

**EDMONTON TRANSIT SYSTEM ADVISORY BOARD**  
**MEETING #10, OCTOBER 28, 2013**  
**HERITAGE ROOM, CITY HALL**

**PRESENT:** Christopher Dulaba (partial), Bruce Robertson, Amy Mannix, John Hayes (partial), John Vandenberg (partial), Leanne Landry, Vaughan Hoy, Anand Pye, Shannah Sutherland, Stu Litwinowich (ATU 569)

**REGRETS:** Cristina Stasia, Gordon Smith, Izak Roux

**ETS AND CITY STAFF:** Lorna Rosen (Chief Executive Financial Officer), Rhonda Toohey (Director, Transportation Planning), Ken Koropeski (Director, Edmonton Transit), Troy Shewchuk (Strategic Planning Officer), Vicki Luxton (Recording Secretary)

**1. CALL TO ORDER**

- V. Hoy called the meeting to order at 5:30 pm.

**2. THE WAY WE FINANCE – USER FEES PRESENTATION (LORNA ROSEN)**

- Context:
  - The Way We Finance (TWWF) is still considered to be under development.
  - TWWF is about a framework of policy and strategy and given how big municipal finance is, it really means TWWF will be broad and complex.
  - In terms of the schedule, we are hopeful to get the TWWF approved by the end of the first quarter of 2014 or the end of March.
  - TWWF has three major components:
    1. A policy strategy framework that will contain Council approved policies and strategies that relate to City finances.
    2. A Financial Governance Section that describes the governance approach and processes utilized to make financial decisions based on those Council approved strategies.
    3. A Financial Model. The key for long term financial stability is purposeful financial governance and a comprehensive financial framework. I don't want you to think that we do not already have financial policy, we do but there is a need to update in some areas and there is also a need to provide what I am going to call over arching direction which will be talked about with the user fee paper. There is also a need for specific strategy development in some of the areas.
  - What the plan will not be is it will not be a budget, it will not be a typical sustainability plan and it will not be a funding plan for each one of The Ways Plans.
  - TWWF will serve as a framework for financial decision making and the financial model which is a very neat tool that actually is an application we have been developing in financial services over the last two years and we are actually taking it to a different platform. What it does is it incorporates input from all of the different kinds of systems in the City that have financial implications and allows us to do "what if scenarios". So it

will work for “what if scenarios” with respect to transit investments, for example, but it will also work for “what if scenarios” with respect to land use and growth and all of those other pieces. What will come out of that – a long range financial plan. What we then hope the long range financial plan will inform the budget processes. We will take a longer lookout and say okay depending on what direction or what levers we pull this is where we will get to and you should know that when you are making financial decisions.

- In terms of strategy and policy development we are using the White Papers as an entry to develop those policies and strategy statements.
- We have created quite a few workshops with internal stakeholders throughout the corporation and we have discussed issues around those White Papers. The White Papers will serve to describe issues and/or options for potential policy and strategy development that Council will then approve. What should arise out of those White Papers is things we can then take forward to Council within the plan and say okay this is how we got these ideas out there, this is the discussion we had, this is what rose to the top in terms of our thinking. This is what the public thought about it and so this is the policy that we are recommending for you.
- TWWF White Papers – there are eleven of them and some of them are tougher than others in terms of which are the toughest ones is User Fees, Property Assessment and Taxation, Infrastructure Asset Management and Development is way up there as well as City Building Through a Fiscal Lens. The other ones are fairly typical financial topics but those ones are pretty big. Each White Paper is going to have some historical and legislative context, some literature and best practice thinking, the City context in terms of what our best practices are, options for policy direction, data analysis where it is available and where it is relevant and results from both internal/external stakeholder images.
- User Fees:
  - User fees rarely cover the full cost of running a municipal service with the exception of the utilities for the CoE are fully funded through the rates and program revenues. And the types of services that the City provides that are not optional for the consumer – building permits and things of that nature. We are running on a full cost recovery model and those could be considered to be user fees but they are different than transit or recreation user fees in that if you want to build a house you don’t have a choice about whether or not you buy a permit.
  - The delivery of some services to the public where there is an identifiable benefit to an individual such as transit or recreation services would likely not be possible without a subsidy from the tax base. Do municipality subsidized services that provide an individual benefit when those services also meet a greater public good.
  - If we look at recreation centres about ten or twelve years ago there was some controversy when municipal recreation centres started to get into the business of fitness. Because that is a service that is actually ably delivered by the private sector. The reason we got into fitness because it actually helps us offset the costs of services that are not ably provided by the private sector. One can really see that if you go to a recreation centre and you buy a

municipal membership that there is a individual benefit. But our recreation centres don't pay for themselves because they include more than fitness centres. They provide hockey rinks, soccer fields and swimming pools, biggest money loser. That is why the only other place you typically see swimming pools is in hotels because they use pools as a draw.

