



2012 Annual Report



2012 Saskatoon Transit Services Annual Report

Saskatoon Transit provides a high quality of service for all citizens in our community, and is undertaking initiatives focused on building its ridership. Like most North American cities, Saskatoon has been built to accommodate private vehicles as the primary means for moving around. Cities everywhere are realizing that car-oriented patterns of development are no longer sustainable in the long term, and that more and more people are seeking other ways to ‘move around’.

Transit services include both a fixed-route component, that operates 22 bus routes along approximately 276 kilometres of streets, and Access Transit, which is an accessible-door-to-accessible-door service for citizens who cannot use the fixed-route service with safety and dignity.

Saskatoon Transit has a fleet size of 162 buses including 52 high-floor conventional 40-foot diesel buses, 87 low-floor conventional 40-foot diesel buses, 8 low-floor conventional 40-foot diesel/electric hybrid buses, 9 low-floor articulating 62-foot diesel buses, and 6 mid-sized low floor 26-foot diesel buses.



(mid-sized low floor 26' diesel bus)

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In 2012, Saskatoon Transit purchased 6 used articulating buses from New Flyer Industries that were in good mechanical condition and structurally sound. These buses allow Saskatoon Transit to meet the increased capacity demand that comes with increasing ridership in a growing city.



(40' Low Floor diesel bus)

Saskatoon Transit also purchased 2 decommissioned buses from the city of Lethbridge, Alberta. Although the buses were not roadworthy, they both contained a significant amount of brand new and slightly used parts that were used on several units in the current fleet. This achieved a significant savings in parts procurement and a reduction in down time, allowing more buses to be available for regular service

Access Transit is discussed in a separate annual report; this report will focus on the fixed-route regular transit service.

OUR CUSTOMER

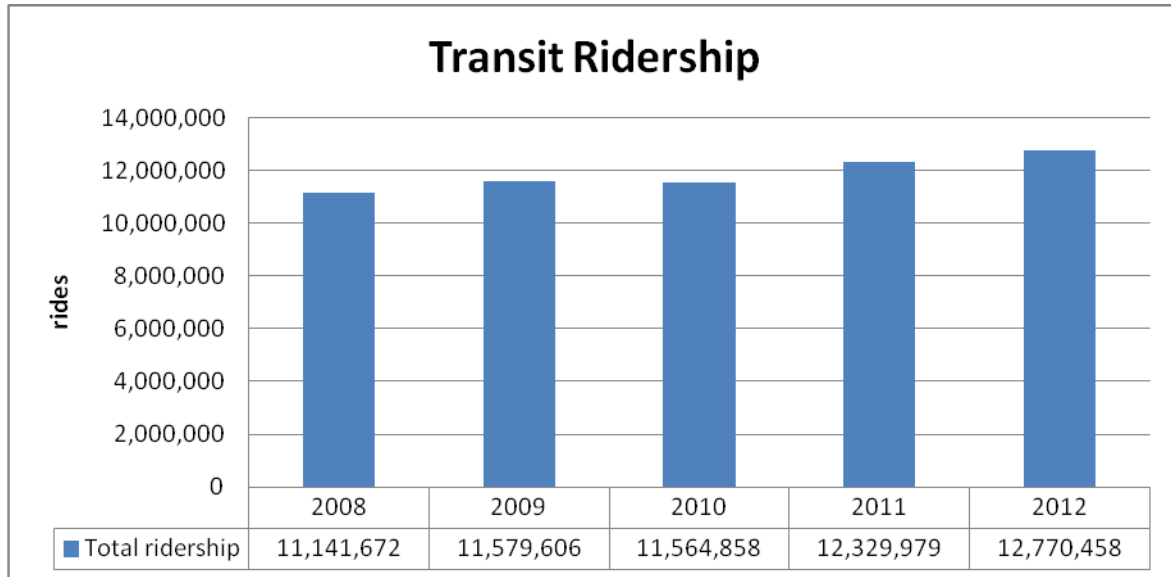


Ridership – Since 2008, ridership has grown by approximately 14.6% for Saskatoon Transit. This growth followed a strategic service change in 2006 including the implementation of a DART (Direct Access Rapid Transit) system.

Between 2011 and 2012, ridership increased by 3.6% (Using Formula-Based Ridership). Transit will continue to focus on increasing ridership by changing attitudes around public transit and providing a service that is safe, convenient, efficient and affordable. These initiatives are supported by City Council's Strategic Goal *Moving Around*, and a

