Alberta Municipal Benchmarking Initiative (AMBI)

Transit Services

Community Development / Finance
City Council – July 3, 2018

Medicine Hat
The Gas City

What is AMBI?

The Alberta Municipal Benchmarking Initiative is a collaboration of small and large-municipalities.
Their objective is to develop and implement a framework that will enable a continuous, multi-year benchmarking process for participating municipalities.

- Nine Alberta Municipalities
- Grant from Alberta Municipal Affairs
- Retrospective analysis of 2012-2015

A benchmark is an established point of reference against which things can be measured and compared.

"The devil is in the definition!"

Why Benchmarking?

- Helps to tell the municipal "performance story"
- Sound business practice
- Share knowledge and best practices
- Identifies opportunities for change
- Encourages continuous improvement
- Demonstrates transparency and value for money
- Supports results-based accountability

Two Dimensions

Efficiency

- A measure of productivity: quantity
- Often expressed in cost per unit

Effectiveness

- a measure of value or benefit of service: quality
- Often expressed as percentage or rate

The Transit report looks at:
9 Efficiency measures
9 Effectiveness measures

Participating Municipalities

Three Municipalities Participated in the Benchmarking

Medicine Hat
Lethbridge
Banff

Transit Services

Transit services are defined as a public passenger transportation system that provides citizens with a safe, reliable, efficient and affordable way of traveling to local locations in the municipality, e.g. work, school, shopping, health care, special events, and to locations in the municipalities region.

There are three types of service;

- **Local Transit** - public transit along specific routes for set hours
- **Specialized Services Transit** – Small transit vehicles available to qualified riders on request
- **Regional Transit** – Service that travels to and from the municipality beyond the municipal boundaries

Key Factors Influencing Transit Services Costs

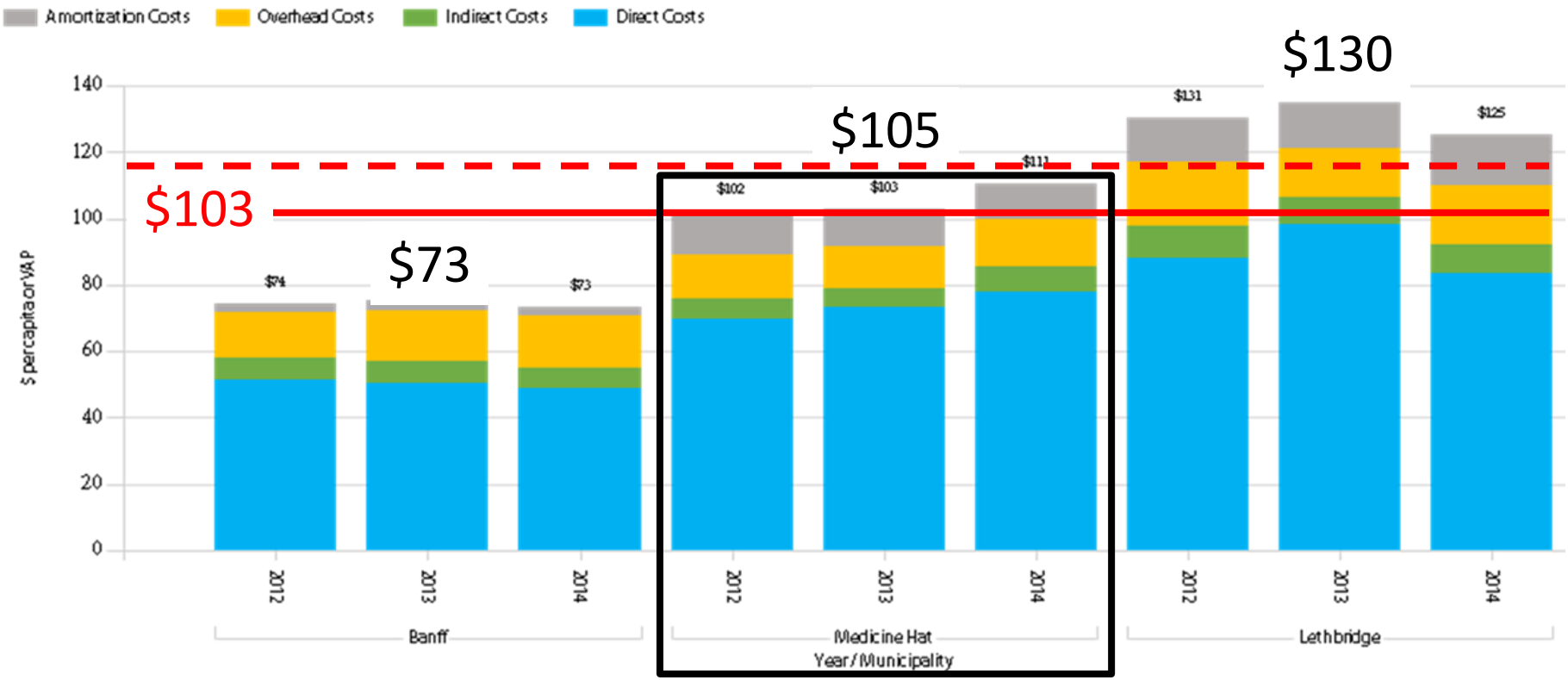
- **Age of Infrastructure:** Age and condition of transit system assets and frequency of maintenance costs.
- **Size of System:** Size and complexity of the transit system.
- **Urban Density:** Denser population may lower collection costs for the transit system.
- **Urban Growth:** High growth municipalities have newer infrastructure with higher amortization (depreciation) costs.
- **Service:** Standards. Service Standards differ in municipalities.
- **Local Factors:** Local factors such as Geography, local industries and population type.

