

# SERVICE FUNDING FREEZE

SUPPLEMENTAL INFORMATION

At the most recent FTW meeting, we were asked to provide more thorough information about this year's budget and the funding freeze for service. Here is some information explaining in greater detail the funding situation in this year's budget. If you have questions, you can email [joseph.kornelsen@functionaltransit.com](mailto:joseph.kornelsen@functionaltransit.com) or call 204-232-2023.

## CITY OF WINNIPEG BUDGET FOR PUBLIC TRANSIT

Below is the budget set by the city for public transit. In this budget, funding for service has been frozen. There has been a slight increase in funding but it is going entirely to capital – namely bus shelters and driver shields. While shelters are beneficial to riders and shields are beneficial to drivers, to ignore service improvement is to ignore what riders have been demanding from the city. If we are going to reach our targets for fighting climate change, we need to grow transit ridership and the most economical way to grow ridership is to improve frequency and reliability of transit

### Public Transit

**Contributing Departments**

Transit 100 %

Operating Budget (in millions of \$)	2017 Actual	2018 Budget	2019 Preliminary Budget	Variance Expl.	2020 Projection	2021 Projection
Service revenue	83.822	85.369	91.675	1	95.499	98.265
Provincial funding (service specific)	41.938	41.970	41.970		41.970	41.970
<b>Revenues</b>	<b>125.760</b>	<b>127.339</b>	<b>133.645</b>		<b>137.469</b>	<b>140.235</b>
Salaries and benefits	110.438	120.773	121.403	2	124.066	125.546
Services	18.252	20.183	21.372		21.702	22.072
Materials, parts, and supplies	32.310	35.116	37.969		39.213	40.411
Assets and purchases	0.569	0.858	0.861		0.795	0.795
Debt and finance charges	8.618	9.766	10.216		11.093	12.197
Grants, transfers and other	12.206	11.462	11.937		25.358	35.583
Recoveries	(5.294)	(5.023)	(4.591)		(4.173)	(4.273)
<b>Operating Expenses</b>	<b>177.100</b>	<b>193.137</b>	<b>199.167</b>		<b>218.054</b>	<b>232.331</b>
Transfer to Capital	1.986	0.607	5.039		16.420	19.624
<b>Total Expenses</b>	<b>179.086</b>	<b>193.744</b>	<b>204.206</b>		<b>234.474</b>	<b>251.955</b>
<b>Mill Rate Support/(Contribution)</b>	<b>53.326</b>	<b>66.405</b>	<b>70.561</b>	<b>97.006</b>	<b>111.720</b>	
Full-time Equivalent Positions	1,484	1,573	1,570	1,572	1,573	

**Explanation of 2019 Change from 2018**

**(in millions of \$)**

**1 Revenues**

Increase in fare revenue primarily due to ridership. No increase in transit fare from 2018	5.856
Increase in advertising	0.315
Increase in miscellaneous revenue	0.135
	6.306

City contribution,  
increase of \$4.1 million

Capital increase of \$4.4  
million

You can look at the full transit budget beginning on PDF page 87 here:  
[https://winnipeg.ca/finance/files/2019PreliminaryBudget\\_Volume2.pdf](https://winnipeg.ca/finance/files/2019PreliminaryBudget_Volume2.pdf)

## TRANSIT WAS WINNIPEGGERS' TOP PRIORITY IN CONSULTATION

The City of Winnipeg conducts budget consultations annually in advance of each budget. Public transit consistently comes in as a top priority for Winnipeggers. For the 2019 budget consultation, transit was at the very top of the list. Winnipeggers are giving council a mandate to make massive improvements in transit in our city, yet council is choosing to leave transit service as infrequent, unreliable, over-crowded and underfunded as it has always been.

