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**Sent:** Saturday, April 11, 2026 9:19 AM  
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**Subject:** GIC April 15th - HSC26029 - User Fee Framework Project re: Transit Pg 108 Appendix A

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Sorry Folks, but if our Fare Box Recovery rate averaged 40% during 2022 to 2024, then we've overcharged the property taxpayers by @ \$80,000,000 via the Transit Operating Levies during that period of time. I don't think we 'overcharged' however I do think our recovery rate was closer to 20% and pertinent details need clarification.

**Hence, I'm respectfully requesting that Committee ask:**

- 1. If there are any other sources of revenue in 'Fare Box' revenue that the consultant included in their analysis; and**
- 2. Why is there is an \$80,000,000 differential between what the consultant has stated was our 'City Cost' for Transit operations v. Transit Operating Tax revenue streams**

If it's helpful, my attempts to reconcile are as follows:

A. Revenue allocated to Operating Costs v. City Subsidies in Report:

	Transit Operating Levies (A)	+	Provincial Gas Tax Funds** Trx to Operating (B)	=	City "Cost"	V.	Gap* in Report Pg 108 Appendix B	
2022	\$ 70,526,331		\$ 11,699,000		\$ 82,225,331		\$ 53,000,000	
2023	\$ 76,628,486		\$ 11,699,000		\$ 88,327,486		\$ 90,000,000	
2024	\$ 91,714,890		\$ 11,699,000		\$ 103,413,890		\$ 52,000,000	
	\$ 238,869,707		\$ 35,097,000		\$ 273,966,707		\$ 195,000,000	Difference: -\$ 78,966,707

\*Gap in this context is the City Subsidy / Operating Costs net of Fare Revenue

B. If \$12,000,000 transfer of Gas Tax funds are excluded: as a 'City Subsidy'

	Transit Operating Levies (A)	+	No Other Sources of Non-Fare Box Revenue	=	City "Cost"	V.	Gap* in Report	
2022	\$ 70,526,331		\$ -		\$ 70,526,331		\$ 53,000,000	
2023	\$ 76,628,486		\$ -		\$ 76,628,486		\$ 90,000,000	
2024	\$ 91,714,890		\$ -		\$ 91,714,890		\$ 52,000,000	
	\$ 238,869,707		\$ -		\$ 238,869,707		\$ 195,000,000	Difference: -\$ 43,869,707

C. If Gas Tax Funds are credited as 'Fare Box' Revenue there's still \$9M unaccounted for (which if so, skews recovery rate & misleads the public)

Alternatively, if Provincial Gas Tax Funds are being credited as "Fare Box" Revenue, for the purposes of this reports						
Recovery calculations then:						
	Transit Operating Levies (A)	-	Provincial Gas Tax Funds Trx to Operating (B)	=	City "Cost" V.	Gap* in Report
2022	\$ 70,526,331		\$ 11,699,000		\$ 58,827,331	\$ 53,000,000
2023	\$ 76,628,486		\$ 11,699,000		\$ 64,929,486	\$ 90,000,000
2024	\$ 91,714,890		\$ 11,699,000		\$ 80,015,890	\$ 52,000,000
	\$ 238,869,707		\$ 35,097,000		\$ 203,772,707	\$ 195,000,000
						Difference: -\$ 8,772,707

\*\* Provincial Gas Tax Funds  
 The Ontario government invests over \$380 million to help 106 municipalities improve local transit  
 Funding can be used to expand service hours, increase routes, purchase new vehicles and improve accessibility to increase transit ridership.  
 Hamilton's annual allocation is @ \$12,400,000  
 Council direction has been to automatically allocate majority of funding to annual operating & allocate capital improvements to the General Levy.

In summary, I think our Fare Box revenue recovery rate (actual user fees v operating costs) was likely @ 21% (lowest of our comparables) during a period of time when our target was 50%.

I think it's extremely important that Council gets clarity on this since many decisions will be made re: Transit Fares, Subsidies, Transit Area Rating as well as potentially future Council redirection on the allocation of Provincial Gas Tax Funds (for capital projects to expand transit outside of the present boundaries).

With respect,

Viv Saunders