

Transportation Business Line

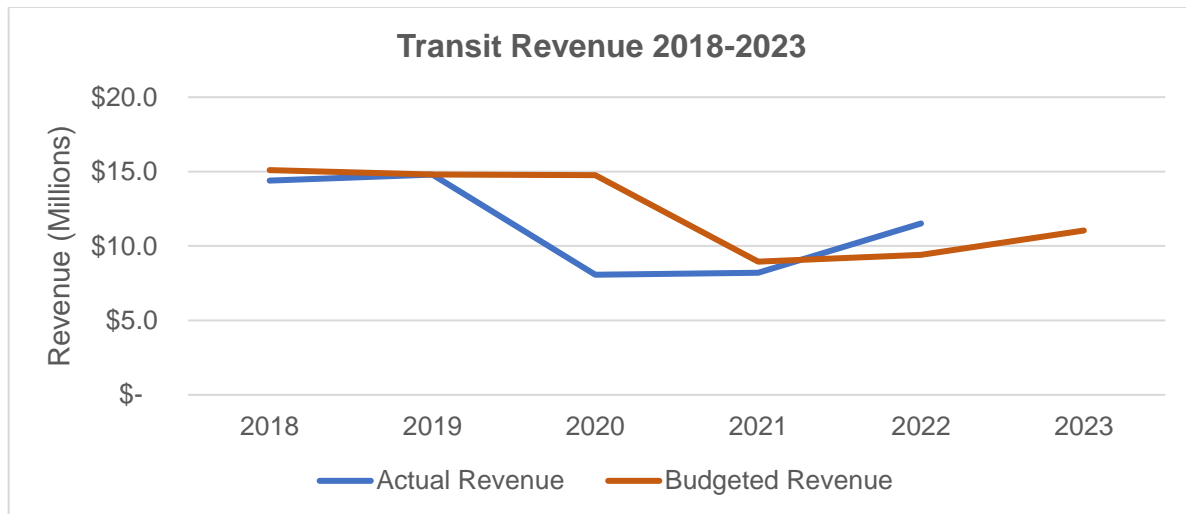
The 2023 Budget for the Transportation Business Line included \$160.07 million in expenditures and \$20.62 million in operating revenues. The remaining costs of \$139.45 million was funded by general revenues including property taxes.

Revenue Overview

In 2023 the Transportation Business Line was budgeted to generate \$20.62 million in operating revenue. \$11.05 and \$6.13 million was budgeted from Transit Operations and Parking respectively, which is approximately 83% of all operating revenue in this Business Line. A full breakdown of operating revenue can be seen below.

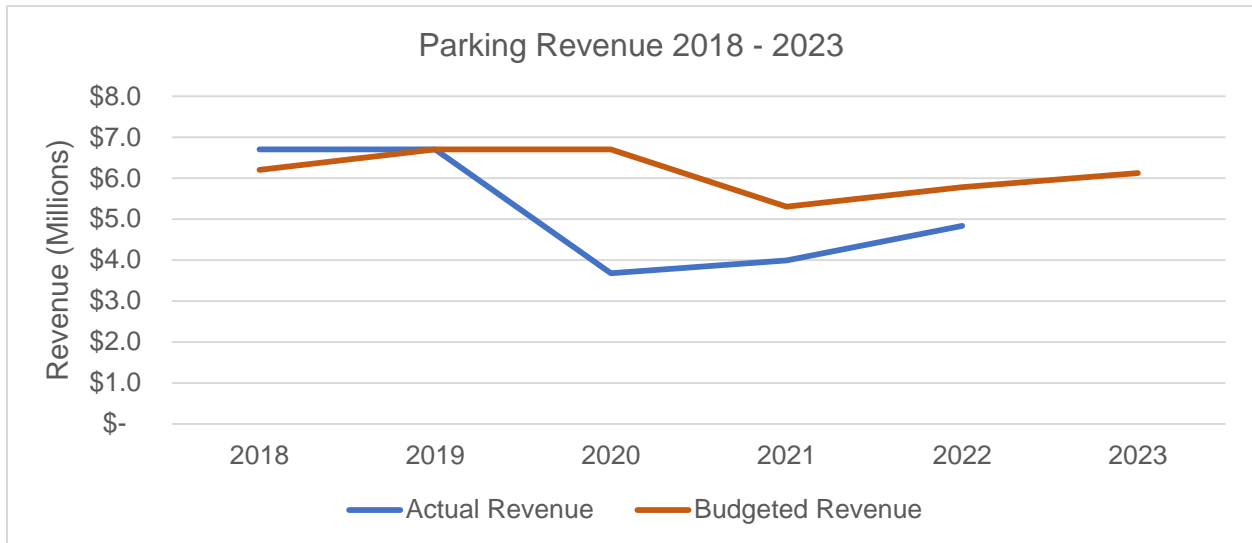
Service Line	2023 Op Rev (in millions)	% of Overall Op Rev.
Access Transit	\$1.08	5.24%
Bridges, Subways & Overpasses	-	0.00%
Engineering	-	0.00%
Impound Lot	\$0.46	2.23%
Parking	\$6.13	29.73%
Road Maintenance	\$1.07	5.19%
Snow & Ice Management	\$0.55	2.67%
Street Cleaning & Sweeping	-	0.00%
Street Lighting	\$0.03	0.15%
Transit Operations	\$11.05	53.59%
Transportation Services	\$0.25	1.21%
Transportation Business Line	\$20.62	100.00%

As outlined above Transit Revenues are one of the largest operating revenue sources in this Business Line. Although 2022 saw increases in user fee revenue, the transit industry is focusing on new realities of ridership levels. Revenues are forecasted to be approximately \$3.25 million below pre-pandemic levels in 2023 as illustrated below:



Administration continues to expect modest growth in transit user fee revenue, however a return to pre-pandemic levels is not likely to occur in the near future and the entire transit industry is re-evaluating what the new normal might be.

The other significant operating revenue source for this business line is Parking Revenues. Like Transit, this revenue source has seen a significant impact due to the pandemic and although there have seen recoveries in 2022 and 2023, a return to pre-pandemic levels in 2024 is unlikely. A five-year history parking revenue is illustrated below:



Expenditure Overview

The two largest service lines, Road Maintenance (\$50.17 million) and Transit Operations (\$51.65 million), make up approximately 64% of all expenditures within the Transportation Business Line. An overview of all the service lines 2023 operating expenditures can be seen below:

Service Line	2023 Op. Exp. (in millions)	% of Overall Op. Exp.
Access Transit	\$6.95	4.34%
Bridges, Subways & Overpasses	\$8.47	5.29%
Engineering	\$0.91	0.57%
Impound Lot	\$0.45	0.28%
Parking	\$4.28	2.67%
Road Maintenance	\$50.17	31.34%
Snow & Ice Management	\$15.39	9.62%
Street Cleaning & Sweeping	\$5.01	3.13%
Street Lighting	\$8.24	5.14%
Transit Operations	\$51.65	32.27%
Transportation Services	\$8.55	5.34%
Transportation Business Line	\$160.07	100.00%

Another way to look at this information is by Budget Category. As seen below approximately 83% of total expenditures in the Transportation Business Line are for the following: Wages and Benefits (37%), Transfers to Reserve/Capital (30%), and Contracted Services (16%).

