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Information Item No. 4
Transportation Standing Committee
November 26, 2020

TO: Chair and Members of the Transportation Standing Committee

-Original Signed-

SUBMITTED BY:

Dave Reage, MCIP, LPP, Director, Halifax Transit

-Original Signed-

Jacques Dubé, Chief Administrative Officer

DATE: September 25, 2020

SUBJECT: Halifax Transit Fare Strategy 2019 - Seniors Income Level Study

INFORMATION REPORT

ORIGIN

On August 13, 2019, during first reading of proposed amendments to By-law U-100, as part of the 2019 Halifax Transit Fare Strategy 2019, Halifax Regional Council requested a supplementary report that shall include but not be limited to detailed study on income levels of seniors who are regular bus users, cost of a free transit for seniors program, and costs of increasing the fare while adopting an enhanced seniors low income pass program.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, R.S.N.S. 2008, section 102 allows Council, by by-law, to prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

Halifax Regional Municipality Charter, R.S.N.S. 2008, subsection 69(1) enables the Municipality to provide a public transportation service.

BACKGROUND

In a staff report dated June 11, 2019 (Attachment A), Halifax Transit recommended a number of fare structure changes. This included a recommendation to eliminate the senior classification and to include those passengers ages 65 and older in the adult classification, and thus requiring full fare payment. This change was proposed as programs such as the Low-Income Transit Pass Program and the partnership with the Department of Community Services are now in place to protect vulnerable seniors, and census data suggests far fewer seniors today are financially vulnerable compared to in the past. While the recommendation to eliminate the senior classification was not adopted, Regional Council did adopt a fare

increase for all classifications. The current fare table and an overview of the two above mentioned transit pass programs are provided below.

Table 1: Current Fare Table

Passenger Classification	Cash	10 Tickets	Monthly Pass
Conventional, Ferry, and Access-A-Bus			
Adult	\$2.75	\$24.75	\$82.50
Senior / Youth	\$2.00	\$18.00	\$60.00
Regional Express¹			
Adult	\$4.25	N/A	\$127.50
Senior / Youth	\$3.00	N/A	\$90.00

Low Income Transit Pass Program

Halifax Transit operates a Low-Income Transit Pass Program as part of HRM's Affordable Access Program. Approved applicants of the Low-Income Transit Pass Program are able to purchase monthly adult transit passes for 50% off the regular price. The discounted price for a conventional Adult Pass is \$41.25, while the rate for a Regional Express pass is \$63.75. The program operates with a limit to the number of participants. In 2020/21 the program was capped at 2,000 residents; however, this limit has not been reached and the program typically operates at around 75% capacity. Eligible residents must live in HRM, have a total annual household income of less than \$35,000 before tax², not receive a Department of Community Services annual transit pass and be over 18 years of age. Note the program does not require applicants to provide their age so the number of seniors participating in this program is not known. At this time, only adult passes are available at a subsidized rate through the Low-Income Transit Pass Program, so qualified seniors may purchase the discounted pass for \$41.25, which is a savings of \$18.75 (31%) off the cost of a regular monthly seniors pass.

Department of Community Services Transit Pass

In 2018, HRM and the Department of Community Services (DCS) launched a partnership to provide annual transit passes to HRM residents and their families who receive income assistance. Income assistance clients within a reasonable distance of the Halifax Transit service area, as well as their spouses and children are eligible to receive a pass. These passes are provided to eligible residents free of charge and DCS provides HRM a payment per month for each pass issued. In 2018, DCS estimated that upwards of 17,000 residents would be eligible to receive a pass within HRM and unlike the LITP, there is no limit to the number of participants in this program. Over the past two years, between 8,000 and 10,000 annual passes have been in circulation each month.

Based on the 2016 census data, roughly 0.6% of all seniors in HRM (about 370 seniors) received income assistance from DCS. In 2019/20, approximately 360 income assistance recipients 65 and over were eligible for the DCS transit pass in Halifax, and about 70% (approximately 260) participated in the program and received an annual transit pass at no cost to them.

DISCUSSION

This supplemental report aims to provide additional demographic information related to income levels, seniors, and transit use within HRM. This is achieved through an assessment of broader demographic trends in HRM, the province and the country, various low-income measures, and coupled with an analysis of Halifax Transit's fare revenue and existing programs to provide insight into senior income levels and senior transit ridership. However, note that this analysis is somewhat limited due to the fact the Municipality

¹ An adult with a ticket, monthly pass, UPass or transfer pay an additional \$1.50; A senior or youth with a ticket, monthly pass, UPass or transfer pay an additional \$1.00 on Regional Express Routes.

² Note this amount is adjusted annually.

does not have data regarding the income levels of transit passengers, and has limited data available on transit passenger demographics.

Seniors in Halifax

There are currently more than 71,000 seniors within the Halifax region, which is approximately 16% of the overall population. The number of seniors has been steadily growing in HRM, both in absolute numbers and as a percentage of the total population.

Table 2: Estimated Total and Senior Population in Halifax Over Time³

Population	2009	2011	2013	2015	2017	2019
Total	393,700	402,100	405,600	408,000	421,900	440,300
Seniors (65+)	48,500	51,300	56,400	60,700	65,600	71,300
Seniors (65+) as % of total	12.3%	12.8%	13.9%	14.9%	15.5%	16.2%

Senior Transit Ridership

The existing passenger counter and fare collection systems do not have the capability to collect demographic information such as the age or income of passengers. Thus, any estimation as to the proportion of seniors that use transit must rely on Statistics Canada census data, complemented by available literature on senior transit usage. The 2016 census indicated that 8% of all seniors in Halifax (who worked) used transit to commute. However, this data does not reflect the local travel choices made by the presumed majority of seniors in the Halifax region, who are no longer in the workforce. A more comprehensive dataset from Montreal yields a senior transit mode share range between 5% and 12%.⁴ Looking more broadly, Statistics Canada produced a 2012 report which profiled seniors' transportation habits, including all trip types. Again, senior transit usage ranged between roughly 4% to 9% depending on the age and sex of the respondents.⁵ As a result, a reasonable estimate of the total number of seniors who use Halifax Transit is 5% to 10% of all seniors or 3,500 to 7,000 senior riders.

Senior Income Trends and Low-Income Measures

Different agencies and levels of government use varying thresholds or metrics to identify an individual or household as low income. The following section describes several of these metrics which collectively provide insight into the financial well-being of seniors within HRM, relative to other age groups and contextualize any potential demand for an enhanced low-income senior transit pass program.

Median Income of Seniors

Median senior income, as measured by Statistics Canada, has risen significantly over the last 40 years. Figure 1 depicts the change in income in Canada and Nova Scotia using 2018 dollars.

³ Statistics Canada. Table 17-10-0135-01 Population estimates, July 1, by census metropolitan area and census agglomeration, 2016 boundaries.

⁴ Fordham, L., Grise, E., El-Geneidy, A., When I'm 64: Assessing Generational Differences in Public Transit Use of Seniors in Montreal, Quebec, Canada. Transportation Research Record: Journal of the Transportation Research Board, No. 2651, 2017, pp. 31-41.

⁵ Statistics Canada. Profile of seniors' transportation habits. 2012.

