

Background

During 2015 Budget deliberations, Council requested that staff prepare options for a pilot project to provide free transportation to seniors during off peak times.

At the meeting of July 7th, 2015 City Council deferred the Report dated June 19th, 2015 from the General Manager of Assets and Finance, regarding Free Transportation to Seniors during off peak Hours, and requested that staff come back with alternatives that provide a broader geographic, social and demographic coverage. See **Appendix A** for the copy of the report.

The purpose of this report is to provide additional information to supplement the previous report and to provide the following information and analysis:

- Part A: Additional options for free senior transportation and the estimated financial impact for each
- AND
- Part B: Industry research on the various types of other transit fare structures used, particularly with comparable Ontario municipalities. The primary objective of the research is to note any trends and similarities amongst the sample and what options are available for Council to amend CGS's transit fare structure.

The above deliverables formed part of the decision to defer the motion and "have staff come back with alternatives that provide broader geographic, social and demographic coverage".

Part A: Additional Options for Free Senior Transportation

Overview

As referenced in the attached Managers report staff prepared options in response to Council's request for a proposal for a pilot program to provide seniors with free transportation during off peak times. Staff prepared two options for Council's consideration

- 1) Implement a pilot program for 6 months to offer free transit and handi transit to seniors (over the age of 65) on a single day of the week, during off peak hours (10 am to 2:30pm and after 6:30pm)
- 2) Implement a pilot program for 6 months to offer free transit and handi transit to seniors (over the age of 55) on a single day of the week, during off peak hours (10 am to 2:30pm and after 6:30pm).

At the meeting, Council requested additional options and information on:

- Implementing a pilot program to offer free Transit and Handi Transit to seniors (over the age of 65 or 55) every day of the week, during off peak hours.
- Implementing a pilot program to offer free Transit and Handi Transit to seniors (over the age of 65 or 55) all day on a single day of the week (Monday was selected).

Council direction is required:

- a) Does Council wish to proceed with a pilot program to offer free transportation to seniors:

Yes/No

- b) If yes, what is the duration of the free transportation (as outlined in Table 1 below)

Option 1: Everyday (7 days a week), during off-peak hours

Option 2: One day (Monday) per week (all day)

Option 3: One day (Monday) per week, during off-peak hours

- c) If yes, does Council wish to offer free transportation to

Option 1- Older adults (over the age of 55) or

Option 2- Seniors (over the age of 65)

Estimate of Financial Impacts

Table 1 shows the estimated revenue generated from seniors during the service hours as noted above. Assumptions on the demographic breakdown of the City's ridership were carried over from the above mentioned report in Appendix A. If ridership does not grow as a result of the pilot, the potential lost revenue based on a 6 month pilot program or annually (12 months) are estimated as follows:

Table 1

Options	Estimated Lost Revenue/Year					
	Older Adult = Age 55			Senior = Age 65		
	Conventional	Specialized	Total	Conventional	Specialized	Total
#1 - Free Senior Rides Everyday (Off-Peak)	\$512,771	\$65,203	\$577,974	\$277,751	\$46,947	\$324,698
#2 - Free Senior Rides Monday (All Day)	\$170,633	\$16,025	\$186,658	\$92,426	\$10,832	\$103,258
#3 - Free Senior Rides Monday (Off-Peak)	\$78,491	\$9,134	\$87,626	\$42,516	\$6,499	\$49,015

Options	Estimated Lost Revenue/Trial (6 months)					
	Older Adult = Age 55			Senior = Age 65		
	Conventional	Specialized	Total	Conventional	Specialized	Total
#1 - Free Senior Rides Everyday (Off-Peak)	\$256,386	\$32,601	\$288,987	\$138,876	\$23,473	\$162,349
#2 - Free Senior Rides Monday (All Day)	\$85,317	\$8,013	\$93,329	\$46,213	\$5,416	\$51,629
#3 - Free Senior Rides Monday (Off-Peak)	\$39,246	\$4,567	\$43,813	\$21,258	\$3,250	\$24,508

It is important to note that details surrounding the pilot programs options noted above, particularly tracking of ridership, all administration, defining off-peak times during the program are the same as was presented in the original report to Council on July 7th 2015. The Transit Long Term Financial Plan included a \$100,000 allocation from the Provincial Gas Taxes (\$50,000 in 2016 and \$50,000 in 2017) to support trials for optional fare structures.

