

**NIAGARA TRANSIT COMMISSION
PUBLIC ADVISORY COMMITTEE
MEETING AGENDA**

NTCPAC 3-2024

September 9, 2024

4:00 pm

Committee Room 4

In-Person and Electronic Meeting

Niagara Region Headquarters - Campbell West Entrance

1815 Sir Isaac Brock Way, Thorold

If you are interested in viewing this meeting or would like to speak to an item listed on the agenda, please contact the Office of the Regional Clerk at clerk@niagararegion.ca

Pages

1. **CALL TO ORDER**
2. **LAND ACKNOWLEDGEMENT STATEMENT**
3. **DISCLOSURES OF PECUNIARY INTEREST**
4. **PRESENTATIONS**
5. **ITEMS FOR CONSIDERATION**

5.1 Considerations for the 2025 Work Plan

In accordance with the Committee Terms of Reference, Committee will develop an annual work plan identifying any specific initiatives and activities to be undertaken for recommendation to the Niagara Transit Commission.

6. ITEMS FOR INFORMATION

- 6.1 Niagara Transit Commission Public Advisory Committee Minutes 1 - 3
NTCPAC 2-2024

Tuesday, June 10, 2024

These minutes were received by the Niagara Transit Commission Board at its meeting held June 18, 2024, and are presented for errors and/or omissions only.

- 6.2 Board Report NTC 22-2024 4 - 20

Harmonization of Fares

(This report was approved by the Niagara Transit Commission at its meeting held on August 27, 2024.)

- 6.3 Board Report NTC 21-2024 21 - 32

Expansion of Transit Benefit Pass Eligibility

(This report was approved by the Niagara Transit Commission at its meeting held on August 27, 2024.)

7. VERBAL UPDATES

- 7.1 NEW Route 116 in Niagara Falls 33

- 7.2 2025 Budget

8. OTHER BUSINESS

9. NEXT MEETING

The next meeting will be held on Monday, December 9, 2024, at 4:00 p.m. in Committee Room 4, Niagara Region Headquarters.

10. ADJOURNMENT

**NIAGARA TRANSIT COMMISSION
PUBLIC ADVISORY COMMITTEE
MINUTES**

**NTCPAC 2-2024
June 10, 2024
Committee Room 4
In-Person and Electronic Meeting
Niagara Region Headquarters - Campbell West Entrance
1815 Sir Isaac Brock Way, Thorold**

Committee Members: M. Alba, M. Anees*, C. Charlton (Committee Vice Chair), L. Hay*, G. Hillhouse, T. Hounsell, S. Kosh*, H. Levine, S. Lord, J. Mann*, A. Romeo*, K. Stobbe*

Non-Voting Member: C. Stout, General Manager

Absent/Regrets: H. Chesshire, J. Jessop, G. McIlhone (Committee Chair)

Staff: J. Spratt, Legislative Coordinator, H. Talbot, Manager, Integration & Transformation, L. Tracey, Executive Assistant & Communications Advisor

* indicates participants who attended the meeting electronically, all others participated in person

1. CALL TO ORDER

Committee Vice Chair Charlton called the meeting to order at 4:00 p.m.

2. LAND ACKNOWLEDGEMENT STATEMENT

Committee Vice Chair Charlton read the Land Acknowledgement Statement.

3. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

4. PRESENTATION AND DISCUSSION

4.1 Niagara Transit Commission's Transit Master Planning Project

Pia Dimayuga, Engagement and Accessibility Lead, and Yuval Grinspun, Project Manager, Left Turn Right Turn Ltd, provided information respecting the Transit Master Planning Project. Topics of the presentation included:

- Transit Facilities, Strategic Assets & Service Network Master Plan
- Project Scope

- Project Timelines
- Why They are Engaging and When
- Trade Offs
- Funding for Transit
- Next Steps

Committee members were provided with the opportunity to offer their perspective and feedback respecting the Transit Master Plan.

5. ITEMS FOR INFORMATION

5.1 Niagara Transit Commission Public Advisory Committee Minutes NTCPAC 1-2024

Tuesday, April 23, 2024

Moved by H. Levine

Seconded by T. Hounsell

That Minutes NTCPAC 1-2024 being the minutes of the Niagara Transit Commission Public Advisory Committee meeting held on Tuesday, April 23, 2024, **BE RECEIVED**.

Carried

6. OTHER BUSINESS

6.1 Fare Strategy

Committee members requested to be notified when the Transit Commission considers the fare strategy.

6.2 Transit Passes for Committee Members

Stuart Lord, Committee Member, requested an update regarding transit passes for Committee members. Carla Stout, General Manager, advised that the Board would need to consider this request.

7. NEXT MEETING

The next meeting will be held on Monday, September 9, 2024, at 4:00 p.m. in Committee Room 4, Niagara Region Headquarters.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 6:20 p.m.

Carleigh Charlton
Committee Vice Chair

Jenna Spratt
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

Subject: Harmonization of Fares
Report to: Niagara Transit Commission Board
Report date: **Tuesday, August 27, 2024**

Recommendations

1. That the Niagara Transit Commission **APPROVE** the harmonized fare structure and associated fare policies outlined in Report NTC 22-2024 with an effective date of July 1, 2025; and
2. That Report NTC 22-2024 **BE FORWARDED** to Niagara Region for the fare structure and as needed, fare policies, to be included in the Niagara Region's By-law to Establish Fees and Charges with an effective date of July 1, 2025.

Key Facts

- The purpose of this report is to seek Niagara Transit Commission (NTC) Board approval of a harmonized single-tier fare structure and associated fare policies for implementation on July 1, 2025.
- The implementation of a single, region-wide flat fare for all trips was a key strategy that was proposed during the Triple Majority process and was anticipated to be realized in 2025.
- Over 90% of Niagara Transit passes are local fares, with these fares being below the peer average, while the Regional fare is substantially higher than all other peers.
- Staff undertook a jurisdictional scan, analyzed data around inflation, ridership impacts and the living wage in Niagara to find a FAIR FARE proposal that balances the cost to the community with affordability of riders.
- This report will be incorporated into the 2025 budget for Transit and must be reflected in the Niagara Region's 2025 Fees and Charges By-law.

