its obligations.

The previously recommended migration of several other functions, most notably trip reservation, will not form part of negotiations with DARTS; ATS will continue to perform the trip reservation function, which maintains its role in determining the assignment of passengers to services. This role will become more significant as service expansion is undertaken to meet the expected effects of changes to service eligibility and the anticipated requirements of the Accessibility for Ontarians with Disabilities Act (AODA).

Dependent upon negotiation with DARTS, there should be no effect on 2009 or future budget requirements for the ATS program related to this matter. Any internal staffing impact can be mitigated within currently available program funding, and there should be no impact on DARTS budget, as DARTS has reported existing capacity and capability to perform necessary functions.

Recommendation (c) is a reiteration of a similar recommendation from Report PW05075(d). The concept of program re-branding was introduced through ATS Steering Committee Report PW05075(a), wherein it was stated that "the re-branding of the program will ensure the residents of the City of Hamilton recognize Accessible Transportation Services as a "City" program" and "will also provide both DARTS and VETS the opportunity to individually brand their services."

**BACKGROUND:**

Council, at its meeting held October 1, 2008, considered Report PW05075(d) - Accessible Transportation Services Review. The report recommended that Council adopt an "all-external" governance model for the delivery of specialized transit services in which DARTS would be awarded a sole-source contract. The report recommendations were defeated.

Further, at its meeting held October 1, 2008, Council endorsed the direction as set out by Committee of the Whole requesting that Staff report back with further cost analysis and legal implications regarding the "all internal" governance model (Option D). The predecessor report PW05075(c) submitted by the Accessible Transportation Services Sub-committee of Council recommended an "in-house" governance model. The report was tabled and is attached hereto as Appendix "B".

**ANALYSIS/RATIONALE:**

The operating model recommended within this Report would assign the operational function of dedicated specialized transit service scheduling to DARTS. Over the last four years, DARTS has significantly changed its operational model for service delivery, particularly with regard to the dispatch function, to the point where it has claimed that it can and does perform “scheduling” on a daily basis. Recommendation (b) leverages this reported capability and capacity while providing significantly improved lines of accountability, which has been the primary point of consideration in all previous discussion on the governance and operating issues.

Further, the operating model would confirm and maintain DARTS role as the provider of dedicated specialized transit services to the City. This will allow DARTS full determination over the appropriate means for delivering those services, thus strengthening its autonomy and authority for its required business and operating strategies. This determination includes appropriate subcontracting of services and/or changes to its internal resources that will constitute the optimal configuration for delivery of services.

Under the operating model, ATS will continue to perform the trip reservation function, which maintains its role in determining the assignment of passengers to services. This role will become more significant as service expansion is undertaken to meet the expected effects of changes to service eligibility and the anticipated requirements of the Accessibility for Ontarians with Disabilities Act (AODA). It is expected that there will be a need for greater use of non-dedicated specialized resources such as on-demand services and community service partnerships, which are most appropriately determined by the City within the context of longer term and broader scope strategies.

The recommendation to develop a program re-branding strategy and to report further to Council arises from the 2006 recommendation of the ATS Review Steering Committee, chaired by Councillor Whitehead, which confirmed the need for greater recognition within the community of the role of the City in provision of the program, and the roles of DARTS and VETS in providing services to the City.

There are short and long term related issues that Council should be aware of in consideration of next steps:

- Staff is currently finalizing a report to Council which recommends the relocation of DARTS to the Wentworth Street maintenance facility in 2009 as the primary recommendation arising out of a full Public Works Yards Rationalization Study. This initiative is in recognition of the Mountain Transit Centre operating in excess of the facility design capacity.
- Further in addition to the projected cost of an “all-internal” governance model, preliminary analysis from work being carried out on the implementation of the changes to the ATS Eligibility Policy and compliance with the proposed standards under the *Accessibility for Ontarians with Disabilities Act (AODA)*, indicates that a substantial increase in service level requirements may be expected between 2010

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(e)) (City Wide) - Page 5 of 6**

and 2012. The specific operating and capital requirements have yet to be fully determined, but staff anticipates reporting back to Council during 2009.

Report PW05075(c) dated April 7, 2008 contained a series of recommendations related to an “all-internal” service delivery model, attached as Appendix “B” to this report. Should Council direct staff to pursue an “all-internal” service delivery model, staff recommends that Council refer to those recommendations as a means of providing further direction.

