



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division

TO:	Mayor and Members Public Works Committee
COMMITTEE DATE:	April 3, 2023
SUBJECT/REPORT NO:	Hamilton Street Railway (HSR) Fare Policies (PW23024) (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:	

RECOMMENDATIONS

- (a) That the General Manager, Public Works or designate, be directed to implement free fare as a permanent fare concession program for children ages 6-12 who use a PRESTO card, effective May 1, 2023; and
- (b) That the General Manager, Public Works or designate, be directed to seek stakeholder feedback on the Fare Assist Program through public consultation to be completed by May 31, 2023, with a recommendation back to the Public Works Committee.

EXECUTIVE SUMMARY

The Transit Division (HSR) strives to offer fair and equitable fare policies by delivering options which remove accessibility barriers, considering policies which advance equity and inclusion, and creating a space that celebrates the diversity of staff and customers as set out in HSR's Guiding Principles. Transit recognizes that those on low and fixed income have been disproportionately impacted by the COVID-19 pandemic and recent economic events such as high inflation and have seen their buying power further reduced. Historically, price-sensitivity and affordability have been identified areas of concern with transit customers.

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.

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One such example of a pilot program designed to provide relief to rising costs was introduced November 1, 2021, allowing children ages 6 – 12 with a PRESTO card to ride free until April 30, 2023.

Based on the 2021 census data, 88,380 people in Hamilton live at or below the Low-Income Measure After-Tax (LIM-AT). The published LIM-AT has income levels for a one-person household, \$26,570, up to a 10-person household, \$84,022. Of these 88,380 people, the group includes: 19,140 children (ages 0-17), 55,690 adults (ages 18 – 64) and 13,550 seniors (65+).

Given the above statistics, HSR is developing a Fare Assist program that is unique to other fare options as it is designed to look at family income. Based on the draft program currently in development, qualification for the HSR Fare Assist program will require an annual application and approval process, and should the applicant be approved, the program will offer a 30% subsidy to existing Council-approved fares. The fare assist subsidy will also be extended to approved persons' partner and children ages 0 - 17 residing in the same household.

Fare Assist is being designed to offer several features which will benefit customers:

- “Pay as you go” format will enable eligible participants to load funds only as needed on their PRESTO card and pay a reduced fare per trip, not only reducing the cost per trip, but eliminating the need to have sufficient cash to buy a monthly pass.
- The program offers greater flexibility to the customer, putting them in control of how much to load on their card at a time to fulfil their transit needs. For example, a customer can load the ticket value for their current trip only, which will cost \$1.89 for an adult, versus loading \$59.40 at once for the affordable transit pass.
- HSR loyalty program will automatically apply, meaning customers enrolled in this program will automatically receive free fare faster once they exceed the weekly ride cap for the week travelling Monday to Sunday.
- Once qualified, the subsidy will extend to household members including spouse/partner and children.

As the HSR Fare Assist program encompasses the approved applicant, their partner and children, the benefits of this program far exceed the current Affordable Transit Pass program and Temporary Transit Fare Special Program, making transit more affordable for a much higher number of Hamiltonians. Therefore, staff anticipate recommending that the two legacy policies be suspended while piloting the new program. Noting these programs are longstanding, staff will consult with stakeholders to understand the full impact of this policy change before making recommendations on the Fare Assist program to the Public Works Committee.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Revenue reduction for the children ages 6 -12 ride free program amounts to \$162,189.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Children 6-12 years Ride Free Pilot Program

In 2021, Council approved a pilot program allowing children aged 6 – 12 to ride for free until April 30, 2023. 2019 ridership figures were used to determine the impact on revenues as well as ridership to provide a guide to determine the success of the program. Revenues from 2019 totalled \$163,189 based on 81,986 rides.

Council has two fare programs that can be described as early attempts at affordable fare programs.

