

2

YRT/VIVA MID-YEAR FARE REVIEW

The Transportation Services Committee recommends the adoption of the recommendations contained in the following report dated June 1, 2011, from the Commissioner of Transportation Services.

1. RECOMMENDATIONS

It is recommended that:

1. The existing 2011 fare structure and pricing remain in place for the balance of 2011.
2. Any fare increase be considered in September as input to the 2012 business planning and budget process.

2. PURPOSE

This report responds to a Regional Council direction for a mid-year review and update on YRT/Viva fares.

3. BACKGROUND

YRT/Viva fares have been kept at their current level since January 2009

The last YRT/Viva fare increase was approved by Regional Council in September/October 2008 in conjunction with the 2009 budget. Regional Council subsequently approved extending a freeze of fares for 2010. During 2011 budget discussions, Regional Council approved a continued freeze of fares subject to a mid-year 2011 review. This review would consider such variables as YRT/Viva ridership trends and other GTA transit fare increases etc.

The economic downturn significantly reduced ridership and revenues in 2009 and portions of 2010

YRT/Viva ridership and revenues decreased well below budget targets from the fall of 2008 until about the fall of 2010. The final 2010 ridership figure was about 600,000 trips below the 2010 budget target of 20.1 million trips.

Over the past year there has been a significant focus on performance improvements with many schedule changes and additional service added to routes with increasing ridership.

During the past six to nine months, ridership has shown consistent improvement. Current projections are that ridership is on track to exceed the 20.1 million budget target for 2011 and possibly even reach 21 million for the first time.

4. ANALYSIS AND OPTIONS

As of the preparation date of this report, only two GTA transit agencies have revised their fares for 2011. Mississauga (as of April 4) and Brampton (as of March 28) increased their fares. The impact of these changes is reflected in the comparison grid as *Attachment 1*. It should be noted that Brampton and York are the only agencies with a \$3.25 cash fare. All others remain below this, most at \$3.00.

The amounts stated in the following options are estimates only and are based on a hypothetical \$0.25 cash fare increase accompanied by a \$0.20 increase for adult and student tickets, \$0.10 for seniors\children with corresponding increases in monthly pass prices.

Option 1: Two stage rate increase split between September 1, 2011 and January 1, 2012 – 2011 revenue estimate \$350,000 to \$410,000 – Not Recommended

A fare increase could be split between the fall of 2011 and the beginning of 2012. This would stagger the impact to riders and yield some additional revenue for 2011. However, as the printing and production costs associated with any fare increase would be incurred twice in a very short period, this would seem to be an inefficient option.

Option 2: Single step increase as of September 1, 2011 – 2011 revenue estimate \$700,000 to \$830,000 – Not Recommended

A full fare increase for the fall could be implemented. However, as there is a minimum two and a half month lead time to produce the new fare media, this could only be implemented as of September. Thus only about one third of any annual value would be applicable to the 2011 budget year.

Such a fare increase would result in about \$700,000 to \$830,000 in additional revenue realized in 2011. The annual increase in revenue would be \$2.1 to \$2.5 million.

Option 3: Single step increase as of January 1, 2012 – 2011 revenue estimate \$0 – Recommended

There are several factors to include when considering implementing a YRT/Viva fare increase during 2011. Based on these following factors it would be prudent to maintain existing fares until January 1, 2012:

- Service disruptions are expected due to vivaNext construction, which is just beginning. A fare increase would be perceived by transit customers as an additional hardship and potentially send a negative signal - further worsening the anticipated ridership impact.
- The upward ridership trend, which has been underway for more than 6 month's needs to be nurtured and supported. Price sensitivity and associated transit fare elasticity's will impact ridership. A frequently used rule-of-thumb known as the Simpson-Curtin rule is that with each 3% fare increase ridership is reduced by 1%. As such, a fare increase at this time would be perceived negatively and might curtail some of the existing momentum.
- The relative position of YRT/Viva fares when compared to other GTA transit agencies. (Refer to Appendix A). It should be noted that YRT/Viva fares are currently at the higher end of the range for cash and adult fares, which account for a majority of YRT/Viva ridership (65%). However, they are in the lower end of the range for students and senior/child fares (35%).
- In the past, YRT/Viva fare increases have led the rest of the GTA systems, both in terms of timing and the magnitude of the increases. By deferring consideration of an increase, there is more time for an indication of our peer systems intentions and therefore better comparative data.

5. FINANCIAL IMPLICATIONS

Option 3 is recommended and would result in no financial implications in 2011, if fares are maintained at existing rates until 2012.

6. LOCAL MUNICIPAL IMPACT

All residents of York Region will be affected by the fares set for transit, regardless of the local municipality in which they live.

7. CONCLUSION

In order to support the upward trending ridership and mitigate potential negative impacts of vivaNext construction, it is recommended that per Option 3 the existing fare structure and pricing continue for the remainder of 2011. Any possible fare increase should be considered in the fall as part of the 2012 business planning and budget process.

