



A People Place, A Change of Pace
SHELBURNE
ONTARIO, CANADA

Meeting Date:	Monday, October 03, 2022
To:	Mayor Mills and Members of Council
From:	Denyse Morrissey, Chief Administrative Officer
Report:	CAO 2022 –15
Subject:	Grey County Transit Weekend Transit Service 2023 Extension, and Bus Stop Locations Update.

Recommendation

Be it Resolved that Council:

1. Receives report CAO 2022-15 regarding Grey County Weekend Transit 2023 Extension and Bus Stop Locations Update for information;
2. Provides direction to staff and whether Option 1 and continuing with 2023 weekend service for 3 or 6 months, or Option 2 and suspending weekend service as of January 1, 2023 is preferred and approved.

Background

On May 23, 2019 Grey County and Southgate Township received funding from the Provincial Government to enhance transportation in Grey County and regionally. Grey County received \$1,850,000 and Southgate Township received \$500,000. They created a partnership using the combined funding of approximately \$2.3 million. The funding received by Southgate Township was to implement service from Dundalk to Orangeville.

The Town does not fund or contribute any costs towards the weekday service or Monday to Friday between Dundalk and Orangeville or Route 2.

Information on the Grey County Transit service is provided at:

<https://www.grey.ca/grey-transit-route>

On January, 11, 2021, Council received report CAO 2021-01 regarding Weekend Expansion Pilot Project: Grey County Transit and approved that Shelburne pay for \$5,000 a month for weekend service.

The weekend service cost in 2022 increased to \$5,500 per month. The agreement with Grey County to provide weekend service will expire on December 31, 2022. With the October 2022 municipal election the annual budget process is later than other years. It is anticipated that the 2023 operating budget would be approved in mid to late March 2023.

The total ridership on all GTR routes from September 2020 to August 2022 is provided in Appendix 1. The total 2022 rides to date are 10,878 and 3,225 or 29.65% were on Route 2.

In the absence of a financial commitment by the Town of Shelburne to continue funding the weekend transit service as of January 1, 2023 it would be suspended. It could be reinstated at a date to be determined if continued funding was approved in the 2023 budget by Council.

Analysis

The provision of transit services in all municipalities, even for those eligible for gas tax as part of their transit funding model, is a heavily subsidized service by the taxpayer. For clarification, the gas tax the Town of Shelburne receives has a "No Transit" calculation imbedded in it. The Town received about \$257,000 in 2022 from gas tax which is dedicated to roads and road maintenance. As was outlined in another report from the September 26, 2022 Council agenda, a significant portion of our gas tax will be used for one project.

Even with the significant grant funding provided for the project, the operating costs for the Grey County Transit service has significantly increased in 2022. Inflationary and other uncontrollable costs are among the key drivers affecting costs.

Grey County's July 28, 2022 report CAOR-CW-05-22 outlined that the additional funding required by Grey County in 2022 was \$322,000 over the approved budget. The additional estimated funding required in 2023 is \$602,000. The report is provided in Appendix 2.

2023 Weekend Service – Estimated Costs

The estimated costs for Town of Shelburne to be provided with continued weekend service in 2023 will also increase. The estimated cost is \$6,800 per month or \$20,400 for 3 months or \$40,800 for 6 months or \$81,600 per year.

2022 Weekend Ridership – January to August, Route 2 Dundalk to Orangeville

Month	Ridership
January	21
February	28
March	25
April	64
May	93
June	67
July	111
August	122
Total	531

Weekend - By Location Totals

January 2002 - August 2022			
Pick Up	Drop Off		Stop Location
151	133		Dundalk Arena
32	29		Skyview
16	11	Town	Col Phillips & Armstrong
14	11	Town	Greenwood Crescent @ Fiddle Park Ln
108	57	Town	Victoria St at Town Hall
21	24	Town	School Rd & Simon Rd
4	10		Super Burger
102	139		Hansen Blvd. @ First St. (Orangeville Mall)
72	100		Transfer (Fourth St.)
11	17		Owen Sound Transit Terminal
531	531		

The most used stop in Town is the downtown Victoria Street stop.