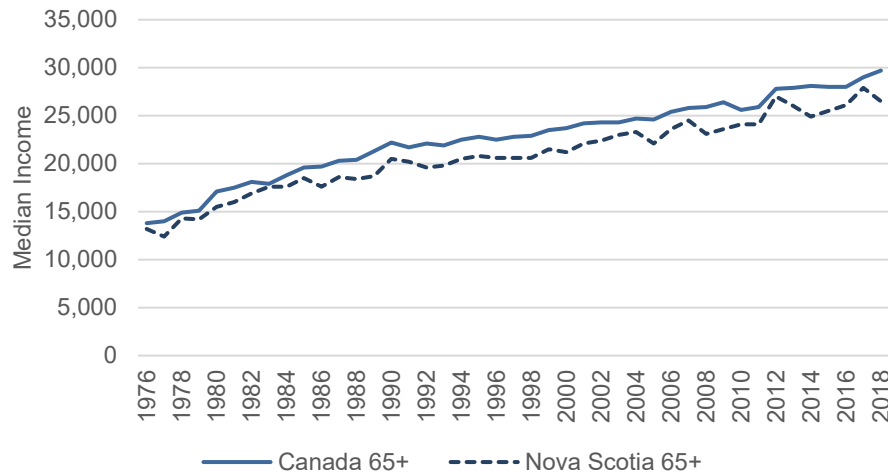


Figure 1: Seniors Median Income 1976 to 2018 (2018 constant dollars)⁶

Figure 2 shows the change in median income for six cohorts within Nova Scotia. Notably, the real median income for Nova Scotian seniors (65+) has doubled from \$13,200 to \$26,500 over the past 40 years. So, while the median income of seniors used to be comparable to the youth cohort (16 to 24), it is now significantly higher, and the gap between seniors and other, typically higher earning cohorts has been closing steadily.

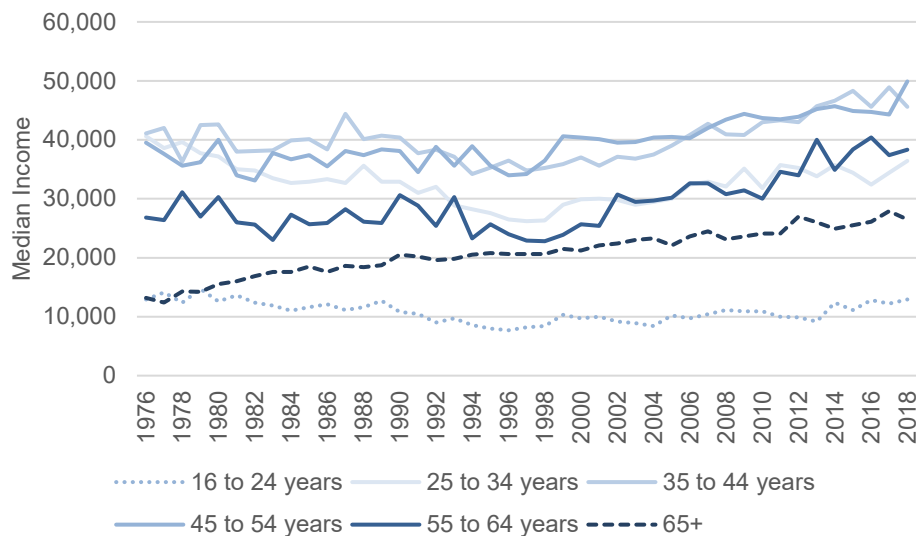


Figure 2: Median Income 1976 to 2018 Nova Scotia (2018 constant dollars)⁷

Low Income Measures and Low-Income Seniors

In addition to the information provided above, Statistics Canada also reports on multiple measures to help assess the number of low-income individuals in geographic regions. Some of the most widely available data can be found in the low-income measure, after tax (LIM-AT) and the low income, cut-offs, after tax (LICO-AT). The LIM-AT is a more complex calculation that determines a low-income threshold based on 50% of median-adjusted after-tax household income. By contrast, the LICO-AT refers to an income threshold, below which individuals or economic families are expected to devote a larger than average share

⁶ Statistics Canada. Table 11-10-0239-01 Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas.

⁷ Ibid.

of their after-tax income to necessities such as food, shelter and clothing. Income cut-offs vary based on the size of the household and the size of the community or municipality in which the households reside.

Tables 3 and 4 provide LIM-AT and LICO-AT data on the number of residents in HRM, by age (youth, adults and seniors) as well as the percentage of the population that these low-income measures apply to.⁸ The data suggests that overall, seniors face fewer income challenges relative to other cohorts in HRM.

Table 3: LIM-AT Comparison Between Cohorts in HRM (2016)⁹

Age	HRM population by age in low income based on LIM-AT	Prevalence of low income in HRM by age based on LIM-AT
< 18	13,695	18.8%
18 to 64	38,000	14.3%
Seniors (65+)	7,135	12.0%

Table 4: LICO-AT Comparison Between Cohorts in HRM (2016)¹⁰

Age	HRM population by age low income based on LICO-AT	Prevalence of low income in HRM by age based on based on LICO-AT
< 18	7,790	10.7%
18 to 64	28,875	10.9%
Seniors (65+)	1,570	2.6%

Historical data on these low-income measures is also available for Nova Scotia and Canada, but not HRM alone. Historical charts are included for reference in Attachment B to this report. Similar to the historical median income data presented above, the historical low-income charts show the prevalence of low-income seniors in Nova Scotia and Canada has reduced substantially over time and the LICO-AT has continued to decrease up until 2018.

Total Household Income by Age

In addition to assessing the prevalence of low-income measures by age, total household income (before tax) by age can provide additional insight into the status of HRM seniors relative to other age cohorts. Figures 4 and 5 provide data for five cohorts across five income quintiles in 2001 and 2011. Total household income for 2016, by cohort was not available for Halifax, however, Figure 6 does provide some insight into the change in senior household income between 2011 and 2016. These three figures demonstrate that the prevalence of seniors in the lowest income quintile reduced substantially between 2001 and 2011 and then plateaued in 2016. Of further note, the under 25 cohort had the highest percentage of residents within the lowest quintile, at 50% in both 2001 and 2011.

⁸ Note the total senior population estimates in Table 2 do not correspond directly to the estimates in Tables 3 and 4. These figures vary slightly, likely due to Statistics Canada random rounding.

⁹ Statistics Canada. 2017. Halifax, RGM [Census subdivision], Nova Scotia and Canada [Country] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

¹⁰ Ibid.

