

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Laurie Wills Director, Public Works lwills@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	December 6, 2021		
Report No.:	Public Works-072-21		
Submit comments to Council			

Subject/Title: Transit Fare Increase Proposal

RECOMMENDATION:

THAT Council direct Staff to implement the proposed transit fare increases effective January 1, 2022.

1. STRATEGIC PLAN

N/A

2. PUBLIC ENGAGEMENT

N/A

3. PURPOSE

To increase revenue and offset operating expenses associated with the Cobourg public transit system.

4. ORIGIN AND LEGISLATION

In 2014, a review of the Town of Cobourg's transit system was completed by IBI Group to provide recommendations for improvements such as providing more reliable and accessible buses, more shelters, more staffing, and subsequently increasing fares. The recommended fare increases were as follows: Increase

single ride cash and ticket fares from \$2.00 to \$2.50. Eliminate discounted single ride tickets. Increase senior monthly pass rates.

5. BACKGROUND

In 2006, Cobourg Municipal Council endorsed a cash fare increase of \$0.25 from \$1.75 to \$2.00 and monthly passes were priced at \$60.00, \$50.00, and \$30.00 for adults, students, and seniors, respectively. There have been no further changes in transit fares and transit expenses have since nearly doubled.

The chart below illustrates a comparison of the operation and maintenance of the Cobourg transit system between 2006 and 2019:

	2006	2019
Net Operating Cost (Municipal Contribution from Tax Base)	\$329,357	\$528,491

Based on the 2019 annual ridership of approximately 108,372, the Town's transit system costs the tax base \$4.88 per ride.

6. ANALYSIS

Prior to implementing any rate increases, the Town has been working towards providing a higher level of service for riders by implementing the following initiatives:

1. In 2016, the Town introduced "Where's My Bus?" app. This new web mapping application provides users with real time updates on the geographic location of the Town's transit buses at a cost of \$12,000.00.
2. In 2017 the Town installed Automated Vehicle Announcement (AVA) as a requirement of the Accessibility for Ontarians with Disabilities Act (AODA) at a cost of \$18,400.00.
3. In 2017, the Town installed Automatic Passenger Counters (APC) that provide accurate data for the Town to use to better understand and track ridership demand and user patterns at a cost of \$11,400.00
4. In 2017, the Town was successful in receiving government funding for the purchase of a new 8m Low Floor Wheels bus at a cost to the Town of \$76,930.57.
5. In 2017, the Town was successful in receiving government funding for ten (10) new bus shelters at a cost to the Town of \$32,500.00.

6. In 2017, the Town purchased a new 30' low floor conventional transit bus at the cost of \$427,300.00 to increase the transit fleet to three (3) full size vehicles. The Town now has an accessible spare 30' bus.
7. In 2020, the Town eliminated discounted single ride tickets, as recommended in the 2014 transit study. Tickets will still be available for sale at the same rate as the current cash fare.
8. In 2021, the Town purchased a 2020 8m low floor specialized vehicle, to replace a retired specialize unit with Investing in Canada Infrastructure Program (ICIP) funding at a cost to the Town of \$40,000.00.
9. In 2021, the Town commenced a one (1) year pilot project for On-Demand transit services which has opened up the service area to the whole Town from the previous two fixed routes that did not service the east or west end newer developments.
10. In 2021, the Town is implementing contactless payment hardware on all Town owned buses to introduce a smart card transit pass system that will offer monthly passes and ten (10)/twenty (20) ride passes to riders. Passes can be purchased online or at Town facilities and topped up online or by phone using the riders first purchased smart card. Cards will also soon be available for purchase at participating retailers.

The Town of Cobourg has continuously been making great efforts towards improving the transit system as economically as possible. As demonstrated herein, the recoverable expenses generated from ridership revenue is a small fraction (~10%) of the costs incurred for capital works, operation, and maintenance of the transit system. In order to further enhance the transit system and recover costs, transit fares must also be increased from time to time.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

In accordance with the recommendations of the 2014 Transit Study, Staff are recommending to increase the single use transit fare from \$2.00 to \$2.50 over the next three (3) years as follows:

Recommended Single Use Transit Fare Annual Increases

Year	Single Use Transit Fare	Total Revenue
2019	\$2.00/\$1.60	\$91,650.00
Year	Proposed Fare	Total Projected Revenue
2022	\$2.25	\$109,983.38 / \$54,991.69*
2023	\$2.25	\$109,983.38
2024	\$2.50	\$122,203.75

*COVID19 impact 50% reduction in ridership projection.

The 2022 proposed fare of \$2.50 is comparable to 2021 fares in similar municipalities:

Municipality	2021 Fare
Town of Cobourg	\$2.00
Town of Collingwood	\$2.00
City of Brockville	\$2.25
Bracebridge	\$2.50
City of Owen Sound	\$3.00
Lindsay Transit	\$2.50 (Adult)
City of Kawartha Lakes	\$2.00 (Student/Senior)

The 2014 Transit Study suggested that the senior discount was high at 50% and this was confirmed when staff made comparisons to other similar municipalities where typical discounts were found to range from 17%-28%. Staff are recommending that the senior monthly pass discount be reduced to 25% and implemented gradually over the next 3 years.

Also recommended in the 2014 Transit Study was that student monthly pass discounts should cost in between the adult monthly pass fares and the senior monthly pass fares. Currently the Town offers a student monthly pass discount of approximately 15% and staff recommend that this discount be equivalent with the senior monthly pass at approximately 25%. Staff are also proposing to eliminate the student pass after 2:00pm now that transit service runs until 10:00pm.

The following rate increases are proposed for monthly pass increases based on the 2014 Transit Study:

Recommended Monthly Transit Pass Annual Fare Increases

Year	Monthly Transit Pass Fare			Total Revenue
	Adult (282)	Senior (815)	Student (96)	
2019	\$60.00	\$30.00	\$50.00	\$45,410
Year	Proposed Fares			Total Projected Revenue
	Adult (139)	Senior (810)	Student (28)	
2022	\$62.50	\$36.25	\$48.75	\$51,995.00 / \$25,997.50*
2023	\$62.50	\$42.50	\$48.75	\$57,088.75
2024	\$65.00	\$48.75	\$48.75	\$62,887.50

*COVID19 impact 50% reduction in ridership projection.

8. CONCLUSION

Transit fares should be reviewed and adjusted regularly in order to keep pace with both inflation and to maintain a reasonable cost sharing between user and community costs. Staff will prepare a summary of transit fares from similar municipalities and prepare biennial rate increase recommendations to Council commencing in 2026 (2 years following full implementation of the current proposal). The report will also provide an opportunity for Staff to report on any

new initiatives and service improvements to reinforce the value of the service to the community.

Report Approval Details

Document Title:	Transit Fare Increase Proposal - Public Works-072-21.docx
Attachments:	
Final Approval Date:	Nov 15, 2021

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Nov 15, 2021 - 2:47 PM