- Defining what public good is challenging. We can see that transit has a public good component but what is the public good piece worth versus what the individual benefit piece worth. That is where the big subsidization piece comes in. Right now subsidization is \$188 million in the 2014 budget for transit, which is about 55% in total. It is meant more to give you an idea of the order of magnitude and why this conversation is important. What kinds of things do we think about with public good and what is that worth?
- Factors that contribute to public good could include things like healthy citizens, access to a variety of social programs and services and access to employment. Transit certainly configures into access to employment, access to recreation opportunities, ease of transportation throughout the City, access to affordable goods, services, nutrition, education and housing. Not all of these are our responsibility but it gives you an idea of what is in the interest of the public good. For transit, in particular, it is not only about managing our transportation system better and helping to manage traffic congestion it is also about we are on the cusp of being a medium sized city trying to move to a big city, we are a good city trying to move to a great city and all great cities have good transit systems.
- It is not the intent of this White Paper to be an economic paper by maximizing the efficiency of allocating resources by pricing municipal services according to a marginal cost. Because it does not work. In a public setting where you are a monopoly provider of an essential service talking about marginal cost does not work. In particular, when you talk about marginal cost for other goods while capital may not be included exclusively in the cost of those goods it is included in terms of they do a better job of actually depreciating assets and putting those costs into their cost of good sold. However, there is an efficiency component as there is a fairness component and accountability component so user fees should certainly be considered to be fair. They should promote the most efficient use of City's resources as possible and there should be an accountability in the way those decisions are made. So currently both transit and recreation services and these are the two features that we have highlighted in this User Fee paper because those are the biggest revenue generators and revenue tax users.
- Currently both transit and recreation services have discounts for user fees based on age, affiliation and ability to pay. Through affiliation, what is meant by is we have a whole different funding scheme for post-secondary in terms of the U-pass and that is based on an affiliation with an institution and ability to pay. We do provide transportation for AISH recipients so there is an ability to pay component as well. For recreation it is the same thing. Distribution based on age, affiliation minor sports get a different kind of approach as to ability to pay. We have a leisure access program which allows people under a LICO threshold, low income cut off threshold, use City facilities for free and a certain amount of programming for free. That accounts for 22% of our use of City facilities. That is almost a way to say

there is a public good component that is demonstrated by the fact that if you remove the cost piece people will use a facility. We do not have a fare structure on either side that looks at it from an efficiency perspective. Transit fare structure and the recreation user fees are not designed to promote efficient use of the infrastructure and services at this time. Fairness is a more intangible characteristic and in a political decision making environment probably relies on public opinion to an extent to determine what constitutes fair.

- Accountability to the public occurs when fees are set in an open and transparent manner that is understandable to the public and when the results of operations including financial results are reported to the public. So when they understand the basis of what they are being charged. So neither the User Fee White Paper nor TWWF are going to recommend a transit fare structure or a recreation user fee schedule. An overarching policy that speaks to Council's beliefs and expectations setting user fees would be a desired outcome. Based on the work that we have done to date what we hope the overarching policy that will be adopted by Council would be one that actually could be so bold as to say eliminates arbitrary distinction based on age and has more meaningful ways of looking at setting fees that do take into consideration to some degree at least the efficiency of resource. When people look at it they say that seems fair. That is a tough one because some people might say the current transit fee fare for adults based on time as it is is fair because everybody pays the same fare for the same amount of time. Others could look and say yes, but I just want to go four blocks and you want to go forty blocks. So it is really not fair because you are using more of that system resource than I am. This is one of the big conversations we are going to have in this User Fee Paper because we have never had a conversation with the public about what promotes efficiency in the use of resources and what constitutes fairness. That fairness is going to be tough.
- What we really hope is that we can come out with a over arching policy that will give the same direction to Edmonton Transit in determining a fare structure that it will give to recreation facilities in setting a user fee schedule. There should be the same principals adopted at this level that then help to inform the decisions that get made through the transit review and/or the current review that is under way in recreation user fees.
- A public engagement plan has been developed with the help of the Office of Engagement at the City and we have designed a process to help build public awareness which is the first step these White Papers. We will be putting the White Papers out broadly in January, 2014. We will be targeting participant groups. We will be having some forums and whether or not there is going to be a forum on user fees specifically, we have not decided this yet. There will very likely be a forum on property tax and there will be a forum on big City issues. Where a forum really helps is not just in the airing of different views but when there are actual different options or approaches that can be aired fully in a public way and where there is choice. So there may not be a forum on User Fees.
- We are going web based and will be blogging in January and February, 2014. On the web site, we will have the user fee paper out and will have all of the papers out and there will be some key questions that we will ask at

the end of the papers and we will ask people to respond to those questions. What we will be trying to do is to collect some data on some specific questions. Around user fees one of those questions might be if you read and understand the paper would you think that the ‘current basis for setting user fees in the CoE is fair?’ So we get an idea on how many people think the status quo is fair. Right now, we are just interested in the bigger question to gauge whether there is an appetite for change at all because that is what Council is going to be interested in. The major culminating public piece will be a Non-Statutory Public Hearing in March, 2014.

