



TO:	GENERAL COMMITTEE
SUBJECT:	BARRIE TRANSIT FARE STRATEGY
WARD:	ALL
PREPARED BY AND KEY CONTACT:	T. TURNER, CPA, CGA SUPERVISOR OF BUSINESS SERVICES, EXT 5187
SUBMITTED BY:	B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY
EXECUTIVE DIRECTOR APPROVAL:	R. JAMES-REID, EXECUTIVE DIRECTOR – ACCESS BARRIE
CHIEF ADMINISTRATIVE OFFICER APPROVAL:	M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Barrie Transit Fare Strategy attached as Appendix "A" to Staff Report TPS002-19 be adopted in principle and used as the guiding document over the next twelve (12) years.
2. That the fare increases identified within the Barrie Transit Fare Strategy be approved through the annual Business Plan and Fees By-law.
3. That Fees By-law 2019-023 be amended by deleting Schedule 'O', Transit Department and replacing it with the Schedule 'O' attached as Appendix "B" to Staff Report TPS002-19, effective November 1, 2019.
4. That during the month of June, 2019 free transit services be provided to seniors in recognition of "Seniors' Month".
5. That the Barrie Transit transfer validity time be extended from 60 minutes to 75 minutes effective November 1, 2019.

PURPOSE & BACKGROUND

6. A twelve (12) year fare strategy has been developed to align with three terms of Council that will allow Barrie Transit to minimize price increases over this period and imbed the strategic guiding principles. The Fare Strategy attached in **Appendix A** will aim to support the following fare objectives that are aligned within our 5 Year (2018-2023) Transit Business Plan.
 - a) Invest in the future of transit – develop a fare strategy that supports the future vision of transit to provide the best customer experience possible.
 - b) Balancing affordability and fiscal responsibility - recognizing that increased transit fares may create a financial barrier for riders but understanding the rising cost of transit service and maintaining the same cost recovery levels to demonstrate accountability to our taxpayers.
 - c) Simplicity - minimizing the number and complexity of transit fares to ensure all riders can easily purchase the best product for their needs.

- d) Incentivize – developing a fare strategy that attracts and encourages residents to utilize Barrie Transit and rewarding riders for increased use of the transit system to create a win-win partnership.
7. The future of transit is promising and several key investments in transit have been made to date and are planned in the coming years including but not limited to the following.
- a) Investments in technology including MyRideBarrie.ca; Bus Stop Next Bus text or call; Automated Next Stop Call System; Automatic Passenger Counters (APC); Interactive Voice Response (IVR) system; Trip Planning; DriveCam system; Closed Circuit Television (CCTV) cameras; and Fare Boxes that will support the eventual implementation of a smart card solution;
- b) Creating partnerships such as the Universal Transit Pass (U-Pass) with Georgian College and the launch of additional routes, service, and extended hours including the City's first express service (Route 100 and Late Night Loop) that benefit all transit riders;
- c) Planned relocation of the City's main transit terminal to the Allandale GO station that will improve connectivity to the Regional Express Rail (RER) service, improve service and amenities for riders, and relocate to both a more central location within the city and the future Essa corridor that will see significant intensification;
- d) Development of a future transit vision map that will outline planned service in the annexed lands and optimize existing routes to the changing landscape within the City that will support future modal share targets for transit;
- e) Exploration of Transit on Demand to accommodate low ridership areas, recently developed areas and potentially late night service.
8. The Transit department like all municipal operations are subject to uncontrollable rising costs such as salaries and benefits (labour agreements), utilities (rates), fuel prices, and in the case of Barrie Transit the annual inflationary factor applied to the City's third party service provider for transit service. The department currently operates at an approximate 33.5% revenue to cost rate with a recent uptick from the Universal Transit Pass (U-Pass).
9. The City hasn't increased the transit cash fare since 2013, however to maintain fiscal responsibility to our tax base the City will need to plan for fare increases to offset rising costs while recognizing the impact price increases will have to our existing transit riders. An adult monthly pass is currently \$86.00 per month or \$1,032.00 per year which compared to the estimated annual cost of \$10,000 to operate a car in Canada provides tremendous value and affordability to our riders. On average the cost per trip of a Barrie Transit monthly pass holder is between \$1.05 and \$1.33.