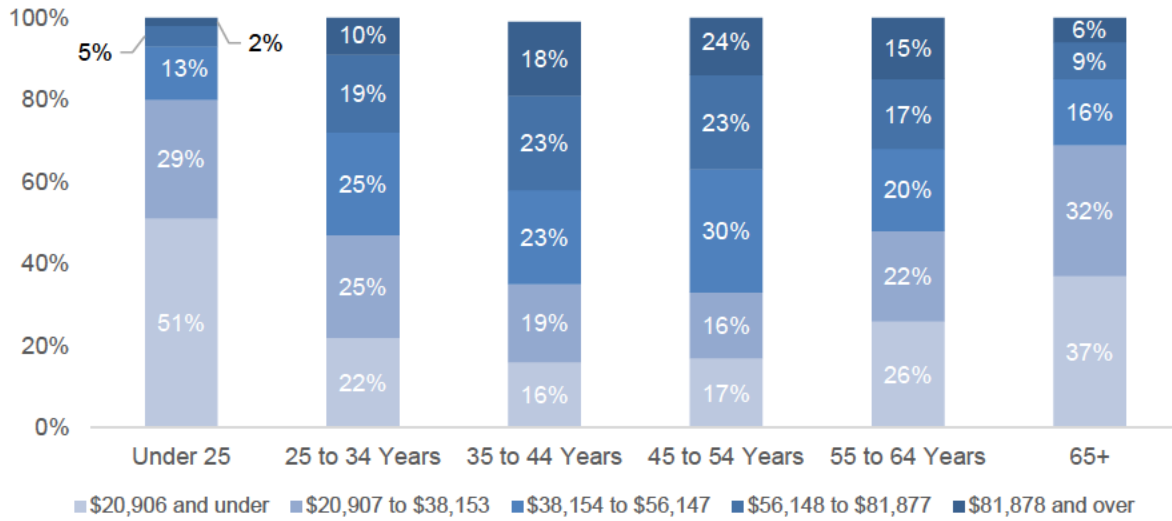


Figure 4: Total Household Income by Age (2001)¹¹

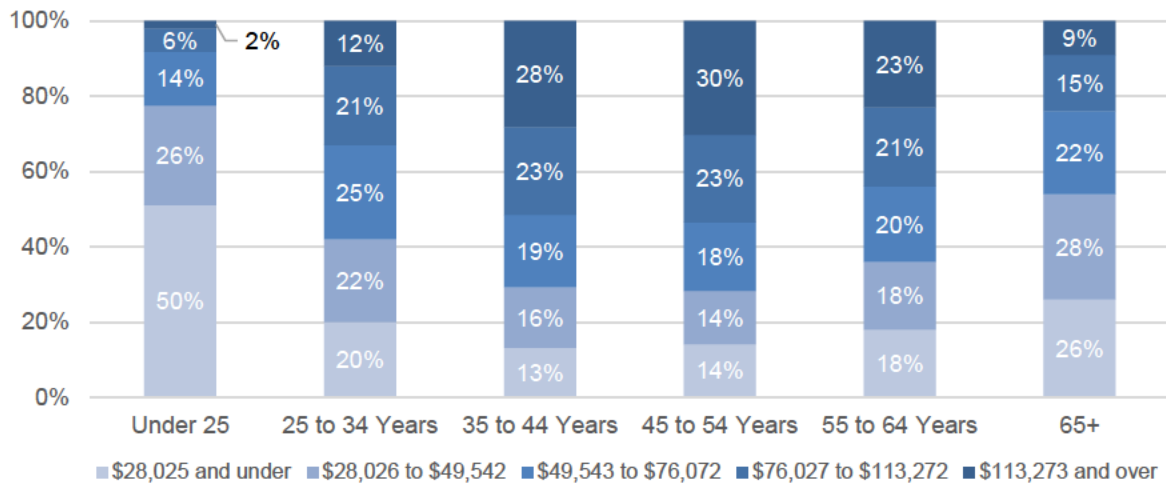


Figure 5: Total Household Income by Age (2011)¹²

¹¹ SHS Consulting. Halifax Housing Needs Assessment Final Report. 2015.

¹² Ibid.

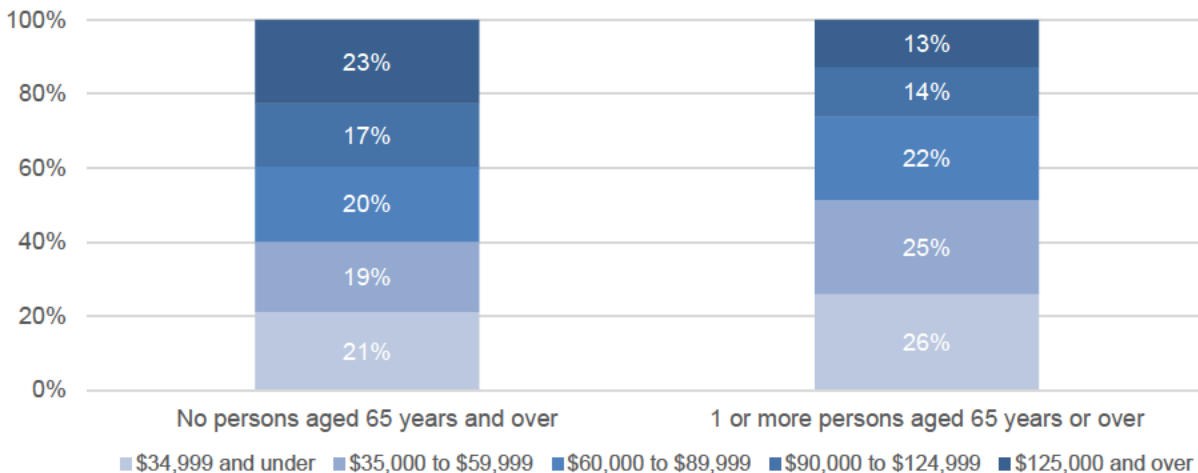


Figure 5: Total Household Income of Households with and without Seniors (2016)¹³

HRM Low Income Measure

HRM currently delivers multiple programs under the umbrella of the Affordable Access Program, which includes the Low-Income Transit Pass Program. To determine eligibility in these low-income programs, HRM adopted a total household income (before tax) threshold that is based on a Statistics Canada low income, cut-off calculation for a typical three-person household. This threshold is specific to municipalities with 100,000 to 499,999 residents and is adjusted annually.

The household income threshold used by HRM in both 2017/18 and 2018/19 was \$33,000 per household. This threshold was then increased to \$34,000 per household in 2019/20 and \$35,000 in 2020/21. These recent program thresholds align well with the lowest income category in Figure 5. In fact, the 26% of all households with 1 or more persons aged 65 years or over which have a total income of \$34,999 and under represents over 11,000 households. This demonstrates that HRM's current low-income measure allows for more potential seniors to participate in the Low-Income Transit Pass Program than if the Municipality's income threshold was based on the LICO-AT (1,570 seniors) or the LIM-AT (7,135 seniors). In other words, the Municipality's current low-income threshold includes more seniors than other standard measures would identify as low-income.

Low Income Senior Transit Users

As the Municipality does not have access to a comprehensive dataset that includes age, income and transit ridership, there is no way to accurately determine the income levels of seniors who are regular transit users but analyzing demographic data within the Urban Transit Service Boundary (UTSB) provides some insights. While seniors represent a slightly higher proportion of the total HRM population within the UTSB in 2016, there are fewer seniors that are identified as low income when compared to other cohorts.¹⁴ This suggests, the proportion of seniors facing income challenges in the UTSB is lower than that of the broader HRM population, that seniors, in general face fewer income challenges relative to other cohorts in the areas served by transit, and perhaps less likely to be reliant on transit.

The notion that seniors within the UTSB face fewer income challenges and are potentially relatively less reliant on transit than other age groups is somewhat reinforced through an evaluation of the weekday ridership and more specifically the Tuesday ridership when seniors are eligible to travel for free between 10 AM and 3 PM, and again after 6 PM. The average ridership by day, but excluding holidays is shown in the Figures 6 and 7.

¹³ Statistics Canada. 2016 Census. Catalogue Number 98-400-X2016097.

¹⁴ In 2016, 86.5% of HRM's overall population in low income based on the LIM-AT and 92.3% of HRM's overall population in low income based on the LICO-AT lived in the UTSB. Comparatively, 80.2% of all seniors in low income based on the LIM-AT and 89.2% of all seniors in low income based on the LICO-AT lived in the UTSB.

These two figures demonstrate that even though Seniors ride for free, Tuesday ridership is only slightly higher than the weekday average but is still comparable to Fridays where there isn't any free service offered. This comparison suggests that few seniors are using transit solely on Tuesdays because the service is free.

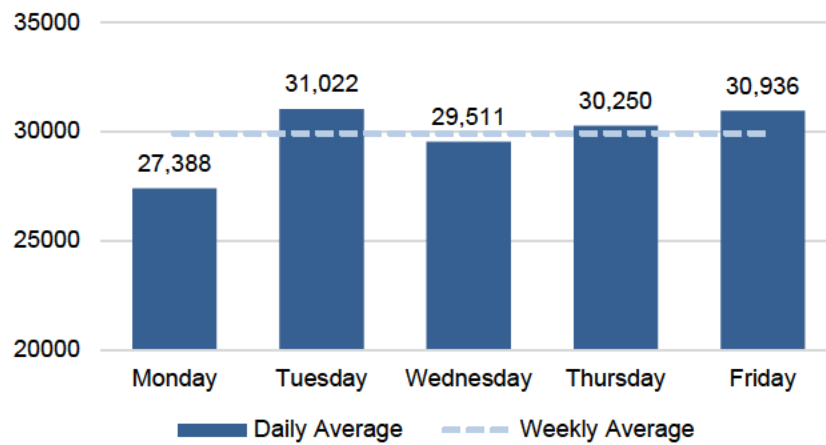


Figure 6: Midday Transit Ridership (April to September 2019)

