

**REPORT NO. 314** of the  
**ENVIRONMENT, TRANSPORTATION & PUBLIC SAFETY**  
**STANDING COMMITTEE**  
of its meeting held October 21, 2015

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**Present:**                    **Councillor Fred Francis**  
                                  **Councillor Chris Holt**  
                                  **Councillor Hilary Payne (Vice Chair)**  
                                  **Councillor Paul Borrelli**

**Regrets:**                    **Councillor Bill Marra**

That the following recommendations of the Environment, Transportation and Public Safety Standing Committee **BE APPROVED:**

Moved by Councillor Francis, seconded by Councillor Holt,

- I     That the Environment, Transportation & Public Safety Standing Committee and the Transit Windsor Board of Directors **APPROVE** the report regarding the current agreement between Transit Windsor and Greyhound Canada to **BE AMENDED TO** reflect an annual flat fee instead of commissions for Greyhound Canada ticket sales at the Windsor International Transit Terminal; and to add as new provisions, the maintenance and servicing of the Greyhound buses and the provision of parcel pick-up service at the Transit Centre on North Service Road East.
- II.    That the Corporate Leader of Transportation Services **BE AUTHORIZED** to sign the resulting contract with Greyhound Canada, satisfactory in technical content to the Executive Director of Transit Windsor, in legal form to the City Solicitor, and in financial content to the City Treasurer and the Chief Administrative Officer.
- Carried.