Part B: Transit Fare Structures

Overview

The goal of an equitable fare structure is to maintain or increase ridership, while balancing recovery of costs to deliver services. In 2014, actual Transit fare Revenue was approximately \$7.7 million, on total conventional ridership of about 4.5 million rides. Transit's current ridership distribution and associated revenue sources can be found in **Appendix B**.

Comparison of Transit User Fees

For your information, Appendix C and D attached, outline the standard fare pricing structure as per the 2014 CUTA statistics for Canadian Municipalities with a population of 50,000 to 150,000 and for Ontario municipalities. Please note that Greater Sudbury falls within the population group of 50,000 to 150,000 (based on the properties service area).

The following is a summary of Greater Sudbury 2014 Transit rates compared to two relative CUTA benchmarks, as outlined below:

Fare Type	2014 CDN Population 50,000 to 150,000 Average (Appendix C)	2014 Ontario Average (Appendix D)	2014 CGS Rate
Cash – Adult	\$2.54	\$3.00	\$2.90
Cash – Students	\$2.40	\$2.79	\$2.90
Cash - Child	\$1.99	\$1.88	\$2.15
Cash – Senior	\$2.37	\$2.76	\$2.15
5/10 Ride – Adult	\$2.17	\$2.38	\$2.25
5/10 Ride – Students	\$2.09	\$2.16	\$2.25

5/10 Ride – Child	\$1.63	\$1.60	\$1.70
5/10 Ride – Senior	\$1.81	\$2.01	\$1.70
31 Day Pass – Adult	\$69.55	\$85.47	\$80.00
31 Day Pass – Student	\$57.53	\$69.09	\$74.00
31 Day Pass – Child	\$33.50	\$55.50	\$48.00
31 Day Pass – Senior	\$48.53	\$54.66	\$48.00

CGS's Age/Class definitions for Table:

Adult: a person 18 years of age or older other than a Student, an Older Adult or a Disability Pensioner

Student: a person who presents a current and valid student identification card from a high school or a post secondary institution.

Child: a person who is 5 years of age or older and who is no taller than 60 inches

Older Adult: a person who is 55 years of age or older

Special: a person who is a recipient of a Disability Pension from the Province of Ontario, a Canada Disability Pension, a War Veteran's Pension or who is registered with the Canadian Institute for the Blind, as confirmed by the appropriate authority

Based on comparisons in the above table, the City's user fees are typically higher than one or more of the two comparators (Canadian Population Group and Ontario Average) with the exception of fares for seniors. It is important to consider the comparisons to Greater Sudbury when preparing recommendations to Transit's user fee schedule for the 2016 and future Budgets. In accordance with the City's User Fee by-law, the transit rates will increase by 3% for 2016, effective March 1, 2016.

Some industry research, particularly the work done by the Transit Co-operative Research Group in the US, has shown through extensive analytics such as regression that fare increases do have negative impact on ridership. Customer reaction to fare increases are magnified in smaller urban centres as well, which further leads added pressure on Greater Sudbury, a smaller urban city, to properly manage its fare increases.

Industry Research on Alternative Fare Structures

As mentioned in the original report to Council on July 7th, numerous other incentive programs exist across Canada that affect a broader demographic, such as low income passes, employer passes, and family passes.

In response to Council's direction to report on alternatives to provide broader social and demographic coverage, staff gathered additional data from all CUTA member properties (approximately 70 municipalities) to see if any commonalities existed with other fare options. In addition to the raw data from CUTA, staff selected 10-15 benchmark municipalities based on comparable population and bus

fleet to contact directly. The intention was to obtain additional information such as any operational and/or financial impact the municipalities have faced after implementation of these fare media options.

Primary Results of Industry Research

Based on the CUTA research of approximately 70 properties, four fare options were commonly offered (listed below).