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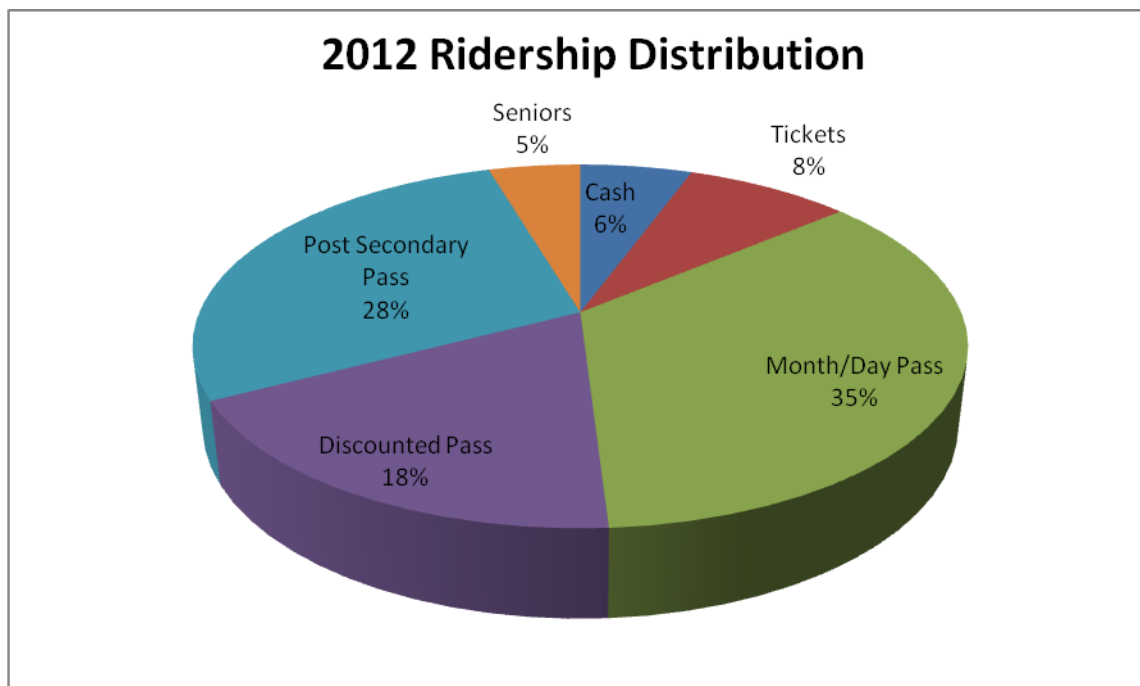
Corporate Integrated Growth Plan intended to support Transit as a viable option for transportation.



Formula-Based Ridership

Transit ridership is distributed between the following categories: seniors, cash/ticket, month/day pass, discounted pass, and post-secondary pass (i.e. UPass and Semester Pass).

Currently, the top three categories of users of transit services include the UPass (28%), monthly/day pass (35%), and discounted Pass (18%). There has been a decrease in cash fare payment of 2.94% between 2011 and 2012 largely due to the implementation of electronic fare boxes and smart card technology.



Formula-Based Ridership

Actual Ridership provided by the Automated Fare box System is lower than our Previous Estimates of Ridership

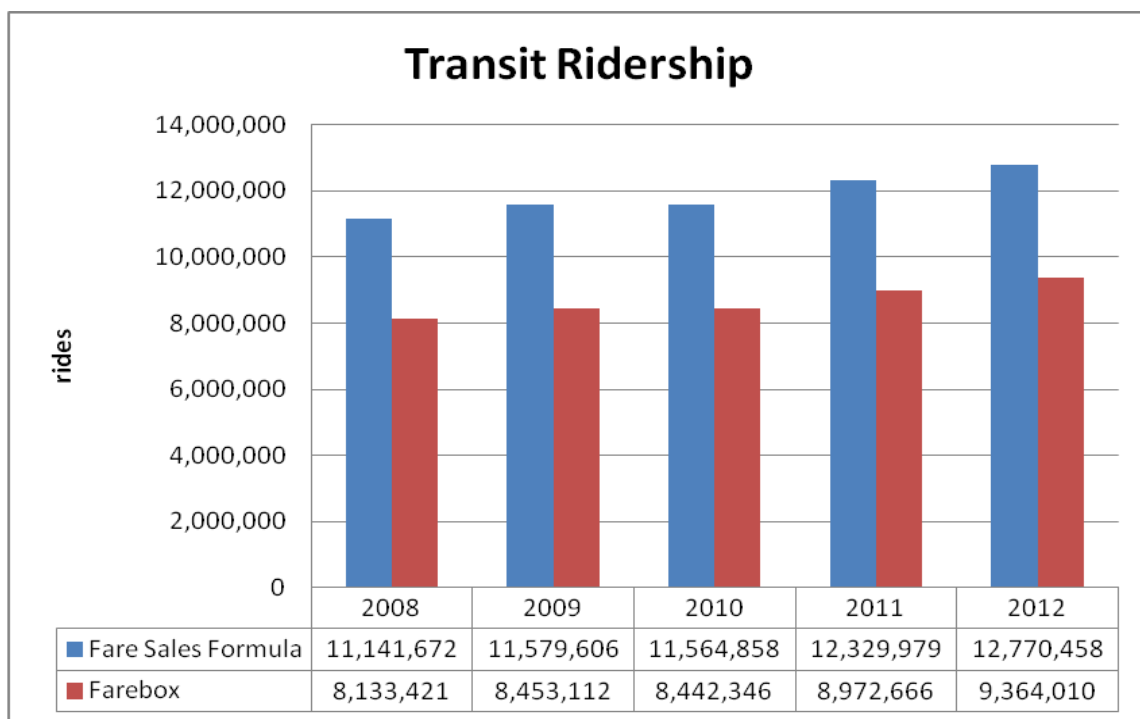
In 2011, Saskatoon Transit began measuring ridership based upon data collected from the automated farebox system. Based upon this information Total Rides for 2012 are 9,364,010. The difference between the current estimated ridership and electronic ridership is because assumptions of average number of rides per pass used in the formula method are higher than actual measured average rides per pass. For example:

