To: Chair and Members
   Committee of the Whole
   PW05125a

From: Scott Stewart, C.E.T.
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Date: February 15, 2006

Re: Consideration of a Transit Fare Increase (City Wide) (PW05125a)

Council Direction:
Staff was directed to report back with follow-up information requested by Council members during the presentation of Report (PW05125) Consideration of a Transit Fare Increase, including resolutions arising from Council’s direction to consult with committees of Council: Senior’s Advisory Committee, Advisory Committee for People with Disabilities and Transit Master Plan & Gas Tax Steering Committee.

Information:
Staff provide the following responses for Council’s information:

**Question 1:** What percent of residents would migrate from work to Social Assistance as a result of the proposed fare increase?
Unknown and insufficient information available to estimate.

**Question 2:** What percent of working poor are transit users?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Low income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population 15+ who worked in 2000</td>
<td>248340</td>
<td>27775</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Public transit - -</td>
<td>22745</td>
<td>5705</td>
</tr>
<tr>
<td></td>
<td>(9.2%)</td>
<td>(20.5%)</td>
</tr>
<tr>
<td>Other Transportation - -</td>
<td>225605</td>
<td>22070</td>
</tr>
<tr>
<td></td>
<td>(90.8%)</td>
<td>(79.5%)</td>
</tr>
</tbody>
</table>


**Question 3:** What percent is Transit of the Total Levy?
Transit Levy: $25,452,830
Total Levy: $555,347,850
Transit %: 4.58%

**Question 4:** Are utility costs comparable to other departments or are they unique?
Average increases for utilities for 2006 applied across all facilities:
Heating - 9.9%
Hydro - 4.8%
Water/Sewer – 7.25%

**Question 5:** What is the percentage increase in utilities for Transit?

- Heating fuel increase $71,000 - 20.5%
- Hydro increase $96,610 - 20.2%
- Water/Sewer increase $27,520 - 92%

**Question 6:** What are the Greenhouse Gas impacts?

Answer: The Canadian government One Tonne Challenges states that "One busload of passengers takes 40 to 50 vehicles off the road during rush hour, saves 70,000 litres of fuel and avoids over 175 tonnes of emissions a year."

An Edmonton transit group website stated:

In Canada, the average late model passenger car produces between 200 and 300 grams of carbon dioxide per km driven. The greater the fuel consumption of the vehicle, the more CO2 is produced. On average, most cars tend to be single occupant vehicles, with only 1.2 and 1.4 passengers on board. Thus, traveling by automobile produces from 143 to about 250 grams of CO2 per passenger km.

By contrast, a transit bus with 25 people on board can reduce the greenhouse gas per passenger km down to about 75 grams. A full bus with 40 commuters produces about 46 grams of CO2 per passenger km. This is 1/4 to 1/6 the amount of carbon dioxide that would be spewed into the atmosphere if these same commuters traveled by private automobile.

**Question 7:** What are the average fares?

Hamilton current fares relative to Provincial Average and relative to Municipalities with Population > 150,000:

<table>
<thead>
<tr>
<th></th>
<th>Cash</th>
<th>Adult Ticket</th>
<th>Adult Pass</th>
<th>Child Ticket</th>
<th>Child Pass</th>
<th>Student Ticket</th>
<th>Student Pass</th>
<th>Senior Ticket</th>
<th>Senior Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton Current</td>
<td>$2.10</td>
<td>$1.70</td>
<td>$65.00</td>
<td>$1.35</td>
<td>$50.00</td>
<td>$1.35</td>
<td>$50.00</td>
<td>$1.70</td>
<td></td>
</tr>
<tr>
<td>Ontario Average</td>
<td>$2.13</td>
<td>$1.85</td>
<td>$65.96</td>
<td>$1.30</td>
<td>$43.40</td>
<td>$1.60</td>
<td>$53.23</td>
<td>$1.48</td>
<td>$44.03</td>
</tr>
<tr>
<td>Pop &gt; 150,000 Average</td>
<td>$2.27</td>
<td>$1.84</td>
<td>$68.50</td>
<td>$1.13</td>
<td>$45.00</td>
<td>$1.40</td>
<td>$48.53</td>
<td>$1.38</td>
<td>$38.36</td>
</tr>
</tbody>
</table>

* Hamilton Seniors Annual Pass

Canadian Urban Transit Association November 2005

**Consultation with Seniors Advisory Committee, Advisory Committee for Persons with Disabilities, Transit Master Plan and Gas Tax Steering Committee**

Resolutions from the three Advisory Committees have been included with the budget materials as submitted.

**Question 8:** What are the financial implications of reducing the Seniors Annual Bus Pass from the recommended $245 per year to $100 per year?

The budgeted annual revenue for Seniors Bus Pass at $245 is $1,059,000. The impact of a reduction to $100 would be an estimated loss on budgeted revenue of $585,000, in the absence of our ability to reliably forecast the change in sales volume. As such, the estimate is provided without adjustment for change in sales volume.
Question 9: What is the impact of eliminating area rating for Transit and levying Transit on a per capita basis.

This would have to be provided under separate report to Council led by Finance and Corporate Services.

Question 10: What is the impact or potential consequence of no fare increase on the Budget/Levy?

The budget as submitted to Council includes a revenue increase $1,510,000 related to the staff fare increase recommendation. In the absence of a fare increase, Council has the options: of passing the entire amount onto the general levy, reducing Transit service levels by an offsetting amount; or some combination of the first two options.

The earliest a fare increase could be implemented is now April 1, therefore:

- $340,000 of the $1,510,000 cannot be achieved;
- A decision to not increase the Seniors Annual Pass, would result in a further reduction of $85,000
- If Council were to “approve a fare increase as of March 1, to be fully implemented no later than April 1”, this would allow staff to pass on a rate increase to the McMaster University Pass Program contracts. A decision resulting in an approved fare increase after March 1, would result in a further budget shortfall of $85,000 associated with the McMaster Universal Pass program;
- The cash fare increase would continue to apply to HSR and DARTS programs.

The net result of all of the above would be a forecasted fare revenue increase in 2006 of $1,000,000, which is $510,000 less than what is included in the Transit budget submission.

If you have any questions, please do not hesitate to contact Don Hull, Director of Transit.

Scott Stewart, C.E.T.
General Manager
Public Works