



**SUBJECT: Free Transit for Seniors**

**TO: Community Planning, Regulation & Mobility Cttee.**

**FROM: Transit Department**

Report Number: TR-04-23

Wards Affected: All

File Numbers: 770-11

Date to Committee: June 27, 2023

Date to Council: July 11, 2023

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**Recommendation:**

Authorize the Director of Transit to implement Free Transit for Seniors all day, every day and Free Transit for Youth, evenings (after 6 p.m.) and weekends starting August 1, 2023; and

Direct the Chief Financial Officer to incorporate the \$160,000 annualized revenue loss in the 2024 budget; and

Approve amending by-law xx-2023 attached as Appendix A to transit department report TR-04-23 to amend the Rates and Fees By-law 83-2022 to address fare changes for seniors and youth.

**PURPOSE:**

The purpose of this report is to provide information, analysis and recommendations to provide all day, every day free transit for seniors on Burlington Transit given the PRESTO system restriction to allow for only one time-of-day pricing category to be active at a time.

In addition, due to recent and pending changes to fare categories and the Council approved free evening and weekend transit for youth, the Rates and Fees bylaw will be revised to align with these changes. This follows direction from Corporation Counsel and the Finance department.

## **Vision to Focus Alignment:**

- Improve integrated city mobility
  - Deliver customer centric services with a focus on efficiency and technology transformation
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## **Background and Discussion:**

### Implementation of Free Transit for Youth

As part of the 2023 budget, Council approved the Free Transit for Youth program with a budget impact (revenue loss) of \$84,000. This program will allow riders aged 13 to 19 to ride Burlington Transit for free on evenings and weekends, starting August 1, 2023. Like the original approach applied to seniors, eligible riders will need to obtain a PRESTO card with the youth category defined, to allow for free travel on Burlington Transit weekdays after 6pm and all-day Saturday and Sunday.

### Current Free Transit for Seniors Program

In 2019, Burlington City Council approved the Free Transit for Seniors pilot, which enabled seniors, 65 years and older, to ride Burlington Transit for free Monday to Friday, 9 a.m. to 2:30 p.m.

The pilot started in May 2019 and was made permanent in the 2022 budget. To measure the success of the program, seniors were required to obtain a PRESTO card that had the seniors' fare category assigned. The PRESTO card enables seniors to use transit for free, Monday to Friday, 9 a.m. to 2:30 p.m. When travelling on Burlington Transit outside of that time, seniors would pay a fare to use transit.

From May 2019 to February 2020, senior ridership increased by 41 percent. This was directly attributed to providing free transit for seniors. Senior ridership is currently at 91 percent of pre-pandemic levels and was 22 percent higher in the fall of 2022 compared to the fall of 2018.

### PRESTO System Restrictions

Due to PRESTO system implementation restrictions, time-of-day pricing can only be assigned to one fare category. Therefore, to implement free transit for youth on evenings and weekends, it is recommended to make transit free for seniors all the time.

## **Strategy/process/risk**

Free fare programs are best implemented using appropriate measures, like PRESTO cards, to ensure that age-based fares can be managed using technology. When a senior, youth or child obtains a PRESTO card, they must provide their date of birth to ensure the proper fare category for the card. This allows the system to validate the card

holder and allows the rider to travel seamlessly. For example, when a youth rider turns 20 years of age, they are automatically moved into an adult fare category, and the youth fare program is no longer accessible on their card.

By requiring the use of the PRESTO card for free transit, it mitigates the potential risk of fare evasion by ensuring riders are the appropriate age. It also mitigates the need for the operators to question the age of our riders, which has resulted in harassment and/or a negative transit experience. Passengers who use PRESTO cards benefit from seamless connections with our neighbouring transit agencies and to GO Transit.

Staff continue to monitor and assess network ridership and the impact of free fare programs. If any risk is identified as an outcome of fares and ridership, Council will be advised.

