

Saskatoon Transit

2016 Annual Report



City of
Saskatoon

Transportation & Utilities Department

INTRODUCTION

Public Transit services in Saskatoon began January 1, 1913, with the establishment of the Saskatoon Municipal Railway. Approximately, 5,200 people used streetcars that first day of service. Over the years, the types of vehicles changed as did the name, eventually becoming Saskatoon Transit. In July 2004, the next big chapter started when Access Transit was established as the Demand Response section of Saskatoon Transit. Access Transit is meant to provide service to those who are unable to use regular transit with safety and dignity. In 2013, Saskatoon Transit celebrated 100 years of making connections within the community and continues to do so today.

Fixed Route or Conventional Transit ridership is calculated in two methods: Electronic ridership and Calculated (formula-based) ridership. Calculated ridership is used for Canadian Urban Transit Association (CUTA) reporting as it is comparable with other properties who do not have electronic fare boxes, it was also the measure used for determining the allocations for Phase 1 of the Public Transit Infrastructure Fund (PTIF). In 2016, ridership was approximately 8.5 Million Fixed Route or Conventional Transit riders, 12.3 Million for electronic-based ridership and 134,000 Demand Response or Access Transit trips. To provide that level of service Saskatoon Transit used the following:

Terminals located at:

- Confederation Mall;
- Lawson Heights Mall;
- Centre Mall;
- Place Riel at the University of Saskatchewan;
- 23rd Street Transit Mall; and
- Market Mall.

A fleet of 187 buses:

- 161 serving Fixed Route demands:
 - 145 conventional 40-foot diesel buses, of which there are still 31 High floor;
 - 10 articulating low floor 62-foot diesel buses;
 - 6 mid-sized low floor 26-foot diesel buses; and
- 26 mid-sized para transit diesel buses providing Access Transit Demand Response services.

A staff complement of 399 employees, working 365 days to provide service to the City of Saskatoon.

Conventional Transit is a Fixed Route service that operates 34 bus routes along approximately 276 kilometers of streets with 1,650 bus stops. During peak hours, there are 103 buses on various routes throughout the city resulting in a spare ratio of 56%.



In 2016, as part of Fleet Renewal Strategy Saskatoon Transit refurbished 10 buses with an expectation of extending the life of a bus by 6 to 9 years. In addition to that Saskatoon Transit also added 10 new buses to the Fleet.

Access Transit is an accessible door-to-door Demand Response service operated for citizens who, by reason of a disability, are unable to use Conventional Transit with safety and/or dignity. Unlike Conventional Transit, Access Transit does not have predetermined routes so trip booking and scheduling decisions are strategically made to allow as many trips as possible, while staying within trip time and resource availability parameters. Trip booking requests are on a first-come-first-served basis and dependent on the present limited fleet size. Access Transit is equipped with 26 wheel chair lift buses. During peak hours there are 19 on the road resulting in a spare ratio of 36%.



OUR CUSTOMER

Customer Satisfaction and Complaints:

Our goal is to provide consistent, timely, friendly, and professional services to customers, where they feel they have received service that is valuable, fair and equitable.

The City of Saskatoon's 2016 Civic Services Survey results demonstrate that public transportation is important to 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. By providing consistent services, Saskatoon Transit was able to maintain its customer satisfaction in 2016 at 5.7.

Customer Satisfaction

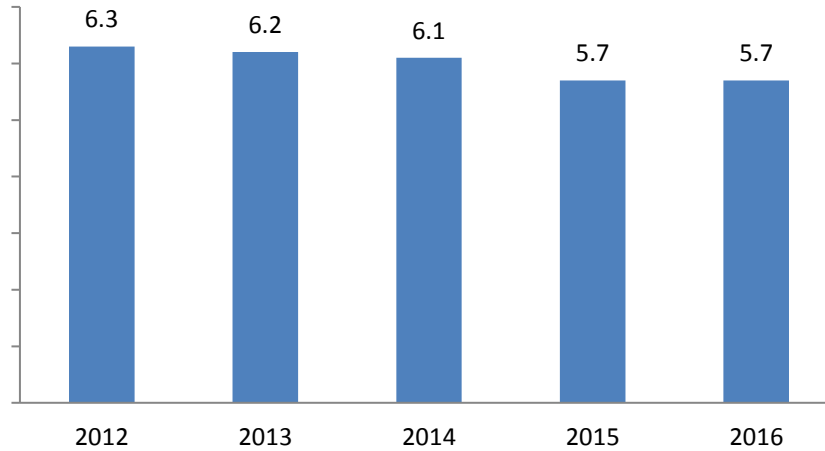


Figure 1: Customer Satisfaction

Saskatoon Transit received 1,268 complaints in 2016, which is the highest in the last four years. Overall complaints were primarily about operators and the buses arriving early, late, or driving by without stopping. Route changes this year also caused an increase in complaints as both customers and operators were learning these new routes.