- Day Pass
- Low Income Pass
- Employer Pass
- Family Pass

The table below summarizes the number of municipalities that currently offer one or more of the four fare media commonly used above:

Fare Media Type	Number of Participating Municipalities (of 69 across Canada)	Percentage of Participating Municipalities (of 69 across Canada)
Day Pass	26	38%
Family Pass	16	23%
Low Income Pass	16	23%
Employer Pass	15	22%

Detailed Analysis

As previously mentioned, staff have compiled research on common fare media used across Canada and in addition have made calls with ten benchmark municipalities, particularly those that have at least one or more of the commonly used fare media types listed above. A list of questions were prepared and used with each contact. For reference purposes, the most common and relevant questions asked were:

- How long has the fare media or program been in effect?
- Why was it started?
- Impact on ridership?
- Impact on revenues?

- Restrictions?
- Other Comments?

The following is an overview of the findings:

Day Pass:

- The day pass fare for Canadian properties that offer this option range from \$5.00 to \$11.25. Similarly day pass fares for the benchmark properties are within the same range.
- From a ridership standpoint, almost all properties feel that offering this type of fare media has had a neutral impact overall.
- In communications with benchmark municipalities, day pass programs have generally been in place for several years.
- Generally, financial impacts have not been substantial. Almost all properties find it difficult to quantify any financial impact of the day pass due to the varying other factors that could affect the results (population growth, travel trends, infrastructure changes etc.). For example, Two Northern Ontario properties indicated an increase in total revenues in the year preceding the day pass, but were not able to confirm that there was any positive impact on total ridership.
- Some transit properties do not have electronic fare box systems, thus making it difficult to provide any historical patterns on ridership by fare type used, or the associated revenues.

Family Pass:

- Family pass fares for Canadian properties that offer this option range from \$2.60 to \$14.50.
- Rules and regulations for the pass (number of people, day and time the pass is valid) varies slightly among other transit properties.
- A property that has had some success, currently sells the family pass to community groups who in turn, provides the pass to their members.
- Generally, revenue and ridership have shown neutral impact with offering a family pass.

Low Income Pass:

- Low income fare prices of Canadian properties that offer this option range from \$17.50 to \$64.80.
- Although discounts based solely on age (i.e. seniors) are common throughout Canadian transit properties, some municipalities have shifted their focus to offer discounts based on financial need.

- Main program eligibility is based on income level, particularly Revenue Canada's low-income cut off (LICO) factor.
- Some transit properties require the applicant be currently employed.
- Ontario Works (OW) and Ontario Disability Support Program (ODSP) recipients not receiving other transportation support could be eligible.
- One transit property designed the program specifically to OW and ODSP recipients.
- Typically the rollout of the program is a collaborative effort between the municipality's local area poverty coalition groups, Social Services and Transit. Some examples of the resource sharing arrangements of the program include:
 - Only one transit property was responsible for the administration of the low income program. An additional staff person was hired to perform administrative duties directly related to the program.
 - Seven municipalities administer the program through their local Social Service agency. In these cases, Transit is responsible for the sale of the fare media once the rider has been approved.
- This program is primarily funded through the local Social Service agency. Of those interviewed only two indicated that Transit was responsible for subsidizing the program.
- Administration costs are typically absorbed by the Social Services department.
- The programs impact on ridership is difficult to determine as the statistics speak to the number of approved applicants and/or the number of monthly passes sold. It does not reflect the number of applicants that were new or existing users to the Transit system. For the same reasons it is difficult to determine the programs financial impact.

Employer Pass:

- An appropriate fare price range for the employer pass program could not be determined due to the significant variations in the delivery of this type of program.
- Generally, transit properties that offered subsidy for participating companies were significantly more successful than those that did not.
- Eligibility to enroll and subsidies offered (if any) vary by municipality. Some more common examples include, but are not limited to the following:
 - Minimum number of participants
 - Minimum enrollment period

- Discounts based on percentage or volume of passes purchased by the employer
- Financial impact is difficult to determine as the data collected for this program does not reflect the number of applicants that were new or existing users to the Transit system. For the same reasons it is difficult to determine the programs impact on ridership.
- In addition to the Employer Pass program, some municipalities offer discounts to Municipal employees who purchase Transit monthly passes.