**ALTERNATIVES FOR CONSIDERATION:**

Staff view a decision on an “all external” service delivery model in which the service is provided through a sole-source contract to DARTS, previously described as Option “A” in Report(s) PW05075 (c) and (d); or an “in-house” service delivery model, previously described as Option “D” in Report(s) PW05075 (c) and (d); as preferable to “status-quo” without the changes recommended in this Report.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial

The recommended approach should be cost neutral to the ATS program in 2009, and should result in measurable reduced future costs if DARTS delivers on its assertions of improved performance through accountability for scheduling.

Legal

Direction from Council with respect to the Recommendations or other identified options will result in necessary negotiation of contractual agreements with affected parties, which may have legal implications for the City.

Staffing

Potential collective agreement implications are set forth in Appendix A (to be discussed In Camera) to this Report.

**POLICIES AFFECTING PROPOSAL:**

Council direction on a future governance model for the delivery of Specialized Transit Services for the City of Hamilton.

**RELEVANT CONSULTATION:**

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(e)) (City Wide) - Page 6 of 6**

Staff from the City Manager's office, Corporate and Public Works Finance, Human Resources, Legal Services and Transit have contributed to this report.

**CITY STRATEGIC COMMITMENT:**

An "all internal" delivery of specialized transit services is contrary to the City of Hamilton Strategic Plan in that it will have the impact of increasing the tax rate. (2.1).

Public transit is enhanced through the provision of a fully integrated public transit program with a single line of accountability. (4.2.5).

Access to public transit is enhanced through a single integrated public transit program. (4.9.9).

By evaluating the "**Triple Bottom Line**", (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.**  Yes  No

An integrated public transit service reporting directly to Council.

**Environmental Well-Being is enhanced.**  Yes  No

Not applicable.

**Economic Well-Being is enhanced.**  Yes  No

The recommended approach should be cost neutral to the ATS program in 2009, and should result in measurable reduced future costs.

**Does the option you are recommending create value across all three bottom lines?**

Yes  No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**

Yes  No

**CITY WIDE  
IMPLICATIONS**

**CITY OF HAMILTON**

**ATS SUB-COMMITTEE**

<b>Report to:</b> Mayor and Members City Council	<b>Submitted by:</b> Terry Whitehead, Chair ATS Sub-committee
<b>Date:</b> April 7, 2008	<b>Prepared by:</b> Connie Wheeler, ext. 5779 Don Hull, ext. 1860 Paul Thompson, ext 1862

**SUBJECT: Accessible Transportation Services (ATS) Review – (PW05075c) -  
(City Wide)**

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**RECOMMENDATION:**

- (a) That Option D – City Delivery Model as set out in the Accessible Transit Service: A Review of Governance Model Options Final Report attached hereto as Appendix A, be recommended as the preferred option for the delivery of Accessible Transportation Services.
- (b) That the additional funds as set out in report (PW05075c) be approved and included in the 2009 budget.
- (c) That the information requested by the ATS Review Sub-Committee of Council, as set out in the In-Camera item - Appendix B, be received.

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Terry Whitehead  
Chair, ATS Sub-Committee  
Councillor, Ward 8

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SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**EXECUTIVE SUMMARY:**

City Council, at its meeting held on Wednesday, March 28 2007, re-established an Accessible Transportation Services (ATS) Review Sub-committee which had been dissolved in the course of the Municipal elections. Members include: Councillor Whitehead (Chair), Councillor Clark, Councillor Collins, Councillor Merulla and Councillor Morelli; and Connie Wheeler from the Office of the City Manager acts in the capacity of Staff lead.

At the Sub-committee meeting dated May 8, 2007, a motion as set out below was moved, and PSTG Consulting was retained. Domenic Belmonte of PSTG Consulting lead a working group consisting of staff from the Transit Division namely Don Hull, Paul Thompson, Charles Fitzsimmons and George Brovac, Mark Mindorf of DARTS and Ron Vankleef of VETS. Connie Wheeler also participated as the Staff lead.

*“That Staff be directed to bring a report back to the ATS Sub-committee regarding options looking at various governance models for ATS. The options should include but are not limited to information regarding accountability, good service, value for dollar and a SWOT analysis; and that the Working Group consisting of representatives from the City of Hamilton, DARTS and VETS be consulted on the options for the Governance Model.”*

At their January 9, 2008 meeting, the Accessible Transportation Services (ATS) Review Sub-committee of Council, received the report of PSTG Consulting respecting Governance Model Options for the City’s ATS program. The consultant recommended Option C which was a hybrid model similar (but not the same) as the existing model, however the sub-committee did not concur with the consultants recommendations and ratified the following two motions:

*“That Option D – City Delivery Model as set out in the Accessible Transit Service: A Review of Governance Model Options Final Report, be recommended as the preferred option for the delivery of Accessible Transportation Services and that the report be forwarded to the Public Works Standing Committee.*

*”That, in conjunction with the above recommendation, Staff is directed to provide the following information: cost analysis of moving the service in-house, provide a legal opinion re Human Resource issues, what would the structure look like, how would moving the service in-house occur, how would bringing the service in-house affect the overall service delivery, identify funding source(s), etc.”*

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SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

In keeping with the Motion, Staff has followed the direction and will discuss the findings through this report and/or via Appendix B.

