

Saskatoon Transit Charter Update

ISSUE

Recommendations put forward to change Saskatoon Transit charter rates were approved by Saskatoon City Council on October 23, 2017. Administration revised the applicable Charter rates and implemented the recommendations on February 1, 2018. This report provides the Standing Policy Committee on Transportation with an update on the outcome of those recommended changes.

BACKGROUND

City Council, at its Regular Business meeting held on October 23, 2017, considered the Saskatoon Transit – Charter Policy and resolved, in part:

- “2. That, within one year of the rates taking effect, the appropriate committee receive a report detailing how revenues have been affected as a result of the change.”

The changes to the Saskatoon Transit Charter Policy and revised Charter rates shifted Saskatoon Transit from using spare capacity to a Fee for Service model for all charters. This change has aligned Saskatoon Transit closer with other providers of transit charter services. The changes included:

1. Implementation of the Charter rate increase effective February 1, 2018.
2. Updates to the website and the creation of an online Charter estimate tool for customers that automatically generates a Charter estimate before time of booking.
3. Review of the current Charter customer list:
 - a. Assist some of them in finding alternative charter service providers.
 - b. Work with those customers who require Saskatoon Transit's low-floor buses as there are no other alternatives.
4. Reduce the number of charters that conflict with peak service hours.

CURRENT STATUS

Throughout 2018 and 2019, Saskatoon Transit continued to provide charter services. Saskatoon Transit's intent through this period was to move customers from 'anytime requests' to primarily off-peak charter service. Most customers looking for peak hour services were able to find alternative providers who met their needs. However, there were legacy customers who require low-floor bus services as only Saskatoon Transit can accommodate this. Conversations with these customers took place and, in some cases, rates were provided that allowed them to continue with programs during the adjustment period.

Charter customers have been provided the opportunity for trip planning and travel training education. These are both important in assisting customers in learning how to use Transit's regular service for travel needs.

Conversations with charter customers have helped to optimize Transit's overall charter costs by either adjusting travel times or encouraging the use of regular transit routes versus a charter bus.

The administrative system now in place tracks discounts and extra costs for additional charter time. It also monitors peak and off-peak charter times so Saskatoon Transit's fleet spare capacity is best used for its scheduled operation of service hours.

DISCUSSION/ANALYSIS

These changes have appropriately shifted Saskatoon Transit's Charter services to a Fee for Service program. In 2016, a total of 191 charters were provided, with a net income of \$16,995. In comparison, 166 charters were provided within a 12 month period from February 1, 2018 to January 31, 2019 with a net income of \$17,358. This increase in net income may be attributed to a reduction in the variable expenses associated with charter costs during peak times, as well as to the 2018 Charter rate increase.

Saskatoon Transit will continue to provide charter service during off-peak times with applicable Charter rates. The shift to a Fee for Service model has increased the available spare capacity which Saskatoon Transit will appropriately use to ensure scheduled service is reliable, frequent and safe.

IMPLICATIONS

The Administration expected a minor decline in revenue projections with these changes, however, the net income has increased. The Charter Policy will be reviewed annually to find further efficiencies in the variable and fixed costs.

There are no legal, social, or environmental implications identified.

NEXT STEPS

Saskatoon Transit will maintain the approved Charter Policy rates (2018) and will review in January, 2021.

Report Approval

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