




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division

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| TO: | Chair and Members Public Works Committee |
| COMMITTEE DATE: | April 22, 2022 |
| SUBJECT/REPORT NO: | GO Transit Subsidy (PW22021) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Nancy Purser (905) 546-2424 Ext. 1876 |
| SUBMITTED BY: | Maureen Cosyn Heath Director, Transit Public Works Department |
| SIGNATURE: |  |

RECOMMENDATION

- (a) That the General Manager of Public Works or designate be authorized and directed to execute, on behalf of the City of Hamilton, together with any necessary ancillary documents, an amending agreement between the City of Hamilton and Metrolinx relating to a GO Transit subsidy for Hamilton Street Railway Company customers, in accordance with the terms outlined in this Report and in a form acceptable to the City Solicitor.

EXECUTIVE SUMMARY

Fare integration between transit agencies within the Greater Toronto and Hamilton Area (GTHA) is in the public interest and remains a priority for the Ministry of Transportation (MTO), in order to support public transit as an effective means of transportation within the region. As announced by MTO on March 1, 2022, an increase in the amount of GO Transit fare subsidy provided to public transit customers was a recent outcome of meetings held at the Fare and Service Integration Provincial-Municipal Table and is a positive step towards improved transit affordability.

In 1996, the City of Hamilton (City) (or the Regional Municipality of Hamilton-Wentworth, as it was then known) entered into an agreement with the Toronto Area Transit Operating Authority and the Hamilton Street Railway Company (HSR) to provide a subsidy to HSR and GO Transit users. As GO Transit now falls under Provincial authority as of 2001, the agreement is with Metrolinx and the City.

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.

The proposed amending agreement between Metrolinx and the City would increase the subsidy offered to customers from 75% to 100%, effective March 14, 2022. Metrolinx offers this subsidy when a customer uses both HSR and GO Transit for their trip. The subsidy percentage is applied to the HSR Adult ticket price to reduce the overall cost of the customer's trip. The cost of this program is fully funded through Metrolinx.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There is no financial impact. Metrolinx agrees to pay the City the full adult fare (currently \$2.55) each time a customer transfers from GO Transit to HSR. Future fare increases will automatically be captured and applied in the PRESTO system.

Staffing; N/A

Legal: N/A

HISTORICAL BACKGROUND

There are 9 transit agencies in the GTHA, each with their own fare pricing structures based on the local context. The purpose of a subsidy program between GO and the local transit agency is to recognize that many customers need both the local service and the regional GO service to travel to their preferred destination. A subsidy agreement provides for an achievable way to reduce the cost to the end-user while acknowledging base fares differ amongst the broader group of municipal transit agencies, where a singular approach would have varying impact.

The first fare integration agreement was implemented between HSR and GO Transit in 1996, which provided for a 37.5% discount to HSR and GO. This agreement was amended in 1998 to increase the subsidy to customers to 75% and has been in place since that time.

The agreement applies the specified subsidy percentage to the HSR adult ticket price to reduce the overall cost of the customer's trip. Using present-day fare pricing, the customer saves \$1.90 for each trip at 75%. The cost of this program is fully funded through Metrolinx. This program is presented to our customers as a co-fare between HSR and GO as the customer is responsible to pay a portion of the fare, currently \$0.65.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Staff consulted with Legal Services who concur with the recommendation.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The proposed increase in subsidy will bring GO Transit to the same level as the other area agencies which includes: Hamilton, Burlington, Oakville, Mississauga, Brampton, York and Durham, allowing free transfers between systems and further strengthening fare integration in the region making it more affordable for customers to use public transit. At present there is no such similar agreements in place with the TTC.

During the month of February 2022, there were approximately 7,600 riders using both HSR and GO Transit, which demonstrates the importance of this interface. The customer experience will be simple, insofar as the subsidy will be processed automatically when they use a PRESTO card, provided there is a balance on the card. Under the amending agreement, when travelling from HSR to GO, the customer will pay the appropriate HSR fare and the GO Transit fare will be subsequently reduced by the HSR adult ticket price (currently \$2.55). When travelling from GO Transit to HSR, the customer will pay their full GO Transit fare and will transfer to HSR for free, while the City will be reimbursed the \$2.55 adult ticket price, making the City whole.

Any future increases to the HSR adult ticket price will be automatically accounted for in the PRESTO system.

This increase in subsidy makes transit more affordable and continues the important work of making public transit people's first choice.

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.

Built Environment and Infrastructure

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

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APPENDICES AND SCHEDULES ATTACHED

N/A