

2015 Operating and Capital Budget FAQ's

What is the change in expenditure investment over 2014?

The 2015 operating expenditure of \$68.5 million represents an increase in expenditure of \$2.5 million over 2014, or an increase of 3.8% which relates to:

- 2.0% net increase in personnel, fuel, goods and services costs, an increase consistent with the rate of inflation
- 2.1% increase relating to the provision of 24,300 more service hours (2014 flow through service hours and new service hours for 2015)
- 0.3% decrease in base program expenditure investment

How is the increased expenditure investment funded?

The \$2.5 million increase in operating expenditure investment is shared as follows:

- 37.6% from the provincial gas tax reserve fund
- 37.5% in requested increase in City of London investment
- 24.9% from ridership, operating revenues and reserve investment

The \$0.946 million requested increase in City investment versus 2014 represents a 0.2% increase in the property tax levy, or an estimated \$4.70 increase for the average residential homeowner.

What is the return on investment?

The investment will add 8,980 new service hours for 2015 (26,700 new hours on an annual basis), allocated as follows:

- 5,980 new service hours to conventional transit effective September 2015 (17,700 annual service hours)
- 3,000 new service hours on specialized transit effective April 2015 (9,000 hours annual service hours)

The new service hours are in addition to the 14,550 flow through service hours associated with the 2014 service plans for conventional and specialized services.

Ridership for 2015 is expected to increase by 1.5%, bringing total ridership for conventional and specialized transit to 24.4 million.

Where will the new service hours go?

The new service hours will be focused on addressing service quality and reliability issues, including a portion of the service deficit associated with both conventional and specialized transit. The prioritization of the hours will be identified in the 2015 service plan development to be presented for Commission consideration in the spring of 2015.

Are fares scheduled to increase?

Regular cash, ticket and monthly pass fares are not scheduled to be increased in 2015. Tuition based pass program for Western University and Fanshawe College will increase as per existing contracts.

What is the 2015 Capital Budget?

The 2015 operating expenditure investment is supported by a \$10.4 million capital budget program. The program summary is as follows:

2015 Capital Budget Program

Program	Units	Amount
Life Cycle Maintenance		
Bus Replacement	12	\$ 6,034,800
Facility Upgrades		300,000
System software/hardware		700,000
Shop and garage equipment		200,000
Service fleet replacement		40,000
Stop Upgrades		37,000
Service Growth		
Bus Expansion		
Existing service area	5	2,546,500
New growth area	1	509,300
		<u>\$10,367,600</u>
Source of Investment		
Provincial gas tax		\$ 2,844,900
LTC capital program reserve fund		577,000
Development charges – C/L		458,400
City of London		4,987,300
Federal gas tax – C/L		1,500,000
		<u>\$10,367,600</u>

Approval of City Investment

Municipal Council will be debating the requested \$27.042 million in total City operating investment and the \$4.987 million in capital investment in January and February 2015, with final approval set for the end of February.