- Council Engagement – Approach
  - ❖ Circulate White Papers (January 2014)
  - ❖ Present draft The Way We Finance Plan (March 2014)
  - ❖ Non-Statutory Public Hearing (March 2014)
  - ❖ Plan approval (March 2014)
- We are not allowed deficit budgets so the CoE has well-managed and sustainable assets. Where your deficit shows up over time is in your infrastructure. We have had a really big push on the last few years to try and address our infrastructure debt.
- Questions/Comments:
  - *(AM) To get buses replaced as they are reaching the end of their lives is there some sort of budget, some sort of depreciation that is included in the budget – how do you see that changing?* Slowly and difficulty because if you actually do depreciation that does nothing for you unless you actually fund that depreciation. So what you are actually talking about is putting money into a reserve for replacement of buses. You can coach it in any accounting jargon you want and believe me I can do that for you if you would like but really what it amounts to is that as your assets wear out you should be putting money away to replace those assets. It is the same way if you own a car – you can finally pay it off if you actually don’t start to put money away to buy your next car then you are going to have payments again. Part of the problem we have here in the City is that we actually don’t have enough money to deal with all of the programs and services and all of the asset renewals that we need. We have a real big push on infrastructure – \$9.2 billion since 2004 but if we look at the next four year capital plan, (2015-2018), we are going to have barely enough in that capital plan to deal with our renewal needs and unfortunately that renewal need does not encompass the fleet. Do we understand that we have a problem, sure we understand a problem? Are we trying to develop a strategy around that, we are but what it comes down to at the end of the day is prioritization. Because if I cannot make the pie any bigger than we have to split the pie up differently and right now this Council is still on the thought that the pie is big enough, you are just not efficient enough. There is an optimum replacement time and if you go past the optimum replacement time sometimes that costs you more money in the long run. *I understand the optimization but why is transit not able to run the same as utilities where they can draw from the operations budget in order to create the pot?* The reason it is not able to do that is because the utilities are 100% funded by their user fees. There is a rate attached to that which actually pays for capital as well. The biggest difference between the utilities and transit is

that everybody is a rate payer and is also a tax payer and they all use the utilities. Whereas not everyone uses transit and not everybody uses recreation facilities. So every household puts out waste which is one of our utilities so every household gets charged for that. So we have 324,000 paying customers that generate the \$150 million that we need to pay for the services and pay for the depreciation on the capital equipment. It is about the pool of resources you have whereas here with transit because it does not come anywhere near recovering its costs through its fees base which one has to determine what is the value of the public good piece? And right now we said the value of that public good piece is \$188 million. Because that is what has been approved and when there have been transit packages being brought forward in the past that have been turned down and the message there for that Council \$185 to \$190 million is the public good value at that time given all of their other priorities that they have. So if we cannot squeeze any more money out of the tax base how can we become more efficient in our operation and how do the user fees play into that and does it play into that in terms of efficient use of resources. *Transit does carry a lot of people from Sherwood Park and St. Albert?* That is an excellent question and is something we are tackling in the Big City White Paper because the CoE even though there are two other transit providers, The CoE bears 92% of the net public transit cost for the region as of 2012. That was with information provided to the Province so it is not just our information but it is what the Province has accumulated. It also provides 88% of the non-market housing and 80% of the fire fighting expense. It bears 90% of the policing expense, so it is not just transit that we pay as a City of \$817,498 people where we pay for the 1.15 million people in the region. Does it need to be addressed? Yes it does need to be addressed because the other thing that Edmonton and Calgary do together is they generate 64% of the GDP of this province. We are having those discussions which is why I wanted to give the context of this paper as a whole. It is not just one piece. You can look at all of the pieces as a chapter in a book and culminating pieces of that book from my perspective is the Big City White Paper which says we have all these challenges, we help to drive the economy, please give us a better deal.

- (JH) *This is best presentation I have heard to date. Several times you have said some of the City programs are fully funded by users, i.e. utilities, building permits, that is true as a city wide thing but certainly parts of the city, i.e., Downtown and intercity neighborhoods such as Cloverdale neighborhood subsidize all of those things in terms of the newer neighborhoods.* That is absolutely and categorically not true. The City put out a study last year that the urban sprawl is not paid for and the permits within the city are subsidizing it. It is actually not true at all. If you look at any new neighborhood in the suburbs and you try and actually say that that new neighborhood is a microcosm of the city as a whole, you cannot say that. Because what we have here in the City is industrial areas where a tremendous amount of assessment and therefore taxation is generated. We have the Downtown which is where 10% of non-residential assessment is from these big buildings you see around us. The office towers generate a tremendous amount of assessment. If you are actually going to look at the