Customer Complaints

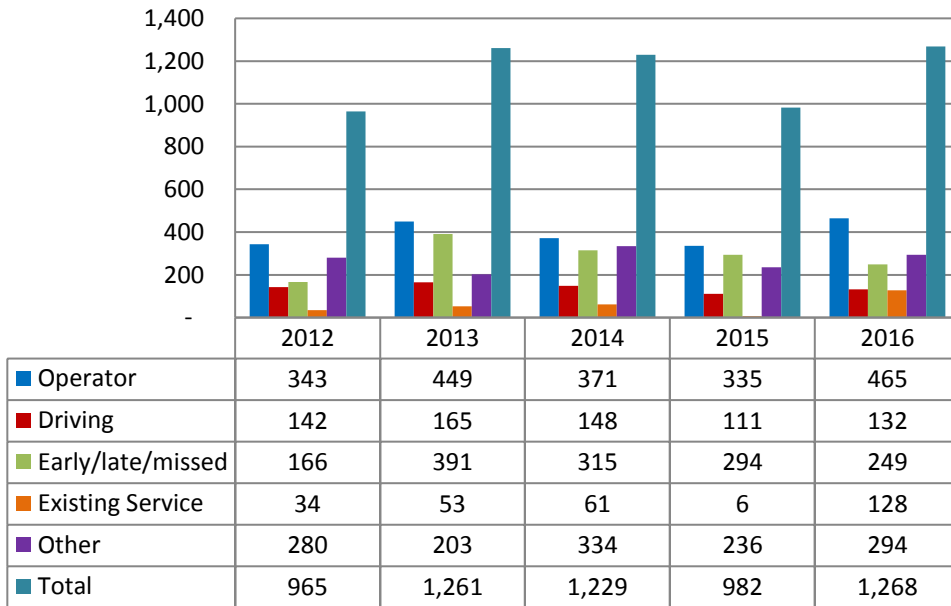


Figure 2: Transit Customer Complaints

In 2016, Saskatoon Transit received 67 commendations from the citizens which is 15 more than in 2015. They primarily related to operators.

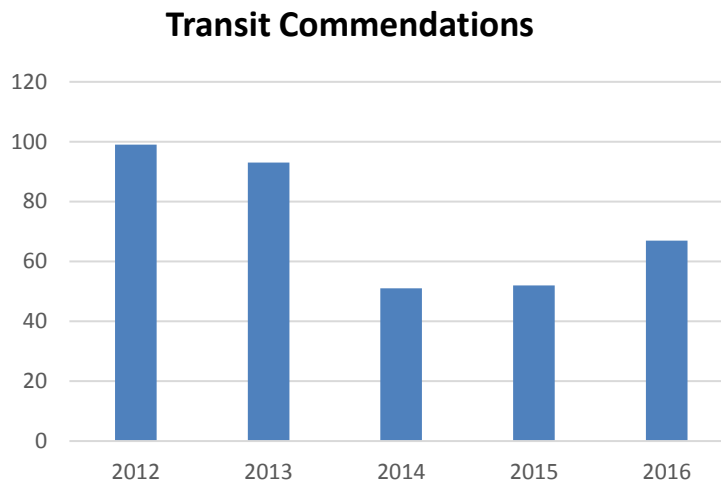


Figure 3: Transit Commendations

Competitive Fares:

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

Adult fares on Saskatoon Transit are compared to other similar sized cities in the following charts. Of note - Regina does not have a senior monthly fare; they currently only offer semi-annual and annual senior passes.

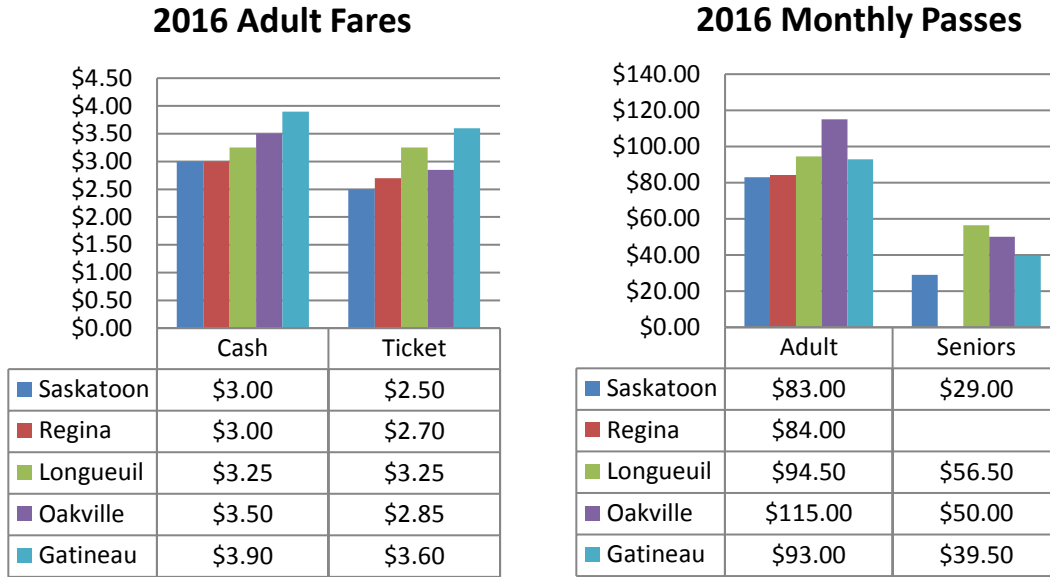


Figure 4: 2016 Adult Fares and Monthly Passes

Conventional Transit:

Between 2015 and 2016, ridership increased by 0.7% (using calculated--based ridership) and decreased by 0.7% (using electronic ridership). Transit ridership is distributed between the following categories: seniors, cash/ticket, month/day pass, discounted pass, and post-secondary pass. Currently, the top three categories of transit users include monthly/day pass (29%), post-secondary (21%), and discounted pass (18%).