January to March 2022:

	Jan-22		Feb-22		Mar-22	
Stop Location	Pick Up	Drop Off	Pick Up	Drop Off	Pick Up	Drop Off
Dundalk Arena	3	2	6	4	5	9
Skyview						
Col Phillips & Armstrong	4	3	1	3	2	0
Greenwood Crescent @ Fiddle Park Ln	1	0	1	0	1	1
Victoria St. at Town Hall	2	2	1	0	6	0
School Rd & Simon Rd	1	0	1	1	0	0
Super Burger						
Hansen Blvd. @ First St. (Orangeville Mall)	2	7	3	6	4	6
Transfer (Fourth St.)	5	3	10	6	4	4
Owen Sound Transit Terminal	3	4	5	8	3	5
Monthly Ridership	21		28		25	

April to June 2022

		Apr-22		May-22		Jun-22	
Stop Location	Pick Up	Pick Up	Drop Off	Pick Up	Drop Off	Pick Up	Drop Off
Dundalk Arena		15	17	26	31	16	19
Skyview		4	3	5	7	4	6
Col Phillips & Armstrong		0	1	2	0	2	2
Greenwood Crescent @ Fiddle Park Ln		2	0	1	3	0	1
Victoria St. at Town Hall		18	9	21	11	17	9
School Rd & Simon Rd		3	1	2	1	5	4
Super Burger		0	1	0	0	1	0
Hansen Blvd. @ First St. (Orangeville Mall)		10	19	23	18	14	16
Transfer (Fourth St.)		12	13	13	22	8	10
Owen Sound Transit Terminal							
Monthly Ridership		64		93		67	

July to August 2022

Stop Location	22-Jul		22-Aug	
	Pick Up	Drop Off	Pick Up	Drop Off
Dundalk Arena	42	24	38	27
Skyview	10	6	9	7
Col Phillips & Armstrong	0	1	5	1
Greenwood Crescent @ Fiddle Park Ln	5	1	3	5
Victoria St. at Town Hall	18	15	25	11
School Rd & Simon Rd	3	9	6	8
Super Burger	2	5	1	4
Hansen Blvd. @ First St. (Orangeville Mall)	20	23	26	44
Transfer (Fourth St.)	11	27	9	15
Owen Sound Transit Terminal				
Monthly Ridership	111		122	

The following are the reported reasons passengers use the weekend service between Dundalk and Orangeville:

- Employment
- Connecting with family members
- Shopping opportunities
- A jump off point for passengers that have friends/family picking them up to go further south/north

It is noted, there is no connection to GO Transit on the weekends for riders. GO is not in service on the weekends from Orangeville.

As noted earlier the 2022 weekend service is \$5,500 a month or \$44,000 from January 1, 2022 to August 31, 2022. Based on 531 weekend rides during that period the average cost per ride or subsidy is \$82.86. The offsetting revenue is the \$5.00 fare per ride. It is expected weekend ridership, based on 2021, could decrease in October, November and December which would then increase the average cost per ride.

Using the 2023 estimated cost of \$6,800 per month or \$40,800 for 6 months or \$81,600 per year, and using an estimated 900 total weekend riders (and increased total riders from 2022) the average cost per ride or subsidy would be \$90.33. The fare is expected to remain at \$5.00 per ride in 2023 and not be increased.

Continued 2023 Weekend Service - Options

Option 1:

The Town continues with weekend service based on the estimated cost of \$6,800 per month or \$20,400 for 3 months or \$40,800 for 6 months. This amount is pre-approved by Council on October 3, 2022 and included in the 2023 operating budget.

With Option 1 the Town would amend and extend the agreement with Grey County for continued weekend transit service to the Town of Shelburne for the period of 3 or 6 months and either January 1, 2023 to March 31, 2023 or January 1, 2023 to June 30, 2023.

Continuing or discontinuing the funding for 2023 weekend service past the extension would be considered by Council as part of the 2023 budget process.