Budget Category	2023 Budget (in millions)	% of Overall Expenses
Wages & Benefits	\$59.03	36.87%
Contracted & General Services	\$25.82	16.13%
Utilities	\$9.39	5.87%
Materials Goods & Supplies	\$16.95	10.59%
P3 Contract Payments	\$6.56	4.10%
Transfers to Reserve/Capital	\$48.77	30.47%
Other Expenses	\$0.02	0.01%
Cost Recoveries	(\$6.46)	(4.04%)
Transportation Business Line	\$160.07	100.00%

Some additional key observations are:

- 64% of all wages and benefits for the Transportation Business Line relate to Transit and Access Transit, mainly for operators, mechanical and other support staff.
- 49% of all Contracted Services for the Transportation Business Line are for Road Maintenance, Snow/Ice Clearing and Street Sweeping services.
- 71% of all transfers to reserve/capital for the Transportation Business Line are for the City's Road Preservation program.

Overall, since 2018, the expenditures in the Transportation Business Line have grown by 20.68% over the past five years or an average of 4.14% per year. For context, Saskatoon's population growth ([Per Stats Canada Table 17-10-0142-01](#)) plus Consumer Price Index Inflation ([Per Stats Canada Table 18-10-0005-01](#)) over this same period was 26.69% or 5.34% per year. The service lines that have experienced the largest expenditure growth over the past five years (greater than 20%) include:

- 37.90% increase in Bridges, Subways and Overpasses.
 - This increase is largely due to a \$300,000, \$330,000 and \$440,000 allocation as part of 2019, 2020 and 2021 budget deliberations to address the Bridges and Structures Asset Management Plan funding gap.
 - Other increases relate to P3 Requirements for the Chief Mistawasis Bridge and Traffic Bridge, as well as the construction of the McOrmond Drive/Highway 5 and Boychuk Drive/Highway 16 interchanges.
- 27.25% increase in Parking expenditures;
 - This increase is largely related to a significant increase as part of the 2019 budget (17.21%) mainly to correct ongoing base budget issues where expenditures such as Commissionaires costs, banking and parking app

fees and terminal maintenance were perpetually underfunded. This budget also included the addition of a Customer Support coordinator to formalize the parking customer service program to provide more timely responses to customers and other customer service initiatives. The other significant increase occurred in 2021 (8.51%) and was required to fully operationalize the software, licensing, and warranty costs for the new parking system.

- 27.72% increase in Access Transit expenditures:
 - Access Transit experienced regular increases of approximately 5% per year from 2019 to 2023. These increases were largely required for fuel increases as well as a few FTEs (3.0 FTEs for operators, 0.5 FTE for a relief supervisor, 0.5 FTE for utility, and an Occupational Therapist) to meet the demands of the expanding program.
- 25.37% increase in Transit expenditures:
 - Saskatoon Transit experienced regular increases of approximately 5% per year from 2019 to 2023. Similar to Access Transit these increases were largely required for fuel, system requirements as well as several FTEs to accommodate the growing city and expansion of Transit services into new neighborhoods.

Service Level Overview

Service levels are a key driver for the City’s expenditure requirements. The following section provides an overview of key service levels for each. Of note some of the largest service level costs within the Transportation Business Line are the service hours and operator requirements for Transit and Access Transit, as well as the City’s road maintenance program and targeted 1 in 20 year treatment cycle for roadway preservation.

Access Transit		
Service	Sub-Service	2023 Service Level
Customer Service	Customer Care Line	Monday to Friday 9:00 a.m. to 4:00 p.m.
Access Transit On Demand Trip	Booking Window	Book 3 days in advance. Goal of accommodating all requests made with 1 days’ notice.
	Pick up Window	20 minutes
	Ride Length	<=75 minutes
	Denial Rate	Saskatchewan Human Rights Commission indicates <1%
Bridges, Subways and Overpasses		
Service	Sub-Service	2023 Service Level
Asset Management	Washing	Structures are washed annually.
	Sealing	A penetrating sealer is applied on a five-year cycle.

	Minor Maintenance	Completed on an annual basis, dealing with repairs and maintenance on structures as determined by inspections.
	Major Rehabilitations	The City utilizes inspection and deck testing data, recommendations and scenario modelling to select the optimal rehabilitation scheme and timing. The program is developed based on improving condition slowly over time by targeting the most cost-effective future treatment and performing major bridge rehabilitations approximately once every 25 years. With the current inventory an average of two rehabilitations are targeted to be completed each year.
Inspections	Safety Inspections	Each structure is inspected annually for safety concerns, maintenance programs, and to identify defects for additional investigation.
	Bridge Inspections and Deck Testing	Consultant inspections done every three years and deck testing on a six year cycle for bridges and overpasses that are over 10 years old.
Impound Lot		
Service	Sub-Service	2023 Service Level
Vehicle Impoundment	Vehicle Retrieval	A minimum of 80% of impounded vehicles are returned to the owner.
Impound Lot Operations	Sunday and Holiday Hours	Closed
	Monday to Friday Hours	8:00 a.m. to 7:00 p.m.
	Saturday Hours	11:00 a.m. to 4:00 p.m.
Parking		
Service	Sub-Service	2023 Service Level
Parking Permit Operations	Residential Parking Program (RPP)/ Limited Residential Parking Program (LRPP)	Deliver residential parking programs in seven zones covering 193 city blocks. Review of additional appropriate expansion areas will occur through 2023. Issue approximately 3100 to 3500 permits annually.
	Parking Program for People with a Disability	Oversee the program to issue and track approximately 3000 permits annually.
	Fringe Festival Parking Zone	Annual zone establishment and issue approximately 3800 permits annually.