Financial Considerations

The current fare structure was approved by the Board on July 19, 2022 (NTC 7-2022) and implemented on January 1, 2023. The proposed harmonized fare structure is set to be implemented on July 1, 2025. This new fare structure is projected to increase fare

revenue by \$175,000 for the 2025 budget year, with an annualized increase of \$350,000.

Table 1- The proposed fare structure

Fare Category	Current Inter-Municipal (Regional) Fares	Current Intra-Municipal (Local) Fares	Proposed Harmonized Fare	Proposed % Change from Local	Proposed % Change from Regional
Cash Fare - Adults (18-64)	\$6.00	\$3.00	\$3.50	17%	-42%
Cash Fare - Seniors (65+)	\$5.00	\$3.00	\$3.50	17%	-30%
Cash Fare – Youth (13-17 or Secondary School ID)	\$5.00	\$3.00	\$3.50	17%	-42%
Cash Fare - 12 and under	Free	Free	Free	-	-
Day Pass	\$14.50	\$7.25	N/A	N/A	-
10 Ride Card - Adults (18-64)	\$45.00	\$26.50	\$31.00	17%	-31%
10 Ride Card - Seniors (65+)	\$40.00	\$22.00	\$20.00	-9%	-50%
10 Ride Card – Youth (13-17 or Secondary School ID)	\$40.00	\$22.00	\$25.00	14%	-30%
31 Day Pass - Adults (18-64)	\$160.00	\$85.50	\$100.00	17%	-38%
31 Day Pass - Seniors (65+)	\$130.00	\$63.00	\$55.00	-13%	-58%
31 Day Pass – Youth	\$130.00	\$63.00	\$75.00	16%	-30%

(13-17 or Secondary School ID)					
31 Day Pass - Low Income	\$130.00	\$63.00	\$50.00	-21%	-62%

Fare Exemptions (unchanged):

- Children 12 and under
- Persons and support persons carrying a CNIB identification card
- Niagara Transit Commission employees
- One support person along with a valid fare-paying customer who requires assistance while travelling on public transit
- Active-duty military
- Veterans presenting a Canada Armed Forces Veteran's Service Card
- First responders while on duty: Police Officers, Firefighters and Emergency Medical services paramedics, while on duty

Background

The Niagara Transit Service Delivery and Governance Strategy (Dillon Report) and the Niagara Transit Governance Study (NTGS) both identified the shortfalls of the current overall fare system(s) and recommended that a harmonization of fare structures, policies and the fare payment technology platform be undertaken.

The implementation of a single, region-wide flat fare for all trips was a key strategy that was proposed during the Triple Majority process and was anticipated to be realized in 2025. This move aims to simplify the fare structure and enhance the overall transit experience for all users across the Niagara Region. This strategy was designed to address fare disparities and create a more equitable and user-friendly transit system.

Currently, the Niagara Region operates a two-tiered fare system where transit fares vary between local and regional services. The local fare allows a rider to ride within a municipality and a regional fare allows a rider to ride within a municipality and between

municipalities. This system creates several challenges, including rider confusion, operational inefficiencies, and fare inequity.

Analysis

Staff have developed a FAIR FARE strategy that harmonizes fares and aligns with the Commission's core value of affordability. This value is defined by the Board through four key principles: balancing community costs with rider affordability, ensuring a fair fare structure, driving equity, and breaking down financial barriers to provide inclusive and universal access.

By harmonizing transit fares, we can simplify the fare structure and promote greater transit usage across the region. The current two-tiered fare system in Niagara Region's transit network has led to inefficiencies, confusion among riders, and inequities in fare pricing. This report outlines the benefits of transitioning to a unified fare structure.

- **Simplification and Rider Convenience:**
 - **Reduced Confusion:** A single, unified fare structure will simplify the fare system, making it easier for riders to understand and use.
 - **Seamless Travel:** Harmonized fares will facilitate seamless travel across different municipalities, encouraging more people to use public transit.
- **Equity and Fairness:**
 - **Equal Access:** Harmonizing fares ensures that all riders pay the same rate for similar services regardless of where they live or travel, promoting equity across the region.
 - **Eliminating Disparities:** This approach eliminates the fare disparities that currently exist between local and regional services.
- **Operational Efficiency:**
 - **Streamlined Operations:** A unified fare system will simplify fare collection and reduce administrative burdens.
 - **Cost Savings:** Harmonizing fares can lead to cost savings through reduced complexity in fare management and system maintenance.

Increased Ridership:

- **Incentive to Use Transit:** A fair and simple fare structure can attract more riders, increasing overall transit usage.
- **Economic Growth:** Increased ridership supports local businesses and economic development.

Why Now?

As mentioned earlier, the implementation of a single, region-wide flat fare for all trips was a key strategy that was proposed during the Triple Majority process and was anticipated to be realized in 2025. This move aims to simplify the fare structure and enhance the overall transit experience for all users across the Niagara Region.

During the 2024 budget deliberations, it was determined that NTC staff would deliver a detailed report on the impacts of fare harmonization for the 2025 Regional Council budget discussions. Staff are now better able to present this detailed report for Council's consideration.

Work with Province

NTC staff meet regularly as a partner in the Provincial-Municipal Fare Strategy Implementation (FSI) group, working with municipal, MTO and Metrolinx partners for discussions around fare strategies.

The province of Ontario is working to build an integrated regional transit system that will make it easier and more affordable for people to use transit across the Greater Golden Horseshoe (GGH).

In March 2022, a Provincial-Municipal FSI Table was established with Municipal Partners, MTO and Metrolinx to deliver on key FSI initiatives, including the One Fare Program. The Provincial-Municipal FSI Table evolved into the FSI Collaboration Table (FSI Table) and successfully implemented the removal of double fares between neighbouring transit systems in the 905 and GO Transit with the TTC as part of the One Fare Program in February 2024 (MTO, Metrolinx, TTC, MiWay, Brampton Transit, York Region Transit, Durham Region Transit, and GO Transit).