Option 2:

The Town suspends the weekend service as of January 1, 2023.

Council considers the continued weekend services costs within the 2023 draft budget and when the service would be, or would not be, reinstated. As shown earlier in this report, the weekend use in 2022 was lowest in the months of January to March. It was 21 in January, 28 in February, and 25 in March.

Any weekend service reinstatement would likely be after April 1, 2023 given the timing of the 2023 budget process. As well, Grey County and their operator would require ample notice to reinstate the weekend service specific to scheduling, staffing and other administrative requirements.

Location of Stops – Adding new Fieldgate Plaza

The Town currently has 4 stops in Shelburne as part of the GTR service and under Route 2 (Dundalk to Orangeville) which is the most used in the system.

At the July 11, 2022 Council meeting, a notice of motion was made and approved at the July 25, 2022 Council agenda

Be is resolved that staff look into what it would take to have a transit stop installed near the new commercial development on hwy 89 and 124 and report back to Council regarding the possible options and costs associated.

The closest bus stop to new plaza is at School Road and Simon Street which is about 850 metres from the corner of Hwy 89 and County Road 124. In mid July 2022, the commercial plaza owners were asked if it would be possible for the GTR's small bus (about 12 passenger) to access the property and create a new stop location.

Generally the following was requested for consideration:

- A permanent sign would installed indicating this is location for the on demand bus service – drop off and pick up
- Any where in the plaza could be the location to pick up and drop off as the service is on demand (and not conventional transit). The location for the stop within the plaza could also be easily changed if needed.
- No transit shelter would be installed

The plaza owner indicated that they do not typically accommodate or allow any transit routes within any of their shopping centres for safety reasons.

Whether or not the Town funds continued weekend service as of January 1, 2023 and has only weekday service, the Town staff and Grey County staff have reviewed the option to locate a new stop on the adjacent roads to the plaza. This would be in place only when the Town assumes those roads from the developer. This would provide a very short walk into the plaza. It is anticipated, pending the timing of the Town's assumption of the roads, that a new GTR stop location which could then have 5 stops in Shelburne, could be in place in Q1 2023.

Financial

The estimated costs for Town of Shelburne to be provided with continued weekend service in 2023 will increase. The estimated cost is \$6,800 per month or \$20,400 for 3 months or \$40,800 for 6 months or \$81,600 per year.

Based on the weekend transit costs for 2022 of \$5,500 per month or \$44,000 from January 1, 2022 to August 31, 2022 and that there were 531 weekend rides during that period - the average cost per ride or subsidy is \$82.86. The offsetting cost is the fare per ride of \$5.00.

Using the 2023 estimated cost of \$6,800 per month or \$20,400 for 3 months or \$40,800 for 6 months or \$81,600 per year, and based on using 900 weekend rides (an increase from the 531 rides in 2022) the average cost per ride or subsidy would be \$90.33. The fare is expected to remain at \$5.00 per ride in 2023.

Policies & Implications

Not applicable

Consultation and Communications

Grey County staff and transit operator

Council Strategic Priorities

Council's Strategic Priorities has three Goals - Sustainable, Engaged and Livable. There are a total of 12 targets with the three Goals.

This report aligns with the Sustainable Goals within the Targets:

Target T2 Municipal Services Review and Evaluation

Target T11 Improve Community Connections

Supporting Documentation

Appendix 1: Total ridership on all GTR routes from September 2020 to August 2022

Appendix 2: Grey County Report CAOR-CW-05-22, July 28, 2022

Respectfully submitted:

