




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	November 16, 2020
SUBJECT/REPORT NO:	Universal Concession Fare Policy (PW20069) (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:	

RECOMMENDATION(S)

- (a) That effective January 1, 2021, Hamilton Street Railway (HSR) fare policy be changed to reflect:
 - (i) children five (5) years of age and under ride public transit for free;
 - (ii) youth thirteen (13) to nineteen (19) years of age ride public transit at a discounted Youth rate when they show proof of age at boarding either with student identification or government-issued identification; and,
 - (iii) the discounted Summer Youth 2 for 1 pass be removed.

EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval to update Hamilton Street Railway (HSR) fare policy; where the name “Student” is changed to “Youth” and the requirement to be attending school is removed and where Children four (4) and under are permitted to ride free is increased to Children five (5) and under.

In 2006 as part of the original PRESTO design, one of the deliverables was to allow for seamless travel throughout the Greater Toronto Hamilton Area (GTHA). To enable that, Universal Concession categories; Adult (default fare), Child (6 to 12), Student (13 to

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19), Senior (65+), were created and implemented. Recognizing that there needed to be flexibility, transit agencies were also able to create concessions specific to their agency, such as the Golden Age (80+) used in Hamilton.

Metrolinx has been leading the work to develop a fare integration strategy for the GTHA since 2013. While all transit agencies offer each of the universal concessions as set up in PRESTO, the underlying policy to determine eligibility differs between transit agencies. The transit agencies have reviewed the various policies and committed to bringing recommendations forward to their respective councils where appropriate by the end of 2020. This will allow customers to have the same experience on each system. Staff has reviewed and identified that Hamilton has two policies that are impacted.

Currently, the Council approved policy regarding pre-school children allows children four (4) years of age and under to travel for free. All other transit agencies in the GTHA have transitioned to set the age at five (5) years of age. An analysis prepared by staff has determined that the implications of moving the pre-school age from age four (4) to five (5) is negligible and will not negatively impact transit revenues.

The Council approved policy for students, requires that students ages thirteen (13) to nineteen (19) must show proof of enrolment in elementary/secondary school via appropriate student identification to be eligible to receive a reduced fare. Under this policy, once a student is no longer attending school, they will then be required to pay an adult fare. The updated policy is a name change from “Student” to “Youth and removes the requirement to be attending an elementary/secondary school and will now be strictly age-based. Proof of eligibility will be determined either with student or government-issued identification. This policy has been implemented by most transit agencies in the GTHA; with Hamilton, York and, GO Transit targeting to implement by the end of 2020. The analysis detailed in the financial section of this report indicates that the impact of this change may reduce revenues by \$62,900. Another Council approved fare policy offers a Summer Youth 2 for 1 pass, recognizing that students still need to travel during July and August but at a reduced frequency. With the requirement of being enrolled in school removed from this concession, this pass is no longer relevant and staff analysis shows there is potential to generate additional revenue of \$40,500. This policy change could lead to increased transit usage since it will provide youth who are no longer attending school a reduced rate making transit a more affordable option

Adjusting the current policy for pre-school children to five (5) years of age and younger to ride free and making the change from student to youth, will provide the same experience to customers throughout the GTHA and create greater harmonization. Harmonization is the building block for fare integration, which has been identified as a priority by MTO in the safe restart agreement.

Alternatives for Consideration – N/A

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FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: To estimate the impact of changing the policy for students thirteen (13) to nineteen (19) years of age to youth thirteen (13) to nineteen (19) years of age without the requirement to attend elementary/secondary school the following assumptions were made:

The 2016 Census Data, which is the most recent data available, was the basis for the analysis. Using the age group fifteen (15) to nineteen (19) which totals 32,130, we then assume that each age is equally represented meaning that there are 6,426 nineteen (19) year olds in Hamilton. We then further assume that 50% of the nineteen (19) year olds attend college or university and have access to a reduced fare pass (U Pass); leaving 3,213 who could choose transit as a transportation option for their daily activities. Transit currently has a 7% modal split, therefore we assume 224 nineteen (19) year olds will use transit. Based on 2019 ridership data this group averaged 12 trips a week or 624 trips annually for a total trip count of 139,779. The price differential between an Adult single ride and Youth single ride is \$0.45 which equates to a revenue loss of \$62,900.

