

Clause 4 in Report No. 5 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 26, 2015.

York Region Transit (YRT/Viva)  
Fare Adjustments and Fare Policy Update

Committee of the Whole recommends adoption of the following recommendations contained in the report dated February 18, 2015 from the Commissioner of Transportation Services:

1. Recommendations

It is recommended that:

1. The updated YRT/Viva Fare Policy be approved.
2. The YRT/Viva revenue-to-cost recovery ratio goal be revised to 45 per cent from the current 50 per cent.
3. The proposed transit fare adjustments outlined in this report be approved and implemented effective July 1, 2015 and July 1, 2016 with the following fare category pricing:

**July 1, 2015:**

a) All cash	\$4.00
b) Express cash	\$4.50
c) Adult Ticket	\$3.40
d) Student Ticket	\$2.60
e) Senior/Child Ticket	\$2.10
f) Express Ticket	\$3.90
g) Adult Pass	\$136.00
h) Student Pass	\$102.00
i) Senior/Child Pass	\$57.00
j) Express Pass	\$157.00
k) GO \$0.75 Cash and GO Subsidy	\$3.40
l) Fare zone supplement	\$1.00

York Region Transit (YRT/Viva)  
Fare Adjustments and Fare Policy Update

**July 1, 2016:**

a) All cash	\$4.00
b) Express cash	\$4.50
c) Adult Ticket	\$3.50
d) Student Ticket	\$2.70
e) Senior/Child Ticket	\$2.20
f) Express Ticket	\$4.00
g) Adult Pass	\$140.00
h) Student Pass	\$105.00
i) Senior/Child Pass	\$59.00
j) Express Pass	\$162.00
k) GO \$0.75 Cash and GO Subsidy	\$3.50
l) Fare zone supplement	\$1.00

2. Purpose

This report seeks Council approval of an updated YRT/Viva Fare Policy, approval of a revised YRT/Viva revenue-to-cost ratio target, and approval to adjust YRT/Viva fares in 2015 and 2016.

3. Background

The YRT/Viva Fare Policy establishes guidelines for setting or restructuring transit fares

The original YRT/Viva Fare Policy was approved in June 2005 prior to the implementation of Viva service and has since been updated to reflect ongoing changes to transit operations and fares occurring in transit.

The revenue-to-cost ratio target of 50 per cent was approved in 2006

In October 2006, Council approved a Fare Policy report, which established a 50 per cent target to be recovered from fares. This target would reflect an equal sharing of transit costs between users and taxpayers.

However, while ridership has continued to grow, so have operational costs. During the last five years, the revenue-to-cost recovery ratio has remained around 40 per cent.

## York Region Transit (YRT/Viva) Fare Adjustments and Fare Policy Update

Fares are reviewed annually with the annual business plan and budget cycle

In three of the past five years, Council approved fare increases which have gradually increased cash fares to the current \$4.00 (January 1, 2014 - Zone 1 Fare). Staff completed a review of YRT/Viva fares for the upcoming year along with additional operating expenses and are recommending an increase to fares, excluding cash fares.

YRT/Viva has seen an increase in revenue ridership over the past five years from 18.3 million revenue riders in 2009 to 22.4 million revenue riders in 2014, an increase of approximately 23 per cent.

### 4. Analysis and Options

YRT/Viva conducted a Fare Policy, Peer Comparison and Industry Best Practice review of comparable transit agencies

YRT/Viva's fare structure, fare box revenues, and current practices were reviewed and compared to other transit agencies in the Greater Toronto and Hamilton Area (GTHA) and globally in October 2014.