Denyse Morrissey, CAO

Month	Route 1	Route 1 WE	Route 2	Route 2WE	Route 3	Route 4	Route 5	Route 6	Total
2020									
September	2		21		3	3	0	0	29
October	5		97		77	20	14	4	217
November	23		104		53	12	13	26	231
December	23		47		28	11	10	8	127
Total Ridership for 2020	53		269		161	46	37	38	604
2021									
January	12		50		35	9	10	1	117
February	26		43		35	19	16	4	143
March	74		126		34	34	36	13	317
April	97		72		36	37	21	22	285
May	87		122		34	44	12	11	310
June	94		147		53	67	21	10	392
July	73		156	9	42	53	73	9	415
August	128		167	26	73	103	95	11	603
September	71		209	38	61	45	44	7	475
October	110		251	48	79	49	41	12	590
November	148		312	42	73	41	45	16	677
December	186		274	22	82	52	38	51	705
Total Ridership for 2021	1106		1929	185	637	553	452	167	5029
2022									
January	98		194	21	86	47	29	7	482
February	158		177	28	83	61	48	40	595
March	236		245	25	146	99	85	40	876
April	274	34	340	64	147	75	76	103	1113
May	289	62	424	93	165	87	117	129	1366
June	354	69	528	67	226	124	241	141	1750
July	387	91	587	111	327	192	428	137	2260
August	533	66	730	122	288	174	387	136	2436
September									0
October									0
November									0
December									0
Total Ridership for 2022	2329	322	3225	531	1468	859	1411	733	10878
Total Ridership To Date									16511

Committee Report

To:	Warden Hicks and Members of Grey County Council
Council Date:	July 28, 2022
Subject / Report No:	CAOR-CW-05-22
Title:	Grey Transit Route Update
Prepared by:	Charles Fitzsimmons, Acting Manager, Community Transportation
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	Grey County Wide
Status:	Recommendation adopted by Committee as presented per Resolution CW116-22; Endorsed by County Council August 11, 2022, per Resolution CC71-22.

Recommendation

1. That report CAOR-CW-05-22 Grey Transit Route (GTR) Update be received; and,
2. That the 2022 system enhancement funding of \$280,000 over the 2022 Approved Budget and an additional \$42,200 to defray fuel cost increases, for a total of \$322,200 over the 2022 Approved Budget, be considered as part of the 2023 budget deliberations; and,
3. That Council direct staff to undertake a GTR Sustainability Business Plan Project to consider ways and means of strengthening GTR and the intercommunity transportation network over the short, medium, and long term for Council consideration.

Executive Summary

This report presents the following updates:

1. **Service Expansion Highly Successful.**
The public's response is amply rewarding Council's investment in more days per week and more runs per day. Since the expansion began on April 1, 2022, average monthly ridership has been up by 240%.
2. **Bruce and Dufferin County Service Enhancements.**
Financial contributions by Bruce County, The Town of South Bruce Peninsula, and the Town of Shelburne are reinforcing Grey County's leadership in expanding GTR service.
3. **Community Transportation Grant Program (CTGP) Funding Extended.**

Originally scheduled to be fully expended by March 2023, the Provincial Government has extended GTR's Community Transportation Grant funding timeline through March 2025 in recognition of the impacts of the pandemic.

4. **GTR Service Agreement Extended.**

An Amending Agreement with Driverseat Owen Sound will provide GTR service through March 31, 2025, at a fixed price.

5. **Wheelchair-Accessible Trips Agreement Expected in August.**

A well-established regional provider is expected to confirm an agreement with the County in August in order to provide wheelchair-accessible trips for the GTR as the previous provider had become unavailable.

6. **GTR enrolled in Google Transit.**

Google Transit is a free service offered by Google to qualifying transit services. Google Transit enables the public to see GTR routes and schedules when searching for directions within or connecting to our service area.

7. **Fuel Cost Increases.**

Events beyond the County's control are continuing to bring challenges. Just as pandemic restrictions were easing, the price of fuel quickly rose by 35% to more than \$2 per litre. GTR's fuel costs increased by \$7,000 in June alone.

Annualized, this cost increase is expected to be \$50,000 to \$70,000 in 2022, and potentially \$65,000 to \$85,000 or more in 2023.

8. **GTR Sustainability Business Plan Project.**

In view of the recent upsurge in both ridership and fuel costs, staff recommend development of a project to examine opportunities for revenue generation, cost containment and service enhancement for 2023 – 2028, based on operating experience to date, emerging funding opportunities, and sector best practices.