Total Transit Costs

2.2 **Total** Costs ($/capita or VAP) – Efficiency

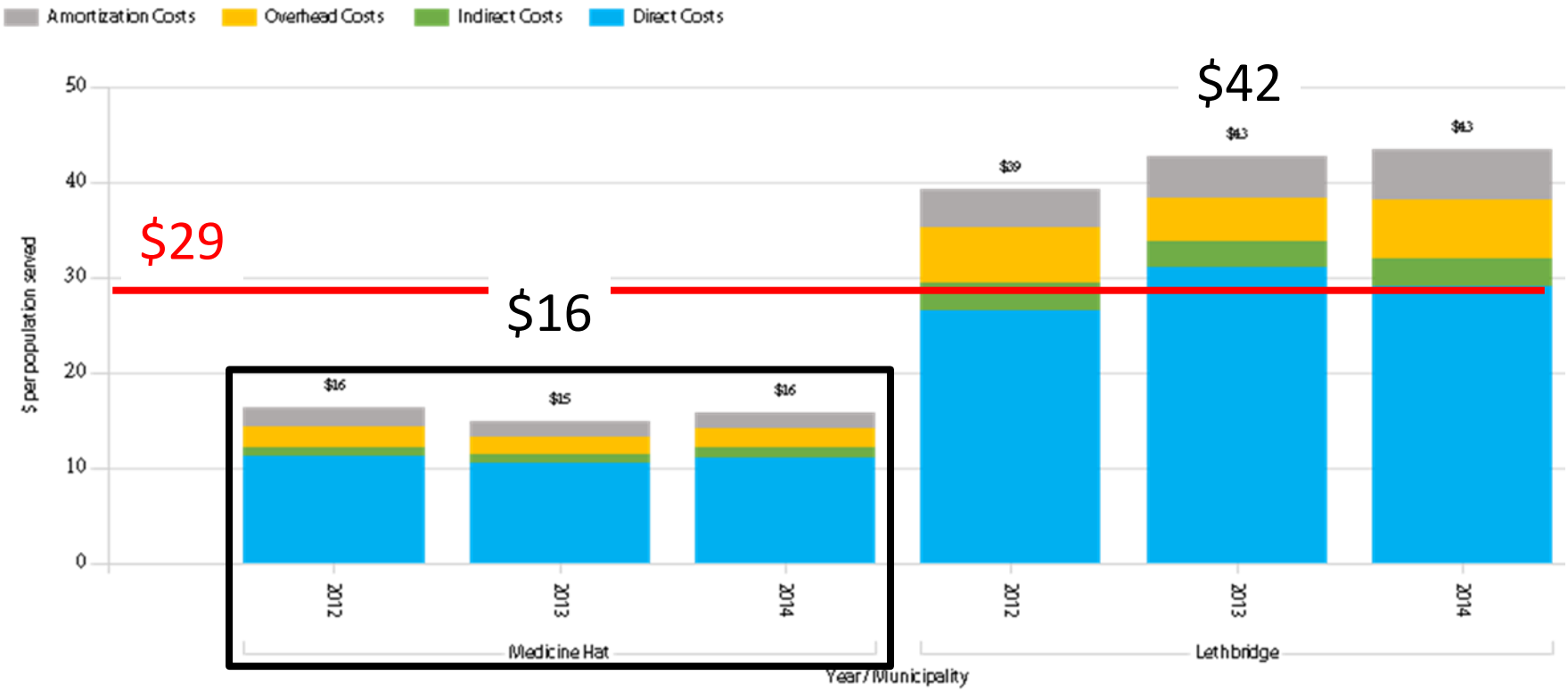
Conventional Transit Costs

2.4 Costs ($/capita or VAP) – Efficiency



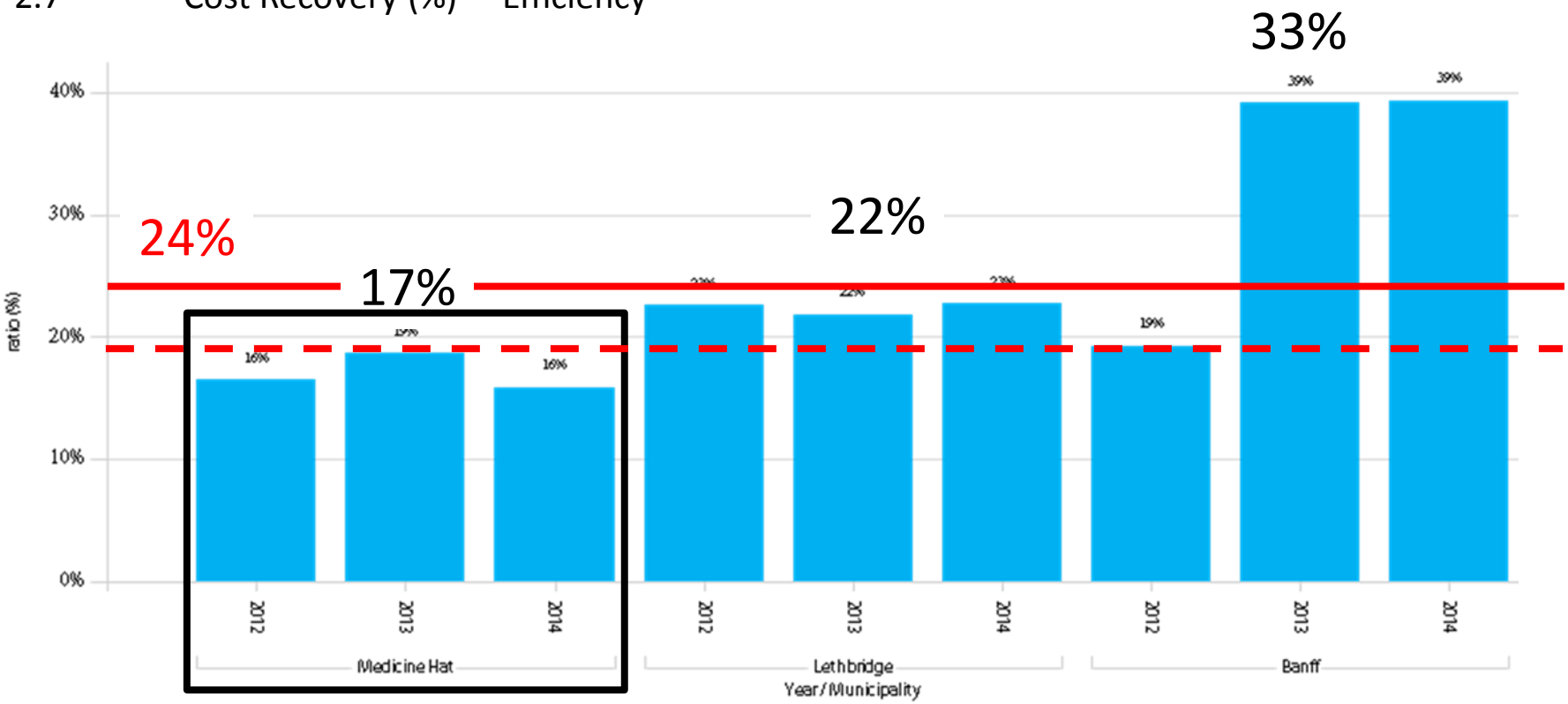
Specialized Services Transit Costs

2.5 Costs ($/population served) – Efficiency



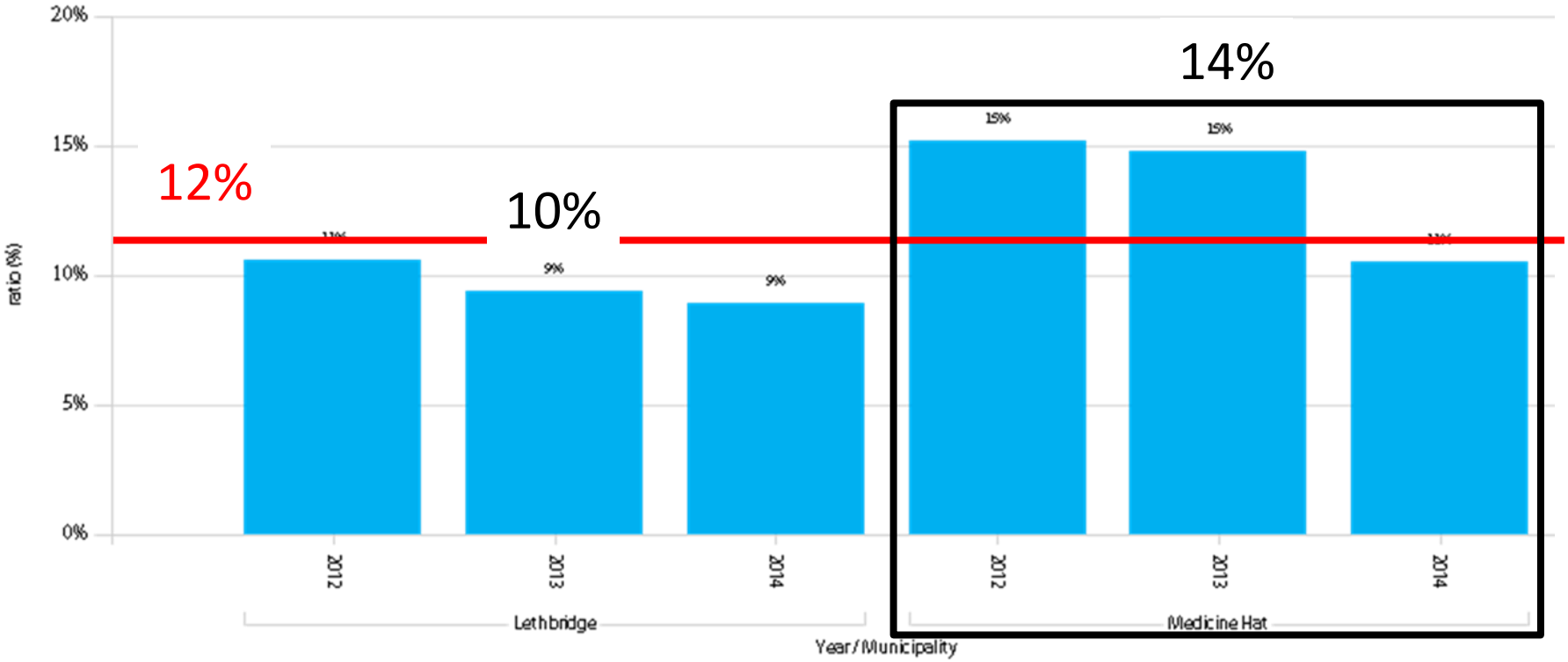