Key recommendations from the review include the following:

- a) Review and adjust fares annually
- b) Calculate an internal inflation rate to determine a required fare adjustment rather than using the Consumer Price Index (CPI)
- c) Establish fares in relationship to the cost of alternative travel options and customer willingness to pay for good service and convenience
- d) Use Adult Cash Fare as a base for setting fare categories with increases being consistent across all fare categories

The YRT/Viva Fare Policy has been updated to reflect current transit practices and prepares for fare integration between Greater Toronto and Hamilton Area (GTHA) transit systems

The Fare Policy (see Attachment 1) provides direction on adjusting and updating the current fare structure and promotes the three YRT/Viva fare structure guiding principles:

York Region Transit (YRT/Viva)  
Fare Adjustments and Fare Policy Update

- a) The fare structure should contribute to and support ridership growth strategies that result in net new ridership.
- b) The fare structure should support business objectives that aim to balance fare revenues to operating expenditures.
- c) The fare structure should be applied equally to all customer categories, recognizing the need to meet business objectives.

The updated Fare Policy sets guidelines for staff and provides direction for updating the current fare structure. The objectives of the updated policy include:

1. Increasing ridership and improving service utilization
2. Establishing equitable fares benefiting all residents
3. Enhancing mobility options and access
4. Maintaining or increasing revenue streams
5. Maximizing fare revenue collection
6. Respecting customer privacy

Operational details found in the previous Fare Policy such as fare payment, and Regional fare zones will be incorporated into the Transit Enforcement By-Law and will be available to the public.

A fare strategy will be developed to guide YRT/Viva to achieving a 45 per cent revenue-to-cost ratio

Based on recommendations from the peer comparison and industry best practice review, YRT/Viva staff will develop a fare strategy to help achieve the recommended 45 per cent revenue-to-cost ratio. The strategy will identify non-passenger and non-governmental revenue opportunities and promote fare equity across all age groups and provide for fare discounts based on ability to pay.

In addition, the strategy will include a layered approach to optimizing the current passenger revenue system. This will include a review and restructuring of the current fare categories.

Recognizing affordability is an issue affecting all ages, the strategy will explore the benefits of providing fares based on one's ability to pay versus discounts by age group. Options to be considered will include the implementation of U-pass for post-secondary students, a pass for people living with low income, and a fare to increase service utilization during non-rush hour periods.

York Region Transit (YRT/Viva)  
 Fare Adjustments and Fare Policy Update

The revenue-to-cost ratio continues to trend at approximately 10 per cent below the target set by Council

While ridership has continued to grow, service costs have also increased, resulting in recent years to a revenue-to-cost ratio that remains around 40 per cent. For example, in 2014, year-end revenue ridership was 22.4 million with a corresponding year-end revenue-to-cost ratio of 39.6 per cent. The targeted revenue ridership for 2015 is approximately 23.5 million; the revenue-to-cost ratio is estimated to remain at 39 per cent.

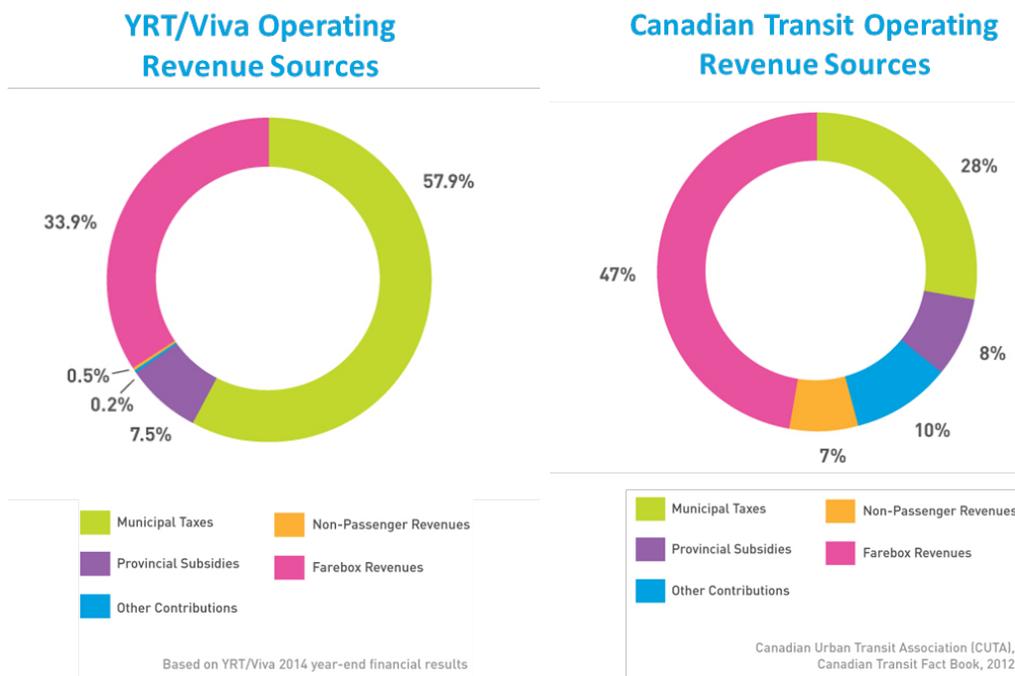
In order to maintain the current revenue-to-cost ratio, minimal annual fare rate increases are required to off-set operating cost adjustments and to pay for service improvements.