Background and Discussion

1. Service Expansion Highly Successful.

The public's response is amply rewarding Council's investment in more days per week and more runs per day. Since the expansion began on April 1, 2022, average monthly ridership has been up by 240%.

Due to ridership growth, Routes 1 (Owen Sound to Dundalk) and Routes 2 (Dundalk to Orangeville) buses are occasionally booked almost to capacity, leaving little or no room for walk-on passengers. Although this is fantastic news for ridership numbers, the GTR is required to permit walk-ons in order to meet Google's definition of transit and qualify to be enrolled in Google Transit. Staff and Driverseat are monitoring the situation closely.

Total GTR Ridership September 2020 to June 2022

Enhanced Service began April 1, 2022

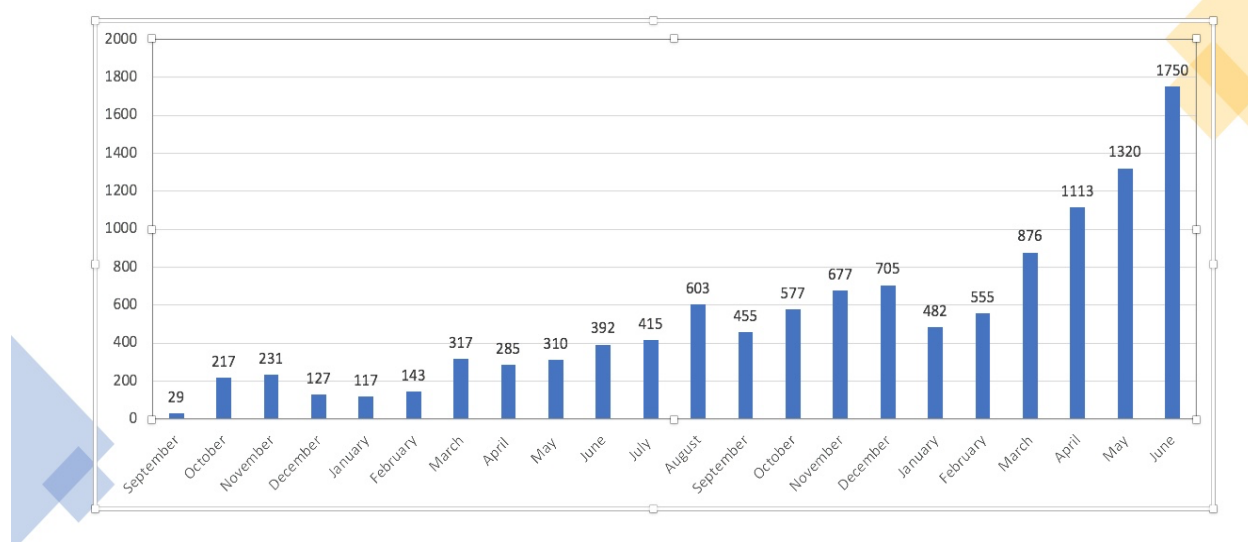


Figure 1 Monthly GTR passenger counts go from 29 to 1,750 in 22 months

Estimated Costs of Service Expansion

As ridership continues to expand, staff have provided estimates on the cost of continuing with the enhanced level of service through 2023, as well as the estimated costs of returning to the lower level of service. These options are presented on the pages below.

In the following charts, the Dundalk to Orangeville Route is covered by the provincial grant to Southgate, which is administered by Grey County. In both options presented (keeping the enhanced level of service or moving back to the previous level of service), there is an estimated \$62,800 that will not be covered by Southgate's provincial grant. This shortfall will be covered by

Southgate or other external sources and is shown in the “Cost Recoveries – Transportation” revenue line.

It is not expected that Grey County will pay for any costs related to the transit routes that are within the scope of the Southgate provincial grant, or any service enhancements in Bruce or Dufferin County. As a result, the net tax levy for the Dundalk to Orangeville Route is zero in all of the options presented.

2023 Estimated Cost of Services at Current Enhanced Level of Service

The chart below illustrates the 2023 estimated budget if Council were to recommend staying with the increased Level of Service for the Grey Transit Route that began on April 1, 2022.

