



AGENDA

BUDGET COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, JANUARY 19, 2015 – 9:30 AM

COUNCIL CHAMBER

SECOND FLOOR, CIVIC CENTRE

300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO, L5B 3C1

www.mississauga.ca

Members

Mayor Bonnie Crombie	(CHAIR)
Councillor Jim Tovey	Ward 1
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Councillor Chris Fonseca	Ward 3
Vacant	Ward 4
Councillor Carolyn Parrish	Ward 5
Councillor Ron Starr	Ward 6
Councillor Nando Iannicca	Ward 7
Councillor Matt Mahoney	Ward 8
Councillor Pat Saito	Ward 9
Councillor Sue McFadden	Ward 10
Councillor George Carlson	Ward 11

Contact:

Mumtaz Alikhan, Legislative Coordinator, Office of the City Clerk
905-615-3200 ext. 5425 / Fax 905-615-4181

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Meetings of Budget Committee streamed
live and archived at mississauga.ca/videos

CALL TO ORDERDECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTERESTAPPROVAL OF AGENDADEPUTATIONS

- A. Service Area Presentations
- Information Technology
 - Arts and Culture
 - Environment
 - Land Development Services

* **NOTE:** To support corporate waste reduction efforts, the Service Area Presentations will not be distributed to Members of Council, staff, and the general public and can be viewed online at www.mississauga.ca/portal/cityhall/budgetcommittee.

MATTERS TO BE CONSIDERED

1. Committee of Adjustment Fees Update

Corporate Report dated January 13, 2015 from the Commissioner of Corporate Services and Chief Financial Officer with respect to the Committee of Adjustment Fees.

RECOMMENDATION

1. That the Corporate Report dated January 13, 2015 from the Commissioner of Corporate Services and Chief Financial Officer titled "Committee of Adjustment Fees Update" be received.
 2. That the Planning Act Fees and Charges By-law 288-14 be amended to increase the Committee of Adjustment Residential Application Fees from \$800 to \$900 for 2015.
 3. That direction be provided with respect to establishing a Residential Application Fee for minor applications.
2. Senior Fare Discount Options

This report was not available at the time of printing and will be distributed prior to the meeting.

CLOSED SESSION

(Pursuant to Subsection 239 (2) of the *Municipal Act, 2001*)

- A. Labour Relations or employee negotiations - 2015 union negotiations; employee compensation and Director level compensation (Verbal presentation)

ADJOURNMENT



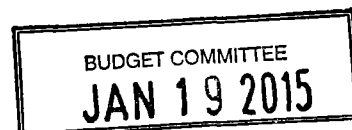
Corporate Report

Clerk's Files

Originator's
Files

DATE: January 13, 2015

TO: Mayor and Members of Budget Committee
Meeting Date: January 19, 2015



FROM: Gary Kent
Commissioner of Corporate Services and Chief Financial Officer

SUBJECT: Committee of Adjustment Fees Update

- RECOMMENDATION:**
1. That the Corporate Report dated January 13, 2015 from the Commissioner of Corporate Services and Chief Financial Officer titled "Committee of Adjustment Fees Update" be received.
 2. That the Planning Act Fees and Charges By-law 288-14 be amended to increase the Committee of Adjustment Residential Application Fees from \$800 to \$900 for 2015.
 3. That direction be provided with respect to establishing a Residential Application Fee for minor applications.

**REPORT
SUMMARY:**

- An increase of the Committee of Adjustment Residential Application Fee to \$900 is proposed for 2015.
- Staff were requested to investigate whether an application fee for minor applications such as accessory structures could be implemented.

- In addition, staff were requested to investigate the introduction of an increasing deferral fee for multiple deferrals of the same application.
- Of 16 municipalities surveyed, only 3 municipalities had a different residential application fee for minor applications.
- Of those 3 municipalities, only 1 of the minor application fees is lower than the City of Mississauga's existing residential application fee of \$800
- The fee structure proposed in 2012 and continuing to be implemented through to 2016 strikes a balance of increasing application fees to meet the anticipated processing costs of minor variance applications.

BACKGROUND:

On December 10, 2014, Budget Committee considered a report titled "Amendments to the *Planning Act* Processing Fees and Charges By-law 254-13, as amended" from the Commissioner of Planning and Building. A question regarding the Committee of Adjustment Residential application fee increase was raised regarding the possibility of including a reduced fee for minor applications such as accessory shed structures or driveway widths. In addition, the idea of having an increasing deferral fee for multiple deferrals of the same application was suggested. These matters were referred to a future Budget Committee meeting for additional information and recommendation.

By way of background information, on October 17, 2012, Budget Committee considered and approved the recommendations contained within the Corporate Report titled Proposed Changes for the Committee of Adjustment Fees and Charges under Budget Committee recommendation BC-0027-2012 which was subsequently adopted by Council on October 24, 2012. This Corporate Report is attached as Appendix 1.

Within the new fee structure, a gradual increase to Minor Variance fees was proposed over a four year period starting in 2013.

In addition, a gradual increase in fees for Consent was proposed over the same four year period. Council at that time determined that the Consent – New lot or lot addition application fee should be increased to the maximum level immediately in 2013.

The following table indicates the fees approved for 2013-2016:

Application Type	2013	2014	2015	2016
Minor Variance - Residential	\$700	\$800	\$900	\$1000
Minor Variance – All others	\$975	\$1150	\$1325	\$1500
Consent – New lot or lot addition	\$2500	\$2500	\$2500	\$2500
Consent – Easement only	\$1400	\$1600	\$1800	\$2000
Deferral Fee	\$200	\$200	\$200	\$200

COMMENTS:

In response to the question regarding the possibility of including a reduced fee for minor applications such as accessory shed structures or driveway widths, a review was undertaken to determine if any other municipality had a similar type of fee structure. As noted in Appendix 2, of the 16 municipalities surveyed and benchmarked against, 3 municipalities have a fee structure that recognizes different degrees of residential applications. Of those 3 municipalities, only 1 of the minor application fees is lower than the City of Mississauga's existing residential application fee of \$800.

The City of London Committee of Adjustment fee structure for residential applications is broken down to the following four categories:

1. Accessory Structures - \$300
2. Setbacks - \$400
3. Non-Conforming - \$800
4. All Others - \$1000

The City of Burlington has 2 residential fees. A fee of \$860 applies to applications for decks, fences, accessory buildings, walkways, pools, and additions to residential structures under 75 m² (807 sq.ft).

Applications for new detached, semi-detached or additions over 75 m² (807 sq.ft) and additional units are \$2530.

The City of Toronto has 2 residential fees. The fee for applications for additions or alterations to residential applications of 3 units or less including accessory structures is \$1452. Applications for new residential dwellings with 3 units or less are \$2530. A new residential application for more than 3 units is considered a non-residential application and the fee is \$4226.

All other municipalities, including Mississauga, do not differentiate the type of residential application fee. The Planning Act requires that the application fee only reflect the anticipated processing cost to the municipality. There is no significant difference in processing costs for different scale residential applications because each goes through the same process from initial submission to issuance of the final notice.

The same principle would apply to the deferral fee which was established to cover the costs of processing the requested deferral of the decision. The costs do not increase with additional requests for deferral so there is no justification for an increasing fee.

There may be minimal savings in the amount of time the Committee deals with an application at the hearing; however that would be unknown until the hearing date. It is also possible that an application for an accessory structure or driveway widening could be of concern to neighbouring residents and could require substantial time at the Committee hearing for review.

If implemented, clear and specific criteria would be required to identify when the reduced fees for minor applications apply (i.e. accessory structure up to 75.00m² (807.00 sq.ft.), driveway widening less than 1.00m (3.28ft.) in width). Otherwise, having a reduced fee would put Committee of Adjustment staff in the position of evaluating the application to determine if it qualifies as a minor application.

In addition, where an application has been submitted under a reduced fee and additional requirements come to light regarding the application such as amendments or clarifications of dimensions, the matter might not then qualify for the reduced fee and that Committee would need to impose the additional portion of the fee as a condition of approval.

