



INFRASTRUCTURE SERVICES COMMITTEE
Tuesday, December 3, 2019
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.

AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. Pippa Boothroyd, Elphinstone Secondary Student
Regarding Free Transit for K-12 students VERBAL
3. Chris Gregory, Senior Revenue Adviser, BC Transit Presentation
Regarding Student Transit Fares

REPORTS

4. General Manager, Infrastructure Services Annex A
2019 Fare Review Results pp 1 -22
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)

COMMUNICATIONS

5. Alun Woolliams, TraC Director, Transportation Choices Sunshine Annex B
Coast dated November 8, 2019 pp 23- 26
Regarding Free Transit for Students
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)

NEW BUSINESS

IN CAMERA

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Special Infrastructure Services Committee – December 3, 2019
AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services
SUBJECT: 2019 FARE REVIEW RESULTS

RECOMMENDATION(S)

THAT the report titled 2019 Fare Review Results be received;

AND THAT staff work with BC Transit to implement Option 2 as of April 1, 2020;

AND THAT staff work with BC transit to analyze approaches to increase youth ridership in a cost-effective manner and report back in Q2 2020;

AND THAT staff request BC Transit to initiate a process for implementing Option 3 in 2021 as outlined in the 2019 Fare Review Results report;

AND FURTHER THAT confirmation to proceed with implementation of Option 3 be provided to BC Transit by SCRD in Q2 2020.

BACKGROUND

At the January 24, 2019 Infrastructure Services Committee meeting the Board received the report titled Transit Service Overview that provided an overview of the transit service as provided by the SCRD.

At its October 10, 2019 meeting the Board adopted the following recommendations:

244/19 cont. **Recommendation No. 3** *Transit Fare Review 2019*

THAT the report titled Transit Fare Review 2019 be received for information;

AND THAT BC Transit be requested to undertake a Fare Review and the results be presented at a Committee meeting in Q1 2020;

AND FURTHER THAT staff investigate a mechanism to move forward with discounted youth and family passes for transit to be implemented before the end of 2019 and bring back a report to the Board with the steps and cost implications.

The purpose of this report is to provide the results of the Fare Review undertaken by BC Transit staff that also includes an assessment of discounted youth and family passes.

DISCUSSION

Analysis

Transit fares have seen minor changes over the years. The last fare review by BC Transit concluded in 2016, when it was recommended that some fares be adjust downward out of a concern for financial pressure on youth and seniors.

Product	2008	2015	2016 (Current)
Cash	\$2.25	\$2.25	\$2.00
Concession Cash	\$1.75	\$1.75	
DayPASS	\$5.50	\$5.50	\$5.00
Concession Day Pass	\$4.00	\$4.00	
General 10 Ticket Sheet	\$20.00	\$20.00	\$18.00
Concession 10 Ticket Sheet	\$15.00	\$15.00	
General Monthly Pass	\$55.00	\$60.00	\$60.00
Concession Monthly Pass	\$35.00	\$38.00	\$42.00

BC transit is using the BC Transit Fare Guidelines when advising local governments on fares and fare structures. The Sunshine Coast Transit System fare structure is well aligned with the exception of the following:

- The discount provided on the student/senior monthly passes being greater than 15% off the adult monthly pass fare
- The cost of a DayPASS being greater than two times the cash fare
- Use of transfers

BC Transit's tool to assess the financial and operational implications of changes to the fare structure and the fare itself is a Fare Review. Subsequent to the direction received from the Board in October 2019, staff engaged with BC Transit on such review and the results of this review are included in the attached report (Attachment A).

BC Transit staff advised that the Family Travel Program currently in place for the Sunshine Coast transit system is their preferred means of promoting family use of transit as this is proven to be the most effective means to support use of transit by families. Therefore no changes to the current fare structure specifically focused on increased ridership by families were assessed. Staff instead suggest to highlight the benefits of this program more in its transit related external communication.