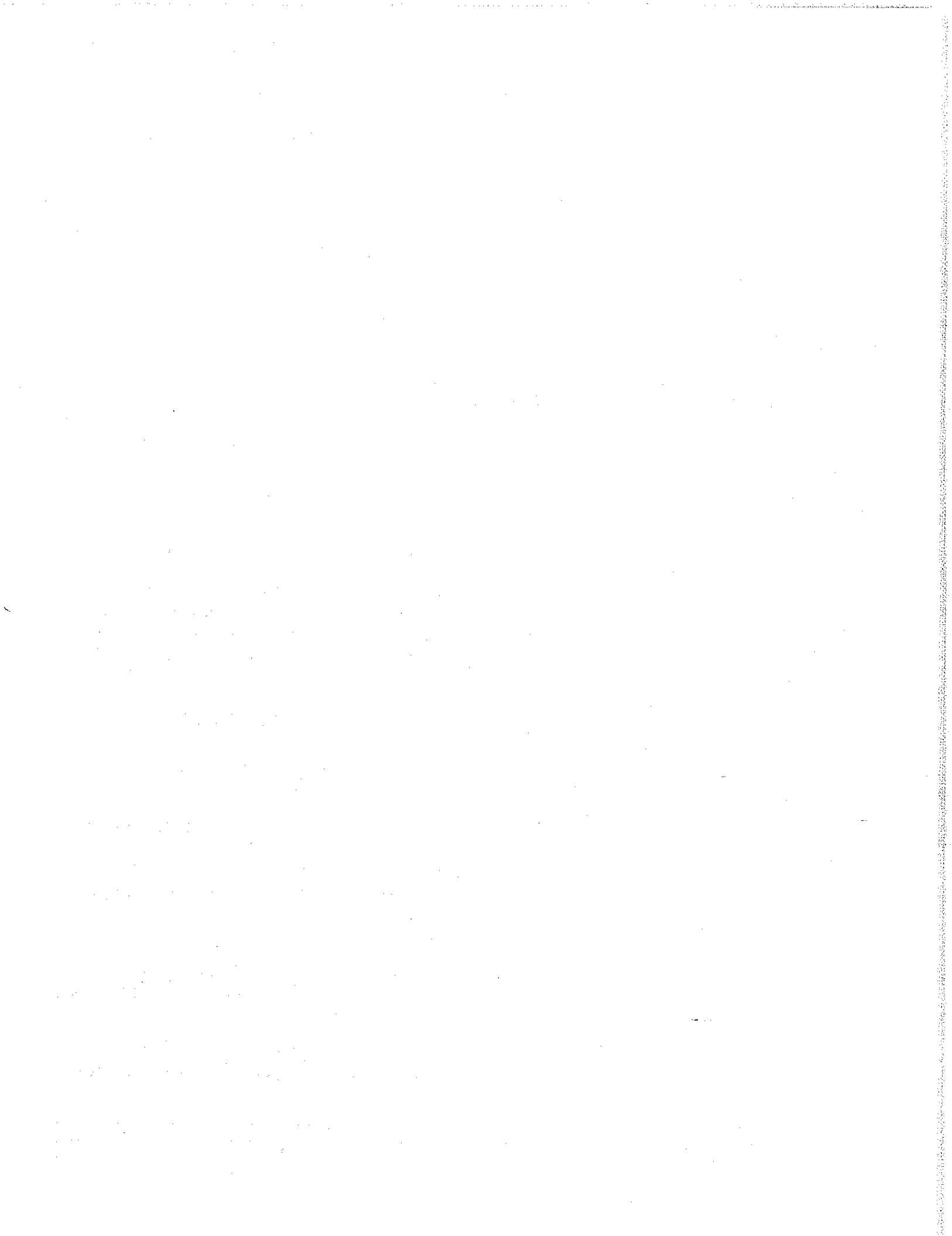
**LiveLink 17979 MT2015**

Clerk's Note: The report of the Corporate Leader of Transportation Services dated October 5, 2015 entitled "*Service Agreement with Greyhound Canada*" is attached as background information.

  
\_\_\_\_\_  
CHAIRPERSON

  
\_\_\_\_\_  
SUPERVISOR OF COUNCIL SERVICES

NOTIFICATION:	
NAME	CONTACT INFORMATION



**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of Transportation Services – Transit Windsor**



**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, business and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together"*

<b>LiveLink REPORT #: 17979 MT2015</b>		<b>Report Date: October 5, 2015</b>
<b>Author's Name:</b>	<b>Patrick Delmore Carolyn Brown</b>	<b>Date to Standing Committee: October 21, 2015</b>
<b>Author's Phone:</b>	<b>519-944-4141 Ext 232 519-944-4141 Ext 242</b>	<b>Classification #:</b>
<b>Author's E-mail:</b>	<b>pdelmore@citywindsor.ca cbrown@citywindsor.ca</b>	

**To:** Environment, Transportation & Public Safety Standing Committee

**Subject:** Services Agreement with Greyhound Canada

**1. RECOMMENDATION:** City Wide: X Ward(s): \_\_\_\_\_

- I That the Environment, Transportation & Public Safety Standing Committee and the Transit Windsor Board of Directors **APPROVE** the report regarding the current agreement between Transit Windsor and Greyhound Canada to **BE AMENDED TO** reflect an annual flat fee instead of commissions for Greyhound Canada ticket sales at the Windsor International Transit Terminal; and to add as new provisions, the maintenance and servicing of the Greyhound buses and the provision of parcel pick-up service at the Transit Centre on North Service Road East.
- II. That the Corporate Leader of Transportation Services **BE AUTHORIZED** to sign the resulting contract with Greyhound Canada, satisfactory in technical content to the Executive Director of Transit Windsor, in legal form to the City Solicitor, and in financial content to the City Treasurer and the Chief Administrative Officer.

**EXECUTIVE SUMMARY:**

N/A.

**2. BACKGROUND:**

When the Windsor International Transit Terminal (WITT) opened in 2007, Transit Windsor became the ticket agent for Greyhound Canada (Greyhound), selling tickets on commission. Annual commissions from Greyhound ticket sales were projected to be \$175,000. Over time Transit Windsor realized that that the existing staff resources would not be sufficient to handle the seven day a week, 14 hour day operation. Transit Windsor added more full-time staff at

WITT to meet the additional hours of service with the expectation that the projected revenue of \$175,000 annually would cover increased staffing costs.

However Transit Windsor has never realized the projected annual revenues and in recent years, the revenue from Greyhound ticket sales has declined, primarily due to Greyhound's internet sales, for which Transit Windsor does not receive commissions. The following table illustrates Transit Windsor's history over the past five years.

Year	Budgeted Revenue	Actual Revenue	Variance
2014	\$175,000	\$67,872	\$107,128
2013	\$175,000	\$75,749	\$99,251
2012	\$175,000	\$103,648	\$71,352
2011	\$175,000	\$110,895	\$64,105
2010	\$165,000	\$114,341	\$50,659

The agency agreement between Transit Windsor and Greyhound expired on January 10, 2012 and has continued on a month to month basis. In 2014, Transit Windsor began discussions with Greyhound to address the revenue and declining sales. Transit Windsor considered reducing its hours of service, an option that would affect both Greyhound and Transit Windsor customers. Those discussions stalled. More recently, in May 2015, Greyhound approached Transit Windsor to discuss declining sales and other revenue opportunities. More specifically these are as follows:

