

## **Administration's Response to the Calgary Transit Zero-Based Review – Report from Morrison Hershfield**

This attachment provides Administration's response to the recommendations in Morrison-Hershfield's detailed Zero-Based Review report on Calgary Transit.

**Method and Scope:** As with all ZBRs, the Transit review began with a high level review of all of Calgary Transit's operations, to identify areas with the greatest potential for efficiency and effectiveness gains. This process and its results are described in Attachment 1. The four areas identified for the in-depth review were:

- Procurement & Inventory Management;
- Fleet Maintenance;
- Service Delivery Approach (which in turn had three sub-topics: Service Lanes, Janitorial & Outside Maintenance, and Maintenance of Rail System Communications);
- Transit Revenues.

The total annual operating budget of the first three areas is \$122.9 million, or approximately 32% of the total 2014 Transit operating budget. The scope of the Transit revenues opportunity is approximately \$189 million (all revenues).

An external consulting firm, Morrison-Hershfield, was retained to undertake the in-depth review of the four specified areas. Morrison Hershfield's complete report is provided as Attachment 5. It is extensive and detailed, including consideration and evaluation of a variety of options, with assessment of benefits, risks and implementation considerations for each of them. The final report contains ten recommendations, in seven separate business cases.

**Summary of Response:** This Attachment provides a summary of Morrison-Hershfield's recommendations, and Administration's proposed response to each, including rationale and some implementation considerations. Administration recommends that Council:

- Accept 6 recommendations,
- Accept with amendment 3 recommendations.
- Do not accept 1 recommendation

### **Expected Benefits:**

A summary of the expected benefits is provided in the table below. The stated benefits reflect Administration's response to the recommendations, which are generally consistent with the Morrison-Hershfield recommendations, but differ in a few specific instances (described further below).

<b>Business Case</b>	<b>Estimated Annual Financial Benefits (\$ millions)</b>	<b>Comments</b>
<b>Fleet Reliability</b>	\$0.8	Administration's recommendation differs from the consultant's (see page 6-7). Operating savings expected by year 5.
Service Lanes		
Fleet Maintenance	\$1.8	Operating savings expected by year 5.
	\$5.0	Average capital cost avoidance based on \$25 million over 5 years  Other benefits include: Improved fleet reliability; culture shift to performance-based accountability; reduced congestion at garages; potential deferral or reduction in size for new garage space; consistent, measurable level of cleanliness; scalable solution that can better accommodate growth; preservation of employee-union-management relationship.
<b>Janitorial/Maintenance</b>	\$2.7	Development of objective quality and delivery standards.
<b>Transit Revenue</b>		
Low Income	n/a	Improved equity and consistency in application of the Fair Calgary policy.
Senior -> Youth	\$2.9	Improved equity and consistency in application of the Fair Calgary policy.
Advertising	\$0	Administration's recommendation differs from the consultant's (see page 6-7).
Park and Ride	\$1.0	Reserved stalls provide more certainty for customers
<b>TOTAL</b>	<b>\$14.2</b>	\$5.3 annual operating savings \$5.0 annual average capital cost avoidance \$3.9 annual additional revenue
<b>Areas With No Quantifiable Financial Impacts</b>		<b>Benefits</b>
<b>Procurement and Inventory Management</b>		Supports improvements to vehicle maintenance recommendation (#2); Improved interdepartmental working relationships.
<b>Maintenance of Rail System Communications</b>		Preservation rail system safety and reliability.
<b>Business Planning</b>		Clearly sets out transit system needs by integrating capital and operating plans in a 10-year timeframe to bridge the gap between the 4-year planning process and the 30-year Route Ahead vision document.

Financial gains will be implemented over the next 5 years, and are expected to be fully realized by 2021. Consistent with the approved ZBR method, Calgary Transit will report back to the SPC on Transportation and Transit within one year of this report being approved by Council.

**How to read this document**

The remainder of this attachment follows the structure shown below.

