



2018 Annual Report

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THE LONDON TRANSIT COMMISSION

COMMISSION - CURRENT

SHERYL ROOTH	CHAIR
PHIL SQUIRE	VICE CHAIR
JESSE HELMER	COMMISSIONER
TANYA PARK	COMMISSIONER
TARIQ KHAN	COMMISSIONER

SENIOR MANAGEMENT - CURRENT

KELLY PALECZNY	GENERAL MANAGER
MIKE GREGOR	DIRECTOR OF FINANCE
SHAWN WILSON	DIRECTOR OF OPERATIONS
KATIE BURNS	DIRECTOR OF PLANNING
CRAIG MORNEAU	DIRECTOR OF FLEET & FACILITIES
JOANNE GALLOWAY	DIRECTOR OF HUMAN RESOURCES

EXECUTIVE SUMMARY

London Transit's vision in the 2015-2018 Business Plan is to be *the valued and trusted mobility choice for Londoners*. The vision is supported by the mission statement which is *moving Londoners – progressively, reliably and affordably*.

The vision and mission are supported by five linked and, in certain respects, competing strategic outcomes, namely:

- An integrated, affordable and valued mobility choice
- Demonstrated fiscal accountability
- Being open, transparent and understood
- Effective utilization of infrastructure
- An engaged, diverse and respectful workplace

Consistent with the Business Planning Process, each year an annual report is completed and shared publicly. The report provides an overview of how the LTC performed against each of the strategic outcomes identified in the Business Plan.

Each year, each of the Strategic Outcomes is graded by administration based on the following scale.

Grade	Criteria
Excellent	All initiatives set out in the Business Plan under the objective have been successfully achieved
Good	Progress toward completion of all initiatives under the objective is consistent with expectations in the Business Plan
Satisfactory	Progress toward completion of all initiatives under the objective is slower than expectations in the Business Plan
Needs Improvement	Significant focus needs to be directed at the initiatives under the objective

The table below sets out the performance against the outcomes for the 2018 fiscal year.

Strategic Outcome	Grade	Comments
An integrated, affordable and valued mobility choice	Good	Implementation of the 5 year service plan is anticipated to address the majority of service concerns relating to both service quality and levels of service provided.
Demonstrated fiscal accountability	Excellent	Overall effective cost management including a flat-line of both City of London investment and rider investment (fares).
Being open, transparent and understood	Good	Allocation of additional resources to corporate communications including the launch of corporate social media accounts in 2018 formed the basis for continued improvement going forward.
Effective utilization of infrastructure	Excellent	Assets are considered to be 'very good – fit for the future'.
An engaged, diverse and respectful workplace	Good	Continued focus on the Mental Health Strategy in 2018 set the stage to roll-out custom resiliency training to all employees in 2019.

The grades of 'good' in the areas of 'an integrated, affordable and valued mobility choice', 'being open transparent and understood', and 'an engaged, diverse and respectful workplace' highlights the areas of focus going forward.

With respect to 'an integrated, affordable and valued mobility choice', combined ridership on London's conventional and specialized transit services increased in 2018 to 24.029 million rides, up approximately 3.5% over 2017 ridership levels, exceeding budget expectations. Revenue service hours were increased by a total of 31,000 hours on the services. With respect to the conventional service, the increase in hours was targeted primarily at service quality improvements versus service into new areas. The increase in hours on the specialized service is directly tied to increased ridership given the ongoing and unmet demand for the services.

The objective of 'being open, transparent and understood', which received a 'good' score, will also be the focus of work programs going forward. 2018 saw the continuation of the Voice of the Customer program, which provides insight into how LTC customers perceive their conventional transit service as well as what their priorities are for the service going forward. In 2018, the Voice of the Customer program was expanded to include the specialized service. The information gathered from these surveys, as well as other customer feedback received will continue to be utilized going forward as more initiatives are undertaken to address the shortfalls identified by LTC customers. 2018 saw the introduction of a new corporate website and social media accounts, as well as the new Infoweb service, which provides real-time service information to riders. The improved website, social media accounts and Infoweb service together provide significant enhancements to the manner in which service information is communicated with customers. Additionally, 2018 saw the investment of resources into the area of Corporate Communications with the establishment of a Manager of Corporate Communications position as well as a Communications Specialist position.

The objective of 'an engaged, diverse and respectful workplace' also received a grade of 'good' with the understanding that the creation and maintenance of an engaged, diverse and respectful workplace is a work in progress and something that will never be considered complete given the ongoing and constant changes faced by a growing organization. Primary areas of focus in 2018 on this objective included a continued focus on the implementation of the various initiatives outlined in the Mental Health Strategy, the Workplace Violence Prevention Program with the Operator Shield pilot program as well as enhancing employee support programs and implementation and further diversity initiatives.

AN INTEGRATED, AFFORDABLE AND VALUED MOBILITY CHOICE

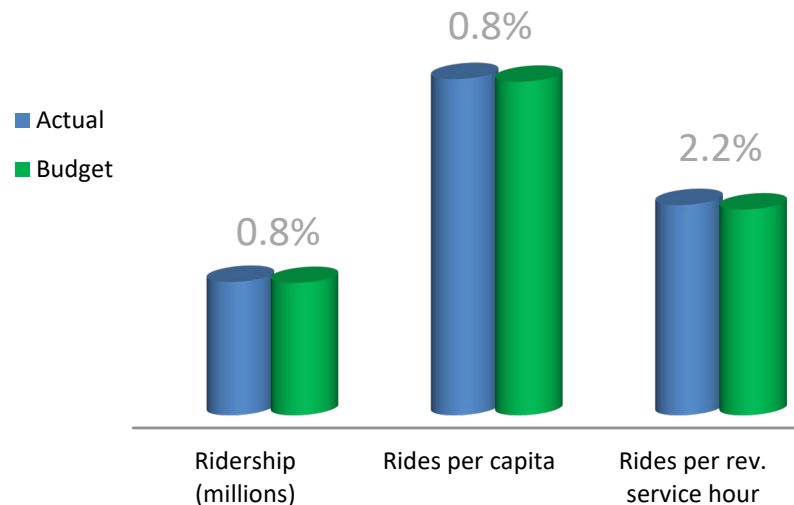
The strategic objective calls for the continued development and delivery of accessible public transit services that are integrated with other modes of transportation dynamic in nature and considered a valued investment to all stakeholders. The following table sets out an assessment of the 2018 performance against key elements of this strategy, noting the measures used to determine the grading include ridership change and total ridership, service hour change and total service hour investment, customer satisfaction rating, and investment share allocation, all of which are commented on in greater detail following the table below.