FINANCIAL IMPACT: If the residential application fee is not increased to \$900 in 2015 there will be a shortfall in the originally anticipated revenue of \$22,500 for 2015. Should the impact of a Residential Application fee for minor applications be introduced, the impact can only be estimated once the criteria are established.

CONCLUSION: A survey of 16 municipalities was undertaken and only 3 municipalities were found that had a different residential application fee for Committee of Adjustment minor applications. Of those 3 municipalities, only 1 of the minor application fees is lower than the City of Mississauga's existing residential application fee of \$800. In addition, the processing cost of additional deferrals does not increase with subsequent deferral requests and as a result, an additional or escalating deferral fee cannot be justified. The fee structure proposed in 2012 and continuing to be implemented through to 2016 strikes a balance of increasing application fees to meet the anticipated processing costs of minor variance applications.

ATTACHMENTS: Appendix 1: Corporate Report titled Proposed Changes for the Committee of Adjustment Fees and Charges

Appendix 2: Committee of Adjustment Fee Comparison with other Municipalities



Gary Kent
Commissioner of Corporate Services and Chief Financial Officer

*Prepared By: David L. Martin, Manager of Vital Statistics and
Secretary Treasurer, Committee of Adjustment*

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Corporate Report

Clerk's Files

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Files

BUDGET COMMITTEE

OCT 17 2012

DATE: September 28, 2012

TO: Chair and Members of Budget Committee
Meeting Date: October 17, 2012

FROM: Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

SUBJECT: Proposed Changes for the Committee of Adjustment Fees and Charges

- RECOMMENDATION:**
1. That By-law 53-12 be amended incorporating the proposed 2013 Committee of Adjustment Application Fees as outlined in the Corporate Report dated September 28, 2012 from the Commissioner of Corporate Services and Treasurer entitled "Proposed Changes for the Committee of Adjustment Fees and Charges"; and
 2. That 2014, 2015, and 2016 subsequent amendments to the *Planning Act* Fees and Charges By-law incorporate the proposed Committee of Adjustment fees as outlined in the Corporate Report dated September 28, 2012 from the Commissioner of Corporate Services and Treasurer entitled "Proposed Changes for the Committee of Adjustment Fees and Charges."

**REPORT
SUMMARY:**

- A review of the Committee of Adjustment fees was undertaken;
- Increased fees are proposed over a four (4) year period in order to move towards full recovery of all costs associated with processing these applications.

BACKGROUND:

Under Section 69(1) of the Planning Act, a municipality, by by-law, may establish a tariff of fees for the processing of applications made with respect to planning matters, which shall be designed to meet only the anticipated cost to the municipality or committee of adjustment for the processing of each type of application provided for in the tariff.

Historically, fees for Minor Variance and Consent applications have been set to cover the anticipated cost of processing applications that would cover all Committee of Adjustment costs incurred by the Legislative Services Division, as well as committee members' honorariums and mileage. The costs of staff in the Planning and Building, Transportation and Works and Community Services departments involved in processing applications have not been recovered in those fees. There is the equivalent of 3.75 full time employees (FTE) involved in providing comments on a regular basis to the Committee of Adjustment from the Planning and Building, Transportation and Works and Community Services departments.

In an effort to recover all costs associated with processing these applications, it is proposed that the fees be increased over a 4 year period.

A new Deferral Fee is also proposed to cover the mailing and administration cost for processing applications that the Committee has deferred from a scheduled meeting to a future meeting. Deferrals occur when additional information is required by the Committee to make a decision or the applicant wishes to have further discussions with staff, residents or the Ward Councillor. If an application is deferred, a revised Notice is sent out to property owners with 60m (196.85ft.) of the subject application. There are about 100 matters deferred each year for various reasons. The cost of deferred matters is not included in the application fee. It would be appropriate to introduce a new fee to cover additional costs incurred for recirculation of public notices for those applications that require deferral. Additional notice is given when an applicant requests a deferral, a new hearing date is set or if the notice is amended to reflect a different request from the initial notice to the public.

The following table indicates the fees proposed over the next four (4) years:

Application Type	2012 (current)	2013 (proposed)	2014 (proposed)	2015 (proposed)	2016 (proposed)
Minor Variance - Residential	\$600	\$700	\$800	\$900	\$1000
Minor Variance - All others	\$800	\$975	\$1150	\$1325	\$1500
Consent - New lot or lot addition	\$2000	\$2125	\$2250	\$2375	\$2500
Consent - Easement only	\$1200	\$1400	\$1600	\$1800	\$2000
Deferral Fee	none	\$200	\$200	\$200	\$200

A review was undertaken of the fees being charged by municipalities across the Greater Toronto Area (GTA) to compare with Mississauga fees. The results of this review are outlined in Appendix 1 attached. The City's existing and proposed fees are generally lower than those charged in other municipalities benchmarked against.

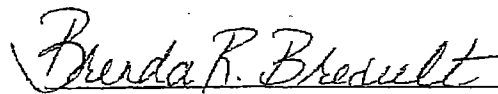
FINANCIAL IMPACT: Introducing a gradual increase in Committee of Adjustment application fees will over the next 4 years move towards fully recovering the total costs of application processing. It is anticipated that the increased revenue resulting from the proposed 4 yearly increases will be additional revenue of approximately \$335,000. The increased revenue resulting from the proposed 2013 fee increases is estimated to be \$88,500. Annual revenue to be generated from the deferral fee is estimated to be \$20,000.

CONCLUSION: A review of current Committee of Adjustment fees has been undertaken and increases to these fees is proposed to more fully recover the processing costs of Committee of Adjustment applications across all City departments. Benchmarking indicates that the City of Mississauga's fees for Committee of Adjustment are lower than those of other municipalities.

ATTACHMENTS:

Appendix 1: Comparison of Committee of Adjustment Fees & Charges

Appendix 2: Amendments to Schedule 'A' of the Planning Act Processing Fees By-law



Brenda R. Breault, CMA, MBA

Commissioner of Corporate Services and Treasurer

*Prepared By: David L. Martin, Manager of Vital Statistics and
Secretary Treasurer- Committee of Adjustment*

Comparison of Committee of Adjustment Fees & Charges

Appendix 1

Municipality	Minor Variance Fee (Residential)	Minor Variance Fee (Non-Residential)	Consent Fee	Default Fee
Mississauga- Current	\$600	\$800	\$2000	None
Mississauga- Proposed (2013)	\$700	\$975	\$2125	\$200
Oakville	\$1060	\$1060	\$8927	\$345
Brampton	\$536	\$2172	\$3357	\$197
Milton	\$889.28	\$4817.18	\$5270.98	None
Hamilton	\$1070	\$1290	\$1910	None
Burlington	\$860	\$1930	\$3195	\$205
Toronto(1)	\$1400.50/\$3148.55	\$4075	\$2870	None
Markham	\$1400	\$3670	\$2530	None
Richmond Hill	\$3616	\$3616	\$4872	\$1811
Vaughan	\$875	\$1750	\$1740	\$1120
Pickering	\$500	\$1600	-	\$225
Oshawa	\$562	\$1350	\$450	\$225
Ottawa	\$1410	\$2095	\$1175	\$585
Kitchener	\$1020.24	\$1020.24	\$1211	\$338.36
Waterloo	\$1075	\$1075	\$1255	\$125
London	\$400	\$1000	\$1100	None
Windsor	\$1898	\$1898	\$1989	\$377