1. Monthly and DCR pass: 71rides per month assumed vs 48 rides per month measured.
2. UPASS: 29.6 rides per month assumed vs. 15.4 rides per month measured.
3. Semester pass: 71rides per month assumed vs. 41 rides per month measured.

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In addition there is a change in the timing of recognition of the use of Rides (formerly tickets) from time of sale to customer to time of actual use on the bus. Prior to Automatic Fare box systems Formula ridership based upon estimates from surveys has been used by Transit systems throughout Canada.

As shown earlier, our estimate of ridership for 2012 was 12,770,458, which are 3,406,448 rides (36.4%) more than our actual ridership provided by the automated fare box system. On the following chart, past estimated ridership is compared to actual ridership.



The 2012 Ridership increase based on electronic data was 4.36% (2011 electronic farebox ridership was 8,972,666). Note that the Farebox values for 2011 and 2012 are measured, and for 2008 to 2010, adjusted values are shown.

Saskatoon Transit will be reporting ridership based on electronic farebox data on a go-forward basis. Key performance indicators “Transit cost per passenger” and “Utilization – passengers per vehicle hour” will worsen with the lower actual ridership.

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Competitive Fares - Saskatoon offers discounted fares for low income residents, seniors, and elementary, high school and post-secondary students. Fares accepted include cash, bulk purchase of rides, or one of several passes that allow unlimited monthly rides (i.e. Adult Pass and High School Student Pass). Senior citizens may purchase unlimited rides for periods of one month, three months, six months and one year. Post secondary students may purchase a semester pass that allows unlimited rides.

Adult fares on Saskatoon Transit are compared to other prairie cities in the following charts. Regina and Calgary do not have senior monthly fares; the amounts shown are average monthly annual fares.



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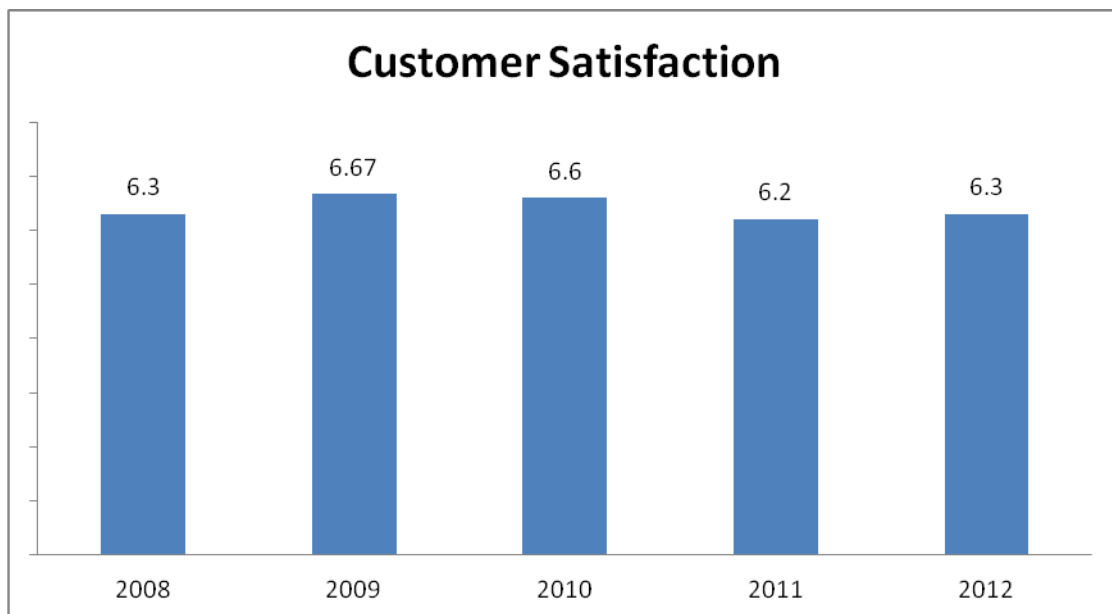
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Customer Satisfaction and Complaints