Key Elements	Grade
Reviewing the transit service to ensure it meets the needs of a growing, competing and changing market (includes service design, routing, frequency and accessibility)	Excellent
Delivering the service consistent with defined schedules and standards	Good
Developing and implementing proven technology in support of an effective, efficient and evolving transit service	Good
Progressing in the development and delivery of integrated, accessible public transit services	Needs Improvement

Conventional Transit Services

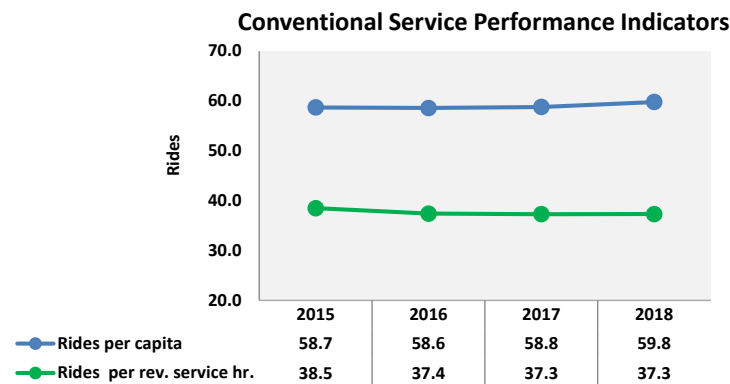
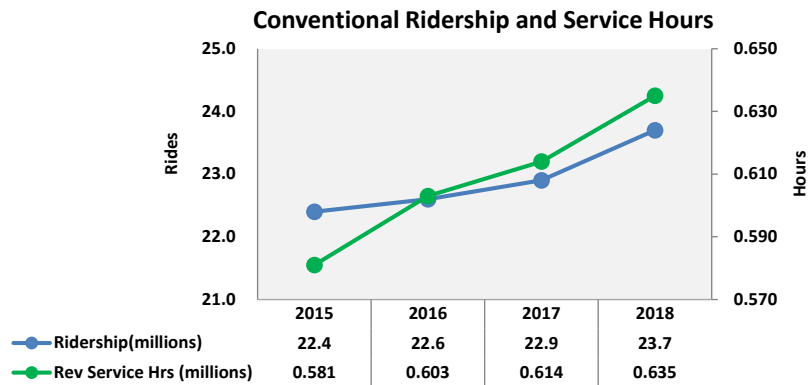
As noted in the following chart which compares actual 2018 ridership and related measures to 2018 budget, expectations were consistent with budget targets in all three key efficiency measures.

2018 Ridership Performance Actual vs. Budget



The 'rides per revenue service hour' measure can be viewed from two perspectives, in that the higher it is, the more efficiently the service is operating (i.e. buses are full), and the lower it is, the more quality the service is from a customer perspective, in that the buses will be less crowded and customers will, more often, be able to get a seat. This measure is one that requires a delicate balance in order to ensure efficiency and offer quality at the same time.

The ridership and service hour performance over the period of 2015-2018 is set out in the following chart. Over the period of 2012-2014, ridership growth was occurring at an average rate of approximately 1.9% per year, but declined by 5.9% in 2015. Over the period of this Business Plan (2015-2018) conventional transit ridership grew by 5.8%, while service hours over the period have increased by approximately 9.2%. The disparity between the two measures was planned, noting the majority of the service improvements in the 5 year service plan were directed at service quality issues, in an effort to maintain existing riders versus attracting new ones. As indicated earlier in the report, the positive for 2018 with respect to these measures, is that ridership has continued to grow, and the ongoing increases in service hours has had positive impacts on service quality issues including overcrowding.



As noted in the above charts, 'rides per capita'¹, has shown a slight improvement beginning in 2017 and carrying through 2018, demonstrating that transit ridership is growing at a faster rate than the population in London. The 'rides per revenue service hour'² declined marginally in 2016 and has since then remained relatively consistent.

¹Rides per capita: total rides divided by population – provides for comparison of ridership levels across municipalities of varying populations

²Rides per revenue service hour: total rides divided by total hours vehicles are providing service – measures the efficiency of the system

London Transit also measures service performance by comparison to a peer group of Ontario transit systems (with bus operations only and with populations greater than 100,000). The following table sets out a comparison of 2017 key service performance indicators for LTC versus the identified Ontario group average. The 2018 data for LTC is also shown, noting the 2018 group data will not be published until the fall of 2019. The comparison information is compiled and published by the Canadian Urban Transit Association (CUTA).

Conventional Transit Services – Summary Performance Comparison

Description Service Performance	2017 Peer Average	2017 LTC	Ranking	2018 LTC
Ridership (millions)	12.7	22.9	3 rd	23.7
Rides per capita	34.5	58.9	1 st	59.8
Rides per service hour	24.7	37.3	1 st	37.3
Service hours per capita	1.4	1.6	6 th	1.6
Service area population			6 th	

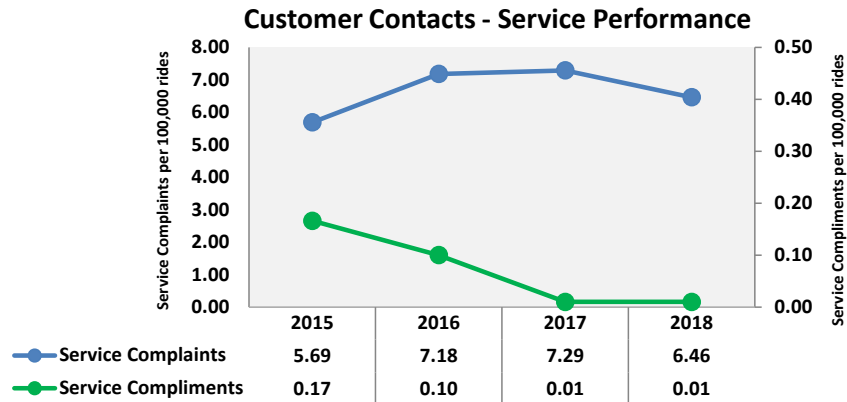
Note: Peer group includes 16 Ontario transit systems in municipalities with a population greater than 100,000. (York Region, Mississauga, Durham Region, Brampton, Hamilton, Waterloo Region, London, Windsor, Oakville, Burlington, St. Catharines, Sudbury, Barrie, Guelph, Thunder Bay and Kingston).

As noted, while 6th in terms of population, ‘rides per capita’ and ‘rides per service hour’ ranks London first respectively overall in comparison to the peer group, both by a significant margin over the group average. While the overall rankings place London high in comparison to the peer group, there needs to be a continued focus on the balance between “service efficiency” and “service quality” measures. Going forward then next five year service plan (2020-2024) has established a trigger for assessing additional service on a route to better balance service efficiency and service quality, including passenger comfort standards.

London’s historic and current ridership growth to service growth ratio has helped keep London near the top of the peer group, however London’s standing has dropped from 2nd to 3rd in 2018, falling behind Brampton and Mississauga who have invested significantly in rapid and local transit service improvements and are seeing significant ridership returns on the investment. In the 2017 rankings, York Region and Hamilton sit only slightly below LTC in terms of ridership, however this is anticipated to shift in 2018 (should these say 2018 and 2019?) given the ongoing service improvements to both their rapid and local services, moving LTC into fourth or fifth overall.

Service quality is also measured through feedback from the customer, which beginning in 2016 includes the addition of the feedback received through the Voice of Customer surveys. Historically customer contacts were relied upon as the only measure of customer satisfaction, however given that customers of any service are far more likely to contact the provider with a complaint when they have had a poor experience versus calling to provide a compliment when they have had a good experience, the Voice of the Customer program was launched to gain a better understanding of the customer’s perspectives. Data from contacts has primarily been relied upon to provide insight into the areas of service delivery that customers were not satisfied with.

The following chart illustrates that service performance complaints increased in both 2016 and 2017, but then declined in 2018.