mature neighborhoods and you look at what they contribute in terms of all of the services that they have you cannot look at them as a discrete entity. Would they cover all their costs as well? The answer to that is no because the way that we balance our budget right now is through a mix of non-residential and residential taxes. And because non-residential tends to be clumped in various areas across the City you could pick a half a dozen neighborhoods in the mature part of Edmonton and a half a dozen neighborhoods in the newer parts of Edmonton and you would have totally different results for each one of these neighborhoods depending on the mix that they have with non-residential assessment. What is better to look at from an overarching perspective is what is the right kind of balance that we need between residential and non-residential assessment, how do we attract that and how do we continue to grow in a smart way. Because there is smart growth and not so smart growth and how do we maximize the resources and infrastructure that we have. I do believe that is important and am really keen on that but I think that it is too simple to make a statement that certain neighborhoods do not pay for themselves while other neighborhoods do. *Are you going to be comparing the subsidized programs such as transit and recreation with other subsidies such as subsidies that roads get?* Is that a discussion we should have with Council to try and get them to understand those tradeoffs? Sure it is. But it is hard to measure because it is pretty easy to measure an individual benefit for transit because we keep statistics on what people use and what they pay but we do not keep the kind of statistics except in a big broad based way based on transportation models as to who uses the roads and what the purpose is for using those roads and how does that generate other economical development. Unless the Provincial Government gives us the authority to do road tolls it is like comparing apples to oranges. *I was thinking more of the subsidy numbers so \$188 million subsidy for transit and I did some quick calculations based on number of people in Edmonton and the net road subsidy would be about \$450 million on an annual basis.* It depends on whether you are including capital in the equation and if so then the subsidy for transit is far greater than \$188 million. I can ensure you that because we are trying to find \$1.8 billion for the extension to the Valley Line LRT. It is really important for me when I am providing advice to Council that if I am going to actually rely on financial analytics that I understand what it means and what it does not mean. I take great pains when I put things in front of them to make sure that they have a broad based deal of what is important in their decision making. Do we in any way try and characterize the fact that transit has a good public good piece, of course we don't. Is there any way to actually determine what the public good component for transit is? Not with the modeling capabilities that we have. What is the taxpayer willing to bear?

- (SL) *Before you spoke about answering the big questions before you got to the small one, is one of the small questions zone fare?* Yes, there are a number of different options when you are setting up fare structure and first and foremost what I am saying is we have to understand if Council and the public have an appetite for doing something different, period. So that is why I am saying we have to do the big piece first. And where the fare

structure question comes in and I think Rhonda will talk a little about that is we are doing this Comprehensive Transit Review that is actually going to look at fare structure. *Is the cost recovery ratio for recreation facilities greater or higher a number than that of Edmonton Transit? It is high. It seems to me we could increase that cost recovery ratio by virtue of Smart Bus that you spoke about earlier – Smart Card. I think you should make buses proof of payment areas.*

- (SS) *Will there be any regards to benchmarks to what other Cities are doing or will there be any public forums and discussions?* For this particular paper not much but where bench marking with other cities comes in is when we are actually designing a fare structure for transit or User Fee schedule for the recreation facilities. I can speak better to the recreation facilities because they take competition quite seriously and they do a lot of bench marking in terms what other recreational costs are within the City and what other places in the region do. But what would play into that for this paper would be the question of accessibility. What does accessibility mean and what kind of accessibility to these kinds of public amenities do we want to provide. So where bench marking can be a useful thing is to determine what is an accessible level of price or charge to accomplish certain things.
- (BR) *Thank you for the presentation, one of the best presentations that I have heard here. The TWFF is one of the most important Way documents coming out. You made the comment that there actually has not been a conversation with the public about fairness in user fees in all of this, my comment is the timing of the release of this document has just missed the single biggest opportunity for public engagement in this subject by missing the election. I believe this City has been given a great disservice in not having this out before them well in advance of this year's civic election. People of this City deserve to hear from the thirteen people who serve on that board who are going to make the decision. They deserve to hear what their opinions of this were before the election not in the public consultation in March. So you know what the challenge is? The challenge is that as is administration we try really hard to be neutral when it comes to municipal elections and so what this means for us is not creating issues that have not arisen already in the public. If I were to do what you suggested then I would be creating an issue that had not already arisen. Well what about last January? Yes, it would have been great if we had the timing together to do that. That was the intent to do in the first quarter of last year but what we found to be tremendously challenging was to find any outside expertise that we could engage to help us with these topics because it is just not out there. So we have had to do everything internally.*
- (AM) *On the timing, we had Lorna Stewart in recently saying that procuring someone for the smart fares in the first quarter of 2014 and our committee set some concerns depending on which model you choose for smart fare. She was talking about off the shelf model options which may limit your ability to set the fare structure. As you mentioned with this work being overarching, are you suggesting this would be incorporated into Smart Fare? I would like to emphasize that this is not going to get to that degree of specificity. This is as fundamental as saying this will come as a great shock to a bunch of people – there should not be a differentiation*

for seniors. There should be no more seniors' fares. That is going to be harasary in a whole bunch of different places across the City. I do not know what this particular body feels about that but do believe it is a conversation we absolutely have to have. So we need to have it at that level before we can actually get down and have the specific conversations. (TS) To add to what your questions was about, I know currently based on the proof of concept that they are hoping to finish by the end of 2014, it will have the flexibility to encompass guiding principles but also different types of fare structures so they are prepared to ensure what Smart Fare technology which they acquire over the course of 2014 and beyond. They are already aware that they may not have a fare structure before the procurement of the technology.