**BACKGROUND:**

Accessible Transportation Services provides mobility to people of Hamilton who have disabilities. It comprises three programs:

- Specialized transit (410,000 passenger trips annually) delivered by DARTS, a registered charity, and by Veterans Transportation (VETS), a private sector firm.
- Subsidized taxi (Taxi Scrip), (190,000 passenger trips annually), administered by ATS, and delivered by all licensed taxi operators in Hamilton, with the exception of one small firm.
- Accessible HSR buses (60,000 passenger trips annually); fare is voluntary for people with physical disabilities, as an incentive to encourage them to use this low-cost service.

The 2008 net operating budget of ATS is \$11.4 million.

The specialized transit program divides responsibilities as follows:

- DARTS provides drivers, dispatching, fare and revenue management, maintenance and management of the VETS subcontract.
- ATS manages eligibility and client registration, and, since 2004, reservations, scheduling and customer services.

The City assumed responsibility for reservations, scheduling and customer service in 2004 due to concerns with DARTS' performance (declining productivity, high level of community, user and political complaints).

Report (PW05075c) is preceded by:

- Report (PW05075b) Accessible Transit Services (ATS) Review, July 17 2007
- Report (PW05075a) Accessible Transit Services (ATS) Review; dated June 15 2006;
- Report (PW05075) – Consideration of an Operational Review, dated June 10 2005;

**ANALYSIS/RATIONALE:**

The Accessible Transportation Services program and its relationship with DARTS has been under review for the past 2 years inclusively and prior to that other reviews were conducted.

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

It is necessary to make a decision regarding the future of ATS for the City of Hamilton as the current contract expires with DARTS in June 2008 (although it has been extended for a period up to one year). Further and more importantly the City needs to commit to a viable ATS program and this can only be achieved if there is agreement regarding the governance structure.

### **Industry Governance Models**

Staff carried out an analysis of the high level organizational structure for specialized transit service across Canada (see Figure 1). The analysis indicates that of the 20 specialized transit operations surveyed, just over half are operated entirely in-house, and other than Quebec, where the entire operation of service is carried out by an NPO, all properties other than Hamilton have bundled reservations, scheduling and dispatch functions provided by the municipality.

### **FIGURE 1 – INDUSTRY GOVERNANCE MODELS**

**SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)**

<b>Municipality</b>	<b>2006 Total Pop.</b>	<b>2006 Annual Trips</b>	<b>Trips / Capita</b>	<b>Reservationists</b>	<b>Schedulers</b>	<b>Dispatchers</b>	<b>Operators</b>	<b>Inspectors / Supervisors</b>	<b>Maintenance</b>	<b>Administrative</b>
City of Toronto (Wheel-Trans)	2,500,000	1,992,040	0.8	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Vancouver (HandyDART Service)	2,116,581	1,364,534	0.6	PFP	PFP	PFP	PFP	PFP	PFP	CITY
City of Montreal (STM Transport Adapte)	1,812,723	1,940,603	1.1	CITY	CITY	CITY	CITY	CITY	CITY	CITY
Regional Municipality of Peel (Transhelp)	1,204,470	238,113	0.2	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Calgary (Handi Bus Association)	1,000,000	1,175,037	1.2	CITY	CITY	CITY	NPO	CITY	CITY	CITY
York Region (York Mobility Plus)	950,674	283,887	0.3	CITY	CITY	CITY	PFP	CITY	CITY	CITY
City of Ottawa (Para Transpo)	770,100	774,408	1.0	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Edmonton (DATS Disabled Adult Transit Service)	730,372	836,383	1.1	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Winnipeg (Handi Transit)	612,200	590,837	1.0	CITY	CITY	CITY	PFP	CITY	CITY	CITY
City of Quebec (Transport Adapte Du Quebec Metro Inc.)	507,985	458,432	0.9	NPO	NPO	NPO	NPO	NPO	NPO	NPO
<b>City of Hamilton (Accessible Transportation Services)</b>	<b>504,559</b>	<b>656,715</b>	<b>1.3</b>	<b>CITY</b>	<b>CITY / NPO</b>	<b>NPO</b>	<b>NPO</b>	<b>NPO</b>	<b>NPO</b>	<b>CITY / NPO</b>
City of Halifax (Access-A-Bus)	372,858	168,271	0.5	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of London (London Transit Specialized)	351,800	188,631	0.5	CITY	CITY	CITY	PFP	CITY	CITY	CITY
City of Victoria (Farwest handyDART Service)	343,676	352,823	1.0	PFP	PFP	PFP	PFP	PFP	PFP	CITY
City of Kitchener-Waterloo (GRT Mobility Plus - North)	327,400	159,044	0.5	CITY	CITY	CITY	CITY	CITY	PFP	CITY
City of Saskatoon (Access Transit Service)	207,200	100,785	0.5	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Regina (Regina Paratransit Service)	190,100	192,601	1.0	CITY	CITY	CITY	CITY	CITY	CITY	CITY
Town of Oakville (Care-A-Van)	165,613	32,394	0.2	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Burlington (Transit Handi-Van)	159,761	40,886	0.3	CITY	CITY	CITY	CITY	CITY	CITY	CITY
City of Lethbridge (Access-A-Ride)	78,713	n/a	n/a	CITY	CITY	CITY	CITY	CITY	CITY	CITY

