

Memo



Date: March 24, 2010
File: 0160-20
To: City Manager
From: Ron Westlake, Regional Services Director
Subject: Transit Pass Grace Period Policy

Report Prepared by: Jerry Dombowsky, Regional Programs Manager

Recommendation:

THAT Council endorse a policy allowing transit drivers to extend a three (3) day grace period for the use of expired monthly bus passes at the beginning of each month;

AND THAT Farwest Transit be directed to advise all drivers to enact this policy effective April 1, 2010.

Background:

Monthly transit passes are sold through independent retailers throughout the Central Okanagan. Passes are supplied through BC Transit to the retailers who then sell to the public for an agreed upon rate of commission. The amount of revenue to an individual retailer is typically minimal, and due mainly to this factor, expanding or maintaining the network of retailers has been a challenge. As a result, riders may find access to retail sales of monthly passes less than convenient.

BC Transit does not supply a yearly pass product, and outside of ProPass (employer based pass) no ongoing monthly pass program exists. The only option provided by BC Transit is for a customer to bulk purchase monthly passes for the entire year in advance (based on availability). No monthly payment plan is available for this bulk purchase, which can create a financial hardship.

Given the customer service issues with purchase of monthly passes, it is recommended that riders with expired monthly passes be granted a three (3) day grace period at the beginning of each month, which will allow them sufficient time to get to a retailer to acquire a new pass. Retaining our transit customers is key to reaching our ridership goals and objectives and this action is seen as a positive step in this direction. Potential impact upon revenues is minimal, as monthly passes are not pro-rated, which means the purchaser pays the same price whether the pass is purchased on the 1st day or on the 3rd day of the month. Monthly pass holders tend to re-purchase month after month. After taking seasonality and trend into account, there is very little variation in passes sold. Given that monthly pass price is not pro-rated, and that the vast majority of monthly pass holders tend to re-purchase month after month, it is reasonable to conclude that the new 3 Day Grace Policy will have little to no financial impact upon monthly pass revenues. It simply wouldn't make any financial difference for a rider to wait till the 3rd day to renew - it is only a matter of convenience and customer service to show some discretion.

Staff are looking into new technologies for the future when fare card technology is introduced later this year, and through the possible implementation of freestanding pay kiosks, at which point, the policy should be reviewed.

Based on the above, endorsement of this policy is respectfully requested.

Internal Circulation:

Director, Financial Services

A handwritten signature in black ink, appearing to be the name of the Director of Financial Services.

Considerations not applicable to this report:

Financial/Budgetary Considerations
Legal/Statutory Authority
Legal/statutory Procedural Requirements
Existing Policy
Personnel Implications
Technical Requirements
External Agency/Public Comments
Communications Considerations
Alternate Recommendation

Submitted by:



R. Westlake, Regional Services Director

Approved for inclusion:



J. Patterson, General Manager, Community Sustainability

CC: Director, Financial Services
Director, Corporate and Media Relations