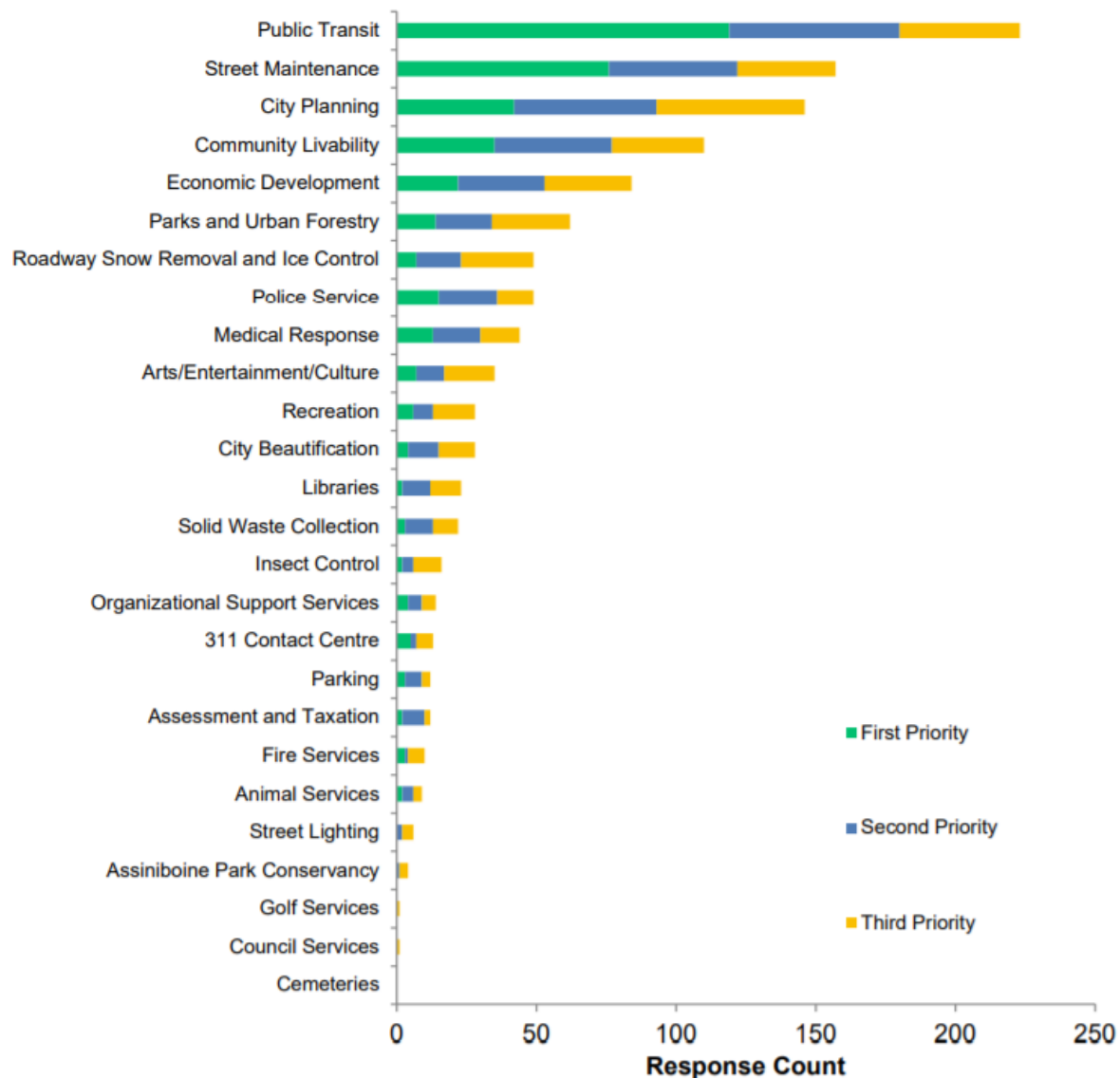


Figure 4-3 Winnipeggers' Top Three Priority Service Areas

You can read the full engagement report here:

[https://winnipeg.ca/interhom/Budget/2019BudgetEngagement/pdfs/2019Budget\\_PE-Report.pdf](https://winnipeg.ca/interhom/Budget/2019BudgetEngagement/pdfs/2019Budget_PE-Report.pdf)

## MUNICIPAL OPERATING CONTRIBUTION

The City of Winnipeg is far behind the next biggest jurisdictions in operating funding for transit. Both Edmonton and Ottawa contribute nearly three times more per person to running their networks. **Given that this year saw service funding frozen, this chart remains accurate.** Even if the funding for bus shelters and driver shields were to be included in Winnipeg's budget figure in this graph, per person funding in Winnipeg would rise from \$93.28 to just \$99.11.

# ANNUAL TRANSIT BUDGET PER PERSON



Based on city budgets and census data from Stats Canada (2016.)



