

## Staff Report

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**Report To:** Operations Committee  
**Report From:** Heidi Jennen, Supervisor of Environmental Services  
**Meeting Date:** October 17, 2024  
**Report Code:** OP-24-041  
**Subject:** Review of Transit Fares and Ridership Initiatives

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### Recommendations:

THAT in consideration of Staff Report OP-24-041 respecting Review of Transit Fares and Ridership Initiatives, the Operations Committee recommends that City Council:

1. Directs staff to provide notice of an amendment to the Fees and Charges By-law as required by the Notice By-law; and
2. Directs staff to bring forward a by-law to amend the Fees and Charges By-law, effective January 1, 2025, to:
  - a. Increase the cost of bus fares as outlined in the report;
  - b. Add a day pass option as outlined in the report;
  - c. Add a 10-pass option as outlined in the report;
  - d. Add a semester pass option as outlined in the report; and
  - e. Continue the affordability pass as outlined in the report.

### Highlights:

- Staff are recommending a \$0.25 fare increase bringing adult and senior fares to \$3.25 and student fares to \$2.75. A \$2.50 increase for bus passes is also being proposed for 2025, bringing adult passes to \$72.50, student passes to \$37.50, and senior passes to \$57.50 in 2025.

- The affordability pass has been instrumental in supporting financially vulnerable riders. Since January 1, 2024, 70 percent of adult passes purchased have been affordability passes.
- Staff will explore options for expanding the availability of transit passes at additional outlets across Owen Sound, similar to the network used for garbage bag tag sales. Popular passenger destinations, such as the hospital, the mall, and Georgian College, could be considered potential locations.

### **Strategic Plan Alignment:**

This report supports the delivery of Core Service.

### **Climate and Environmental Implications:**

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by considering climate adaptation in the development of the City's strategies, plans and policies.

### **Previous Report/Authority:**

[Owen Sound Final Transit Study](#)

[Minutes from the September 21, 2023, Operations Committee recommending Council approve the fare reduction for adults with proof of Ontario Disability Support Program or Ontario Works – recommendation was approved by City Council October 23, 2023.](#)

### **Background:**

In 2013, the City initiated public consultations, and discussions were held with the Operations Advisory Committee to address the future of Owen Sound Transit (OST), focusing on service levels and fare adjustments. At that time, mobility transit fares were set at \$3, while conventional transit fares were \$2.25. Council approved a plan to achieve fare parity by gradually increasing conventional transit fares in \$0.25 increments, with adult fares reaching \$3 and student fares reaching \$2.50 by August 1, 2015. Fares have not increased then.

The most recent transit study, approved by City Council in 2022, recommended freezing fares until at least 2024, unless paired with low-

income support initiatives. This recommendation came as transit systems were working to regain ridership post-COVID.

In October 2023, Council approved the introduction of an affordability rate pass, which was launched in mid-November 2023 and has shown success. Comparing fare and pass revenues from 2023 and 2024 (up to August 31, 2024), fare revenue has decreased by \$10,677, while pass revenue has increased by \$35,487.

Despite Owen Sound's ridership spanning various demographics and social groups, the fact that 70 percent of adult passes issued since January 1, 2024, have been affordability passes suggests a significant portion of users face financial challenges. Too much of a fare increase may negatively impact ridership, particularly for those already facing financial challenges.

### **Comparison with Other Municipalities**

Owen Sound's 2024 transit fares when compared to other municipalities serving populations under 50,000. The average adult fare among these municipalities is \$2.79, and the median is \$3. Orangeville, included in this calculation, began a two-year free transit pilot in 2023, while Wawa and Temiskaming Shores have the highest fares at \$4. Adult monthly bus passes range from \$55 in Huntsville to \$141.25 in Caledon. However, comparing these fares may be misleading because there are many variables in other municipal transit service levels, such as the number of routes, service hours, days of operations, the availability of on-demand services, or the service area extending into a larger City's transit network.

Since 2022, municipalities with populations over 50,000 that have increased their fares, did not realize a drop in ridership however, transit ridership is rebounding from a significant drop from the early days of the COVID-19 pandemic. Orangeville, with its free transit initiative, nearly doubled its ridership from 2022 to 2023.

### **Analysis:**

During the transit study public engagement in 2021, concerns were raised about keeping the service affordable for transit patrons. However, most of the feedback focused on making payment options more accessible and flexible, rather than simply reducing fares. Suggestions included increasing the number of outlets for passes and tickets, offering more flexible pass options, and introducing mobile payment systems.

Staff are proposing a \$0.25 transit fare increase and a \$2.50 increase for monthly passes, effective January 1, 2025. After reviewing bus pass rates for municipalities with populations under 50,000, the proposed rates are in the higher median range. The fare increase equates to an average annual rise of less than 1 percent since 2015. Staff will assess the impact on ridership in the first quarter of 2026 to determine whether a further increase could be considered when the fees and charges bylaw is updated in July of 2026.

### **Adult Fare and Monthly Passes**

Adult fares would increase from \$3 to \$3.25 (8.3 percent increase) in 2025, and monthly passes would increase by \$2.50 raising passes from \$70 to \$72.50 (3.6 percent increase) in 2025.

### **Senior fares and Monthly Passes**

The senior fare rate will continue to be the same as the adult fare. The senior bus pass would increase from \$55 to \$57.50 (4.5 percent increase) in 2025.