The Other Expenses line include advertising, salaries, and benefits for the coordinator, as well as equipment and technology costs.

The provincial grant is a fixed amount regardless of which level of service Council adopts.

Fuel surcharges are calculated based on the assumption that fuel prices will average \$2.00 per

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Expenses							
Other Expenses	22,700	34,500	22,700	22,700	14,900	0	117,500
Transportation	249,000	244,700	178,100	199,500	271,700	241,200	1,384,200
Fuel Surcharge	12,500	11,200	11,200	6,700	13,700	9,400	64,700
Total Expenses	284,200	290,400	212,000	228,900	300,300	250,600	1,566,400
Revenues							
Fares	-4,200	-10,000	-4,200	-4,200	-1,500	-1,500	-25,600
Provincial Grant	-161,700	-153,400	-115,700	-129,600	-140,500	0	-700,900
Cost Recoveries - Transportation	0	-123,800	0	0	-81,400	-17,700	-222,900
Cost Recoveries - Fuel Surcharge	0	-3,200	0	0	-9,600	-1,700	-14,500
Total Revenues	-165,900	-290,400	-119,900	-133,800	-233,000	-20,900	-963,900
Net Tax Levy	118,300	0	92,100	95,100	67,300	229,700	602,500

litre throughout 2023. In both scenarios, the fuel surcharges would still not be able to be absorbed by the provincial grant dollars and will require funding from an additional source.

The transportation and fuel surcharge cost recoveries in the Revenue section are financial contributions from Bruce County, South Bruce Peninsula and the Town of Shelburne for additional routes and levels of service that are taking place outside of Grey County and outside the scope of the provincial grant. These costs are reimbursed to the County.

2023 Estimated Cost of Service at Previous Lower Level of Service

The chart below illustrates the 2023 estimated budget if Council were to revert back to the lower Level of Service for the Grey Transit Route that was run prior to April 1, 2022.

The Other Expenses line includes advertising, salaries, and benefits for the coordinator, as well as equipment and technology costs.

Fare revenue is reduced for some routes if the days of service were changed.

The transportation costs differ significantly, especially in regard to Grey Road 4 (GR4).

Fuel surcharges are calculated based on the assumption that fuel prices will average \$2.00 per litre throughout 2023. The cost recoveries for Transportation and Fuel Surcharge in the Revenue section are the same concept as in the previous chart.

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Expenses							
Other Expenses	22,700	34,500	22,700	22,700	14,900	0	117,500
Transportation	198,500	244,700	145,600	152,700	218,300	115,500	1,075,300
Fuel Surcharge	8,900	11,200	8,000	4,800	7,100	3,800	43,800
Total Expenses	230,100	290,400	176,300	180,200	240,300	119,300	1,236,600
Revenues							
Fares	-3,400	-10,000	-3,400	-3,400	-1,200	-1,000	-22,400
Provincial Grant	- 161,700	-153,400	-115,700	-129,600	- 140,500	0	-700,900
Cost Recoveries - Transportation	0	-123,800	0	0	-81,400	-11,200	-216,400
Cost Recoveries - Fuel Surcharge	0	-3,200	0	0	-5,500	-700	-9,400
Total Revenues	- 165,100	-290,400	-119,100	-133,000	- 228,600	-12,900	-949,100

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Net Tax Levy	65,000	0	57,200	47,200	11,700	106,400	287,500

2023 Proposed Budget

The two charts below summarize the information outlined above and illustrates this information as it will be presented in the 2023 Budget Document. These two charts represent the two options for the GTR in 2023: to keep the enhanced level of service or to revert to the decreased level of service.

As discussed above, both options still require funds collected through taxation to continue the program, as the provincial grant does not fully cover the cost of the service and the Grey Road 4 route is completely outside of the scope of the grant. Currently, the County does not have any specific reserves for transit and relies on taxation to cover any expenses that are not covered by fare revenue or provincial grants.

