

Budget Committee

Date

January 14, 2019 (9:00 a.m. – 12:00 p.m.)

January 15, 2019 (9:00 a.m. – 12:00 p.m.)

January 21, 2019 (9:00 a.m. – 12:00 p.m.)

Time

9:00 AM

Location

Civic Centre, Council Chamber,
300 City Centre Drive, Mississauga, Ontario, L5B 3C1

6. **MATTERS TO BE CONSIDERED**

To be considered on January 15, 2019:

- 6.9 MiWay Seniors One Dollar Fare Update **(Mi-Way)**

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City of Mississauga
Corporate Report



Date: 2019/01/02

To: Chair and Members of Budget Committee

From: Geoff Wright, P. Eng., MBA, Commissioner of
 Transportation and Works

Originator's files:

Meeting date:
 2019/01/15

Subject

MiWay Senior One Dollar Fare Update

Recommendation

That the senior fare update as outlined in the report entitled "MiWay Senior One Dollar Fare Update" to Budget Committee dated January 2, 2019, from the Commissioner of Transportation and Works be received for further direction.

Report Highlights

- MiWay senior ridership has not shown any recognizable new growth as a result of the senior one dollar fare.
- Seniors have changed their fare media choice to take advantage of the one dollar discounted rate.
- The total potential revenue loss if the senior one dollar fare program hours were to be adjusted to begin at 8:30 a.m. would amount to \$72,000 annually.
- If the one dollar fare pricing was open to seniors all-day, the revenue loss would amount to \$1.00 or more per trip and would total \$1 million annually to the City.

Background

The senior one dollar cash fare program began as a pilot program in 2015 and became permanent in the fall of 2017. Currently, seniors pay a fare of one dollar per ride during off-peak hours (9:30 a.m.-3:30 p.m.), evenings after 7:00 pm and all day on weekends and holidays.

A review of the senior ridership trend since 2015 indicates that it has been very steady with no significant ridership increases or decreases since the introduction of the senior one dollar cash fare off-peak program. Fluctuations in senior use of the transit system are generally seasonal and weather related. The transit fare data shows that many seniors have shifted their fare

media payment choice to take advantage of the one dollar discounted rate. There has been no measurable change in senior's time of travel as a result of this fare option.

Comments

Ridership data indicates that approximately 108,000 trips are taken annually by seniors between 8:30am and 9:30am. Almost 45,000 of these trips are taken by seniors who are already paying the one dollar fare during this peak hour. Our transit operators have been coached not to confront but to educate seniors that the one dollar fare is for use during off-peak times (9:30am-3:30pm), evenings after 7:00pm and weekends/holidays. If the senior one dollar fare program hours were to be adjusted to begin at 8:30 a.m., there is an additional revenue loss of \$72,000 annually. This revenue loss does not include the current 45,000 trips where seniors incorrectly pay the one dollar fare between 8:30 a.m.- 9:30 a.m.

A review of the annual data indicates that 1.8 million senior trips are taken on MiWay annually. Over half, or 1 million of the trips, are taken using the senior one dollar fare. Seniors currently pay \$2.00 per trip with Presto, \$2.20 for a ticket and \$61.00 for a monthly pass. Seniors can also take advantage of the Affordable Transit Program. Currently 26% of senior pass sales are purchased through this program.

If the one dollar fare pricing was open to seniors all-day, the revenue loss would be \$1.00 or more per trip. It is safe to assume most seniors currently using tickets or Presto would migrate to the \$1.00 cash fare resulting in a loss of \$1 million in fare revenue to the City annually.

It is not possible to properly assess the number of seniors who migrated to the one dollar fare from the cash fare of \$3.75 given that all riders (adult, student, seniors) pay the same cash fare. As a result, a cash fare revenue impact was not included in the overall revenue loss calculation.

Strategic Plan

The seniors one dollar cash fare program contributes to the strategic goal of ensuring affordability and accessibility.

Financial Impact

Statistics indicate there has been a shift in the type of fare media used by seniors. MiWay has collected several years of ridership data to effectively measure both rides and revenue changes. A reduction in senior tickets and use of Presto has a financial impact as seniors begin converting to the one dollar fare. The ticket valued at \$2.20 and Presto valued at \$2.00, results in a loss of \$1.20 per trip and \$1.00 per trip respectively. The migration away from the Presto monthly pass to the one dollar fare is slightly less.

The overall revenue loss from the shift in use of tickets, Presto and monthly passes to the one dollar fare between 8:30am and 9:30am is estimated to cost the City \$72,000 annually.

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| Budget Committee | 2019/01/02 | 3 |
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If the senior one dollar fare program was expanded to include the full day, the revenue loss would amount to approximately \$1,000,000 annually. This reduction in transit revenue was not contemplated or included in the MiWay 2019 Budget.

Conclusion

The senior one dollar cash off-peak fare program was made permanent in fall 2017. Results to November 2018 continue to show that the program has influenced seniors fare payment choices but has not increased total senior ridership levels or changed their time of travel.

Many of the senior riders are using the one dollar cash fare incorrectly during peak times especially around the start and finish time of the peak.

If a change is recommended to the program, this should be implemented effective May 1, 2019 to coincide with the 2019 fare change and save costs related to printing fare information.



Geoff Wright, P. Eng., MBA, Commissioner of Transportation and Works

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