The fare review therefore assessed the implications of the following possible changes to encourage ridership:

1. The introduction of a DayPASS on the Bus instead of Transfers

Transfers allow passengers to transfer to another bus within 1.5 hours of boarding their first bus without any additional payment. Transfers are known to be very sensitive to fraud and frequently result in undesirable discussions between drivers and passengers. A DayPASS is currently only sold as a pre-paid fare product and proposed to be replaced with a DayPASS that can only be purchased on the bus. The suggested rate is to be reduced to twice the current cash rate (\$4.00).

2. A further discounted or free transit for youth (age 18 years and younger)

A reduced monthly pass rate for both Students and Seniors and free transit for all youth (18 year and younger) is assessed.

Staff from BC Transit and the SCRD developed three options to be assessed as part of the fare review which are summarized in the following table.

Fare Product	Riders	Current Fares	Option 1	Option 2	Option 3** (Free for Youth 18 and Under)
Cash	All	\$2.00	\$2.00	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00	\$18.00	\$18.00
DayPASS	All	\$5.00	\$4.00*	\$4.00*	\$4.00*
Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Student/Senior	\$42.00	\$42.00	\$30.00	\$42.00

*DayPASS-on-Board

**Includes free transit for youth (18 and under)

Based on the best information available, the predicted impact on ridership of these options are summarized in the following table:

Ridership	Option 1	Option 2	Option 3 Low	Option 3 High
Annual Impact	+24,000 (5%)	+30,000 (6%)	+33,000 (7%)	+52,000 (+10%)

Note: Given the uncertainty associated with the implications of free youth transit a range of implications is provided for Option 3

The introduction of the DayPASS on the Bus is considered to be convenient for both the passenger and the driver and would substantially increase ridership.

These ridership increases would be on top of the expected continuation of the ongoing increasing ridership. Since 2016, ridership has seen an approximately 12% increase every year. Ridership in the first half of 2019 was about 21,000 more than the budgeted 250,000.

Operational implications

The current natural increase in ridership is putting additional pressures on the transit system. Buses are frequently delayed due to the number of passengers on or off-boarding. With an increased frequency buses are at maximum capacity and passengers have to wait for a next bus or take a different transit route to get to their destination.

One of the limitations in the current efforts to mitigate the impacts of the natural increased ridership is that BC Transit has been unable to replace the six mid-size buses with full-size ones. There is no timeline for when this could occur.

The projected increase in ridership associated with any of these options will put additional pressure on the system, especially during peak times. As indicated in the Fare Review Report, those impacts are expected to be most significant in Option 3 and additional buses and drivers would be required to facilitate the implementation of these options. BC Transit would need between 18 and 24 months to provide the SCRD with the additional one or two buses required.

Option 3 would also require the SCRD to develop, implement and administer an administrative system to support the issuance of free transit passes to youth. One of the challenges the City of Victoria is currently facing is that their system is very sensitive to fraud.

Financial implications

The table below presents the projected financial implications of the three assessed options assessed by BC Transit.

Projected Annual Impact	Option 1	Option 2	Option 3 Low	Option 3 High
Revenue	+\$39,000 (+5%)	+\$29,000 (+4%)	-\$175,000 (-23%)	-\$175,000 (-23%)
Expenses			+\$173,000 (+5%)	+\$398,000 (+11%)
Total projected impact			+\$348,000	+\$573,000

The projected expenses include the costs associated with the lease, operations and maintenance of the extra buses and associated driver costs. Excluded from these estimates are the staff and funding resources required associated with an administrative system as well as the some operational costs which are not cost shared with BC Transit, which could result in about 20% extra expenses than currently projected.

Based on conversations with BC Transit staff it is unlikely that they would cost-share the expenses associated with implementing Option 3. This would result in the need to fund 100% of the financial implications through taxation. The SCRD could also explore partnership with other organizations, like School District 46, to offset part of this financial impact.

Without a partnership being in place the overall taxation increase would need to be between 1.72% and 2.83% depending on which scenario would be used for budgeting purposes.