Open Transfers

- An additional option that could potentially increase the affordability of public transit for Greater Sudbury residents is the modification to the current policy regarding the use of Transfers. This initiative, although not a fare media option, would form part of a broader review of the City's transit fare structure and ensuring policies regarding the use of transfers is fair and reasonable based on a peer review. Our current policy is to issue a transfer upon request at the time the passenger pays a fare when boarding the bus. The transfer is valid for a period of 45 minutes or for the next connecting trip for the desired route as part of a continuous trip. Stopovers or return trips are not permitted.
- Many of the agencies whose transfer policy was reviewed offer a transfer which is valid between 90 minutes to 2 hours with no restrictions as to which route it is used. A clear description of the policy indicating that the transfer must be requested at the time of fare payment is published to avoid having passengers flooding the front door of the bus upon terminal arrival while others are attempting to board. An amendment to the City's policy was recommended in the Transit Ridership Growth Plan but not implemented due to budget constraints.

Travel Training for Older Adults

- In partnership with a local senior's association one Transit property now offers travel training sessions to older adults to familiarize them with Transit services. Older Adults that participate in a travel training session are granted a one-time, one-month senior bus pass or a multi-ride card of equivalent value. Travel training sessions are held periodically at a local seniors centre at no cost to the participant.

Considerations and Next Steps

Staff have researched, compiled and sorted an extensive amount of information both written and verbally and have obtained valuable information relating to some commonly offered fare media options used across Canada. Many of these agencies have been offering one or more of these fare media types for years. Some agencies implemented multiple options at the same time. A common response during staff calls to benchmark properties was the uncertainty of the financial impact of introducing the fare media option(s) on total revenues. Pilot programs are typically the avenue used to introduce new fare media. A majority of properties distinctly mention the main reason in deciding to keep the program is not because it has a positive impact on revenues but because of spinoff effects of added economic and social benefits to transit customers. Having alternative options to suit their travel needs promotes social responsibility on behalf of the municipality, which typically results in overall ridership increases.

It is important to note that should Council decide to implement any one or more of the new fare media options to Greater Sudbury's conventional transit system that the same be applied to the specialized transit system, the latter carrying a larger financial burden to the City's budget.

As previously noted, the Transit Long Term Financial Plan included a \$100,000 allocation from the Provincial Gas Taxes (\$50,000 in 2016 and \$50,000 in 2017) to support trials for optional fare structures. Should Council wish to proceed with pilot projects for the alternatives noted above, budget enhancement options could be prepared.

Existing Ridership Growth Initiatives

For Council's knowledge, Sudbury transit currently offers other programs in order to stimulate positive ridership for residents. The programs are the youth pass program and community group grant fund, both funded with the City's annual Provincial Gas Tax allocation. Each program is explained in detail below:

Youth Passes Program

The youth transit pass program more commonly known as "Ride the Bus on Us" permits an annual allocation of \$25,000 of five ride cards to be distributed through the Citizen and Leisure Services section to youth in the community ages 12 to 24. The goal of the program is designed to encourage young people to take part in community programs and to familiarize themselves with the public transit system with the hope that they will see benefits to using transit in the future. The program has been in place for about 10 years and was introduced as part of the Mayor's Roundtable strategy in 2006.

Community Groups Program

The City's transit budget also includes a \$25,000 annual allocation to facilitate transportation opportunities for numerous city wide programs and events. Greater Sudbury Transit receives numerous requests each year for complimentary transit ride cards and charter services. Over the years,

tremendous support has been given to this program. The grant allocation is part of Transit's ridership growth funding from the Provincial Gas Tax and it is proposed that the program continue in 2016.

Other

The City offers other ridership programs such as free public transit on New Year's Eve, \$1.00 round trip for Canada Celebrations, free transit to those attending the Remembrance Day ceremonies, and Car Free Day. Car Free Day is an annual event promoted by Earth Care that encourages citizens to leave their personal vehicles at home and utilize Greater Sudbury Transit for the day.

Transit plans to continue its support of these programs in the future as community reaction has been consistently positive over the years.

Conclusions and Summary:

As requested by Council, **Part A** of this report outlines 3 options for the committee's consideration to provide a pilot program for free transportation to seniors (over the age of 65) or to older adults (over the age of 55). The Committee's direction is requested.

In addition, Council requested that staff research fare structure alternatives that benefit a broader geographic, social, and demographic coverage. Staff conducted a comprehensive research of other transit fare structures and the findings are outlined in **Part B** of this report.

Should the Committee wish to proceed with a pilot program during 2016 for the introduction of new fare media type (s) as described in Part B of the report, budget options could be prepared.