The FSI Table has since expanded in March 2024 to include additional GGH Municipal Partners to continue to advance FSI priorities. These additional partners included the following:

- City of Barrie
- City of Brampton
- City of Burlington
- City of Guelph
- City of Hamilton
- City of Mississauga
- City of Toronto
- Town of Oakville
- Regional Municipality of Durham
- Regional Municipality of Waterloo
- Regional Municipality of York
- Town of Milton
- Niagara Region
- The mandate of the FSI Table is to advance fare and service integration priority initiatives in the areas of fare integration, service integration and specialized transit. In 2024-25, these three fare and service integration workstreams will be considered:
 - Opportunities for harmonizing discounted fares.
 - Maximizing transit access to employment centres and major destinations; and through service integration,
 - Making the transit experience more seamless for both conventional and specialized transit riders.
- The province will continue to work closely with Municipal Partners to create an integrated regional transit network that fully leverages transit infrastructure investments to enable cheaper, faster, and more convenient transit for users.

NTC staff remain actively engaged with the Fare Strategy Implementation (FSI) Group.

This engagement involves regular meetings and communication to discuss the implementation of fare strategies, address any challenges, and identify opportunities for integration. By maintaining this close collaboration, NTC staff can leverage the expertise and insights of the FSI Group to enhance the effectiveness of fare policies and practices, as well as work together on future harmonization efforts.

Maintaining a two-tiered fare structure complicates future fare integration with fellow Municipal and Provincial Partners. The proposed harmonized fare structure further aligns with the work of GGH group to establish fare age category and cost consistency. Moving Niagara towards this fare structure will support Niagara Residents who are making inter-regional trips by ensuring they are eligible for similar concessions across Ontario, as well as future opportunities for co-fare agreements with peers in the GGH group.

Rising costs

During amalgamation, the average of local transit fares was used to align local fares and regional fares were left static. Prior to this change, there had not been an increase in local transit fares since 2017. During this same period, inflation has risen by 21%, according to data from the *Bank of Canada*.

Transit operations have seen a significant increase in costs due to inflation, rising fuel prices, and higher maintenance expenses. Fare adjustments will help close the gap between revenue and expenditures, ensuring financial sustainability and reducing the reliance on municipal funding.

Technology

The NTC faced technological challenges during its initial year of operation, which impeded the ability to achieve consistent fare harmonization across the Niagara region. These hurdles included integrating diverse fare collection systems, updating outdated technology, aligning contracted service technology and ensuring interoperability across various transit services.

However, after diligent efforts and strategic investments, these technological challenges have now been effectively addressed. As a result, the NTC has implemented an integrated fare collection system that operates across the region. This consistent fare system ensures that all users, regardless of their starting point or destination within Niagara, experience a streamlined and equitable fare payment process.

Proposed Harmonized Fare Structure

When coming up with a proposed fare structure, staff undertook a jurisdictional scan, analyzed data around inflation, ridership impacts and the living wage in Niagara to find a proposed fare structure for our community. Staff were looking for a FAIR FARE proposal that balances the cost to the community with the affordability of riders.

Jurisdictional scan

Staff undertook a jurisdictional scan to analyze and compare transit fare structures across the Greater Golden Horseshoe (GGH) to identify best practices and comparable fare pricing. By examining comparable Transit Fare structures, we sought to understand the impacts that changes to the existing fares would have on riders, revenue and operations.

Staff focused the scan on GGH Municipal areas as peers. This scan included 12 Transit Agencies:

- City of Barrie
- City of Brampton
- City of Burlington
- City of Guelph
- City of Hamilton
- City of Mississauga
- City of Toronto
- Town of Oakville
- Regional Municipality of Durham
- Regional Municipality of Waterloo
- Regional Municipality of York
- Town of Milton

NTC staff further narrowed the focus when comparing fare pricing to peer agencies with a similar population size. Municipalities with populations of 100,000 to 750,000 were used, which excluded Toronto, Mississauga and York. A summary of the GGH Peer average fares is included in *Table 2*.

When analyzing the current fare structure in Niagara, it is important to understand the distribution of ridership and pass sales in Niagara. Over 90% of all NTC fares purchased are local passes. The current NTC regional cash fare is not aligned with any of the peer agencies, as it 56% higher than the average GGH and is the highest cash fare by \$1.50. Any changes to fares will have a greater impact on riders that are riding locally within communities. Staff used this information when recommending a fare structure and focused more attention on the impact to local fares.

Niagara's current local fares are considerably lower than the peer average and this information has been used to help in recommending the updated fare structure (Table 2). The average cash fare is \$3.84 compared to the current Niagara local fare of \$3.00 (Regional fare is \$6.00). The average percentage discount offered to Seniors and Low-Income have been summarized. The discount is for monthly passes and is compared to a regular adult monthly pass.

Living Wage

Niagara's 2023 living wage was also compared to the other GGH communities in the scan. Living wage is a good measure when setting transit fares because it represents the income required for individuals and families to meet their basic needs, including housing, food, healthcare, and transportation. By aligning transit fares with the living wage, communities can ensure that public transportation remains more affordable for everyone. When transit fares are aligned with what people can reasonably afford, more individuals are likely to use public transportation. Affordable transit fares increase accessibility and mobility for all residents, enabling them to commute to work, access education and healthcare, and participate in community activities. Niagara's living wage in 2023 was 12.5% lower than the GGH Peer average of communities with 100-750k populations. When looking at the average cash fare of the peer group of \$3.84 and adjusting for 12.5%, the adjusted Niagara cash fare is \$3.36.