NPO - Non-profit organization, PFP - Private for profit

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**Service Delivery - How would moving the service in-house occur?**

The integration of the service into the City model would occur over a period of 12 months upon direction from Council, and would require the following key activities:

- Notice of intent to DARTS; negotiation on process for transfer of accountabilities;
- Notice to affected Unions and staff; negotiation with ATU on collective agreement integration and/or harmonization;
- Notice of intent to VETS by DARTS;
- Establish and implement procurement for sub-contracted service delivery i.e. that currently performed by VETS;
- Implementation of interim reporting relationships between DARTS and the City;
- Changes in physical accommodation and infrastructure;
- Service branding and stakeholder communications.

**Transition - How would bringing the service in-house affect the overall service delivery?**

An in-house delivery of service would have several beneficial aspects which cannot be realized under the existing model:

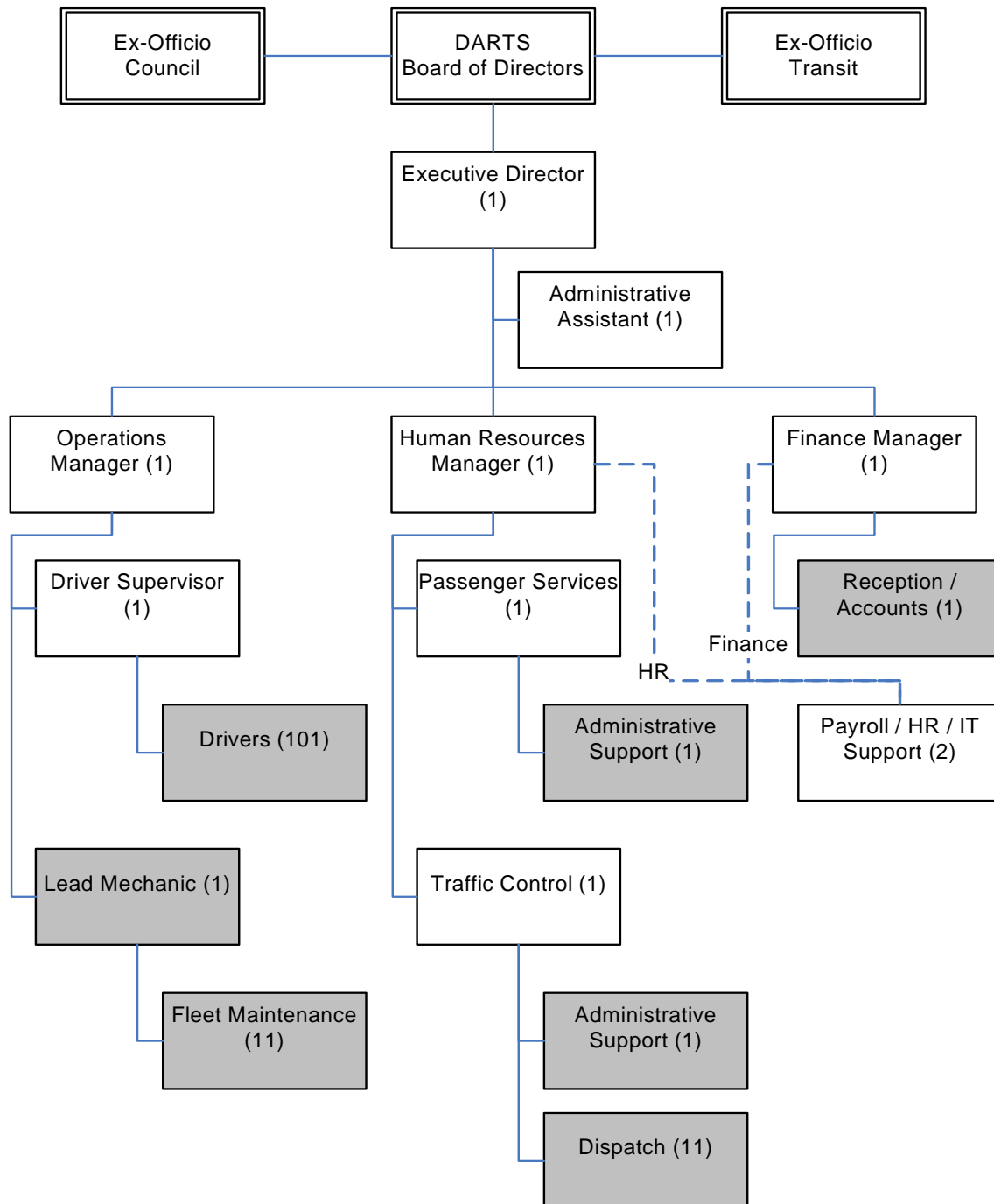
- Single organization with a single source of accountability to Council;
- One point of contact for passengers, with clear and coordinated lines of communication;
- Clarity of organizational mission, vision and values;
- Improved planning, scheduling, and service delivery coordination;
- Improved technical and management resources re vehicle maintenance;
- Improved opportunities for cost control and cost mitigation.

