



City of Hamilton

Report for Consideration

To: Chair and Members
Public Works Committee

Date: April 13, 2026

Report No: PW26047

Subject/Title: Update to Bylaw 26-034 Regarding Transit Fares

Ward(s) Affected: (City Wide)

Recommendations

That the draft by-law to amend the By-law No. 26-034, being a by-law to Establish Certain 2026 User Fees and Charges for Services, Activities or the Use of Property, to reflect a change in User Fees for Transit Fares prepared in a form satisfactory to the City Solicitor and attached as Appendix A to Report PW26047, **BE ENACTED.**

Key Facts

- This report seeks Council approval to amend City of Hamilton User Fees and Charges By-law No. 26-034 to remove the Hamilton Street Railway (HSR) transit fare increase scheduled for September 1, 2026.
- The September 1, 2026, fare increase was intended to align with the Year 1 service enhancement of HSR Next.

- As the HSR Next service enhancements is not proceeding in 2026, the associated fare increase is no longer required.
- Removing the scheduled fare increase aligns transit fares with the current level of service and the approved 2026 operating budget.

Financial Considerations

The September 1, 2026, transit fare increase included in By-law No. 26-034 had originally been associated with the anticipated implementation of HSR Next service enhancements. As these service enhancements will not proceed for 2026, both the added operating costs and the associated revenue were removed during the 2026 budget process and are not reflected in the approved operating budget.

Background

The User Fee report is presented to Council in advance of the municipal levy budget. Council approved Report FCS25053 City of Hamilton User Fees on December 10, 2025.

Analysis

The September 1, 2026, transit fare increase approved through Report # *FCS25053* and incorporated into City of Hamilton User Fees and Charges By-law No. 26-034 was intended to align with the planned implementation of Year 1 of HSR Next. These service improvements were expected to increase service levels and improve reliability across portions of the transit network and formed the rationale for the fare increase.

Subsequent decisions regarding municipal tax affordability led to a pause on the implementation of HSR Next service improvements for 2026. As a result, the circumstances supporting the scheduled fare increase have changed. In reviewing the scheduled fare increase, staff considered whether the increase should remain in place despite the change in service plans. While Council has the authority to proceed with the increase, staff are recommending that the increase be removed so that transit fares

remain aligned with the level of service that will be delivered in 2026. Maintaining the approved fare increase in the absence of the planned service improvements would result in transit customers paying higher fares without receiving the service benefits that were originally anticipated.

Legal Considerations

Transit fares are established through the City of Hamilton User Fees and Charges By-law No. 26-034. As the September 1, 2026, fare increase is currently included in the by-law, Council approval is required to amend the by-law to remove the scheduled increase.

Staffing Considerations

N/A

Alternatives

Alternative 1

Council could choose to maintain the transit fare increase currently included in By-law No. 26-034, allowing the increase to take effect on September 1, 2026. Maintaining the fare increase would generate additional transit revenue \$360,000 for 2026; however, staff do not recommend as it is no longer tied to a service increase and it does not align with the mayor's affordability directive.

Relationship to Council Strategic Priorities

1. Sustainable Economic & Ecological Development
 - 1.1. Reduce the burden on residential taxpayers

Amending By-law No. 26-034 supports Priority 1.1 which address affordability for the residents of Hamilton. This is a matching of value for service provided.

Previous Reports Submitted

[FCS25053 2026 Tax Supported User Fees](#)

Consultation

Transit Business Administrator, Corporate Services

Manager – Finance and Administration, Corporate Services

Solicitor, Corporate Services

Appendices and Schedules Attached

Appendix A: Draft By-law to amend By-law No. 26-034 to Establish Certain 2026 User Fees and Charges for Services, Activities or the Use of Property and to Repeal By-law No. 25-023.

Prepared by:

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Submitted and Recommended by:

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