Agenda – Executive Policy Committee – December 11, 2013

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – December 9, 2013

REPORTS

Item No. 4 Changes to Handi-Transit Fare Structure and Automated Fare Payment from Account, Implementation of Regular Transit Senior Discount Fares for Seniors

STANDING COMMITTEE RECOMMENDATION:

On December 9, 2013, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the regular transit discount for senior tickets and passes for eligible Handi-Transit registrants be applied to Handi-Transit fares when the Transit Department implements fare payment from account technology for Handi-Transit passengers in early 2014 (as adopted by Council on July 20, 2011).

2. That deposits into Handi-Transit registrant's account will be accepted via:

   A. electronic fund transfer from their bank account via internet or telephone banking,

   B. telephone credit card payment,

   C. mail in cheque or in person by cash, cheque, debit card or credit card payment at the Fort Rouge Transit Customer Service Centre at 414 Osborne Street, or

   D. special arrangement made with Employers or Social Service Agencies for their employees or clients.

3. That discounted fares (ticket/pass value for full fare, reduced, senior and post-secondary) are offered only if fare payment is made from account because the age of registrants, and eligibility for reduced fares is verified through electronic withdrawal to ensure the correct fare is collected. Furthermore, the fare amount must be in registrant's account prior to making a trip request (booking).

4. That children under six (6) years of age ride free when travelling with a registrant.

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5. That mandatory attendants, required for safe travel of a registrant on all trips and identified via Handi-Transit application/functional assessment process, will ride free with the registrant they are providing assistance to, and that all other passengers (attendant/companions) are required to pay the regular adult full fare.

6. That attendant/companions who travel with a registrant and choose not to pay cash will have their fare deducted from the registrant's account (former ticket value).

7. That paper fare products (tickets and passes) will be phased out once automated fare payment has been fully implemented.

8. That cash fares will no longer be encouraged after the automated fare payment has been fully implemented except in the following situations:

    A. registrants with a short-term eligibility (three months or less)

    B. out of town users who need the service while visiting in the city

    C. registrants who are sporadic riders (once a month or less)

    D. attendants/companions

9. That tokens (equivalent child or adult fares) used in the regular fixed route Transit service will be accepted as fare payment on Handi-Transit vehicles by registrants; however, no other regular fixed route fare products will be accepted on Handi-Transit.

10. Statements and/or receipts of confirmation of activity on account and for income tax purposes will be issued to registrants upon request.

11. That the Proper Officers of the city be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 9, 2013, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and forwarded to the Executive Policy Committee and Council.

On October 1, 2013, the Standing Policy Committee on Infrastructure Renewal and Public Works recommended to Council:

1. That the Council Motion of June 26, 2013 be referred to the 2014 Operating Budget Process.

2. That the Winnipeg Public Service be requested to report back on the matter to Standing Committee for the 2014 Budget Process.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

COUNCIL DECISION:

On June 26, 2013, Council ruled automatic referral of the following motion to the Standing Policy Committee on Infrastructure Renewal and Public Works:

Moved by Councillor Eadie
Seconded by Councillor Smith

WHEREAS students pay the discounted student fares for utilizing Handi-Transit service;

AND WHEREAS seniors pay a discounted fare to use regular transit;

AND WHEREAS many seniors with disabilities have low incomes;

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DECISION MAKING HISTORY: (continued)

COUNCIL DECISION: (continued)

AND WHEREAS many seniors with disabilities believe it is unfair to pay regular adult bus fares to use Handi-Transit when seniors using Winnipeg Transit pay a discounted seniors bus fare;

THEREFORE BE IT RESOLVED THAT Winnipeg Transit charge seniors using Handi-Transit senior discounted bus fares.

ADMINISTRATIVE REPORT

Title: **Changes to Handi-Transit Fare Structure and Automated Fare Payment from Account, Implementation of Regular Transit Senior Discount Fares for Seniors Using Handi-Transit Service and Automated Fare Payment from Account**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Works – EPC – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Fernandes	D. Wardrop	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That the regular transit discount for senior tickets and passes for eligible Handi-Transit registrants be applied to Handi-Transit fares when the Transit Department implements fare payment from account technology for Handi-Transit passengers in early 2014 (as adopted by Council on July 20, 2011).

2. That deposits into Handi-Transit registrant's account will be accepted via:
    a. electronic fund transfer from their bank account via internet or telephone banking,
    b. telephone credit card payment,
    c. mail in cheque or in person by cash, cheque, debit card or credit card payment at the Fort Rouge Transit Customer Service Centre at 414 Osborne Street, or
    d. special arrangement made with Employers or Social Service Agencies for their employees or clients.

3. That discounted fares (ticket/pass value for full fare, reduced, senior and post-secondary) are offered only if fare payment is made from account because the age of registrants, and eligibility for reduced fares is verified through electronic withdrawal to ensure the correct fare is collected. Furthermore, the fare amount must be in registrant's account prior to making a trip request (booking).

4. That children under six (6) years of age ride free when travelling with a registrant.

5. That mandatory attendants, required for safe travel of a registrant on all trips and identified via Handi-Transit application/functional assessment process, will ride free with the registrant they are providing assistance to, and that all other passengers (attendant/companions) are required to pay the regular adult full fare.

6. That attendant/companions who travel with a registrant and choose not to pay cash will have their fare deducted from the registrant's account (former ticket value).

7. That paper fare products (tickets and passes) will be phased out once automated fare payment has been fully implemented.

8. That cash fares will no longer be encouraged after the automated fare payment has been fully implemented except in the following situations:
    a. registrants with a short-term eligibility (three months or less)
    b. out of town users who need the service while visiting in the city
    c. registrants who are sporadic riders (once a month or less)
    d. attendants/companions

9. That tokens (equivalent child or adult fares) used in the regular fixed route Transit service will be accepted as fare payment on Handi-Transit vehicles by registrants; however, no other regular fixed route fare products will be accepted on Handi-Transit.