Conventional Transit Cost Recovery

2.7 Cost Recovery (%) – Efficiency



Specialized Transit Cost Recovery

2.8 Cost Recovery (%) – Efficiency



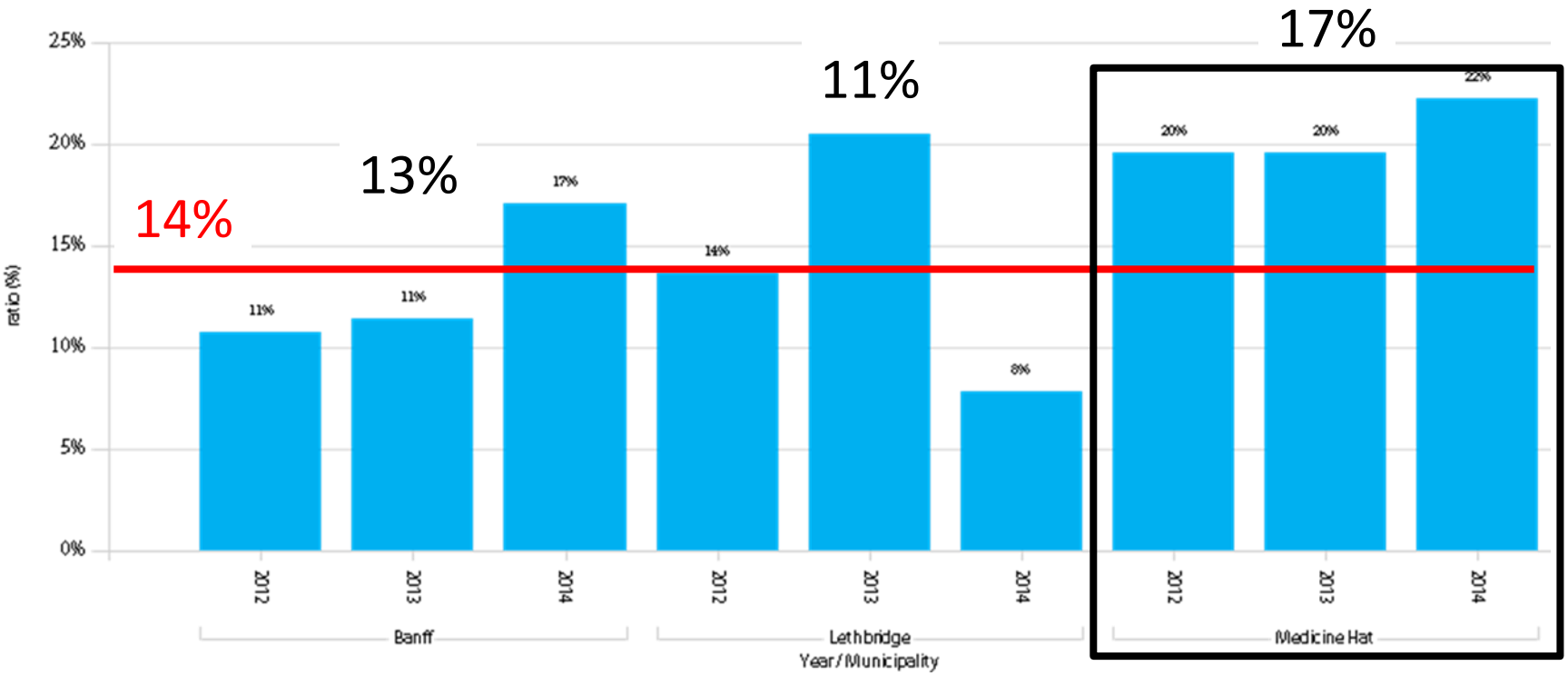
Medicine Hat's Story

- **Costs per capita** (how much is spent per population) :
  - *Total costs* = spend less when compared with similar Municipality
  - *Conventional* = spend less when compared with similar Municipality
  - *Specialized* = spend less when compared with similar Municipality

- **Cost recovery** (how much revenue is received compared to costs):
  - *Conventional* = receive slightly less when compared with similar municipality
  - *Specialized* = receive slightly more when compared with similar municipality