	Exhibition Parking Zone	Annual zone establishment and issue approximately 3800 permits annually.
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Road Maintenance

Service	Sub-Service	2023 Service Level
Road Surface Maintenance	Emergency Pothole Repair	Potholes with the potential for causing damage are considered an emergency and will be repaired as quickly as possible.
	Routine Pothole Repair	Until the full spring and summer pothole blitzes are underway, only potholes that cause concern in the driving lanes of Priority 1 and 2 streets will be repaired with a temporary fill.
	Crack Filling	Performed within the first five to 10 years of a new surface to extend the service life of the road.
	Paved Back Lanes	Maintenance will be performed as crews are made available depending upon the priority of those lanes requiring maintenance.
Drainage and Flooding	Emergency	Inspect in the same business day (within 24 hours).
	Non-emergency	Inspect as soon as time permits. Typically within two to five days.
Specialized Maintenance	Guardrail Repair	Reports of damage to guardrails will be investigated within 24 hours.
Roadway Preservation	Micro surface, overlay, resurface, reconstruction	Increase condition slowly over time with a target of an average 20-year return cycle (surface treat 5% of network each year).
Sidewalk Preservation	Crack fill, trip ledge cut, overlay, remove and replace	Increase condition slowly over time with a target to coordinate with road preservation work with an average 20-year return cycle. (treat 5% of network each year).
Sidewalk Maintenance	Various safety treatments	Inspect complaints for safety as soon as possible, if warranted safety treatments are applied until the standard sidewalk preservation program arrives.

Snow & Ice Management

Service	Sub-Service	2023 Service Level
Snow Grading (Snow Event > 5cm)	Priority 1 Streets	Snow graded within 12 hours after a snowstorm ends.
	Priority 2 Streets	Snow graded within 36 hours after a snowstorm ends.
	Priority 3 Streets	Snow graded within 72 hours after a snowstorm ends.

Sidewalk Snow Clearing	Sidewalks adjacent to City-owned facilities, pedestrian overpasses and bridges	Cleared within 48 hours after a snowstorm ends.
School and Business Districts	Snow Removal	Windrows are removed if they exceed a height of 60 cm. Windrows will be removed outside of school hours.
Snow Removal Along Priority Streets	Snow Removal	Removal of snow piles along priority streets when storage capacity on medians, boulevards and parking lanes is reached and there is no more room to store additional snowfalls.
Winter Maintenance on Cycle Tracks	Snow Grading on Raised Cycle Tracks	Snow graded after every snow event within 48 hours of snowfall ending.
Winter Maintenance on Protected Bicycle Lanes	Snow Grading on Protected Bicycle Lanes	Snow graded after every snow event on protected bicycle lanes within 24 hours of snowfall ending.
Winter Maintenance on Multi-Way Boulevards (e.g., McOrmond Drive)	Snow Grading and Removal on New Access Road and Angle Parking	When snowfall accumulation is 10 cm or more, snow will be graded within 72 hours and removed within 2 days.
Ice Maintenance	Priority 1 Streets	Ice inspections every 4 hours.
	Priority 2 Streets	Ice Inspections every 8 hours.
	Priority 3 Streets	Ice Inspections every 12 hours.
	De-icer & Sanding	De-icer and sanding is applied as needed based on inspections.
Street Cleaning & Sweeping		
Service	Sub-Service	2023 Service Level
Street Sweeping	Median Sweep	Completed prior to the end of May.
	Priority Street Sweep	Performed once every three weeks or as needed.
	Expressway Sweep	Once per year beginning in May and targeted to finish at the end of June.
	Residential Sweep	Once per year beginning in early May and completed by the end of June.
	Business Improvement District Sweep	The sweeping takes place once per month starting in May (weather dependent) and ending in October.
	Summer Maintenance Sweep	Work is performed on an as needed, complaint driven basis.
	Bridge Wash	Structures swept and washed annually.

Dust Palliation	Dust Palliation	Strategic application of dust suppressant on high traffic gravel roads at least once per year and along Beef Research Road four applications per year.
Street Lighting		
Service	Sub-Service	2023 Service Level
Street Lighting	Street Lighting	Maintain roadway and park lighting to illuminate surfaces for vehicle and pedestrian safety.
	Seasonal Decorations	Maintain seasonal decorations. Winter-based decorations are illuminated between November 15 and March 21.
Transit Operations		
Service	Sub-Service	2023 Service Level
On Time Performance (Conventional)	Departures no more than 3 minutes early or 5 minutes late from scheduled departure time	85% of total trips.
Introducing New Service	Tier 1	Neighbourhood is populated to at least 25%. 1,560 annual service hours.
	Tier 2	Neighbourhood is populated to at least 50%. 3,120 annual service hours.
	Tier 3	Neighbourhood is populated to 90%+ with high ridership thresholds met. 6,604 annual service hours.
Walking Distances	Residential Areas	450 meters (to a maximum of 1000 meters).
	Employment Areas	Maximum 1000 meters.
	High Frequency Corridor	600 meters.
Frequency	Residential Areas	15 to 60 minutes.
	Employment Areas	15 to 60 minutes.
	High Frequency Corridor	10 to 30 minutes.
Transportation		
Service	Sub-Service	2023 Targets
Lane Marking	Centre-lines, edge lines, and lane lines	Paint all the lines once per year, approximately 950 kilometers.

Crosswalks	n/a	The objective is to paint all crosswalks twice. However over recent years only about 50% of the second application has occurred. There are 1175 crosswalks.
Other Markings	Bumps, bike sharrows, parking stalls, walk your bike stencil, chevrons (white and yellow), and arrows	The objective is to paint all these items at least once per year. This objective has not been met to varying degrees over the past six years.
Traffic Signal Repair	n/a	For intersections identified as critical the repairs begin as soon as possible. For intersections identified as non-critical the repairs begin no later than the following morning.

Pandemic Challenges

The most significant impacts of the pandemic for this business line is related to operating revenues and inflation.

As outlined in the operating revenue section of this Business Line, the two largest revenue sources (Transit and Parking) were significantly impacted by the pandemic.

One of the key strategies throughout the pandemic was to utilize one-time funding to offset operating revenue decreases, assist with additional Covid expenditures and ensure property tax increases were minimized. The strategy envisioned that by 2024 revenues would return to normal and one-time funding would no longer be needed. Unfortunately, operating revenues are not expected to return to pre-pandemic levels for 2024. A summary of where key revenues are projected to be compared to pre-pandemic levels can be seen below:

- Transit revenue is expected to generate \$11.6 million in revenue in 2024, an increase of \$500,000 over 2023; however still \$3.25 million short of the 2019 pre-pandemic revenue of \$14.8 million.
- Parking is expected to generate \$6.1 million in revenues in 2024, an increase of \$9,400 over 2023; however still \$480,000 lower than the 2019 pre-pandemic revenue of \$6.6 million.

In terms of inflation several of the largest inputs such as concrete and asphalt concrete in this business line have seen significant increases from 2022 to 2024. These inflationary increases have become evident in 2023 and there are several examples outlined in the 2024 budget status update that would be required in order to maintain services. The most significant impact to the City is on the City’s 1 in 20 year treatment cycle for roadways. In order to maintain this service level in 2024, an approximate

\$10.2 million increase would be required in order to offset the lost purchasing power due to inflation.

