



**City of Kingston
Report to Council
Report Number 19-195**

To: Mayor and Members of Council
From: Sheila Kidd, Commissioner, Transportation & Public Works
Resource Staff: Jeremy DaCosta, Director, Transit & Fleet Services
Date of Meeting: July 9, 2019
Subject: Kingston Access Services – 2019 Operating Budget Update

Executive Summary:

Kingston Access Services (KAS) provides specialized transportation services under a service agreement with the City of Kingston.

In the 2019 operating budget, KAS requested an increase to their operating budget of \$431,244. Council approved an operating budget increase of \$328,445 plus an additional \$50,000 funded from Working Fund Reserve and directed staff to work with KAS to assess service levels and budget implications for the remainder of 2019 and future operating budgets.

Based on a review of 2019 year-to-date financial information, KAS is currently forecasting to be within budget at the end of 2019. Therefore, no additional operating budget is required. Staff will report back to Council if operating projections change and an operating budget deficit is projected for 2019 that cannot be managed through accumulated operating surplus amounts.

Staff have been working with KAS to assess service levels and future budget implications. Demand for specialized transit service in Kingston has increased and is expected to continue to increase in future.

This report recommends that KAS undertake a service review to identify opportunities to administer and deliver services more efficiently, to address increasing service demand and to cost effectively meet the needs of passengers requiring specialized transit service.

Recommendation:

That no additional operating budget for 2019 for Kingston Access Services (KAS) be approved; and

That staff continue to monitor the 2019 KAS operating budget and report back to Council if KAS projects having an operating budget deficit in 2019; and

That Council recommend to the Board of KAS to include funds in the 2020 budget submission to obtain the services of a consultant experienced in specialized transit services, to identify opportunities to administer and deliver services more efficiently and to cost effectively meet the needs of passengers requiring specialized transit service.

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Authorizing Signatures:



Name, Commissioner, Title



**Lanie Hurdle, Acting Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Peter Huigenbos, Acting Commissioner, Community Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	OK
Deanne Roberge, Acting Commissioner, Corporate Enterprise Services	Not required

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Options/Discussion:

Public transit service in Kingston consists of two services; a conventional service (Kingston Transit) operated by the City of Kingston and a specialized service (Kingston Access Bus) operated by Kingston Access Services (KAS).

The *Accessibility for Ontarians with Disabilities Act* (AODA) requires municipalities who provide conventional transportation service, but do not provide specialized transportation service, to provide an alternative accessible method of transportation to any person with a disability who, because of his or her disability, is unable to use conventional transportation services.

The City of Kingston has a service agreement in place with KAS to provide specialized service to satisfy the requirements of the AODA. KAS receives funding approval from the City on an annual basis during the operating and capital budget process. The funding KAS receives from the City of Kingston accounts for approximately 92% of their operating revenues.

In the 2019 operating budget submissions, KAS made a request for an operating budget increase of \$328,445 over 2018. On January 7, 2019, Council received correspondence from Trevor Fray, Executive Director, Kingston Access Services, indicating the need for an additional budget increase of \$102,799 for a total increase of \$431,244. The letter indicated the additional \$102,799 was required to meet unmet passenger trip requests.

Council approved the following motion with respect to this increased funding request of \$102,799:

That Council approve an additional \$50,000 to be added to the 2019 Kingston Access Services (KAS) operating budget, to be funded from the working fund reserve; and

That City staff, in consultation with KAS will bring forward a report to Council by the end of June 2019 that allows for further discussion of service levels and budget implications for the remainder of 2019 and future operating budgets.

Staff have been working in consultation with KAS to assess whether the remaining funding request of \$52,799 is required and to better understand current and projected service levels.

Budget:

Based on a review of 2019 year-to-date financial information, KAS is operating within budget. At this time, KAS is forecasting that the outstanding funding request of \$52,799 will not be required.

City staff will continue to work with KAS to identify any unexpected changes to operating budget projections. Staff will report back to Council if increased service demands or unanticipated operating costs cannot be managed within the current budget parameters. KAS forecasts that they expect to be within 2019 budget by the end of the year.

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Service Levels:

The demand for specialized service in Kingston continues to increase. In 2018, KAS experienced a 6.3% increase in passenger trips. From 2015 to 2018, the cumulative increase in passenger trips was more than 26%. Passenger trips have increased by 4.3% in 2019. This expected increase in passenger demand will create increased pressure on future operating budgets under current service delivery models.

The unmet trip requests represents 3% of all trip requests in 2019 compared to 2.4% in 2018. This represents approximately 360 trip requests that KAS was unable to meet in 2019.

In a review of ridership information provided KAS, the following information was noted:

- KAS provided 82,927 passenger trips in 2018
- KAS has 3,600 registered passengers eligible to use the specialized transit service
- 110 of the 3,600 registered passengers account for approximately 45% of all passenger trips

Given the expected increase in passenger trip demand and ridership information, staff recommends that KAS undertake a service review to specifically identify opportunities to administer and deliver services more efficiently and to cost effectively meet the needs of all passengers requiring specialized transit service. Staff recommends that KAS employ the services of a consultant experienced in specialized transit services to undertake this work in 2020.

The results of this review will provide information to better inform impact on future operating budgets.

Existing Policy/By-law:

Not applicable.

Notice Provisions:

Not applicable.

Accessibility Considerations:

Kingston Access Services (KAS) provides specialized transportation services under a service agreement with the City of Kingston.

Financial Considerations:

There is no impact on 2019 operating or capital budgets based on the recommendation in this report. Staff is recommending that no additional operating budget for 2019 for Kingston Access Services (KAS) be approved.

Contacts:

Jeremy DaCosta, Director, Transit and Fleet Services, 613-546-4291 Extension 1310

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Other City of Kingston Staff Consulted:

Not applicable.

Exhibits Attached:

Not applicable.