- (LL) *you talked about User Fee subsidies to the recreation facilities based on a cycle, was income subsidies ever looked at for transit?* No, not to the best of my knowledge. *Would it be financially possible?* There is a tremendously administration burden with doing that and one of the challenges that you have is that it causes tremendous utilization of capacity with no revenue coming in. If you really want to get the best use out of your system do not charge anything for it. So it becomes how you balance those things. On the transit side we have taken a much more stringent view of the accessibility based on ability to pay, using the AISH route. And accessibility not just on ability to pay but other rationale as well. The leisure access program for recreational facilities was a great idea at the beginning and it has now ballooned to account for 22% of the use of those facilities. If you think about what that means, is that we could have under built facilities by 20 to 25% because all of those facilities are not at capacity all the time and so we could have spent less money on capital. It is a big decision to make because what I am getting at and I will surface the argument again that really the orders of government that are suppose to look after people of diminished financial means are the provincial and the federal governments because they are the ones that collect income taxes. If you collect an income tax that means you have the responsibility for income redistribution which is what we are talking about because a subsidy you give to people because they can't afford to pay is income redistribution. *P3 financing, where does this fall under?* P3 to us on a finance side is no different than debt. It counts against the City's debt limits. I treat it as the Chief Financial Officer like debt because that is what it is to me. The other piece that falls into this is more than not in terms of generation of revenue, it is more about value for money and the only reason for doing a P3 project would be if the value for money is there. So it does not actually fall into one of these categories that we have talked about except for the debt piece.
- (SL) *When it gets really cold out we have people which are allowed to ride the buses for free and bring their tents with them and their sleeping bags, it is taking capacity away from transit.* You do the same thing that you would do for a leisure program is not charge it to the recreation area. It is a social program so account for the costs separately and charge it to a social program. Therefore, you are not hurting the statistics from an analytical perspective related to transit or recreation. And the more important thing is you account for something separately and you capture the costs for

something separately then you can make better decisions about it. But try it on the leisure access program first and account for it outside of recreation facilities.

- *(VH) Is this the first time with the public consultation process and stakeholders, has the City never done that before around this subject?* I would need to bow to somebody who has been here more than five years. In my five years here they have never done this. You do consultation around rates all the time. *(KK) There have been major reviews of fare strategy done in the past, one in 2000 and 2008. The last major review was five years ago incorporating a public consultation. So to get this data collected from these public forums is really important. Yes, I agree. When is the Big City White paper coming out?* We are hoping they all will come out in January, 2014.
- ETSAB members thanked R. Rosen for her excellent presentation.

## 2. **COMPREHENSIVE REVIEW OF THE EDMONTON TRANSIT SYSTEM (R. TOOHEY)**

- Highlights of Phase 1:
  - This Comprehensive Review for Edmonton Transit System was prepared by the Consultant Stantec.
  - Governance/Structure
  - Fare Structure
    - ❖ There has not been any public engagement on this at this point because it is an internal review.
    - ❖ Three different Corporate Structure Models were looked at by Stantec the Consultant: full shared services, partial shared services and independent organization.
    - ❖ Outcome of the Review is fleet services issue is sufficiently complicated with competing viewpoints that it has been pushed into the Asset Management Review in Phase 2. There is no pressing need that would suggest an overall advantage to moving Transit out of Transportation Services.
  - General Fare Comments
    - ❖ With a flat fare long trips are typically subsidized more than short trips.
    - ❖ Peak trips are typically subsidized more than off-peak trips.
    - ❖ Discounted fares, prices are typically reduced in a lot of cases this has been through senior's discount. The result of this is the burden is left to paying adults.
  - Fare Structure Challenges
    - ❖ The current fare structure is weighted towards the provision of a large concession based fare.
    - ❖ Adult riders generates 60% of the revenue and 40% of the ridership.
    - ❖ It is not clear what we are trying to accomplish from a strategic perspective on the current fare structure. i.e. senior fares and U-pass.
    - ❖ There is no current measurement of the financial impact of concessions have on the budget.
  - Fare Summary
    - ❖ The existing fare strategy does not answer questions about:
      1. What fares are intended to do.