2016 Ridership Distribution - Electronic Ridership

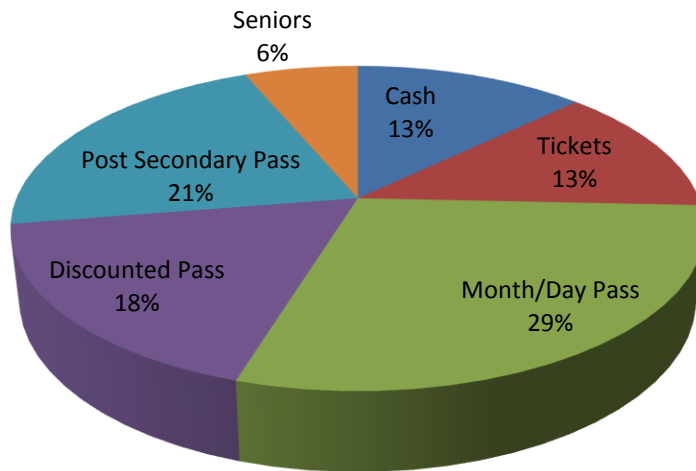


Figure 5: 2016 Ridership Distribution

Total Rides for 2016 are 8,515,269 which is a decrease of 0.7% compared to 2015. Transit’s calculated ridership for 2016 was 12,297,395 which is 3,782,126 rides more than actual ridership information provided by the automated fare box system. Saskatoon Transit calculates ridership based on both methods because CUTA use calculated ridership to compare information with other properties as not all properties have electronic fare box system.

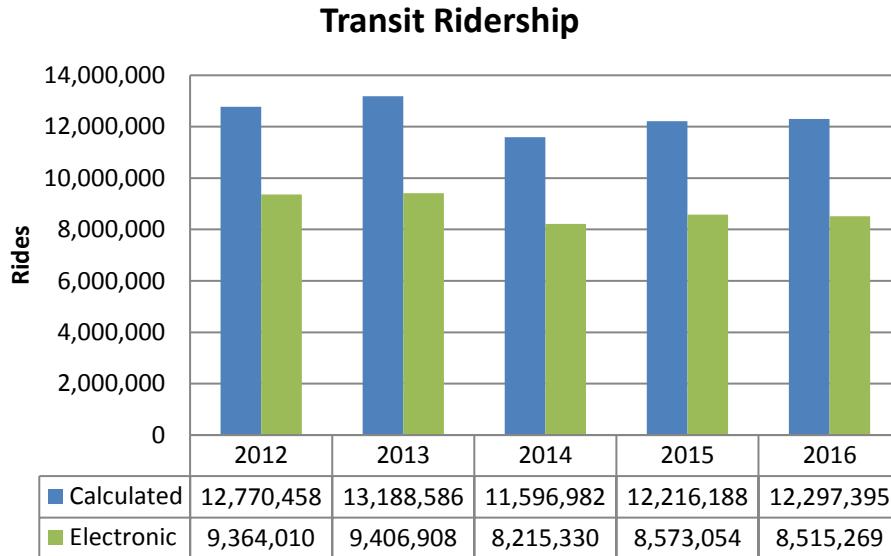


Figure 6: 5-Year Transit Ridership Trend

A recent report from CUTA showed 2015 passengers per service hour of 40.01, 18.34, 34.77 and 14.01 respectively for Longueuil, Regina, Gatineau and Oakville (peer communities). Saskatoon Transit’s passenger per service hour numbers for the 5-year period ending 2016 is shown below.

Conventional Transit: Passengers per Vehicle Hour

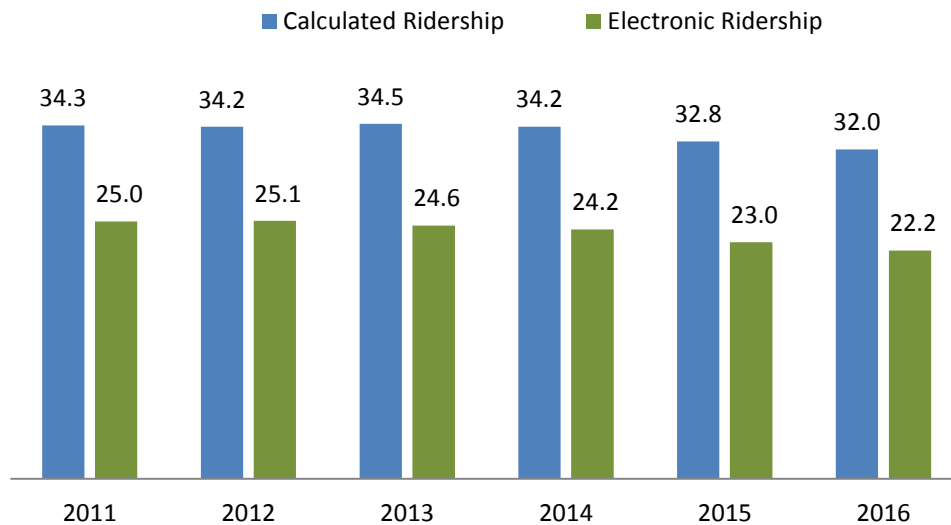


Figure 7: Passengers per Vehicle Hour

Transit will continue to focus on increasing ridership by providing strong customer service and a service that is safe, convenient, efficient and affordable. These initiatives support the Strategic Goal of *Moving Around* and the Growth Plan to Half a Million. The intention is to provide Transit that is considered a viable option as part of the overall transportation network.