(1) Addition/New Dwelling

Legislative Services - Committee of Adjustment

Appendix 2

Fee Name	Existing or New Fee	Description of Change and Justification	2012 Current Fee	2013 Proposed Fee	Fee Increase		2012 Budget	2012 Forecast Actuals	2013 \$ Impact Forecast
					\$	%			+ / (-)
Minor Variance - Residential	Existing	Increasing the residential application fee by \$100 in 2013 for a total rate of \$700 for residential minor variance requests will assist in continuing to cover the anticipated cost of processing the applications by the Committee of Adjustment will reflect the anticipated cost of processing an application which will better meet the intent of the Planning Act Section 69(1).	\$600	\$700	\$ 100.00	16.6%	\$135,000	\$169,000	\$22,500
Minor Variance - All others	Existing	Increasing the Minor Variance- All others application fee by \$100 in 2013 for a total rate of \$800 for commercial/industrial minor variance requests will assist in continuing to cover the anticipated cost of processing the applications by the Committee of Adjustment and will reflect the anticipated cost of processing an application which will better meet the intent of the Planning Act Section 69(1).	\$800.00	\$975.00	\$ 175.00	21.8%	\$180,000	\$184,150	\$39,375
Consent - New Lot or Lot Addition	Existing	Increasing the Consent - New Lot or Lot Addition application fee by \$125 in 2013 for a total rate of \$2125 for Consent requests will assist in continuing to cover the anticipated cost of processing the applications by the Committee of Adjustment and will reflect the anticipated cost of processing an application which will better meet the intent of the Planning Act Section 69(1).	\$2,000.00	\$2,125.00	\$ 125.00	6.2%	\$90,000	\$146,000	\$5,625
Consent - Easement only	Existing	Increasing the Consent - Easement application fee by \$200 in 2013 for a total rate of \$1400 for Easement requests will assist in continuing to cover the anticipated cost of processing the applications by the Committee of Adjustment and will reflect the anticipated cost of processing an application which will better meet the intent of the Planning Act Section 69(1).	\$1,200.00	\$1,400.00	\$ 200.00	16.6%	\$6,000	\$13,200	\$1,000
Deferral Fee	New	This new fee is in response to the significant number of deferral requests we receive for applications per year (approximately 100) and the requirement to renotify the application regarding the next meeting date. The deferral fee will attempt to recoup mailing, printing and administrative costs to renotify an application that is deferred from its scheduled meeting.	None	\$200	\$ 200.00		n/a	n/a	\$20,000

Appendix 2

Municipality	M.V. Fee – Residential	M.V. Fee – Non Residential	Consent Fee	Deferral Fee
Mississauga	\$800	\$1325	\$2500	\$200
Oakville	\$1917	\$1945	\$9061	\$624
Brampton	\$543	\$2200	\$3401	\$199
Milton	\$1703	\$6370	\$4598	None
Hamilton	\$1085	\$1430	\$2632	\$205
Burlington (1)	\$860/\$2530	\$3560	\$3700	\$210
Toronto (2)	\$1452/\$3265	\$4226	\$2976	None
Markham	\$1604	\$3751	\$7480	None
Richmond Hill	\$3870	\$3870	\$5165	\$1868
Vaughan	\$875	\$1750	\$1740	\$560/\$1120
Pickering	\$510	\$1630	-	\$230
Oshawa	\$596	\$1433	-	\$239
Ottawa	\$1630	\$1630	\$1630	\$610
Kitchener	\$1082	\$1082	\$1285	\$360
Waterloo	\$1155	\$1155	\$1340	\$140
London (3)	\$300-\$1000	\$300-\$1000	\$1100	None
Windsor	\$1971	\$1971	\$2064	\$385

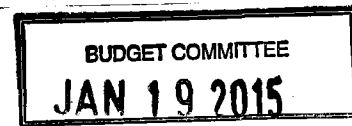
- (1) decks, fences, accessory buildings, walkways, pools, additions to residential under 75m² / new detached and semi-detached, addition over 75m², additional unit
- (2) Additions or alterations to existing dwellings with 3 units or less (incl. accessory structures) / new Residential dwellings with 3 units or less
- (3) Accessory Structure - \$300, Setbacks - \$400, Non-Conforming - \$800, All Other - \$1000



Corporate Report

Clerk's Files

Originator's
Files



DATE: January 13, 2015

TO: Chair and Members of Budget Committee
Meeting Date: January 19, 2015

FROM: Martin Powell, P.Eng.
Commissioner of Transportation and Works

SUBJECT: Seniors Fare Discount Options

RECOMMENDATION: That the report entitled "Seniors Fare Discount Options" dated January 13, 2015 from the Commissioner of Transportation and Works be received for information.

**REPORT
HIGHLIGHTS:**

- Seniors receive the greatest fare discounts up to 63% over adult fares on tickets and passes, and account for approximately 7% of total MiWay revenue rides.
- Brampton Transit has a \$1.00 seniors' cash fare.
- The report outlines senior discounts and provides two options for consideration. Option 1 offers all seniors a cash fare of \$1.00 and Option 2 suggests that staff approach the Region of Peel to include low income seniors in the current low income pilot program.
- Option 1 details the annual reduction in revenue which amounts to approximately \$1,793,000 for all-day travel or between \$1,040,000-\$1,434,000 for off-peak travel times only.

BACKGROUND:

At the Budget Committee meeting of January 12, 2015 the Corporate Report entitled "Transit Fare Discounts for Seniors and Low Income Residents" from the Commissioner of Transportation and Works was presented (Appendix 1). The Committee requested that MiWay provide further details on how the net revenue loss of \$925,000 annually was calculated if a seniors' \$1.00 cash fare was available for both all-day travel and for off-peak hours only. A further request was to provide additional information on Brampton Transit's \$1.00 seniors fare program.

Seniors riding MiWay receive the greatest discount on tickets and passes compared to adult and student fare categories. Although seniors account for approximately 7% of the total MiWay revenue rides, this category will continue to increase as the population ages in Mississauga.

Specialized fare categories and offers will bring complexity to the overall fare program for customers. By keeping the fare program easy to understand, consistent with the majority of GTHA transit systems and fair for all customers it will reduce conflict on the buses and minimize customer complaints.

COMMENTS:

In response to the Committee's requests staff provide the following additional information for consideration.

Brampton Transit – Senior's Cash Fare \$1.00

In 2011, Brampton Transit implemented a \$1.00 senior cash fare for residents of Brampton only. The Brampton Council report is attached as Appendix 2.

Brampton staff have provided the following information based on their experience with the seniors' discount transit program. Brampton Transit's program requires that a photo identification card be provided to eligible seniors to assist Transit Operator identification and verification of discount seniors' fare. The senior identification card expires and requires periodic renewal to confirm residency which places a strain on transit staff resources for administration of the cards.

Brampton incurs additional costs for purchasing card stock, card printer supplies and to maintain and purchase new equipment for large volume identification card processing.

As per the Brampton Council report attached, the overall impact of the implementation of the \$1.00 ride program all day for seniors' amounts to \$695,000 annually.

Option 1A: All-Day Senior \$1.00 Cash Fare

MiWay successfully grew to 36.3 million revenue trips and over 50 million boarding in 2014. Seniors account for approximately 7% of the overall revenue on MiWay. The 2015 seniors' fare rates are \$3.50 cash, \$1.90 per trip for tickets or Presto and a monthly pass is \$57.00.

Introducing an all-day senior's fare for \$1.00 will bring a loss in revenue and other challenges for Operators and staff administration. The discounted fare would not be restricted to Mississauga residents unless a senior's residence card was introduced. This would add administrative complexity as the existing senior identification card has no residency requirement or expiry date. Given the added complexity, staff do not recommend restricting the \$1.00 cash fare to Mississauga residents only.

The Corporate Report submitted to the January 12, 2015 Budget Committee entitled "Transit Fare Discounts for Seniors and Low Income Residents" (Appendix 1), highlighted a revenue loss estimated at \$925,000 for a shift from the ticket category only. This value was calculated based on the assumption that Seniors who use tickets would migrate to the \$1.00 cash fare price. The detailed calculation uses the 2015 fare prices from \$1.90 to \$1.00 (\$0.90 loss per sale or ride) for MiWay ticket and Presto fare categories. Seniors tickets make up 13.6% of total ticket sales and Presto senior concession is 1.4% of all Presto sales received.

A revenue loss from a cash fare reduction for seniors (\$3.50 to \$1.00) was not included in the original revenue loss calculation as there is not an accurate mechanism to break out cash payments between categories (adult, student and senior). However, if cash revenue was calculated

based on the knowledge that seniors make up 7% of the total fare sales and apply that to the total MiWay cash payments. Therefore, 7% of the total annual cash payments on MiWay amount to approximately \$866,000.