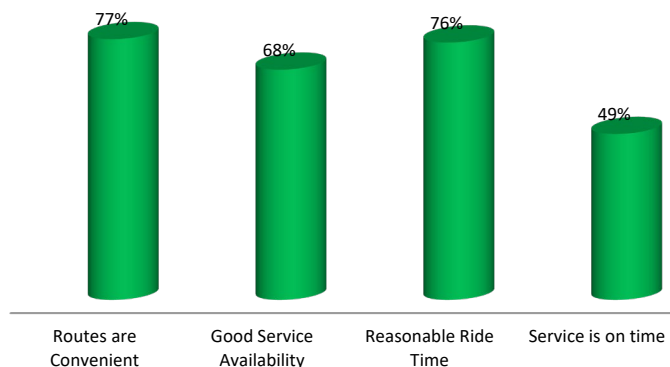


Service performance contacts are broken down into a number of categories to better identify the underlying issues and mitigation strategies going forward. The top category of complaints over the four year period has remained “late schedule”. While significant resources were applied to service changes over this period to address a service that was operating at or exceeding capacity, the number has remained relatively consistent. The customer’s level of frustration with service reliability is echoed in the Voice of the Customer results, noting that the perception of the bus running on time has dropped from 59% in the 2016 survey to 49% in the 2018 survey. Service disruptions resulting from the lengthy and expansive construction projects in 2018 are thought to have had significant influence on this measure.

The second highest category over the period is “missed passenger”, either “drove by” or “not at stop”. “Missed passenger drive by” and “missed passenger not at stop” are differentiated by the customer providing information as to whether or not they were at the physical stop at the time of the bus passing. Given the continued high number of complaints relating to missed passenger-not at stop, a key topic for a customer education in 2019 is to include commentary in on-board communications referencing the requirement for Operators to, for safety purposes, continue in motion once they have begun to pull away from a stop.

The chart below sets out the responses from LTC customers who participated in the 2018 Voice of Customer survey on issues with respect to service. In each case the measure indicates the percentage of customers indicating they ‘agreed’ or ‘strongly agreed’ with the statement.

Voice of the Customer – Satisfaction with Conventional Service Aspects

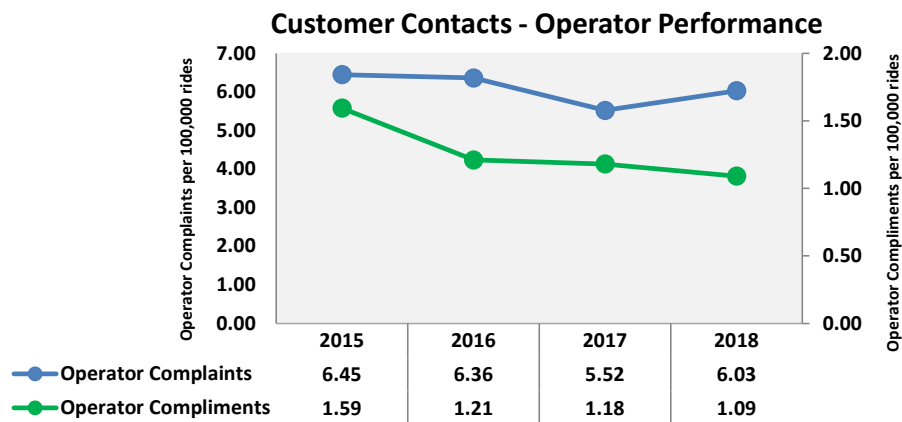


The two areas of concern highlighted by customers are service availability on the weekends and on-time reliability of the service, both of which were also highlighted by customers who

participated in the surveys feeding into the 5 Year Service Plan, in which many of the planned service changes deal with matching service levels to ridership demands (on-time reliability and reduced overcrowding) and weekend service improvements. As indicated earlier, the on-time performance of the service in 2018 was significantly impacted by the number and extent of construction projects that were ongoing from April through December.

The Voice of the Customer results also indicate that customers are generally satisfied with the convenience of the service and the ride time required to complete their trip.

The other major area of analysis regarding service quality is Operator performance, which is assessed in terms of both complaints and compliments. Performance results from the customer contact system for 2015 to 2018 are set out in the following chart.



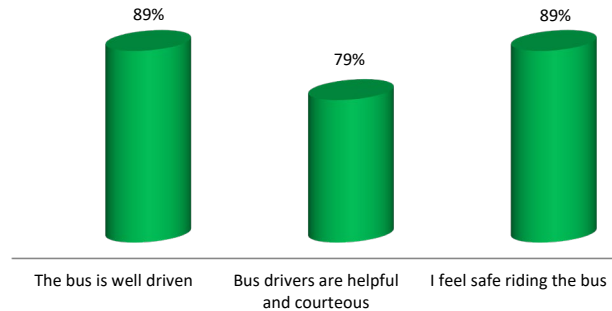
As indicated in the table, in total, complaints in 2018 increased slightly over 2017, back to levels consistent with 2016; however, over the period, the number of complaints per 100,000 riders has decreased by approximately 7%.

Operator performance contacts are also broken down into a number of categories to better identify the underlying issues and mitigation strategies going forward. Driving related Operator complaints increased to the highest level over the four year period in 2018, with the highest number of complaints relating to “unsafe manner”. The increase in “unsafe manner” complaints in 2018 can be largely attributed to complaints received about buses travelling on detour (as the result of numerous construction projects) on streets that typically don’t see bus traffic. The types of complaints received in this area include speed, braking, merging, and turning, all of which the complainant has perceived were conducted in an unsafe manner. The size of a standard bus, coupled with the noise at acceleration being louder than a typical vehicle, often lead to the assumption that the bus is speeding, however, in the majority of the complaints of this nature that have been investigated, it is found that the bus is travelling well within posted speed limits.

Complaints relating to driving are taken seriously, with particular attention paid to those categories which could result in a motor vehicle accident or injury to passengers (speeding, driving in unsafe manner, drive through red light, not stopping at stop sign). 2018 saw a continued focus on defensive driver training, and management follow-up on driving complaints, specifically complaints related to unsafe behavior. This will continue in 2019, including the practice of scheduling Operators with a high number of driving-related complaints for accelerated defensive driving refresher training.

Voice of the Customer also gathered data specific to the perceived Operator performance, which is set out in the graph below, noting the measures indicate the percentage of customers who indicated they 'agreed' or 'strongly agreed' with the statement.

Voice of the Customer – Satisfaction with Operator Performance



The data gathered from the Voice of the Customer surveys indicate a high level of satisfaction with respect to Operators performance. These results support the earlier commentary that customers are much more likely to initiate a customer contact when they are dissatisfied than to provide a compliment. The results also confirm that Operators continued to perform well while in service notwithstanding the significant impacts that construction projects had on service throughout the majority of 2018 as well as the service changes that were implemented in September 2018. Communication efforts in 2019 will reinforce the messaging that LTC Operators are doing the best they can in difficult circumstances, and that customers should direct any concerns they have to customer service vs the Operator.

Specialized Transit Services

The following table provides a comparison of ridership and service hours actual to budget performance for 2018. As noted, ridership results and actual service hours provided fell short of targets. The ridership shortfall was directly related to the efficiency of the service not meeting budget expectations (average rides per hour). This unfavourable performance was due, in part to the ongoing implementation of the new scheduling software, which has thus far been unable to produce schedules to meet budgeted efficiency targets.