<p><b>The Opportunity (for information):</b> <i>Brief description of the service and the opportunity that was identified in the first phase of the ZBR</i></p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b> <i>Verbatim text of consultant's recommendation</i></p>	<p><b>Administration's Response (for approval)</b> <i>In one of 3 categories:</i></p> <ul style="list-style-type: none"> <li>• <i>ACCEPT</i></li> <li>• <i>ACCEPT WITH AMENDMENT (Proposed amendment italicized)</i></li> <li>• <i>DO NOT ACCEPT; ALTERNATIVE SOLUTION IS PROPOSED</i></li> </ul>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b> <i>Summary of the recommendation and supporting information, referencing page numbers in Attachment 2 if more detail is required.</i></p>	<p><b>Administration's Comments (for information)</b></p> <ul style="list-style-type: none"> <li>• <i>Administration's rationale for its response to the recommendations above.</i></li> <li>• <i>May include comments received through the peer review and other stakeholders who have been consulted</i></li> <li>• <i>May also include current work underway to implement the recommendations, including alignment with corporate direction.</i></li> <li>• <i>Text that has been redacted for reasons of confidentiality is blacked out like this. <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; vertical-align: middle;"></span></i></li> </ul>

<p><b>PROCUREMENT AND INVENTORY MANAGEMENT</b></p> <p><b>The Opportunity:</b> In partnership with Supply, Calgary Transit procures and stores parts and tools needed to maintain vehicles and other assets. The opportunity identified was to streamline inventory management processes in order to reduce costs and increase availability of parts, thereby increasing the availability of buses and LRVs.</p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>Pursue the internal process improvements in Option 1 and develop an implementation strategy and timeline. The risks associated with Option 1 are believed to be far lower than with the Option 2 hybrid model that transfers control over procurement and/or inventory management from Calgary Supply to Calgary Transit.</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT</p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The internal process improvements identified in the consultant's recommended Option 1 include:</p> <ul style="list-style-type: none"> <li>• better aligning leadership objectives between Transit and Supply</li> <li>• identifying and addressing other root causes such as unclear roles and responsibilities, data collection and measurement, and</li> <li>• developing Purchasing and Inventory centres of excellence to drive continuous improvement, drawing on experiences of other Canadian Transit services.</li> </ul> <p>Option 1 is expected to result in nominal savings to Transit and Supply, including reduced carrying costs, reduced inter-location transfers and improved information about inventories. Its greater value is that it supports the move to drive a lower fleet spares ratio (see next recommendation).</p>	<p><b>Administration's Comments (for information)</b></p> <p>Administration concurs with the consultant's recommendations.</p>

<p><b>FLEET RELIABILITY (Fleet Maintenance and Service Lane)</b></p> <p><b>The Opportunity:</b> Fleet maintenance is a crucial part of reliable transit service delivery, accounting for about 18% of transit’s operating expenses. Calgary’s fleet spare bus ratio (i.e. the ratio of extra buses to buses needed to meet service commitment) is above the industry standard; this directly affects both operating and capital costs. The Service Lane function is responsible for cleaning, fuelling and lining up buses and trains to prepare them for the next day’s service. The quality of this work directly affects customers’ experience and satisfaction, including specifically cleanliness ratings, which have improved over the past five years. While there is no appetite to reduce quality standards, the opportunity identified was to reduce the average costs of this service.</p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>(Fleet Maintenance) Pursue the comprehensive internal change approach outlined in the multi-part solution of the report and develop an implementation strategy and timeline.</p> <p>(Service Lane) That The City of Calgary adopts the phased, alternative service delivery approach of option 1.</p>	<p><b>Administration’s Response (for approval)</b></p> <p>ACCEPT FLEET MAINTENANCE: ACCEPT</p> <p>SERVICE LANE: DO NOT ACCEPT</p> <p>ALTERNATIVE SERVICE LANE RECOMMENDATION: Pursue Option 2 (internal performance improvement)</p>
<p><b>Overview of Consultant’s Proposed Recommendation (for information):</b></p> <p>The recommended multi-part solution for Fleet Maintenance is a comprehensive internal change, which includes improved workforce planning and more rigorous planning, execution and measurement of fleet maintenance activities, along with reduction of the overall fleet size, accomplished by reducing the fleet spares ratio.</p> <p>The ability to reduce the fleet spares ratio without adversely affecting service level depends on the improved planning and measurement described above, as well as improving the availability of fleet maintenance parts, as outlined in the previous recommendation.</p> <p>The primary benefits of this recommendation are cost avoidance for</p>	<p><b>Administration’s Comments (for information)</b></p> <p>Administration agrees with the Fleet Maintenance recommendation. Administration does not agree with the Service Lane recommendation for contracting out.</p> <p>Administration has considered these recommendations in the context of overall improvements within the Fleet area, as well as The City’s philosophy towards employee relations. Based on this, Administration recommends pursuing Option 2 (Internal Performance Improvement) for Service Lanes for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Service Lane function works closely beside, and is integral to, the Fleet Maintenance function. Therefore, changes to Service Lanes should be considered in the larger context of Fleet Maintenance process improvements and the potential benefits associated with</li> </ul>