Access Transit:

From a purely statistical perspective, service improved in 2016 over 2015. There was a 2.3% (3,007 trips) increase in Revenue Trips provided, and a 3.7% decrease in trip request Denials. This resulted in a 5.5% Denial rate for 2016 compared to a 9.3% Denial rate in 2015. This decrease in Denials is due to a combination of variables: milder weather conditions, further efficiencies found in dispatching, 222 less customer “No-Shows”, a change to how Denials are defined (to be more consistent with other Canadian paratransit properties definition of a “Denial”) and Latent Demand.

Revenue Trips vs Denials: 5-Year Comparison

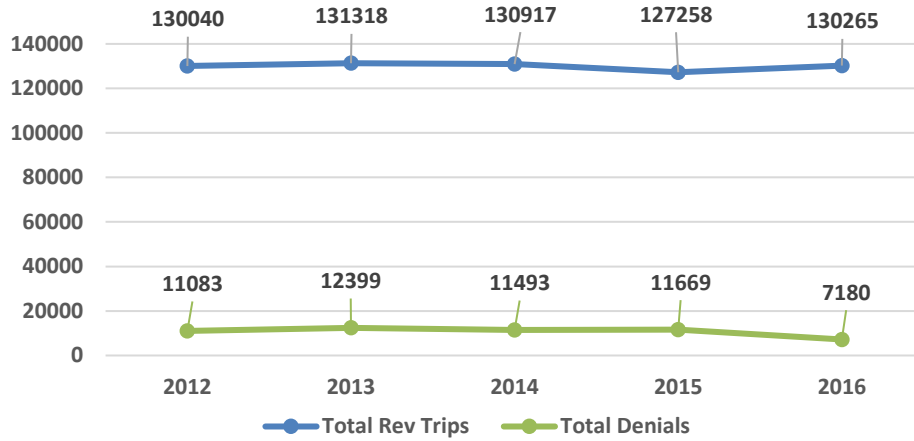


Figure 8: Revenue Trips vs Denials

Latent Demand is defined as a customer’s expectation, desire, or preference for a service that goes unsatisfied because sufficient capacity and/or resources are not available when they want or need them. Due to the fact that Latent Demand is virtually impossible to measure accurately, we have to look in the past for trends that would provide a plausible example. A perfect example is illustrated by Access Transit trip request Denials back in 2004. 2003 was the last full year of service provided by the private sector, and the City of Saskatoon took over the service in June of 2004. Trip request Denials increased by 134% in 2004. This dramatic increase was due to new expectations by people living with disabilities in our community that they would finally be able to successfully get their trip requests when they wanted or needed them due to the City of Saskatoon taking over the service, and a misperceived major increase in resources (buses and staffing), which was just not the case.

Access Transit Administration is certain that Latent Demand is building. Although difficult to measure and quantify, the fact that our resources have remained virtually the same since 2010, Demand for service has leveled off contrary to demographic projections, yet Denials have decreased. This is a clear indication that some of our customers have given up trying to book trips with Access Transit and have either found other sources of transportation or have become much less involved with the community.

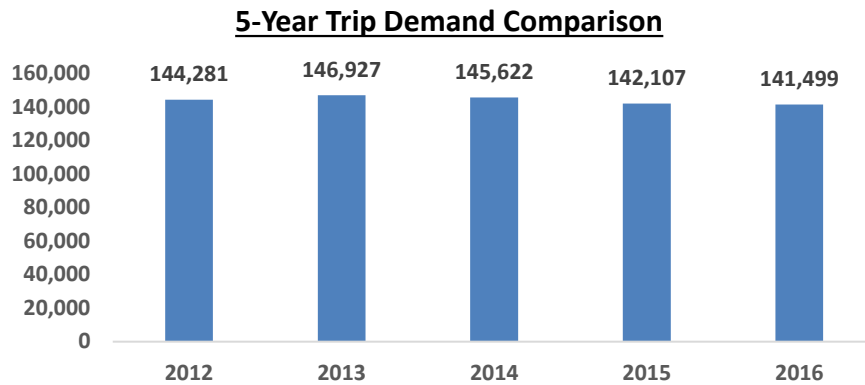


Figure 9: 5-Year Trip Demand Comparison

The number of our current registered active customers continues to trend close to 5000. This number fluctuates monthly as customers come and go from our service. The number of new customers registering for Access Transit was relatively the same in 2015 (536) as it was in 2016 (538). Our total Active Customer base as of January 2, 2016 was 4988, which is a slight increase (278) from 2015 when it was 4710.

A denial is a trip requested by a customer that cannot be accommodated. There are two types of denials: Customer Denials and Dispatch Denials. A Customer Denial is when a customer refuses the alternate trip time offered to them by a dispatcher, regardless of the proximity of time to the original request. A Dispatch Denial is a trip request that cannot be accommodated due to insufficient resources (insufficient run time or bus availability for that trip).

Although the term “denial” is a common key performance indicator (KPI) used across Canada in the paratransit industry, the detailed definition of the statistic differs in many regions. With the end goal of eventually establishing some standard Saskatchewan Provincial paratransit KPI’s, Access Transit Administration has worked closely with the Regina Paratransit Administration and the Saskatchewan Human Rights Commission since 2015 to harmonize the definition of some KPI’s so that our statistics are truly comparable (apples to apples). “Denials” was the first KPI definition that was worked on. As of January 1, 2016, the Saskatchewan transit industry definition of a denial changed from “any trip that cannot be accommodated” to “any trip that cannot be accommodated as of 12:00 noon of the previous day”. That means that any trip request after 12:00 noon of the previous day is not counted as a denial.