Affordable Transit Pass

In 2007, the Affordable Transit Pass program was introduced as a pilot. The initial program was intended for low-income earners who were below the 2006 Low Income Cut Off (LICO) limit. In 2009, the program was expanded to include OW and ODSP recipients who were also employed. The program provides a 50% discount off the Adult monthly pass (\$59.40 as of September 1, 2023), to applicants ages 18 – 64 who meet the financial requirement and have either full-time, part-time, or casual employment.

To purchase the pass, customers must come in person to the HSR office at 36 Hunter Street East to have their PRESTO card setup. This program does not include those who qualify for HSR's student or senior fares and OW/ODSP clients who are receiving transportation costs for other activities, e.g., medical costs. In 2014, Council made the program permanent and in 2019, the earning limit was raised to the most recent published Low-Income Measure After Tax (LIM-AT). The current discount is only provided to the applicant and does not extend to other family members. The annual budget for the 50% discount in the pass is \$248,680.

Temporary Transit Fare Special Program

To meet the Accessibility for Ontarians with Disabilities (AODA) Transportation Standard, which required fare parity by 2013 between conventional and accessible transit services, staff recommended that the voluntary pay policy be discontinued for those using PMD's and CNIB cardholders as it offers a greater benefit to those with specific disabilities and therefore creates inequities. The relevant clauses of the AODA legislation are included in Appendix "A" attached to Report PW23024. In absence of an alternative or replacement program, these recommendations were rejected by Council.

In 2013, Council approved a Temporary Transit Fare Special Program attached as Appendix "B" to Report PW23024. This program allows customers using a Personal Mobility Device (PMD) which includes wheelchairs, scooters, and walkers, and Canadian National Institute for the Blind (CNIB) cardholders the option to pay a fare or not when boarding (voluntary pay). There is no income or eligibility requirement for these; payment is at the discretion of the customer at time of boarding.

The Temporary Transit Fare Special Program was a combination of two long standing programs that had been offered exclusively on conventional HSR transit and were put in place to allow staff time to develop a new fare discount program, which to date, has not been undertaken. The annual cost of the Temporary Transit Fare Special Program is \$1,092,722.

The first program is the voluntary pay program which was introduced to incentivize persons to use low-floor buses when they were introduced into the fleet in 1996, to decrease demand on the specialized service which was overburdened. The second program allowed CNIB cardholders to ride conventional transit at no fare but pay a fare on specialized transit. Of note, most transit agencies across Canada permit free conventional transit for CNIB cardholders.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

N/A

ANALYSIS AND RATIONALE FOR RECOMMENDATION

During this time of continued economic impact and while striving to make transit more affordable in an equitable manner, HSR recommends making children 6 – 12 years of age using a PRESTO card free permanently.

The free fares for children 6 -12 years old has been well received. Hamilton Public Library became a lead partner in the program and provided more than 4,000 free PRESTO cards to participants. In 2022, 136,856 rides were taken by children aged 6 - 12 representing a 67% increase for this group in a year that saw ridership significantly below pre-pandemic levels.

McMaster University's Transit Research Informed Practice (TRIP) Lab evaluated the program. A survey of 338 participants noted tangible and intangible benefits of the pilot program. Participants shared many perceived benefits and outcomes including saving the planet 87%, saving money 85%, getting to places in the community 83%, and participating in physical activity 70%. In addition, nearly 80% of participants believed the program improved their quality of life. Based on the improved ridership and the family outcomes, staff are recommending this program become a permanent offering. GO Transit, TTC, Durham Region, Oakville, Mississauga, and Burlington have implemented similar programs.

The Fare Assist program is designed to be an inclusive program; however, the implementation will impact customers who currently have access to the Affordable Transit Pass or the Temporary Transit Fare Special Program, therefore it is important to understand the impact of suspending these programs through consultation.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

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 PW23024 – AODA Transportation Standard – Fare Parity

Appendix “B” to Report PW23024 – Council Follow Up Notice