Table 2- Fare Comparison and Analysis

Comparator	Cash	Adult 31 Day Pass	Senior 31 Day Discount	Low-Income 31-Day Discount
GGH Peer Average-Population 100-750K	\$3.84	\$110.47	45%	50%
Adjusted to Niagara (Living Wage 2023)	\$3.36	\$96.66	-	-
<i>Proposed Fare-2025</i>	<i>\$3.50</i>	<i>\$ 100.00</i>	<i>45%</i>	<i>50%</i>

Inflation

As mentioned earlier, during the amalgamation, the average of local fares was used to align local fares and regional fares were left static. Prior to this change, there had not been an increase in local transit fares since 2017. During this same period, inflation has risen by 21%, according to data from the *Bank of Canada*. As a further comparison to

the current cost of fares, applying inflation from 2017 to present would result in cash fares of \$3.59 and an adult monthly pass would be \$103.45.

Fare Setting

When setting cash fares, it is recommended to use increments of \$0.25 because transactions are easier and faster, reducing the time passengers spend at fareboxes and streamlining the boarding process leading to improved performance. The process can lead to improved service efficiency in coin administration processes as well. *Note- Our Operators do not carry change on the vehicle.*

Ridership Impacts

Staff utilized industry reports to estimate the potential impact of fare changes on ridership, using the concept of elasticity. Elasticity measures the responsiveness of ridership to changes in fare prices. According to these reports, for every 1% increase in fare price, ridership is expected to decrease by approximately 0.2%. Conversely, a 1% decrease in fare price would result in a corresponding 0.2% increase in ridership. This elasticity estimate helps predict how fare adjustments could influence overall ridership numbers, enabling more informed decision-making regarding fare policies.

Timeline for change

The proposed fare harmonization date is set at July 1, 2025. There is required lead time to implement fare changes of this complexity. The lead time allows for fare collection systems to be updated and tested across all platforms, public communications, restocking of fare media and staff training.

The fares proposed in Table 3 are based on jurisdictional scan information, living wage info and inflation.

Cash and Adult Fares

Cash Fares and Adult passes were used as the foundation for the proposal. By using cash fares and adult passes, corresponding discounts and concessions can be set afterward.

The proposed increase in Cash, Adult 31 Day and 10-ride passes from the current local fare is consistent at 17%. It should also be noted that the proposed effective date is July 1, 2025. Staff performed the peer review in Q2 of 2024 and it is expected that fare increases will occur in some of the peer communities before July 2025. This would

increase the Peer Average and increase the fares adjusted to Niagara fare price. The proposed considers the time lag between reviewing fares and recommending in July 2025 and proposes \$3.50 for cash fares and \$100 for 31-Day Adult Fares.

Table 3- Niagara Transit Commission Proposed Harmonized Fares

Fare Category	Current Inter-Municipal (Regional) Fares	Current Intra-Municipal (Local) Fares	Average Peer GGH Agencies	Proposed Harmonized Fare	Proposed % Change from Local	Proposed % Change from Regional
Cash Fare - Adults (18-64)	\$6.00	\$3.00	\$3.84	\$ 3.50	17%	-42%
Cash Fare - Seniors (65+)	\$5.00	\$3.00	\$3.84	\$ 3.50	17%	-30%
Cash Fare - Youth (13-17 or Secondary School ID)	\$5.00	\$3.00	\$3.84	\$ 3.50	17%	-42%
Cash Fare - 12 and Under	Free	Free	N/A	Free	-	-
Day Pass	\$14.50	\$7.25	\$8.47	N/A	N/A	-
10 Ride Card - Adults (18-64)	\$45.00	\$26.50	\$32.00	\$ 31.00	17%	-31%
10 Ride Card - Seniors (65+)	\$40.00	\$22.00	\$22.02	\$ 20.00	-9%	-50%
10 Ride Card – Youth (13-17 or Secondary School ID)	\$40.00	\$22.00	\$25.63	\$ 25.00	14%	-30%
31 Day Pass - Adults (18-64)	\$160.00	\$85.50	\$110.47	\$ 100.00	17%	-38%
31 Day Pass - Seniors (65+)	\$130.00	\$63.00	\$61.00	\$ 55.00	-13%	-58%
31 Day Pass – Youth (13-17 or Secondary School ID)	\$130.00	\$63.00	\$88.12	\$ 75.00	16%	-30%
31 Day Pass - Low Income	\$130.00	\$63.00	\$55.66	\$ 50.00	-21%	-62%

Fare Concessions

- *31 Day Senior Pass (65+)*- The senior pass is proposed at \$55, which is a 45% discount. This is consistent with the discount offered by our peers [Table 2]. The City of Niagara Falls formally asked the NTC to establish a Senior fare consistent with others in the Golden Horseshoe. By offering a senior rate, competitive with our peers, this meets the request and brings the NTC fare structure in alignment with the GGH peers.
- *31 Day Low-Income Pass*- The Low-Income pass is proposed at \$50, which is a 50% discount [Table 2]. This is consistent with the discount offered by our peers and brings the NTC fare structure closer to alignment with the GGH.
- *31 Day Youth (13-17 or Secondary School ID)*- The pass is proposed at \$75, which is a discount of 25%. The peer comparison ranges from 20-25% discount. The structure is offering a higher discount to youth and hopefully fostering early adoption, which can lead to many benefits to the individual and community.
 - Increased Ridership: Youth who become accustomed to using public transit are more likely to continue using it into adulthood, leading to sustained or increased ridership over time.
 - Reduced Car Dependency: Early exposure to public transit can decrease reliance on personal vehicles, promoting more sustainable transportation habits.
 - Cost Savings: Families can save money on transportation costs by using public transit instead of owning and maintaining multiple vehicles.
 - Civic Responsibility: Regular use of public transit can foster a sense of civic responsibility and community engagement among youth, encouraging them to support and advocate for public services.
- *Day Pass*- It is proposed to eliminate the Day Pass. In surveying the Peer GGH Transit agencies, only 4 of the 12 agencies offered a Day Pass. NTC aims to reduce the amount of passes available to simplify the fare structure and align with Peer Fare structures. Sales of Day Passes in Niagara make up ~4% of all sales. Reducing the number of fare products simplifies the fare system, making it easier for riders to understand and use while also being more efficient for transit agencies to manage.
- *10 Ride Senior and 10 Ride Youth*- The proposed Senior and Youth 10-Ride cards will maintain the current fare structure, where the cost of a 10-ride pass is

approximately one-third of the cost of a 31-day pass. This approach ensures that the breakeven point remains consistent, meaning that riders who use the transit service 31 times in a 31-day period will find the 31-day pass to be more economical. This structure encourages frequent use while providing affordable options for both seniors and youth who may not require a full monthly pass.