A 45 per cent revenue-to-cost ratio goal is an achievable target

The target of 45 per cent is a revenue-to-cost ratio target that can be achieved within a moderate time by restructuring fare categories, increasing ridership per hour and through non-passenger revenue.

York Region tax payers subsidize transit at a higher rate than the Canadian average as shown in Figure 1.

**Figure 1**  
**York Region Tax subsidy for transit vs. Average Canadian Revenue Sources**



## York Region Transit (YRT/Viva) Fare Adjustments and Fare Policy Update

A weighted average of two per cent increase on all fare categories with no changes to cash fare is recommended

Revenue from fares subsidizes approximately 40 per cent of YRT/Viva's service operating cost and makes up for 33.9 per cent of YRT/Viva's total revenue source. There is a need to strike a balance between affordable fare options for all residents and consistency with peers in the Greater Toronto Area (GTA), while ensuring that the contribution of tax levy is not increased.

To offset increase operating costs in 2015, a weighted average increase of 1.99 per cent effective July 1, 2015 across all fare categories with no increase to cash fares, is being proposed (see Attachment 2). This yields approximately \$989,000 in revenue between July 1, 2015 and June 30, 2016, and will result in an estimated revenue-to-cost ratio of 39 per cent.

Staff is recommending an additional weighted average increase of 1.92 per cent across all fare categories with no changes to cash fare, effective July 1, 2016 (see Attachment 3). This will result in approximately \$1 million in revenue between July 1, 2016 and June 30, 2017, in addition to \$989,000 from the 2015 fare increase. This would realize an estimated revenue-to-cost ratio of approximately 39 per cent.

The recommended fare change is based on a detailed analysis that considered ridership impacts, the rise in internal inflation and operating costs and the peer comparison and industry best practice review of other transit systems in the GTA. The changes to fares recommended in 2015 and 2016 compared to previous years are noted in Table 1 below.

York Region Transit (YRT/Viva)  
Fare Adjustments and Fare Policy Update

**Table 1**  
**YRT/Viva fare comparison 2010 - 2016**

	Fare Category	2010	2011	2012	2013	2014 YRT/Viva Current	2015 YRT/Viva Proposed	2016 YRT/Viva Proposed
Adult	Cash Fare	3.25	3.25	3.50	3.75	4.00	4.00	4.00
	Tickets/PRESCO	2.60	2.60	2.80	3.00	3.30	3.40	3.50
	Monthly Pass	105.00	105.00	115.00	120.00	132.00	136.00	140.00
Student	Cash Fare	3.25	3.25	3.50	3.75	4.00	4.00	4.00
	Tickets/PRESCO	1.90	1.90	2.10	2.30	2.50	2.60	2.70
	Monthly Pass	75.00	75.00	85.00	90.00	99.00	102.00	105.00
Senior	Cash Fare	3.25	3.25	3.50	3.75	4.00	4.00	4.00
	Tickets/PRESCO	1.50	1.50	1.65	1.85	2.00	2.10	2.20
	Monthly Pass	46.00	46.00	50.00	55.00	55.00	57.00	59.00
Child	Cash Fare	3.25	3.25	3.50	3.75	4.00	4.00	4.00
	Tickets/PRESCO	1.50	1.50	1.65	1.85	2.00	2.10	2.20
	Monthly Pass	46.00	46.00	50.00	55.00	55.00	57.00	59.00