Vehicle Maintenance Costs

2.10 Costs Vs. Direct Costs (%) - Efficiency

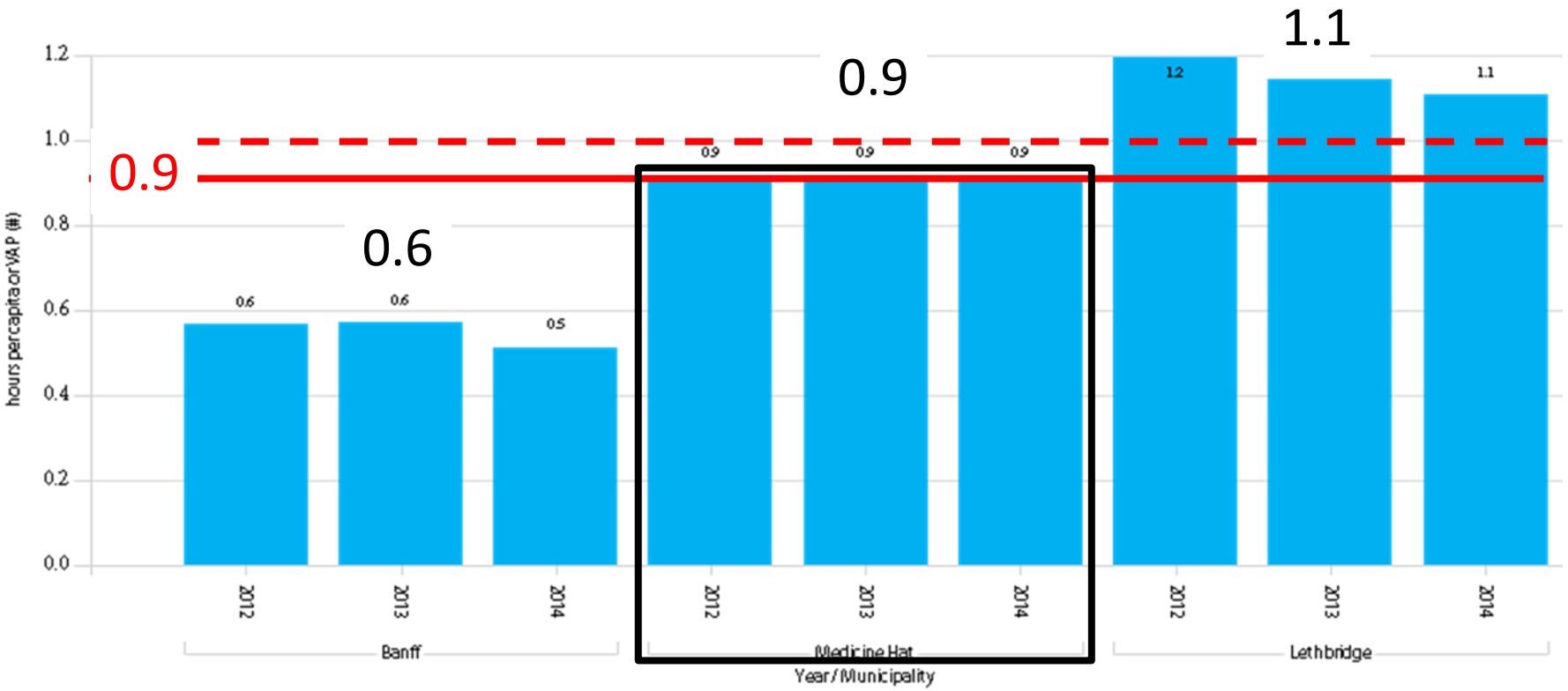


Medicine Hat's Story

- During this period Medicine Hat Transit was undergoing a transition from an aging diesel fleet to a part CNG fleet.