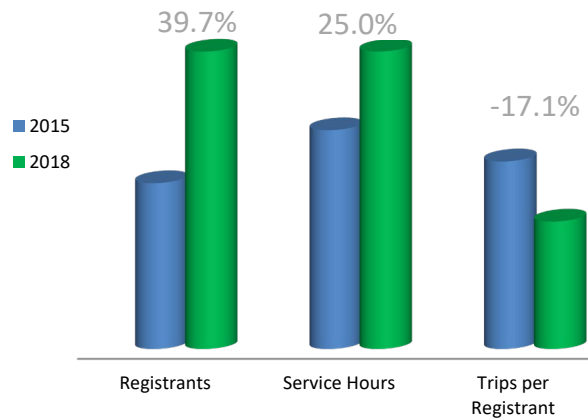
2018 Ridership and Service Hours Actual to Budget Performance

Description	Actual	Budget	Amount Better (Worse)	Percent Better (Worse)
Eligible passenger trips	293,227	316,200	(22,973)	(7.3)%
Attendant trips	36,166	36,200	(34)	(0.1)%
Total ridership	329,393	352,400	(23,007)	(6.5)%
Service hours	134,800	138,100	(3,300)	(2.4)%
Registrants	9,332	9,300	32	0.3%
Total trips/registrant	35.4	37.7	(2.3)	(6.1)%
Non-accommodated trips/registrant	1.3	1.2	(0.1)	(8.3)%

Non-accommodated trip – trip request that cannot be accommodated within 30 min of requested pick up time

The specialized transit service has also experienced an imbalance in registrant growth over service hour growth since 2015, which is depicted in the following chart.

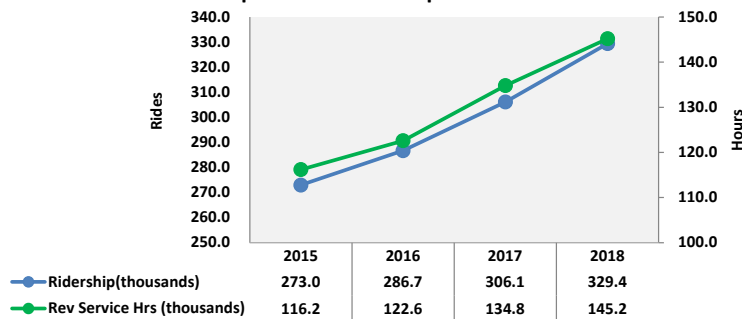
Registrant to Service Hour Growth 2015 vs. 2018



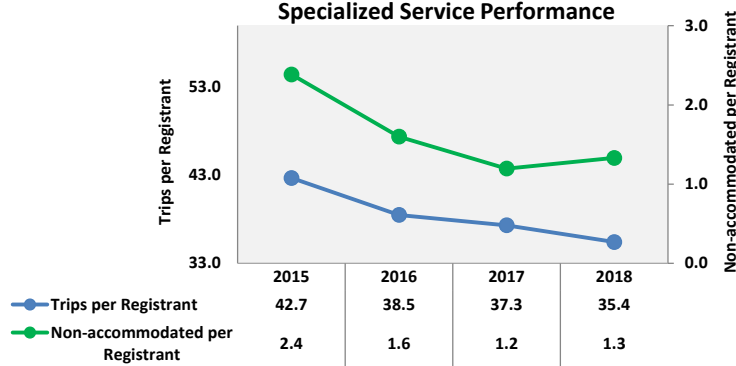
Ridership levels are more closely tied to service levels on the specialized services given the capacity limitations on the vehicles (i.e. maximum six mobility devices and 10 seated passengers, no standees), and as such the relationship between the two is linear. The move to larger vehicles in 2014 (max capacity 16 vs. historic 10), affords the opportunity to provide a greater number of trips within the same hours, increasing overall service efficiency.

The following charts set out a comparison of ‘total ridership’, ‘service hours’ and the corresponding relationship of ‘trips per registrant’ and ‘non-accommodated trips per registrant’ for 2015 to 2018. The steady decline in total trips per registrant over the period is tied to the steady growth in registrants that is anticipated to continue.

Specialized Ridership and Service Hours

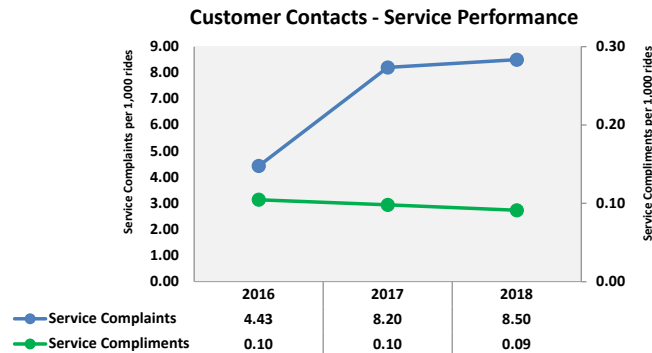


Specialized Service Performance



A positive trend which was maintained in 2018 relates to the decline/flat lining of the non-accommodated rates per registrant, which indicates that more trip requests were able to be accommodated.

As referenced in the chart below, service complaints have grown over the period of 2016 to 2018 (in both absolute numbers and on a per 1,000 eligible passenger trips basis) on a marginal basis. In 2016, several new categories were added to provide for better clarity with respect to the various types of contacts, as such, 2015 data is not provided given it is not comparable to the remaining years. Service performance complaints measured both in terms of total contacts as well as per 1,000 riders have been trending upward since 2016.



Service performance contacts are broken down into a number of categories to better identify the underlying issues and mitigation strategies going forward. The top category of complaints over the period has remained “service received”, which includes issues such as length of trip, drop off locations, pick up locations, as well as other complaints that may encompass more than one of the categories listed in the table above. The increase in contacts in this category for 2018 was directly attributable to the construction projects in the downtown core that extended from April through December. While contractors made efforts to ensure specialized vehicles could access drop off locations in the core, the ability to do so was inconsistent which resulted in customers having to be dropped or picked up at alternative locations.

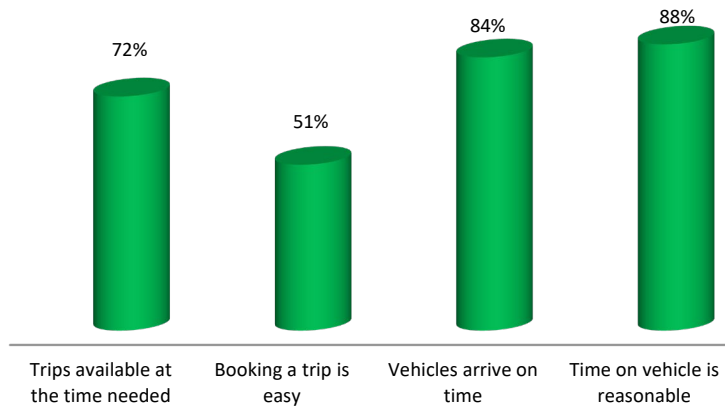
The second highest category over the period is “no show”. On the specialized service, a driver waits at a pickup location until five minutes past the time that was booked with the customer. Once five minutes has passed, the driver confirms with the trip assigner that it is ok to leave. This policy is in place in order to mitigate the negative impacts that customers running extremely late, or those that have decided not to travel but have not cancelled their trip can have on the on-time reliability of the service. A feature of the new scheduling system, launched in mid-2018, is the ability to have the scheduling system send an automatic reminder to customers of trips they have booked.

