

Calgary Transit Zero-Based Review Direction on Seniors' Fares

EXECUTIVE SUMMARY

To further align with Calgary Transit's Zero Based Review (ZBR)'s recommendations on seniors' fares, Calgary Transit is recommending to report back through SPC on Transportation and Transit by Q2 2018. This request will enable Calgary Transit to align analysis with the 2019 – 2022 business planning and budget cycle and Calgary Transit's ZBR objectives, while respecting recent public input on seniors' fares.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Community and Protective Services direct Administration to report back through SPC on Transportation and Transit on Calgary Transit's Zero Based Review with regard to seniors' fares in Q2 2018, and take further engagement with seniors into account.

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2016 OCTOBER 14:

That Council direct Administration to report back through SPC on Transportation and Transit on Calgary Transit's Zero Based Review with regard to seniors' fares in Q2 2018, and take further engagement with seniors into account.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 July 18, Council amended and adopted the recommendations in Report TT2014-0583 as follows:

That Council:

1. Approve the proposed Calgary Transit Fare Structure in Attachment 1 to be used for setting fare prices; after amendment to Attachment 1, as follows:

That Administration be instructed to maintain the current senior fare discounts for 2015 and return with a fare strategy (with a possible tier structure), based on a sliding scale of fares relative to incomes and to report back to Council through the SPC on Transportation and Transit no later than 2014 October;

Subsequently, reports addressing sliding scale low-income subsidies were presented to SPC on Transportation and Transit (TT2014-0768) and SPC on Community and Protective Services (CPS2015-0712, CPS2016-0494, CPS2016-0707).

On 2015, December 14, Council:

NOW THEREFORE BE IT RESOLVED that \$30 million from the estimated 2015 surplus be transferred to a newly created Community Economic Resiliency Fund within the Budget Savings Account and that the fund be allocated to a Community Economic Resiliency Fund as follows:

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1. Up to \$8.8 million to freeze all Calgary Transit fares at 2015 levels as of January 1, 2016, for the duration of 2016, with the exception of adult bus passes, which will be increased to \$103 for January 2016 only, reverting to \$99 starting in February. Previously planned-for increases will still take place in 2017, pending Council's approval of the 2017 operating budget;

On 2016 June 7, the following direction was received from the Priorities and Finance Committee:

REFER, Moved by Councillor Demong, that with respect to Recommendation 1 contained in Report PFC2016-0469, the:

Morrison Hershfield recommendation related to Seniors' fares (Attachment 3, page 123) and Administration's response (Attachment 2, pages 12-13) be referred to Administration to investigate potential changes to the Transit Senior's pass, and report back to the SPC on Community and Protective Services at the same time as the Seniors' Age-Friendly Strategy Implementation Report is brought to Committee, scheduled for October 2016.

BACKGROUND

The ZBR program was created in response to Council's direction to Administration to increase the focus on the effectiveness and efficiency of City services. All of Calgary Transit's revenue sources, including seniors' fares, were examined within the ZBR.

With respect to seniors' fares, the ZBR report stated that "once the needs of the low-income members of the seniors' community are addressed, it is recommended that CT should discount the Senior pricing structure no more than Youth discounts." Administration was asked to consider alignment of this recommendation with the Seniors Age Friendly Strategy.

The *Seniors Age-Friendly Strategy and Implementation Plan 2015-2018* presents a vision and principles for creating a more age-friendly Calgary, as well as results, strategies, partners, and proposed actions within each of six local priority areas. Transportation and Mobility is one of the local priority areas with the result that "Calgarians are able to freely move throughout the city as they age."

The Transportation and Mobility result is supported by three strategies:

- Strategy A: Promote and facilitate access to a range of transportation services that are available, acceptable, accessible, adaptable and affordable for older adults
- Strategy B: Design and maintain outdoor spaces in ways that promote walking as a mode of transportation for older adults
- Strategy C: Provide and promote resources to support older drivers as they age

Strategy A, the only strategy addressing affordability, lists Calgary Transit as a partner. The short and long-term actions focus on travel training, communication and information sharing, community engagement, and promotion. Achieving the Seniors Age-Friendly Strategy outcomes will require an investment in transit service.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Prior engagement and research

In 2014 Calgary Transit presented a comprehensive fare strategy that reflected public input to the SPC on Transportation and Transit. With respect to the input from seniors, below is an excerpt from page 2 of the report, Calgary Transit Fare Strategy and Structure Att 7, Summary of Engagement on Calgary Transit Fares (TT2014-0499):

“...seniors made fare selections that were generally consistent with the larger group. They were most likely to suggest increases to senior's fares and park and ride fees... an open house was held at the Kerby Centre. The most frequently raised concern was about the impact that fare increases would have on senior's disposable income particularly considering many are on fixed incomes. Fare increases would also impact their quality of life if they had to restrict their use of Calgary Transit for financial reasons. Others stated that \$95 [per year] was too much for their ridership habits (i.e. the per-trip cost was too great).”

Low-Income Pass Sliding Scale

The implementation of the low-income Sliding Scale will have almost no impact on low-income seniors. Currently seniors, whose incomes are at or below 100 per cent of LICO, pay \$15.00 for their annual pass. This cost is equivalent to \$1.25 per month. Low income customers under 65 years of age whose incomes are encompassed by Band A will pay \$5.15 per month under the approved Sliding Scale.