future replacement (existing fleet) and for lower fleet growth (related to transit service growth). There are also ongoing savings in labour costs through increased productivity, and minor potential one-time revenues from the sale of excess fleet during the transition to a lower fleet spares ratio. Other, intangible benefits, include more reliable fleet for customers, environmental improvements (fewer vehicles built and scrapped/resold), reduced congestion at transit fleet maintenance facilities, and deferred capital expenses for transit fleet facilities.

The total expected net financial benefits of this recommendation include ongoing (operating) net cost savings, estimated at \$1.8 million per year, and capital cost avoidance, estimated at \$25 million over 5 years.

For the Service Lane, the consultant identified two options:

- Option 1 - Alternative Service Delivery, i.e. contracting out of this function to the private sector, expected to save approximately \$3.1 million per year when fully implemented, primarily through lower wage rates, supplemented by process improvements;
- Option 2 - Internal performance improvement, through process changes, adjustments to crew size and training. This option is expected to save approximately \$0.75 million per year, once fully implemented.

The consultant has recommended Option 1, based on higher expected cost savings.

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- This is bolstered by the peer review, which noted that achieving a low “spares ratio” requires an efficient and well-integrated service lane operation. The peer review also noted that the potentially larger gain in fleet maintenance could be jeopardized if a good relationship with staff and unions is not maintained.
- The risks and potential consequences extend even further, to a possible negative effect on the entire fleet maintenance function, and ultimately to front-line service delivery. Transit’s ability to ensure buses and trains are available to go into service as scheduled depends directly on an efficient and productive fleet maintenance function which, in turn, depends on a constructive workplace environment.
- The quality and reliability of service lanes also has a direct and immediate effect on customer satisfaction and on the ability to deliver service commitments (having buses/trains in service as scheduled) each day.
- Investing in internal Service Lane improvements is a more strategic approach. Calgary Transit will implement process improvements

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For these reasons, Administration recommends pursuing Option 2, to achieve productivity gains through process improvements, working with City staff. We believe that this will result in savings of approximately \$0.75 million per year, once fully implemented. Even more importantly, this approach supports Administration's ability to achieve significant savings in fleet maintenance and preserves a constructive working relationship with unions and staff, which is a cornerstone of ongoing efficient and high quality service.

Calgary Transit will use the results from the implementation of Service Lane improvements and undertake a similar process for systematically reviewing all functions within Fleet Maintenance.

Calgary Transit estimates that this will result in operating cost savings of \$2.6 million per year and capital cost avoidance of \$25 million over 5 years.

<p><b>SERVICE DELIVERY: JANITORIAL AND OUTSIDE MAINTENANCE</b></p> <p><b>The Opportunity:</b> Janitorial and outside maintenance services include cleaning and maintaining stations, park and ride lots and other Calgary Transit facilities. The quality of this work directly affects customers' experience and satisfaction, including specifically cleanliness ratings, which have improved over the past five years. The potential opportunity identified was to reduce service costs without harming service quality.</p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>That The City of Calgary adopts the phased, alternative service delivery approach of Option 1.</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT</p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The consultant has recommended that Calgary Transit increase its use of external service providers (Option 1) in place of in-house provision, particularly for tasks where external providers' costs are expected to be considerably lower. Effective implementation is likely to involve multiple, seasonal contracts to provide specific services in specific areas. Effective contract management will be essential to its success. This change, if fully implemented, is expected to reduce costs by approximately \$2.7 million per year. The consultant also recommends a phased approach to properly plan and execute this transition.</p>	<p><b>Administration's Comments (for information)</b></p> <p>Administration agrees with the recommendation. It is consistent with the trend towards an increased use of contracted services for this line of service. It will result in a more methodical and strategic approach to asset management, by considering each type of maintenance requirement (e.g. cleaning, landscaping, etc) with respect to the contracting opportunities and service impacts.</p>