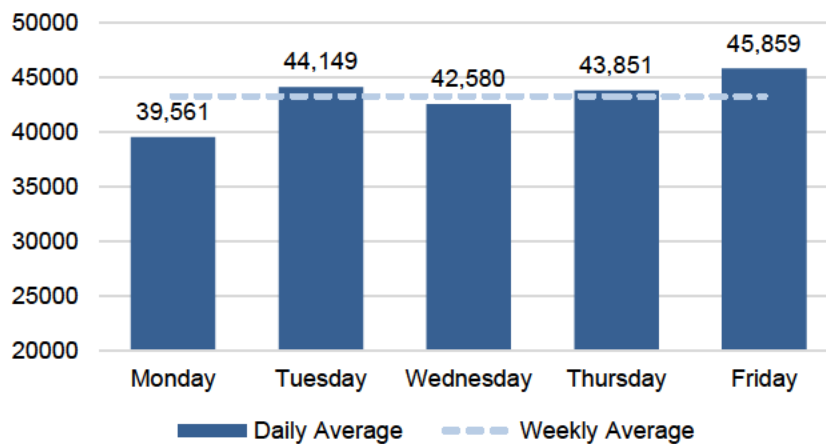


Figure 7: Midday and Evening Transit Ridership (April to September 2019)

Exploration of Options to Further Subsidize Senior Transit Fare

This section discusses two options which could offer seniors more significantly reduced fares, either based on age alone, or based on household income.

Free Transit for Seniors

The estimated annualized fare revenue for the new youth / senior category with children under 12 riding for free was \$2.4 million. While it is not possible to know exactly what portion of tickets or passes are purchased for youth or for seniors, staff estimate that seniors account for roughly two-thirds of the ridership in this fare category. Thus, making transit free for all seniors is estimated to reduce revenue by \$1.6 million annually.

Enhanced Low Income Senior Transit Pass Program

For the purposes of this report, an enhanced low-income senior transit pass program is assumed to provide a pass to low income seniors at a discount that is similar to that of the current Low-Income Transit Pass or the DCS Transit Pass. This pass could be applied for on an annual basis and the passes could be provided as monthly or annual passes. In this situation, those seniors that would not qualify for this enhanced pass

would pay the regular, adult fare. As noted above, the Municipality does not have access to a comprehensive dataset that includes age, income and transit ridership. Thus, there is no way to accurately determine the total potential participants or the cost of an enhanced low-income senior transit pass program, however staff have explored some scenarios in the development of this report.

As the estimated revenue impact is dependent on many variables, including:

- The number of existing senior transit users participating in the current transit pass programs;
- The number of seniors that may move from tickets or a youth/senior monthly pass to an enhanced low income senior transit pass if available;
- If seniors retain a discounted cash fare and other fare media or not if an enhanced low income program is introduced.

Due to the number of variables at play, staff determined that the revenue impact of this program could range from a revenue loss of \$400,000 per year, to a revenue increase of \$200,000 per year. While the estimated revenue impact of an enhanced low-income senior transit pass program is relatively low compared to the annual revenue generated by Halifax Transit, consideration must be given to the fact that there is still capacity within the existing low-income programs, such as the Low-Income Transit Pass Program. This excess capacity suggests there is not necessarily any latent demand or additional need for an enhanced low-income senior transit pass program at this time.

Summary

The data presented in this report demonstrate that the median income of seniors has risen substantially over the last 40 years, and within HRM, seniors are, in general, less likely to face income challenges relative to other cohorts. This is especially evident in the comparison of senior income to those under 25 years of age. The evaluation of this income data, in combination with the excess capacity in the Low-Income Transit Pass Program suggests that the existing programs and supports can meet the current needs of most low-income seniors. Thus, continuing to direct resources to programs and partnerships which support low income residents based on need and not age is anticipated to be beneficial to the Municipality. However, should Council wish to modify the senior fare category in any manner, including reducing or removing fares, creating a new senior low-income transit pass, or otherwise, an amendment to By-law U-100, the *User Charges By-law* would be required.

FINANCIAL IMPLICATIONS

The financial implications are outlined above within the discussion. A free transit program for seniors is anticipated to reduce revenue by \$1.6 million annually. An enhanced low-income senior transit pass program could represent an annual revenue impact of between -\$400,000 and +\$200,000.

COMMUNITY ENGAGEMENT

No community engagement was undertaken as this study was informed by available census data and data gathered from previous surveys.

ATTACHMENTS

Attachment A – Staff report dated June 11, 2019 – Amendments to By-law U-100 - Halifax Transit Fare Strategy

Attachment B – Historical Trends of Low-Income Measures

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Dave Espeseth, Coordinator, Project Planning, Halifax Transit, 902.497.5139

Report Approved by: Patricia Hughes, MCIP, LPP, Manager, Planning & Customer Engagement, Halifax Transit, 902.490.6287

HALIFAX

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Item No.
Transportation Standing Committee
July 25, 2019

TO: Chair and Members of Transportation Standing Committee

SUBMITTED BY: Original Signed

Dave Reage, MCIP, LPP, Director Halifax Transit

Original Signed

Chief Stuebing, Acting Chief Administrative Officer

DATE: June 11, 2019

SUBJECT: Amendments to By-law U-100 - Halifax Transit Fare Strategy 2019

ORIGIN

This report originates from:

1. Halifax Transit Draft Multi-Year Budget & Business Plan 2019/2020 and 2020/2021, presented to the Budget Committee on January 30, 2019 which recommended a fare increase to cover the increase to Halifax Transit's operating budget for 2019/2020 and 2020/2021.
2. At the October 25, 2018 meeting of the Transportation Standing Committee, the following motion was passed:

The Transportation Standing Committee request a staff report on the feasibility of:

- i. Implementing a Transit Pass Program similar to Kingston, Ontario's that would provide a bus pass to all high school students along with orientation sessions at schools;
- ii. Increasing the age that children ride free until from 5 to 16 as part of the fare strategy.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, R.S.N.S. 2008, section 102 allows Council, by by-law, to prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

Halifax Regional Municipality Charter, R.S.N.S. 2008, subsection 69(1) enables the Municipality to provide a public transportation service, and clause 79(1)(o) provides authority for Council to expend money to provide public transportation.

RECOMMENDATION

It is recommended that the Transportation Standing Committee recommend that Regional Council:

1. Adopt By-law U-105, the purpose of which is to amend Schedule 1 of By-law U-100, the User Charges By-law, establishing changes to the existing fare structure and fares as set out in Attachment C to this report.
2. Direct the CAO to begin planning a Student Transit Pass pilot program by meeting with HRCE and CSAP officials to discuss potential partnership opportunities, program details, timelines, logistics, marketing and costs.
3. Direct the CAO to prepare a report investigating the feasibility of implementing a fee for access to Halifax Transit Park & Rides.

BACKGROUND

Halifax Transit fares

Halifax Transit's standard adult fare was last increased (from \$2.25 to \$2.50) on September 30, 2013. Before the increase in 2013, the standard adult fare was increased (from \$2.00 to \$2.25) on July 1, 2009. Before the increase in 2009, the standard adult fare was increased (from \$1.75 to \$2.00) in January 2005.

Halifax Transit's approved Multi-Year Budget & Business Plan 2019/2020 and 2020/2021, includes a 25-cent fare increase to assist in funding Halifax Transit operating costs in 2019/2020 and 2020/2021. The increase in Halifax Transit's operating budget for 2019/2020 and 2020/2021 is due to several factors including, but not limited to, increased wages, increased cost of fuel, service increases associated with the *Moving Forward Together Plan*, etc.

The proposed 25-cent fare increase has been approved by Regional Council as part of the 2019/2020 budget; however, specifics of the rollout of the fare increase were not in place at that time.

Student Transit Pass Program

At present, the Halifax Regional Centre for Education (HRCE) offers passes to qualified students who are outside of the established walking distance, but for whom school busing is not an option. Each month, they provide 750 – 900 passes to students at six schools. These are provided by Halifax Transit at the rate of \$50 per pass per month.