As indicated earlier in this report, the Voice of the Customer program was extended to include the specialized service in 2018. Results from the initial specialized survey indicate that overall, customers of the specialized service are very satisfied with the service received in general, with the exception being the ease of booking a trip. This has been a long-standing issue with the specialized service, stemming from the disparity between the amount of available service and the demand for same. Given this disparity, customers begin calling as soon as the booking lines open in an effort to secure their required trips, which results in an overload to the booking lines, and extended wait times to get through. While efforts to mitigate this wait have been undertaken, including the expansion of booking lines and the number of booking agents

scheduled in the morning, this issue will only ever be fully mitigated in the event that trip availability exceeds or meets demand on a regular basis.

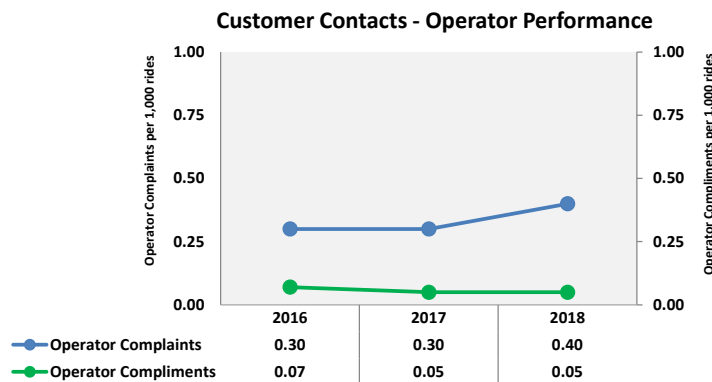
The chart below sets out the customer perceptions from the first Voice of the Customer survey for the specialized service, which are consistent with the above commentary.

Voice of the Customer – Satisfaction with Service Availability & Delivery



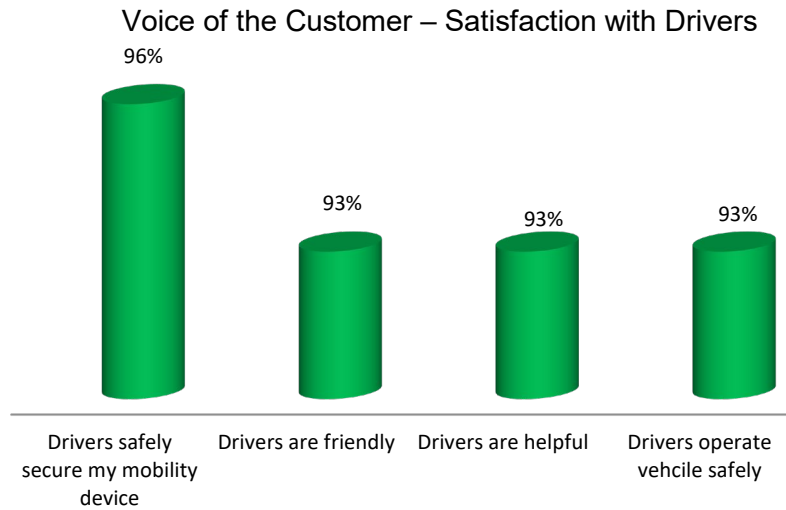
As indicated in the chart, while customers expressed dissatisfaction with trip availability and booking, they are very satisfied with the reliability of the service as well as the travel time.

Contacts with respect to Operator performance are also maintained in the contact database for specialized service. Given this service is provided via a third party contract, contacts regarding Operators that require investigation are forwarded to the third party for review and follow up.



As the chart above indicates, the complaints and compliments with respect to Operators have remained relatively consistent over the period, with slight increase in complaints in 2018. This increase is also directly tied to the construction in the core, noting the decision on whether to attempt to reach a drop off location is left to the discretion of the Operator. Given the status of the construction zone changed frequently, passengers who could not be dropped off at their preferred location expressed concern that the Operator did not try to get them to their stop.

The Voice of the Customer survey also asked customers for commentary on the Operators of the specialized service. The chart below depicts the very high levels of satisfaction with Operators, both with respect to safety as well as friendliness and helpfulness.



As with conventional transit, specialized transit performance results are assessed from a service perspective in comparison to all other Ontario specialized transit systems. The following table sets out a comparison of key service performance indicators for LTC in 2017 versus the identified Ontario group average, as well as 2018 performance for LTC.

Specialized Transit Services – Summary Performance Comparison

Description	2017 Ontario Avg.	2017 LTC	2018 LTC
Service Performance			
Service hours per capita	0.2	0.4	0.4
Total trips per capita	0.79	0.81	0.84
Total trips per service hour	2.8	2.3	2.3
Trips per eligible registrant	44.6	37.3	35.4

Average includes all specialized services operating in Ontario

Service performance indicators are, for the most part, consistent with the Ontario average, with the exception being trips taken per eligible registrant. London’s performance is at 85% of the group average. This may be due in part to the Off-Peak Pass program utilized in London, which allows registrants of the specialized service to travel free on the accessible conventional service during off peak hours. Many specialized customers make use of this pass, predominantly in the months when weather isn’t an issue from an accessibility perspective.

DEMONSTRATED FISCAL ACCOUNTABILITY

The strategy calls for prudent fiscal and operational management, supporting sustainability, competitive positioning, affordability and valued return on investment. The investment return includes social, economic and environmental returns. The following table sets out an assessment of 2018 performance against key elements of this strategy, noting the measures used to determine the grading include cost per service hour, investment share allocation (operating) and operating investment by function, compared to both previous year and budget as well as with LTC's peer group.

Key Elements	Grade
Providing a high quality and economically sustainable transportation service	Good
Ensuring decisions regarding investment (operating and capital) are evidenced-based, and are consistent with the goals and objectives of the organization and services	Excellent
Establishing a sustainable financial strategy, one that reflects the unique dynamics (characteristics) of each investment source	Excellent
Fostering an environment of continuous improvement that is, doing the right things at the right time in the most effective and efficient manner	Excellent
Optimizing investment and utilization of existing and new technologies supporting the effective and efficient delivery and management of the service	Good

2018 Operating Budget Program

The 2018 operating budget program for conventional and specialized transit services totalled approximately \$78.984 million with a break-even operating performance.

The major factors contributing to the break-even budget performance included:

- Overall unfavourable revenue performance relating to:
 - deferral of fare increase included in the budget
 - higher than budgeted Provincial Gas Tax contributions
 which were offset by the net favourable expenditure performance relating to:
 - higher than expected fuel costs
 - higher than expected contract costs for the specialized service relating to contract change requirements as the result of the increase in minimum wage
 - lower than expected building maintenance costs primarily relating to the opportunities created with the federal funding program for infrastructure renewal

As noted in the following chart, the actual source of 2018 operating investment varied only slightly from budget. City investment levels have, for the most part, been flat-lined over the course of the last four years, given the economic climate and related constraints on public investment.