Fare Policies

The Fare policies listed below.

- **Seniors Rate [no change]:** eligibility for persons 65+, with proof of age being required on request. This is consistent with Peer GGH Agencies.
- **Youth Rate [no change]:** eligibility will be youth between ages of 13-17, or with valid secondary school identification. This is consistent with Peer GGH Agencies.
- **Transfer Policy [no change]:** Transfers will be issued for 2 hours from the time of the original boarding for the completion of a trip.
- **Proof-of-Payment [no change]:** All riders must have valid proof-of-payment when travelling on Niagara Region Transit. Niagara Region Transit Supervisors regularly board buses to conduct fare checks.
- **Low-Income (no change)-** Eligibility is based on Ontario Disability Support Program (ODSP). Proposed changes to Low-Income Eligibility are presented in a separate report from this.

In addition to the policies and fare products above, the following fare exemptions will continue:

- Children 12 and under
- Persons and support persons carrying a CNIB identification card
- Niagara Transit Commission employees
- One support person along with a valid fare-paying customer who requires assistance while travelling on public transit
- Active-duty military
- Veterans presenting a Canada Armed Forces Veteran's Service Card
- First responders while on duty: Police Officers, Firefighters and Emergency Medical services paramedics, while on duty

High School Passes

It was requested that staff investigate providing free fares to High school students. Staff have reviewed this option and the potential impact on revenue, service and operations.

Offering free transit passes to high school students is not recommended due to the significant financial implications. The estimated revenue loss is \$800,000, which includes both lost farebox revenue and lost Provincial Gas Tax funds.

Conventional Impact: The potential future service requirements to accommodate increased demand, particularly during peak times (e.g., school bell times), are currently undeterminable. These times already experience the highest ridership, and meeting additional demand would necessitate hiring more staff and potentially purchasing additional vehicles. The cost of potential service increases is not known at this time.

On-Demand/Specialized Impact: Implementing free passes for high school students uniformly across Niagara would most heavily impact communities and riders reliant on On-Demand and Specialized services. Significant increases in ridership in these areas could overburden the existing system, leading to potential service delays and reduced availability. For instance, we have already observed an increase in ridership straining the On-Demand system when a new post-secondary school opened in a specialized zone, creating challenges in meeting the combined demands of the school and the local community. This indicates that any additional pressure from free passes could exacerbate these issues, requiring more staff/contract increase and potentially additional vehicles to maintain service quality. The cost of potential service increases is not known at this time.

While the intention to provide free transit passes to high school students is commendable, the financial and operational challenges make it unfeasible at this time. Staff do not recommend implementing free fares for High School Students at this time. Staff have recommended a significantly discounted Youth Fare above.

Future Increases

Staff remain committed to reviewing the fare structure and policy regularly for future increases and changes. Staff have not asked the Commission to approve periodic future increase because NTC staff are engaged with the Provincial-Municipal Fare Strategy Implementation (FSI) group about future fare strategies in the GGH. Staff meet regularly with municipal, MTO and Metrolinx partners for discussions around fare strategies and opportunities to align fares. Staff will report back regularly to the Board on any progress that is made with the FSI Group.

Alternatives Reviewed

- **Harmonize Fare Structure at current Regional Fare** - this option was not recommended. The current NTC regional cash fare is not aligned with any Peer agencies, as it 56% higher than the average GGH and is \$1.50 higher than any other cash fare.
- **Harmonize Fare Structure at current Local Fare** - The option to move all fares to the local fare was reviewed. This option would see a decrease in fare revenue of \$350,000. This option would not move fare prices toward the peer group averages of the GGH and does not align with work with the FSI working group. This option was not recommended due to the budgetary impact and misalignment with potential fare integration discussions provincially.
- **Defer Fare Structure Changes** - This option is not recommended because it would leave the current two-tiered fare system in place. The two-tiered system creates several challenges, including rider confusion, operational inefficiencies, and fare inequity. The implementation of a single, region-wide flat fare for all trips was a key strategy that was proposed during the Triple Majority process and was anticipated to be realized in 2025. Further the Board and Regional Council requested staff's review and recommendation to be incorporated into the 2025 budget deliberations.

Relationship to Niagara Transit Commission Strategic Priorities

This Harmonized Fare Strategy aligns with the Strategic Core Values of the Niagara Transit Commission, as well as the adopted Guiding Principles of the Niagara Region. Specific elements which directly relate to the proposed are highlighted below:

Affordability

The FAIR FARE strategy to harmonize fares aligns with the Commission's core value of affordability. The strategy meets the principles defined by the Board through four key principles: balancing community costs with rider affordability, ensuring a fair fare structure, driving equity, and breaking down financial barriers to provide inclusive and universal access.

Customer Focus:

By harmonizing fares and eliminating the two-tiered system, the fare structure is much simpler for customers to understand. Harmonized fares will facilitate seamless travel

in and across different municipalities, encouraging more people to use public transit.

Service Excellence: The harmonized fare structure will simplify fare collection and reduce confusion at the farebox. The harmonized fare will allow for more streamlined administration of fare collection. The simplified fare collection will allow for more efficient boardings, which leads to more consistent on-time service.

Other Pertinent Reports

NTC 7-2022	Harmonization of Transit Fares
NTC 8-2022	Onboard Technologies and Equipment Standardization
COTW-C 1-2024	Niagara Poverty Reduction Strategy
NTC 21-2024	Expanded Eligibility of Low-Income Transit Pass
COM 18-2024	Niagara Poverty Reduction Strategy- Social Assistance Rates

Prepared by:
Brad Griffin, CPA, CA
Manager of Strategy and Performance
Planning and Performance

Recommended by:
Tim Luey, CPA, CA
Deputy General Manager
Planning and Performance

Submitted by:
Carla Stout, DPA
General Manager
Niagara Transit Commission

This report was prepared in consultation with Edward Zahra, Deputy General Manager, Customer Experience, Rob Addy, Deputy General Manager, Operations, Iain McCormick, Supervisor Customer Experience and Stephanie Muhic, Program Financial Specialist.