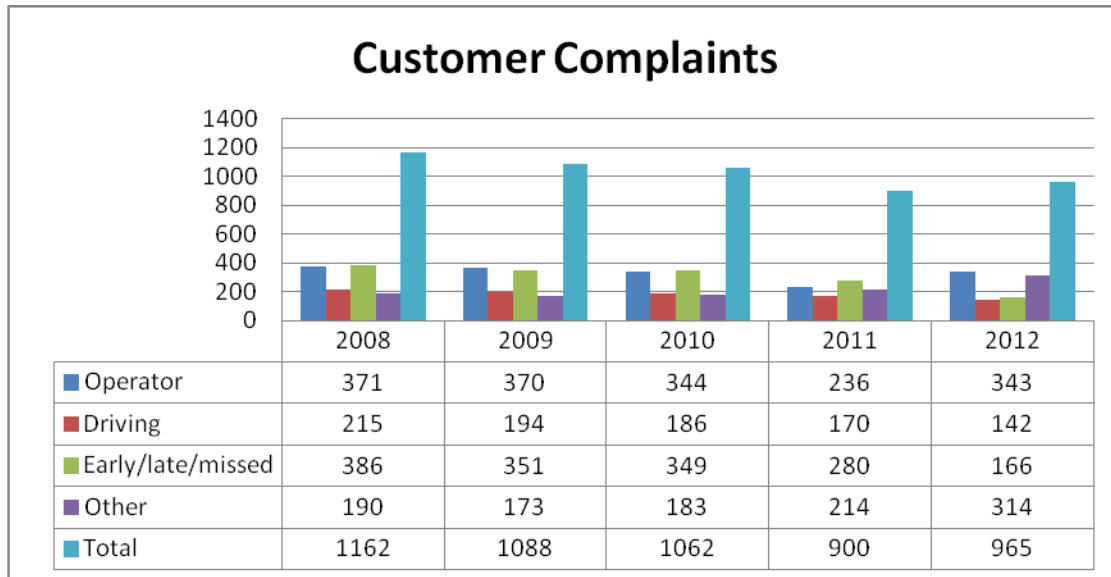
- Our customer goal is to provide consistent, timely, friendly, and professional services to our customers, where customers feel they have received value and are treated in a fair and equitable manner.

The City of Saskatoon 2012 Civic Services Survey results show that public transportation is important to the residents of Saskatoon. A score of 10 means “excellent” and 5 means “average”. The following chart tracks customer satisfaction for public transportation, buses and routes. Public satisfaction increased by 0.1 between 2011 and 2012. Transit believes the underlying issues are insufficient run times, increased traffic congestion and higher passenger loads during peak operating periods.



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There were 965 complaints received by Saskatoon Transit in 2012, which is 65 more than 2011. Complaints were primarily about the buses arriving early, late, or driving by without stopping; the operator; and operator driving.



OUR PEOPLE



Transit services are provided to the residents of Saskatoon 7 days a week, 18 hours per day, 365 days per year.

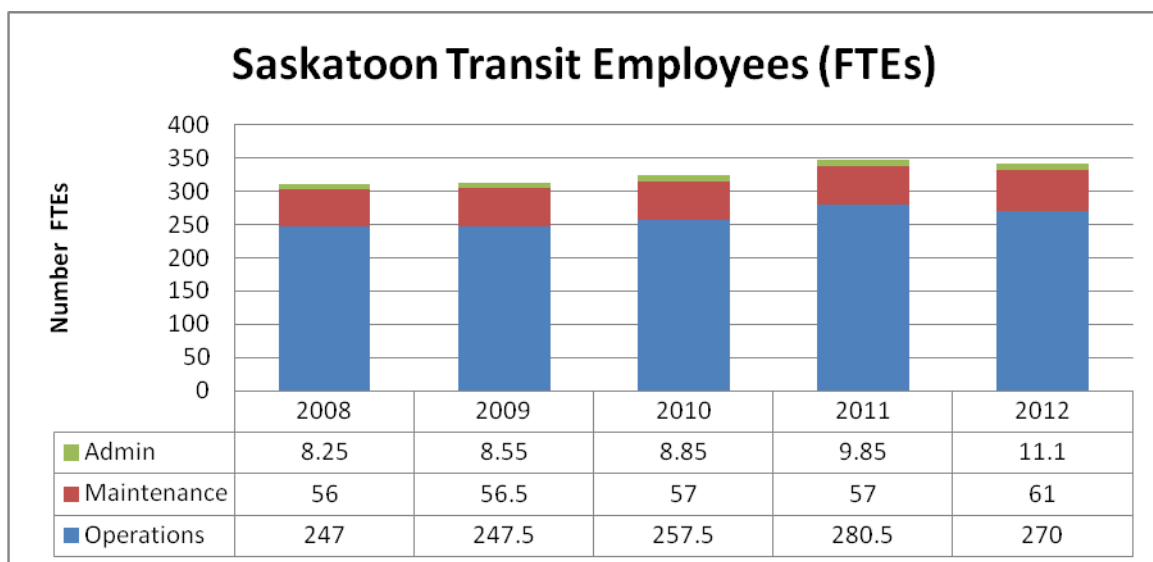
Our Transit team includes a diverse and skilled group of people including operators, customer service staff, administration staff, dispatchers, planners, payroll employees, mechanics, utility and servicemen, accountants, driver trainers, supervisors and managers.