Several of YRT/Viva's fare categories are above the GTA average (see Attachment 4). YRT/Viva fares in all pass categories except senior and child are currently above the average. The Student and Senior/Child ticket categories are currently at the average for the GTA. To date, GO Transit, Toronto Transit Commission, Mississauga Transit, Oakville Transit, and Brampton Transit have or are planning to increase fares in 2015.

A comprehensive communications and marketing strategy will be implemented to communicate the fare adjustments to customers and residents

Several methods of communication will be used to communicate any fare adjustments to customers and residents. These may include:

- YRT/Viva's website, yrt.ca and social media channels
- Formal media release through Corporate Communications
- Advertisement in local community newspapers and on message boards
- On-bus customer newsletter
- Printed notices on all buses, bus stops, terminals and ticket agent locations

## York Region Transit (YRT/Viva) Fare Adjustments and Fare Policy Update

There are also communication initiatives through community outreach programs such as those at community agencies, high schools, colleges and universities.

Link to key Council-approved plans

2011 to 2015 Corporate Strategic Plan

The proposed fare increase supports the 2011 to 2015 Corporate Strategic Plan principle; Manage the Region's Finances Prudently, by supporting the movement towards the 50 per cent revenue/cost recovery target. Council has endorsed the principle that the transit fare structure should aim to balance revenues to operating expenditures.

### 5. Financial Implications

The approval of recommended fare increases will result in approximately \$989,000 between July 2015 to June 2016 and approximately \$1 million of additional revenue between July 2016 and June 2017

Fare increases have been anticipated in each year of the 2015 – 2018 business plan and operating budget. A fare increase is required to maintain a 39 per cent revenue-to-cost ratio target.

### 6. Local Municipal Impact

The revenue-to-cost ratio for public transit in York Region affects the residents of all municipalities as 90 per cent of transit subsidy is drawn directly from the tax levy.

The development and implementation of a Fare Strategy will generate more revenue over time and reduce pressure on the tax levy support for Transit services.

### 7. Conclusion

The YRT/Viva Fare Policy has been updated to reflect current practices and prepares for fare integration between Greater Toronto and Hamilton Area (GTHA) transit systems.

York Region Transit (YRT/Viva)  
Fare Adjustments and Fare Policy Update

A fare strategy will be developed to guide YRT/Viva to achieving a 45 per cent revenue-to-cost ratio.

Increases to fares in July 2015 and July 2016 based on an average of two per cent on all fare categories with no changes to cash fare is recommended. The fare increases will offset internal inflationary rate adjustments from operating costs and help manage costs associated with required service adjustments.

For more information on this report, please contact Ann Marie Carroll at ext. 75677.

The Senior Management Group has reviewed this report.

Attachments (4)

5945077

Accessible formats or communication supports are available upon request



STATUS: Draft  
 Council Approved: Y N  
 CAO Approved: Y N

<b>TITLE:</b> York Region Transit / Viva	<b>Edocs No.:</b> (of this policy) <b>Original Approval Date:</b> (from Council authority) <b>Policy Last Updated:</b> (date subsequent to original approval – may be Council or CAO approval) <b>Posted on Intranet:</b> (date)
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## POLICY STATEMENT:

The Transit Fare Policy is based on three guiding principles; ridership growth, revenue optimization and fair application. The policy sets out the conditions under which fares for York Region Transit (YRT/Viva) shall be set or restructured.