**2018 Operating Budget Source of Investment
Conventional and Specialized Transit Systems**

Description	2018 Actual	2018 Budget
Transportation revenue	42.0%	44.7%
Operating revenue and reserve transfers	3.4%	3.0%
Provincial gas tax	14.8%	12.7%
City of London	39.8%	39.6%
	100.0%	100.0%

The discrepancy in the transportation revenue and Provincial gas tax are related to the deferral of a planned fare increase in 2018.

Financial performance is compared to the Commission’s peer group in the same manner as service performance for the respective services. In terms of conventional services in comparison to the peer group, London’s performance is at or near the top in all key financial performance indicators, as noted in the following table.

Conventional Transit Services – Summary Performance Comparison

Description Service Performance	2017 Peer Average	2017 LTC	Ranking Out of 16	2018 LTC
Financial Performance				
Operating cost per ride	\$3.18	\$1.42	16 th (lowest)	\$1.47
Municipal cost per ride	\$2.95	\$1.08	16 th (lowest)	\$1.05
Total Operating Cost Sharing				
Municipality	52.6%	37.2%	16 th (lowest)	37.2%
Passenger & Operating	40.6%	51.8%	2 nd	51.8%
Provincial gas tax	6.8%	11.0%	2 nd	11.0%

Note: Peer group includes 16 Ontario transit systems in municipalities with a population greater than 100,000. (York Region, Mississauga, Durham Region, Brampton, Hamilton, Waterloo Region, London, Windsor, Oakville, Burlington, St. Catharines, Sudbury, Barrie, Guelph, Thunder Bay and Kingston).

As noted, LTC’s municipal operating investment is well below the peer group average, ranked 16th (last) of the 16 transit systems comprising the peer group. Consistent with the peer group comparison of service efficiency measures, financial performance measures must also maintain an appropriate balance. In order for the transit service in London to grow to meet the expectations of the public at large and those set out in the 2030 Transportation Master Plan (TMP), the municipality will need to increase the level of investment to be consistent with other jurisdictions.

When increased investment is viewed in light of the operating cost per trip measure, what becomes evident is that the return on the investment from the City’s perspective is significantly higher than that being experienced by other jurisdictions. London Transit continues to be a very good investment and with growth investment, will continue to increase the economic, environmental and social returns to the City and its residents.

The same favourable financial performance applies to specialized transit services, as indicated in the following table, noting for both services, the operating and municipal costs per trip are significantly lower than the peer group average. As with conventional transit, municipal investment in specialized transit is also well below the Ontario average.

**Specialized Transit Services – Summary Performance Comparison
Ontario Specialized Systems**

Description Service Performance	2017 Peer Average	2017 LTC	2018 LTC
Financial Performance			
Operating cost per ride	\$31.78	\$22.33	\$25.81
Municipal cost per ride	\$28.68	\$16.54	\$15.83
Total Operating Cost Sharing			
Municipality	90.2%	74.1%	61.3%
Passenger & Operating	7.0%	7.9%	6.6%
Provincial gas tax	2.8%	18.1%	32.1%

The charts below set out the investment share of the various funding sources for both the Conventional and Specialized services for 2018. As indicated earlier in this report, the Provincial Gas Tax share for both services was at the highest in history for both services in 2018. This is due in large part to the compounding effect of the multiple fare increase deferrals over the period 2016-2018, as well as the full impact of the increased contract costs for the specialized service in 2018 being fully funded by gas tax. This high level of reliance on Provincial Gas tax is not sustainable going forward, resulting in the requirement for increased contribution from the City of London, transit riders (through fare increases) or a combination of both.

**2018 Percent Share of Source Investment
Conventional and Specialized Transit Services**



Operating cost per ride \$2.97
Municipal investment per ride \$1.09

Operating cost per ride \$25.81
Municipal investment per ride \$15.83

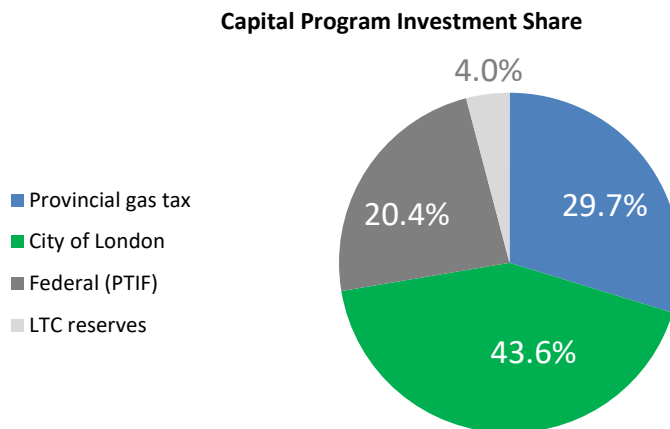
2018 Capital Budget Program

The 2018 capital investment program totalled approximately \$14.8 million, funding a number of projects including:

- bus replacement: a \$4.5 million project providing replacements for eight buses was completed in 2018. The bus replacement program is critical to supporting fleet reliability and lowering fleet maintenance costs by moving to an average fleet age of six years.
- bus expansion: a \$2.3 million project completed in 2018 provided for the expansion of the fleet by four buses.
- In 2017, Federal funding under the Public Transit Infrastructure Fund (PTIF) program was made available to fund up to 50% of infrastructure renewal and/or expansion projects relating to public transit. In April 2017 the Commission approved a budget of \$24.5 million relating to the total cost of 31 projects, noting \$12.2 million would be covered by the PTIF program. The remaining 50% funding was covered, for the most part with Provincial Gas Tax, with the exception of a few smaller projects that were funded from the Capital Program Reserve.

A total of \$6.9 million was spent on various projects in 2018 including upgrade of the Automatic Vehicle Location/Communication system, replacement of engines and transmissions in older buses, seating retrofits in bus fleet to improve accessibility, shelter replacements and facility upgrades/repairs to both the Highbury and Wonderland facilities.

All of the capital programs operated within budget. Capital investment in 2018 was shared as follows.



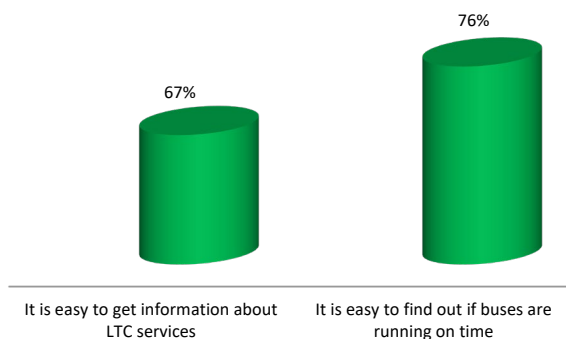
BEING OPEN, TRANSPARENT AND UNDERSTOOD

The strategy calls for all stakeholder communications to be conducted in an open, transparent, timely and inclusive manner supporting common knowledge and understanding. The following table sets out an assessment of 2018 performance against key elements of this strategy, noting the measures used to determine the grading include the number of communication tools employed, the frequency of use of the communications tools, and stakeholder satisfaction ratings.

