Agenda - Executive Policy Committee - April 23, 2003

Report - Standing Policy Committee on Public Works - April 15, 2003

Item No. 1 Charter Bus Rates
File TT-2 (Vol. 12)

STANDING COMMITTEE RECOMMENDATION:

On April 15, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation, and recommended:

1. That effective July 1, 2003, the Charter Bus Rates as outlined in Appendix "A" be implemented.

2. That the appropriate officials be authorized to make representation to the Manitoba Motor Transport Board for the approval of the "Outside the City of Winnipeg" rates.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Agenda - Executive Policy Committee - April 23, 2003

Report - Standing Policy Committee on Public Works - April 15, 2003

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 15, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council.

RE: Charter Bus Rates

FOR SUBMISSION TO: Standing Policy Committee on Public Works

ORIGINAL REPORT SIGNED BY: Rick Borland, Director of Transit

REPORT DATE: March 7th, 2003

RECOMMENDATIONS:

1. That effective July 1st, 2003, the Charter Bus Rates as outlined in Appendix "A" be implemented.

2. That the appropriate officials be authorized to make representation to the Manitoba Motor Transport Board for the approval of the "Outside the City of Winnipeg" rates.

Report Summary

Key Issues:

1. Existing charter rates have been in effect since 1995.

2. The recommended increase to the hourly rate for charters within the City represents an 8.93% increase, and rates outside the City will increase approximately 8.0%.

Implications of the Recommendation(s):

General Implications

None

For the organization overall and/or for other departments

X For the community and/or organizations external to the City of Winnipeg

Involves a multi-year contract

Comment: Increasing rates will increase costs for organizations and individuals chartering buses from Winnipeg Transit.

Policy implications

X No

Yes

Environmental Implications

X No

Yes

Human Resource Implications

X No

Yes

Financial Implications

X Within approved current and/or capital budget

Current and/or capital budget adjustment required

Comment: The Department estimates the annual revenue increase is $18,000 which has already been included in the Department's budget projections.

Report

REASON FOR THE REPORT:

City Council must approve all fares and charges

HISTORY AND DISCUSSION:

The City of Winnipeg Transit system has operated charter service as an adjunct to its primary function of regularly scheduled service on the general condition that these charters do not restrict Transit's ability to provide regular service.

The method used to determine charter rates is based on recovering all direct operating costs plus a 10% overhead margin. The proposed charter rates also reflect the premium bus operator wage rates normally required to service the charter requests.

The existing charter rates have been in effect since 1995. Changes to the rate were not necessary for a number of years for the following reasons.

From 1996 through 1998, the direct cost to operate a Winnipeg Transit bus only increased by 2.8% (by comparison, the consumer price index increased by 6.5% over the same period). The Department achieved this largely through the employees in the Amalgamated Transit Union agreeing to a wage freeze throughout this period.

Similarly, from 1999 through to early 2001, the Department experienced somewhat lower bus operator costs due to retirement of senior staff. As new bus operators were hired, their starting wages were lower and the cost of operating charter service remained stable even with increases in other operating costs. Given these circumstances, the Department determined that increases to the charter rates were not necessary.

However, over the last 2 years the Department has experienced cost increases for operator wages, fuel, parts etc. Further, it is anticipated that 2003 operating costs will increase by approximately 4.0%. Based on these increases, the Department recommends an 8.93% increase in charter rates to become effective July 1st, 2003.

Financial Impact Statement:

Project Name: Bus Charter Rates
Date: March 7, 2003 First Year of Program: 2003

	0	1	2	3	4
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery	9,000	18,000	18,000	18,000	18,000
Net Cost/(Benefit)	$ (9,000)	$ (18,000)	$ (18,000)	$ (18,000)	$ (18,000)
Less: Existing Budget Amounts	(9,000)	(18,000)	NA	NA	NA
Net Budget Adjustment Required	$ -	$ -	NA	NA	NA

Additional Comments: The Department estimates the annual revenue increase is $18,000 which has already been included in the Department's budget projections.

Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY: NONE

THIS REPORT SUBMITTED BY:

Department Transit
Division Marketing and Customer Services
Prepared by: Nick Iafolla,
File No.

APPENDIX A

PROPOSED CHARTER BUS RATES
Effective July 1st, 2003

COST CATEGORIES	WITHIN CITY OF WINNIPEG	OUTSIDE CITY OF WINNIPEG
A. Bus drivers wage at 1.33 times (in City) and 1.5 times (outside City) basic hourly rate including benefits.	$29.65	$33.44
B. Hourly cost of operation including all costs associated with support staff	$9.36	$9.36
C. Cost per kilometre of bus operation (fuel, maintenance, parts, etc.)	$.91	$.91
D. Overhead	10% of above costs	10% of above costs
E. Basic hourly rate	$61	Not Applicable
F. School and Senior Citizen group rate discount (Monday to Friday between 9:00 a.m. and 3:00 p.m., except holidays)	20%	Not Applicable
G. Minimum charge	N/A	$197