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Transit’s team also includes support from Human Resources to assist in administering collective bargaining/labour related issues, recruitment and health and safety programs at our workplace. Infrastructure Services provides support with building maintenance and repairs.

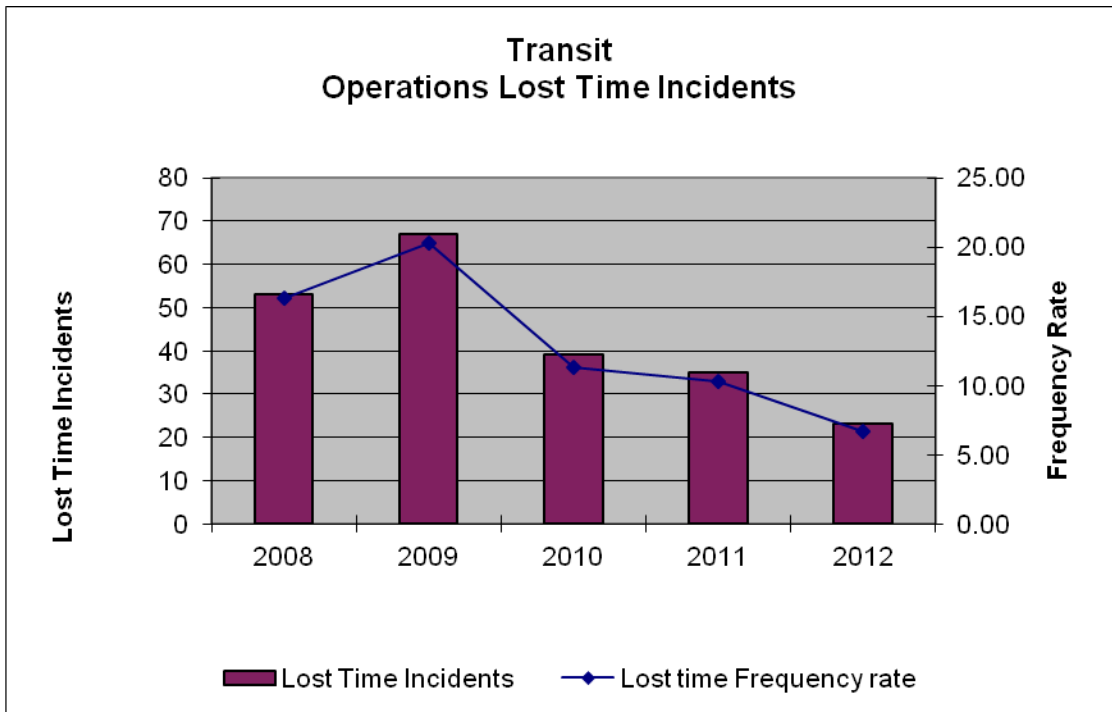
All levels and classifications of employees are passionate about delivering a quality transit service to the community on a daily basis.

Transit’s employee complement increased by 9.9% or 31 employees between 2008 and 2012. In comparison, Transit ridership increased by 14.6% or 1,628,786 rides during this same period.



In 2012, Saskatoon Transit Services experienced 23 lost time incidents for a total of 294 lost time days. Both measures are the lowest over the last five years. Safety statistics are presented in the following charts, which show the lost time incidents and days by year as well as frequency rates (number of incidents or days per 200,000 hours worked).

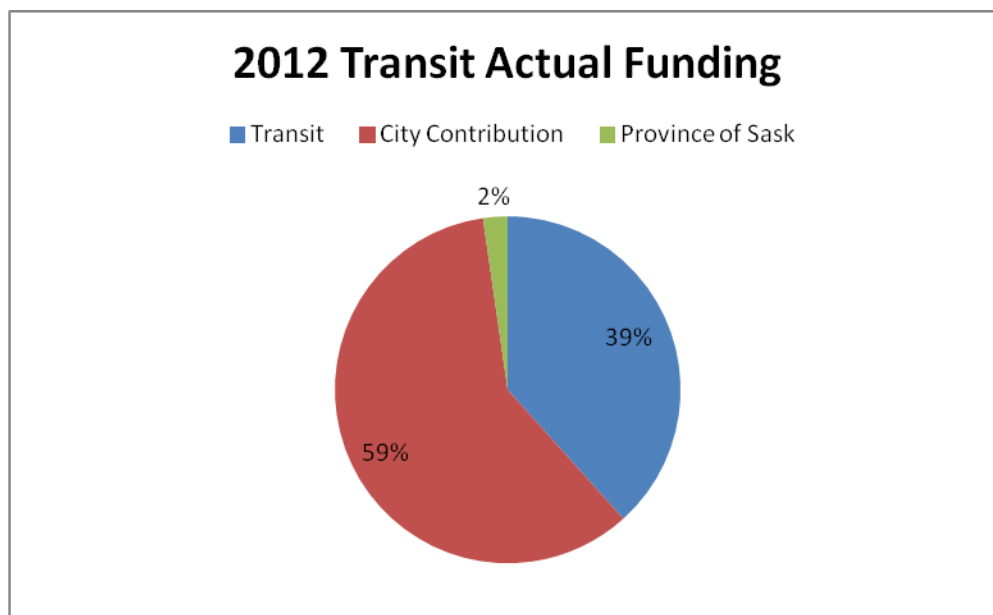
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OUR FINANCES