2. What is expected of different fare categories or fare types
  3. How the impacts are to be monitored
  4. How fare structure helps fulfill the system vision.
- ❖ The Smart fare gives us a chance to look at different ways of doing things.
  - Fare Recommendation
    - ❖ What we need to start with is defining the fare strategy by looking into Council's input; create consistency with other City policies and creating policies on time, distance or type of service for fares.
    - ❖ The Consultant noted a gap in the current process where we have a high level of strategy – The Way We Move – TMP and the Business Plan which is the annual operational plan – The Way We Move Using Public Transit (three year plan).
  - Council Input
    - ❖ The Transit Fare Structure Plan framework will require direction from the new Council on investment in high ridership areas, focus on peak riders or all day riders and standard level of service or layers of service.
  - Next Steps
    - ❖ Council input on user fees/fares through development of TWWF.
    - ❖ Council workshop on January 21 to provide guidance on strategic direction
    - ❖ Further work beyond Transit Review will require a process of gathering stakeholder and public input.
  - Questions/Comments:
    - ❖ (BR) *The quick spread of bicycle paths so there must have been a strategic bicycle plan some time ago, and is happening now. Why was this not started five years ago? You have got this Smart Card, if this was a private business, shouldn't you come up with your strategy before you get your technology. You are putting your cart before the horse. It sounds like you just want this smart card to collect more data to help you with deciding other things.* (KK) About five years ago, ETS completed a system ridership growth strategy which provided some direction with the promotion of technology to better operate the system. Work has been completed on long term bus replacement refurbishment plans; we have the growth plans so a lot of this is guided by work that has been done previously.
    - ❖ (AP) *Ridership vs coverage has been discussed before?* No, I would not say it has been discussed in great detail. It is not static. There are different Councils and the City has grown tremendously in ten years. It is the kind of thing that needs to be revisited regularly, just like any strategic plan. (KK) We are looking at different terminologies here. In the Ridership Growth Strategy in 2007 and 2008 the first task was given to the consultant at the time, was to look at the bus network that Edmonton Transit employs. Based on the conditions at the time a Consultant came up with a very strong statement that ETS did have an appropriate system. Conditions are changing right now; we are still having on-going growth. There are concerns that can we sustain the type of service levels with the financial constraints we are going to have with the LRT system.
    - ❖ (AM) *I read the consultant report and thought it all made sense. We have been working quite hard on this topic as well and do not know if you have*

*a copy of our work. I would like to have a copy of your work. Our Sub-Committee came up with almost similar recommendations to what the consultants came up with in terms of peak fares, and distance fares. My question is it would have been nice that you had that report. We plan to go directly to Council but we would also want to get into your process too, but it is more of an internal report. This is an internal report but really the next step is the whole idea of the User Fees principles. Developing the principles. Then following TWWF in 2014 with public engagement.*

- ❖ *(AM) On the time lines, I have been riding transit on the peak times lately I would like say there is some urgency for the fare structure review because there are a lot of people waiting at the platforms that cannot get onto the next train because it is packed. It is becoming an issue. It drops off considerably after riders pass the University.*
  - ❖ *(BR) Is the U-pass a concession fare so what percentage of that 40% of concession riders is U-pass? One of the interesting things is that we need to define why we are doing these concessions. You have the U-pass because it gets people on the bus and they form a habit. Has that actually happened? Are we achieving what we set out to do? I do not think they need to define what we are trying to do but figure out how we monitor/measure it. UBC did a little study and was disappointed at what they were finding. It was not achieving some of the outcomes that they had set out. I do not think we have set out very clearly what it is that we are trying to do. That is one of the things we need to identify. U-pass is a really big one because there is a large group using the service during peak hours. But there is also a key component of the public good. I hear you mention BRT? It is a concept that is all.*
  - ❖ *(JH) To return to the U-pass, I agree completely, the achievable goal was just not there in the implementation. The talk was all about how this would generate long term riders with a short term concession. In the conversion to the U-Pass from the previous concession how much less is ETS getting? Because Post-secondary were a concession from before hand as well. So the U-Pass is what University students get automatically. In the past it was a 7% discount from the regular adult pass. City Hall made the decision at the time. Mayor Mandel said put the bums in the seats to increase ridership. As a result we have absolutely achieved the result in getting more ridership on the system. Discussion are being had about surveying the U-Pass users, do you have access to a vehicle, and how often do you use transit during your first year of employment. In terms of the major objectives of U-Pass, it has been a major success with the south LRT.*
  - ❖ *(VH) What phase are we in at present? The initial recommendations have gone to Transportation Committee in September. The final wrap up is supposed to be March 2014. The work shops will be in January.*
- The ETSAB members thanked R. Toohey for her presentation.

### **3. APPROVAL OF THE OCTOBER 28, 2013 AGENDA**

- Add Farewell to G. Smith as he is not in attendance tonight.
- Submissions from Sub-Committees.

MOVED: by A. Pye/B. Robertson to approve the October 28, 2013 amended

Amended  
Agenda  
Approved

**4. APPROVAL OF AUGUST 26, AND SEPTEMBER 30, 2013 MINUTES**

MOVED: \_\_\_ by L. Landry/J. Vandebeld to approve the August 26 and September 30, 2013 minutes.