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**Current Structures – What do we look like today.**

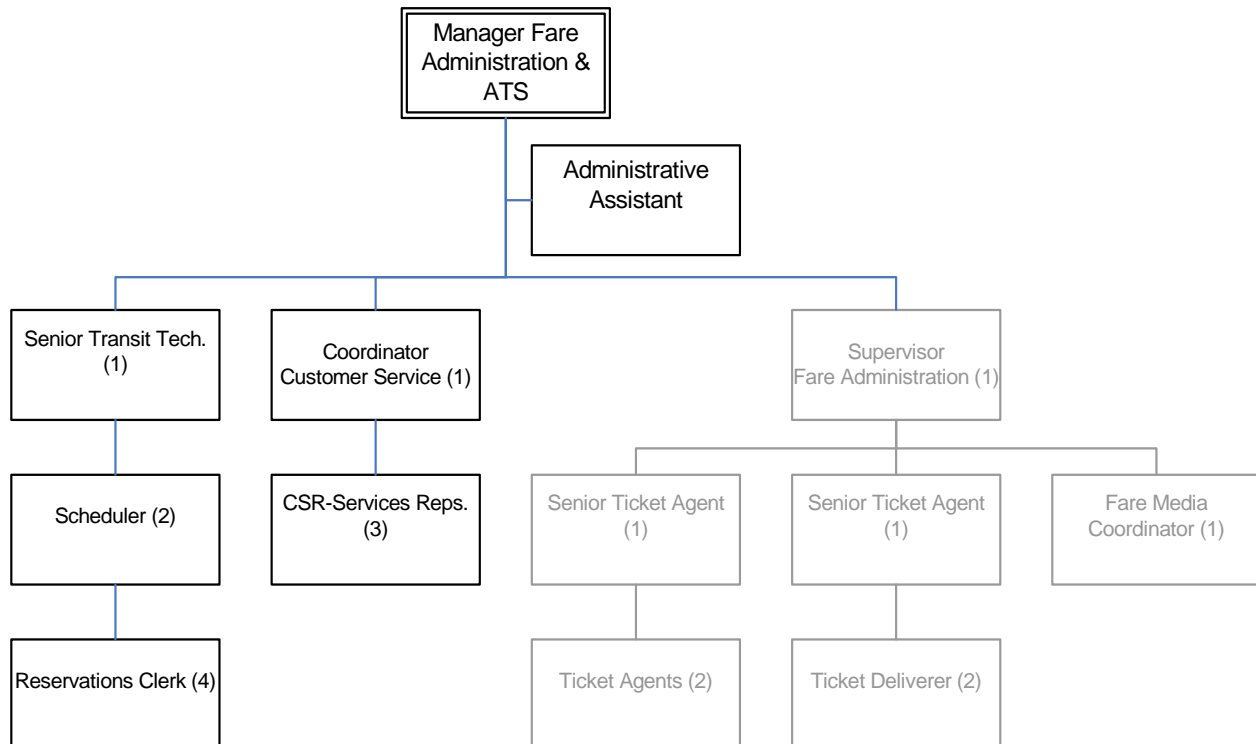
DARTS currently has a funded complement of one hundred and twenty-six (126) unionized and eleven (11) non-union staff for a total of one hundred and thirty-seven (137) FTE. The current organizational structure for DARTS, as reported at March 2008, is depicted below:

