Agenda – Council – May 24, 2018

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – May 1, 2018

Item No. 1 Charter Bus Special Event Layover Rate

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2018, 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 a new "charter bus special event layover rate" be approved at a rate of $65.00 per hour (rate is subject to annual inflationary increases timed to coincide with the increase in the charter bus rates, as such, effective September 1, 2018, rate increases to $66.30 per hour).

2. That the City of Winnipeg absorb the cost for 2018 only on a "without prejudice or precedent" basis, providing the Winnipeg Football Club with sufficient notice of the new Charter Bus Special Event Layover Rate.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – May 1, 2018

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 8, 2018, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 1, 2018, 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: **Charter Bus Special Event Layover Rate**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Tonnellier	G. Ewankiw	B. D'Avignon Acting CFO	D. McNeil

EXECUTIVE SUMMARY

The Collective Agreement between the City of Winnipeg and the Amalgamated Transit Union (ATU) provides pay for Bus Operators required to park their buses and "layover" at special events. In past years, a conditional agreement has been in place between the ATU and Winnipeg Transit to forgo layover time pay at events held at the Investors Group Field (IGF). As such, in the past the charter rate was not applied during these layover hours at these events. Layovers are required at IGF in case of an emergency evacuation and also to facilitate parking in preparation for egress at the completion of the event.

The ATU has expressed their desire to end this conditional agreement in 2018 and have Operators paid layover time pay.

Winnipeg Transit currently charges a standard rate of $131.00 per hour ($133.00 per hour effective September 1, 2018) for all charter service. Under normal circumstances, this rate is in effect whether the bus is in motion or stationary on layover, as most bus charters experience very low (or no) layover time. It is proposed that a new layover rate of $65.00 per hour (subject to annual inflationary increases) for special events which incur significant amounts of layover time be created which more accurately reflects the costs incurred by the Department while on layover. This rate would be applicable to large, special events that require 10 or more buses and incur layover time in excess of one hour.

In the spirit of fairness, with the 2018 football season commencing shortly, it is recommended that the City of Winnipeg absorb the cost for 2018 only on a "without prejudice or precedent" basis, providing the Winnipeg Football Club with sufficient notice of the new Charter Bus Special Event Layover Rate.

RECOMMENDATIONS

1. That a new “charter bus special event layover rate” be approved at a rate of $65.00 per hour (rate is subject to annual inflationary increases timed to coincide with the increase in the charter bus rates, as such, effective September 1, 2018, rate increases to $66.30 per hour).

2. It is recommended that the City of Winnipeg absorb the cost for 2018 only on a “without prejudice or precedent” basis, providing the Winnipeg Football Club with sufficient notice of the new Charter Bus Special Event Layover Rate.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

City Council has the authority to approve fees for public services.

IMPLICATIONS OF THE RECOMMENDATIONS

It is anticipated that the added cost of paying “layover pay” will be unfavourable to the Winnipeg Football Club. As a result, they may seek to contract-out a greater portion of transit services to other providers. If the recommendation of this report is approved, they will be charged the lower “layover rate” for these hours, rather than the current charter rate, effective the beginning of the 2019 season. The recommendation to waive the layover fee for the Club for 2018 is to provide sufficient notice of the change. The Transit department will absorb the additional costs within its approved 2018 operating budget for this season.

HISTORY/DISCUSSION

With the opening of Investors Group Field in 2013, the Winnipeg Football Club required charter services provided by Winnipeg Transit. In consideration of the resource needs and the potential for contracting out, Transit contacted the ATU to discuss options. A conditional agreement was made to waive the provisions of layover time pay. The Department was informed that the ATU executive was made aware of this as well. The ATU did reserve their right to take action (end the agreement) and re-instate the requirement to pay layover time per the collective agreement.

Layover time pay was not required for the 2013 – 2017 Blue Bomber seasons and as such, the organization was not charged any charter rate for the layover hours. In late 2017, the ATU verbally informed Transit of their desire to end the conditional agreement and have Bus Operators paid for all layover time. Written notice to end the verbal agreement was received from the ATU on March 16, 2018.

The City of Winnipeg's Labour Relations Division was consulted on Winnipeg Transit's obligation to pay layover pay. On March 19, 2018, they responded with the opinion that Transit was required to pay layover pay, beginning with the 2018 season.

Collective Agreement Language

Article 8-5 (a) in Section 2 of the ATU Collective Agreement states "Bus Operators operating to special events such as Stadium, Arena, Race Track, etc., where they are required to layover, will be paid full time for all such layover time. This includes charters operating to these events."

Given the City will now be incurring additional costs during this layover time, a fee will need to be charged to the Winnipeg Football Club to recover these expenses. Given the high number of buses and layover hours involved over the course of the season, the Department is recommending applying a new layover time rate which better reflects the underlying cost of service for this time.

In the spirit of fairness, with the 2018 football season commencing shortly, it is recommended that the City of Winnipeg absorb the cost for 2018 only on a "without prejudice or precedent" basis, thereby providing the Winnipeg Football Club with sufficient notice of the new Charter Bus Special Event Layover Rate for future seasons.

While this fee would be made available to other large, special events, it would not apply to small one-time events as the scheduling of service for such events ensure any layover time would be nominal and the administrative work involved in calculating the applicable fees for layover times of less than one hour would be cost prohibitive. Additionally, layovers are required at large events to meet emergency evacuation protocol and the billing for the large, special events includes separate, additional charges for Inspectors and maintenance support which is not the case for the smaller individual charter requests.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 23, 2018

Project Name:

Charter Bus Special Event Layover Rate

First Year of Program **2018**

	2018	2019	2020	2021	2022
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	$ 87,003	$ 88,743	$ 90,518	$ 92,328	$ 94,175
Less: Incremental Revenue/Recovery	-	88,743	90,518	92,328	94,175
Net Cost/(Benefit)	$ 87,003	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	87,003	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Added direct costs from the layover pay are recovered from the implementation of the layover rate. Year over year costs are adjusted for 2% annual inflation. The recommendation is to waive the fee for the Winnipeg Football Club for the 2018 season. The Department will absorb the additional costs within the approved 2018 operating budget. The rate would be in effect for the 2019 football season.

original signed by

Laurie Fisher, CPA, CA

Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with the City of Winnipeg Labour Relations Division.

OURWINNIPEG POLICY ALIGNMENT

The recommendation of this report calls for Council to set a fee that is fair and reasonable for a service which is provided. This aligns with the Sustainable Transportation section of OurWinnipeg which calls for “A safe, efficient and equitable transportation system for people, goods and services”.

SUBMITTED BY

Department: Transit
Division: Operations
Prepared by: Randy Tonnellier, A/Manager of Operations
Date: April 23, 2018