Motion  
Approved

**CARRIED****5. MANAGER'S REPORT (T. SHEWCHUK)**

- Highlights:
  - Because of the election there were no Council or Committee Reports..
  - The Swearing in of the new Council is October 29th from 1:30 to 2:00 pm and the inaugural City Council Meeting will be from 2:30 to 3:00 pm in the City Room. Then the Transportation Committee (TC) will select their Chair and Vice-Chair on Wednesday between 8:45 and 9:15 in the morning. You are encouraged to attend but it is up to the Board. The members on TC are Councillors Anderson , Esslinger, Sohi and Walters as mentioned by A. Pye).
  - The P3 Valley Line discussion is scheduled on November 14<sup>th</sup> at City Hall (Mill Woods to Lewis Farms) 12 noon to 7 pm. They are discussing funding models for the P3.
  - Questions/Answers:
  - *(AM) Some feedback on the ceramic tile replacement at Corona Station. I do not see people working there and it is all cornered off. One half of the platform will be vacant so they can lay down the tiles. It has been fenced off for almost two weeks now. T. Shewchuk will follow up on this and get back to the members.*
  - *(AM) With the new line coming on the LRT will not be working there will be bus replacement services. With my bike I tried to use this replacement service and none of the buses had the bike rack. I ended going on the bus with the bike and the operator was frustrated because she was checking with control about the bike on the bus. Is it possible to get bike racks for replacement buses? Currently 50% of our buses have bike racks and by the end of 2014 all buses in the ETS fleet will be equipped with bike racks.*
  - *(AM) Escalator at Stadium Station must be out 50% of the time and it must certainly have been out for the last three months. It is a combination of two things. The first part is some of the old stations for example, Stadium and Colliseum – they are thirty years plus old. So the infrastructure needs to be replaced. There is a struggle to get the capital dollars to replace them. The other side of the equation is at Century Park they introduced new escalators when the station was opened however for certain equipment they put in was substandard equipment due to budget constraints. Therefore they need to do more replacements and maintenance associated work. T. Shewchuk will follow up with Stadium with the Board members. (VH) Stadium is a real issue because when you get trains unloading there is such a volume of people coming down the stairs it is really difficult to make your way up the stairs in order to catch the train. The stairs are not divided. (BR) In Tokyo they have lines painted on the stairs, with arrows showing the down half and up half of the stairs.*

## 6. **BUDGET REVIEW (V. HOY)**

- The Budget Meeting with C. Stolte was confirmed for Thursday, November 14, 2013 from 5:30 pm to 7:30 pm.
- Next Board Meeting will be Monday, November 18, 2013 to discuss the 2014 Transit Budget.
- V. Luxton will email all Board members ETSAB's last year's budget comment.

## 6. **ETSAB PRIORITY PROJECTS FOR 2013**

- Marketing Standing Committee (J. Vandenbeld/C. Stasia)
  - No report.
- Long Term Fare Strategy (J. Vandenbeld)
  - This group did not meet. J. Vandenbeld stated he was pleased with the presentation on User Fees, as it was useful. The group hopes to meet next month to discuss TWWF User Fees and maybe get some information from administration on how the six year fare policy is progressing in order to comment on this. J. Vandenbeld's passion of his six years on the Board to get a low income pass into the system. It appears this will not happen because administration seems to want to get away from concession fares. J. Vandenbeld would like to discuss this possibility with the Board members.
  - Questions/Comments:
    - ❖ A. Pye made a comment to the Board that he was very interested in the presentation received from the students of the University of Alberta. S. Pye would like to do a quick follow-up with them and get back to the Marketing Sub-Committee with the update. J. Vandenbeld stated this was a good idea.
    - ❖ Marketing Letter written to N. Walters Follow-up:
      - T. Shewchuk stated N. Walters is prepared to meet with the Sub-committee or the Board and answer any questions and walk through the letter.
      - A written submission is fine to the Sub-Committee first. If the Sub-Committee is satisfied with those answers then the Sub-Committee can go from there.
    - ❖ J. Hayes wanted to make a comment several times during the presentation that L. Rosen is opposed to any concession fares because the City does not collect income taxes; therefore they should not be doing policy based on income. L. Rosen was adamant that it is not the function of the City. J. Vandenbeld stated it is up to the elected officials of the City to make policy decisions. J. Hayes feels it shifts responsibility from local government to a provincial or federal issue; a bureaucratic reason rather than from ethical or moral reason.
- Transit Planning (C. Dulaba)
  - No report.
- Park and Ride (G. Smith)
  - V. Hoy stated he would try and get this Sub-Committee reorganized in G. Smith's absence and delegate some research to each member of this committee.
- Fare Structure and Payment System (A. Mannix)

- Discussion followed on the preparation of the report and letter written to L. Stewart by A. Mannix titled “ETS Smart Fare Collection Equipment”.