The removal of the Summer Youth 2 for 1 Pass could improve revenue should everyone who purchased it continue to do so in the future, as there is a requirement to purchase passes for both July and August at the full monthly pass rate, currently set at \$90.20. In 2019, 449 passes were sold which totals \$40,500 in revenue.

The net revenue loss from the two policy changes is \$20,400.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

As part of the original PRESTO design, it was determined that Universal Concessions categories; Adult, Child (6 to 12), Student (13 to 19), Senior (65+), would be created and recognized by every participating Transit Agency to provide seamless travel within the GTHA. Transit agencies are also able to create concessions specific to their agency as required, such as Hamilton's Golden Age (80+).

Metrolinx has been leading the work to develop a fare integration strategy for the GTHA since 2013. While all transit agencies offer each of the universal concessions as set up in PRESTO, the underlying policy to determine eligibility differs between transit agencies.

The GTHA transit agencies meet regularly to discuss common issues. Fare harmonization has been discussed and all transit agencies agreed to bring

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recommendations forward to their respective councils where appropriate by the end of 2020 to align policies. All GTHA transit agencies are working towards implementing the following fare policies concerning concession fares:

Children 0 – 5 - ride free

Children 6 – 12 - ride at a discounted rate with no proof of age required

Youth 13 – 19 - ride at a discounted rate with proof of age with either student or government-issued ID

Senior 65+ - ride at a discounted rate with government-issued proof of age ID

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Transit fare policies

RELEVANT CONSULTATION

N/A

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Staff compared the policies that would achieve fare harmonization to those approved by Council and found that two policies require updating: pre-school children and students.

Councils' approved policy allows children four (4) years of age and younger to travel for free. Staff's analysis has determined that the implication of adjusting the age range of free fares to include five (5) year olds to match the policy that has been adopted by all other GTHA transit agencies and have found that the impact to revenue would be negligible. At present, it is difficult to determine how many children aged five (5) are riding on the HSR and it is likely many are already boarding for free.

The current Council approved policy for students, requires that students ages thirteen (13) to nineteen (19) with proof of enrolment in elementary/secondary school will be eligible to receive a reduced fare with appropriate student identification. Under this policy, once enrolment can no longer be validated, the individual will then be required to pay an adult fare. The updated policy is a name change from "Student" to "Youth" and removes the requirement to be attending an elementary/secondary school and will now be strictly age-based. Proof of eligibility will be determined either with student or government-issued identification. This policy has been implemented by most transit agencies in the GTHA; with Hamilton, York and, GO Transit targeting to implement by the end of 2020. In general, most students complete high school by the age of eighteen (18). A portion of those who graduate at eighteen (18) would then go on to post-secondary learning where in some cases a discounted transit pass is provided. It is estimated that for those individuals who do not go on to University or College, 7% of that population would utilize public transit on a limited basis. The impact on revenue allowing this group to continue to pay the reduced rate instead of the adult fare is a

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reduction of \$62,900 based on 2019 data. It is anticipated that this change in policy may attract more young riders as the fare is now more affordable.

Council also approved a discounted summer youth pass allowing the customer to purchase two months for the price of one month recognizing that students would still require to access transit but at a much less frequency during July and August. With the recommendation to move away from the requirement to be a student to receive a reduced fare, this pass is no longer relevant. Removing this has the potential to increase revenue by \$40,500 should the customers continue to purchase monthly passes as purchased in 2019. No other transit agency in the GTHA offers this type of product. The net effect of these changes are an estimated reduction in revenue of \$20,400.

Adjusting the current policy to five (5) years and younger ride free and making the change from student to youth, will provide the same experience to customers throughout the GTHA and create greater harmonization.

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.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

APPENDICES AND SCHEDULES ATTACHED

None