2024/2025 Pressures Included in the Indicative Budget

While the Administration is still in the process of quantifying the exact pressures that the Transportation Business Line is expected to experience in 2024 and 2025, some of the known pressures today include:

- Access Transit is expecting to require \$154,800 and \$132,500 in additional funding in 2024 and 2025. \$56,800 and \$62,400 of these increases are to account for higher fuel prices. In addition, a 0.5 FTE equivalent of \$36,300 each year is estimated to be required to support growing demand on the program. The remaining increase is due to general inflationary requirements on software, materials, parts and supplies.
- The City's Bridge Program is anticipated to require an additional \$632,600 in 2024 and \$501,900 in 2025. A portion of these increases (\$206,000 in 2024 and \$280,500 in 2025) are due to the inflationary contractual obligations under the City's P3 Contract for the Chief Mistawasis and Traffic Bridges. The remaining increases (\$426,600 in 2024 and \$221,400 in 2025) is to account for inflationary pressures in the bridge maintenance program and reserve contribution (\$200,000 in 2024) due to the higher prices the City is seeing across the construction sector as well as to account for the inventory of sound walls in the City and their maintenance requirements.
- The Engineering program is expected to see a \$54,700 increase in 2024 and a \$47,900 increase in 2025. Most of these increases in 2024 and 2025 are the step-growth requirements for FTEs being added in 2025 in order to support the growing demands that have occurred over a number of years in corporate support, GIS, private development and other services.
- The City's parking program is expected to see an \$86,800 increase in requirements in 2024 and it is important to note this includes \$264,800 in new expenditures offset by a \$178,000 reduction in expenditures from lease and property tax savings from Lot 11 no longer being required for civic use. The \$264,800 increase includes a phased-in increase (\$100,000) to the transfer to the Parking Capital Reserve required to ensure the reserve is sufficient to fund parking projects, including the replacement or significant upgrading to the parking system every 10 years.

The remaining increase in 2024 is anticipated to be required to fund increased fuel costs, utilities, snow removal and the inflationary component of the Commissionaires contract. 2025 is expected to require \$60,900 and is forecasted based on a return to a normal inflationary environment and impacts for fuel, utility rates, snow removal and Commissionaire contractual requirements.

- The City's road preservation/rehabilitation program targets a 1 in 20 year treatment cycle. To maintain this service level, the program must receive inflationary and growth allocations otherwise the program service level will erode

over time. Growth requirements are estimated to be \$590,000 in 2024 and \$746,300 in 2025 to account for added lane kilometers. In terms of inflationary pressures, the program has seen significant inflationary impacts in 2023 (approximately 30% plus increases in prices) and is estimated to require \$10.20 million in additional funding in 2024 to maintain the service level and \$2.49 million in 2025 when inflation is expected to return to a more normal range.

Other road maintenance expenditures outside of the City's asset preservation program are expected to increase by \$526,400 in 2024 and \$417,600 in 2025. A large portion of the 2024 increase is to reflect the increased contract prices the City is experiencing in 2023 (15% plus) and are expected to persist into 2024 for items such as snow clearing activities, materials and supplies such as sand and aggregates for maintenance activities.

Additional resource requests are also included in the 2024/2025 budget and consist of:

- Two additional resources (one in 2024 and one in 2025) each costing \$83,200 for development and delivery of the expanded training program needed due to increased demand for mandatory corporate and safety training requirements as recommended in the Fleet Services Phase 2 Audit Report;
- An additional 0.44 FTEs (\$22,500) in 2024 and 1.44 FTEs (\$89,600) in 2025 for paved street and sidewalk maintenance. These additional resources are required to address the growing network and ensure service levels are maintained.
- The City's Snow and Ice Management budget is expected to require \$1.05 million and \$844,600 in additional funding in 2024 and 2025 respectively. A large portion of these increases is tied to growth to the City's roadway inventory with the remainder related to inflation for fuel, towing costs, contractor services and grader blades. These budgets also include the following resource/staffing requirements:
 - An additional 1.88 FTEs in both 2024 and 2025 for a total cost of \$115,300 in 2024 and \$115,300 in 2025. These FTEs are for one Utility B position (heavy equipment operator), with the remaining FTEs allocated to an increase to the City's pooled labourers. These additional resources are required to deliver the increased summer and winter maintenance activities associated with growth in the network (expanded lane kilometers).
- The City's Street Cleaning and Sweeping Program is expected to require \$237,300 and \$206,600 in expenditures in 2024 and 2025. This includes an additional 0.27 FTE in 2024 and 1.27 FTEs in 2025. \$13,800 each year in the City's pooled labour for 0.27 each year, as well as a Utility B position in 2025 for \$67,100 to account for an expanding network. Other increases are related to estimated increases in fuel costs, tow truck services and other contracted services which are experiencing increases of approximately 15% in 2023.

- The City's Street Lighting budgets require \$613,700 and \$543,200 in expenditures in 2024 and 2025. This is due to the growth and inflationary requirements to maintain and electrify the planned installations of new streetlights in 2023.
- The City's Transit Service is expected to require an additional \$4.57 million and \$1.43 million in resources in 2024 and 2025 respectively. An overview of some of the largest cost pressures with Transit Services include:
 - \$1.80 million in 2024 for increased contributions to vehicle capital reserves to allow for the purchase of buses to accommodate a growing city into new neighborhoods and increased service deliveries (example from Tier 1 to Tier 2 services).
 - \$208,500 to phase-in funding (three-year phase in) for future service expansions for Aspen Ridge, Evergreen and North Kensington in 2024 and 2025 with expected service expansions to occur in 2026.
 - \$406,200 in 2024 for the operating cost of Tier 1 service to Aspen Ridge and Tier 2 service to Brighton which includes an estimated 1.51 FTEs for operators.
 - \$720,000 and \$792,100 in 2024 and 2025 respectively is required due to fuel impacts.
 - In order to maintain existing level of service, \$99,000 and 1 FTE in 2024 is required for a service supervisor in maintenance to support night utility shift supervisory roles.
 - Transit building maintenance contract payment increases of \$277,600 and \$80,900 in 2024 and 2025 are required in accordance with the P3 agreement for CPI higher than 2%.
- Transportation Services requires \$548,700 and \$204,500 of increased expenditures in 2024 and 2025 in order to maintain current services. A few of the largest cost pressures include:
 - \$132,000 due to new provincial regulations impacting traffic signal maintenance and new installations which are mandatory.
 - \$106,600 and 1 FTE for a Traffic Signal Journeyperson in 2024 and \$75,800 and 1 FTE for an Electronics Storekeeper in order to keep up with the growth of the number of traffic control devices (signals, pedestrian crossing devices etc.) which has expanded approximately 40% since 2015 with no new FTEs to support this growth.