The seniors' monthly pass is set at a reasonable discounted price of \$57. Seniors can travel at an economical price per trip ranging from \$1.30 per trip for 44 trips to \$1.14 for 50 trips per month. Many seniors may continue using the monthly pass and, therefore, revenue loss from a shift to the \$1.00 cash from the pass was difficult to estimate and not included in the revenue loss calculation.

The overall detailed total which includes a migration from tickets estimated at \$927,000. Although only a rough estimate, the migration from cash could be up to \$866,000. Therefore the total revenue loss could be from \$927,000 up to \$1,793,000 annually.

Detailed calculations are shown in Appendix 3.

Option 1B: Off-Peak Senior \$1.00 Cash Fare

MiWay also reviewed the option to provide a \$1.00 cash fare during off-peak periods only.

In Brampton Transit's report, it was estimated that 58% of seniors ride during off peak hours. Currently MiWay does not track this information. If MiWay were to apply the same estimate of 58% at 2015 fares this would result in approximately \$1,040,000 in foregone revenue. The estimate at 58% of ridership is a minimum of what the ridership pattern would look like if we provided a free or reduced fare at off-peak times.

A typical senior has more flexibility in their daily schedules and therefore MiWay assumes that this estimate in revenue loss could grow if seniors change their travel times to be within the off-peak discount period. Therefore a reasonable estimate is 75% to 80% of seniors will travel during off-peak hours resulting in a higher revenue reduction (tickets/Presto/cash fare) ranging from approximately \$1,345,000 to \$1,434,000 annually.

Detailed calculations are shown in Appendix 3.

In addition to the revenue loss identified, MiWay may incur increases in the instances of fraud and conflict or fare disputes on the buses causing delays in service to passengers and challenges for our Bus Operators. This could be over disputes of when the off-peak period started or ended or because the bus was running late due to traffic or weather. There are also implications to revenue and ridership calculations since current farebox equipment on buses does not allow the tracking of multiple cash values. Therefore the \$1.00 cash fare would not be captured separately from the \$3.50 cash fares and would cause under-recording of ridership information pertaining to the regular cash fare payments.

Low-Income Identification

Although MiWay realizes a need for additional assistance requirements for low-income seniors, MiWay does not have a system and resources in place to determine an individual's low-income eligibility. In discussion with Community Services, the processing of eligibility is time consuming and would add to the long lines-ups experienced at the City Centre Transit Terminal to purchase fare media. To expand the counter to accommodate low income eligibility and distribution of photo cards would require additional resources during peak periods. Also, as noted in the January 12, 2015 Budget Report, persons of low income would then be known to drivers and other customers.

Option 2 – Pilot with Region of Peel

Staff are supportive of the current 9-month low-income pilot program with Peel Region to help understand the cost, value and impact of a more comprehensive low income program. This type of low-income program is more suitable in partnership with the Region of Peel as they have the ability to accurately administer such a program.

Staff could approach the Region to explore interest and possibility of extending the current low-income pilot project to include low-income seniors into the program. This may allow the opportunity to utilize the

Presto Card in deploying a low income program for seniors and would not require disclosure to others of their financial status.

STRATEGIC PLAN: This initiative contributes to the Belong pillar in the strategic plan:

- Ensuring affordability and accessibility

FINANCIAL IMPACT: As outlined in this report additional challenges and a loss in total revenue will be realized should a discounted program for seniors be introduced.

The total revenue loss with Option 1A: all day \$1.00 fare for seniors' may be as much as \$1,793,000 (which includes cash, tickets and Presto fares).

Option 1B: off-peak \$1.00 fare for seniors may be as much as \$1,434,000 at 80% of senior riders.

The total annual senior revenue for 2014 is \$3,973,000 and if an all-day \$1.00 fare for seniors was introduced a loss of up to \$1,793,000 or 45% of the overall seniors' revenue would be foregone.

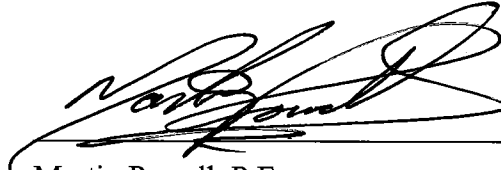
CONCLUSION: MiWay has provided options for further discounting transit fares for seniors resulting in substantial revenue reductions to the City. To make up for the loss in revenue there would be a requirement to further increase other fare categories or provide additional subsidy from the tax base. MiWay would also face challenges with the delivery and administration of such programs.

In order to target discounts to seniors in need the Region could be approached to explore expanding the scope of the current low income pilot program.

ATTACHMENTS: Appendix 1: Corporate Report to Budget Committee dated December 20, 2014 entitled "Transit Fare Discounts for Seniors and Low Income Residents"

Appendix 2: City of Brampton Corporate Report to Committee of
Council dated January 17, 2011 – Discounted Transit
Fares for Seniors

Appendix 3: MiWay – Financial Impact of Reduced Senior Fares

A handwritten signature in black ink, appearing to read 'Martin Powell', is written over a horizontal line.

Martin Powell, P.Eng.

Commissioner of Transportation and Works

Prepared By: Margaret Johnston, Supervisor of Transit Revenue



Corporate Report

Appendix 1

Clerk's Files

Originator's
Files

DATE: December 10, 2014

TO: Chair and Members of Budget Committee
Meeting Date: January 12, 2015

FROM: Martin Powell, P.Eng.
Commissioner of Transportation and Works

SUBJECT: Transit Fare Discounts for Seniors and Low Income Residents

RECOMMENDATION: That the report entitled Transit Fare Discounts for Seniors and Low Income Residents dated December 10, 2014 from the Commissioner of Transportation and Works be received.

That upon completion of the 9 month Low Income Pilot Program with the Region of Peel, staff provide a further report to Budget Committee of program results and findings.

**REPORT
HIGHLIGHTS:**

- Currently seniors receive the greatest transit fare discounts compared to adult and student fare categories.
- The report outlines additional options for further senior discounts.
- Brampton Transit has offered \$1.00 senior cash fare over the past four years.
- Oakville Transit offers free rides to seniors every Monday.
- Subsidized transit pass programs are available in Halton Region, York Region and the City of Guelph for low income riders.
- MiWay has partnered with the Region of Peel to pilot a discount transit program for low income residents.

- Additional administrative and operational challenges and costs are incurred as a result of these types of programs as the fare system becomes more complex.
- MiWay is in the process of simplifying its fare offers through the transition to the Presto fare card and to create consistency with other GTA transit agencies.
- Overall costs for seniors' free ride programs and further fare discounts range from \$500,000 to \$1 million annually.

BACKGROUND:

At the Budget Committee meeting of December 10, 2014 the Corporate Report entitled MiWay 2015 Fare Strategy from the Commissioner of Transportation and Works was presented. The Committee requested that MiWay staff explore further transit fare discounts for seniors including the impacts of offering \$1.00 cash fare, free rides one day per week, or free rides mid-day. A further request was to assess discount transit fare for low income riders in all transit fare categories.

MiWay's current fares structure provides discounts over cash in each of the fare categories. Seniors riding MiWay receive the greatest discount on tickets and passes. The chart below highlights the savings for seniors over both the adult and high school student categories. The senior's monthly pass currently costs \$53 per month or \$1.20 per trip based on 44 trips per month. Although seniors account for 7% of our total riders, this category will continue to grow as the population ages in Mississauga.

Current MiWay Fares	Adult Fares	High School Student Fares	Seniors Fares	Seniors Discount over Adult Fare	Seniors Discount over High School Student
Cash	\$3.25	\$3.25	\$3.25	none	none
Tickets/Presto	10 for \$28	10 for \$22.50	10 for \$18.50	33.9%	17.8%
Monthly Pass	\$120	\$101	\$53	55.8%	47.5%
Annual Pass equivalent*	N/A	N/A	\$534	62.9%	55.9%

*Annual pass equivalent for adult and high school student based on monthly pass cost x 12 months

Transit systems throughout the GTHA and Ottawa have introduced the Presto fare card as the new and convenient fare payment system. Just over 40% of MiWay revenue is from Presto over other types of paper fare media or cash payments. As Presto use with MiWay has grown, paper fare media has been eliminated to simplify the fare offers for customers. To date the student and adult weekly pass has been discontinued and the student monthly pass will be eliminated in June 2015. The Senior's annual pass will no longer be available in 2016. Other fare media (tickets/passes) will be eliminated in the future as Presto usage grows and loading location availability improves.

