Minutes – Executive Policy Committee – March 19, 2014

Minute No. 243
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 13, 2014

Item No. 1 Articulated Bus Charter Rates

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That the hourly charter rate for all Articulated Bus charters be initially set at 1.5 times the rate for the bus charter category 'Non-Recurring Charter Services, Excluding Senior Citizen Groups During Restricted Times'.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Executive Policy Committee – March 19, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 13, 2014

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 13, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: ***Articulated Bus Charter Rates***

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works – EPC – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn	D. Wardrop	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

That the hourly charter rate for all Articulated Bus charters be initially set at 1.5 times the rate for the bus charter category 'Non-Recurring Charter Services, Excluding Senior Citizen Groups During Restricted Times'.

REASON FOR THE REPORT

Council approval is required for all new fees.

IMPLICATIONS OF THE RECOMMENDATIONS

The financial implications are dependent on the demand for articulated bus charters. It is not expected that Transit's charter revenue will increase or decrease substantially with acceptance of the recommendation.

The Fees and Charges By-law will apply to this fee including rounding provisions.

HISTORY

The primary service offered by the City of Winnipeg Transit Department is the operation of the City's public transit system, comprised of the local, fixed-fare regular transit service and its parallel Handi-Transit service. The City also has the authority to operate chartered bus services. The ability to deliver this form of service is dependent on the Transit Department having resource capacity (in the form of bus operators and/or buses) after satisfying the commitments made to operate the public transit

system. As such, delivering charter services is not the Transit Department's primary business. It makes use of resources that would otherwise be idle.
On March 5, 2012, Council approved the purchase of 20 pre-owned 60-foot articulated buses.

Articulated buses have recently been integrated into regular transit service helping to alleviate over-crowding on some routes.

An initial charter rate of 1.5 times the rate for the bus charter category 'Non-Recurring Charter Services, Excluding Senior Citizen Groups During Restricted Times' would cover the increased operating costs related to fuel, bus parts as well as an allocation for bus replacement cost.

Initial Rates:

Date	Non-Recurring Charter Services, Excluding Senior Citizen Groups During Restricted Times	Articulated Bus Charter Service
January 1 to August 31, 2014	$121.50 per hour	$182.25 per hour
September 1, 2014 – August 31, 2015	$123.50 per hour	$185.25 per hour

A survey of other transit systems articulated bus charter rates was conducted in 2013 for comparison purposes and the results deviate significantly. Following are the 2013 rates:

Ottawa	$482 per hour
Hamilton	$98.60 per hour – no premium over regular buses
Edmonton	Does not charter their articulated buses
Saskatoon	$155 per hour
Toronto	Regular bus rate $450 one-way, articulated bus rates not yet set

Provision of Charters:

Demand for articulated buses is expected to be generated primarily by high volume customers for special events. The additional capacity of the bus is expected to present good value for the heavy passenger demands of this market. Some demand for the articulated buses may also exist due to their novelty. Similar to regular buses, provision of articulated buses for charter purposes will only occur when articulated buses are not in regular service or scheduled for maintenance.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 13, 2014

Project Name:
Articulated Bus Charter Rates

First Year of Program **2014**

	2014	2015	2016	2017	2018
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	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The Transit Department is not anticipating the new charter rate to produce a material amount of additional charter revenue. It is expected that some charters may elect to utilize less regular buses by instead utilizing an articulated bus which can hold more passengers. In effect, it would reduce the revenue earned per passenger carried.

original signed by Tanis Yanchishyn, CA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

None

SUBMITTED BY

Department	Transit
Division	Finance and Administration
Prepared by:	Tanis Yanchishyn, Manager of Finance & Administration
Date:	February 13, 2014
File No.	