
Saskatoon Transit – Charter Policy

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:
That the Saskatoon Transit Charter Policy and Rates be revised as outlined in this report effective February 1, 2018.

Topic and Purpose

Administration has been working on changes to the Saskatoon Transit Charter Policy and Charter rates and are requesting approval to implement the recommendations and findings.

Report Highlights

1. Charter Policy change from using spare capacity to a fee for service model that will ensure Charter rates cover operational costs, align with industry best practices, and are comparable to other Cities.
2. Charter rate increase proposal effective February 1, 2018 with rates as outlined in this report with comparison to current rates in Attachment 1 and comparison to other Cities rates in Attachment 2.

Strategic Goals

This report supports the Strategic Goal of Moving Around, including the 4-Year Priority to change attitudes around public transit and increase Saskatoon Transit ridership, and ensures a service model that aligns with the maximization of resources for Saskatoon Transit's mill rate funded service hours.

Background

Saskatoon Transit offers a charter service to meet the transportation needs of customers requiring private bus service, while providing revenue to the City of Saskatoon. Historically, Charter rates have been reviewed annually by the Administration. The existing Charter rates have been in place since May 1, 2011.

Report

Under the current policy, Saskatoon Transit uses its fleet's spare capacity to offer Citizens a flexible service at a reasonable rate. With many other service providers available for charter service it is time for Saskatoon Transit to move to a fee for service model.

Saskatoon Transit is currently maximizing its scheduled and operational use of mill rate funded service hours. This best practice has reduced spare capacity that was previously available for charter services on a market rate and not cost recovery basis. The proposed policy changes will move Saskatoon Transit's Charter Services to a fee for service program, which is appropriate for non-mill rate services.

Administration is recommending the following Charter rates come into effect on February 1, 2018 and to remain in effect until January 31, 2021 (3 years) at which time Saskatoon Transit Administration will review the rates.

Proposed Rates	Non – Peak	Peak
Charter Rate	\$145.00 (per hour)	\$162.00 (per hour)
Supervisor	\$ 53.00 (per hour)	\$ 80.00 (per hour)
Cancellation Fee	\$130.00	\$190.00
Deadhead Fee	\$ 72.50 (per bus booked)	\$ 81.00 (per bus booked)

The charter rate will continue to be applied from the agreed pick-up time or when the bus arrives at the pick-up location, whichever is later. In addition, Administration is proposing a change from a 1 hour minimum booking to a 1.5 hour minimum booking and to implement a deadhead fee per bus (30 min). A detailed summary of the proposed policy compared to current policy with rates implemented May 1, 2011 is provided in the attached Charter Policy Comparison.

The proposed policy will see a rate increase of 38% (\$105 to \$145) and 8% (\$150 to \$162) respectively for non-peak and peak rates. These proposed rates are comparable to rates in other Cities, which can be found in the attached Charter City Comparisons.

Options to the Recommendation

1. City Council could direct Saskatoon Transit to set different rates.
2. City Council could direct that Saskatoon Transit Charter rates and policy remain unchanged.

These options are not recommended as the proposed rates will ensure that charters are fully cost recovered and not subsidized by the mill rate.

Communication Plan

Should Saskatoon Transit move forward with the recommendation rates, a marketing and communications plan will be developed.

Financial Implications

Administration believes this change would not provide more charter revenue as the increase might discourage some Citizens from booking a charter with Saskatoon Transit which would be offset by the increased rate paid by other bookings. However, it will ensure Charter rates are appropriate for a fee for service that is outside Saskatoon Transit's core service provision and fare revenues.

There would be a cost associated with updating the website and communicating the new information. At this time the Administration is estimating \$5,000; however, Saskatoon Transit would absorb this cost.

Other Considerations/Implications

There are no public or stakeholder involvement, policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

If approved, the new rates will be effective February 1, 2018.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Charter Policy Comparison
2. Charter City Comparisons

Report Approval

Written by: Hidayat Ullah, Accounting Coordinator, Saskatoon Transit
Reviewed by: James McDonald, Director of Saskatoon Transit
Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities
Department

TRANS JM – Saskatoon Transit – Charter Policy