Specialized fare categories and offers bring complexity to the overall fare program for customers. By keeping the fare program easy to understand, consistent with the majority of GTHA transit systems and fair for all customers it will reduce conflict on the buses and customer complaints.

COMMENTS:

To explore the request for a \$1.00 senior's fare, free ride times, and discount transit fares for low income residents, staff have reviewed the experience of other transit systems and how it would apply to MiWay.

Brampton Transit – Senior's Cash Fare \$1.00

Over the past four years Brampton Transit has offered a \$1.00 cash fare for seniors who reside in Brampton. Seniors must show their Brampton Transit identification card to the bus operator to receive the \$1.00 fare.

Brampton staff has shared the challenges with the program which include the administration of the senior's identification card, card costs, equipment for the production of the card, and the inconvenience for seniors to obtain the Brampton Transit identification card.

Brampton estimates that the overall reduction in net revenue due to the reduced senior's fare of \$1.00 is \$675,000 to \$1 million annually.

Oakville Transit - Free Transit Day

Oakville Transit allows seniors to ride transit for free all day on Mondays. Valid senior citizen identification is required when boarding the bus.

Some of the concerns Oakville shared indicated that additional service is required to accommodate times where the volume of seniors that are using their system is high. Their weekday schedules (Monday to

Friday) are the same each day and it is difficult for them to plan additional service on one day due to the unpredictable passenger volume. As a result of the additional service, cost of service is higher and is often paid in overtime to bus operators.

In addition, the seniors shift their travel to the free day and revenue rides are reduced on other days of the week. This brings additional costs to the service with no new revenue realized.

Free Mid-Day

Similar to a free transit day for seniors, the mid-day free ride is also a concern that shifts an unpredictable rider demand to mid-day which comes with scheduling challenges for additional services with no new revenue.

If free ride times are set such as mid-day (10am-2pm) the challenge is for those customers who travel on the same bus but boarded just before or after the free times must pay a fare. This could lead to resentment and conflict over fares.

Offering free rides either mid-day or on a single day to a specific cohort of passengers generates complaints of disparity, enforcement challenges and delays in services.

Subsidized Transit Pass Programs

Halton Region's Subsidized Passes for Low Income Transit (SPLIT) program is available to adults, secondary school students and seniors excluding Ontario Works (OW) or Ontario Disability Support Program (ODSP) because limited transportation assistance related to employment or medical need is already available. Individual program eligibility is assessed annually.

Halton provides a suitable example of multi-tier program delivery where the Region determines eligibility and provides the subsidy and the respective transit systems (Oakville, Burlington, Milton) distribute fare media and deliver the service.

Guelph Transit's Affordable Bus Pass Program is available to adults, youth, and seniors including OW and ODSP recipients. Guelph is a single-tier and therefore not comparable to Halton or Peel Region. York Region delivers a similar program but transit is provided at the Regional level.

Peel Region/Mississauga Pilot – Discount Transit Fare for Low Income Residents

In September 2014, the Region of Peel and the City of Mississauga partnered in a 9 month pilot program to deliver subsidized transit fares to 250 persons with low income. The Corporate Report is attached as Appendix 1. Participants purchase the dollar value of an adult monthly pass (\$120) loaded onto a Presto card for one third the cost. The Region and the City share the remaining cost equally.

The pilot program targets regional clients in receipt of Ontario Works (OW) client benefits. The program is administered by the Region where City staff provides Presto fare cards for the participants to the Region. All client communication, distribution and direct contact are the responsibility of regional staff.

MiWay does not have a system in place to determine an individual's low-income eligibility for ODSP or Seniors GIS. The subsidization of transit fares beyond the typical concessions for children, students, post-secondary students, and seniors is outside a transit fare strategy and normally part of the community social support program. In two tier municipalities the distinction is significant as the budgets for the program reside within differing levels of government.

STRATEGIC PLAN:

The low income initiative contributes to the Belong pillar in the strategic plan by:

- Ensuring affordability and accessibility

FINANCIAL IMPACT:

Additional costs and challenges have been identified to administer discounted programs or free ride programs for seniors. The net costs for a program that offers seniors a \$1.00 cash fare is approximately \$925,000 annually. This number will increase as the population ages and more seniors take transit.

If a free ride day for seniors were offered during a weekday the loss in revenue would amount to approximately \$500,000 annually. Additionally, MiWay will see a reduction in senior monthly pass sales as there will be a migration to tickets due to a free ride day per week. There would be a similar loss in revenue if mid-day times were offered free as seniors would shift their travel times to receive a free ride.

The cost of the 9 month low income pilot program (250 participants) to the City is estimated to be \$92,000 funded from the 2014-2015 transit budget.

CONCLUSION:

Further discounting transit fares for seniors or offering free ride programs results in substantial revenue reductions to the City. To make up for the loss in revenue there would be a requirement to further increase other fare categories or provide additional subsidy from the tax base. MiWay would also face challenges with the delivery and administration of such programs. Further, there will likely be concerns or requests from other cohort groups to provide similar benefits such as students or low income adults. The Transportation and Works Department therefore does not recommend adoption of discount or free ride programs for seniors.

The pilot discount transit fare program for low income residents is expected to provide the necessary data to support decision making on scope, cost, and expected outcomes of a continuing program. It is recommended that at the completion of the low income program staff report back on the outcome and feasibility of the program for additional support to seniors who qualify for support through the social service program at Peel Region.

ATTACHMENTS:

Appendix 1: City of Mississauga Corporate Report to Transportation Committee dated May 30, 2014 - Pilot Program- Discounted Transit Fare for Low Income Riders



Martin Powell, P.Eng.

Commissioner of Transportation and Works

Prepared By: Margaret Johnston, Supervisor of Transit Revenue



Corporate Report

Clerk's Files

Originator's
Files

DATE: May 30, 2014

TO: Chair and Members of Transportation Committee
Meeting Date: June 18, 2014

FROM: Martin Powell, P.Eng.
Commissioner of Transportation and Works

SUBJECT: Pilot Program – Discounted Transit Fare for Low Income Riders

RECOMMENDATION: That the report entitled "Pilot Program – Discounted Transit Fare for Low Income Riders" dated May 30, 2014 from the Commissioner of Transportation and Works be approved and that authority to transfer the required funds to the Region of Peel be granted.

BACKGROUND: At the Budget Committee meeting of September 19, 2012 the Committee requested that MiWay staff research and assess the feasibility of providing assistance to persons with low income who require the use of the transit system. A memo to members of the Budget Committee from the Director, Transit dated May 1, 2013 was provided in response and is attached as Appendix 1. The memorandum recommended that City staff approach Region of Peel staff to explore the provision of discounted transit fares for low income riders.

COMMENTS: A working team of Regional and City staff was established to design a program for Mississauga. Regional staff conducted a review of prior programs within the Region and researched programs across Canada. Although there were many similarities among the programs there was incomplete information on program effectiveness, impact on the

transit system or transit use by program participants.

As a result there was a clear need to design a program where outcomes could be measured to assess value. This led the team to develop a pilot program that will collect the necessary information to assist with identifying scope, cost and benefits of a complete program.

The pilot program will use Presto farecard technology that makes it possible to see how and when transit is being used which will give insight as to how the subsidy changes outcomes.

Program Design

The Region and the City will partner on a pilot program to deliver subsidized transit fares to persons with low income. The pilot program will target Regional clients in receipt of Ontario Works (OW) client benefits. Program details are included at Appendix 2.