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)



SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

ATS has a funded complement of ten (10) unionized and three (3) non-union staff for a total of thirteen (13) FTE. The current organizational structure for DARTS is depicted below.



SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

### Cost Analysis

The cost analysis was performed based on high level assumptions including:

- 2008 budget and approved service levels for HSR and DARTS;
- recommended organizational structure; and
- anticipated results, over time, of either negotiated wage harmonization or job evaluation.

The ongoing operating budget implications, that may be forecasted to occur over time, are estimated to be in the order of \$800,000, excluding OMERS contributions as the HSR pension plan is on an ongoing pension contribution holiday. Including an estimate for the possibility of future City OMERS contribution would raise the ongoing operating budget requirement by approximately \$400,000 to \$1,200,000.

<b>Expenditures</b>	<b>Current DARTS</b>	<b>Expected City</b>	<b>Change</b>
Compensation	\$6,603,000	\$7,554,000	\$951,000
Service Related	\$3,413,000	\$3,397,000	(\$16,000)
Overhead	\$454,000	\$294,000	(\$160,000)
Revenues	(\$1,435,000)	(\$1,420,000)	\$15,000
<b>Total</b>	<b>\$9,035,000</b>	<b>\$9,825,000</b>	<b>\$790,000</b>
OMERS Contribution *	\$0	\$410,000	<b>\$410,000</b>
	<b>\$9,035,000</b>	<b>\$10,235,000</b>	<b>\$1,200,000</b>

\* As a private not-for-profit agency rather than a municipal entity, DARTS does not enrol its employees in the OMERS pension plan, but rather, employees contribute up to 5.5% of their earnings to RRSP, with a matching 5.5% contribution by the employer (DARTS).

The projected operating cost increase does not include one time integration costs of \$435,000 that include:

Employee Orientation and Training	\$125,000
Vehicle Maintenance	\$40,000
Branding and Communications	\$150,000
Telephone and Office Modification	\$120,000
<b>Total</b>	<b>\$435,000</b>

The cost analysis performed for this Report makes a number of assumptions to come up with a conservative estimate of cost change. These include:

- an assumption that wages will be fully integrated into the ATU 107 structure either through negotiation or existing job evaluation protocols;
- an assumption that benefits will be fully integrated in a short period of time through a negotiation process, as DARTS has several benefit areas which are incompatible with City practices;

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

- an assumption that no short term changes to work rules will be made which will have either positive or negative effects on effectiveness and cost of the service;
- an assumption that current unionized staffing levels will need to be maintained until an evaluation of work practices can be done through a comprehensive Operational Review.

Based on these assumptions, which largely are aligned with a “worst case” model, an increase in net operating will be experienced.

The cost increase in compensation is due to:

- wage and salary differential between DARTS and the City, estimated at about \$1,200K
- IPP availability for full-time drivers, as available under the ATU collective agreement, estimated at about \$100K;
- reduction of about (\$50K) in driver training allocation to align with Transit standards; and
- reduction in benefit costs primarily due to a reduction of about (\$300K) in employer pension contributions and external contracted benefit support.

The compensation changes noted above do not include consideration of unionized staff being included in OMERS, which presents a further compensation pressure of \$410K.

The financial impact identified should be viewed as a coarse measure of cost change, as a negotiation and agreement with ATU 107 is required to develop a more refined cost associated with the key areas of wages, benefits, and working conditions (which may directly affect cost).

The noted \$800K cost change would result in an additional 2.0% on the required 2008 levy for the Transit program.

Staff was directed to identify possible funding sources to accommodate this transition.

While no funding source for the ongoing operating costs is readily identifiable, the “one-time” costs of transition can be accommodated from reserves.