## APPLICATION:

This policy applies to all passengers accessing transit services operated by or on behalf of the family of services offered by YRT/Viva.

## PURPOSE:

The purpose of this Fare Policy is to establish guidelines for setting or restructuring YRT/Viva fares. YRT/Viva staff will look to this policy when they make decisions about adjusting fares. All such decisions will be made in consultation with the Members of Council.

## DEFINITIONS:

**Conventional Bus Service:** Transit service provided by or on behalf of York Region Transit, excluding Viva bus rapid transit and Mobility Plus transit services.

**Family of Services:** Includes conventional YRT, Viva bus rapid transit, community bus, Dial-a-Ride and Mobility Plus door-to-door services.

**Fare Media:** Any form of payment that is currently accepted on YRT/Viva and Mobility Plus services.

**Fare Structure:** The system that determines how much is to be paid by various passenger fare categories using YRT/Viva and Mobility Plus services, at any given time.

## YRT/Viva Fare Policy

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**Mobility Plus:** York Region's specialized transit accessible public transit service for people with physical or functional disabilities who may be unable to use YRT/Viva conventional or bus rapid transit services for the entire duration of their trip, but who may be able to use these services for a part of the trip.

**PRESTO:** An electronic fare card accepted on conventional and bus rapid transit services.

**Proof-of-Payment (POP):** Passengers riding Viva bus rapid transit are required to carry POP with them at all times and must present it to a Transit Enforcement Officer upon request.

**Support Person:** An individual who accompanies the person with a disability who requires a support person in order to help with communication, mobility, personal care or medical needs or with access to goods, services or facilities.

**Viva bus rapid transit:** York Region's rapid transit services operating on Yonge Street, and Highway 7 corridors providing faster service than the conventional bus service with off-board fare payment and limited service stops.

**YRT/Viva:** A public transit agency that offers conventional bus, bus rapid transit and specialized transit services in all nine local municipalities situated in the Regional Municipality of York.

## DESCRIPTION:

### 1. Fare Policy Objectives

This Fare Policy supports YRT/Viva's mission of providing high-quality and accessible public transportation services for the benefit of the individuals and communities that it serves.

This policy sets six objectives that are critical to achieving the mission of YRT/Viva. The objectives are as follows:

#### 1.1 Increase ridership and improve service utilization

Using Family of Services, YRT/Viva will continue to contribute to reducing traffic congestion, improving the environment and social determinants of health by providing services that are accessible and efficient. This includes adopting fare strategies that will increase ridership by making YRT/Viva services more attractive and convenient to use as well encourage service utilization during non-rush hour periods to optimize the use of existing capacity on the system.

## **YRT/Viva Fare Policy**

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### **1.2 Establish Equitable Fares**

The YRT/Viva fare structure will support the travel patterns and requirements of transit riders while providing options that take into account the needs of various population groups of York Region and their ability to pay for transportation services.

Internal inflation rate will be used to calculate and establish any fare adjustments. Changes to fare structure will be reflected proportionally across all fare categories. Any fare discounts for different fare categories shall be established using the adult cash fare as the base.

### **1.3 Enhance Mobility and Access**

The fare structure will enhance the ability of riders to access the system and move through the Region, increasing their quality of life and access to programs and services.

### **1.4 Maintain or Increase Revenue Stream**

Fare revenue is a critical component of YRT/Viva's operating budget. Any increase or restructuring of fares should ensure that the total fare revenue stream is maintained at an appropriate level, consistent with the target revenue-to-cost (R/C) ratio set by Council. In addition, YRT/Viva will continually seek opportunities for non-governmental and non-passenger revenue to achieve higher R/C ratio.

### **1.5 Maximize Fare Revenue Collection**

To maximize fare revenue collection, YRT/Viva will take advantage of the development of fare collection technologies, including the use of the PRESTO fare card. YRT/Viva will also continually explore ways to optimize the current passenger revenue system.