DISCUSSION

Halifax Transit fares

Change in approach

Historically, Halifax Transit has considered fare increases as required and applied fare increases uniformly (e.g. a 10% increase of all passenger classifications, for all products/media, across all services). With technology changes coming (electronic fares), Halifax Transit is changing the approach to fare increases to focus more on industry best-practices, strategic goals and planning for the future in an effort to increase ridership, reduce cash handling, and provide more options and convenience to passengers.

Jurisdictional scan

Jurisdictions in the first table were selected based on fleet size and/or population data in range with Halifax Transit's fleet size and/or population. The second table includes Atlantic Canadian jurisdictions with greater than twenty buses. Data source is the *CUTA DATA Canadian Transit Fact Book, 2016 Operating Data*, published November 2017 (except where indicated ↑ for increases and ↓ for decreases

from CUTA data, based on current fares published on jurisdictions' websites). Sorted by Adult Cash Fare, lowest to highest.

The cells highlighted in red indicate the jurisdictions lowest in their category and cells highlighted in yellow indicate where Halifax Transit is second-lowest in the category.

Jurisdictions Based on Fleet Size / Population	R/C Ratio	Adult Cash Fare	Adult Monthly Pass	Child Cash Fare	Child Monthly Pass	Senior Cash Fare	Senior Monthly Pass	Buses	Municipal Population	Service Area Population
Canada	54%	\$3.02	\$81.67	\$2.48	\$54.67	\$2.66	\$51.51	16,450	23,990,515	22,973,041
Pop. 400,001 - 2,000,000	44%	\$3.38	\$101.34	\$3.13	\$68.50	\$2.78	\$51.50	7,047	9,613,239	9,132,022
Pop. 150,001 - 400,000	41%	\$3.37	\$97.17	\$2.21	\$52.67	\$3.06	\$54.02	1,693	2,538,206	2,371,963
Halifax, NS	35%	\$2.50	\$78.00	\$1.75	\$58.00	\$1.75	\$58.00	323	425,871	316,780
Victoria, BC	46%	\$2.50	\$85.00	\$2.50	\$45.00	\$2.50	\$45.00	282	367,770	314,696
London, Ont	52%	\$2.75	\$81.00	\$0.00↓		\$2.75	\$57.50	206	385,100	385,100
Hamilton, Ont	50%	\$3.00	\$105.60↑	\$3.00	\$88.00↑	\$3.00	\$29.50↑	251	536,917	490,673
Waterloo Region, Ont	39%	\$3.25	\$86.00↑	\$3.25	\$73.00↑	\$3.25	\$73.00↑	249	541,395	452,684
Laval, Que	33%	\$3.25	\$95.00↑	\$3.25	\$57.00↑	\$3.25	\$57.00↑	306	430,077	430,077
Longueuil, Que	42%	\$3.25	\$98.50↑	\$3.25	\$58.50↑	\$3.25	\$58.50↑	444	419,677	419,677
Mississauga, Ont	48%	\$3.75↑				\$1.00		467	764,300	764,300
Durham Region, Ont	39%	\$3.75	\$117.00↑	\$2.50	\$65.00	\$2.50	\$46.00	186	673,075	567,421
Brampton, Ont	46%	\$4.00↑	\$124.00↑	\$4.00↑	\$105.00	\$1.00	\$52.00	407	593,638	588,200
Gatineau, Que	43%	\$4.00↑	\$97.00↑			\$2.60	\$41.00↑	364	278,589	278,589
York Region, Ont	40%	\$4.00	\$150.00↑	\$4.00	\$63.00↑	\$4.00	\$63.00↑	539	1,186,907	1,083,442
Averages for Jurisdictions	43%	\$3.41	\$103.91	\$2.86	\$69.31	\$2.65	\$52.25	336	561,586	524,987

Atlantic Canadian Jurisdictions > 20 Buses	R/C Ratio	Adult Cash Fare	Adult Monthly Pass	Child Cash Fare	Child Monthly Pass	Senior Cash Fare	Senior Monthly Pass	Buses	Municipal Population	Service Area Population
Halifax, NS	35%	\$2.50	\$78.00	\$1.75	\$58.00	\$1.75	\$58.00	323	425,871	316,780
Moncton, NB	38%	\$2.50↑	\$64.00↑	\$2.50↑	\$49.00↑	\$2.50↑	\$49.00↑	31	116,940	116,940
St. John's, NL	29%	\$2.50↑	\$78.00↑	\$2.00↑	\$53.00↑	\$2.50↑	\$53.00↑	42	153,400	137,590
Saint John, NB	47%	\$2.75	\$77.00	\$2.50	\$66.00	\$2.50	\$55.00	42	120,000	100,420
Fredericton, NB	39%	\$2.75	\$80.00	\$2.75		\$2.75	\$50.00	25	58,220	58,220
Averages for Jurisdictions	38%	\$2.63	\$74.75	\$2.44	\$56.00	\$2.56	\$52.33	35	112,140	103,293

Some key observations and implications from the jurisdictional scan:

Key Observation	Implication
Jurisdictions Based on Fleet Size / Population	
1. Halifax Transit is tied for lowest Adult Cash Fare, \$0.85 lower than average for evaluated jurisdictions.	Fares should be increased to be more in-line with similar jurisdictions and a plan should be put in place for periodic increases in the future.
2. Halifax Transit has second lowest Child Cash Fare, \$1.23 lower than average for evaluated jurisdictions.	

Key Observation	Implication
3. Halifax Transit has lowest cost Adult Monthly Pass, \$22.47 lower than average for evaluated jurisdictions.	Monthly passes need to be more competitive relative to tickets. Current pricing requires too many trips for the monthly pass to be a better value than tickets.
4. Halifax Transit's Child Monthly Pass is \$9.45 lower than average for evaluated jurisdictions.	
5. All 11 evaluated jurisdictions offer at least one electronic fare media payment option.	Halifax Transit should implement an electronic fare media payment option.
Atlantic Canadian Jurisdictions with > 20 Buses	
6. Halifax Transit is in a similar position relative to Canadian jurisdictions when compared to other Atlantic Canadian jurisdictions.	Even in similar economic conditions, Halifax Transit has relatively low fares. Fares should be increased to be more in-line with similar jurisdictions.

Halifax Transit passenger classifications (fare categories):

Current Passenger Classifications		Recommended Passenger Classifications	
Halifax Transit currently classifies passengers based on age or school criteria.		Halifax Transit recommends that passenger classifications be changed in the following ways.	
Adult	non-students aged 16 - 64	Adult	Change the age to 18+
Senior	aged 65+		Eliminate the senior fare; to be included under Adult fare
Child	aged 5 - 15	Youth	Change the age range to 5 - 17 (13 - 17 for the duration of the pilot to offer free travel to children 12 and under) and combine with the Student fare classification.
Student	full-time student with valid student ID		Eliminate the Student fare classification

Significant changes are recommended to the passenger classifications.