Key Elements	Grade
Developing informed relationships with all stakeholders both internal and external to LTC	Good
Employing a consistent communication brand supporting clear, concise and timely communication	Good
Investing in and effectively utilizing a variety of communication forms and technology to build and sustain informed relationships	Good
Building a respectful working relationship with local and national media	Good

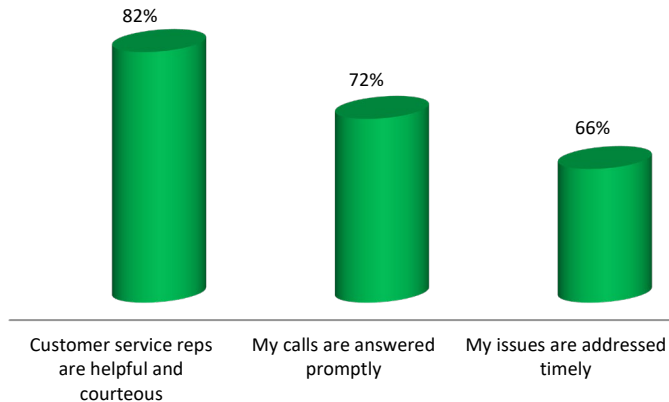
As indicated earlier in the report, the launch of the Voice of the Customer program has provided valuable insight into the LTC's customers view and perspectives of their public transit system. The following graphs illustrate LTC customer responses relating to their perception of availability of information and responses provided through customer service representatives, noting the measures indicate the percentage of customers who indicated they 'agreed' or 'strongly agreed' with the statement.

Voice of the Customer – Availability of Information



As the table indicates only 67% of LTC customers surveyed believe it is easy to find information about LTC services. In early 2018, the new LTC website and upgraded real-time bus information was launched which was anticipated to make it easier for customers to find service information. At the same time, corporate Twitter and Facebook accounts were launched, with the Twitter account being utilized to provide real-time service updates including detour information to followers.

Voice of the Customer – Customer Service Received



The responses illustrated in the above indicate that while LTC customers have a high level of satisfaction when they have made contact with a customer service representative, they are somewhat less satisfied with their ability to get their issue addressed in a timely manner. The majority of the contacts to customer service relate to service received (e.g. late service, overcrowding, missed transfer, operator conduct etc.), all of which require investigation and, in many cases, investment in service to address the issues. In 2018, there were a substantial number of contacts that were the direct result of ongoing construction projects that transit service was either navigating through or detouring around, all of which spanned the better part of 2018. While every effort is made to address customer concerns as quickly as possible, given the nature of the majority of the concerns in 2018 required service changes or construction projects to be completed, it is understandable that customers felt concerns were not addressed quickly enough.

2018 also saw an enhanced effort to reach transit customers where they are every day. During a number of significant changes to schedules or operating conditions (e.g. removal of buses from Dundas, September service changes), LTC staff attended the downtown core and key transit terminals to answer questions and provide guidance to transit riders. In addition, during the consultation period for the 2019 Service Plan, LTC staff held several pop up consultations at bus stops in areas that would be affected by the changes, providing riders the opportunity to share their perspectives while they waited for their bus. Both of these initiatives were very well received and will be continued and expanded upon going forward.

LTC also recognizes the importance of internal communications, keeping employees informed and thanking them for their efforts. There are a number of mechanisms in place for internal employee communications including payroll inserts, an employee newsletter, internal communications screens, and internal bulletin boards, direct communication (verbal and written) all of which are utilized throughout the year. In 2018, the internal newsletter was expanded to include not only corporate messaging but human interest stories featuring LTC employees making an impact in their community or sharing points of interest – a welcomed addition to the publication. Such stories will continue to be featured in future editions of the newsletter.

EFFECTIVE UTILIZATION OF INFRASTRUCTURE

The strategy calls for acquisition and maintenance of required infrastructure supporting service reliability, noting infrastructure includes fleet, facility, technology and other fixed assets. The following table sets out an assessment of 2018 performance against key elements of this strategy, noting the measures used to determine the grading include average fleet age, nature and extent of technology employed, and capital investment in new infrastructure.

Key Elements	Grade
Linking asset planning and service planning	Excellent
Effectively utilizing proven technology to meet business/service needs (e.g. smart bus technology to assist with the delivery of quality customer service)	Good
Completing evidence based assessments on the acquisition and maintenance of critical infrastructure	Excellent
Continuous review and improvement of systems, processes and procedures supporting effective use of all assets	Excellent

The reliable accessible infrastructure strategy addresses the maintenance, retention, and acquisition of equipment, facilities, and fleet. Specific programs and policy direction associated with the strategy are reflected in the Commission's Asset Management Plan. The programs' investment totals \$179.2 million, \$109.6 million of which is in rolling stock. The following table sets out the assessment of LTC Assets included in the Asset Management Plan.

Assets	Grade
Facility – 450 Highbury	Very good – fit for the future
Facility – 3508 Wonderland	Very good – fit for the future
Rolling stock	Very good – fit for the future
Shelters, stops and pads	Good – adequate for now
Fare and data collection systems	Good – adequate for now
AVL/radio system (smart bus)	Very good – fit for the future
Shop equipment and tools	Very good – fit for the future
Smart card system	Very good – fit for the future
All other infrastructure	Very good – fit for the future

The assigned assessment ratings were assessed on infrastructure needs associated with maintaining current service levels and an ongoing commitment to investing, as a priority, in a state of good repair both in terms of capital investment and maintaining and development of proactive preventative maintenance programs for buses including, ancillary system versus reactive and establishing full service agreements covering both maintenance and upgrades for technology (system) based infrastructure.

Strict adherence to the strategy over the past 10 years has resulted in the elimination of the infrastructure deficit. This table will be updated subsequent to the completion of the various projects being undertaken as part of the Public Transit Investment Fund (PTIF), the majority of which were targeted to infrastructure renewal, noting that 'shelters, stops and pads', which is identified as 'adequate for now', have all been replaced as part of this funding program.

The confirmation of the Public Transit Infrastructure Funding program projects as submitted by LTC in early 2017 provided the opportunity to address a number of fleet and infrastructure renewal projects, noting completion of the projects would not have been possible without the funding received annually through the Provincial Gas Tax for Transit Program, which for the most part will fund the remaining 50% of the identified projects.

AN ENGAGED, DIVERSE AND RESPECTFUL WORKPLACE

The strategy calls for the development of a results-oriented organization attracting, developing and retaining exceptional individuals creating an engaged, diverse and respectful workplace. The following table sets out an assessment of 2018 performance against key elements of this strategy, noting the measures used to determine the grading include training and development hours, employee turnover rate and employee satisfaction ratings.