<p><b>SERVICE DELIVERY: MAINTENANCE OF RAIL SYSTEM COMMUNICATIONS</b></p> <p><b>The Opportunity:</b> Rail System Communications includes a large and diverse group of functions (e.g. passenger announcements, Help Phones at stations, train tracking technology, system signals, radio communications with staff, and station cameras, among others). Calgary Transit operates the system, and currently, maintenance of parts of the system is provided by ENMAX. However, service costs have increased substantially over the past eight years, and ENMAX has informed Calgary Transit that it will no longer provide this service after the current contract expires in 2018. Calgary Transit is currently exploring the option of providing this service internally (the alternative being to find a different external contractor). The consultant’s task in this area was to review Calgary Transit’s existing business case to self perform this function.</p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>That Calgary Transit take into consideration the results of the benchmarking and industry trends outlined in Section 5.3.4 as well as other business planning considerations outlined in Section 5.3.5 as Calgary Transit determines how it will proceed to implement a new approach to Rail Communications.</p>	<p><b>Administration’s Response (for approval)</b></p> <p>ACCEPT</p>
<p><b>Overview of Consultant’s Proposed Recommendation (for information):</b></p> <p>The consultant found that the existing business case documentation was not sufficiently developed to allow an evaluation of it. Therefore, the consultant undertook best practices benchmarking and developed an outline of key considerations and implementation issues that should be addressed as Calgary Transit moves the maintenance of its railway communications system from an external provider (ENMAX) toward a self-performed internal function. There is no expectation of cost savings related to this opportunity.</p>	<p><b>Administration’s Comments (for information)</b></p> <p>Administration concurs with this recommendation. Rail System Communication is critical for the safety and reliability of the rail system. Given the recent cost escalations from Enmax, there might be a possibility for cost savings, however this is primarily a service effectiveness improvement. Calgary Transit will explore options for ensuring that the reliability of this safety-critical system is maintained for customers and operations. The expected timing to start this business plan development is January 2017.</p>

<p><b>TRANSIT REVENUE – OPPORTUNITY OVERVIEW</b></p> <p><b>The Opportunity:</b> Calgary Transit collects approximately \$189 million/year in revenues, including fares, advertising and parking. Council has approved a target revenue/cost ratio of 50 to 55%. The ratio has been trending downward, from a high of 58% in 2006 to 50% in 2015. The Route Ahead identified a future funding gap for Transit, and the ability to meet service and revenue targets was identified as a significant risk if the funding gap cannot be addressed.</p> <p>One of the opportunities is to look at the current fare discounts offered by Calgary Transit which, overall, tend to be lower than comparable cities. Revenues from advertising and parking were also identified as potential sources, worth investigation. Four different recommendations related to transit revenues are addressed immediately below.</p>	
<p><b>TRANSIT REVENUE: LOW INCOME TRANSIT SUBSIDY (Including Low-Income Seniors' Subsidy)</b></p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>Assign low-income transit pass funding responsibility from Calgary Transit to Calgary Neighbourhoods (CN) including the development of a low-income transit pass revenue recovery plan (users, City subsidy, other sources) and a phased-in revenue recovery contributions from CN to CT over a five-year period.</p>	<p><b>Administration's Response (for approval);</b>                  ACCEPT WITH AMENDMENT</p> <p>Amended Recommendation: <i>Refer the consultant's recommendation related to Low-Income Transit Pass funding to Calgary Neighbourhoods, to work with Calgary Transit in determining an approach to managing low-income transit passes, including ongoing responsibility for funding, and to report back to the SPC on Community &amp; Protective Services no later than Q4, 2017.</i></p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The consultant has recommended transferring funding and administration of the low-income transit pass program to Calgary Neighbourhoods. The benefits of this are that it would clarify service costs and locate the low-income pass program with the related Fair Entry program. The current practice of funding an estimated \$13.2 million for this program from within Calgary</p>	<p><b>Administration's Comments (for information)</b></p> <p>Administration agrees that there are a number of potential benefits to transferring responsibility for management of the low-income pass program from Calgary Transit to Calgary Neighbourhoods (CN). However, Administration believes that it is not advisable to transfer funding responsibility to CN without also addressing the question of ongoing funding sources (to manage the financial risks involved), and clarifying roles and responsibilities.</p> <p>While setting fees and fares is not part of CN's core business, CN is better positioned than Calgary Transit to make</p>

Transit has the effect of distorting the revenue/cost ratio.

recommendations on low income subsidy policies, as the lead business unit responsible for the Fair Calgary policy.