In 2012, Transit's operating budget was \$34.9 million. Funding for Transit Operations in 2012 was provided as follows: the mill rate contributed 59% of the cost of operating, Saskatoon Transit revenue contributed 39%, and the remaining 2% is funded from the Province of Saskatchewan to help pay for the Discounted Bus Program.



Saskatoon Transit costs were 1.1% under budget in 2012, while total revenue was slightly over budget. The variance from budget is due to higher than budgeted fare revenue of \$132,000 due to the ridership increase. Charter revenue was less than budget. In addition, transit operations, fuel, maintenance and administration expenses were lower than budget by \$385,000.

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As a result of favourable revenue and expense budget variances, \$419,000 can be contributed to Transit's Stabilization reserve. This reserve is available to offset unfavourable budget variances in future years.

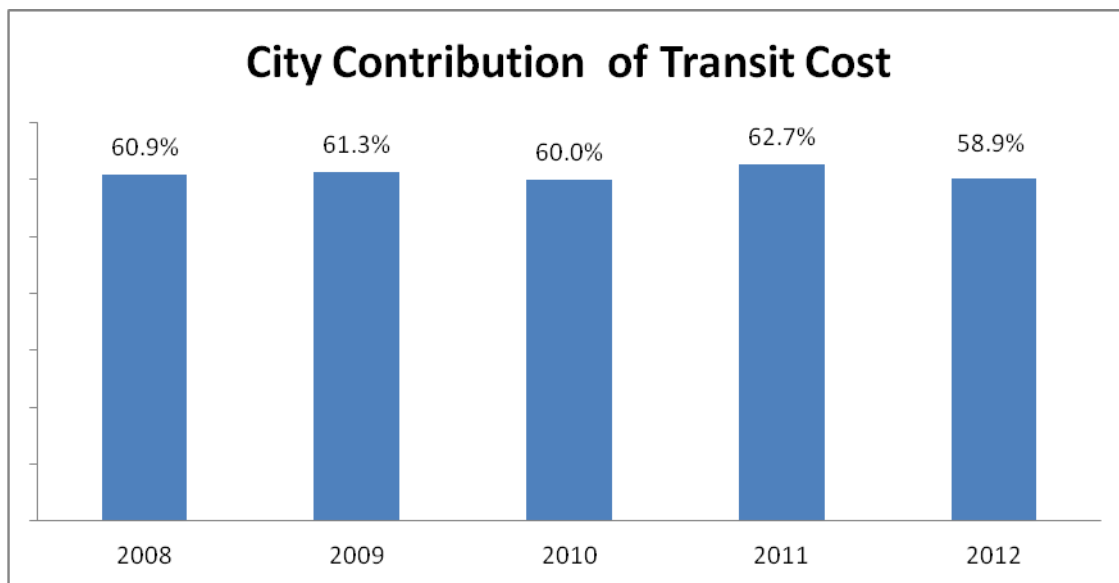
The Saskatoon Transit maintenance workgroup is second to none when it comes to maintaining both a mechanically and structurally sound fleet; however, similar to other heavy duty equipment service providers, Transit's Maintenance Section has a shortage of Journeyman Mechanics. Based on a 2011 comparison with similar-sized Canadian Cities, our staff is maintaining a very high ratio of 12.4 buses per mechanic in comparison to the average of 4.9. Transit has established an excellent Apprentice Program in an effort to address the shortage of the number of Journeyman Mechanics and reduce the bus to mechanic ratio. However, when Apprentice Mechanics are away for training, higher expenditures in maintenance salaries are required to ensure the work is completed in a timely manner.

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2012 Transit Utility Operating Budget Variance (\$000)

	Budget	Actual	Variance	%
Fare Revenue	\$11,889	\$12,021	\$132	1.11%
Charter, advertising, and other	\$1,415	\$1,389	(\$26)	-1.80%
City Contribution	\$20,746	\$20,746	0	0.00%
Province of Sask	\$873	\$800	(73)	-8.29%
Total revenue	\$34,923	\$34,956	\$33	0.10%
Expenses:				
Transit Operations	\$18,456	\$18,314	(\$142)	-0.77%
Fuel, Lube & Oil	4,297	4,170	(127)	-2.95%
Transit Maintenance	5,859	5,809	(50)	-0.85%
Building Maintenance	964	964	0	0.04%
City Hall Services	678	684	6	0.82%
Grants-in-lieu of taxes	199	199	0	0.00%
General & admin	2,135	2,062	(73)	-3.41%
Capital (debt & reserve)	2,335	2,335	(0)	0.00%
Total expense	\$34,923	\$34,537	(\$385)	-1.10%
Revenue less expense (To)/From Stabilization reserve	\$0	\$419	\$419	
	0	(\$419)		
Return on Investment	\$0	\$0	\$0	0%