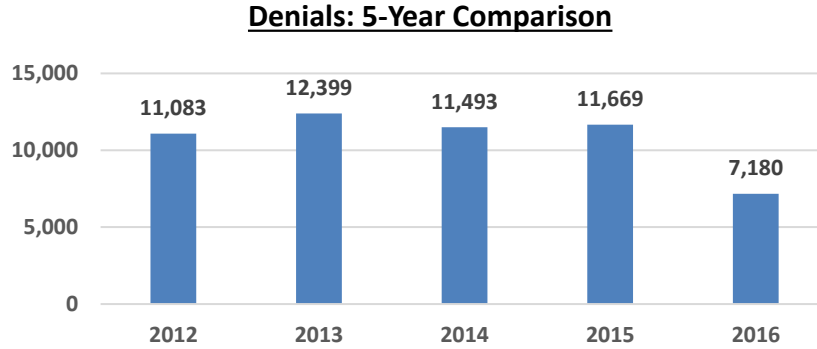


Figure 10: 5-Year Denial Comparison

The new definition has certainly had a dramatic effect on denials from a statistical perspective; however, it is not all good news in terms of quality of life for some people living with disabilities in our community who want more trips available with more opportunity/ability to be spontaneous. The best chance our customers have to secure a trip when and where they need it, is to book it 7 days in advance, due to our limit of resources/capacity.

In December of 2016, Saskatoon City Council authorized the increase of Access resources by one bus and one operator. The increase is effective July 1, 2017, which will assist with further reducing denials in 2017.

Taxi Trips

Taxi usage for 2016 was relatively the same using only 66 more taxis in 2016 compared to 2015 as monthly weather patterns and demand were very similar with the exception of a milder October in 2016.

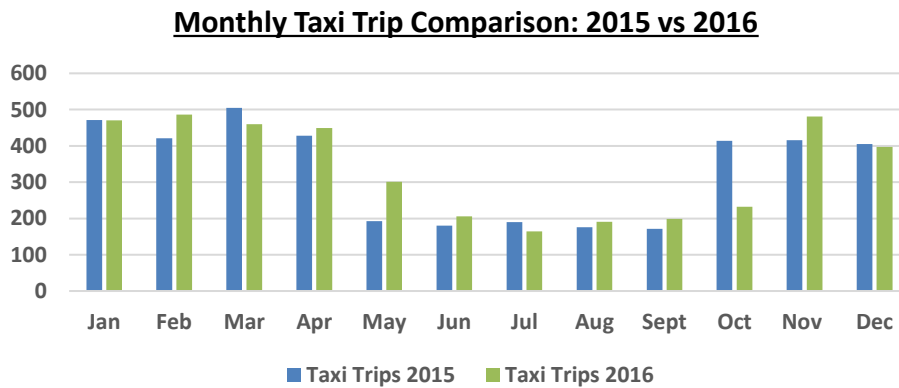


Figure 11: Taxi Trip Comparison 2015 vs 2016

On-Time Performance

Considering our climate and the geographic challenges (bridges, railroad tracks) not to mention that there are a significant number of destination attractions throughout the entire city on both sides of the river, the on-time performance of

Access Transit Operators is remarkable. Our 5-year average is 92.2%. This is a true testament to the dedication to our customers and our service by our staff.

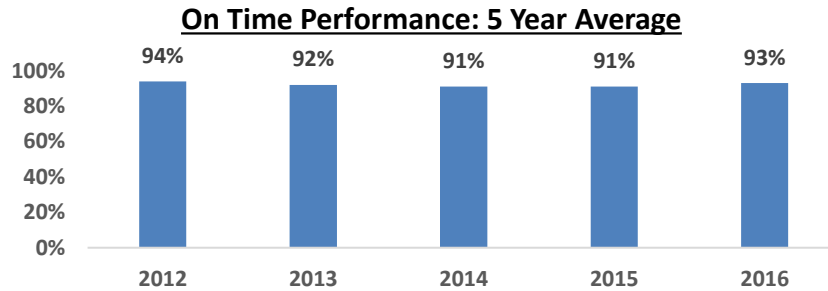


Figure 12: On-Time Performance

OUR PEOPLE

Transit services are provided to the residents of the City of Saskatoon 365 days per year. The Transit team is made up of a diverse and skilled group of people including operators, customer service staff, administration staff, dispatchers, booking and scheduling clerks, planners, payroll employees, mechanics, utility and servicemen, accountants, driver trainers, supervisors and managers. Transit's team also includes support from Human Resources to assist in administering collective bargaining/labour related issues, recruitment and health and safety programs in the workplace. Facilities 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 2.6% or 10.0 employees between 2012 and 2016. In comparison, Conventional Transit service hours increased by 10,586 hours or 2.8% in that same time period and the population has increased by 12%. Access transit service hours increased by 619 hours or 1.3%.