A total of 250 participants will be able to purchase the dollar value of an adult monthly pass (\$120.00) loaded onto a Presto card for one third the cost. The Region of Peel and the City of Mississauga will share the remaining cost equally. The program will commence in September 2014 and run for 9 months. Participants will be surveyed prior to and after the program. The Presto cards will be supplied by MiWay and owned and registered by the Region. As a condition of the pilot program, participants will have to agree to allow access to the transit usage data generated by the card.

The program will be administered by the Region and City staff will provide technical assistance only. All communication and direct contact will be the responsibility of Regional staff. At the conclusion of the pilot program a report to Council (Regional and City of Mississauga) will be prepared with recommendations for next steps.

The subsidization of transit fares beyond the typical concessions for children, students, and seniors is beyond a transit fare strategy and normally part of community social support. In two tier municipalities the distinction is important as the budgets reside within different levels of government.

Staff are supportive of a pilot program to help understand the cost, value and impact of a comprehensive program.

STRATEGIC PLAN: This initiative contributes to the Belong pillar in the strategic plan by:

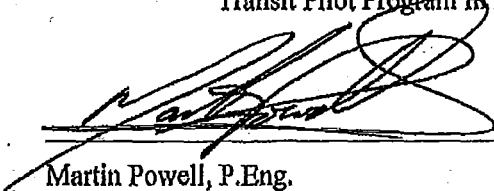
- Ensuring affordability and accessibility.

FINANCIAL IMPACT: The cost of the pilot program to the City is estimated to be \$92,000. The 2014 cost of \$42,000 can be accommodated in the transit budget and the remaining amount will be included in the 2015 budget request.

CONCLUSION: The City has partnered with the Region to offer a pilot program of transit discounts to low income riders. The program is expected to provide the necessary data to support decision making on scope, cost and expected outcomes of a continuing program. Staff recommend proceeding with the pilot program.

ATTACHMENTS: Appendix 1: City of Mississauga Memorandum to Budget Committee dated May 1, 2013 – MiWay Discounted Fares for Low Income Riders.

Appendix 2: Region of Peel Memorandum to Transit Director Geoff Marinoff dated May 29, 2014 – Affordable Transit Pilot Program in Peel.



Martin Powell, P.Eng.
Commissioner of Transportation and Works

*Prepared By: Geoff Marinoff, P. Eng.
Director, Transit*

Memorandum



Appendix 1

TO: Mayor and Members of Budget Committee

FROM: Transit Director Geoff Markhoff

DATE: May 1, 2013

SUBJECT: MIWay- Discounted Transit Fares for Low Income Riders

At the Budget Committee meeting of September 19, 2012 the Corporate Report entitled MIWay 2013 Fare Strategy from the Commissioner of Transportation and Works was presented. The Committee requested that MIWay staff research and assess the feasibility of providing assistance to persons of low-income who require use of the transit system. This memo is in response to that direction.

Statistics Canada uses the concept of economic families to determine low-income cut-offs (LICOs) based on the size of the economic family and the population of the area of residence. LICOs identify those who are substantially worse-off than the average. Specifically, a LICO is an income threshold below which a family will likely devote a larger share of its income to the necessities of food, shelter and clothing than the average family.

Transit system fare structures across the GTA and throughout Ontario and Canada provide varying degrees of discounts for ticket and pass fares. A review of the existing fare structures across Canada revealed the provinces of Alberta and British Columbia have had established discounted fare programs for low-income families for many years. Kingston Transit introduced its affordable transit pass for low-income households in 2009, followed by Transit Windsor and Hamilton Street Railway in 2010.

In 2011 and 2012, Halton Region, York Region Transit, Guelph Transit and Waterloo implemented one and/or two year pilot programs:

- Halton Region's Subsidized Passes for Low Income Transit (SPLIT) program is available to adults, secondary school students and seniors excluding Ontario Works (OW) or Ontario Disability Support Program (ODSP) because limited transportation assistance related to employment or medical need is already available.
- York Region's \$1.3-million pilot program is offered to eligible OW and ODSP clients up to 1,400 subsidized adult passes each month with local community agencies provided up

to \$250,000 annual funding (\$2,500 per agency per year) to purchase individual ride tickets for low-income residents.

- Guelph Transit's two-year Affordable Bus Pass Pilot Program is available to adults, youth and seniors including OW and ODSP recipients.
- The Region of Waterloo launched their Transit for Reduced Income Program (TRIP) which is limited to adults and specifically excludes students and seniors.

A table comparing programs in Ontario is provided at Appendix 1. Although there are variations between provinces and cities most programs share the following aspects:

- Qualification requirements for an affordable transit pass are primarily based on the Low-Income Cut-off line (LICO).
- Proof of income is required in all cases (Notice of Assessment from the Canada Revenue Agency).
- Application for the pass is directly through the municipality, its transit department, or through a community partner agency - applications are reviewed by Community/Social Services or on the spot through interview with client's caseworker.
- On average, the cost of an affordable transit pass in these communities is 50% the cost of a regular monthly transit pass and is restricted to monthly passes.
- In many cases there are dollar amounts that limit the availability of discount passes which are offered on a first come first serve basis.
- The programs are funded out of social/community services budgets at the regional level or for single tier municipalities through internal transfers or adjustment to the transit budget.

Presently, MiWay Fees & Charges By-law allows for a 1.5% Purchase Discount on bulk transit ticket and pass purchases of \$750 or more. Numerous local community agencies, not-for-profit organizations and Region of Peel Services purchase transit tickets and passes directly from MiWay for distribution to their low-income and other clients to assist with transportation. See Appendix 2. In 2012, revenues for these bulk purchases were \$917,992 consisting of 98% tickets and 2% weekly passes with MiWay providing a total annual discount of \$15,093.

The Halton Region Subsidized Passes for Low Income Transit (SPLIT) provides a good example of multi-tier program delivery where the Region determines eligibility and provides the subsidy and the respective transit systems (Oakville, Burlington, Milton) distribute fare media and deliver the service.

Should the City of Mississauga proceed with discounted fares for low-income customers without the Region of Peel, increased subsidy from the tax levy would be required or alternately, higher fares for other transit users. Furthermore, MiWay does not currently possess the systems to assess low income eligibility and maintain records.

The Accessibility for Ontarians with Disabilities Act (AODA) and accompanying regulation require fare and service hour parity between conventional transit (MiWay) and paratransit (Transhelp). Parity exists today but the adoption of a City program without coordination with the Region would disrupt fare parity. Any changes to the regional program (Transhelp) would, by extension, also affect Brampton Transit.

It is the staff recommendation that a regional program be considered to address this need and MiWay staff will approach Region of Peel staff to explore the provision of discounted transit fares for low income riders.

Sincerely,


Geoff Mannoff, P.Eng.
Transit Director

Attached: Appendix 1
 Appendix 2

C: Leadership Team

Patti Elliott-Spencer
Director of Finance

Crystal Greer
Director, Legislative Services & Clerk

Diana Ruskov
Manager of Legislative Services

Mary-Lou Johnston
Manager of MiWay Business Development

Margaret Johnston
Supervisor of Transit Revenue

Julie Lavertu
Budget Committee Coordinator

APPENDIX 1

Low-Income Transit Fares – Ontario Municipalities

City / Region	Transit System	Fare Media / Discount	Who Is Eligible to Apply?	Required Documentation	Program Validity	Program Restrictions
Kingston (single tier)	Kingston Transit	Monthly Pass - 32%	Adult, Youth, Senior, ODSP or OW recipients	Notice of Assessment; Drug Benefit Card; OW/ ODSP Benefits	1 Year	Limited Number: First Come, First Served per annual funding amount
Windsor (single tier)	Transit Windsor	Monthly Pass – up to 50%	Any individual, their spouse & dependants	Notice of Assessment; OW/ ODSP Benefits; Child Tax Benefit Notice	1 Year	None
Hamilton (single tier)	Hamilton Street Railway	Adult Monthly Pass – 50%	18-64 yrs of age; OW/ ODSP recipient	Notice of Assessment; OW/ ODSP Benefits	6 months	Valid for HSR Transit only
Halton Region	Oakville Transit Burlington Transit Milton Transit	Monthly Pass – 50%	Adult, Student (high school); Senior	Notice of Assessment; Valid Student Card; Senior proof of age	1 Year	Limited passes: First Come, First Served; OW/ ODSP not eligible
York Region	York Region Transit	Adult Monthly Pass – 50%	OW & ODSP Recipients	OW/ ODSP Benefits	1 Year	1,400 Passes for OW/ODSP; \$250,000 for purchase of tickets by local community agencies
Guelph (single tier)	Guelph Transit	Monthly Pass – 50%	Adults, Youth, Seniors	Notice of Assessment; OW/ODSP Benefits	1 Year	None
Region of Waterloo	Grand River Transit (Cambridge, Kitchener, Waterloo)	Adult Monthly Pass – 44%	Adults; OW Recipients	Notice of Assessment; OW Benefits	1 Year	Valid for GRT only; Students/Seniors not eligible

APPENDIX 2

Local Community, Non-Profit and Region of Peel Agencies

The following organizations provide Mississauga clients with support and counselling, social services, employment assistance/training, and transit fare media for low income, persons with disabilities, mental health, youth, seniors, and new immigrants.

