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YORK REGION TRANSIT
CROSS-BOUNDARY AGREEMENT WITH THE TORONTO TRANSIT COMMISSION

The Transit Committee recommends:

1. **The recommendations contained in the following report, November 23, 2004, from the Commissioner of Transportation and Works be adopted; and**

2. **Staff be requested to negotiate with the Toronto Transit Commission (TTC) to include provision in the agreement relating to the installation of fare card processing equipment on TTC buses operating in York Region:**

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize the preparation of an updated agreement between The Regional Municipality of York and the Toronto Transit Commission (TTC) to continue the operation of contracted TTC services in York Region, including the provision of buses, drivers and other ancillary services, as outlined in this report.

2. The Regional Chair and Clerk be authorized to execute the agreement on behalf of the Region.

2. PURPOSE

The purpose of this report is to seek Transit Committee and Regional Council authorization to execute a revised operating agreement between The Regional Municipality of York and the Toronto Transit Commission (TTC). This revised agreement stipulates terms and conditions for both the Region and the TTC pertaining to TTC cross-boundary services operating under contract to York Region.

3. BACKGROUND

Prior to the amalgamation of the local municipal transit services, the City of Vaughan, on November 3, 1987, and the Town of Markham with the Town of Richmond Hill, on October 15, 1988, entered into cross-boundary service agreements with the TTC. The agreements defined the terms and conditions for transit service to be provided by the TTC in York Region on behalf of the local municipalities.

On January 1, 2001, the Region assumed responsibility for public transit services from the local municipalities. As part of the amalgamation process the Vaughan, Markham and Richmond Hill agreements with the TTC were assigned to the Region.

YRT staff, in consultation with the Region's Legal, Audit Services and Risk Management Branches have worked jointly with TTC staff to consolidate the terms and conditions of the existing agreements to develop one comprehensive operating agreement.

4. ANALYSIS AND OPTIONS

The TTC, under contract to the Region, currently extends 12 routes from Toronto to points in York Region, primarily along major north-south arterial roads. These 12 routes originate from several TTC subway stations or the Scarborough Town Centre. There are approximately 13,000 transit customers who utilize these services daily in York Region, representing 27% of YRT's daily ridership.

Customer convenience is greatly enhanced by this cross-boundary service as transit customers can travel on a single bus when travelling between Toronto and York Region, thereby eliminating the need to transfer to or from YRT and TTC buses at the Toronto/York boundary (Steeles Avenue). The Region pays the full operating cost for service provided outside Toronto. The prevailing YRT and TTC fares are applicable in the respective municipalities, therefore an extra fare is charged to those transit customers travelling cross-boundary between Toronto and York Region. The TTC credits the Region with the cash fares deposited in the fareboxes while travelling in York.

The new agreement, among other things, clarifies the terms and conditions relating to operations, revenue and cost allocation, and auditing and insurance responsibilities of YRT and the TTC. The following is a summary of the key changes that are being incorporated into the new agreement:

- Addition of a new clause which credits the Region for capital subsidies received by the TTC from provincial and federal governments, thereby reducing the amount the Region has to pay for capital depreciation.
- Insurance and Indemnification clauses have been updated based on recommendations from the Region's Risk Management Branch.
- Updated clause on audit rights in accordance to recommendations from the Region's Audit Services Branch.
- YRT fare changes will no longer require TTC approval for TTC buses operating under contract to the Region.
- Notification to terminate the agreement by either party has been extended to six months from three months. This will allow both the Region and TTC to implement an alternative service plan and minimize impact on customers at the time of termination.
- A new clause which authorizes contracted TTC buses to operate from Region transit facilities.

There are currently 31 TTC buses operated on these routes. For the Region to assume operation of these services, a substantial capital expenditure and increased operating and maintenance costs would be incurred. York Region pays the TTC only for operations within the Region, whereas YRT buses operating to subway stations in Toronto incur costs on both sides of the boundary and are also unable to pick-up passengers within Toronto unless they are destined to York Region. Notwithstanding this, staff continue to examine opportunities for cross-boundary YRT bus operations where there is a business case to do so.

4.1 Relationship to Vision 2026

The continuation of the TTC cross-boundary services into York Region supports the actions in Vision 2026 in the “Infrastructure for a Growing Region” goal area:

- Making transit accessible.
- Continuing to improve service and infrastructure for successfully integrated transit service.
- Developing an optimal mix of transit service types.
- Promoting transit usage as a practical and wise alternative to private vehicle use.

5. FINANCIAL IMPLICATIONS

The Region compensates the TTC for operating the service in York Region based on the actual proportional cost of operations and capital. The TTC invoices the Region on a quarterly basis and provides details on revenues, total revenue miles, revenue vehicle hours, passenger counts and the number of vehicles required to operate the services.

The TTC has agreed that, as of January 1, 2004, if capital contributions are received from the provincial government for the replacement cost of TTC buses, they will reduce the capital depreciation charge for the buses to reflect the provincial contribution. As subsidy levels may change over time, a general clause which allows for adjustments in both provincial and federal subsidies has been incorporated into the agreement.

The draft 2005 Business Plan and Budget contains $13.7 million in operating costs and $8.0 million in operating revenues in connection with this contracted service. Revenues are made up of cash fares deposited on TTC buses, plus ticket and pass sales attributed to TTC contracted routes.

Sufficient funding is contained in the 2005 draft Budget and Business Plan to continue the operation of this service.

6. LOCAL MUNICIPAL IMPACT

These routes provide inter-regional transit services, primarily along major arterial roads in York Region, with connections to the TTC bus and subway system. The routes provide high level cross-boundary service to residential, commercial and industrial areas in Vaughan, Markham and Richmond Hill.

7. CONCLUSION

The TTC has provided cross-boundary transit services into York Region for over 20 years. This service provides essential connections between York Region and the City of Toronto. The provision of convenient and reliable transit services is critical to achieving greater balance in the Region's overall transportation system by increasing the transit modal share. It is therefore recommended that a new agreement with the TTC be executed.

The Senior Management Group has reviewed this report.