Additional 2024/2025 Pressures Not Included in the Budget Status Update

The budget status update presented is Administration's estimate on the costs to maintain existing services when considering growth, inflation, and base budget adjustments. The previous section outlined some of the significant pressures included with that estimate, however, it is important to note there are additional pressures required to move towards achieving the City's Strategic Priorities, address growing

service level expectations such as asset management funding gaps and respond to ever changing community needs.

These options will be quantified and presented in a future report which will give City Council the option to discuss and potentially add these items to the 2024/2025 Budget. For the purpose of this report a high-level contextual overview of some of these key pressures not included in the budget status update can be seen below. The most prevalent pressures are from:

- Enhanced priority street snow removal to complete all priority streets to within six weeks would require an additional \$3.0 million to be added to the base budget. Alternatively, the incremental cost associated with completing all priority streets within four weeks would require an additional \$3.5 million. This work would be completed by contractors with no additional FTE requests.
- Increased asset management plan operating contribution to the Bridge Major Repair Reserve (BMRR) of \$1.46 million to align the reserve contributions along with the required future bridge rehabilitations.
- Enhancements to the school zone snow removal program due to the number of enhancement requests received in recent years. Budgetary implications range from \$14,000 to \$314,000 to deliver an enhanced school zone snow removal program.

Potential Options:

If all of the options presented in this report along with the options previously presented in the [2024/2025 Budget Inflationary & Phase-in Decisions](#) report (Option 2) were approved it would reduce the Transportation Business Line by the following:

Transportation 2024/2025 Budget Options Impact		
	2024	2025
Options from the 2024/2025 Budget Inflationary & Phase-in Decisions Report	\$9,658,500	(\$1,321,500)
Recommended Options in this report	\$659,000 (Note 1)	-
Additional Options in this report	\$4,663,300 (Note 2)	\$905,700
Total Options	\$14,980,800	(\$415,800)

Note 1 – Increased parking rates are governed by the Council approved parking formula whereby parking revenues cover expenses, then any revenue over and above is split equally between the Streetscape Reserve and General Revenue. The figures in table above represent the general revenue portion which impacts the mill-rate.

Note 2 – Depending on options, the amount may vary based on which option and which range is discussed. Example, Transit revenues has multiple different potential revenue increases depending on rate increase and price elasticity impact.

Reductions recommended in the 2024/2025 Budget Inflationary and Phase-in Decision impacting this Business Line include:

- Roadway preservation reserve inflationary impact reduced by 75% for \$7.65 million and phased in over 2025 to 2029 at \$1.53 million per year.

- Transit future service phase-in for new neighborhoods of \$208,500 in each of 2024 and 2025 deferred to 2026. This is a step-growth item so no service levels would be impacted in 2024 and 2025.
- Transit bus growth allocation reduction of 100% for \$1.80 million and continue to rely on Federal Funding and current fleet of buses for growth requirements.

An overview of all recommended options as well as options that could further reduce the funding gap are provided below.

Recommended Options

Option 1 – Increasing Parking Rates by \$0.50/hour

The current hourly rate for parking in the City’s pay parking areas is \$2.00. The current rate has been in place since 2010. An analysis and inclusion of consumer price index (CPI) inflationary increases between 2010 to present day identifies an hourly parking rate of \$2.92. Three options to increase the hourly parking rate by \$0.25, \$0.50, and \$1.00 are discussed below:

- \$2.25 – projected revenue increase of \$565,000 (net of expenditures would be \$282,500)
- \$2.50 – projected revenue increase of \$1,070,000 (net of expenditures would be \$535,000)
- \$3.00 – projected revenue increase of \$2,040,000 (net of expenditures would be \$1,020,000)

The above revenue projections do not factor in changes to parking demand that stem from a potential rate increase. However, changes in parking demand for the lower potential parking rate increases are anticipated to be minor based on industry studies. Minor one-time costs associated with programming, communications and pay station signage would be incurred resulting from any parking rate change.

A municipal scan on pay parking rates is provided below.

City	Hourly rate	Notes
Vancouver	\$1.00-\$8.00/hour	Demand-based pricing where fees are adjusted based on occupancy data.
Victoria	\$1.50-\$3.00/hour; Sundays - \$1.00-\$2.00/hour	
Kelowna	\$1.25 - \$1.50/hour	\$1.25 - \$1.50 per hour \$2.50 - \$3 (optional third hour).

Calgary	\$0.25 - \$4.75/hour	Demand-based pricing where fees are adjusted once per year based on occupancy data.
Edmonton	\$1.00- \$3.50/hour	Demand-based pricing; \$3.50 per hour is typically charged on event nights surrounding Rogers Place.
Regina	\$2.00/hour	
Winnipeg	\$1.75 - \$2.75/hour	Low demand rate vs high demand rate.
Prince Albert	\$1.25/hour	
Moose Jaw	\$1.00 - \$2.00/hour	\$1.00 per hour off Main Street; \$2.00 per hour on Main Street.

Most larger cities utilize a demand-based rate structure where parking rates are assessed on an on-going basis based on parking occupancy. The cost of parking on private parking lots in or near the Downtown area in Saskatoon ranges from \$1.00 to \$4.00/hour. The parking cost for most metered street parking areas and parking lot rates at the University of Saskatchewan campus is \$3.00/hour. While flat parking rates are rarer in larger cities, Administration notes that an increase of \$0.50/hour would be below natural rates of inflation and would anticipate the increase to have a minor impact on pay parking demand. That being said, Administration notes that certain land use classes, particularly Downtown office space, still exhibit higher than pre-pandemic vacancy rates.

Option 2 – Parking App Fees

The City currently incurs a \$0.15 cent charge on every transaction with the parking app (ParkedIn). After 500,000 transactions in a year, the charge decreases to \$0.13 cents per transaction. Transferring the app fee to consumers would result in an anticipated savings of \$120,000 per year (resulting in \$60,000 net of expenditures). A municipal scan was conducted on this item which did not identify a consistent approach for addressing similar app convenience fees. For a local point of reference, the app convenience fees for private parking lots ranges from \$0.00 cents to \$0.50 cents, and on University campus the convenience fee is \$0.30 cents.

For parking-related items, it is noted that parking revenue currently funds several fixed allocations, including parking operating expenses, BID grants, Community Support Program expenses and an allocation towards the Parking Capital Reserve. Once the fixed expense allocations are covered, any excess parking revenues are split equally between the BID Streetscaping Reserve and General Revenue. Thus, any additional parking revenues generated through the identified parking-related options would be allocated in the manner described above.