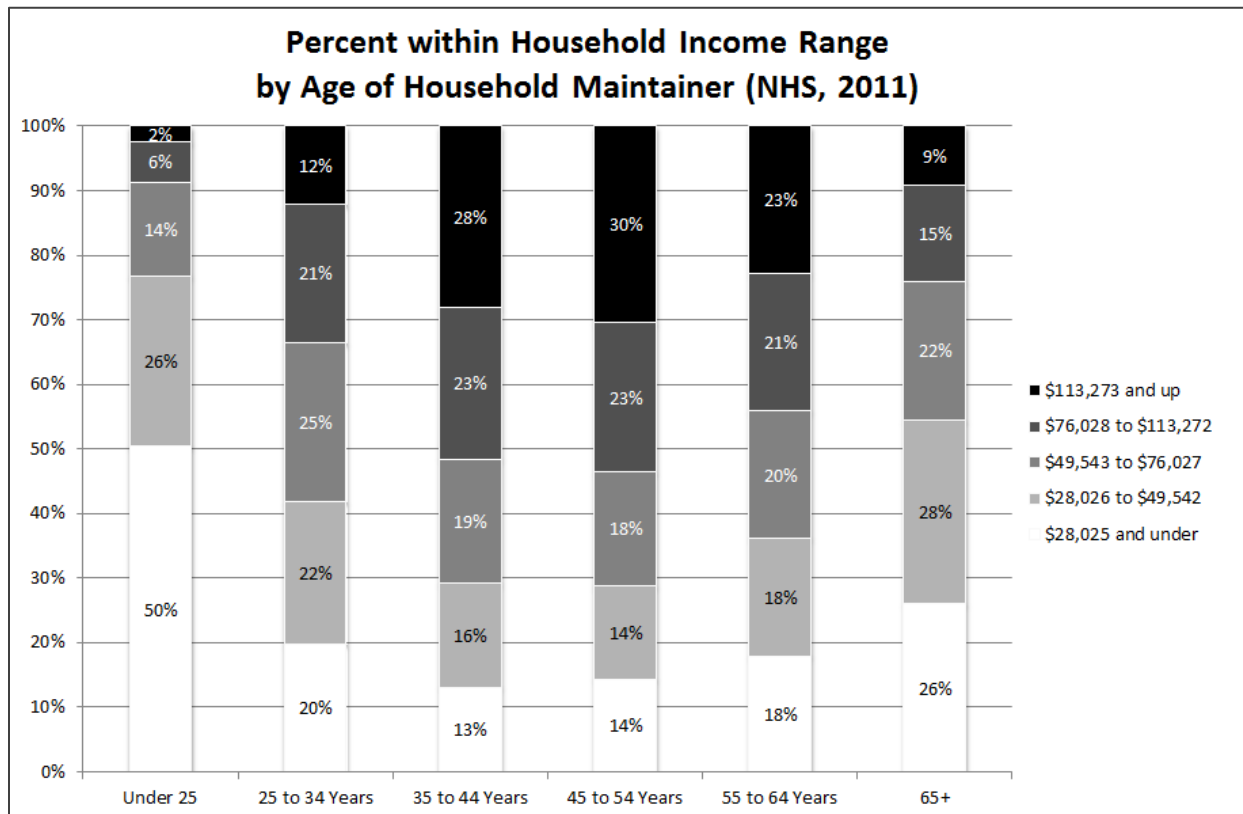
The first major change is to implement a pilot program whereby the age limit for free travel on Halifax Transit is raised from 4 and under to 12 and under. The pilot would begin on September 30, 2019 along with the new fares. The pilot would last 6 months, allowing Halifax Transit staff to gauge the long-term impact to both ridership and to Halifax Transit's operating budget. The jurisdictional scan has indicated that many agencies are increasing the age limit at which children ride free as allowing easy access to public transit for more children encourages the use of public transportation which will ideally lead to continued use into adulthood. At the conclusion of the pilot, Halifax Transit will analyze the impact of the pilot to revenue. If the pilot demonstrates a loss of revenue that is acceptable to Regional Council, the change could be made permanent in the future.

Because of the changes recommended to the former Child classification, a new Youth classification should be created to replace the 13-15 range of the former Child classification and be expanded to 17, also eliminating the need for a separate Student classification as it would be redundant.

The Senior classification should be eliminated and included in the Adult classification. As found in the jurisdictional scan, many other jurisdictions do not have a separate fare for seniors. If the implied intent of the Senior classification was to protect seniors with less available funds to use for travel, Halifax Transit now has other programs in place to protect vulnerable seniors (such as free travel for seniors on Tuesdays, the low-income transit pass program, and the ESIA pass program).

The 2011 National Household Survey compiled the average household income of Halifax residents grouped by the age of the primary household maintainer. The data is broken into income deciles, grouped below in Figure 1. Figure 1 details the breakdown of average household income by primary household maintainer's age as of 2011. Figure 2 illustrates the same data as of 2001. The household income breakdown in 2011 indicates that of households in Halifax where the primary household maintainer is 65 years old or older, approximately 26% have an average household income of \$28,025 or less, below the Halifax Low Income Index which in 2011 was \$30,000 per household.

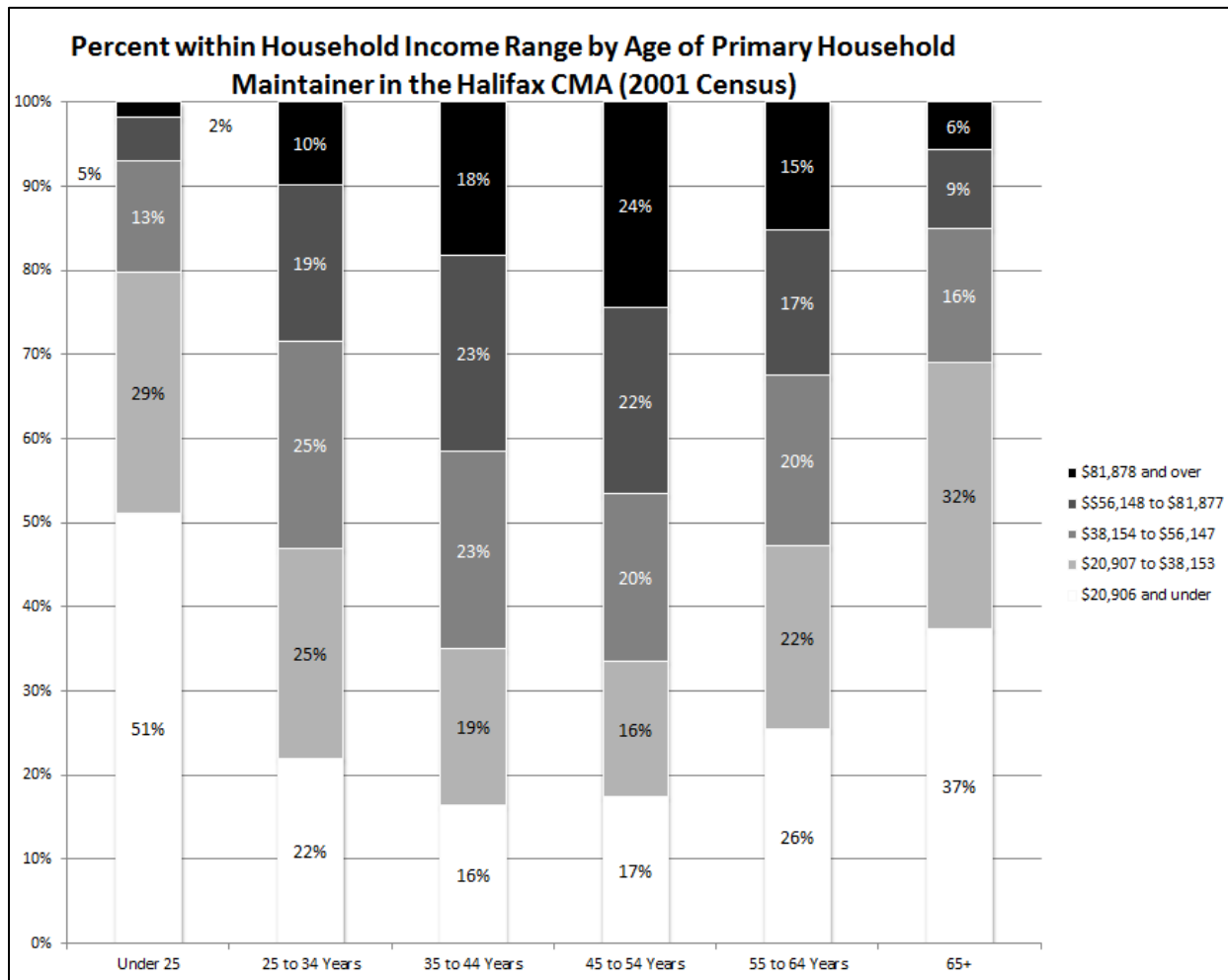
Figure 1: Income Range by Age of Household Maintainer (2011)



The oldest age cohort is overrepresented in the lowest income category when compared to households led by maintainers in other age cohorts between the ages of 25 and 64. However, households with a maintainer under the age of 25 are at least twice as likely to be in the lowest income category when compared to any other age cohort.