Within the transit service, the additional taxation requirement for the low and high estimates provided for Option 3 would equate to a 13% to 21% increase in the tax requisition respectively based on budgeted taxation for 2019. The cost to a median residential property in the form of higher taxation would be between \$19 and \$32 annually.

Given the significance of the financial implications of implementing Option 3, staff would not recommend doing so without further analysis of alternative approaches to achieve the desired increased ridership by youth.

Timelines for next steps

If Board direction to proceed with Option 1 or 2 is provided in December, BC Transit indicated that these options could be implemented as of April 1, 2020.

As Option 3 would require one or two additional buses and they would need to be requested through the Transit Improvement Plan (TIP) process (Attachment B), Q3 2021 would be the earliest that this option could be implemented. This timeline would allow staff to work with BC Transit, and potentially School District 46, to analyze several alternative approaches to increasing youth ridership. Such approaches could include 1) increasing the total amount of service hours to allow for increased service frequency on certain routes and during youth peak usage hours and/or 2) the introduction of minor route alterations at youth peak usage hours.

At its October 10, 2019 meeting the Board directed staff to work with BC Transit to confirm the feasibility of some service expansions in 2021-2022 (res. 244/19, Recommendation No. 5) and staff intend to report back on this item by Q2 2020. Implementing Option 3 in 2021 could potentially align with the introduction of a Route 5 and/or a route along the east side of the Sechelt Inlet.

The Board could request staff to work with BC Transit to incorporate the request for additional buses in support of implementing Option 3 in the TIP process. This would give the SCRD until early Q3 2020 to undertake the analysis of alternative approaches and confirm that it indeed wants to implement Options 3. If the SCRD decides not to do so there would be no financial implications to the SCRD.

Staff recommend the Board considers implementing Option 2 as of April 1, 2020 and direct staff to 1) work with BC Transit to initiate the process to secure up to two additional buses to be added to the SCRD service in Q3 or Q4 2021; 2) undertake analysis of alternative approaches to increase overall ridership with a specific focus on increasing youth ridership and present the findings of this analysis by Q2 2020 to allow for the confirmation to BC Transit on implementing Option 3 by Q3 2021.

In addition, staff could initiate an online survey for residents in Q2 2020 to confirm their preference for transit service expansions, which could be used to inform the Board's consideration of this topic.

Communication strategy

As is the case with any change in service, BC Transit and the SCRD would collaborate and align their communication through websites, newspaper advertisements and social media with any service changes focused on increasing youth ridership.

Staff will highlight the benefits of the Family Travel Program more in its external transit-related communication.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

The purpose of this report is to provide the results of the Fare Review undertaken by BC Transit staff that also includes an assessment of discounted youth and family passes.

BC Transit staff advised that the Family Travel Program currently in place for the Sunshine Coast transit system is their preferred means of promoting family use of transit as this is proven to be the most effective means to support use of transit by families.

The Fare Review therefore focused on increasing youth ridership and the introduction of the DayPASS on the Bus.

Staff concluded that introducing the DayPASS on the Bus would be convenient for the passenger and the driver and would increase ridership and revenue. Staff therefore recommend implementing this fare product as a replacement to the current DayPASS that is only available as a pre-paid fare product.

A reduction of the fare for the Concession Monthly Pass from \$42.00 to \$30.00 would result in an additional increase in ridership and revenue. It will depend on the distribution of these additional passengers over the routes and throughout the day whether this increased ridership will impact the service level delivery. The replacement of the mid-size buses with full-size ones would mitigate any such impacts.

The introduction of free youth transit would have substantial financial implications. Staff therefore recommend requesting BC Transit to initiate the process for implementing this option in 2021 and confirm by Q2 2020 if it proceeds with doing so. This would allow staff to work with BC Transit, and potentially School District 46, to analyze approaches to increase youth ridership in a cost-effective manner and report back in Q2 2020.