Option 3 – Reduce City Yard Security Funding

Included in the 2024 estimate for Yard Operations within Road Maintenance is \$128,000 for maintaining improved yard security in 2024. Over the past number of years the City has implemented measures to enhance city yard safety and security

including: completing perimeter fencing, relocating the main entrance, and controlling access 24/7 to the yards as it is a very active work zone. These safety and security measures were recommended by the Public Safety Canada Critical Infrastructure Resilience audit completed in city yards. The increased funding would maintain city yards safety and security and provide adequate on-site security 24/7. As safety and security at city yards is critical, the city yard safety and security services are currently funded as a budget pressure from the operational service lines as funding has not been included in the base budget. This option could be reduced by 50% or \$64,000 which would reduce the amount of on-site security.

Reducing this budget request would reduce the amount of security available for city yards and/or continue to be funded as a budget pressure through operational service lines due to the critical nature of these services.

Options that Could Further Reduce the Funding Gap

Option 4 – Bridge Contribution to Reserve Deferral

This option would include the deferral of the \$200,000 phase-in, in 2024 to the BMRR to assist in providing funding to meet future maintenance requirements. Deferring this contribution would put additional stress on the bridge maintenance program and potentially require one time funding for the planned work on the Broadway Bridge and University Bridge arches or not allow for the preventative maintenance or major rehabilitation to occur at the optimum time.

Option 5 – Deferral of New Property Tax Funded Positions

This option would include the deferral of any of the recommended positions included in the preliminary budget forecasts.

5.a - Access Transit has 0.50 FTE equivalent of \$36,300 in 2024 and 2025 estimated to be required to support growing demand on the program. Deferral of these positions would result in an increased denial rate for customers as the program continues to see growth.

5.b - The 2023 Fleet Services Audit recommended that Administration regularly assess the current and future operator training requirements against the existing training resources and ensure that sufficient resources are available to meet the user demand for operator training. The City's Roadway Maintenance program proposes 2.0 additional FTEs (one in 2024 and one in 2025) each costing \$83,200 to develop and deliver the expanded training program needed due to increased staff levels as well as mandatory corporate and safety training requirements. Deferral of these positions may put at risk having adequately trained operators and employees available to deliver programs and meet services levels as well as meeting legislative requirements as defined by Saskatchewan Occupational Health and Safety.

5.c - An additional 0.44 FTEs for \$22,500 in 2024 and 1.44 FTEs for \$89,600 in 2025 for paved street and sidewalk maintenance. Deferring these positions will have an incremental negative impact on current service levels.

5.d - The City's Snow and Ice Management Program includes an additional 1.88 FTEs in both 2024 and 2025 for a total cost of \$115,300 each year. These FTEs are for Utility B positions (1.0 FTE in each of 2024 and 2025) which has specialized training for operating heavy equipment as well as an increase to the City's pooled labourers in each year to respond to snow events and expanded lane kilometers. Deferring these positions will have an incremental impact on service levels.

5.e – The City's Street Sweeping program includes an additional 0.27 FTE in 2024 and 1.27 FTEs in 2025. This is \$13,800 each year for pooled labourers (0.27) as well as a Utility B position (1.00) in 2025 of \$67,100 to account for an expanding network. Deferring these positions will have an incremental impact on service levels.

5.f - Saskatoon Transit includes 1.51 FTE and \$122,500 for operators to accommodate the expansion of Tier 1 service to Aspen Ridge and Tier 2 service to Brighton in 2024. Deferral of these position would delay expansion of transit services into these neighbourhoods.

5.g - Saskatoon Transit also includes \$99,000 and 1.00 FTE in 2024 required for a service supervisor in maintenance to support the utility night shift supervisory role. Additional maintenance supervisory roles were identified in the audit recommendations from the 2022 Transit service disruption audit. In 2023 FTEs were approved for additional maintenance service supervisors of day shifts which has resulted in improved efficiencies and workplace culture and enhanced shop floor support for employees. One additional FTE for a maintenance service supervisor to support the utility night shift would allow for enhanced shop floor support for night shift employees to provide improved service for bus availability to meet morning peak hour service levels.

5.h - Transportation services includes \$106,600 and 1.00 FTE for a Traffic Signal Journeyman in 2024 and \$75,800 and 1.00 FTE for an Electronics Storekeeper in 2025 to keep up with the growth of the number of traffic control devices (signals, pedestrian crossing devices etc.) which has expanded approximately 40% since 2015 with no new FTE's to support this growth. Staff have been continually struggling to meet service level targets in this area with the combination of a growing network and no associated FTE growth.

Option 6 – Snow and Ice Management

6.a The snow program has a \$353,900 inflation impact in 2024 and \$394,600 in 2025 due to realizing over 10% contract price increases on required contractual services in order to maintain the approved service levels pertaining to snow clearing and removal. An option would be to reduce these inflationary allocations; however, it is important to note reductions may result in delays in meeting approved service levels or no longer

removing snow on Priority 2 and 3 streets when there is no available storage for future snow events.

Option 7 – Street Cleaning and Sweeping

Street cleaning requires a \$122,700 increase in 2024 due to more than a 10% increase on contract services. A reduction in inflation would require a service level adjustment. The amount of sweeping on medians and park frontages would be reduced. The program would become complaint or inspection driven in regard to which medians require sweeping.

Option 8 – Reductions to Transit Operations

8.a In order to be able to ensure full accessibility to Saskatoon Transit conventional system, additional funding of \$100,000 in 2024 is required for snow removal at the ~1,500 bus stops. Risks of not receiving this additional funding may mean challenges for some accessing buses due to snow accumulation at stops.

8.b Corporate training for all staff at transit requires an additional \$138,300 in 2024 for all staff to be able to participate in mandatory training such as cybersecurity, privacy training and policy reviews.

8.c Transit is experiencing approximately a 12% inflationary impact on required maintenance of its assets resulting in an increase of \$268,700 in 2024 required for bus maintenance. There is an option to reduce this inflationary impact however, this could cause delays on maintenance of buses, or potentially removing the bus from service, resulting in a potential impact to meeting service levels.

Option 9 – Increasing Transit Revenues

Saskatoon Transit ridership levels are currently around 75% with +/-5% fluctuations of pre-pandemic levels. As the transit industry looks towards the future and determining what the new normal may be for transit systems, Administration continues to look for ways to increase ridership levels and make transit an attractive option for all.

As the City moves towards implementing the bus rapid transit system, a comprehensive review will be undertaken on all of Saskatoon Transit products and fare structure as part of the proposed Universal Low Income Subsidy program approved by Council at the November 2022 Environment, Utilities and Corporate Services Standing Policy Committee meeting. Prior to making adjustments to current fare structures, Saskatoon Transit has committed to undertake an extensive customer and stakeholder engagement strategy as part of the fare review process. This would be done to support the key objectives of increasing the transit system ridership levels, supporting economic development, sustainability, the Growth Plan, and continued support for low-income customers.