10. Statements and/or receipts of confirmation of activity on account and for income tax purposes will be issued to registrants upon request.

REASON FOR THE REPORT

On July 20, 2011, Council adopted the *Changes to Handi-Transit Fare Structure* report that recommended that the regular transit senior discount for tickets and passes be applied to Handi-Transit fares when the Transit Department implements fare payment from account technology for Handi-Transit passengers. Furthermore, an additional Council motion was passed on June 26, 2013 that Winnipeg Transit charge seniors using Handi-Transit the same senior discounted bus fares applied in the regular fixed route transit system.

IMPLICATIONS OF THE RECOMMENDATIONS

Fare collection technology is required for the effective implementation of fare discounts for seniors using Handi-Transit services. Adopting the same process as currently used on regular transit, requiring passengers to carry and show proper identification to demonstrate eligibility for the reduced fare, would negatively impact Handi-Transit users. This would reduce independence for many registrants unable to physically manage carrying identification with them. Similarly, using fare products utilized for regular transit would also create challenges for this client population due to the size and thickness of existing product. With the introduction of electronic withdrawals of fares, registrants will no longer be required to carry tickets or cash, or go out to purchase tickets or bus passes.

As of December 2012, seniors continue to comprise in excess of 73% of Handi-Transit registrants (approximately 6,800 registrants) of nearly 8,000 total registrants, taking approximately 46% of the total rides. In order to ensure the proper payment of fare for the large number of affected clients, an automated system of withdrawing fares from eligible clients' accounts, which is currently in development and expected to be implemented in early 2014 is required.

Electronic withdrawal of fares based on age of registrant, (i.e., full fare/senior fare) allows for the automated collection of fares without installing and maintaining equipment in contractor vehicles, which will result in a significant cost savings. The automating of fare payments will improve customer service for Handi-Transit clients with limited mobility because registrants will have a variety of methods to

deposit money into their accounts without ever leaving their homes to buy tickets/passes. Moving to this method of payment will also eliminate the need to design, print and distribute tickets and monthly passes at an approximate cost of $10,000.00 annually.

Mandatory Attendant

Handi-Transit has two categories of attendant; regular attendant and mandatory attendant. A mandatory attendant is a person that must accompany and travel with a registrant on all trips to provide specialized assistance or care as identified during the Handi-Transit application/functional assessment process. A regular attendant, however, is not required by Handi-Transit. In 2012, Handi-Transit provided 57,762 trips in which regular attendants were riding with a registrant for a revenue value of $144,405.00. In comparison, it provided 838 trips in which mandatory attendants were riding with a registrant for a revenue value of $2,095.00.

Clients assessed as requiring a mandatory attendant during the Handi-Transit application/functional assessment are prohibited from using the Handi-Transit service without their attendant; as such, it is recommended that mandatory attendants ride free when traveling with a registrant. Extending the provision of a free fare to all attendants is not recommended as it would have a significant impact on Handi-Transit's availability of vehicles and service.

Winnipeg Transit's intention was the equalization of fares since the adoption of the recommendation by Council in July 2011. Handi-Transit has consulted the Handi-Transit Policy Advisory Committee on the issue of fare equalization and automated fare collection and received consensus in agreement from the group.

HISTORY

Council adopted the recommendations of a Task Force (Braid Report) on September 21, 1994 that the fare structure for Handi-Transit be the same as the regular transit system adult cash fare, without concessionary (reduced) fares being provided. This was seen as "*reasonably equivalent"* for door-to-door service, that requires significantly more subsidy than the regular transit system. At the time, this was the typical fare structure for paratransit services provided by large transit systems in Canada.

This fare structure policy for Handi-Transit was restated in the recommendations of the Handi Transit Policy Advisory Committee, *Handi-Transit Policies and Procedures*, adopted by Council on October 18, 2000.

On April 26, 2006, Council adopted a policy permitting Handi-Transit registrants with "*unlimited eligibility*" to obtain a Handi-Transit Photo ID pass to use regular transit service without payment of a fare.

On July 20, 2011, Council adopted the *Changes to Handi-Transit Fare Structure* report that recommended that regular transit post-secondary monthly pass discount be applied to the Handi-Transit monthly pass for qualifying students, and that the regular transit senior discount for tickets and passes be applied to Handi-Transit fares when the Transit Department implements fare payment from account technology for Handi-Transit passengers.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 8, 2013

Project Name:

First Year of Program 2014

Changes to Handi-Transit Fare Structure and Automated Fare Payment from Account

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ (10,000)	$ (10,200)	$ (10,404)	$ (10,612)
Less: Incremental Revenue/Recovery	(120,000)	(117,400)	(119,748)	(122,143)	(124,586)
Net Cost/(Benefit)	$ 120,000	$ 107,400	$ 109,548	$ 111,739	$ 113,974
Less: Existing Budget Amounts	120,000	107,400	109,548	111,739	113,974
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The financial impact of the reductions to fare revenues of approximately $240,000 related to the implementation of senior fare discounts has already been incorporated into the 2014 Proposed Operating Budget. The reduced revenues are offset by potential savings of $10,000 in fare media costs. The effects on revenue and costs are shared with the Province of Manitoba. All costs and revenue reductions are inflated by 2% per year.

original signed by

Patty Jamieson-Bell, CMA
Acting Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Handi-Transit Policy Advisory Committee

SUBMITTED BY

Department	Transit
Division	Client Services
Prepared by:	Josie Fernandes, Manager of Client Services
Date:	November 8, 2013
File No.	