Attachments:

Attachment A – Fare Review Report November 2019

Attachment B – Annual Partner Communication Calendar

Reviewed by:			
Manager		Finance	X – B. Wing
GM		Legislative	
Interim CAO	X - M. Brown	Other	



Fare Review Report

Sunshine Coast Regional District

November 2019



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1.1 Overview

BC Transit has prepared this fare review report for the Sunshine Coast Regional District as a part of its efforts to prepare the Sunshine Coast Transit System for the introduction of advanced fare collection technology. To accomplish this, BC Transit is recommending the introduction of the DayPASS-on-Board fare product, which necessitates the removal of transfers. The report begins with an outline of BC Transit's Fare Strategy, which guides fare-related decisions in BC Transit systems. The report will also provide information on the direction of future fare collection technology in BC Transit systems. It will then offer a new fare structure option for the Sunshine Coast Transit System that aligns with BC Transit's Fare Strategy and plans for future fare collection technology, along with expected impacts on revenue and ridership.

This report was developed in collaboration with Sunshine Coast Regional District staff and takes into account the following local considerations:

- Tourism
- Youth Fares

Through accounting for both Sunshine Coast and BC Transit priorities, this report presents recommendations that provide a clear and sustainable direction for the fare structure of the Sunshine Coast Transit System.

A glossary of transit terms can be found in Appendix A.

2.1 BC Transit Fare Strategy

Since its introduction, BC Transit's Fare Strategy has guided decision making in transit systems towards improving the net yield of fare revenues. That is, the revenue collected after the costs of revenue collection are deducted. The fare strategy was developed through collaboration with local government partners and accounts for both local considerations and BC Transit corporate priorities. To improve the net yield of fare revenues, fare structure decisions are made considering the following four key objectives:

1. The fare structure is attractive to customers and encourages ridership
2. The fare structure is marketable and is easy to produce and sell
3. The fare structure has low costs of operation and debt service
4. The fare structure is secure and hard to defraud

With these objectives in mind, any changes to the fare structure should be made with the intent of simplification. This is to make it easier for customers to comprehend and purchase the correct fare, easier and less costly to administer and more difficult to defraud. To help accomplish these objectives, BC Transit developed the fare structure guidelines found in Table 1 below. For reference, the adult cash fare is the base from which other fares are calculated.

Table 1 BC Transit Fare Structure Guidelines

Fare Product	Fare Type	BC Transit Fare Guideline
Cash	Adult	Base Fare
	Discount	Base Fare
Tickets	Adult	9 times Base Fare
	Discount	9 times Base Fare
DayPASS	Adult	2 times Base Fare
	Discount	2 times Base Fare
Monthly Pass	Adult	20 to 30 times Base Fare
	Discount	Adult Monthly Pass less 15%
Semester Pass	Student	4 times discount monthly pass less 20%
Transfers	All	No Transfers
Zones	All	No Zones

The BC Transit Fare Strategy has been used to guide fare reviews in several BC Transit conventional transit systems. Using pre-fare change ridership and revenue trends to compare against, the actual results in the following fiscal show a median increase of three percent to revenue and six percent to ridership. Additionally, (although limited) the data set shows positive impacts to long-term ridership and revenue trends increasing year over year system growth. While outcomes are unique to each transit system, the results observed in systems that have implemented aligned fare structures indicate the positive benefits that can be anticipated when making similar changes.

3.1 DayPASS-On-Board

As a part of its fare guidelines, BC Transit recommends the removal of transfers on account of issues that stem from the subjective nature of their use. This subjectivity creates the potential for fare evasion by users who attempt to use an expired or invalid transfer as a valid fare. In escalated circumstances, this can lead to conflict between customers and operators. Currently, the Sunshine Coast Transit System offers its customers the ability to request a transfer for one-directional travel, and is not valid for return trips.

In place of transfers, BC Transit recommends the introduction of the DayPASS-on-Board program. Under this program, a customer pays two times the base fare upon boarding the bus, either with cash or two tickets, and the operator provides them with a dated paper DayPASS. The customer can then travel throughout the transit system for the remainder of the calendar day by presenting the DayPASS to the operator when boarding.