When considering major user fee categories, price elasticity is a main impact to consider when proposing any adjustments. The term elasticity is a measure of the rate of change in quantity demanded in comparison to the rate of change in price. The quantity is considered elastic if the quantity demand of the product changes drastically

when its price increases or decreases. Saskatoon Transit user fees are deemed to be highly elastic, meaning when fares increase beyond what is deemed affordable, there may be a significant and long-term negative effect on ridership levels and resulting revenues.

A municipal scan on comparable transit fares is provided below. Of note, not all categories align due to small variations in ages but are categorized in basic categories for comparison purposes.

Product	Saskatoon	Regina	Winnipeg	Calgary	Edmonton
Single Ride					
Adult	<u>\$3.00</u>	<u>\$3.25</u>	<u>\$3.15</u>	<u>\$3.60</u>	<u>\$3.50</u>
Senior	<u>\$3.00</u>	<u>\$3.25</u>	<u>\$2.65</u>	<u>\$3.60</u>	<u>\$3.50</u>
Post Secondary*	<u>\$3.00</u>	<u>\$3.25</u>	<u>\$3.15</u>	<u>\$3.60</u>	<u>\$3.50</u>
Youth/High School**	<u>\$2.75</u>	<u>\$2.75</u>	<u>\$2.65</u>	<u>\$2.45</u>	<u>\$3.50</u>
Child (5-13)***	<u>\$2.25</u>	N/A	N/A	N/A	N/A
Bulk (10 tickets)					
Adult	<u>\$25.00</u>	<u>\$29.00</u>	<u>\$28.00</u>	<u>\$36.00</u>	<u>\$27.75</u>
Senior	<u>\$25.00</u>	<u>\$29.00</u>	<u>\$14.00</u>	<u>\$36.00</u>	<u>\$19.75</u>
Post Secondary*	N/A	<u>\$29.00</u>	N/A	<u>\$36.00</u>	N/A
Youth/High School**	<u>\$21.00</u>	<u>\$24.00</u>	<u>\$20.00</u>	<u>\$24.50</u>	<u>\$19.75</u>
Child (5-13)***	<u>\$16.00</u>	N/A	N/A	N/A	N/A
Monthly Pass					
Adult	<u>\$83.00</u>	<u>\$88.00</u>	<u>\$107.80</u>	<u>\$112.00</u>	<u>\$100.00</u>
Senior	<u>\$29.00</u>	<u>\$30.00</u>	<u>\$53.90</u>	<u>\$112.00</u>	<u>\$35.00</u>
Post Secondary*	N/A	<u>\$78.00</u>	<u>\$86.25</u>	<u>\$112.00</u>	N/A
Youth/High School**	<u>\$59.00</u>	<u>\$64.00</u>	<u>\$77.00</u>	<u>\$82.00</u>	<u>\$73.00</u>
Child (5-13)***	<u>\$50.00</u>	N/A	N/A	N/A	N/A

*Various municipalities either don't list post-secondary passes or have UPass agreements in place. Saskatoon Transit has contracts in place for UPass and are not part of the consideration in a rate increase due to the current contract.

**Youth age ranges can fluctuate upwards of 24 years of age with proof of student status. Considered as high school.

***Majority of municipalities have made fares free for children ages ranging from 13, 12 and 11 and under. Saskatoon Transit is free for children under 5.

On average, Saskatoon Transit cash fares are 7.3% below, bulk tickets are 6.7% below and monthly passes are 39.3% below the municipalities compared. To note, Calgary's fare structure is higher than all other municipalities and by removing as a comparison, Saskatoon Transit cash fares are 6.1% below, bulk tickets are 0.3% over and monthly passes are 19.1% below averages.

The table below demonstrates the values of a 5.0%, 7.5% and 10.0% rate increase on the fares listed (rounded to the nearest \$0.05).

Product	Current Rates	5.0% increase	7.5% increase	10.0% increase
Single Ride				
Adult	<u>\$3.00</u>	<u>\$3.15</u>	<u>\$3.25</u>	<u>\$3.30</u>
Senior	<u>\$3.00</u>	<u>\$3.15</u>	<u>\$3.25</u>	<u>\$3.30</u>
Post Secondary	<u>\$3.00</u>	<u>\$3.15</u>	<u>\$3.25</u>	<u>\$3.30</u>
Youth/High School	<u>\$2.75</u>	<u>\$2.90</u>	<u>\$2.95</u>	<u>\$3.05</u>
Child (5-13)	<u>\$2.25</u>	<u>\$2.35</u>	<u>\$2.40</u>	<u>\$2.50</u>
Bulk (10 tickets)				
Adult	<u>\$25.00</u>	<u>\$26.25</u>	<u>\$26.90</u>	<u>\$27.50</u>
Senior	<u>\$25.00</u>	<u>\$26.25</u>	<u>\$26.90</u>	<u>\$27.50</u>
Post Secondary	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Youth/High School	<u>\$21.00</u>	<u>\$22.05</u>	<u>\$22.60</u>	<u>\$23.10</u>
Child (5-13)	<u>\$16.00</u>	<u>\$16.80</u>	<u>\$17.20</u>	<u>\$17.60</u>
Monthly Pass				
Adult	<u>\$83.00</u>	<u>\$87.15</u>	<u>\$89.25</u>	<u>\$91.30</u>
Senior	<u>\$29.00</u>	<u>\$30.45</u>	<u>\$31.20</u>	<u>\$31.90</u>
Post Secondary	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Youth/High School	<u>\$59.00</u>	<u>\$61.95</u>	<u>\$63.45</u>	<u>\$64.90</u>
Child (5-13)	<u>\$50.00</u>	<u>\$52.50</u>	<u>\$53.75</u>	<u>\$55.00</u>

Based on the product fares which can be adjusted (i.e., not under contract), it is estimated a 5% increase in fares could result in an additional \$327,000 in revenues. However, due to the uncertainty and high price elasticity, it is estimated a 5% user fee increase could decrease ridership levels by 3.75%, resulting in a scenario of an actual net revenue increase of \$69,400. Current ridership levels are still sensitive and recovering from the impacts of the pandemic. A revenue increase of 7.5% may result in an additional \$498,400 of revenues with a potential net increase of \$95,900 due to price elasticity. A 10.0% increase may result in an additional \$654,800 of revenues with a potential net increase of \$114,100 due to price elasticity.

Option 10 – Reduction to Transportation Services Request

Transportation services is experiencing a 15% inflationary impact on materials for painting and signing equating to a \$96,400 increase in 2024. Should this be reduced,

service level impacts may mean only replacing signs on an emergency basis and line painting frequencies will be impacted by only painting the most critical areas. A reduction in current levels of service targets of sign maintenance and line painting may have a negative impact on public safety and collision reduction.

Option 11 – Road Surface Back Lane Maintenance Reductions

The current service level includes grading of all back lanes once per year. This service could be reduced to grading back lanes only when conditions deteriorate to the point that light vehicles have difficulty travelling them. This option would result in a base budget reduction of about \$150,000.