ANALYSIS

10. Existing transit fares are outlined in the following table.

	Child		Student	Adult	Senior
	0 – 5	6 – 12	13 – 18*	19 – 64	65+
Cash Fare	FREE	\$3.00	\$3.00	\$3.00	\$3.00
Ride Card (6 or 10)		\$2.10	\$2.30	\$2.60	\$2.10
Monthly		\$56.00	\$66.00	\$86.00	\$56.00
U-Pass	\$86.00/Semester				
Day Pass	\$7.50				

	Child	Student	Adult	Senior
Family Day Pass	\$9.00			

11. The anticipated \$5.9 million in annual transit revenue for 2019 is comprised of the following.

	Child	Student	Adult	Senior	Total	%
Cash	\$ 9,486	\$ 409,757	\$ 879,641	\$ 217,610	\$1,516,495	25.8%
Ride Cards	\$ 5,069	\$ 161,925	\$ 861,731	\$ 131,989	\$ 1,160,714	19.7%
Passes	\$ 12,526	\$ 1,950,440	\$ 1,068,873	\$ 171,644	\$ 3,203,482	54.5%
Total	\$ 27,081	\$ 2,522,122	\$ 2,810,245	\$ 521,243	\$ 5,880,691	
%	0.5%	42.9%	47.8%	8.9%		

The Universal Transit Pass (U-Pass) represents \$1,558,062 of the projected \$1,950,440 pass revenue for students.

12. The following paragraphs highlight the key recommendations within the Fare Strategy and associated analysis and rationale.

Cash Fare

13. A comparison of transit cash fares to comparable municipalities has identified the following.

Municipality	Cash Fare
Oakville	\$ 3.75
Durham Region*	
Milton	
Burlington	\$ 3.50
Sudbury*	\$ 3.30
Grand River	\$ 3.25
TTC (Toronto)	
Kingston	
St. Catharines*	\$ 3.00
Median	
Windsor	
Barrie	
Hamilton	
Guelph	\$ 2.75
North Bay	
Thunder Bay	
London	

*Other cash fares

14. Barre Transit currently resides at the median cash fare of \$3.00 among surrounding and comparable municipalities and slightly below the \$3.19 average of polled fares with larger transit agencies closer to the Greater Toronto Area representing the higher end of the fare spectrum. The Fare Strategy recommends a cash fare increase for adults and students from \$3.00 per trip to \$3.25.
15. A recent research paper by McGill University 'Transportation Research Part A 116 (2018) 434-445' produced a regression model for transit ridership that estimates a 10% increase in fares decreases ridership by 2% and will be used in estimating the impact to the transit revenue.

16. Applying this to our existing cash fare revenue the proposed \$0.25 cash fare increase for adults and students would produce an increase of \$104,400 in transit revenue. The \$0.25 cash fare increase was selected to maintain the ease of payment for riders and avoid the confusion of incrementally increasing the cash fare annually.
17. Although a \$0.25 cash fare increase appears significant in a single year over year percentage, when taking into consideration the fare strategy only recommends a single cash fare increase between 2013 – 2023 or 0.8% per annum; or alternatively a 1.7% increase per annum over the 2019 – 2023 horizon the cash fare increase can be justified in comparison to the actual increase in costs to operate the transit service (2.0% average annual increase between 2014-19). Barrie Transit has also provided additional service from 2013 to 2019 by increasing service hours from 148,856 to 174,375(2.7% per year).

Ride Cards

18. A comparison of transit ride cards to comparable municipalities has identified the following.

<i>Municipality</i>	<i># Rides</i>	<i>Per Ride</i>
Durham Region	10	\$ 3.15
Milton	10	\$ 3.00
Oakville	1*	
TTC (Toronto)	1*	
Guelph	10	\$ 2.80
Burlington	10	\$ 2.75
Grand River	5	
North Bay	10	\$ 2.70
Median	10	
Sudbury	5 / 10	\$ 2.60
Barrie	6 / 10	
St. Catharines	10	
Windsor	5	\$ 2.53
Kingston	6	\$ 2.50
Thunder Bay	10	\$ 2.48
Hamilton	1*	\$ 2.40
London	5	\$ 1.90

*Presto

19. Barrie Transit currently resides just below the median per ride fare of \$2.70 among surrounding and comparable municipalities with larger transit agencies closer to the Greater Toronto Area again representing the higher end of the fare spectrum.
20. The Barrie Transit Fare Strategy recommends the following increases in ride cards which will result in an increase in fare revenue of \$58,700 within the 2020 Business Plan.