Saskatoon Transit Employees (FTEs)

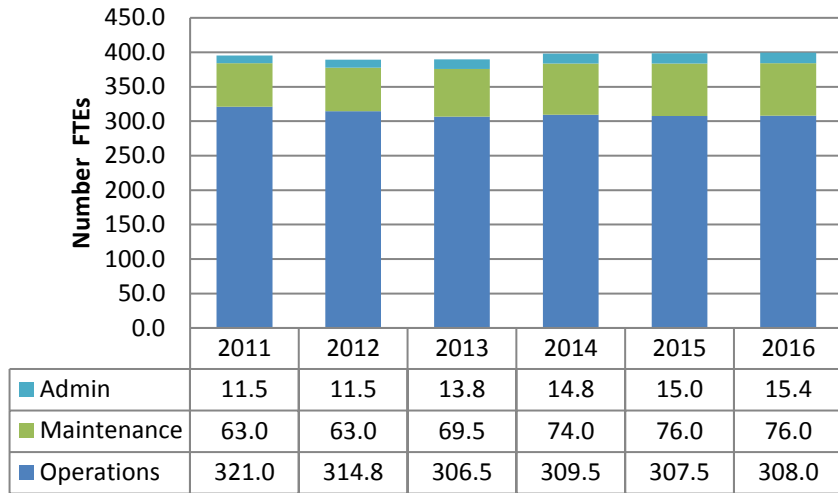


Figure 13: Saskatoon Transit FTEs

A combination of milder weather and a positive focus on safety initiatives with staff participation has resulted in the safety statistics showing dramatic improvement over the numbers from the previous 4 years. In 2016, Saskatoon Transit experienced 17 lost-time incidents for a total of 1,043 lost-time days with a frequency rate of 4.56.

Transit Lost Time Incidents



Figure 14: Lost Time Incidents

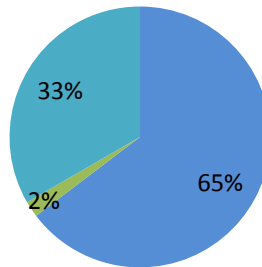
OUR FINANCES

In 2016, Saskatoon Transit’s service line operating budget was \$45.5 Million made up of \$40.8 Million for Conventional Transit and \$4.7 Million for Access Transit. The actual operating expenses for 2016 came in under budget at \$44.1 Million. The savings of \$1.4 Million (3.2%) on operating expenses were primarily related to low fuel prices and reduced fuel consumption due to a warmer winter.

The budgeted funding sources for Saskatoon Transit’s service line were \$1.8 Million through provincial funding for DCR Passes and Accessible Transit Grant and \$14.0 Million from Fares and other revenue sources with the remainder made up through the city contribution. The 2016 actual funding received was under budget by \$1.4 Million. The graphs below show a breakdown of Transit’s 2016 funding sources.

2016 Transit Funding

■ City Contribution ■ Province of Sask ■ Fares



2016 Access Transit Funding

■ City Contribution ■ Province of Sask ■ Fares

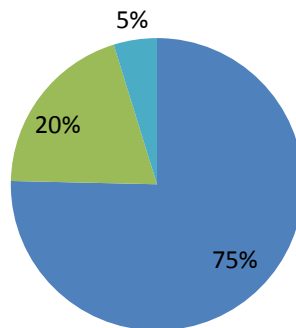


Figure 15: Contribution Rates

Conventional Transit's city contribution in 2015 was 63.8% while in 2016 the contribution increased by 0.8%. Access Transit's City Contribution was 74.2% in 2015 and in 2016 the contribution increased by 1.1%. A report from CUTA showed 2015 Conventional Transit City Contributions for peer cities as 46%, 64%, 39%, and 64% respectively for Longueuil, Regina, Gatineau and Oakville.

The \$1.4 Million in operating savings for the Transit service line was off-set by lower than budgeted revenue of \$1.4 Million. Therefore, 2016 actuals resulted in a variance of \$630,000 from budgeted city contribution to actuals. Below is the summary of operating budgets for both Conventional Transit and Access Transit.

2016 Conventional Transit Operating Budget (\$000)

| | Budget | Actual | Variance | % |
|------------------------------------|-----------------|-----------------|------------------|---------------|
| Revenue | | | | |
| Fare Revenue | \$12,740 | \$12,043 | (\$697) | -5.47% |
| Charter, advertising, and other | \$1,083 | \$1,071 | (\$12) | -1.11% |
| City Contribution | \$26,235 | \$25,434 | (\$801) | -3.05% |
| Province of Sask | \$769 | \$784 | \$15 | 2.00% |
| Total revenue | \$40,827 | \$39,333 | (\$1,494) | -3.66% |
| Expenses | | | | |
| Transit Operations | \$21,057 | \$20,606 | \$450 | 2.14% |
| Fuel, Lube & Oil | \$5,017 | \$3,234 | \$1,783 | 35.54% |
| Transit Maintenance | \$7,820 | \$8,387 | (\$567) | -7.25% |
| Building | | | | |
| Maintenance | \$1,053 | \$1,053 | (\$0) | -0.04% |
| City Hall Services | \$634 | \$638 | (\$4) | -0.63% |
| General & admin | \$2,874 | \$3,042 | (\$168) | -5.84% |
| Capital (debt & reserve) | \$2,373 | \$2,373 | \$0 | 0.00% |
| Total Expense | \$40,827 | \$39,333 | \$1,494 | 3.66% |

Figure 16: Conventional Transit Operating Budget

While Saskatoon Transit is modernizing its bus fleet, the older buses do incur additional maintenance which resulted in increased operating costs. Fuel prices provided significant savings but still not enough to reduce the cost per passenger. The Conventional Transit average cost per passenger increased to \$3.20 in 2016 from \$3.15 in 2015. However, at \$3.20, Saskatoon Transit still compares well with the most recent CUTA fact book, showing the 2015 transit

average cost per passenger at \$4.62, \$4.97, \$6.83 and \$7.92 respectively for Longueuil, Regina, Gatineau and Oakville.

The cost per passenger is calculated by taking total operating expenses and dividing them by ridership. The graph below shows the average based on calculated and electronic, at present CUTA statistics only show calculated results as not all properties have electronic fareboxes.