The DayPASS-on-Board program is currently in place in the Regional District of Nanaimo, Victoria Regional Transit, Squamish, Prince George, and Kamloops Systems. In these systems, it has proven effective in reducing transfer-related conflicts with operators to the point of being non-existent. Additionally, transit ridership has been observed to have increased in two ways. First, users of the DayPASS-on-Board are more inclined to take additional transit trips in a calendar day given the added convenience of the product. Second, there has been a marked increase in the purchase and use of monthly pass products after the introduction of the DayPASS-on-Board program that also correlates to increased transit ridership. The final observable impact of the DayPASS-on-Board is an increase in revenue as a result of the removal of transit users' ability to fraudulently use expired transfers.

4.1 Future Fare Collection

BC Transit is currently working towards introducing new fare collection technology in place of the fareboxes used in transit systems across the province. This initiative is occurring as a part of BC Transit's SmartBus strategy to enhance the technology on board its buses. The intent with the introduction of this new technology is to enable transit customers to pay for and access their fares in an account-based environment using their mobile phones and/or their bank or credit card. This new technology is anticipated to have the following benefits:

1. Improved user experience
2. Decreased need for physical fare products
3. Increased revenue security
4. Improved data on fares and travel behaviours
5. Increased ability for BC Transit to support fare programs in regional transit systems

In efforts to keep the costs of implementation low and to enhance BC Transit's ability to centrally support the users of the new fare collection technology, consistency is sought with the fare structures of the systems implementing it. As such, the fare structure available in the new technology is expected to be the following:

Table 2 Approved Fare Structure for New Fare Collection Technology

Fare Product	Riders
Cash	All
Tickets	All
DayPASS	All
Monthly Pass	Adult
	Discount

This fare structure is clear and easy to understand for a customer looking to purchase the appropriate fare in a digital environment. The fare structure above does not preclude local governments from approving fare structures with additional fares. However, any additional fares would most likely require a physical product that would solely be visually validated on the bus. This would create inconsistency and inequity for the transit users of those fare types and reduce the amount of usable data gathered by the fare collection technology.

5.1 Fare Strategies Overview

Intended as a supporting section for decision makers, the following sub-points offer insight into general strategies associated with transit fares. Additional strategies exist beyond the scope of this fares report.

To Raise Revenues

If the goal is to improve the net yield of a transit system to fund improvements and maintain funding equity the following options are available:

(1) Raise Fares

Research has shown that transit is an inelastic product. Such that an increase in fare cost will be offset with a lesser decrease in ridership resulting in additional revenues as transit costs rise.

(2) Fare Product Mix

Unique to each system is the possibility of adjusting the product mix to better suit the system's customers. Products such as the DayPASS-on-Board program pitched above offer added convenience encouraging new customers to begin riding the bus.

(3) Fare Payment

For specific ridership segments, simply being able to pay for the bus is one of their biggest barriers to entry. Such riders are less inclined to embrace pre-paid products like tickets or passes and would rather the flexibility of using the cash fare. With global trends towards cash-less societies these riders find themselves inconvenienced with having to pick up physical cash to ride the bus. This segment is one of the groups most likely to appreciate advanced fare collection systems discussed above.

To Raise Ridership

If the goal is to raise the ridership of a transit system the following options are available:

(1) Reduce Fares

In the same way that by raising fares you inherently decrease ridership, by reducing fares more users are incentivized to ride the bus. However, the increased ridership will not offset the entire amount of lost revenue resulting from a fare decrease. The extreme end of this spectrum is the elimination of fares. With no fares, systems see large increases in expenses due to the added service needed to accommodate new riders. Additionally, the lost revenue from fares still needs to be provided by the local government, necessitating an increase in taxes. With such a narrow source of transit revenue future expansions are tied directly to tax increases. Complimentary transit could be perceived as devaluing the system. Complimentary transit programs around the world have been implemented and revoked with varying success and all required shifting funding sources to another group to recoup lost funding revenues.

(2) Fare Product Mix

By changing the value proposition of fare products it is possible to encourage a shift in user behaviour encouraging the use of unlimited fare products such as Day and Monthly Passes. These products have shown that their revenue to ridership ratio is more heavily skewed to ridership than other products. DayPASS-on-Board has also shown a measurable increase in ridership for the casual rider.