<i>Ride Cards</i>	<i>Current</i>	<i>Proposed</i>	<i>Revenue</i>
Student	\$ 2.30	\$ 2.45	\$ 8,100
Adult	\$ 2.60	\$ 2.80	\$ 50,600
Total			\$ 58,700

21. The proposed ride card fares are proportionately similar increases as to the cash fare. If the proposed ride card fare changes were not similar to cash fare it would increase the likelihood that current cash fare paying customers would purchase ride cards instead thereby reducing the full projected increase in revenue.

22. As demonstrated in the municipal comparator table the City of Barrie is an outlier in carrying two different multi-ride cards (6 ride and 10 ride) and therefore the Fare Strategy recommends the consolidation into a single 10 ride card product. The per ride cost between the existing 6 ride and 10 ride cards are the same per unit fare (there is no added discount to purchasing a 10 ride). The 10 ride card is also the most common within the 15 municipalities sampled and aligns with the number of trips in a 5 day work week. Finally, a 10 ride purchase is deemed to be more appropriate to receive the 13-30% discount off the cash fare.

Monthly Passes

23. A comparison of transit monthly passes to comparable municipalities has identified the following.

<i>Municipality</i>	<i>Monthly</i>
TTC (Toronto)	\$ 146.25
Oakville	\$ 125.00
Durham Region	\$ 117.00
Hamilton	\$ 105.60
Burlington	\$ 97.00
Windsor	\$ 95.70
Sudbury	\$ 93.00
St. Catharines	\$ 92.00
Median	\$ 89.00
North Bay	\$ 86.00
Barrie	
Grand River	
Milton	\$ 81.00
London	
Guelph	\$ 80.00
Thunder Bay	\$ 77.00
Kingston	\$ 76.00

24. Barrie Transit currently resides just below the median of \$89.00 per month among surrounding and comparable municipalities.
25. The Barrie Transit Fare Strategy recommends the following increases in monthly passes which will result in an increase in fare revenue of \$13,050 within the 2020 Business Plan.

<i>Monthly</i>	<i>Current</i>	<i>Proposed</i>	<i>Revenue</i>
Student	\$ 66.00	\$ 66.75	\$ 3,450
Adult	\$ 86.00	\$ 87.00	\$ 9,600
Total			\$ 13,050

26. The proposed fare increases were purposely kept low (1.1% - 1.2%) to incentivize riders to purchase monthly passes. The monthly pass provides a steady revenue stream for the City and also gives unlimited access to transit service and allows riders to travel freely within the City as needed and desired.
27. Increased ridership also benefits the City through additional Provincial Gas Tax funding based on 30% population and 70% ridership. The City is set to receive \$2,284,068 in funding for the Barrie and Essa Township municipalities. The following represents the average trips taken by monthly pass holders and the great value the monthly pass provides.

Pass	Average Rides / Month	Fare per Ride
Student	49.5	\$1.33
Adult	64.6	\$1.33
Senior	53.4	\$1.05

28. In addition, incentivizing monthly passes over ride cards and cash fare results in less transaction and more efficient fare validation (quicker entry on buses to keep on time). Finally, by keeping monthly pass fares low the Fare Strategy provides a transit product for our most frequent riders that will only have a minimal fare change from our current pricing.

FREE Transit for Children 0 - 12

29. Barrie Transit currently offers free transit for children 0 – 5 years of age and provides discounted fares for children 6 – 12 years of age. This age range is a target group for Barrie Transit through class seminars, the recent Field Trip pass, and outreach events. The City is intent on providing education on Barrie Transit to increase the comfort level of new riders using the system for the first time. This will encourage young riders to use the system as they enter high school and throughout their lives.
30. The 6 – 12 age range currently only represents 0.5% of total fare revenue or \$27,000 in annual revenue. City staff feel this is a small investment to encourage new and future riders and within the Fare Strategy are recommending free transit for all children 0 – 12 years of age. Free transit for this age range will also lessen the burden for families (parents with young children, older siblings) utilizing the system and create new opportunities for families to become choice riders.
31. The investment will protect and enhance current and future revenue streams and City staff believe this change will encourage future paying transit riders that will offset initial lost revenue. In addition, the increased ridership will likely result in increased provincial and federal funding based on existing funding models.