- The change is a logical next step building on the Fair Entry program. It could provide greater consistency in The City's overall approach to fee assistance, and more easily connect this to related work underway on a sliding scale for low-income fee subsidies.
- Transfer of funding would increase transparency by making the cost of the low income subsidy program clear. It would also create cleaner and more accurate statistics on Calgary Transit's financial performance for benchmarking purposes and for calculation of the cost/revenue ratio.

This change should also be coordinated with work currently underway in CN on a sliding scale, and investigation of additional funding sources, including internal funding and other levels of government. The Province has committed \$4.5 million per year for 2017, 2018 and 2019 for expansion of the low-income transit pass program.

For these reasons, Administration proposes that this recommendation be referred to CN, working with Calgary Transit, to investigate how the transition might occur, and to report back to the SPC on Community & Protective Services within one year.

This is unlikely to result in a delay in implementation (given that the consultant's original recommendation called for a 5-year transition); however, it will allow for a thorough and thoughtful assessment of options on how best to proceed, and alignment with work CN is already undertaking on the Fair Entry program.

<b>TRANSIT REVENUE: SENIORS' SUBSIDY (NOT INCLUDING LOW-INCOME SENIORS)</b>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>Transition Seniors (not low income) fares to Youth discount levels by eliminating the Senior annual pass and transitioning Senior cash, ticket and monthly pass pricing from Adult to Youth rates</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT</p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The consultant has recommended aligning non-low income Seniors' fare pricing with Youth discounts, including eliminating the regular senior annual pass and instead offering discounted cash fares, tickets and monthly passes.</p> <p>It is important to clarify that this recommendation does NOT refer to, or affect, low-income seniors' fares, which would continue to be provided, and administered through the Fair Entry program, at the current 99% discount.</p> <p>The transition of seniors' fares to the "Youth" rate is expected to yield \$2.9 million in additional revenue, once implemented. (It will also protect The City from the risk of greater future lost revenues, estimated at \$10 million/year in 30 years, as the population ages.)</p>	<p><b>Administration's Comments (for information)</b></p> <p>This recommendation is consistent with Council's policy direction in the Fair Calgary policy, which states that <i>"historically, age-based differential fees were created as proxies for low income amongst specified age groups, namely children, youth and seniors. Currently there is no relationship between age-based differential fees and income or ability."</i></p> <p>This is also consistent with the approach taken in Calgary Recreation, which has youth and senior fares set at the same level. For this reason, the Fair Calgary policy also indicates that business units should develop transition plans to align with the policy.</p> <p>The regular seniors' pass program currently offered is inconsistent with the Fair Calgary Policy principle of equity. Currently, medium and high-income seniors pay substantially less for transit than low-income people in other age groups.</p> <p>It is noteworthy that only one other Canadian municipality among those surveyed (Edmonton) currently offers a deeply discounted seniors annual pass, and that Edmonton is currently reviewing this practice. The City of Edmonton's recent (March, 2016) White Paper on User Fees notes that <i>"there have not been any recent studies or assessments that tell us that this type of [age related] subsidy is justified as a means to address accessibility for individuals with financial barriers. Nor has an increase to the public benefit been demonstrated when targeted subsidies are provided"</i></p>

*specifically to seniors...Not only does this create inequity across user groups, it fails to encourage optimal use."*

Acceptance of this recommendation would reduce inequitable cross-subsidization that currently exists, where medium or high-income seniors are subsidized by medium and low-income users from other age groups. Non-low-income Seniors would still continue to receive a substantial subsidy; but it would be reduced from the existing 96% discount to an approximately 50% discount, depending on the fare product that is used (e.g. single tickets vs passes).