### **1.6 Respect Customer Privacy**

While developing and implementing additional fare technologies that are easy and convenient to use, YRT/Viva recognizes the importance of respecting customer privacy and ensuring the security of personal information.

## **2 Fare Structure**

### **2.1 Fare Media**

YRT/Viva accepts various forms of fare media. Fare media requirements are listed in The Regional Municipality of York By-Law R-1415-2005-028 as amended.

## **YRT/Viva Fare Policy**

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### **2.2 Fare Levels**

One fare will be charged for any trip on any conventional, bus rapid transit, or Mobility Plus service within one zone. Additional supplements are required for additional zones. Fares reflect the operational characteristics and average trip length by zone

### **2.3 Transfers**

Transfers are valid for two hours and can be used in any direction of travel. The trip must be completed within the time of expiry.

### **2.4 Proof-of-Payment**

Viva bus rapid transit service operates on a proof-of-payment system (POP). Passengers are required to carry POP with them at all times, and to present it to a Transit Enforcement Officer, upon request. Passengers are responsible for ensuring that the appropriate fares, and any applicable fare supplements, are paid for each trip. Passengers are required to pay their fare prior to entering the fare paid zone or boarding a Viva bus rapid transit vehicle.

## **RESPONSIBILITIES:**

Regional Council will review and approve any increase in/or restructuring of fares, as proposed by YRT/Viva staff.

YRT/Viva staff will continue to monitor the budget, ridership and research best practices to help increase the revenues in conjunction with the Fare Policy. Staff responsible for oversight to this policy includes, but not limited to:

Commissioner, Transportation Services:

General Manager, YRT/Viva:

Manager, Finance, Budgets and Business Planning:

Manager, Enforcement and Security, YRT/Viva:

## **REFERENCE:**

## **CONTACT:**

General Manager, YRT/Viva, Transportation Services

5885103

**YRT/Viva Fare Policy**

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**APPROVAL INFORMATION** *[complete the details from the approved policy report]*

**CAO Approval Date:** \_\_\_\_\_ *(insert 'n/a' if policy is Council approved)*

*(if the policy is subsequently revised or updated and requires CAO approval only - insert new date of CAO approval here)*

*(remove the Committee/Council approval section below for policies approved by CAO only)*

<b>Committee:</b>	<b>Clause No.:</b>	<b>Report No.</b>
		Edocs. No. (of extract)
<b>Council Approval: Minute No.</b>	<b>Page:</b>	<b>Date:</b>

1873345 Insert Document No. and File Code  
Xxxxx Edocs No. of Archived Policy if any

(Copy and insert Schedules and Appendices here if not too lengthy otherwise create a separate pdf attachment of the Schedule and save as an attachment in the P01/5/1 “Approved Policies” folder and insert the link in the Description box together with the policy on the intranet.)

2015 Proposed YRT/Viva fare increase – effective July 1, 2015

Fare Category	Distribution (%)	Current (\$)	Proposed (\$)	Increase (%)	Net Annual Revenue Increase (\$)
All Cash	30.50	4.00	4.00	0.00	0.00
Express Cash	0.00	4.50	4.50	0.00	0.00
Adult Ticket	34.50	3.30	3.40	3.00	497,421.00
Student Ticket	8.30	2.50	2.60	4.00	159,617.00
Senior/Child Ticket	2.50	2.00	2.10	5.00	57,875.00
Express Ticket	0.10	3.80	3.90	2.60	1,862.00
GTA Weekly Pass (YRT/Viva portion)	8.30	33.00	33.00	0.00	0.00
Adult Monthly Pass	11.20	132.00	136.00	3.00	197,870.00
Student Monthly Pass	3.40	99.00	102.00	3.00	57,661.00
Senior/Child Monthly Pass	1.00	55.00	57.00	3.60	15,279.00
Express Monthly Pass	0.10	152.00	157.00	3.30	1,095.00
GO \$0.75 cash + GO subsidy	0.00	3.30	3.40	3.00	0.00
GO \$30 ticket pass + GO subsidy	0.00	0.00	0.00	0.00	0.00
				<b>Weighted Average:</b>	<b>Total:</b>
				1.99%	\$988,682