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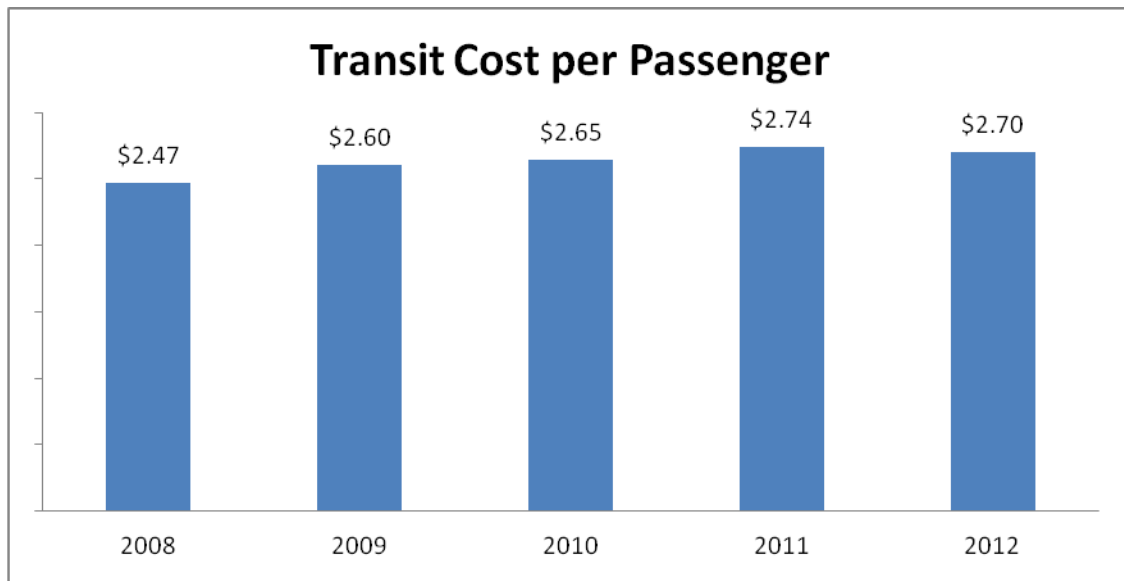
The City Contribution of Transit cost fell to 58.9% in 2012. Saskatoon Transit policy established in 2002 was that the City contribution would be 50%. A recent report from Canadian Urban Transit Authority (CUTA) showing this information from 2011 showed Regina with a 65% contribution of Transit cost. Calgary, Vancouver, Hamilton and Mississauga showed City contribution of Transit Costs near 50%, while Winnipeg and Toronto reduced the city contribution to less than 40%.

Transit's discounted employer/employee bus fare program (Eco Pass) has slowly been evolving as a positive ridership and revenue generator for transit. Additional agreements were established between 2010, 2011 and 2012, resulting in 653 employer-supported Eco Bus Passes. In addition Transit has begun providing a Upass program to SIIT and Oskayak High School resulting in affordable transportation for 265 students.

Transit continues to purchase and install bike racks to encourage new riders to combine multi-modal transportation options and effectively increase ridership.

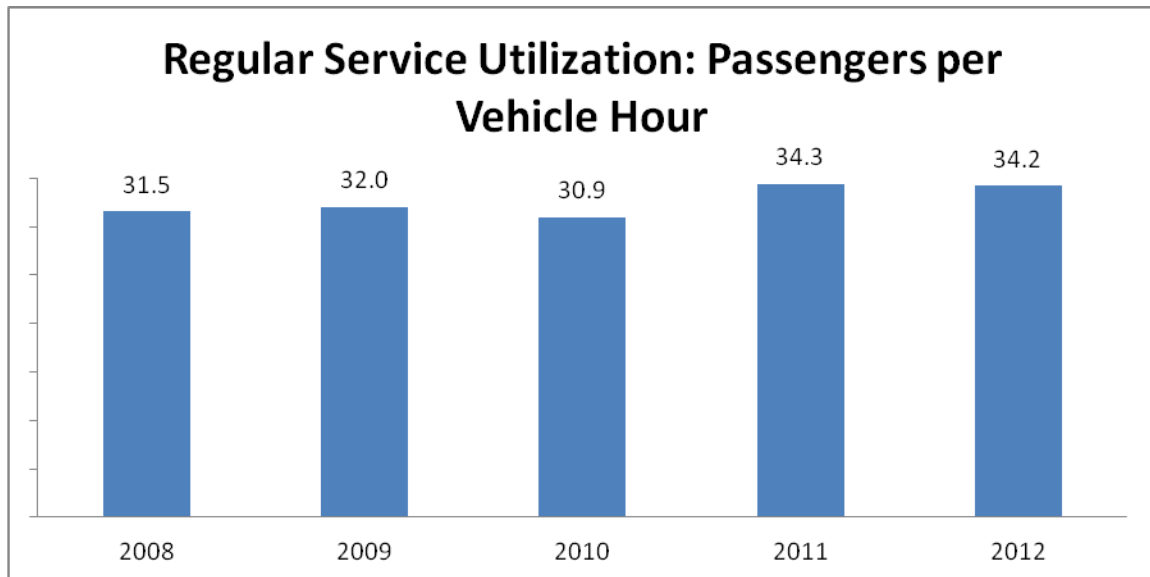
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Increased ridership has helped to reduce the Transit cost per passenger to \$2.70 in 2012. A recent report from CUTA showed 2011 Transit cost per passenger of \$3.11, \$2.47 and \$2.89 respectively for Calgary, Winnipeg and Regina.