### **Potential funding strategies for the ongoing operating budget**

- A phase-in strategy to increase the operating budget base over a period of years by drawing declining amounts from available reserves year-over-year over a set period of time and/or;

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

- Direction to Staff to proceed with the transfer effective January 1 2009 and include the cost of transfer in the 2009 Transit budget as a cost pressure, recognizing it would add an estimated 2.0 – 3.0 % to the Transit budget in 2009.

### **Operator Wage Comparison**

Staff also carried out a survey of the historical experience of bringing the specialized transit service in-house, and the resulting wage levels of drivers of fixed route transit buses and specialized transit buses across Canada (see Figure 2). This has been done in Toronto (1988), Grand River (2004), Regina (2003), Lethbridge (2007), Saskatoon (2004) and Ottawa (2008). The analysis indicates that under assimilation of service that had been contracted to not-for-profit or private for-profit organizations:

- where the specialized transit service has been assimilated into the City or Transit property structure, the wage rates have been set through a process of negotiation rather than formal job evaluation processes; and
- in most cases, the drivers of the specialized transit service remain a separate and distinct functional group from the fixed route service drivers for purposes of signing work and vacation.

It was also observed that the wage for specialized transit drivers is equal to or less than that of fixed route transit drivers all but two significant municipalities across Canada. In the case of York Region, the fixed route transit operation is contracted out to a private for profit operator, and the specialized service is carried out in house, with a resulting lesser wage being paid by the contractor to its employees. In the case of Oakville, this is a collective agreement timing issue that is expected to be resolved through collective bargaining, with an expected result of wage harmonization.

Staff was unable to identify any examples of specialized transit operations being transitioned from in-house or hybrid to all external.

SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**FIGURE 2 – OPERATOR WAGE COMPARISON**

Municipality (Greater than 400,000 population)

Municipality	Transit Service	Governance	Union Affiliations	Operator Rate	Notes
City of Hamilton (Accessible Transportation Services)	Fixed Specialized	Internal Internal & NPO	ATU 107 CUPE Local 5167	\$23.69 \$18.76	
City of Calgary (Handi Bus Association)	Fixed Specialized	Internal Internal & NPO	ATU Local 583 not reported	\$24.57 \$20.62 (2007)	
City of Edmonton (DATS Disabled Adult Transit Service)	Fixed Specialized	Internal Internal	ATU Local 569 ATU Local 569	\$24.48 \$19.92	
City of Montreal QC (STM Transport Adapte)	Fixed Specialized	Internal External	SCFP 1983 CUPE Local 1983	\$23.65 \$23.48	
Regional Municipality of Peel (Peel Transhelp)	Specialized	Internal	CUPE Local 966	\$23.27	
City of Brampton	Fixed	Internal	ATU 1573	\$24.46	
CITY of Mississauga	Fixed	Internal	ATU 1572	\$25.61	
City of Quebec (Transport Adapte Du Quebec Metro Inc.)	Fixed Specialized	Internal External - NPO	CSN Metallos Local 7708	\$23.21 \$21.66	
City of Vancouver (Handy Dart Service)	Fixed Specialized	Internal External	CAW 111 ATU, CAW	\$25.94 \$19.27	
York Region (York Mobility Plus)	Fixed Specialized	External Internal	ATU CUPE Local 905	\$20.02 not reported	2006 Operator rate not reported; 2005 rates were \$22.10 specialized, \$19.30 fixed route
City of Ottawa (Para Transpo)	Fixed Specialized	Internal External	ATU Local 279 ATU Local 279	\$23.53 \$21.02	specialized service brought in-house in 2007 through RFP process - wage rate to be negotiated after expiry of current CA
City of Toronto (Wheel-Trans)	Fixed Specialized	Internal Internal	ATU Local 113 ATU Local 113	\$25.74 \$25.74	
Durham Region Durham Regional Transit	Fixed Specialized	Internal Internal	CAW Local 222 CAW Local 222	\$24.71 \$24.71	2006 amalgamated NPO; member vote to go to CAW resulted in negotiated wage

Municipality (Less than 400,000 population)