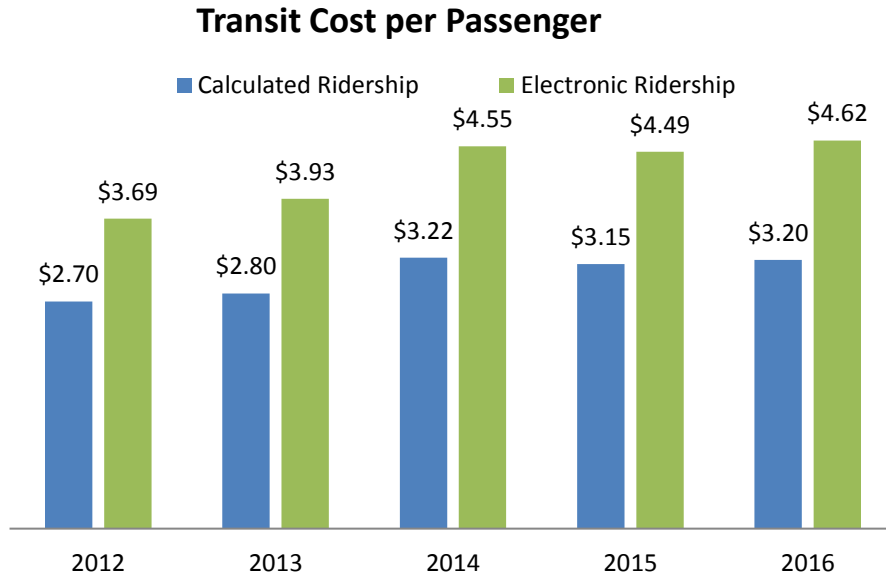


Figure 17: Transit Cost per Passenger

2016 Access Transit Operating Budget (000's)

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>%</u> |
|--------------------------------|----------------|----------------|-----------------|------------|
| Revenue | | | | |
| City Contribution | 3,450 | 3,621 | \$171 | 5% |
| Province of Saskatchewan grant | 996 | 954 | (\$42) | -4% |
| Fares | 245 | 230 | (\$15) | -6% |
| Total Revenue | \$4,691 | \$4,805 | \$114 | 2% |
| Expenses | | | | |
| Salaries & payroll | 3,287 | 3,556 | (\$269) | -8% |
| Fuel, lube, oil | 347 | 206 | \$141 | 41% |
| IS -Facilities services | 247 | 247 | \$0 | 0% |
| Maintenance equip & radio | 276 | 285 | (\$9) | -3% |
| Other expense | 281 | 258 | \$23 | 8% |
| Transfer to reserves | 253 | 253 | \$0 | 0% |
| Total Expenses | \$4,691 | \$4,805 | (\$114) | -2% |

Figure 18: Access Transit Operating Budget

In 2016, the average cost per trip for Access Transit was \$36.89. Through the Provincial Transit Assistance for People with Disabilities Program, Access Transit receives an operating grant (based on available funding and ridership data). The 2016 operating grant amounted to \$7.33 per trip such that the total cost per trip to the city was \$29.56. This cost is inclusive of all program expenditures and is calculated by dividing total expenditures by the total number of revenue trips less the operating grant.

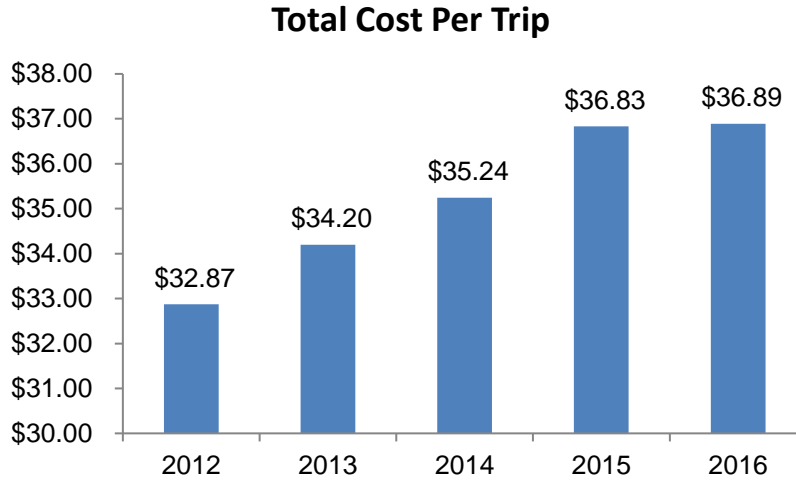


Figure 19: Access Transit Cost per Trip

OUR WORK – MOVING FORWARD

Meeting customer service expectations and providing a safe and reliable ride are integral to increasing ridership. To better fulfill these promises, Transit Operations will begin offering the Certified Professional Bus Operator designation (CPBO) to applicable Bus Operators. This designation, developed by the Motor Carrier Passenger Council of Canada, recognizes the efforts and professionalism exhibited each and every day by our staff and offers a framework of success for individuals to model themselves after. This designation will be offered along with our continual training program which focuses on customer service delivery, situation de-escalation and driving for comfort and efficiency. The principles reinforced through both of these processes will support the promises within the soon to be released Passenger Pledge and will provide Transit staff with the necessary tools to succeed.

In 2017, Saskatoon Transit will conduct a complete review of the Access Transit model with a view to better integration with Conventional Transit. As we move toward a 100% accessible fleet in 2018, this review will allow for a more efficient use of resources in providing coverage throughout Saskatoon.