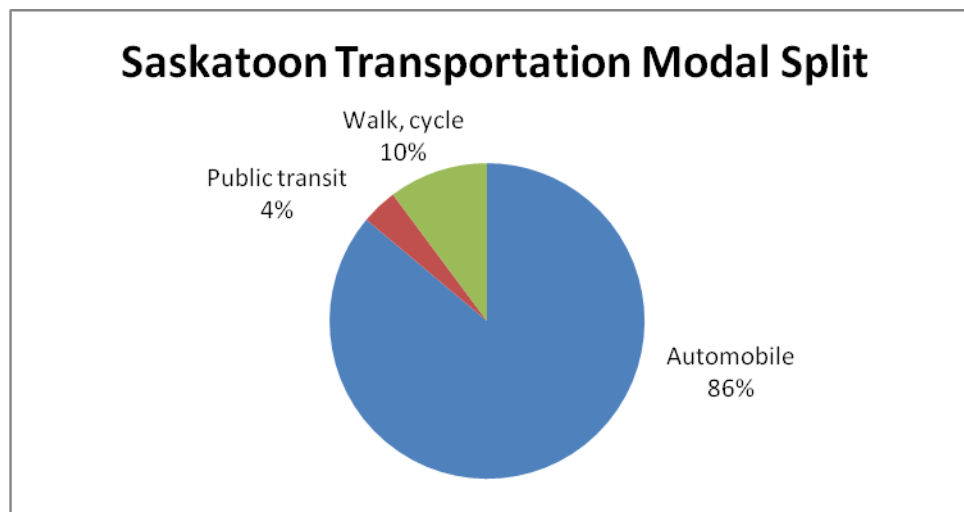
Comparable increases in both ridership and service hours maintained the Transit passengers per service hour ratio at 34.2 in 2012 (based on the formula method for consistent comparison to previous years). Based on a population size of 239,000 Transit Services cost per capita in 2012 was \$145.98 compared to \$144.34 the year before.

The recent CUTA report showed passengers per vehicle hour in 2011 ranging from 27 in Mississauga to 52 in Toronto.



OUR WORK – MOVING FORWARD

A More Environmentally-Sustainable City - The City of Saskatoon is working on making public transit more efficient and attractive, but it will be important to complement improvements with a more transit-oriented approach to planning growth and designing development. An integrated approach between Saskatoon Transit, Transportation, and Planning and Development Branches will support a community shift towards transit as a primary mode of transportation. As Saskatoon grows, traffic congestion and commuting times will continue to increase, and this shift to a public transportation focus will become more and more important.



Transit Relocation - Numerous issues have evolved supporting the need to relocate Saskatoon Transit to a new location, including:

- an immediate need for expansion and upgrade to both the storage and maintenance areas;
- the current location of transit operations and facilities is not compatible with the adjacent neighbourhood;
- the auto body area for Transit is in a separate facility at the north end of the city, in a building intended to be dedicated to Access Transit; and
- Transit is continuing to increase the size of its fleet and is purchasing various bus sizes and types.



In 2010, AECOM submitted its building program which outlines the functional needs of the new transit facility. The City's Administration has a Council-approved, high-level funding strategy in place and has worked with P3 Canada on a funding application for the transit facility and other Public Works amenities.

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Continual Improvement - Transit will focus on improving services, increasing ridership and reducing expenses in subsequent years.

- A combination of buying good used buses and new buses in 2012 will result in a net capital cost savings of approximately \$6.6 M.
- Initiatives to increase ridership including customer surveys, marketing initiatives, installation of intelligent technology systems (e.g. GPS) on buses, increased installation of bus shelters and the development of Transit 2.0 (a new transit designed to improve efficiency and schedule frequency) will improve public perception and attract a greater percentage of the community to use transit as their primary mode of transportation.
- Fare increases approved in the 2013 Transit Operating Budget will contribute towards higher operating costs.



IN CONCLUSION

Saskatoon Transit looks forward to addressing the challenges and focusing on the opportunities reflective of a growing city. The guidance and support of City Council, the City Manager, and the General Manager of the Utility Services Department is acknowledged and greatly appreciated.