For more information on this report, please contact Paul Tobin at Ext. 5691.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)

GTA FARE COMPARISONS

as of March, 2011

Fare Category	2011 YRT	2011 TTC	2011 Mississauga	2011 Brampton	2011 Oakville	2011 Burlington	2011 Hamilton	2011 Durham	Avg Fare
Adult Cash	\$ 3.25	\$ 3.00	\$ 3.00	\$ 3.25	\$ 3.00	\$ 3.00	\$ 2.55	\$ 2.90	\$ 2.99
Adult Ticket	\$ 2.60	\$ 2.50	\$ 2.50	\$ 2.65	\$ 2.55	\$ 2.50	\$ 2.00	\$ 2.63	\$ 2.49
Adult Monthly Pass	\$ 105.00	\$ 121.00	\$ 116.00	\$ 107.00	\$ 88.00	\$ 88.00	\$ 87.00	\$ 97.00	\$ 101.13
Student Cash	\$ 3.25	\$ 2.00	\$ 3.00	\$ 3.25	\$ 3.00	\$ 3.00	\$ 2.55	\$ 2.70	\$ 2.84
Student Ticket	\$ 1.90	\$ 1.65	\$ 2.25	\$ 2.45	\$ 2.10	\$ 1.70	\$ 1.65	\$ 2.42	\$ 2.02
Student Monthly Pass	\$ 75.00	\$ 99.00	\$ 101.00	\$ 100.00	\$ 58.00	\$ 64.00	\$ 71.00	\$ 81.50	\$ 81.19
Senior Cash	\$ 3.25	\$ 2.00	\$ 3.00	\$ 3.25	\$ 3.00	\$ 3.00	\$ 2.55	\$ 1.90	\$ 2.74
Senior Ticket	\$ 1.50	\$ 1.65	\$ 1.70	\$ 1.50	\$ 1.75	\$ 1.70	\$ 2.00	\$ 1.79	\$ 1.70
Senior/Child Monthly Pass	\$ 46.00	\$ 99.00	\$ 44.00	\$ 47.00	\$ 50.00	\$ 54.00	\$ 87.00	\$ 39.00	\$ 58.25
Child Cash	\$ 3.25	\$ 0.75	\$ 3.00	\$ 3.25	\$ 3.00	\$ 1.75	\$ 2.55	\$ 1.90	\$ 2.43
Child Ticket	\$ 1.50	\$ 0.55	\$ 1.65	\$ 2.45	\$ 2.10	\$ 1.40	\$ 1.65	\$ 1.79	\$ 1.64
Express Cash	\$ 3.50	Note 2	n/a	Note 4	n/a	n/a	n/a	n/a	\$ 3.50
Express Ticket	\$ 3.25	Note 2	n/a	n/a	n/a	n/a	n/a	n/a	\$ 3.25
GTA Weekly Pass +	\$ 52.00	\$ 52.00	\$ 52.00	\$ 52.00	n/a	n/a	n/a	n/a	\$ 52.00
Day Pass	n/a	\$ 10.00	n/a	n/a	\$ 10.00	n/a	\$ 9.00	n/a	\$ 9.67
GO Rail Fare Integration	\$ 0.50	n/a	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	Note 7	\$ 0.65	\$ 0.63

Notes:

1. Shaded cells indicate YRT rates that are equal to or lower than GTA average and are based on 1 zone rates.
2. Extra fare is required for Downtown Express routes and contracted routes operated by the TTC outside the City of Toronto. TTC offers weekly passes for adult \$36.00 and Student/Senior \$28.00; Child monthly/weekly pass: n/a.
3. Mississauga Transit offers weekly passes for adult \$28 and student 24.50, and Senior annual pass for \$444.00. Wonderland Express (Seasonal) cash \$8.00 and for a family of 4 \$24.00 cash; Child monthly/weekly pass: n/a; GO Sticker \$25.00.
4. Brampton Transit offers weekly passes for adults \$26.00, student/child \$24.50, and Seniors \$12.00; Wonderland Express (Seasonal) cash \$7.50 and for a family of 4 \$22.00 cash; Child monthly pass: \$96.00. Child 5 and under is free, over 5 is considered a Student.
5. Oakville Transit GO Sticker \$23.00.
6. Burlington Transit offers weekly passes for Student \$20.00 Monthly GO Sticker \$26.00.
7. Hamilton Transit offers a HSR Sticker \$15.00 - valid on bus routes when presented with GO Train ticket or pass; Senior annual pass \$205.00, Child monthly pass: \$71.00; Affordable Transit Pass Program (ends Dec '10) half price Adult Monthly pass \$43.50.
8. Durham Region Transit offers a Student unrestricted monthly pass \$ 81.50 and restricted pass \$ 68.25; Child monthly pass \$57.65. Child under 5 free. Monthly GO Sticker \$25.00 or 10 rides \$6.25. Access Monthly Pass (ODSP) \$39.00; Specialized Services Pass \$97.00/month or \$2.90 per trip.

Fare Prices Effective Since:

YRT - January 1, 2009

TTC - January 3, 2010

Mississauga - April 4, 2011

Brampton - March 28, 2011

Oakville - January 1, 2009

Burlington - January 1, 2010

Hamilton - January 1, 2010

Durham - July 1, 2009

Updated: June 1, 2011