1. *Paying a flat fee estimated to be approximately \$90,000 for services provided by Transit Windsor staff at WITT.* Greyhound based this amount on a formula they use to provide flat fees for services rather than pay commissions.
2. *Providing Greyhound with garage maintenance services such as the cleaning, fuelling and storage of Greyhound buses for a negotiated fee. Potential annual revenues, dependent on negotiations, are estimated to be \$62,000 (estimated at (\$85 x 2 buses) x 7 days per week, for 52 weeks a year).* Prior to Greyhound opening their Walker Road depot, Transit Windsor provided this service for them. In evaluating this revenue opportunity, Transit Windsor has conducted an analysis to determine that there will be sufficient staff on shift to service the buses as required without adding any additional staff.
3. *Assisting Greyhound with their parcel service for a negotiated fee. Estimated annual revenues are \$25,000 which translates to a commission of approximately 10%.* Transit Windsor's facility on North Service Road East can fulfill this function with current space and staffing levels. Projected volumes are 10-15 parcel pickups daily.

### 3. DISCUSSION:

The flat fee for ticket sales is based on 2014 sales and includes an increased amount to cover in part the commission for internet sales and will call tickets (i.e. tickets ordered by phone or online and picked up at WITT).

The proposed cost for maintenance and servicing the Greyhound buses is consistent with Transit Windsor's current pricing for outside services i.e. tour buses or other outside companies and is based on a full cost recovery plus a profit component.

If approved by Council, Transit Windsor's current agreement with Greyhound would need to be amended to reflect the flat fee instead of commissions from current sales; and to add as new provisions, the maintenance and servicing of the Greyhound buses and the provision of the parcel service.

Greyhound has requested that these changes be implemented on or before November 30<sup>th</sup> 2015, given that since their current contract for parcel services has expired and they are on a month to month holdover.

In 2015 Greyhound negotiated similar fee for service arrangements with the Cities of Barrie and St Catharines. Similarly, Greyhound has had a long standing arrangement with the City of Brantford.

#### **4. RISK ANALYSIS:**

There is a risk that if Transit Windsor does not maintain its revenue stream from Greyhound ticket sales that the operation of WITT will be placed under additional budgetary constraints. While a fixed revenue amount for Greyhound ticket sales will help defray ongoing operational costs, there is a risk that the parcel pick-up service may not result in the sufficient projected revenues to mitigate the budget shortfall for WITT.

#### **5. FINANCIAL MATTERS:**

The following table illustrates Transit Windsor's history over the past five years.

<b>Year</b>	<b>Budgeted Revenue</b>	<b>Actual Revenue</b>	<b>Variance</b>
2014	\$175,000	\$67,872	\$107,128
2013	\$175,000	\$75,749	\$99,251
2012	\$175,000	\$103,648	\$71,352
2011	\$175,000	\$110,895	\$64,105
2010	\$165,000	\$114,341	\$50,659

For 2015, Transit Windsor is projecting a similar deficit to 2014 in the commission revenue account due to the low volume of counter sales for Greyhound.

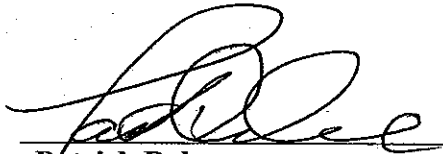
In 2016, based on the new agreement, Transit Windsor is projecting to realize \$177,000 from the sale of Greyhound tickets, the commissions from the parcel pick-up service and for the maintenance service.

#### **6. CONSULTATIONS:**

N/A.

**7. CONCLUSION:**

During the administrative review of the 2016 Operating Budget, Transit Windsor did report the decline in revenue from Greyhound ticket sales but also reported that, subject to City Council's approval, the potential exists for Transit Windsor to realize additional revenue from the maintenance and servicing of the Greyhound buses and the provision of the parcel service.



**Patrick Delmore**  
Executive Director



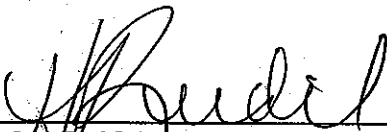
**Carolyn Brown**  
Corporate Leader Transportation Services;  
CEO, Windsor Detroit Tunnel Corporation  
CEO, Your Quick Gateway (Windsor) Inc.



**Onorio Colucci**  
Chief Financial Officer & City Treasurer  
Corporate Leader, Finance & Technology



**Shelby Askin Hager**  
City Solicitor; Corporate Leader  
Public Safety and Economic Development



**Helga Reidel**  
Chief Administrative Officer

**APPENDICES:**

**NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX
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