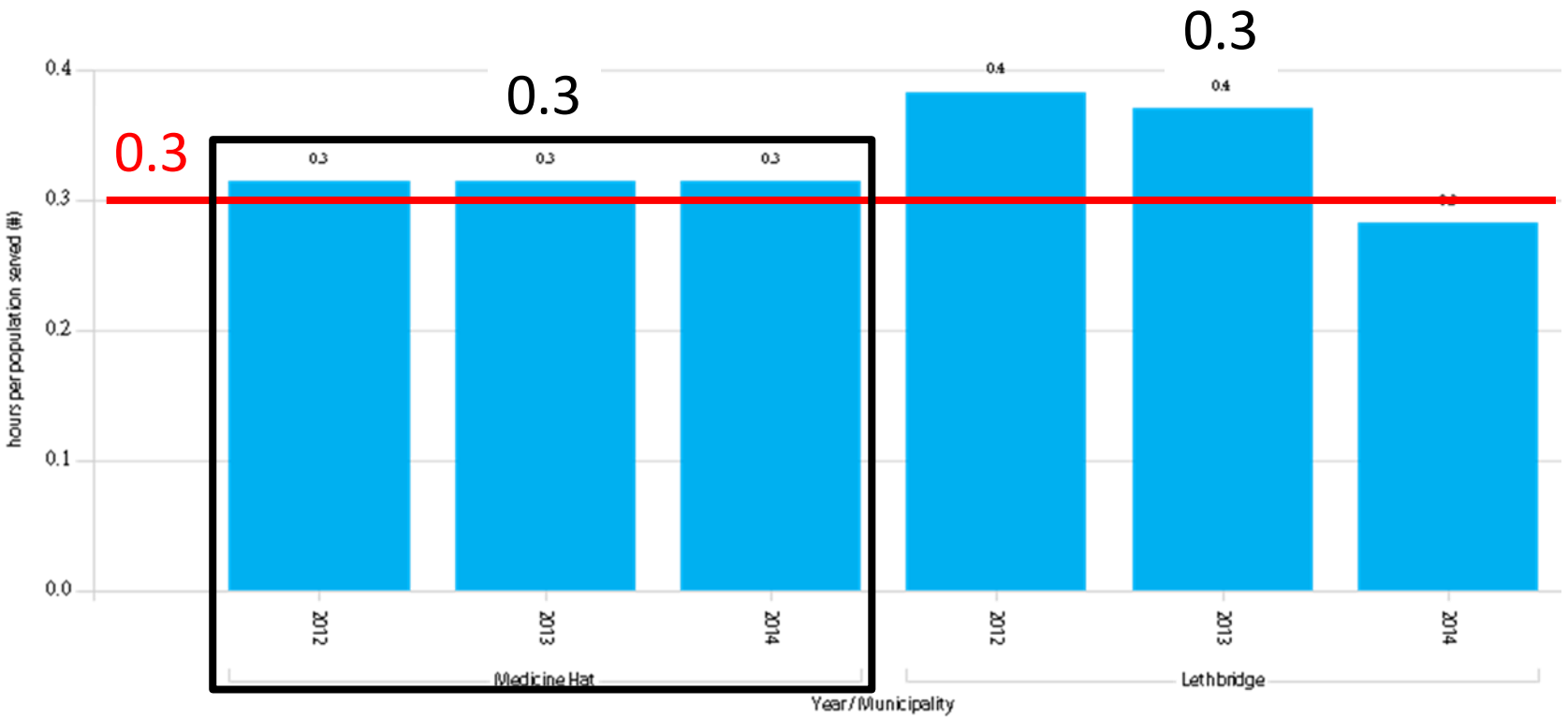
Conventional Transit; Revenue Hours

2.11 (hours/capita or VAP) – Effectiveness



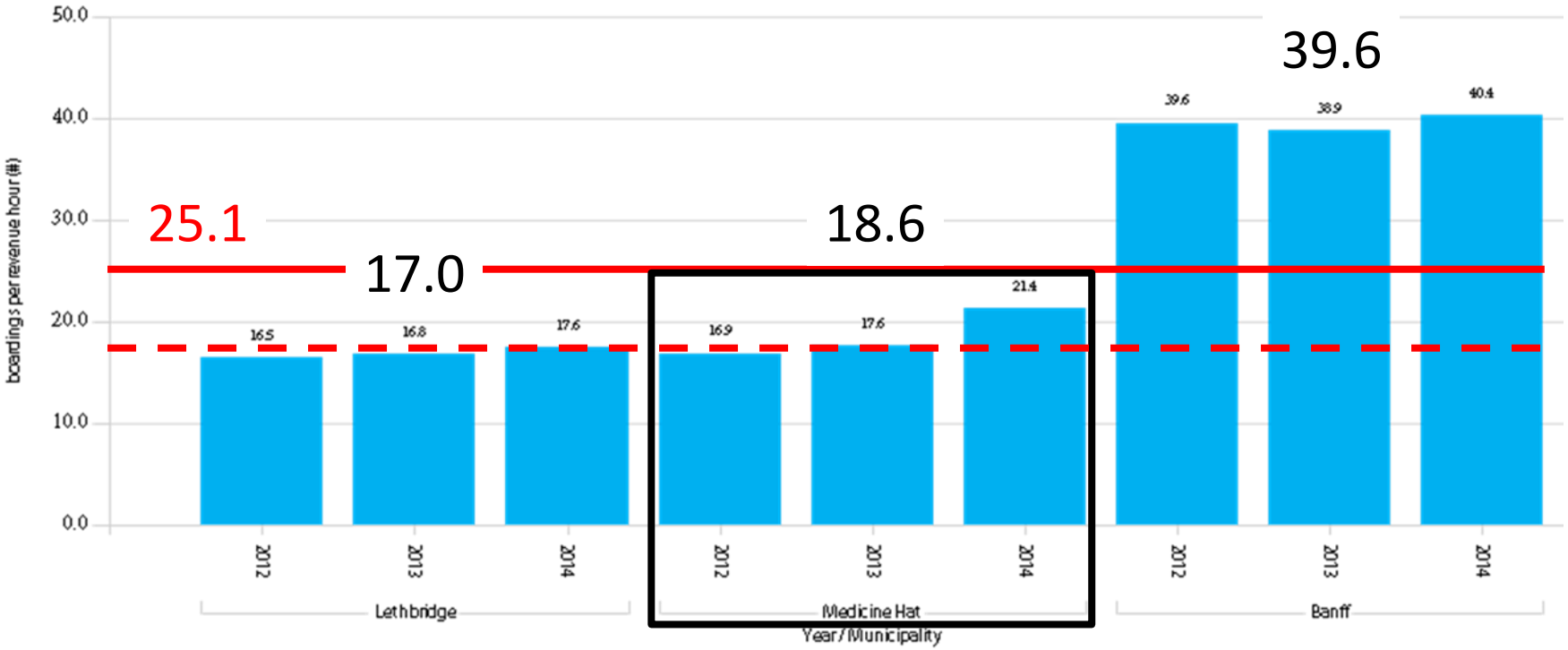
Specialized Transit, Revenue Hours

2.12 (hours/capita or VAP) – Effectiveness



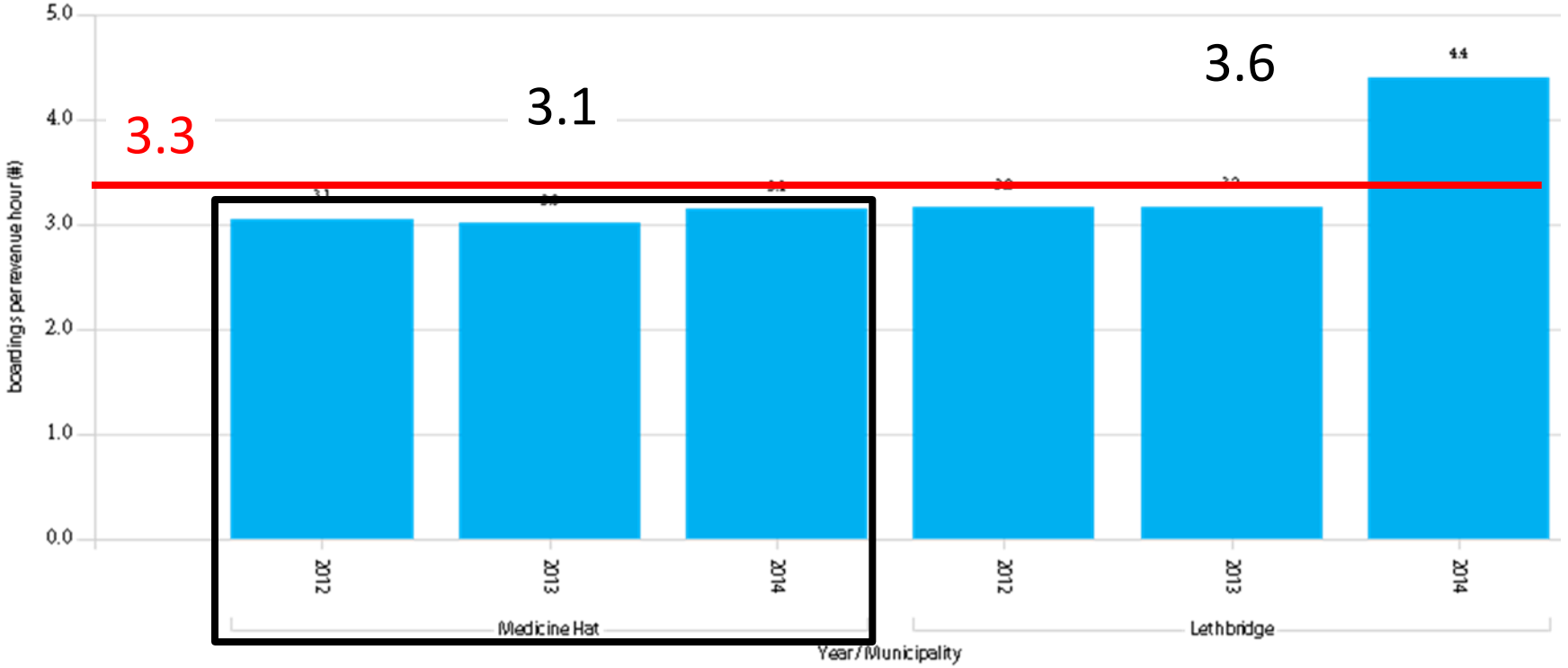
Conventional Transit, Utilization

2.13 (boardings/revenue hour) – Effectiveness



Specialized Transit, Utilization

2.15 (boardings/revenue hour) - Effectiveness

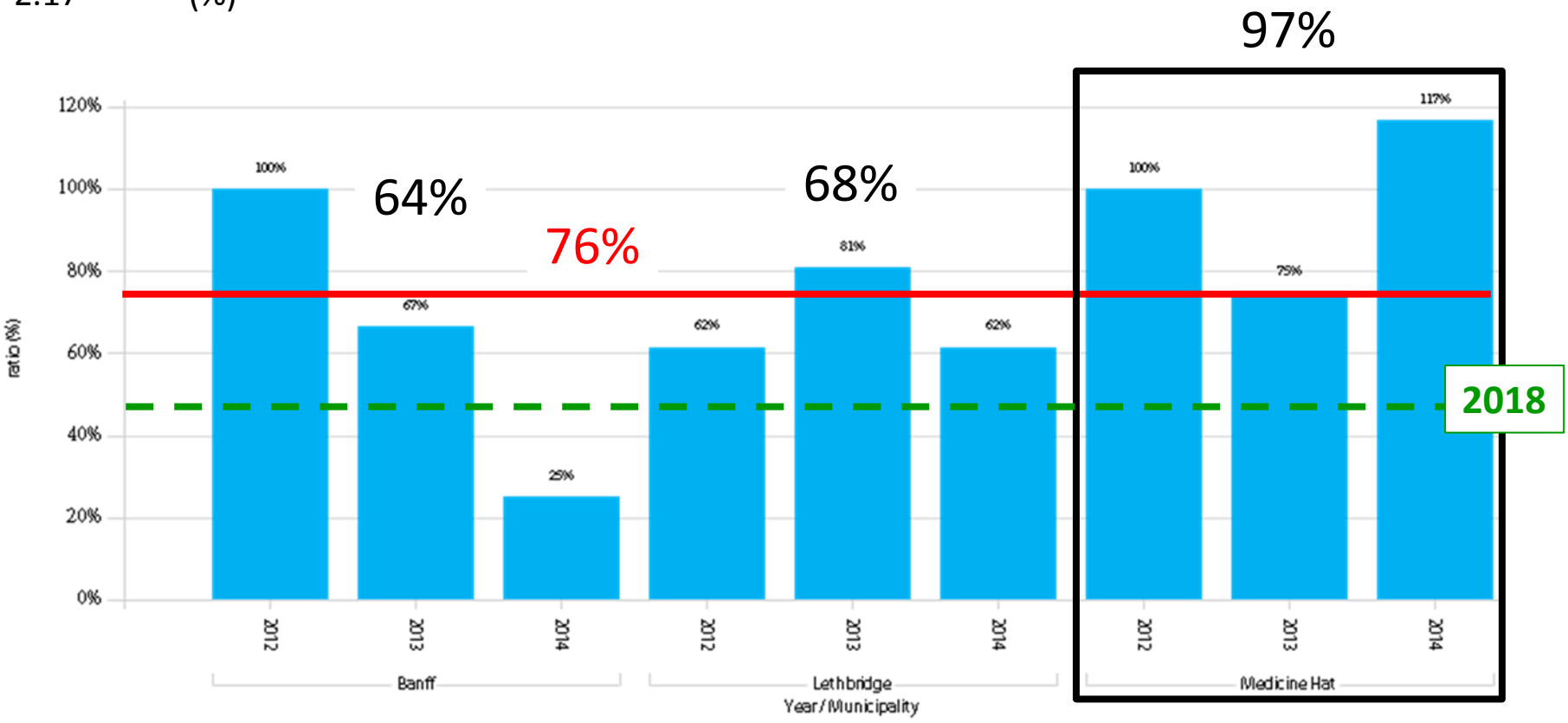


Medicine Hat's Story

- Revenue hour per capita (how long are buses running when compared to the population figure):
  - Conventional = slight less hours run when compared with similar Municipality
