




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	July 8, 2020
SUBJECT/REPORT NO:	University/College Transit Pass Agreements (PW20022(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nancy Purser (905) 546-2424 Ext. 1876
SUBMITTED BY:	Debbie Dalle Vedove Director, Transit Public Works Department
SIGNATURE:	

Discussions of Confidential Appendix “A” to this Report PW20022(a) in Closed Session is subject to the following requirement(s) of the City of Hamilton’s Procedural By-Law and the Ontario Municipal Act, 2001;

- **Advice that is subject to solicitor-client privilege, including communications necessary for that purpose.**

RECOMMENDATION(S)

- (a) That the General Manager, Public Works, or their designate be authorized to negotiate and execute on behalf of the City all necessary agreements and related documents to:
- (i) either temporarily suspend the Transit Pass Agreements (the “UCTP Agreements”) between the City and: (a) McMaster University (re: Undergraduate students); (b) McMaster University (re: Graduate students); (c) Redeemer University College; and (d) Mohawk College; or prorate the UCTP fees in relation to the respective UCTP Agreements, according to the requirements of each individual school at the discretion of the General Manager, Public Works for a period of time to be determined by the General Manager, Public Works, all in a form acceptable to the City Solicitor;

- (ii) subsequently revive the UCTP Agreements, at the discretion of the General Manager, Public Works, all in a form acceptable to the City Solicitor;
 - (iii) further suspend/revive the UCTP Agreements or prorate the UCTP fees, as required at the discretion of the General Manager, Public Works, all in a form acceptable to the City Solicitor;
- (b) That Appendix “A” attached to Report PW20022(a) remain confidential, and
- (c) That the General Manager, Public Works, or their designate be authorized to issue appropriate refunds for the UCTP Agreements as they relate to payments made in advance for the 2019/2020 agreements.

EXECUTIVE SUMMARY

As a follow up to Report PW20022 approved by Council June 3, 2020, this Report addresses the 2020 fall school semester (September 2020 – December 2020) as well as contemplates the potential impact of a second wave of Covid19 to impact the viability of the UCTP Agreement in the future.

The City of Hamilton is party to University/College Transit Pass Agreements (UCTP Agreements) with McMaster University, Mohawk College, Redeemer University College and their respective Student Associations/Unions, which covers approximately 42,000 students (pre-Covid19 estimate). The pass allows unlimited access to the HSR. The UCTP Agreements require that all full-time students enrolled in each of the respective schools be charged the UCTP fee (with no opt-out provision). The fee is substantially discounted as all full-time students pay regardless if they use transit and has been developed to ensure that it appropriately covers their share of the system usage. As students live throughout the City, transit service levels have increased across the system to meet the ridership demand.

The UCTP is considered an ancillary fee under the university and college fee structures. In 2019 the Conservative government implemented, the ‘Student Choice Initiative’ (SCI) to make ancillary student fees charged to university and college students optional. The Transit Agencies and the respective universities/colleges lobbied the Ontario Government as to the importance of the UCTP program to Transit Agencies and students throughout Ontario. As a result, the Ontario Government agreed that if a program was already in place prior to January 1, 2019 it would remain mandatory for all students to participate. Should the current UCTP agreements be cancelled any future agreement would be subject to the SCI giving students the ability to opt in/out. The program as it stands today would no longer be viable and the City would lose this stable source of revenue.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

On March 17, 2020, the Province of Ontario declared a state of emergency pursuant to s. 7.0.1 of the *Emergency Management and Civil Protection Act* as a result of an outbreak of a communicable disease namely Coronavirus Disease 2019. Universities and colleges throughout Ontario were ordered to close as a result.

With universities and colleges campuses closed and the public told to remain at home, the programs normally offered through universities and colleges moved to an on-line format. This has led to a significant reduction of ridership levels generated from these institutions. Additionally, to enforce physical distancing, on March 19, 2020 HSR implemented a requirement that all customers board from the rear doors, thereby foregoing the customers requirement to pay a fare.

At the time of writing this Report, McMaster University Student Union, (which represents McMaster's undergraduate students) has requested: (i) refunds for UCTP payments made in advance for April 2020 – August 2020; and (ii) a fee adjustment for the 2020/2021 school year since all fall 2020 classes have been moved on-line (see Appendix "B" attached to Report PW20022(a)). Mohawk College has requested a further suspension for the fall 2020 semester as well as a reduced fee for the students who are required to attend campus as part of their respective programs (see Appendix "C" attached to Report PW20022(a)).