Technology within the transit industry continues to provide opportunities for increased operational efficiencies, data analytics and customer tools. Saskatoon Transit is working with various vendors to improve its ability to report on performance measures as well as informational tools for customers. Products such as these allow administration to make more accurate service delivery decisions while providing customers the ability to conveniently and reliably plan their trip.

Internal processes and standard operating procedures continue to be refined and developed at Saskatoon Transit. On-going reviews of how we do what we do will aid in the consistency of the service we provide as well as create opportunities to more effectively serve the citizens of Saskatoon.

Growth Plan to Half a Million:

In April of 2016, the Growth Plan to Half a Million was approved in principle by City Council. Transit forms an integral, coordinated part of this plan, in addition to Transportation Networks, Corridor Growth and Core Bridges. Part of the plan involves creation of two Bus Rapid Transit (BRT) routes over the next 30 – 40 years, the Blue Line (North South) and the Red Line (East West). It also calls for changing service in existing neighbourhoods to support the BRT lines and regular riders' access to transit in general. The plan calls for increased funding for Capital equipment and Service hours to support higher ridership in the Saskatoon area.

8th Street and 22nd Street Initiatives:

In an effort to better serve citizens and grow ridership, Saskatoon Transit implemented a concept that reallocates resources in order to increase frequency along popular routes.

Route changes to 8th Street occurred in July of 2016 to demonstrate the possibilities of a BRT system using principles found in the Growth Plan to Half a Million. Service along 8th Street supported 7.5-minute frequencies during peak periods and 10-minute frequencies during the remainder of the weekday, with 30-minute frequencies during evenings, weekends, and statutory holidays.

In July of 2017, routing near 22nd Street will be adjusted and will follow the principles and frequencies of 8th Street. Adjustments to Idylwyld Drive and College Drive are set for the summer of 2018.

Relocation to the Civic Operations Centre:

The City of Saskatoon initiated a project to replace the current Caswell Hill bus barns with a new purpose built garage. The site of the new facility is called the Civic Operations Centre (COC) and is located on Valley Road near the current landfill. Eventually this site will have facilities for other city divisions; however, at the moment, only the transit facility and a snow storage site have been occupied. The garage is the product of a public private partnership, which will see the day to the day operation of the facility itself managed by ENGIE Services. The garage is capable of housing up to 224 Transit buses and its LEED status is presently being confirmed. Much of the last quarter of 2016 was spent preparing for the move to the new facility.

Customer Support and Engagement:

2015 saw the creation of this section out of existing groups within Saskatoon Transit. In 2016, this section was lead for a number of initiatives that affected the way Saskatoon Transit deals with and affects Customers. In March 2016, citizen engagement was conducted on the proposed new routes to support the 8th Street Initiative. Throughout the year, this section was the lead on dealing with the transit software vendor TRAPEZE as well as Google and Transit App in order to get real-time information out to Customers. It also oversaw many of the upgrades and training for the current software modules enabling Saskatoon Transit to provide better responses to Customers who call in with complaints or requests for information.

Passenger Pledge:

In an effort to better serve our customer base and continue improving the transit experience, Saskatoon Transit is still working on developing customer commitments that will be a public pledge to the kind of service delivered to transit customers. The development of this passenger pledge has been based on the CUTA model which has become industry best practice. CUTA has developed training programs and initiatives that have supported the development of customer commitments and it is still the intent that Saskatoon Transit will use these practices. The development of the passenger pledge will continue to address the strategic goal outlined in the five-year transit plan of changing attitudes around transit and increasing Saskatoon Transit ridership.

Access Transit:

The Access Transit Administration will be reviewing other types of buses available in the market as 2016 is the last year that our current style of cutaway chassis will be available in diesel. Our storage facility is only set up to fuel vehicles with diesel. There are new types of smaller buses coming into this market segment that are diesel but they are smaller and more expensive. The advantage or trade-off is that their fuel economy is better, and some of the builds appear to be better quality which will translate into a longer lifespan.

Access Transit Administration would like to take this opportunity to sincerely thank the Provincial Government, the Saskatoon Health Region, and the City of Saskatoon for continuing this essential service for people living with disabilities in our community. Our team is dedicated to providing a caring quality service to our customers. Last but not least, we want to thank our customers for using Access Transit.

IN CONCLUSION

Saskatoon Transit has had a challenging few years, highlighted by equipment, bargaining and personnel related issues. In 2016, bargaining for the 2012 Collective Agreement was finally concluded and the workforce was looking forward to moving into a new facility. There is a concerted effort to move Saskatoon Transit forward and continue to build a reliable service as well as relationships with employees and customers.

Funding from PTIF has come available, most of this will be spent starting in 2017 and will see a number of additional buses purchased over the next three years that will allow Saskatoon Transit to get closer to its target of 100% accessible buses. PTIF will also allow a number of engineering designs to be developed for Bus Rapid Transit facilities that support the Growth Plan to Half a Million. With the latest announcements for PTIF Phase II Saskatoon could see up to \$200 Million in grants from the Federal Government which could be used to make the BRT a reality on the road.

Saskatoon Transit currently provides service mandated through the Official Community Plan, with some augmentation to provide peak hour frequency. The concepts of coverage and frequency, as part of the same spectrum, are adequate and in general being met, but through the Growth Plan to Half a Million, Saskatoon is on the way to providing effective Mass Transit to those in this City in both service delivery and the planning of same. We have turned a significant corner in terms of cross divisional coordination and this should stand the City in good stead for the future.

Saskatoon Transit is committed to doing better! One of the primary aims is to connect our community by providing professional, reliable, safe and affordable mobility options.