### **Student Fares and Monthly Passes**

Student fares would increase from \$2.50 to \$2.75 (10 percent increase) in 2025. Student passes would rise from \$35 to \$37.50 (7.1 percent increase) in 2025.

To support and grow ridership, particularly among vulnerable populations and students, several initiatives could be considered:

### **Increase options for bus passes**

#### **Day Passes**

Other municipalities offer day passes, which are frequently requested at the Owen Sound transit terminal. Introducing this option would give occasional riders more flexibility, riders can get on and off the bus as much as they like for the day. Staff recommend a \$9 per day pass, which would be equivalent to three rides at the current fare. These passes would have different colours, and the date of use would be noted, distinguishing them by day of the week.

#### **10-Ride Pass**

Like the day pass, 10-ride passes are available in other municipalities and have been requested by Owen Sound riders. This option would offer a more

affordable solution for those unable to afford a monthly pass, while also appealing to occasional riders who don't need a total monthly commitment. Staff are proposing a cost of \$27 in 2025, a cost savings of \$5.50 (proposed new single ride rate of \$3.25).

### **Semester Passes for Students**

Providing semester passes for Georgian College students would offer a more affordable option during the academic year. These passes could be sold directly through the college for convenient access. Staff recommend pricing the passes at \$165 in 2025, covering either the September to January or February to June terms to align with the academic schedule. Currently, student passes are \$35/month; the proposed increase to \$37.50 per month accounts for a saving of \$22.50 over the semester.

At this time, Staff do not plan to ask Georgian College to include the transit pass with their tuition fees. This can be explored further at a later date.

### **Continuation of the Affordability Pass**

The affordability pass has been successful in supporting financially vulnerable residents. Though ridership in Owen Sound is diverse, the fact that 70 percent of adult passes issued since January 1, 2024, have been affordability passes highlights the financial challenges faced by many users. Raising fares too much could negatively affect this group. Staff recommend keeping the affordability pass at the same rate as the senior pass.

### **Sales Outlets**

Transit passes are currently available at the Transit Terminal, City Hall, and the Owen Sound & North Grey Union Public Library, all of which are located downtown. This limits the availability of fares and passes, as downtown is not the final destination for many passengers. While all routes pass through the terminal, it remains challenging for some riders to purchase passes at the above-noted locations.

Expanding the network of sales outlets would alleviate this issue and reduce the need for passengers to pay cash until they can get downtown. The City already has a network for selling garbage 'bag tags,' including City facilities and about a dozen retail outlets across Owen Sound. Establishing similar agreements with these outlets for transit passes should be straightforward and would increase convenience for riders. Additional agreements with

popular passenger destinations, such as the hospital, Grey County Housing, or Georgian College, could further enhance access to transit fares and passes.

Staff will evaluate the effectiveness of the new bus passes and fare structure before implementing additional options. In 2026, once we have gathered more insights, staff will review the opportunity for other fare and pass options such as:

- a family rate (covering up to two adults and three children)
- free rides for children under 12
- implementing an electronic payment/farecard system
- adding the transit pass to Georgian College tuition fees

### **Financial Implications:**

Purchase new passes and tickets - \$1,000

The financial implications of offering additional bus pass options or expanding purchase locations are uncertain. These changes could increase ridership and revenue, but the impact is difficult to predict. Staff will monitor the effect of the fare increases on ridership.

Cost comparison per ride in 2016 to 2023 for conventional transit

	<b>2016</b>	<b>2023</b>
Operating	\$963,970	\$1,061,834
Fuel	\$59,226	\$125,079
Transit terminal	\$55,427	\$77,985
General	\$33,601	\$128,902
Total Expenses	\$1,112,224	\$1,393,800
Ridership	188,005	179,669
<b>Cost/rider</b>	<b>\$5.92</b>	<b>\$7.76</b>
Revenue Bus passes/fares/advertising	\$312,406	\$379,700
Provincial Grants	\$251,298	\$365,447
Grants and Revenue	\$563,704	\$745,147

<b>Taxpayer cost per ride</b>	<b>\$2.92</b>	<b>\$3.61</b>
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The revenue and expenses in the table above are based on what Staff provided for the CUTA survey in 2016 and 2023.

\*Note that \$106,068 of the Provincial grant funding for 2023 was the final installment of the Safe Restart provincial grant. Without the final installment of the Safe Restart grant in 2023, the cost to the taxpayer would have been \$4.20.

The costs for 2024 cannot be projected with confidence at this time, as we only have actual expenses up to August/September. In addition to this, statistics to dates have been trending in a manner that does not give Staff confidence in projecting revenue and ridership.

### **Communication Strategy:**

- Issue a Public Notice to announce the fare increase and update the Fees and Charges By-law.
- Update the Owen Sound Transit [website](#).
- Share updates through social media posts.
- Install signage on buses, at the transit terminal, and at locations where passes and fares are sold.
- Revise transit route maps to reflect the fare and pass price increases, along with pass options and purchase locations.

### **Consultation:**

Manager of Engineering Services, Transit Specialist and Voyago Operations Supervisor were consulted in the preparation of this report.

### **Attachments:**

None.

### **Recommended by:**

Heidi Jennen, Supervisor of Environmental Services  
Lara Widdifield, Director of Public Works and Engineering

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Heidi Jennen, Supervisor of Environmental Services at [hjennen@owensound.ca](mailto:hjennen@owensound.ca) or 519-376-4440 Ext 3223.