Keeping the (Current) Enhanced Level of Service

Budget Division	2022 Approved Budget	2023 Proposed Budget	2023 Budget Variance (\$)	2023 Budget Variance (%)
Intercommunity	83,200	305,500	222,300	267%
Local	7,600	67,300	59,700	786%
Southgate	0	0	0	0%
Grey Road 4	189,500	229,700	40,200	21%
Total (Net Tax Levy)	280,300	602,500	322,200	115%

Returning to the Lower Level of Service

Budget Division	2022 Approved Budget	2023 Proposed Budget	2023 Budget Variance (\$)	2023 Budget Variance (%)
Intercommunity	83,200	169,400	86,200	104%
Local	7,600	11,700	4,100	54%
Southgate	0	0	0	0%
Grey Road 4	189,500	106,400	-83,100	-44%
Total (Net Tax Levy)	280,300	287,500	7,200	3%

2. Bruce and Dufferin County Service Enhancements.

Financial contributions by Bruce County and South Bruce Peninsula are reinforcing Grey County's leadership in expanding GTR service. Bruce County contributions are enabling GTR to maintain Route 6 (Grey Road 4) service to Walkerton and add an additional stop there. Route 6 ridership grew by 10% from May to June this year.

Bruce County and South Bruce Peninsula's financial support are enabling daily summer service on Route 5 (Owen Sound to Wiarton) to be restored to Sauble Beach and Wiarton through Labour Day. Route 5 monthly ridership more than tripled from May to June (71 to 241).

Weekend Service in Shelburne is continuing into the second year as this is funded by the Town of Shelburne as an extension of Route 2 (Dundalk to Orangeville). Route 2 is funded by Southgate's Transportation Grant and is administered by the County to enable the same level of service for all of the GTR.

3. Community Transportation Grant Program (CTGP) Funding Extended.

The Provincial Government has extended GTR's Community Transportation Grant funding timeline through March 2025.

Unfortunately, the provincial funding does not include any inflation protection. Although staff have brought this point forward, there have been no announcements to date from the province that these grants will be increased to account for the rising costs of transportation.

4. GTR Service Agreement Extended.

An Amending Agreement with Driverseat Owen Sound will provide GTR service through March 31, 2025, at a fixed price.

The agreement provides for two service scenarios for the period January 1, 2023, through March 31, 2025: maintaining the service enhancements implemented in April 2022 or reversion to the previous, lower level of service. Council will decide which scenario will be implemented and this will be included in the 2023 Budget for consideration.

5. Wheelchair-Accessible Trips Agreement Expected in August.

A well-established regional provider is expected to confirm an agreement in August to provide wheelchair-accessible trips to GTR as the previous provider had become unavailable.

This is a solid achievement for GTR, as the provision of wheelchair trips is an important customer service and legal requirement, but given the vast extent of GTR's service area, it has been challenging to place trips with accessible service providers.

6. GTR enrolled in Google Transit.

Google Transit is a free service offered by Google to qualifying transit services. Although it is free of charge, it requires specialized knowledge, oversight, and frequent updating, which GTR receives from Grey County GIS Services.

Google Transit enables the public to see GTR routes and schedules when they search for directions within or connecting to our service area.

GTR, with assistance from Grey County GIS Services, enrolled in Google Transit in October of 2021. This is a valuable asset for promoting GTR and making it visible to a vast audience via the Internet.

7. Fuel Cost Increases.

Events beyond GTR's control are continuing to bring challenges. Just as pandemic restrictions were easing, in February 2022, the price of fuel quickly rose by 35%, to more than \$2 per litre.

In order to protect service availability, GTR's service contract enables a fuel surcharge to be billed when the pump price exceeds \$1.30 per litre. GTR service vehicles consumed nearly 10,000 litres of fuel in June, on which the surcharge was \$7,000 plus HST. The surcharge for 2022 is expected to reach \$50,000 to \$70,000. In 2023, it is estimated that if fuel prices stay around \$2.00 per litre, the County could incur an estimated \$65,000 in fuel surcharges, or as high as \$85,000 or more if fuel were to increase beyond 2022 levels.