Subject: Expansion of Transit Benefit Pass Eligibility
Report to: Niagara Transit Commission Board
Report date: **Tuesday, August 27, 2024**

Recommendations

1. That the Niagara Transit Commission (NTC) Board **SUPPORT** the expansion of the Transit Benefit Pass eligibility, subject to 2026 NTC Budget approval; and
2. That the NTC Board **DIRECT** staff to include the costs to expand the Transit Benefit Pass in the 2026 Budget Submission process.

Key Facts

- The purpose of this report is to obtain support by the Board to expand the Transit Benefit Pass eligibility to Ontario Works (OW) and low-income Families & Individuals and include this program in the 2026 budget approval process.
- During the 2024 Budget process, and through an action item of the Niagara Region's adopted Niagara Poverty Reduction Strategy for 2024-2028, Council requested Transit staff to seek out availability of providing a concession transit fare for those who are living in poverty. This goal aligns with the Commission's Strategic Core Value of Affordability by offering a Fair Fare and breaking down financial barriers for inclusive/universal access.
- The current program is administered by Niagara Transit Staff, with eligibility based on legacy practices from prior to amalgamation, limiting the low-income pass to recipients of Ontario Disability Support Program (ODSP) only.
- Expanding the eligibility of the Transit Benefit Pass to also include OW and Low-income families and individuals moves Niagara in line with eligibility in other peer Greater Golden Horseshoe communities.
- The pass name will be changed from the Low-income Pass to the Transit Benefit Pass.
- This program will operate under a shared services administration model between the Niagara Transit Commission and the Niagara Region's Social Assistance and Employment Opportunities Department.

Financial Considerations

The proposed expansion of Transit Benefit Pass eligibility is recommended to be implemented on April 1, 2026. The expanded eligibility would result in an estimated annual fare revenue decrease of \$275,000. This request will be included in the 2026 NTC operating budget submission for approval.

There is a one-time cost of \$25,000 to expand the existing technology platform that assesses eligibility through an online platform within the Region's Social Assistance and Employment Opportunities (SAEO) department. This request will be part of the NTC 2026 budget for approval as well.

To support the administration of the expanded eligibility, the Region's SAEO department will require one (1) Full-Time Equivalent (FTE) to support ongoing administration and eligibility assessment of this program. The estimated annual costs for one FTE are \$88,000, including benefits. This FTE will be included in the Region's SAEO 2026 Budgeted Levy request with an allocation to NTC to cover the costs. The cost of the FTE will be included as part of the Shared Services agreement with the Niagara Region and included within the NTC 2026 budget submission for approval.

There are no 2024 or 2025 budget impacts to supporting the expansion of the Transit Benefit Pass eligibility.

Analysis

One of the action items of the adopted Niagara Poverty Reduction Strategy for 2024-2028 was to provide a concession transit fare for those who are living in poverty. This action aligns with the Commission's Strategic Core Value of Affordability by offering a Fair Fare and breaking down financial barriers for inclusive/universal access.

Staff are collaborating with the Niagara Region's Social Assistance and Employment Opportunities (SAEO) to develop a comprehensive Affordable Transit Program across the region. The aim is to expand the number of people in Niagara who qualify for the Transit Benefit Pass by including Ontario Works (OW), Ontario Disability Support Program (ODSP) recipients and low-income individuals and families. By leveraging the expertise and insights of SAEO, we will create a policy and process that will determine eligibility of low-income individuals to purchase reduced rate monthly bus passes available through NTC. This partnership ensures that the program is well-known by

those using SAEO's existing programs and services and would be tailored to address the specific needs of our community.

Background

During amalgamation, the average low-income fare for local passes was used to set the monthly pass amount (\$63) and regional low-income pass was set at the same rate discount as Senior and Youth monthly pass amount (\$130). This was consistent with local fares having Seniors, Youth and Low-income monthly passes at the same price.

Eligibility for the low-income pass was maintained based on the criteria previously used by Welland and St. Catharines, pending the development of a more formal low-income policy and strategy. Current eligibility is limited to recipients of the Ontario Disability Support Program (ODSP).

Offering an affordable transit pass is crucial when increasing fares to ensure that public transportation remains accessible and affordable for all community members, particularly those who are financially vulnerable. Fare increases can disproportionately impact low-income individuals, potentially limiting their ability to access essential services, employment, and educational opportunities. By providing an affordable transit pass, municipalities can mitigate the adverse effects of fare hikes, promote social equity, and support economic mobility. This approach can help maintain ridership levels, ensure that public transportation remains a viable option for everyone, and demonstrate a commitment to inclusive and equitable community development. As fare harmonization is being considered for 2025, it is important to consider the addition of an affordable transit pass program as well.

Poverty in Niagara

Excerpt from COM 18-2024- Niagara Poverty Reduction Strategy- Social Assistance Rates

To fully comprehend the state of poverty in Niagara, it is important to understand the impact the COVID-19 pandemic had on the percentage of people living in poverty. In pre-pandemic statistics of 2016, Niagara had 14.5 per cent of people living in poverty (64,944 people). Numbers from Statistics Canada in 2021 indicate that Niagara had 10.4 per cent of people living in poverty (49,706 people) (Source. Statistics Canada, Census Profiles, 2016 and 2021 Census of Population). As cautioned by the National Advisory Council on Poverty, the phasing out of the COVID-19 income supports

alongside higher inflation and increasing cost of living, mean that poverty rates have likely increased.

Of the 49,706 people, living in poverty in Niagara, 42,694 people are in receipt of social assistance through OW and ODSP.