<b>TRANSIT REVENUE: ADVERTISING REVENUE</b>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>Increase transit advertising revenue by acting on the recommendations of the February 2015 Advertising Review.</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT WITH AMENDMENT</p> <p>AMENDED RECOMMENDATION: <i>Act on the recommendations of the 2015 Advertising Review.</i></p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>A recent (February, 2015) review of Calgary Transit advertising revenue found that CT currently performs well compared to other agencies. Even so, that review identified a number of opportunities to further expand advertising revenue. The ZBR consultant has endorsed these recommendations, as they are consistent with practices in large Canadian cities and, in Calgary's case, guided by a comprehensive policy document.</p> <p>The consultant expects an additional \$1 million in advertising revenue if the advertising recommendations are fully implemented.</p>	<p><b>Administration's Comments (for information)</b></p> <p>Administration concurs with the recommendations to expand advertising revenues. [REDACTED]</p> <p>[REDACTED]</p> <p>Calgary Transit will be challenged to meet budgeted advertising revenue of \$9.1 million in 2016 and beyond:</p> <ul style="list-style-type: none"> <li>• [REDACTED]</li> <li>• Advertising contracts are coming to an end 2017-2018. [REDACTED]</li> </ul> <p>[REDACTED]</p> <p>[REDACTED] is diversifying into other non-fare revenue streams such as digital advertising and ATMs at stations. [REDACTED]</p> <p>[REDACTED]</p>

<b>TRANSIT REVENUE: PARK AND RIDE REVENUE</b>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>That The City of Calgary Amend the Park and Ride Policy and permit the demand-based approach to pricing of Parking Revenue option 4 by converting free stalls to monthly reserved in lots that have a monthly reserved waiting list.</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT WITH AMENDMENT</p> <p><i>Amended Recommendation: Refer the consultant's recommendation related to Park and Ride Revenue to the 2016 June 13 Council meeting to be addressed with the recommendations from TT2016-0319 "A Review of Calgary Transit Park and Ride"</i></p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The consultant examined a range of options for parking revenue. At one end of the spectrum was an option to charge for all parking based on the daily rate (expected to generate the most revenue). Other options included to charging for selected daily stalls, or increasing the number of reserved stalls in certain circumstances.</p> <p>The recommended option is one that generates the least amount of additional revenue (among the options considered). It is chosen because it targets the lots where demand is greatest, by converting all of the currently-free stalls to monthly reserved stalls in seven lots that currently have a monthly reserved waiting list.</p> <p>This change is expected to generate approximately \$1.0 million per year in additional parking revenues.</p>	<p><b>Administration's Comments (for information)</b></p> <p>TT2016-0319 "A Review of Calgary Transit Park and Ride" went to the SPC on T&amp;T on May 18, 2016. The report recommended that Council direct Administration to "transition toward a system of 100 percent monthly reserved parking with differential pricing based on demand and offer a system of daily reserved parking that utilizes vacant monthly reserved spaces."</p> <p>Currently reserved parking is in high demand at stations near the end of each line with over 7,000 people on the waiting list. Reserved parking is in much lower demand closer to the downtown and at most Northeast stations. It should be noted that the number of lots that have a waiting list for reserved monthly parking fluctuates with economic conditions.</p>

<p><b>TITLE: IMPROVED APPROACH TO BUSINESS PLANNING</b></p> <p><b>The Opportunity:</b> This opportunity emerged during discussions between the external consultant and City staff early in the ZBR process, and refers to opportunities to continue to formalize and improve the approach to business planning for Calgary Transit.</p>	
<p><b>Morrison-Hershfield Recommendation (for information):</b></p> <p>That the Calgary Transit Leadership team consider the Five Management Tools business planning model and implement needed improvements to the CT business planning process.</p>	<p><b>Administration's Response (for approval)</b></p> <p>ACCEPT</p>
	<p><b>Administration's Comments (for information)</b></p> <p>Many elements, such as multi-year plans and budgets, are already in place at The City of Calgary. However, some elements of the five management tools can be incorporated into Calgary Transit's business planning process, including more robust performance measures, reporting and long term integration of capital operating and revenue forecasting. Calgary Transit is in the process of developing a 10-year integrated capital and operating plan that clearly sets out transit system needs. This plan is meant to bridge the gap between the 4-year action plan process and the 30-year Route Ahead strategic plan. It aligns with the Corporate Asset Management Plan and the 10-year Infrastructure Investment Plan.</p>
<p><b>Overview of Consultant's Proposed Recommendation (for information):</b></p> <p>The consultant recommended some enhancements to Calgary Transit's business planning process.</p>	