Agenda – Council – December 9, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 24, 2015

Item No. 1 Changes to Handi-Transit Fare Payment Method, Implementation of Conventional Transit Senior Discount Fare Products for Seniors Using Handi-Transit Service

STANDING COMMITTEE RECOMMENDATION:

On December 2, 2015, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That all eligible seniors (individuals 65 years of age and over) be allowed to pay the senior reduced rate on Handi-Transit and that conventional transit senior tickets and passes be accepted on Handi-Transit.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 24, 2015

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 2, 2015, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 24, 2015, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Changes to Handi-Transit Fare Payment Method, Implementation of Conventional Transit Senior Discount Fare Products for Seniors Using Handi-Transit Service**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
J. Fernandes	D. Wardrop	P. Olafson A/CFO	M. Jack COO

RECOMMENDATIONS

That all eligible seniors (individuals 65 years of age and over) be allowed to pay the senior reduced rate on Handi-Transit and that conventional transit senior tickets and passes be accepted on Handi-Transit.

REASON FOR THE REPORT

A Council motion was passed on July 20, 2011 that Winnipeg Transit charge seniors using Handi-Transit the same senior discounted bus fares applied in the regular fixed route transit system while using the Handi-Transit Fare Payment from account system.

Approval is required to allow the use of conventional transit reduced product (senior tickets and passes) on Handi-Transit.

EXECUTIVE SUMMARY

In June 2014, Handi-Transit implemented an automated fare payment process for Handi-Transit registrants. The fare payment from account process allowed senior registrants to pay the same reduced rates as those on the conventional transit system.

There are currently 70% of Handi-Transit registrants receiving the benefit of reduced fares through the fare payment from account process; seniors who opted not to use the fare payment from account

service are not receiving the reduced senior fare. Changes to the system would allow all eligible seniors the benefit of paying the reduced senior rate.

Since its implementation, the department has reviewed its policy and recommends it be revised to allow all eligible seniors riding on Handi-Transit to pay the reduced senior fare. It is further recommended that the use of regular senior discounted tickets be available and accepted as a method of fare payment for the seniors riding on Handi-Transit.

IMPLICATIONS OF THE RECOMMENDATIONS

There is a financial impact due to the reductions to fare revenues of approximately $63,000 annually (before provincial cost sharing) related to extending the reduced senior fares to all senior Handi-Transit users. The reduction in fare revenues has already been incorporated in the 2015 operating budget.

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.

On December 11, 2013, Council adopted the recommendation in the report, *Changes to Handi-Transit Fare Structure and Automated Fare Payment from Account, Implementation of Regular Handi-Transit Senior Discount Fares for Seniors*, to allow the use of the regular transit discounted senior tickets and pass rates for eligible Handi-Transit registrants who enrolled in the automated fare payment from account process. Fare payment from account was implemented in June 2014.

Since its implementation, the department has reviewed its policy and recommends it be revised to allow all eligible seniors riding on Handi-Transit to pay the reduced senior fare. It is further recommended that the use of regular senior discounted tickets be available and accepted as a method of fare payment for the seniors riding on Handi-Transit.

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. There are currently 70% of Handi-Transit registrants receiving the benefit of reduced fares through the fare payment from account process; seniors who opted not to use the fare payment from account service are not receiving the reduced senior fare.

In order to ensure the proper payment of fares for the large number of affected clients, (73% of total registrants) an automated system of withdrawing fares from eligible clients' accounts, was required. At the time, the automated fare payment system was the only way to identify eligible seniors; Handi-Transit has now developed an automated identification method that does not require registrants to carry senior ID, which was seen as creating further hardship to some registrants. With this new method ready, Handi-Transit can extend the reduced senior rates to all eligible seniors requiring Handi-Transit service.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 18, 2015

Project Name: **First Year of Program** **2015**

Changes to Handi-Transit Fare Payment Method, Implementation of Conventional Transit Senior Discount Fares Products for Seniors Using Handi-Transit Service

	2015	2016	2017	2018	2019
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	31,500	32,130	32,773	33,428	34,097
Net Cost/(Benefit)	$ (31,500)	$ (32,130)	$ (32,773)	$ (33,428)	$ (34,097)
Less: Existing Budget Amounts	(31,500)	(32,130)	(32,773)	(33,428)	(34,097)
Net Budget Adjustment Required	$ -	$ -	$ 0	$ (0)	$ 0

Additional Comments: Financial implication reflects lost fare revenue from extending the senior discount to passengers not using the Fare Payment From Account System. This is offset by cost sharing with the Province of Manitoba at 50%. 2016 and future years have been increased by 2% per year to reflect inflation. 2015 reductions have already been reflected in the department's budget.

original signed by
Tanis Yanchishyn, CPA, CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This recommendation aligns with Our Winnipeg strategic goals for sustainable transportation. Section 01-1b promotes the creation of a safe efficient and equitable transportation system that encourages active, accessible and healthy lifestyle options.

SUBMITTED BY

Department	Transit
Division	Client Services
Prepared By	Josie Fernandes, Manager of Client Services
Date	November 18, 2015