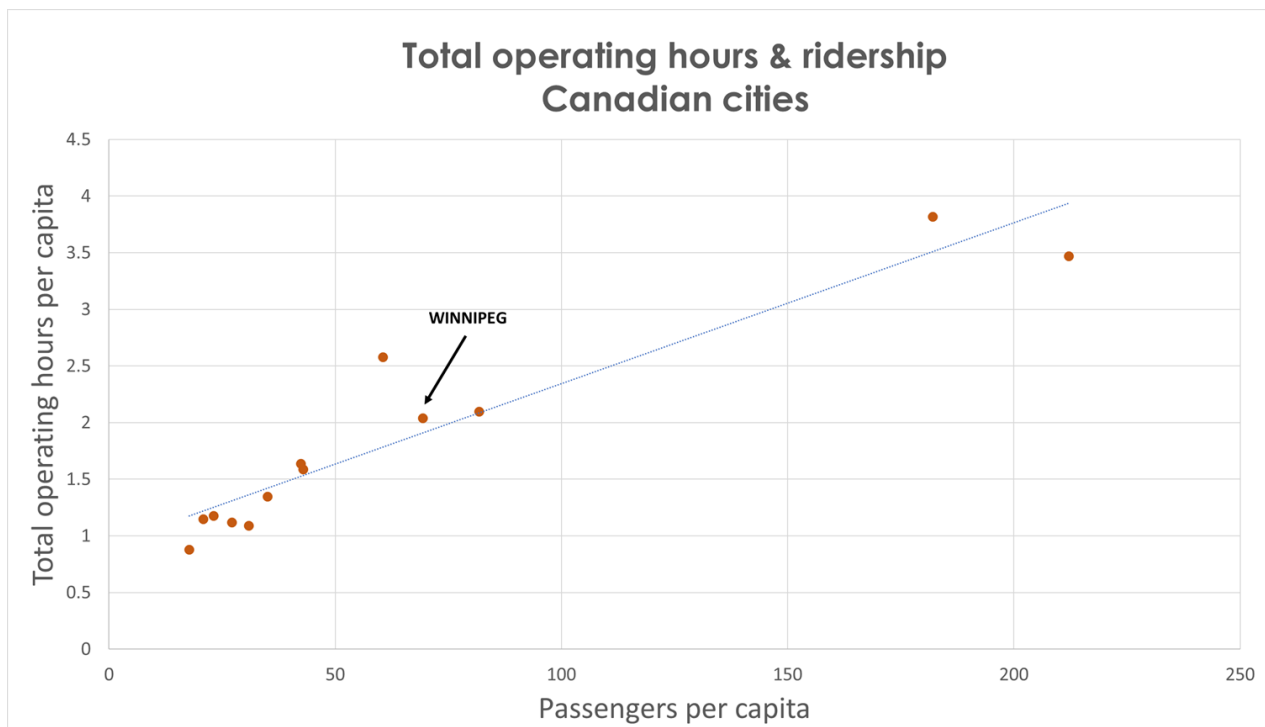
Funding	Population (City, 2016)	Contribution to transit (2018)	Contribution per person	Sources	Population	Budget	
Edmonton	932,546	\$235,548,000	\$252.59	<a href="#">Source</a>	<a href="#">Source</a>		pg 456
Ottawa	934,243	\$284,973,000	\$305.03	<a href="#">Source</a>	<a href="#">Source</a>		pg 212
Winnipeg	711,925	\$66,405,000	\$93.28	<a href="#">Source</a>	<a href="#">Source</a>		pdf pg 84

## SERVICE AND RIDERSHIP VERY CLOSELY LINKED

Functional Transit Winnipeg has been meeting with councillors for the last five years explaining the relationship between frequency and reliability and ridership. Improving service doesn't just make transit better for current riders, it attracts new riders to the system making our city more efficient, environmentally friendly and more equitable.

In order to meet the minimum climate change objective set out by Winnipeg's own climate change plan, we have to increase ridership significantly every year. According to the Winnipeg Area Transportation Survey, 8% of trips made in Winnipeg are by transit. Winnipeg's goal is to get to 15% by 2030. That means **ridership needs to increase by 5.88% annually**. Unfortunately, this goal is still not enough as this target will only hold global temperature increase to 2 degrees Celsius. The Intergovernmental Panel on Climate Change recommends holding warming to 1.5 degrees Celsius. That means, the ridership growth target in Winnipeg should actually be much higher than 5.88% annually.

The chart below shows the link between total operating hours and ridership in many Canadian cities. It plots ridership compared to total operating hours of all transit vehicles. The correlation between the two is clear. If we want to increase ridership, we need to increase the number of buses and time buses spend on the road.



Source: <http://mbncanada.ca/app/uploads/2018/11/2017-Final-Report.pdf>

Winnipeg's Climate Action Plan:

<https://winnipeg.ca/sustainability/PublicEngagement/ClimateActionPlan/pdfs/WinnipegsClimateActionPlan.pdf>

## REGISTER TO SPEAK AT CITY HALL

Given the necessity of fighting climate change, the fact that Winnipeggers reported public transit as their top priority, that we need equitable ways for Winnipeggers to get around their city and that car-oriented infrastructure gets more expensive every year, council should not need its citizens to tell them to act. Unfortunately, we do need to remind them again.

**Please join us and register to speak at the Executive Policy Committee meeting on Wednesday, March 13 on the topic of the 2019 operating budget. Call 311 to register.**

If you have questions, you can contact the chair of Functional Transit Winnipeg, Joseph Kornelsen by email at [joseph.kornelsen@functionaltransit.com](mailto:joseph.kornelsen@functionaltransit.com) or by calling 204-232-2023