

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Engineering and Transportation Division

To: Mayor and Members of Council

From: Ann-Marie Millson
Manager, Linear Assets

Date: May 25, 2020

Subject: New Transit User Fees – Amendment to By-law 19-2020

Recommendations

It is recommended that:

1. A handling fee and online bank fee for the purposes of loading CKTransit fare media on-line be approved.
2. The user fee By-law No 19-2020 (Appendix A) include a handling fee and online bank fee for CKTransit as follows:

Handling Fee for card mail out - \$2.60
Online Bank Fee per transaction - \$0.40

Background

CKTransit received funding approval under the Provincial Transit Infrastructure Fund (PTIF) for the purposes of on-line loading of fare media for CKTransit smart cards. The project is now in the final stages of testing and the go live date is scheduled for June 2020. This new service will allow CKTransit users to load fare media on-line via computer or smart devices (such as smart phone or tablet etc.).

Incremental costs associated with this new service include charges for credit card transactions and costs associated with mailouts of new cards to transit users. To offset these costs CKTransit requires the addition of 2 new user fees.

Comments

CKTransit will soon be offering the option to load fare media on-line for transit riders that have a smart card or wish to purchase their first smart card online.

CKTransit riders currently have the following options available for smart card purchases and reloading of fare media on existing smart cards:

1. Purchase a preloaded card at one of 3 Shoppers Drug Mart locations in the community of Chatham. Preloaded cards available for purchase are adult, student and senior monthly passes as well as the cash pass (Chatham-Conventional service only)
2. Purchase or re-load a card at the Chatham Municipal Service Centre.

When the new online loading option becomes available, CKTransit riders will have the following new options in addition to the 2 options above.

1. Purchase a new card online and request the new card to be mailed to a specific address (new fee - \$3.00 which includes a handling fee and online bank fee).
2. Purchase a new card online and choose the option to pick up the smart card at the Chatham Municipal Service Centre (new fee - \$0.40 online bank fee only).
3. Load fare to an existing card with no pickup required. Fare media is transferred via internet to the owners registered card. (new fee - \$0.40 online bank fee only).

Options 1, 2 and 3 as noted above will require new user fees to offset costs associated with providing the new service.

CKTransit is proposing the following charges:

- Handling fees for card mail out - \$2.60
- Online bank fee per transaction - \$.40

The new \$2.60 proposed handling fee will offset costs associated with postage/envelope and a small administration fee to handle the transaction.

The new \$0.40 online bank fee is to offset the per transaction charge and monthly account fee being charged by the company managing the Municipality's online payment account. Therefore CKTransit is requesting a \$0.40 online bank fee to offset these costs.

The new fees once approved will be added to the User Fee By-law 19-2020.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community: Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

No consultation was required.

Financial Implications

Fees being charged will be used to offset the costs of postage, online credit card transactions and monthly account charges.

Costs are neutral as new fees should cover costs associated with on-line purchasing of smart card fare media.

Prepared by:

Reviewed by:

Ann-Marie Millson
Manager, Linear Assets
Engineering and Transportation

Chris Thibert, P.Eng.
Director
Engineering and Transportation

Reviewed by:

Thomas Kelly, P. Eng., MBA
General Manager
Infrastructure & Engineering Services

Attachments: Appendix A – User Fee By-law 19-2020 amendment

P:\RTC\Infrastructure and Engineering\I&ES\2019\4245 - New Transit User Fee By-Law
Amendment

By-Law Number -2020

of the Corporation of the
Municipality of Chatham-Kent

A By-law to amend
By-Law Number 19-2020,
A By-law to Establish Certain User Fees

Finally passed the day of June, 2020.

Whereas the Corporation of the Municipality of Chatham-Kent did enact By-law 19-2020 for the purpose of establishing certain user fees in the Municipality of Chatham-Kent.

And Whereas the Corporation of the Municipality of Chatham-Kent now deems it expedient to amend certain provisions contained in Schedule "A" of said By-law 19-2020.

NOW THEREFORE the Municipal Council of the Corporation of the Municipality of Chatham-Kent enacts as follows:

1. Schedule "A" 2020 Comprehensive User Fee/Deposits Review the following fees be hereby added:

Division	Business	Issued	Proposed 2020 Fees
Eng/Traffic	Transit	Handling Fee/Postage, and Adm fees	\$2.60
Eng/Traffic	Transit	Online Bank Fee per Transaction	\$0.40

2. By-law 19-2020 of the Corporation of the Municipality of Chatham-Kent as heretofore amended from time to time is hereby ratified and confirmed in all respects save and except as amended hereby.

This By-law shall come into full force and effect upon the final passing thereof.

Read a first, second and third time this day of June, 2020.

Mayor – Darrin Canniff

Clerk – Judy Smith