To give staff the flexibility to respond to a rapidly evolving situation, staff are requesting the authority to:

- (i) either negotiate the suspension of the UCTP Agreements or prorate the UCTP fees, as required at the discretion of the General Manager, Public Works;
- (ii) subsequently revive the UCTP Agreements when appropriate to do so, at the discretion of the General Manager, Public Works; and
- (iii) If future public health circumstances require such action, further suspend/revive the UCTP Agreements or prorate the UCTP fees, all at the discretion of the General Manager, Public Works.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Most Hamilton post-secondary schools have announced that the majority of courses for fall 2020 semester will be provided in an on-line format. Anticipating that all schools will ask for relief for the fall semester the budget revenue loss for September – December 2020 will be \$3,704,950. Additionally, since the schools collect the fees from students at the beginning

of the school year or the beginning of the semester, McMaster Undergraduates are requesting refunds for services interrupted due to stay at home orders and the waiving of HSR fares for April through August 2020 that amounts to \$1,023,852. However, since HSR is targeting July 1 to resume fare collection the amount could reduce to \$795,112. Should it be determined that refunds will be provided for all agreements the total revenue reduction would be \$1,771,490 for April through August 2020 or \$1,372,060 April through July 2020.

It is unknown at this time what the ongoing impacts of Covid-19 will have on the post-secondary learning environment or the overall enrolment levels and ultimately on the revenue that Transit can anticipate from the agreements going into 2021. The ongoing closure of the facilities to the majority of students could lead to further requests for suspension and/or prorated fees for the winter semester or the schools could open but with a decline in enrolment, both scenarios have negative impacts on the 2021 budget.

Staffing: N/A

Legal: Legal Services will be engaged to advise on and codify the changes to the UCTP Agreements, as required.

HISTORICAL BACKGROUND

UCTP Agreements have been in place with McMaster University (since 2000), Redeemer University College (since 2001) and Mohawk College (since 2010). McMaster University and Redeemer University College charge the full UCTP fee in September, while Mohawk College charges the UCTP fee on a per semester basis. McMaster Undergraduate Student agreement and McMaster Graduate Student agreement cover a 12-month period.

The program is designed to provide all full-time students unlimited access to transit while attending one of the institutions. There is no opt-out capability. This allows the students to pay a significantly reduced rate for transit as the entire population contributes to cover the cost for those that do use it. Total revenue received in 2019 amounted to \$8,691,702. The UCTP program is also designed to cover the cost of the service provided during the school season. The UCTP Agreements are renewed every three years with authority from Council (PW07101b). The next renewal is scheduled for September 1, 2020.

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Government as to the importance of the UCTP program to Transit Agencies and students throughout Ontario. As a result, the Ontario Government agreed that if a program was already in place prior to January 1, 2019 it would remain mandatory for all students to participate. The City's UCTP Agreements were therefore able to continue unaffected by the Student Choice Initiative.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Legal Services has been consulted and agree with the recommendations.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The UCTP Agreements provide stable revenue for the City on an annual basis, \$8,691,702 in 2019 based on actual enrolment numbers.

As the schools collect the fees from students at the beginning of the school year or the beginning of the semester, McMaster Undergraduates are requesting refunds for services interrupted due to stay at home orders and the waiving of HSR fares for April through August that amounts to \$1,023,852. However, since HSR is targeting July 1 to resume fare collection the amount could reduce to \$795,112. Should it be determined that refunds will be provided for all agreements the total revenue reduction would be \$1,771,490 for April through August or \$1,372,060 April through July.

While the schools are closed for most students, some will be granted access due to the nature of their program. Under the current policy post-secondary students pay adult fare when they are not paying the fee set out in the UCTP Agreement. Therefore, should these students utilize the service during the fall 2020 semester they will be required to pay the Adult ticket or Adult pass fare. As enrolment information is not available at the time of writing this report, we do not have the ability to determine how much ridership we may see from these students for the fall 2020 semester. Revenue projections provided to date have not included post-secondary students, therefore any fares purchased, and rides taken would improve our overall position.

Should the current UCTP Agreements be cancelled any future agreement would be subject to the SCI giving students the ability to opt in/out which would result in the UCTP program no longer being viable.

Allowing staff to negotiate the suspension of an agreement or a prorated reduction in fees for the UCTP Agreements will ensure the agreements remain in force.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW20022(a) – Confidential Legal Advice

Appendix “B” to Report PW20022(a) – McMaster Student Union – Undergraduate
Request

Appendix “C” to Report PW20022(a) – Mohawk College Request