Figure 2 details the breakdown of average household income by primary household maintainer's age as of 2001. Similar to 2011, the household income breakdown in 2001 indicates that of households in Halifax where the primary household maintainer is 65 years old or older, approximately 37% have an average household income of \$20,906 or less, and 57% have an average household income of below \$29,460.

Figure 2: Income Range by Age of Household Maintainer (2001)



Based on an income threshold of approximately \$30,000 per household or less, between 2001 and 2011, the number of Senior-led households that fell within this category declined from 57% in 2001 to 26% in 2011. Over the same period, the number of seniors residing in Halifax has increased by 29%, indicating that while the number of Seniors is increasing, so too is the average household income of this age cohort. While Seniors are overrepresented in the lowest two income categories (i.e. more than 20% of households of fall into each of the lowest income categories), so too are other age cohorts.

Because the impacts to revenue of both the change to the age at which children are able to ride free (the pilot) and the elimination of the senior classification approximately offset, both are recommended together. Implementing one change but not the other would represent a significant change to Halifax Transit’s revenue (as indicated in the financial implications section).

Halifax Transit fare products and fare media

Currently, Halifax Transit offers several ways for passengers to pay a fare. The following is a listing of all methods a passenger could potentially pay a fare when boarding a Halifax Transit bus/ferry along with recommendations for their continued use and potential new methods:

Current Fare Products & Fare Media	Recommended Fare Products & Fare Media
Cash CDN and US coins and banknotes	Continue the use of cash for the foreseeable future but encourage other, preferred fare media.
Paper tickets visual inspection Adult and Senior/Child single ride	Continue the use of tickets for the foreseeable future with the goal of eliminating in favour of electronic fare media.
Paper transfers visual inspection	Continue the use of paper transfers for the foreseeable future with the goal of eliminating in favour of electronic fare media.
Monthly pass paper flash-pass (MetroPass, MetroLink Pass, MetroX Pass)	Replace current monthly passes with account based electronic fare media (smart card, mobile tap/flash). Continue the use of current flash-pass until this is implemented.
UPass plastic flash-pass	Replace current plastic flash pass with account based electronic fare media. Continue the use of current flash pass until this is implemented.
EPass annual plastic flash-pass photo of user printed on pass	Replace current plastic flash pass with account based electronic fare media. Continue the use of current flash pass until this is implemented.
ESIA pass annual plastic flash-pass (DCS) photo of user printed on pass	Replace current plastic flash pass with account based electronic fare media. Continue the use of current flash pass until this is implemented.
HRCE student pass annual flash pass	Continue and possibly expand the program
	Electronic fare Media (Smart Card/Mobile) – Any electronic fare media should be an e-Purse/account-based solution, so Halifax Transit can offer loyalty/best value programs and day/multiple day passes to riders.
	Contactless Bank Card – In the future, implement contactless bank card tap payment.

Halifax Transit public concessionary fare policies:

Current Concessionary Fare Policies	Recommended Concessionary Fare Policies
UPass discounted pass for full-time post-secondary students 4-month, 8-month, and 9-month programs	Continue the UPass program but rates should be increased to be more in-line with other jurisdictions.
EPass discounted annual pass available to SmartTrip employers paid through payroll deduction cost 87.5% of 12 monthly passes	Continue the EPass program. Eliminate premium fare options and allow base EPass users to use the pass for any fare type.
Low income transit pass monthly pass at 50% discount	Allow for incremental expansion of the program.
Child aged < 5 - free	Continue but change age to children < 13 ride free after a pilot is conducted to understand the budgetary impact of this change.
Free Park & Ride	Conduct a study to evaluate implementing a fee to park in Park & Ride lots
Visually impaired free with valid CNIB card	Continue unchanged.
Seniors free on Tuesday from 10:00am to 3:30PM and after 6:00PM	Continue unchanged.
Personal Care attendant with AAB client free	Continue unchanged.
Refugee 1-year settlement support program free WIH pass	Continue unchanged.
Ferry: Canada Day, Natal Day, New Year's Eve after 6 PM free	Continue unchanged.
Other – special events volunteers, etc. free	Continue on a case-by-case basis.

An investigation into the feasibility of implementing a fee for access to Halifax Transit Park & Rides should be conducted. This would address the issue of Halifax Transit Park & Ride lots quickly filling with non-users of Halifax Transit at the expense of passengers. An example where this is currently an issue is the Woodside Ferry Terminal parking lot.

Halifax Transit transfer policy

A transfer allows passengers to connect to other buses or ferries to complete a trip without paying an additional fare. Transfers are valid for up to 90 minutes after the last time point on the route on which the transfer was received. If a transfer is needed, it must be requested by the passenger when boarding the bus or ferry. Transfers are available on all routes and Access-A-Bus passengers may also request transfers.

Current Transfer Policies	Recommended Transfer Policies
Issued when paying fare	Continue unchanged.
Valid for 90 minutes after end of route	Continue unchanged.
Valid on all HT routes and services	Continue to accept transfers on all Halifax Transit routes and services. Continue to require an additional fee when using a transfer from conventional service to premium service. There may be special cases where transfers would not be valid such as special event services, etc.
Passenger requests transfer upon boarding	Continue unchanged.
Additional fares for MetroLink, MetroX and Airport	MetroLink is being eliminated. Continue unchanged for MetroX and Airport.

Halifax Transit service tiers:

Current service tiers		Recommended service tiers	
Standard Fare	Conventional bus Ferry Access-A-Bus	Standard Fare	Continue unchanged.
Limited-Stop	MetroLink		MetroLink premium fare is being eliminated.
Regional Express	MetroX	Regional Express	Continue unchanged.
		Airport	Airport cash fare to be increased to \$6.

Very few changes are recommended for the current service tiers other than the elimination of the MetroLink premium fare and an increase to the cash fare for the Route 320 Airport/Fall River.

The MetroLink premium fare is being eliminated, as it will no longer be required over the longer term. There are currently only two MetroLink routes, the 185 Sackville Link and 159 Portland Hills Link. The *Moving Forward Together Plan* includes the redesign of transit routes and services, including the replacement of existing MetroLink routes with new express routes.

In November 2019, the Route 185 Sackville Link will be discontinued and replaced with the express routes 183, 185, and 186. Between the Sackville Terminal and Scotia Square, these routes will provide the same frequent, express services as currently provided by the Route 185. However, they will start/end their trips in residential communities, allowing more passengers access to express service, and will also travel beyond Scotia Square, bringing passengers closer to other downtown destinations.

As the Route 159 will be the only remaining MetroLink route, and there are plans to change this route as part of the *Moving Forward Together Plan*, and premium MetroLink vehicles are being retired and the route is often serviced with a standard conventional vehicle, it is recommended that the premium MetroLink fare be discontinued as part of the upcoming fare changes.

The Route 320 Airport/Fall River serves both commuters and occasional travelers. As identified in the *Moving Forward Together Plan*, this route provides a regionally significant connection from a tourism and economic development perspective and as such is exempt from minimum ridership guidelines. This route provides a significantly higher level of service than other Regional Express routes, operating consistently all day, seven days a week.

To reflect the reduced ridership expectations, higher level of service, and resulting higher level of cost to operate this service, a higher cash/single rider fare is appropriate. A jurisdictional scan was completed, and the proposed single ride fare is \$6, which is considered more reflective of the value of service to travelers. All other fare medium (tickets, passes, etc.) will remain consistent with other Regional Express service, so as to not impact commuters or frequent travelers.

Fare table

See Attachment A of this report.

Student Transit Pass Program

Halifax Transit staff has been asked to explore the possibility of a student transit pass program, providing free and unlimited transit to HRM youth, similar to the Kingston, Ontario program model.