## 2016 Proposed YRT/Viva fare increase – effective July 1, 2016

Fare Category	Distribution (%)	Current (\$)	Proposed (\$)	Increase (%)	Net Annual Revenue Increase (\$)
All Cash	30.50	4.00	4.00	0.00	0.00
Express Cash	0.00	4.50	4.50	0.00	0.00
Adult Ticket	34.50	3.40	3.50	2.90	508,202.00
Student Ticket	8.30	2.60	2.70	3.80	163,123.00
Senior/Child Ticket	2.50	2.10	2.20	4.80	59,168.00
Express Ticket	0.10	3.90	4.00	2.60	1,902.00
GTA Weekly Pass (YRT/Viva portion)	8.30	33.00	33.00	0.00	0.00
Adult Monthly Pass	11.20	136.00	140.00	2.90	208,204.00
Student Monthly Pass	3.40	102.00	105.00	2.90	60,672.00
Senior/Child Monthly Pass	1.00	57.00	59.00	3.50	16,172.00
Express Monthly Pass	0.10	157.00	162.00	3.20	1,155.00
GO \$0.75 cash + GO subsidy	0.00	3.40	3.50	2.90	0.00
GO \$30 ticket pass + GO subsidy	0.00	0.00	0.00	0.00	0.00
				<b>Weighted Average:</b>	<b>Total:</b>
				1.92%	\$1,018,598

## 2014 YRT/Viva Fare categories compared to other GTHA transit agencies

	Fare Category	YRT/Viva 1-Zone	TTC	Brampton	Hamilton	GO Transit	GTHA Median Fare	GTHA Average Fare
Adult	Cash Fare	4.00	3.00	3.75	2.55	5.35	3.25	3.48
	Tickets/Tokens	3.30	2.70		2.00		2.75	2.91
	Monthly Pass	132.00	133.75	118.00	87.00	172.00	112.00	114.38
	Weekly Pass		39.25	31.00			35.13	35.13
	Day Pass		11.00		9.00	10.70	10.00	10.00
	PRESTO	3.30	2.70	2.80	2.00	4.82	2.80	2.91
Student	Cash Fare	4.00	3.00	3.75	2.55	5.35	3.25	3.48
	Tickets/Tokens	2.50	1.85		1.65		2.08	2.27
	Monthly Pass	99.00	108.00	105.00	71.00	135.60	92.75	90.35
	Weekly Pass		31.25	27.00			29.13	29.13
	Day Pass		11.00		9.00	10.70	10.00	10.00
	Restricted Monthly Pass						18.25	18.25
	PRESTO	2.50	2.70	2.50	1.65	4.43	2.50	2.42
Senior	Cash Fare	4.00	3.00	1.00	2.55	2.70	3.25	3.09
	Tickets/Tokens	2.00	1.85		2.00		1.90	2.02
	Monthly Pass	55.00	108.00	50.00	20.50	104.00	51.50	57.28
	Weekly Pass		31.25	15.00			23.13	23.13
	Day Pass		11.00		9.00	5.35	10.00	10.00
	Annual Pass				205.00		369.50	369.50
	PRESTO	2.00	2.70	1.55	1.65	2.60	1.85	2.03
Child	Cash Fare	4.00	0.75	3.75	2.55	2.70	3.25	2.89
	Tickets/Tokens	2.00	0.60		1.65		1.78	1.79
	Monthly Pass	55.00		105.00	71.00	104.00	70.00	71.14
	Weekly Pass			27.00			27.00	27.00
	PRESTO	2.00	2.70	2.50	1.65	2.60	2.00	2.13