Jurisdictional scan

Staff conducted a comprehensive jurisdictional scan to identify best practices for fare discount programs. The primary objective was to develop a Fair Fare and affordable transit pass that meets the needs of low-income individuals. By leveraging the expertise and established practices of Social Assistance and Employment Opportunities (SAEO) programs, staff aimed to create a consistent and equitable application and eligibility determination process in Niagara. This approach was to ensure that the fare discount program aligned with comparable programs and effectively addressed the needs of the Niagara community, promoting accessibility and affordability in public transit.

The proposed expanded low-income eligibility further aligns with the work of the Provincial-Municipal Fare Strategy Implementation (FSI) Group to find opportunities to harmonize discounted fare eligibility. Expanding Niagara's Low-income eligibility will support Niagara residents who are making inter-regional trips by ensuring they are eligible for similar concessions across Ontario, as well as future opportunities for co-fare agreements with peers in the Greater Golden Horseshoe working group.

Work with Province (FSI Group)

NTC staff meet regularly as a partner in the Provincial-Municipal Fare Strategy Implementation (FSI) group, working with municipal, MTO and Metrolinx partners for discussions around fare strategies.

The province of Ontario is working to build an integrated regional transit system that will make it easier and more affordable for people to use transit across the Greater Golden Horseshoe (GGH).

In March 2022, a Provincial-Municipal FSI Table was established with Municipal Partners, MTO and Metrolinx to deliver on key FSI initiatives, including the One Fare Program.

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- The Provincial-Municipal FSI Table evolved into the FSI Collaboration Table (FSI Table) and successfully implemented the removal of double fares between neighbouring transit systems in the 905 and GO Transit with the TTC as part of the One Fare Program in February 2024 (MTO, Metrolinx, TTC, MiWay, Brampton Transit, York Region Transit, Durham Region Transit, and GO Transit).

The FSI Table expanded in March 2024 to include additional GGH Municipal Partners to continue to advance FSI priorities. These additional partners included the following:

- City of Barrie
 - City of Brampton
 - City of Burlington
 - City of Guelph
 - City of Hamilton
 - City of Mississauga
 - City of Toronto
 - Town of Oakville
 - Regional Municipality of Durham
 - Regional Municipality of Waterloo
 - Regional Municipality of York
 - Town of Milton
 - Regional Municipality of Niagara
- The mandate of the FSI Table is to advance fare and service integration priority initiatives in the areas of fare integration, service integration and specialized transit. In 2024-25, these three fare and service integration workstreams will be considered:
 - Opportunities for harmonizing discounted fares.

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- Maximizing transit access to employment centres and major destinations; and through service integration,
 - Making the transit experience more seamless for both conventional and specialized transit riders.
- The province will continue to work closely with Municipal Partners to create an integrated regional transit network that fully leverages transit infrastructure investments to enable cheaper, faster, and more convenient transit for users.

NTC staff remain actively engaged with the Fare Strategy Implementation (FSI) Group. This engagement involves regular meetings and communication to discuss the implementation of fare strategies, address any challenges, and identify opportunities for integration. By maintaining this close collaboration, NTC staff can leverage the expertise and insights of the FSI Group to enhance the effectiveness of fare policies and practices, as well as work together on future harmonization efforts.

Eligibility

Niagara Residents would be eligible for the Transit Benefit Pass if they meet one of the following criteria:

- In receipt of Ontario Works or Ontario Disability Support Program benefits
- Household income is less than the established Low-Income threshold

The following criteria would deem applicant's ineligible for the Transit Benefit Pass:

- Full-time post-secondary students
- Applicants who do not reside in Niagara Region

When performing a jurisdictional scan, staff focused the scan on the 12 GGH municipal transit providers that make up the FSI Group as peers. Of the 12 agencies reviewed, 11 had low-income programs. Among these, 10 utilized a low-income measure, low-income cut-off, or Market Basket Measure, while one community restricted eligibility to ODSP and OW residents only. Notably, all 11 communities with a low-income program included eligibility for ODSP and OW residents.

Niagara Region currently uses the Low-Income Measure (LIM) as eligibility for other income tested programs, such as the Niagara Utility Benefit Program. It is

recommended that we use this same method for eligibility. Leveraging an existing program and established criteria in Niagara, assists in administering this program and helps provide consistency to low-income based assessment for residents to utilize and understand. OW and ODSP recipients would qualify for transit passes as they are already income tested in order to receive benefits through these provincially funded programs. The established criteria of ODSP and OW recipients' eligibility and allowing other residents to qualify under the LIM threshold is consistent with other GGH communities.

As mentioned above, Niagara has 49,706 people living in poverty. Of this number, 42,694 are eligible for OW or ODSP. Currently, only ODSP recipients are eligible for the pass which accounts for 22,389 of Niagara residents. By expanding the eligibility, the program would see an increase of 27,317 Niagara residents becoming eligible.

Ontario Works

Niagara residents receiving OW will not have to reapply to be eligible to purchase the monthly Transit Benefit Pass. All household members of the OW recipients will qualify to purchase the reduced rate monthly pass. Customer Service staff at NTC will review the proof of OW and ID in order for the individual to purchase the pass. NTC staff will work with the Regions SAEO office to refine the administration process in the lead up to implementation.

Ontario Disability Support Program

Niagara residents receiving ODSP will not have to reapply to be eligible to purchase the Monthly Transit Benefit Pass. All household members will qualify for the reduced rate monthly pass. Existing practices of proof of ODSP with ID can be provided to NTC staff to purchase the pass. NTC staff will work with the Regions SAEO office to refine the administration process in the lead up to implementation.

Low-income

Low-income residents in Niagara that are not receiving social assistance through OW or ODSP can submit an application through the SAEO's Discretionary Benefits on-line portal or over the phone in order to determine financial eligibility. Eligibility is assessed based on the total household net income and family size. If the total household net income is below the maximum amount for their family size, they are eligible for the pass.

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- Applicants must provide the following information **for all members** of the household:
 - One piece of ID such as a birth certificate, driver's license, health card or citizenship document.
 - The Annual Income Verification process will be completed for all household members aged 18 and older.