FREE Transit for Seniors in June to Promote “Seniors’ Month”

32. The following tables represent a comparison of monthly passes for seniors.

Municipality	Senior Mthly	Eligible	FREE
TTC (Toronto)	\$ 116.75	65 +	
London	\$ 81.00	18 +	
Grand River	\$ 73.00	65 +	Veteran
Guelph	\$ 68.00	65 +	Veteran
North Bay	\$ 61.00	60 +	
Oakville	\$ 60.00	65 +	Mondays
Burlington	\$ 59.25	65 +	
St. Catharines	\$ 57.00	65 +	
Median	\$ 56.50	65 +	
Kingston	\$ 56.50	65 +	
Sudbury	\$ 56.00	65 +	
Barrie	\$ 56.00	65 +	
Thunder Bay	\$ 55.00	60 +	
Milton	\$ 52.00	65 +	
Windsor	\$ 48.40	60 +	\$1 First Week June
Durham Region	\$ 46.00	65 +	

<i>Municipality</i>	<i>Senior Mthly</i>	<i>Eligible</i>	<i>FREE</i>
Hamilton	\$ 29.50	65 +	80 +

33. The following tables represent a comparison of ride cards for seniors.

<i>Municipality</i>	<i>Per Ride</i>
North Bay	\$ 2.70
Thunder Bay	\$ 2.48
Grand River	\$ 2.40
Guelph	\$ 2.25
Sudbury	\$ 2.10
Median	
Barrie	
Milton	
Durham Region	
TTC (Toronto)*	\$ 2.05
Kingston	\$ 2.00
St. Catharines	
Hamilton	
Windsor	\$ 1.98
Oakville	\$ 1.90
Burlington	
London	

* Presto

34. The City of Barrie has a devoted and engaged seniors' community and the Fare Strategy proposes a multi-prong approach that maintains cash fare at \$3.00; ride cards at \$2.10 per ride; introduces free transit for Seniors' for the month of June; and incrementally increases passes from \$56.00 to \$56.50.
35. The introduction of free transit for seniors in June is intended to align with Seniors' Month and provide the opportunity to attend various events throughout the month by using the transit system at no cost. Seniors would be able to build their comfort with the transit system during a fair weather month to ultimately conclude if the transit system provides a viable transportation option throughout the year. It will also allow seniors the option to run errands, travel to medical appointments, shop for necessities, or connect with family and friends throughout the month.
36. Stemming from motion 19-G-038 that directed staff to investigate the possibility of offering free transit to seniors in the City of Barrie between 10:00 a.m. and 3:00 p.m. for the month of June 2019 to promote Seniors Month; Barrie Transit staff met with the Seniors Advisory Committee on June 11th, 2019 and will plan additional consultation with members of the community to gain feedback on whether the free month of June for Seniors is optimal or if an alternative such as a free day of the week year round would be preferred. Following public consultation if the preference is contrary to the current proposed fare strategy for seniors, City staff will include this recommendation within the 2020 Business Plan for consideration by Council.
37. Avoiding increases to cash fare; ride cards; and incrementally increasing the monthly pass fare; are all intended to maintain affordability for seniors. The same research paper by McGill University estimates a 10% decrease in fares increases ridership by 4%. Future fare increases are minimized within the Fare Strategy to maintain affordability and incentivize monthly passes.
38. The following represents the revenue impact of the proposed changes for seniors within the Fare Strategy on the 2020 Business Plan.

Fare	Revenue
Cash	\$ (18,000)
Ride Cards	\$ (11,000)
Monthly	\$ (13,100)
Total	\$ (42,100)

39. The following non-financial considerations are also recommended within the Fare Strategy.

Transfer Validity Times

40. Barrie Transit currently has a 60 minute transfer policy. A transfer is provided to a rider at the initial onset of their trip and is eligible for 60 minutes from that time. With the travel time on the initial bus plus the wait time between connecting buses there is the potential a rider's transfer won't be eligible to complete their trip during off peak service (evenings and weekends) when Barrie Transit has 60 minute service.
41. Feedback received through customer surveys has indicated riders are requesting an extended transfer validity time. Alternatively, increasing the transfer validity time for too long creates additional risk of riders using a single transfer to travel to and from a destination which is outside of the intent of a transfer to complete a single trip. The Fare Strategy proposes increasing the transfer validity time by an additional 15 minutes to accommodate our riders while still minimizing the risk of abuse.

