Agenda – Executive Policy Committee – September 12, 2018

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 7, 2018

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Item No. 2 Negotiation of U-Pass Agreements with University of Manitoba, University of Winnipeg and Red River College

STANDING COMMITTEE RECOMMENDATION:

On September 7, 2018, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the Winnipeg Public Service be directed to begin re-negotiation of a U-Pass agreement with the University of Manitoba Students' Union (UMSU) and the University of Winnipeg Students' Association (UWSA) in Fall 2018 for a four year term that would be effective September 2020 – May, 2024;

2. That the Winnipeg Public Service be directed to begin negotiation of a U-Pass agreement with RRCSA in Fall 2018 for a four year term that would be effective September 2020 – May 2024;

3. That the Winnipeg Public Service report back on the results of the negotiations, including an estimate of all operating costs, capital costs, and resource implications, no later than May 2019, for potential inclusion in the 2020 Capital and Operating budgets.

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

Agenda – Executive Policy Committee – September 12, 2018

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 7, 2018

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 7, 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: Negotiation of U-Pass Agreements with University of Manitoba, University of Winnipeg and Red River College

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Radstrom	G. Ewankiw	M. Ruta	D. Wardrop, Acting CAO

EXECUTIVE SUMMARY

The existing U-Pass agreements with the University of Manitoba and the University of Winnipeg expire in May 2020. Additionally, in March 2017, the Red River College Students' Association (RRCSA) held a successful U-Pass referendum vote with their students confirming their desire to establish a U-Pass program at Red River College.

It is recommended that, if approved, the Red River College (RRC) U-Pass be implemented effective September 2020, to align the contract term with the other institutions. There would be an estimated increase in annual operating costs for the Transit Department of approximately $1.5 million per year to meet the service demands generated out of this program.

Depending on the U-Pass rate and contract terms that are ultimately approved, there may also be additional costs for the University of Manitoba and University of Winnipeg programs.

To ensure finalized agreements are in place for the September 2020 term, negotiations to renew the U-Pass agreements will need to begin in the fall of 2018.

RECOMMENDATIONS

1. That the Public Service be directed to begin re-negotiation of a U-Pass agreement with the University of Manitoba Students' Union (UMSU) and the University of Winnipeg Students' Association (UWSA) in Fall 2018 for a four year term that would be effective September 2020 – May, 2024;

2. That the Public Service be directed to begin negotiation of a U-Pass agreement with RRCSA in Fall 2018 for a four year term that would be effective September 2020 – May 2024;

3. That the Public Service report back on the results of the negotiations, including an estimate of all operating costs, capital costs, and resource implications, no later than May 2019, for potential inclusion in the 2020 Capital and Operating budgets.

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

REASON FOR THE REPORT

As the City has no official policy for the adoption of a U-Pass by a new institution or the renewal of a U-Pass by an existing institution, Council direction is required.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications associated with the recommendations contained in this report. Once negotiations are complete with Red River College, the University of Manitoba, and the University of Winnipeg for a U-Pass agreement that takes effect in September 2020, an Administrative Report will be submitted to Council for approval.

HISTORY/DISCUSSION

Background

A universal post-secondary transit pass, or U-Pass, is a mandatory pass purchased by all students at a post-secondary institution as a part of their tuition payment for a given semester or term.

A U-Pass program was introduced at both the University of Manitoba and the University of Winnipeg in September 2016, following successful referendums at both institutions, and subsequent approval of the capital and operating budget implications by Council on March 16, 2015. Between the Winter 2017 and Winter 2018 terms, there was an increase in transit usage to and from the University of Manitoba's Fort Garry Campus of approximately 25%.

The students at RRC have held a successful referendum as required to begin the process of creating a U-Pass program at their institution. As the existing U-Pass contracts expire in May, 2020 and it would be problematic to have staggered U-Pass contracts in place with varying terms, the Department is recommending aligning the negotiations with RRC with the re-negotiation process for University of Manitoba and the University of Winnipeg.

If approved, negotiations will begin in the fall of 2018 which will allow the Department to report back to Council with the recommended costs and rates for consideration in the spring of 2019.

Adequate lead time is required to secure the budget dollars and resources required in advance of the September 2020 effective date.

History

RRCSA held a referendum in October 2014, and although it was approved by the majority of students who voted, it did not receive the 20% voter turnout required for it to be valid.

On March 25, 2015, Council approved the report “Costs of Implementing a Universal Transit Pass
(U-Pass) for Post-Secondary Students at the University of Manitoba and the University of Winnipeg”. As a result, the Department’s operating budget was increased by $994,000 in 2016 for four months and $2,185,000 annually in 2017 to cover the loss of revenue, the cost of additional service required for
U-Pass implementation, and debt and finance charges for the purchases of the additional nine buses. At the time, the operating costs were shared with the Province.