Household Net Income		Family Size					
Annual Income	1 Person	2 People	3 People	4 People	5 People	6 People	7 + people
Less than \$28,000	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
\$28,001-\$39,000	-	-	Eligible	Eligible	Eligible	Eligible	Eligible
\$39,001 - \$48,000	-	-	-	-	Eligible	Eligible	Eligible
\$48,001 - \$52,000	-	-	-	-	-	-	Eligible

Expanding the program is projected to make 6% of our current riders eligible for the Transit Benefit Pass, according to data from similar initiatives in other agencies. This expansion is also likely to attract new riders and increase usage among existing ones.

Some riders who couldn't previously afford a monthly pass may have depended on single rides or stretched 10-ride fare products over a month. By widening eligibility, we offer these riders a more affordable option, potentially making transit more accessible and increasing overall ridership.

Staff utilized industry reports to estimate the potential impact of fare changes on ridership, using the concept of elasticity. Elasticity measures the responsiveness of ridership to changes in fare prices. According to these reports, for every 1% increase in fare price, ridership is expected to decrease by approximately 0.2%. Conversely, a 1% decrease in fare price would result in a corresponding 0.2% increase in ridership. This elasticity estimate helps predict how fare adjustments could influence overall ridership numbers, enabling more informed decision-making regarding fare policies. The estimates have been incorporated into the financial estimates.

NRT Cares Program

The expanded eligibility of the affordable transit program will significantly benefit many Niagara residents living in poverty. However, it is recognized that some residents are living in absolute homelessness. In partnership with Niagara Region SAEO and Homelessness, the NTC previously developed the NRT Cares program, which will continue to be offered to those in this situation. The mandate of this initiative is to

ensure that people who cannot afford a transit trip due to financial hardship can access essential appointments and social services. Complimentary 2-ride NRT Cares transit tickets will continue to be distributed through SAEO and sanctioned homeless shelters.

Timeline for change

Due to current competing priorities, it has been recommended by staff within SAEO and NTC to delay the implementation of the new benefit to April 1, 2026 in order to ensure the proper processes and upgrades are put into place to implement the new pass eligibility. There is required lead time to implement fare changes and changes in eligibility of this complexity. The lead time allows for fare collection systems to be updated and tested across all platforms, public communications and staff training. The expanded program also requires an additional FTE to be added to support administration. The additional FTE is subject to approval in the 2026 budget.

Fare Price (Set in separate report)

The Transit Benefit Pass price was set as part of the Fare Harmonization report (NTC-22- 2024). When coming up with a proposed fare structure, staff undertook a jurisdictional scan, analyzed data around inflation, ridership impacts and the living wage in Niagara to find a proposed fare structure for our community. Staff were looking for a Fair Fare proposal that balances the cost to the community with affordability of riders.

A proposed monthly Transit Benefit Pass is set at \$50.00, which is a 50% discount on the proposed 2025 Adult monthly pass cost. This discount is consistent with the average discount offered by our peers and brings the NTC fare structure closer to alignment with the GGH.

Administration

This program will be jointly administered by the NTC and the Niagara Region's Social Assistance and Employment Opportunities (SAEO) department. The expansion primarily leverages existing resources within NTC and SAEO. NTC staff will manage fare technology, products, and distribution of the transit passes. SAEO will assess financial eligibility for low-income residents who do not receive OW or ODSP assistance. OW and ODSP recipients are already income tested to qualify for provincial benefits and will provide proof of income directly to NTC staff. SAEO may assist with access to proof of income for Ontario Works clients if required. Both organizations will

collaborate on communications to ensure the message reaches as many individuals as possible.

NTC and the SAEO teams will work together to refine the administration process and communication strategies in the lead up to the implementation of the expansion of the eligibility.

It is expected that the SAEO office will require one additional FTE staff member to administer the program. This role will help with the launch of the program, oversee ongoing assessment of eligibility and handle dispute resolution. The annual cost of the additional FTE, with benefits, is estimated at \$88,000 annually.

There is also an expected one-time cost of \$25,000 to expand an existing SAEO technology platform that assesses eligibility through an online portal. The program is expected to leverage the existing technology which already assesses eligibility for similar programs such as the Niagara Utility Benefit program part of the 2026 budget ask by the NTC.

Change in name

The current Low-Income Pass name will be updated to Transit Benefit Pass.

Alternatives Reviewed

The Board could choose not to make changes to the low-income pass eligibility, however this is not recommended as this does not align with Commission's Strategic Priorities nor expectations expressed by Regional Council through the 2024 budget discussions. Maintaining current eligibility would also not align with Peer Greater Golden Horseshoe communities nor meet the action items of the Niagara Region's adopted Niagara Poverty Reduction Strategy for 2024-2028 to provide a concession transit fare for those who are living in poverty.

Relationship to Niagara Transit Commission Strategic Priorities

This expansion of the Low-Income program aligns with the Strategic Core Values of the Niagara Transit Commission, as well as the adopted Guiding Principles of the Niagara Region. Specific elements which directly relate to the proposed are highlighted below:

Affordability:	Expansion of the Low-Income program meets the value of affordability by offering a Fair Fare, driving equity and breaking down financial barriers for inclusive/universal access. The expansion of the program aims to make fares equitable for all.
Customer Focus:	The expansion of the program ensures that all customers have the same opportunities for public transportation, promoting fairness and social equity. The increased eligibility helps address financial barriers that low-income customers face, making transit more affordable and accessible to them. Offering an equitable low-income pass reflects the Commission's commitment to social responsibility and its role in supporting the community.

Other Pertinent Reports

- NTC 22-2024- Harmonization of Fares
- COTW-C 1-2024- Niagara Poverty Reduction Strategy
- COM 18-2024 – Niagara Poverty Reduction Strategy- Social Assistance Rates

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INFORMATION ABOUT NEW ROUTE 116

[Major Transit Updates Arriving in Niagara Falls on September 3rd - Niagara Region Transit \(nrtransit.ca\)](#)