Some of this surcharge will be allocated to the Dundalk/Orangeville (Southgate) route, and some will be recovered from the Bruce and Dufferin County service enhancements, as noted in more detail on the following page.

Although many of the Grey Transit Routes are funded at least in part by the provincial grant, these grant dollars have already been allocated to the current transit service and is not able to absorb these additional fuel surcharges.

It should be noted that fuel surcharges are present in both options presented to Council for consideration (staying at the enhanced level of service or reverting back to the previous level of service).

The County is collaborating with the Southwest Community Transit Association, the Ontario Public Transit Association, as well as AMO and ROMA, to ask the Ministry of Transportation for relief from these unforeseeable additional costs.

Summary of Fuel Surcharges

The following charts summarize the estimated fuel surcharges that staff are estimating for 2023. These surcharges assume that fuel prices will average \$2.00 per litre throughout 2023.

Some of this fuel surcharge is part of the routes that are funded by Southgate's provincial grant, and some of this will be passed on for reimbursement for the Bruce and Dufferin County Service enhancements. As a result of the \$65,000 in estimated fuel surcharges in 2023, about \$22,500 will be either allocated to the route that is covered by the Southgate provincial grant, or recovered from Bruce County, The Town of Shelburne, or the Town of South Bruce Peninsula. This is shown in the "Cost Recoveries – Fuel Surcharge" lines. An estimated \$42,200 would be required from the County to continue at the current level of service.

2023 Estimated Fuel Surcharges at Current Enhanced Level of Service

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Fuel Surcharge	12,500	11,200	11,200	6,700	13,700	9,400	64,700

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Cost Recoveries - Fuel Surcharge	0	(11,200)	0	0	(9,600)	(1,700)	(22,500)
Total Expenses	12,500	0	11,200	6,700	4,100	7,700	42,200

2023 Estimated Fuel Surcharges at Previous Lower Level of Service

Description	OS to Dundalk	Dundalk to Orangeville	OS to Meaford	Meaford to BMR	OS to Wiarton	GR4	Total
Fuel Surcharge	8,900	11,200	8,000	4,800	7,100	3,800	43,800
Cost Recoveries - Fuel Surcharge	0	(11,200)	0	0	(5,500)	(700)	(17,400)
Total Expenses	8,900	0	8,000	4,800	1,600	3,100	26,400

8. GTR Sustainability Business Plan Project.

In view of the recent upsurge in ridership and fuel costs, and mindful that our Community Transportation grant will expire in March 2025, GTR considers it timely to develop a revised business plan for 2023 – 2028, based on operating experience to date, best practices in the sector and any emerging funding opportunities.

Staff are considering the following as General Terms of reference:

- Identify the key factors that determine GTR's sustainability in the short, medium, and long term:
 - The cost of service.
 - Factors affecting service revenues: fare levels and vehicle passenger capacity
 - The extension of the CTGP program beyond March 2025.
 - GTR Access to the Ontario Gas Tax Program.
 - GTR access to federal Rural Transit Solutions grants for fleet renewal
 - Municipal partnerships.
 - First-mile / last-mile challenges: getting passengers to and from GTR stops
 - Changes in GTR's market due to rising barriers to car ownership and operation: escalating fuel prices and constraints on obtaining new cars, car parts, and car repairs.

Next Steps

- The Grey Transit Route will continue to monitor and obtain feedback from riders to improve service over the next few years.
- With Council support, the Grey Transit Route will include a total of \$602,500 over and above the provincial grant funding in its 2023 budget to maintain additional days of service begun in April 2022 and defray rising fuel costs. This represents a net tax levy increase of \$322,200 over the 2022 Approved Transit Budget.
- The GTR will continue to actively promote the additional service.

Legal and Legislated Requirements

None.

Financial and Resource Implications

Staff will include the GTR Transit in the 2023 Budget for Council's consideration of the level of service recommended by Council in this Staff Report.

Relevant Consultation

Community stakeholders

Residents

Employment agencies

Employers

Grey County Finance Department

Appendices and Attachments

None