

2022 Transit Fee Schedule

Recommendation

That Executive Committee recommend to City Council:

That the 2022 Fee Schedule for Edmonton Transit Service, with amendments to include categories specific to Smart Fare, as outlined in Attachment 1 of the April 12, 2021, City Operations report CO00444, be approved.

Executive Summary

The report recommends adding a single trip rate for Smart Fare users to the 2022 Transit Fee Schedule for Edmonton Transit Service (ETS). The amendment would create a fare category for riders using the Smart Fare system that would count towards their monthly cap (or maximum). Decisions for ETS fares occur through the budget process; however, Administration is seeking the amendment to support implementation timelines for the Smart Fare system.

Report

In November 2019, Council set a new direction for the ETS Fare Policy by adding the principles of balanced, equitable, affordable and rewarding to guide fare decisions. The implementation of the Fare Policy resulted in a revision to the Fee Schedule during the Fall Supplemental Operating Budget Adjustment (SOBA) process in 2019. The current Fee Schedule represents a gradual implementation of the principles in the Fare Policy.

The proposed amendment creates a new fare category, a fixed price for single trip usage in the Smart Fare system. These single trip costs will accumulate on a user's account until the maximum value, or 'cap' is reached, after which time the user will no longer incur costs using the system for the particular time period. Fare capping will benefit frequent transit users and customers would no longer have to prepay a lump sum to receive the transit discounts associated with a monthly pass. The flat-rate and cap reinforces the fare policy principle that ensures discounts for those who use transit regularly. The fixed rate fare is set below the level of cash fares to encourage use of the Smart Fare system and to recognize the additional administrative costs of handling and securing cash. By amending the current 2022 Fee Schedule, Administration will be able to move forward with detailed specification planning and testing required to launch the Smart Fare system in collaboration with the partnering municipalities across the Metro Edmonton Region.

The amended 2019-2022 Approved Fare Schedule with highlighted categories specific to Smart Fare is included in Attachment 1.

Budget Implications

The 2019-2022 City of Edmonton Operating Budget forecasts revenues based on the Schedule included in Attachment 1; the budget reflects ridership projections developed in 2018. Based on those assumptions, the fare rate increase in 2022 was expected to generate additional revenues of \$870,000 for cash fares and \$1.9M for non-cash fares respectively. The planned budgeted revenues will not be impacted based on the amended fare structure.

The introduction of the Smart Fare system is a key component of the Transit ridership recovery strategy by making Transit easier to use. The impacts of COVID-19 have temporarily disrupted the ridership and revenue modeling as has uncertainty around the scope and pace of the recovery. Ridership and budget impacts due to the pandemic will be considered for revision based on emerging trends for the Fall SOBA process.

Public Engagement

From June of 2015 through June of 2016, approximately 20,000 residents helped develop the Transit Strategy through various engagement activities. Public feedback was used to develop a draft of the four principles for the Fare Policy. Further engagement took place for the development of City Policy C451H, Edmonton Transit Fare Policy, to inform the principles through focus groups and workshops. The focus groups sought views of seniors, low-income users, monthly pass holders and individuals with other barriers. Stakeholder workshops invited those from Edmonton’s community organizations (and an internal stakeholder session with City representatives who work with these groups). Participants provided input on the draft principles and felt that the principles reflect the overall Transit Strategy actions. Administration used this feedback to adjust the Fare Policy principles.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmontonians use public transit and active modes of transportation			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmontonians use public transit and active modes of transportation	Transit Ridership	48,275,563	85,640,000

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Customers /Citizens	Implementation issues with SmartFare result in loss of ridership and negative impact to reputation.	3 - Likely	3 - Major	9 - Medium	SmartFare system includes a pilot testing phase to help identify potential customer issues. Amending the Fare Schedule will support this process.	
Financial	Implementing the Fare Structure impacts budgeted revenues.	4 - Likely	3 - Major	12 - Medium		Changes to flat-rate fare may be required in future periods to achieve target revenue once ridership recovery has stabilized.

Attachment

1. 2019-2022 Approved Fare Schedule with Amended Categories

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development