(3) Service Expansion

One of the most important factors in encouraging new riders is transit's service in the region. This includes increasing frequencies and additional routing to increase the value proposition to riders. Improving the convenience of taking the bus makes taking transit attractive to customers and encourages ridership.

6.1 Current Fare Structure and Performance

The current Sunshine Coast Transit System fare structure has been in effect since May 2016, at which point universal cash, ticket and DayPASS fares were introduced.

Table 3 Current Fares for the Sunshine Coast Transit System

Fare Product	Riders	Current Fares
Cash	All	\$2.00
Tickets	All	\$18.00
DayPASS	All	\$5.00
Monthly Pass	Adult	\$60.00
	Student/Senior	\$42.00

When referring to the BC Transit Fare Guidelines, the Sunshine Coast Transit System fare structure is well aligned with the exception of the following:

- The discount provided on the student/senior monthly passes being greater than 15% off the adult monthly pass fare
- The cost of DayPASSes being greater than two times the cash fare
- Use of transfers

Table 4 Key Performance Measures

Measure	Performance	
Ridership Growth (3-year annual compound rate)	8%	
Revenue Growth (3-year annual compound rate)	7%	
Ridership	518,891	
Revenue	\$797,686	
Revenue From Fare Sources*	\$686,739	
Fare Revenue from Pre-paid Sources	34%	Tier 3 Medians**
Average Fare	\$1.53	45%
Cost Recovery	23%	\$1.18
		16%

*Excludes advertising and BC Bus Pass revenue. Represents revenue that can be affected by fare change.

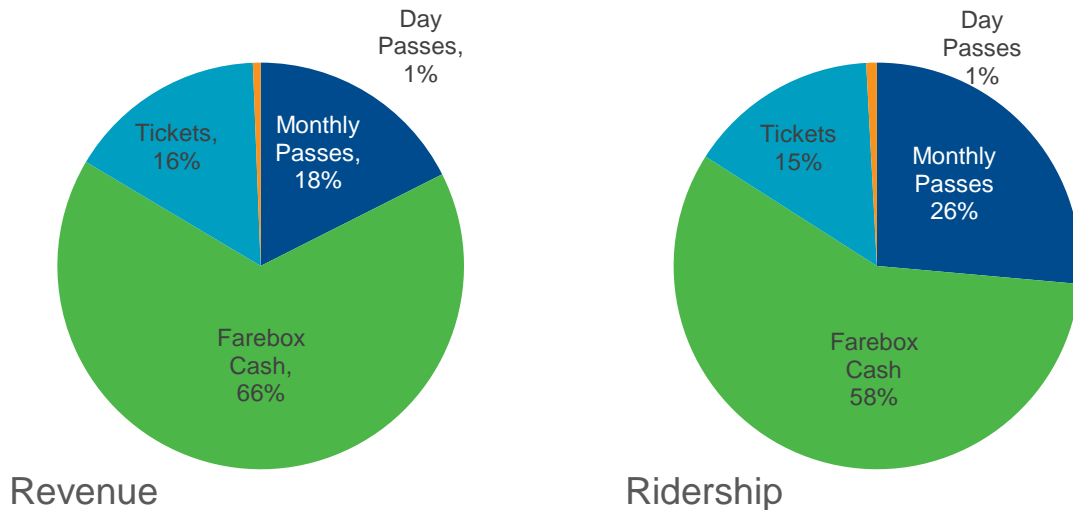
**Terrace, Squamish, Skeena, Prince Rupert, Powell River, Port Edward, Port Alberni, Pemberton, Nelson, Kootenay Boundary, Kitimat, Hope, Fort St John, Dawson Creek, Cranbrook, Agassiz-Harrison, Sunshine Coast

Ridership – Trend analysis of annual ridership in the Sunshine Coast Transit System outlines an overall increase over the past three years with ridership setting a new high in 2018 with 518,891 riders.