Seniors Age-Friendly Strategy

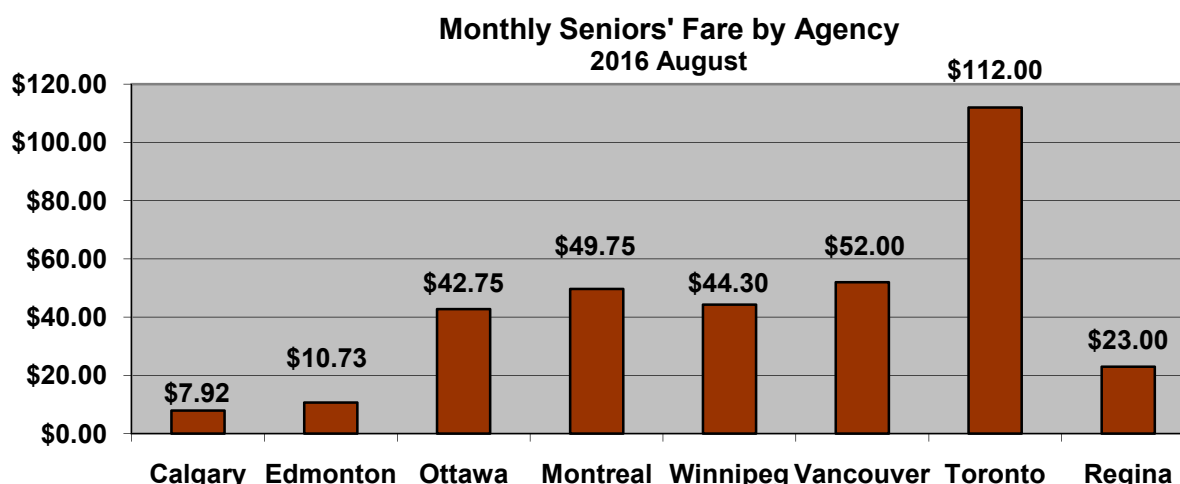
There are opportunities for the team that developed the Seniors Age-Friendly Strategy and Calgary Transit to work together on

- Engagement: overall approach, stakeholder identification and engagement implementation; and
- Research and analysis: determining and measuring transit affordability for seniors.

Value Compared to Other Cities

Calgary Transit has the lowest seniors' fare in Canada among mid to large transit systems.

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Calgary and Regina offer only annual fares to seniors; however the pro-rated monthly cost is shown for ease of comparison. Edmonton offers both an annual and monthly pass to seniors and the lower (the annual pass) is shown above. The seniors' fares in Montreal, Vancouver and Toronto are the same as their respective youth fares.

Stakeholder Engagement, Research and Communication

No stakeholder engagement was done directly for this report; however recent engagement was reviewed. It indicated that many seniors are worried about the impact of increasing transit fares on their quality of life particularly since they have fixed incomes.

Strategic Alignment

RouteAhead, a strategic plan for transit in Calgary, included a policy objective of offsetting 50% of transit operating costs through fares. Fares are a critical part of sustaining Calgary Transit's operations and customer service, including Calgary Transit Access, and as a result are monitored closely.

Funding from Calgarians and the province has allowed fares to be lowered for Calgarians in need through the low income pass program. In addition, during the economic downturn, further support has been provided to freeze fares for 2016. This additional support for transit customers has lowered the non-adjusted recovery rate for Calgary Transit below the 50% target. A review of seniors' fares, as a contributor to Calgary Transit's financial sustainability, is necessary as an input to the next business planning and budget cycle.

A risk of increasing the portion of Calgary Transit operating cost to property tax supported revenue is that the associated property tax increase will impact seniors who own their own homes and the financial impact will have no correlation to the usage of the system.

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Social, Environmental, Economic (External)

Social

Seniors are a growing demographic and The City of Calgary has taken a leadership role in the development and implementation of a community-wide Seniors Age-Friendly Strategy.

Calgary Transit plays a role in providing accessible and affordable transportation services to all Calgarians, including seniors. Transit service enables seniors to participate in social and civic activities as well as access community and health services.

Environmental

Providing seniors with an alternative to driving helps to protect Calgary's environment through reduction in automobile use and associated greenhouse gases.

Economic

Transportation services enable seniors to participate in their communities, which supports local businesses. Daily travel by transit is less expensive than travel by car and the decision to use public transit can give a substantial boost to a household's disposable income

Financial Capacity

Current and Future Operating Budget:

There are no budget implications associated with the recommendations in this report.

Current and Future Capital Budget:

There are no budget implications associated with the recommendations in this report.

Risk Assessment

There are no significant risks associated with this report.

REASON(S) FOR RECOMMENDATION(S):

Calgary Transit has recently conducted engagement on seniors' fares and received direction from Council with respect to its fare strategy and discounts for seniors. Calgary Transit will align its analysis with the recent Council decision on sliding scale fees, the 2019-2022 business plan and budget, and work with the Seniors Age-Friendly Strategy team on engagement, research and analysis.

ATTACHMENT(S)

None.