City of Kitchener-Waterloo (GRT Mobility Plus - North)	Fixed Specialized	Internal Internal	CAW Local 4304 CAW Local 4304	\$22.10 \$22.10	specialized in-house under regional amalgamation; wage rate negotiated after expiry of existing CA
City of Halifax Metro Transit - Access-A-Bus	Fixed Specialized	Internal External	ATU Local 508 ATU Local 508	\$20.03 \$17.53	
Town of Oakville (Care-A-Van)	Fixed Specialized	Internal Internal	CAW Local 1256 CAW Local 1256	\$20.99 \$21.98	separate CA resulted in specialized at higher rate; no JE; parity expected in next CA negotiation
Town of Sudbury (Sudbury Handi Transit)	Fixed Specialized	Internal External	CUPE 4705 CUPE 4705	\$22.00 \$16.00	
City of Burlington (Transit Handi-Van)	Fixed Specialized	Internal Internal	CUPE Local 2723 CUPE Local 2723	\$21.04 \$21.04	CA negotiation resulted in parity, with same operator pool across both services, can sign either type of work by seniority
City of Windsor (Handi Transit)	Fixed Specialized	Internal External - NPO	ATU 616 Teamsters Local 880	\$22.15 \$17.60	
City of Saskatoon (Access Transit)	Fixed Specialized	Internal Internal	ATU 615 ATU 615	\$19.98 \$16.80	
City of London (London Transit Specialized)	Fixed Specialized	Internal External	ATU 741 not reported	\$21.75 not reported	
City of Regina (Regina Paratransit Service)	Fixed Specialized	Internal Internal	ATU 588 ATU 588	\$19.75 not reported	
City of Winnipeg (Winnipeg Handi Transit)	Fixed Specialized	Internal External	ATU 1505 not reported	\$21.58 not reported	
City of Victoria (Victoria Regional Handy Transit)	Fixed Specialized	Internal External	CUPE Local 333 CUPE Local 333	\$24.12 not reported	

LEGEND
Conventional paid higher than Specialized
Specialized paid higher than Conventional
Conventional and Specialized paid at same rate
Information unavailable

**ALTERNATIVES FOR CONSIDERATION:**

N/A

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SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:**

Should the services for accessible transit be brought in-house there would be a one-time cost of \$435,000, and an increase of \$800,000 in the ATS annual operating costs (not including the OMERS contribution of approximately \$400,000).

A third party audit has been undertaken by Deloitte. (Preliminary report to be distributed under separate cover.)

**Staffing Implications:**

There would be staffing implications in that DARTS staff would become employees of the City of Hamilton. Further negotiations regarding how this would occur would be necessary with the appropriate Unions, at such time as Staff have been given the direction to enter into negotiations with the respective stakeholders.

Also, there would be staffing implications within Corporate Services Department (Information Technology, Legal Services, Finance & Administration Divisions) and Human Resources, as staff will need to be involved in the integration activities. Also, there would need to be significant realignment of Business Plan priorities and activities within the Transit Division during the implementation period.

**POLICIES AFFECTING PROPOSAL:**

There are no City policies affecting the proposal.

**RELEVANT CONSULTATION:**

Consultation has occurred between staff in Corporate Finance & Administration, Corporate Legal Services and Human Resources Labour Relations; Public Works Transit and Finance & Administration; and the Office of the City Manager.

The results of consultation, directed by the ATS Review Sub-Committee and carried out by PSTG Consulting, with stakeholders from DARTS, Veterans Transportation, and the City, were also considered and used in the development of this report.

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SUBJECT: Accessible Transportation Services (ATS) Review - Request for Additional Information (City Wide) (PW05075(c)) (City Wide)

**CITY STRATEGIC COMMITMENT:**

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.**             Yes    No

Information report only.

**Environmental Well-Being is enhanced.**     Yes    No

Information report only.

**Economic Well-Being is enhanced.**         Yes    No

Information report only.

**Does the option you are recommending create value across all three bottom lines?**

Yes    No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**

Yes    No

## **Performance Metrics for Inclusion in Agreement under Report PW05075(e) Recommendations**

There are a number of performance metrics which will require inclusion in any performance based Agreement for Services with DARTS. These will necessarily include metrics that have been established within the City of Hamilton under terms of its 2004 settlement with the Ontario Human Rights Commission and complainants under the Code.

Performance metrics to be observed will include, but may not be limited to:

- a contracted number of annual trips to be delivered by DARTS in consideration of such annual budget for the service as may be directed by Council;
- a contracted price per trip, which may be refined to include a price per “wheelchair” trip and a price per “ambulatory” trip;
- a contracted minimum daily service duration to be delivered by DARTS;
- a defined level of system reliability, measured as the Rate of On-time Performance, to be achieved by DARTS;
- a defined level of system trip accommodation, measured as the Rate of Trips Denied, to be achieved by DARTS; and
- a defined level of customer service performance, measured as Complaints per ‘000 Trips, to be achieved by DARTS.

Additionally, there will be a number of required metrics to address quality of service to passengers, which may include measures such as passenger on board time; maximum ride time per passenger trip; and ratio of ride time to distance per passenger trip.