In September 2016, a U-Pass was implemented for both University of Manitoba and University of Winnipeg at a cost to students of $130 per term. This rate has increased annually by an inflationary amount only and for the 2017-2018 academic year was $132.50 per term which works out to $33.125 per month. This compares with the 2018 fares of $80.10 for a Post-Secondary Monthly Pass and $100.10 for a full-fare Adult Monthly Pass.

RRCSA held a referendum in March 2017 with voter turnout of 22.5% (20% is the requirement for ratification), with 57.44% voting For the U-Pass. The approved maximum fee for RRC students in the referendum was $135.50 per term, in 2017 dollars.

Existing Conditions – Red River College

Full-time enrolment at Red River College is 5,690 for the 2017-2018 academic year. Based on a survey conducted jointly by the Red River College Students’ Association and Winnipeg Transit, it was determined that overall, approximately 65% of Red River College at all campuses students use transit to get to and from the college.

The Notre Dame Campus is currently served by five routes: the 19 Notre Dame- Logan-Marion, the 26 Logan-Berry, the 28 Brookside Express, and the 77 Crosstown North. Approximately 52% of students at the Notre Dame campus use transit to get to and from the college.

The Princess Street campus is served directly by over 25 routes on Main Street, Princess Street, King Street, and William Avenue. Approximately 79% of students at the Princess Street Campus use transit to get to and from the college.

Estimated Additional Costs for Red River College U-Pass Program

When the U-Pass was implemented for the University of Manitoba and the University of Winnipeg, 9 additional buses, 17.5 FTEs and related cost increases to support 17,650 additional service hours were added to the Department's budget.

The following table shows the estimated 2020-2021 operating cost breakdown for implementing a
U-Pass at Red River College:

Red River College U-Pass Funding and Cost Analysis
For Academic Year 2020-2021

Total Eligible Students (net of opt outs)*	5,348
Operating Revenues/Costs:	
Current Transit Revenue	$2,246,931
Operational Cost of Additional Service Required	$558,000
Capital Costs for Additional Buses	253,500
Total Cost of U-Pass Service	$3,058,431
Break Even U-Pass Fee (to cover operating costs)	**$572**
U-Pass Fee Accepted By Students	$290
Estimated U-Pass Revenue	$1,550,920
Annual Estimated Operating Cost Increase	$1,507,511

*The cost estimates are preliminary as the number of eligible students in future years has been estimated and includes an assumed 6% of students opting out. The number of students used in the estimates is based on 2017-2018 enrollment data provided by Red River College. The actual terms of eligibility will need to be defined in the agreement and could impact the number of students able to participate in the program.

The U-Pass rate accepted by Students is $271 ($135.50 per term) in 2017 dollars, which is expected to be approximately $290 in 2020 dollars.

The increase in usage is an estimate based on current passenger volumes, the results of a jointly administered (RRCSA - Winnipeg Transit) travel survey of all students, and the observed passenger volumes at other post-secondary institutions.

Service Enhancements, Changes, and Resource Requirements for Red River College U-Pass

In order to accommodate the anticipated increase in ridership arising from the implementation of a
U-Pass at Red River College, a preliminary assessment indicates the addition of approximately 36 bus-hours per weekday during the academic year (5580 bus-hours annually) would be required on the following routes:

- 19 Notre Dame- Logan-Marion
- 26 Logan-Berry
- 28 Brookside Express
- 65 Grant Express
- 66 Grant
- 77 Crosstown North

Transit would bring forward a report to modify the routing of the 65 Grant Express and the 66 Grant to better serve the Red River College Princess Street Campus.

The cost for these additional service hours is approximately $558,000 annually, and is accounted for in the previous table. An increase in the departmental complement of approximately 4.35 FTEs would be required for bus operators, supervisors, and maintenance staff.

The additional service would require the purchase of four (4) buses at an estimated cost of $2.6 million in order to increase the size of Transit's bus fleet.

Timing of Potential Implementation

The U-Pass agreements with the University of Manitoba and the University of Winnipeg expire in April 2020. Negotiations to renew the U-Pass agreements will begin in the fall of 2018. It is recommended that, if approved, the RRC U-Pass be implemented effective September 2020, to align the contract term with the other institutions.

The following factors also necessitate an implementation of no earlier than September 2020:

- an agreement with the RRCSA needs to be developed;
- a lead time of at least one full year is needed to expand the transit fleet by the required amount of buses;
- a lead time of several months is needed to expand Winnipeg Transit's staff complement by the required number of FTEs.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 25, 2018

Project Name:

Implementation of a Universal Transit Pass (U-Pass) for Red River College Students

COMMENTS:

There are no cost implications associated with the recommendations in this report.

Original Signed by:
Laurie Fisher, CPA, CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

Red River College
Red River College Students' Association

OURWINNIPEG POLICY ALIGNMENT

These changes are aligned with Direction One for Transit in the Transportation Master Plan "Provide efficient and effective transit service to all areas of the city".

SUBMITTED BY

Department	Transit
Division	Service Development
Prepared by:	Bjorn Radstrom, P. Eng., Manager of Service Development
Date:	July 25, 2018