The potential opportunity to work closely with the two school boards (HRCE and CSAP) to explore options for this type of program is supported by direction provided by the *Integrated Mobility Plan* which calls for building sustainable commuting habits in youth. Based on the success of the program in Kingston, Ontario, a similar program in Halifax could contribute to meeting this IMP goal.

There are, however, several points to be carefully considered before a particular approach is recommended:

- Cost: the potential cost of the program could be substantial. In Kingston, this cost is primarily borne by the school board. Further discussion is required to determine if this is possible in Halifax, or if a partnership opportunity exists.
- Implementation: The logistics of the program implementation is considerable. It is likely that if a partnership is established, staff would likely recommend a pilot program of one grade level, perhaps at one or two schools which are well served by transit. This pilot would be critical to working through implementation challenges and ensuring a smooth roll out of the overall program.

At this time, the User Fee By-law amendments recommended include provisions to allow for a pilot with high school students to proceed. Over the next year, staff will meet with HRCE and the Conseil Scolaire Acadien Provincial (CSAP) school officials to discuss the potential partnership opportunities, program details, timelines, logistics, marketing and costs. Prior to implementing a pilot project, a detailed programming strategy, including costs and timelines, will be brought before Council for consideration.

FINANCIAL IMPLICATIONS

The planned cash fare increase of 25 cents for conventional transit and the other strategic fare changes, e.g. reduction in the relative cost of the monthly passes and increase in the relative cost of paper tickets, are expected to increase fare revenue by approximately 4.5% or \$1,550,000 dollars per year. For 2019/20 the impact should be approximately half the annual amount or \$775,000. This number is difficult to estimate accurately, since riders will change their cash/ticket/pass purchasing behavior. Anticipated changes to ridership levels and the resulting revenue impacts has been factored into the estimate. In the approved 2019/20 Halifax Transit operating budget, \$812,000 was included for additional fare revenue from the approved fare and pass increases commencing mid fiscal year.

The revenue impact of Alternative 1 is approximately the same as for the proposal. The elimination of the senior fare and the increase in age of children travelling free (up to 12 years) each has a financial impact of approximately \$600,000 per year, in opposing directions.

RISK CONSIDERATION

There are not significant risks associated with the recommendations of this report. The risks considered rate low.

Every fare increase comes with the risk that ridership will be negatively impacted; however, new programs have been developed over that past several years to protect the most vulnerable users of Halifax Transit. Currently, 900 participants in the Low-Income Transit Pass program receive monthly transit passes at 50% and nearly 10,000 individuals in the Halifax region are now receiving monthly transit passes through the provincial department of Community Services.

COMMUNITY ENGAGEMENT

The November edition of Halifax Transit's Talk Transit survey focused on fares.

Highlights of the survey include:

- Overall, people are satisfied with Halifax Transit's current fare structure
- Respondents believe monthly passes should be priced in a way that makes more sense relative to tickets
- Many passengers would prefer to pay transit fare with smartphones/smart card technology

Participants were asked for their thoughts on the cost of monthly passes. The followings responses were noted:

- Monthly passes should be the price of traveling 15 days a month (30 trips) 39%
- Monthly passes should be the price of traveling 18 days a month (36 trips) 27%
- Monthly passes are appropriately priced relative to tickets 29%
- Other 5%

ENVIRONMENTAL IMPLICATIONS

There were no environmental implications identified associated with this report.

ALTERNATIVES

1. Council may choose to keep the Senior fare category and the age limit at which children travel for free as status quo.

As mentioned in the financial implications section of this report, the revenue impact of keeping the Senior fare category and the age limit at which children travel for free as status quo is comparable to the revenue impact of the recommendations.

The positive impact to our revenue if we remove the senior fare category is approximately \$600,000. The negative impact to our revenue if we run a pilot to increase the age at which children ride free is approximately \$600,000. Therefore, by doing both, the only real impact to revenue/budget is the overall effect of the fare increase (\$755,000 this year, 1,550,000 per year going forward). By doing neither, the only real impact to revenue/budget is the overall effect of the fare increase (\$755,000 this year, 1,550,000 per year going forward).

2. Council may choose to make amendments in addition to the amendments identified by staff. Based on the nature of any amendments, a supplementary report may be required.

ATTACHMENTS

Attachment A - Fare Tables – 2019 Transit Fare Strategy By-Law U-100 Amendments

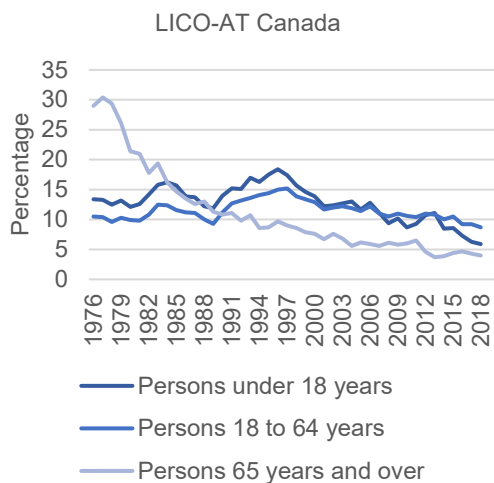
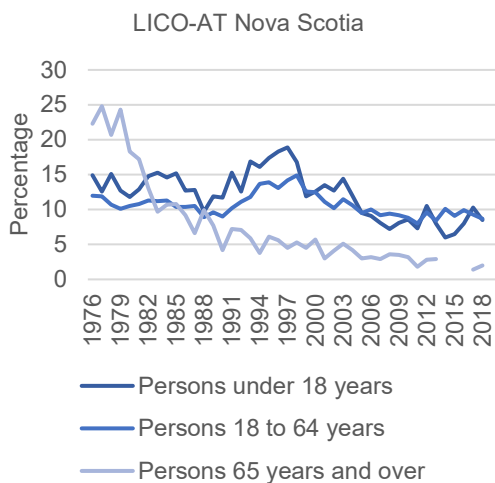
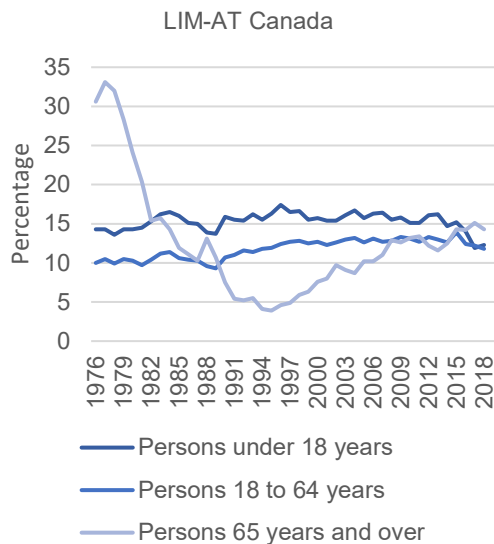
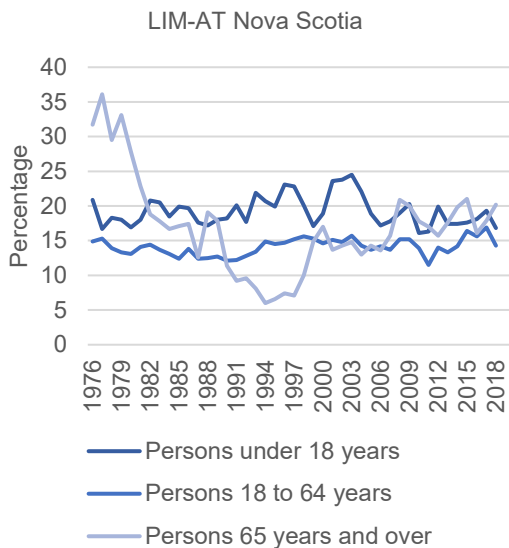
Attachment B - Showing proposed changes to By-law U-100

Attachment C - By-law U-105

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Marc Santilli, Manager Technical Services, Halifax Transit, 902.490.6649

Attachment B - Historical Trends of Low Income Measures¹



¹ Statistics Canada. Table 11-10-0135-01 Low income statistics by age, sex and economic family type.