### **Options Considered**

Burlington Transit has considered the following options to accommodate free transit for youth and seniors based on time-of-day pricing:

1: Manually Track Youth Rides (not recommended)

To identify youth riders, Burlington Transit investigated the option of adding a sticker or visual validation for youth riders. This is not recommended due to the increased staff time to validate age and hand out stickers; and it creates an additional barrier for youth, who would have to obtain a sticker yearly. Transit operators would also be required to manually track the youth ride through the bus fare box. Manual collection of data is not recommended as it is prone to errors and omissions.

2: Offer free transit for youth at all times (not recommended)

This option has a significant annual revenue impact and due to capacity and service limitations, is not recommended at this time.

3: Work with PRESTO to implement a 'Pass' product on the card (not recommended)

The Burlington Transit team investigated this option with PRESTO, and it would require riders to have a specialty pass loaded onto their PRESTO cards that would enable free transit during the set time. This would require riders to have passes loaded in person at the Transit Terminal every year and would require additional resources to manage the increased number of customers. This is not recommended.

4: Offer free transit for seniors all day, every day (recommended)

By removing the time-of-day limitation for seniors, it would allow for youth riders to travel for free on Burlington Transit during the set time of evenings and weekends. This is the most cost effective and seamless option.

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## **Financial Matters:**

Extending free transit for seniors to all day, every day, effective August 1, 2023, will have an impact on Burlington Transit's 2023 revenue, and impact revenue going forward.

### **Total Financial Impact**

Free transit for seniors will have an ongoing revenue impact of approximately \$117,500 plus the Region's SPLIT (Subsidized Pass for Low Income Transit) contribution of approximately \$42,500 for a total revenue impact of \$160,000 on the overall transit operating budget. This is based on actuals of PRESTO revenue data and SPLIT pass contributions for 2022.

With the Free Transit for Youth, evenings and weekends, program commencing on August 1, 2023, the revenue impact in 2023 is estimated at \$35,000 compared to the approved budget of \$84,000.

Therefore, the total impact for the remainder of 2023, to fund free transit for seniors all day from August 1 to December 31, will be approximately \$17,670. This is incorporating the savings from starting the Free Transit for Youth program in August.

### **Source of Funding**

Subject to the City's overall year-end financial position, the decreased revenue of \$17,670 for 2023 could be funded from a draw from the provincial gas tax reserve fund. The annualized revenue loss of \$160,000 will need to be incorporated into the 2024 budget.

### **Other Resource Impacts**

Not applicable.

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## **Climate Implications:**

Public transit plays a critical role in local climate mitigation. Implementation of free transit programs aligns with the City's Climate Action Plan by increasing mode share and helping reduce greenhouse gases in our community. Free transit programs encourage transit usage and reduce the use of vehicles within the city. Every ride on Burlington Transit takes one car off the road and reduces CO2 emissions and traffic congestion.

### **Engagement Matters:**

Many residents and transit riders have engaged through the City's Customer Relationship Management (CRM) and through transit engagement sessions to provide input into the City's free transit programs. Transit staff have engaged with Council, Corporation Counsel, Finance and external agencies, including PRESTO, to ensure that the programs are a success.

Each year, transit staff release a rider survey which enables riders to provide input and commentary on transit within Burlington. The 2023 survey had close to 1000 responses.

Burlington Transit staff will continue to work through the summer educating senior, youth and child riders on how to obtain PRESTO cards and conduct travel training to support free transit programs.

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### **Conclusion:**

Free transit programs have demonstrated that they increase ridership and provide the ability for all residents to participate fully in society. Offering free transit for seniors is another opportunity to build transit ridership and to provide mobility options for seniors. This would also allow for the implementation of the Free Transit for Youth program, to start in parallel on August 1, 2023.

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Respectfully submitted,

Catherine Baldelli

Director of Transit

### **Appendices:**

- A. XX-2023 – 2023 Rates and Fees Amending By-law – Transit
- B. Rates and Fees – Transit Amended

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.