ACCES Employment	Mississauga Employment - YMCA
Afghan Women's Organization	Muslim Community Services
Associated Youth Services of Peel	Newcomer Centre of Peel (NCP)
Best Start Health Coalition in Peel	Our Place Peel
Bramalea Community Health Centre	Palestine House
Brampton Multicultural Centre	Peel Adult Learning Centre
Canadian Centre for Victims of Torture	Peel HIV/AIDS Network
Canadian Mental Health Association	Peel International Education Alliance
Catholic Crosscultural Services	Peel Multicultural Council
Chinese Association of Mississauga	Polycultural Immigration & Community Services
City of Toronto - Seaton House	Region of Peel - Ontario Works
Coalition for Persons with Disabilities	Region of Peel - Peel Youth Village
COSTI Immigrant Services	Salvation Army - Brampton
Dixie-Bloor Neighbourhood Centre	Salvation Army - Cawthra
Dufferin Peel District School Board - STOPR	Salvation Army - Peel Family Shelter
Dufferin Peel LINC Program	St. Vincent de Paul
Friends and Advocates of Peel	The Compass Community Outreach
India Rainbow Community Services of Peel	Trillium Health Centre
Interim Place	Vietnamese Community Centre of Mississauga
LAMP Community Health Centre	YMCA Employment & Community Centre



Human Services

To: Geoff Marinoff, Director,
MiWay Transit

Date: May 29, 2014

From: Adaoma Patterson, Advisor

Subject: Affordable Transit Pilot
Program in Peel

cc: Janet Menard, Commissioner
Juliet Jackson, Director
Stella Danos-Papaconstantinou,
Director
John Arcella, Manager, Finance
Support Unit

Our File:

Background & Rationale

Transit affordability has received significant attention in recent years because of barriers it creates for people experiencing low-income. Residents cite examples of how high transit costs limit their ability to participate in employment, prevent them from attending important medical and other appointments as well as from participating fully in community life. During the development of the Peel Poverty Reduction Strategy and consultations on the Provincial review of social assistance, many residents expressed concern about the cost of transit and its impact on their household budget. This sentiment has been expressed not only in Brampton, Caledon and Mississauga but also throughout the Greater Toronto Area.

In response to this growing concern, a number of regions and municipalities have created affordable transit programs. The City of Hamilton, York Region and Halton Region are three examples of communities that recognized transit affordability as a barrier to participation in employment and community life for many residents. Locally, in May 2013, the City of Mississauga's Budget Committee requested that MiWay staff research and assess the feasibility of providing assistance to persons of low-income who require use of the transit system.

May 29, 2014

Page 2 of 3

The Peel Poverty Reduction Strategy, launched October 2012, identified affordable transportation as one of five issues to be addressed. As a result, the Region of Peel in partnership with Mississauga MiWay Transit is creating a 9 month affordable transit pass pilot program for 250 Ontario Works clients in Mississauga.

A Steering Committee comprised of the Commissioner of Human Services, Director of Client & Community Access, Director of Strategic Planning, Policy & Partnerships, Human Services, Region of Peel; Executive Director, Transit, City of Brampton and, Transit Director, MiWay Transit was formed in January 2014. A project team comprised of Human Services staff and informed by Brampton Transit and MiWay staff have developed the pilot program and an evaluation framework.

Program Details

Participants in the pilot will be able to purchase a \$120 e-purse on the PRESTO card for 1/3 of the cost (\$40) for up to nine months; the remaining 2/3 will be subsidized by Ontario Works and MiWay Transit. The e-purse allows users maximum flexibility to travel within their city, Peel region and the Greater Toronto Area in order to access employment opportunities, services (such as foodbanks and recreation) as well as attend medical or other health related appointments. One of the unique features of this pilot is the ability of the participant to continue to access the program whether he/she remains on Ontario Works. For example, if a participant secures employment and is no longer eligible for Ontario Works, they will have the option of continuing in the program for a portion of time. This will allow staff to better understand the potential barriers faced by people exiting Ontario Works as well as the impact of subsidized transit on a larger pool of individuals.

Eligibility Criteria

A random sample of Ontario Works clients will be invited to participate in the pilot. The following criteria will be used to select participants:

- Active Ontario Works client
- Number of months on assistance (select a range)
- Family size (Individual, sole support parents, adults with dependents)
- Representation from each ward in Mississauga
- Access to a bank account
- Participation Agreement (PA) status (employed, independent job search, structured job search activities, deferred)
- Not in receipt of ongoing transportation funds
- Reliance on public transit as primary mode of transportation

May 29, 2014
Page 3 of 3

Recruitment & Selection Process

A random sample of Ontario Works clients from Mississauga will receive a letter of invitation to attend an information session on the affordable transit pilot program. The session will provide an overview of the program including the benefits, requirements and cost. Interested clients will sign up for the program at the session, provide banking and other information and complete a pre evaluation survey.

Evaluation

Similar to other affordable programs in the Greater Toronto Area, we anticipate clients will report that greater access to subsidized transit has a positive impact on their lives. Therefore, two key features will be incorporated into the pilot:

- a control group comprised of Ontario Works clients who access transportation benefits based on the existing OW rules will be included for comparison purposes;
- participants will participate in focus groups at the three and six month mark as well as provide ongoing feedback via an on-line survey and blog.

The pilot will also attempt to achieve the following:

- Assess impact (positive or negative) to participants monthly household budget
- Identify key elements of a successful affordable transit program that can be supported by various partners
- Determine the best use of dollars that reach the largest number of riders

Financial Implications

Overall costs

1. Client contribution

\$40/client x 250 clients x 9 months = \$90,000

2. Ontario Works contribution

\$40/client x 250 clients x 9 months = \$90,000

Internal costs related to administration, communication support (on-line survey, mail, evaluation)

3. MiWay Transit contribution

250 PRESTO cards x \$6 administrative fee = \$1,500

\$40/month x 9 months x 250 participants = \$90,000

Total contribution by transit department = \$91,500



BRAMPTON
Flower City

Report

2x

Committee of Council
Committee of the Council of
The Corporation of the City of Brampton

Date: January 17, 2011
File: T66
Subject: Discounted Transit Fares for Seniors
Contact: Suzanne Connor
Executive Director, Transit
Works & Transportation
Phone: 905-874-2750 ext. 62304

Overview:

- Senior fares are currently available to persons 65 years of age and older and provide a significant discount over the cost of an adult transit fare.
- 2010 senior fares are \$15 for 10 tickets, \$12 for a weekly pass and \$47 for a monthly pass.
- The recommended transit fare increase proposed in the 2011 budget increases senior fares by approximately 5% to \$16 for 10 tickets, \$12.50 for a weekly pass and \$49 for a monthly pass. These fares provide a discount of 54% over the cost of an adult transit pass.
- The current rate of discount for senior fares in the City of Brampton is higher than the average among GTA transit service providers.

Recommendations:

1. That the report from Suzanne Connor, Executive Director of Transit, Works & Transportation, dated January 17, 2011, to the Committee Meeting of February 14, 2011, re: **Discounted Transit Fares for Seniors (File #T66)**, be received.