Key Elements	Grade
Developing a culture that is inclusive, collaborative, respects individual dignity, promotes accountability and open communication	Good
Developing a learning organization supporting employees being successful in their roles, that recognizes performance and develops human resource capacity to ensure business continuity	Good
Developing a qualified and diverse work force, reflective of community demographics	Good
Creating a safe work environment and encouraging employee health and wellness	Good
Effectively using technology to support employees in their roles	Good

The overall rating of the strategy is defined as good, noting 2018 saw:

- the continued roll-out of upgraded training programs (driver certification, diversity, human rights, customer service, and others) for all front line operations employees and management personnel
- recognition of the need to develop and implement a corporate Mental Health Strategy, pieces rolled out in 2018 included:
 - “Understanding and Supporting Mental Health in the Workplace” training program delivered to all management staff in 2017, and to the ATU Local 741 Executive and LTC Peer Supports in early 2018
 - development of a custom training program on the topic of “Mental Health Resiliency” (i.e. tips and strategies to manage mental health) tailored to address issues consistent with those experienced by the London Transit employee group. As done so in the past, this transit-specific approach will aid in the transfer of knowledge from the classroom to on-the-job situations. The curriculum focuses on the following:
 - mental health and wellbeing introduction, “the continuum of mental health”
 - self-awareness /understanding your mental health/self-assessment of level of mental health
 - recognizing stressors
 - resiliency
 - who do you call when it’s not OK

- assignment for the development and deployment of continuous communication strategies/awareness campaigns regarding mental health awareness and resources to the LTC Wellness Committee
- rolled out the Fitness for Duty policy, which took effect January 1, 2019, Key elements of the policy include:
 - responsibilities of all parties, the employer, supervisors and employees
 - commitment to support employees with substance use disorders
 - education on impacts of substance use
 - strategies for the assessment of potential impairment
 - definition/designation of safety-sensitive positions
 - testing criteria when there is reasonable cause, post-incident and return to work (post-incident)
- continued participation by employees representing LTC in London's Pride Parade
- continued development of performance-based management
- expanded outreach for future LTC employees through participation in a number of local job fairs
- Continued work on LTC's Workplace Violence Prevention Program including:
 - the undertaking of a pilot program to assess Operator barriers in an effort to enhance the safety of the work environment for operators
 - a review of the effectiveness of the Workplace Violence Prevention Program, including training, banning, and communications to determine program effectiveness. Highlights of the review noted the following:
 - the number of incidents has remained stable despite increases in Operator complement, service hours, and ridership
 - Operators have demonstrated an increased ability to defuse potentially difficult situations
- ongoing review and change to the organization's structure, reflecting the performance review management program principle of ensuring the most efficient and effective use of resources

The planning and development of the organization is considered an ongoing initiative. Prior to being filled vacant positions are reviewed and assessed to ensure the resources are required and/or whether there is opportunity to re-invest the resources elsewhere in the organization where they may be more needed.

LOOKING FORWARD - TRANSFORMATIONAL INITIATIVES

Overarching theme of the 2015-2018 Business Plan was “Driving Change”, intended to relay the underlying priorities of the Plan which were to begin the long-awaited investment in transit services in preparation for the implementation of bus rapid transit corridors and the associated improvements to the current system. Another of the key objectives was to improve all aspects of the customer experience when interacting with London Transit. A number of initiatives were implemented over the period, many of which are discussed earlier in this report, in an effort to meet this objective.

The theme of the 2019-2022 Business Plan is “Maintaining the Momentum” intended to relay the underlying objectives of the Plan, which are to continue with initiatives tied to improving service for both conventional and specialized customers, and in conjunction improve the overall customer experience. The following provides a brief overview of what are considered the key initiatives that LTC will play a role in and/or lead going forward.

Financial Plan Update

The formal updating and approval of a new financial plan will take place as part of the next multi-year budget process, scheduled for mid-2019. The updating will include review and update as appropriate of the Commission’s Fare Pricing and Media Policy, and amended strategy relating to management and direction of LTC reserves and reserve funds, and the investments levels required from the City in order to continue to grow the service in response to the needs of Londoners.

Migration to Bus Rapid Transit Strategy

Development and implementation of any BRT corridors approved by Municipal Council will be a multi-year undertaking. Subsequent to approval of funding from all partners, work will begin on completing the required detailed assessments in an effort to begin the required construction. In addition, should the implementation of BRT corridors be approved, a branding exercise will be undertaken early in the Business Plan period in order to provide an identity to the new service and begin to build brand awareness and excitement.

Diverse and Supportive Workplace

2018 saw the continuation of LTC’s mental health strategy which addresses the need for increased attention to the promotion of mental health and resiliency for all employees as well as the prevention of mental illness wherever possible. The strategy focuses on changing LTC’s culture, building capacity, and to measure, report and continuously improve. Over the course of this business plan, a custom training program will be delivered to all LTC employees to help build individual resiliency in the face of life challenges. Other measures to be taken toward a more supportive and inclusive workplace include a review of policies and procedures against the strategy and an overall assessment of employee engagement.

Increased Marketing and Awareness

The last five year service plan had, as key objectives, to improve the conventional service with a focus on routes experiencing overcrowding and schedule adherence issues as well as to simplify the network, all intended to result in an improved customer experience. The significant investment in service over the past four years and continuing in 2019 have resulted in a more reliable and easier to navigate transit system; however the 2018 Voice of the Customer survey results indicate a different customer perspective. Focus over the next four years will be to begin marketing the LTC conventional service with a focus on the value it brings to the community at large. It is expected this effort will include use of corporate social media as well as on-board and shelter posters and may also include advertising on the outside of buses subject to availability.

Ridership Growth Initiatives

The Ridership Growth Strategy which was completed in early 2019 includes a number of initiatives with the potential to increase ridership. These initiatives will be prioritized and included in each of the annual work programs over the four year period.

Organizational Structure Review

The previous Business Planning period 2015-2018 saw significant investment in on-road service for both the conventional and specialized services. While improving the service on the road remains a priority, it is imperative that the appropriate level of resources is in place to manage and support this growth. A focus early in this plan's horizon will be a review of the administrative and management structure and related resources currently in place to determine whether this needs to be adjusted in order to support both past and planned growth.

Service Integration

With the implementation of the new specialized service scheduling software complete, a focus in the next business plan horizon will be opportunities for better integration between the conventional and specialized services, and will require a review of a number of the policies and practices currently in place for the specialized service.

Smart Card System

The beginning of 2019 saw the roll-out of the stored value component of the smart card system. Currently smart cards can be revalued at both LTC locations as well as eight City of London locations. The key initiatives remaining with this implementation will be to secure agreements with third party vendors to provide for revaluing of smart cards in their locations in an effort to ensure community-wide access, noting the option to revalue online also exists.

Annual service plans

Annual service plans will continue to be a major focus over the life of the business plan, building on the improvements over the past four years. Identifying and addressing priorities will continue to be a critical component to both the maintenance and growth of ridership, as will consideration of alternative methods of delivering public transit in difficult to serve areas of the city.

Corporate Communications

Continuing to strive for open and transparent stakeholder relationships will be a focus in this business planning period. 2018 saw the roll-out of corporate social media accounts which provided a mechanism to reach a specific demographic; however it is recognized that in order to effectively reach all demographics, additional methods and strategies around communications will need to be explored and implemented. Focus during this business planning period will be assessing and implementing new and different ways of engagement both externally (customers and stakeholders) as well as internally (with employees).

Corporate Training Programs

London operates in a dynamic, complex and competitive environment. Developing as a learning organization supporting employees being successful in their roles is essential to ensuring business continuity and growth. Enhanced focus will be directed at ensuring new Operators (our largest employment group) have the necessary tools and abilities to perform their jobs in an exceptional manner.

Process Review Management Initiative

The Process Review Management (PRM) process has been essential to rebuilding efforts over successive Business Plan periods. The process ensures systems and processes remain current, dynamic and effective in meeting their objectives. Initial systems/processes subject to PRM include the specialized service area relating to the newly implemented scheduling software, the finance area relating to final smart card roll-out, and the assessment of spare fleet ratio and whether it requires adjustment given changes in bus technology.