MOVED: by B. Robertson/L. Landry to approve the ETS Smart Fare Collection Equipment report and letter to L. Stewart be sent and to be forwarded to TC. **CARRIED**

Motion  
Approved

- There was more discussion on the preparation of the report prepared by A. Mannix titled “Review of Fare Structure for Public Transit Services”.
- The other item discussed by this Sub-Committee was some principles for the Smart Fare Infrastructure. This group will send these principles to all Board members by email.
- Alternate Transit Modality (J. Hayes)
  - J. Hayes suggested this committee will meet in the next month.
  - A suggestion was made that two Sub-Committees should coordinate so both committees can meet at the same time and place.
- Public Art (V. Hoy)
  - No Report.
- Public Security (A. Mannix)
  - This group has been busy gathering the different elements to this Sub-Committee. However we did not meet as a group this month to work out our plans. C. Stasia gave a presentation on Sexual Harassment. S. Sutherland looked at what other cities are doing in the similar size to Edmonton. S. Sutherland looked at the crime mapping on the EPS web site and collected data on some of the neighborhoods and areas directly around major transit stations. Not just the LRT but bus transit stations. A lot of other transit systems share crime statistics right on their web site with the general public. Calgary shares quarterly their crime statistics with the general public. There was no format for the public to respond such as Twitter.
  - Presently we do not have comprehensive security information just on transit facilities. It will be difficult to move with this unless we get this information. T. Shewchuk suggested the Sub-Committee meet with R. Gabruck to gather and ask more information.
  - V. Hoy stated the key to this is the editing piece and those separate issues combined together in an integrated way so it reads as one clear document with a series of security issues and comments or suggestions. Take this document and run it by all the Board members by email. The topic around security is much more complicated and has a lot of difficult issues around it. Get as much feedback as you can internally and do not hang onto too long.
  - T. Shewchuk shared this presentation with R. Gabruck and as of February 2014 they are doing sexual harassment training with ETS security officers.

## 7. **FAST ACTION PROCESS (V. HOY)**

- The Fast Action Process was updated by V. Luxton and each member received a copy of this process.

MOVED: by B. Robertson/L. Landry to approve the draft of the revised Fast Action Process.

**CARRIED**

Motion  
Approved

## **8. INFORMATION SECTION (V. HOY)**

- ATU 569 Report (S. Litwinowich)
  - On October 7 we had the leading authority on P3 funding come to Edmonton and speak to City Council and the current Councillors as well. The Parkland Institute is one of our coalition associates in this fight against the privatization of the LRT. They brought in Professor Loxley, Professor of Economics from the University of Manitoba and the leading authority on P3 funding. The City is \$515 million short on this LRT project but the other part of it is in his report, Dr. Loxley said by virtue of the math he has done, the City is still going to be between \$300 and \$500 million short by the time they are finished. And the total cost of the project will be \$3.6 billion. Dr. Loxley said to do what they did in Ontario and go to the Canada infrastructure fund and give back the money from the P3 and you are going to be ahead at least \$350 million. If you remember last year Councillor K. Leivovici who was the president of the SCM wrote that municipalities should stay clear of the funding of the P3 in Canada.
- Work Plan and Annual Report (V. Hoy)
  - T. Shewchuk spoke to V. Gunderson from the Office of the City Clerk (OCC) and the Boards Annual Report needs to submit by March 30, 2014.
  - The new Mayor and Council may have new priorities for the various Advisory Boards. At present we do not know what those priorities may be. The OCC will communicate to each chair if there are identified priorities. Then it is up to the Chair to disseminate them to Board members.
  - V. Gunderson stated in previous years some Councillors were very good at identifying these priorities and in some years there was nothing.
- December 16, 2013 Social
  - It was decided to have a Board meeting and Social on Monday, December 16, 2013.
  - The Annual Retreat was touched on and V. Luxton confirmed the retreat will be held on Saturday, January 18, 2014 in the Heritage Room of City Hall for a one-half day session.
- Gordon Smith's Departure (V. Hoy)
  - With V. Luxton and T. Shewchuk the Board will book a time to meet at the end of the day with G. Smith to say farewell in the near future.

## **8. TOPIC(S) OF THE NIGHT**

- The Way We Finance User Fee presentation from L. Rosen.
- Farewell to G. Smith.

MOVED: by J. Vandenberg/B. Robertson to adjourn the October 28 ETSAB Meeting at 8:50 p.m.

**CARRIED**

Motion  
Approved

**Next meeting: Monday, November 18, 2013 in the Heritage Room, City Hall**

## **MEETING DATES**

~~January 19, 2013~~  
~~January 28, 2013~~  
~~February 25, 2013~~  
~~March 25, 2013~~  
~~April 29, 2013~~  
~~May 27, 2013~~  
~~June 24, 2013~~  
~~July 22, 2013~~

~~August 26, 2013~~  
~~September 30, 2013~~  
~~October 28, 2013~~  
November 18, 2013 (3<sup>rd</sup> Monday)  
December 16, 2013 (3<sup>rd</sup> Monday)  
January 18, 2014 (Saturday)