  - Specialized = equal amount of hours run when compared with similar Municipality
- Passenger Boardings per revenue hour (how many passengers do we have each hour the buses run):
  - Conventional = slightly higher when compared with similar municipality
  - Specialized = slightly lower when compared with similar municipality

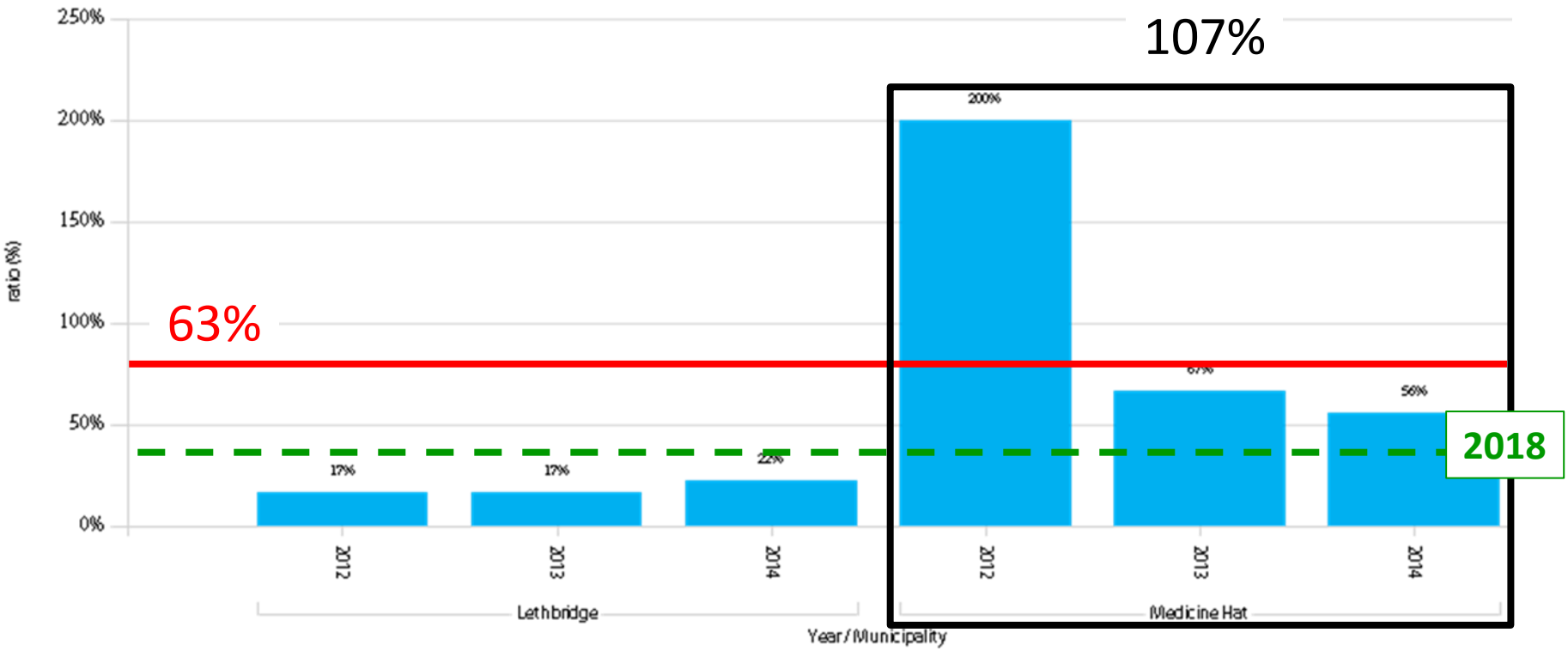
Conventional Transit, Spare Ratio

2.17 (%)



Specialized Transit, Spare Ratio

2.18 (%)



Medicine Hat's Operations Story

- Spare Ratio can be affected by Charter requirements
- In 2018 the spare ratio is 42%; a lot less than 2012-2014 figures

Conclusions

- Comparable levels of service, while maintaining a total cost below median, when compared to a similar municipality.
- There are advantages to continue communication with other communities to identify best practices and efficiencies.
- Medicine Hat has a joint monthly pass system which can be used on both our conventional and specialized systems.
- New technology can greater enhance the accuracy of the data moving forward .
- Improved cost-capture will also enhance the accuracy of data and benchmarking

Conclusions…….

- Direct comparisons can be difficult due to:
  - Indirect costs are a municipality's interpretation on the amount of effort to support their operations.
  - Larger municipalities having greater internal capacity.
  - Transit Service Standard/levels vary.
  - Local factors such as Geography, local industries and population type.

Questions?