Option 12 – Snow and Ice Management Service Level Reductions

12.a – Remove commitment of snow removal along priority streets when there is not sufficient room on medians and boulevards to store additional snowfalls

This option consists of no longer removing snow from priority streets in residential neighbourhoods when there is no longer available storage on medians, boulevards and parking lanes for future snowfalls. The estimated base budget reduction is about \$750,000. The current budget doesn't include enough funding to remove snow once a winter from all priority streets, but this option would result in no funding available to remove snow from Priority 2 and 3 streets. The impact would be instances where the snow piles narrow the driving lanes and encroach on driveways, obstruct sight lines and reduce or eliminate on-street parking availability.

12.b – Eliminate winter maintenance on protected bike lanes Downtown and the cycle tracks along Victoria Ave.

This option would reduce availability of the protected bike lanes Downtown and the cycle tracks along Victoria Avenue over the winter months. These facilities are more costly to maintain than other facilities because the snow must be graded and then picked up and hauled away. The estimated budget reduction is \$50,000.

12.c -Delay sidewalk, multi-use pathway and cycle track snow clearing

This option would include extending the service level for snow clearing on the facilities to 96 hours, instead of the current 48 hours. The estimated base budget reduction for this option would be \$75,000.

12.d – Extend priority street snow grading timelines

This option would double the timelines of the approved service level for priority street snow grading. Priority 1 street snow grading would be completed within 24 hours, Priority 2 street snow grading within 72 hours and Priority 3 street snow grading within 144 hours (6 days). The result would be snow and ice-covered roads for a longer period of time, which would impact mobility and safety. The estimated base budget reduction for this option is \$400,000.

12.e – Adjust snow grading event declaration on priority streets

This option would include adjusting the snow event declaration trigger on priority streets from 5 cm to 8 cm. Declaration of a snow event triggers activation of snow grading

contractors to assist in priority street snow grading. The adjustment would result in a reduced number of instances when grading contractors are activated from a six-year average of six snow events per winter to an estimated four snow events per winter. The estimated base budget reduction for this option is \$200,000. The impact of this option would result in snow- and ice-covered roads for snow events between 5 cm and 7 cm until such time as city crews could snow grade all city streets or a snow event of 8 cm or more triggers a snow event to activate contractor crews to assist with the snow grading.

Option 13 – Sweeping Program Service Level Changes

13.a Eliminate soft surface median sweep

This option includes not sweeping soft surface (turf) medians. Over the fall and winter, these medians develop a buildup of winter sand materials and tree leaves. Under this option sweeping soft surface medians would be eliminated resulting in more difficult operations for Parks mowing these facilities and a higher potential to damage the turf. The base budget reduction would be approximately \$400,000. Alternatively, the service level could be reduced to one sweep every two years, resulting in a projected \$200,000 annual savings.

Option 14 – Street Lighting Seasonal Decorations

14.a Eliminate or reduce seasonal decoration program

Saskatoon Light & Power currently installs seasonal decorations on street light poles along major commercial corridors and in the Downtown area. In recent years, City Council provided additional capital funding to accelerate the replacement of aging decorations and move from a Christmas-based theme to a winter-based design. This allowed the seasonal decorations to be installed for a longer time period throughout the winter. Saskatoon Light & Power installs these decorations in November and removes them in late March. The cost of installing and removing them is \$173,100 in 2024.

An option would include either leaving the decorations installed year-round (but not illuminated between March and November) or eliminating this program altogether. Leaving the decorations installed year-round would increase the wear and tear on the decorations and the winter-theme may be seem out of place in the summer even if they are not illuminated. Eliminating this program altogether would save the installation and removal costs as well as the annual cost for replacing the decorations (a further \$48,000 annually). This would provide a saving of \$221,100.

14.b Eliminate seasonal decoration material replacement program

An alternative option would be to continue installing and removing the existing seasonal decorations as has been done in the past but defer the replacement for any decorations that have not yet been upgraded. The one-time capital investment of \$200,000 in 2021 has allowed Saskatoon Light & Power to accelerate the replacement and upgrade of many of the old decorations. An operating budget amount of \$48,000 is planned in the 2024 and 2025 budgets in order to complete the upgrade. Choosing this option would defer the planned upgrades to the Doves of Peace cross streetlights on 2nd Avenue (2024) and replacing the non-illuminated Christmas-themed banners on 20th Street and on 2nd Avenue (2025).

Option 15 – Adjust Saskatoon Transit Service Levels

Saskatoon Transit currently has a number of approved service levels which administration could undertake reviews of regarding impacts on ridership levels, base budget reductions in relation to the adjustments, plus any reductions to revenues should Council direct administration to do so.

Some of the approved service level impacts which could be reviewed are as follows:

- Introduction into new neighborhoods by adjusting the population density from 25% to a higher percentage.
- Elimination of low ridership routes and/or replacement with on-demand service.
- Decreasing frequencies on low ridership routes (e.g., if a low ridership route is currently a 30 minute service review impacts of a 60 minute service).
- Currently Saskatoon Transit offers service during the week (Monday to Saturday) until 1:00 a.m., review impacts if service is discontinued at 12:00 a.m., 11:00 p.m. or 10:00 p.m. on those days.
- Reduction of service on Sundays and statutory holidays.

Should administration be directed to fully develop any of these options, or pursue any other additional transit service level reduction, Administration would require time to report back after extensive review on the impacts to ridership levels, base budget allocations and impacts to revenues. Administration would also attempt to complete some consulting with current partners who may have a vested interest in the resulting impacts. As with many other options presented, full public engagement on impacts to service level reductions would not be able to effectively be held in time for the 2024/2025 Multi Year Business Plan and Budget deliberations.

Option 16 – Parking Pay Station Zone Expansion

Administration reviewed an option to expand pay parking zones, incorporating additional block faces within the Warehouse District and Center Industrial areas. This would involve the addition of approximately 130 on-street parking spaces where payment for parking would be required within the following areas:

- 24th Street from Idylwyld Dr to 1st Ave N;
- 200 and 300 block of Wall Street;
- 300 bk of Pacific Ave up to 25th St E;
- 300 bk of Ontario Ave up to 25th St E;
- Northern section of 400 bk of 1st Ave N up to 26th St E; and,
- 100 bk of 26th St E.

Administration notes that street-parking within these areas currently has a high utilization rate of approximately 90%, though charging for parking in these areas could heavily impact parking behavior.

Estimated parking revenue generated through this expansion is \$200,000/year. The cost to install parking pay stations on the above-noted block faces is estimated at \$30,000 and in 2024, this would result in an estimated net parking revenue increase of \$170,000. These areas would be added to existing Parking Enforcement routes and no on-going operating cost increases would be anticipated.