

Transit Fare Structure and Three-year Model

Recommendation:

That the October 18, 2011, Transportation Services report 2011TS6477 be received for information.

Report Summary

This report provides an update on the status of outstanding City Auditor Transit recommendations regarding fare structure and the three-year model.

Previous Council/Committee Action

At the February 23, 2011, Transportation and Infrastructure Committee meeting, the following motion was passed:

That Administration provide a report to the October 4, 2011, Transportation and Public Works Committee meeting, updating the Committee on the status of outstanding City Auditor Transit recommendations regarding fare structure and the three-year model.

Report

The City Auditor's recommendation regarding Edmonton Transit Fare Policy and relative cost ratios was completed and reported to the Audit Committee in the January 27, 2011, Office of the City Auditor report 2011OC001. The City Auditor did not have a recommendation regarding a three-year fare structure model.

City Council approved the revised Edmonton Transit Fare Policy C451F on

December 10, 2010. The current policy identifies fare levels to 2013.

This report provides an update to the three-year fare structure model to include 2014, as outlined in Attachment 1.

In this model, Assured Income for Severely Handicapped (AISH) and senior fares (tickets and passes) increase at a rate of 3% per year. All other fares except the U-Pass are based on a pass multiplier which is the average number of one-way trips that are taken by pass users in a month. The pass multiplier is different for each type of pass sold by ETS and its value is determined through customer surveys.

Fare Policy Considerations

Other fare policy considerations have been documented in Edmonton Transit's Three Year Business Plan "The Way We Move Using Public Transit". The Business Plan notes that the potential introduction of smart card technology will provide Council with opportunities to significantly restructure fares and that consideration should be given to evolving a fare structure based on the cost drivers of operating the transit system (i.e. length of trip, time of day, type of service) in order to be financially sustainable. The issues discussed in the Business Plan provide context for making decisions on fare policy that may have longer term implications. The Business Plan excerpt on fare policy is attached for information outlined in Attachment 2.

A comparison of transit fares from other large cities across Canada shows that despite significant fare increases in recent years, fares in Edmonton remain

below the industry average. Fares for comparable cities are provided in Attachment 3.

U-Pass rates are negotiated under contract with the respective student unions and the regional transit systems. The current U-Pass contracts expire in the fall of 2013.

Policy

- Edmonton Transit System Fare Policy C451F

Corporate Outcomes

The ETS Fare Policy impacts the following strategic goals identified in The Way Ahead:

- Shift Edmonton's Transportation Mode
- Increase transit ridership
- Ensure transit sustainability through appropriate cost recovery ratio

Budget/Financial Implications

As part of the 2012 Service and Budget, Administration will bring forward fare increase options for Council consideration.

Attachments

1. Updated Three Year Fare Structure
2. Business Plan Excerpt on Fare Policy
3. Fares of Other Comparable Canadian Cities

Others Reviewing this Report

- L. Rosen, Chief Financial Officer and Treasurer
- D. H. Edey, General Manager Corporate Services