Partnership Opportunities

42. Barrie Transit staff have recently partnered with Georgian College on the launch of the Universal Transit Pass (U-Pass) that will give 16,000+ full-time students unlimited access to the transit system with a significantly discounted fare through mandatory participation and has subsequently increased ridership 35% since the fall of 2018.
43. In addition, Barrie Transit has recently partnered with the Simcoe County District School Board (SCDSB) and the Simcoe Muskoka Catholic District School Board (SMCDSB) for a Field Trip Pass pilot that will engage local schools in using Barrie Transit for class trips at no cost. Barrie Transit staff believe there are future opportunities to partner with the school boards to create beneficial agreements for both parties to find efficiencies and get more students using the transit system.
44. Barrie staff will continue to explore all opportunities to grow and enhance the Barrie Transit system with the goal of increasing ridership; reducing traffic congestion and parking requirements; reducing the environmental footprint; and supporting the local economy.

Technology

45. The Fare Strategy outlines the significant investment that has been made in our existing fleet, infrastructure, and related technologies. It also recognizes the importance of automating our payment systems and outlines the timeline for the review of a smart card payment system in 2020 with a potential implementation in 2021 or an outer year depending on the scope and preferred solution.
46. New technology may bring additional opportunities to enhance our Fare Strategy (i.e. dynamic pricing). Barrie Staff will re-evaluate the proposed Fare Strategy as new opportunities or significant influencers present themselves.

Communication Plan

47. Upon Council approval, City staff will develop a communication plan to educate and advise of upcoming changes to the Barrie Transit fare structure. With the anticipated launch of the Fare Strategy for November 1st, 2019 staff would plan to communicate with transit riders over the months leading up to the launch.

ENVIRONMENTAL MATTERS

48. There are no environmental matters related to the recommendation.

ALTERNATIVES

49. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could choose not to approve the proposed Barrie Transit Fare Strategy.

This alternative is not recommended as it would limit the City's ability to offset rising costs, maintain the current cost recovery levels, and achieve the goals identified within the fare strategy.

FINANCIAL

50. The below represents the anticipated financial impact of the proposed fare strategy on the 2020 Business Plan.

Recommendation	Change (\$)
Cash Fares	\$ 104,400
Ride Cards	\$ 58,700
Monthly Passes	\$ 13,050
Free Transit for Children 0 - 12	\$ (27,000)
Free Transit for Seniors in June	\$ (42,100)
Total	\$ 107,050

51. Adoption of the Fare Strategy in full over the 2019 – 2031 horizon will result in an additional \$699,550 compared to existing fare revenue levels as evidenced in the following table. This would not include additional revenue from the U-Pass agreement with Georgian College, growth in ridership, or other revenue sources such as Intercity Sales Commissions, advertising revenue, storage or rental revenue, other funding sources, etc.

Year	Additional Revenue
2020	\$ 107,050
2021	\$ 18,000
2022	\$ 18,500
2023	\$ 18,000
2024	\$ 214,500
2025	\$ 18,000
2026	\$ 18,500
2027	\$ 18,000
2028	\$ 214,500
2029	\$ 18,000

2030	\$ 18,500
2031	\$ 18,000
Total	\$ 699,550

LINKAGE TO 2018–2022 STRATEGIC PLAN

52. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:
- ☒ Growing Our Economy
 - ☒ Offering Innovation and Citizen Driven Services
 - ☒ Improving the Ability to Get Around Barrie
53. The implementation of the 12 year Fare Strategy will maintain the current subsidy levels from the tax base and incentivize transit ridership that will result in decreased traffic congestion, decrease the need for parking facilities, and reduce Green House Gases.



APPENDIX "A"

12 YEAR PRICING STRATEGY



APPENDIX "B"

USER FEES SCHEDULE 'O'