Background:

At the Committee of Council meeting of February 3, 2010, it was directed that staff report back with respect to transit fares for Brampton seniors, to include consideration of the following:

- a) Possibility of seniors riding for free during off-peak hours;
- b) Possibility of seniors over the age of 65, 70 or 75 riding for free during all hours;
- c) Possibility of letting seniors ride for a "loonie" during all hours; and,
- d) Confirmation of the age at which a resident is considered a senior.

Senior's fares are available to persons 65 years of age and older. In 2005, Council approved a decrease in seniors' fares in an effort to offer a more affordable public transportation option to the senior residents of Brampton. At that time, seniors' tickets were reduced by 7% (from \$13.50 to \$12.50) and weekly passes were reduced by 34% (from \$15.25 to \$10).

Since 2005, moderate increases have been approved consistent with increases to other fare categories. The current senior 10 ticket price has risen to \$15, the senior weekly pass is currently \$12 and the new senior monthly pass is at \$47. The 2011 proposed fare increase raises fares approximately 5% to \$16 for 10 tickets, \$12.50 for a weekly pass and \$49 for a monthly pass providing a discount to seniors of approximately 55% over the cost of an adult transit pass.

Current Situation:

The following information was taken from Canadian Urban Transit Association's November 2010 fare updates. The table identifies municipalities of similar size to the City of Brampton and indicates that Brampton Transit continues to offer senior fares below many other transit systems and below the provincial average. The information is presented in order of lowest to highest fare prices. The Brampton fare is the existing rate for 2010.

Transit System	Single Ticket Price	Transit System	Monthly Pass Price
York, ON	\$1.50	Durham, ON	\$39.00
Toronto, ON	\$1.50	Mississauga, ON	\$41.00
Brampton, ON	\$1.50	York, ON	\$46.00
Mississauga, ON	\$1.65	Brampton, ON	\$47.00
Durham, ON	\$1.79	Hamilton, ON	\$87.00
Hamilton, ON	\$1.85	Toronto, ON	\$91.00
Provincial Average	\$1.73	Provincial Average	50.38

The following table identifies the discount provided on adult monthly pass prices to seniors.

Transit System	\$ Discount	% Discount
Mississauga, ON	\$66.00	62%
York, ON	\$59.00	56%
Durham, ON	\$58.00	60%
Brampton, ON	\$55.00	54%
Toronto, ON	\$22.00	18%
Hamilton, ON	No discount	0%
Provincial Average	\$30.13	37%

Data provided by the Canadian Urban Transit Association in November 2010 indicates that of 63 transit systems across Canada that reported data on senior fares, 13 transit systems charged the same price as the adult unit price for seniors and 50 systems discounted their fares with an average of a 23% discount.

Brampton Demographic information indicates that in 2009, senior Canadians aged 65 and older made up 7.9% of the Brampton population while in 2019, this proportion is projected to increase to 10.07%. As the population ages, there will be a negative effect on transit revenues due to the current discount applied for seniors that would be compounded by further discounts or free service for seniors.

Financial Implications:

In 2010, transit ridership totaled 13,843,278. Of this total, 1,247,456 were seniors, or 9% of the ridership based on the sale of senior fares. The total revenue received in 2010 from the sale of senior fare media was \$1,942,000.

Farebox data indicates that approximately 58% of seniors ride during off-peak periods and the remaining 42% ride during peak periods. Therefore, the impact on revenues for allowing seniors to ride for free during off-peak hours would total approximately \$1,127,000 per year.

The impact on revenues for allowing all seniors to ride for free during all hours would total approximately \$1,942,000 per year. Using the 2006 census data and applying that information to our senior ridership data, we have calculated that 65% of senior riders

are over the age of 70 and 39% are over the age of 75. Therefore, the impact on revenues for allowing seniors over the age of 70 to ride for free would total approximately \$1,262,000 or \$758,000 for seniors over the age of 75.

If we were to consider the possibility of letting seniors ride for a "loonie" during all hours, then the impact on revenues would be approximately \$695,000 per year.

Options	Revenue Impact	% of Total Revenue
Free during off-peak hours	\$1,126,000	3.9%
Over age 65 free during all hours	\$1,942,000	6.8%
Over age 70 free during all hours	\$1,262,000	4.4%
Over age 75 free during all hours	\$758,000	2.6%
Ride for a "loonie" during all hours	\$695,000	2.4%

Corporate Implications:

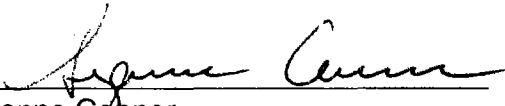
To implement a reduction in the seniors fare, validation of the age of the passenger would be required and would necessitate a program change to how Transit operates. Currently, transit operators ask passengers presenting senior fare media for identification validating their age upon boarding the bus if the customer does not appear to be over the age of 65. Providing free rides or further discounts may increase the instances of fraud with using senior fare media and may result in increased fare disputes and increased time to board passengers resulting in schedule delays.

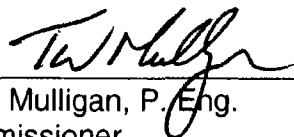
To ease the identification of eligible seniors, an identification card for seniors should be considered which would be administered similar to our existing Veterans Pass Program. Providing qualified seniors with a transit pass with their photo would eliminate the pass being used by other than the qualified senior resident of Brampton and would allow for quick verification of their fare by the transit operator upon boarding a bus.

Staff would recommend that current senior fare media be retained to accommodate the use of transit service for non-resident seniors and that a photo ID senior transit pass be issued to Brampton resident seniors.

Conclusion:

This report outlines the revenue implications of the fare reduction options that Council asked staff to investigate with respect to lowering transit fares for seniors in Brampton.



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Executive Director
Brampton Transit

T. W. Mulligan, P. Eng.
Commissioner
Works & Transportation

Financial Impact of Reduced Senior Fares

	2014 Revenue Quantities			Revenue (\$) Impact			Senior Fares	
	Senior Sales	Total Sales	Seniors %	Foregone Revenue @ 2015 Prices	Total 2014 Senior Revenue	Foregone Revenue %	2015	2014
Tickets (individual)	882,430	6,506,659	13.6%	\$ 794,187	\$ 1,629,745	49%	Cash	\$ 3.50 \$ 3.25
PRESTO	147,415	10,435,497	1.4%	\$ 132,674	\$ 270,649	49%	Tickets/PRESTO	\$ 1.90 \$ 1.85
Monthly	12,727	62,717	20.3%	(NOTE 1)	\$ 759,031	0%	Monthly	\$ 57.00 \$ 53.00
Annual	351	351	100.0%		\$ 187,835	0%	Annual	\$534.00 \$534.00
Cash (NOTE 2)	346,472	4,949,594	7.0%	\$ 866,179	\$ 1,126,033	77%		
Total				\$ 1,793,040	\$ 3,973,293	45%		

		Off Peak Estimate		
		Ridership		Foregone Revenue
Off-peak Calculation	Estimates based on percentage of rides during off peak hours, applied to "Forego Revenue @ 2015 Prices"	Brampton estimate	58%	\$ 1,039,963
		MiWay estimated	75%	\$ 1,344,780
		range (Note 3)	80%	\$ 1,434,432

NOTE 1: For monthly passes it is estimated seniors take 44 -50 rides per month, and therefore the cost per ride ranges between \$1.14 – \$1.30. As this is a minimal savings for seniors staff assumed there would be little to no migration to the \$1.00 in this category. This is similar for the seniors' annual pass.

NOTE 2: Seniors 2014 cash - quantity and revenue are estimated at 7% of total cash figures. Seniors represents 7% of MiWay's total ridership and therefore this is the most reasonable estimate to determine the senior riders who currently use cash.

NOTE 3: MiWay expects seniors will schedule their day in order to ride both to and from their destination during the off peak hours whenever possible to take advantage of the \$1.00 cash fare. Therefore a more reasonable estimate is 75-80% of senior ridership will occur during off-peak hours.