Revenue – Similar to ridership, revenue in the Sunshine Coast Transit System has shown an increase over the past three years with 2018/19 setting an overall high generating \$797,686 with 86% coming from fares.

Revenue from prepaid sources have increased by a percent over the past three years and makes up 34% of total fare revenue. This is a positive trend as increased purchase of prepaid fares is shown to improve the stability and predictability of fare revenues, while also leading customers to use transit more frequently.

Figure 1 Proportion of Revenue and Ridership by Fare Product Type



Sources: Hubble (revenue, actual data) and Ridesbook (ridership, calculated data)

Figure 1 outlines the proportions of revenue and ridership generated by cash and prepaid fares. As is evident, cash fares make up a considerably smaller portion of total ridership as compared to total revenue, with the opposite being true of monthly passes. This trend clearly indicates the benefit of promoting the purchase of prepaid fares as a means of continuing to increase ridership in the Sunshine Coast Transit System. The chart also indicates the potential impacts that changes to the fares of each of fare type might have, with the understanding that increases in a fare will generally result in increased revenue and decreased ridership.

7.1 Fare-Related Considerations

Along with BC Transit's priorities, the following considerations specific to the Sunshine Coast Transit System warrant acknowledgement as a part of the fare review process.

Tourism

An important revenue source for the Sunshine Coast economy is the revenue brought in from tourism. As such, the DayPASS-on-Board program is a great fit in ensuring visitors to the Sunshine Coast are able to explore all that the region has to offer. By paying two times the base cash fare tourists can explore from Gibsons to Secret Cove and everywhere in between increasing the opportunity for tourism in the Sunshine Coast to prosper.

Youth Fares

The Sunshine Coast community has expressed interest in exploring reduced or possibly complimentary transit for youth. The fare options presented below explore the estimated impacts of reducing the senior/student monthly pass rate and an option to implement free transit for youth (18 and under) in the region. Any lost revenue from reducing fares will need to be provided by another revenue stream such as property tax to offset the lost revenues and service increases needed to

accommodate the change in ridership. Additionally, increased youth ridership at peak times will need consideration to maintain the quality of service in the system. Additional buses to accommodate the increase in peak student ridership would require changes to the Sunshine Coast Transit System's fleet. All fleet changes require incorporation in the Transit Improvement Process (TIPs) which is an eighteen to twenty-four month process. BC Transit does not recommend implementing complimentary fares without additional service hours and buses.

8.1 Proposed Conventional Fare Options

As was outlined above, BC Transit is recommending that the Sunshine Coast Transit System adopt the DayPASS-on-Board. Doing so further aligns the Sunshine Coast Transit System with BC Transit Fare Guidelines and will better prepare it for future fare collection technology.

Table 5 Proposed Conventional Fare Options

Fare Product	Riders	Current Fares	Option 1	Option 2	Option 3**
Cash	All	\$2.00	\$2.00	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00	\$18.00	\$18.00
DayPASS	All	\$5.00	\$4.00*	\$4.00*	\$4.00*
Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Student/Senior	\$42.00	\$42.00	\$30.00	\$42.00

*DayPASS-on-Board

**Includes free transit for youth (18 and under)

Option one maintains the current fare structure with one exception: the reduction of the price of DayPASS in line with the BC Transit fare guidelines. Option two represents the estimated impact of reducing the student/senior monthly pass from \$42 to \$30 (and includes the reduction in DayPASS price). Option three mimics the fares presented in option one with the addition of complimentary transit for youth (18 and under). More details on complimentary youth transit can be found in section 9.1 below. All options include the removal of transfers and implementation of the DayPASS-on-Board.

9.1 Option 3: Complimentary Youth Transit Analysis

With interest growing in complimentary fares, the following analysis engaged BC Transit's planning and finance departments alongside the sales and revenue team to estimate the impacts complimentary student (18 and under) fares might have on ridership, revenues, and expenses. Due to the added complexity of modeling free fares, the following tables are presented to explore the expected range of impacts.

It is important to note that the projected impacts on fare revenues, ridership and operational costs provided are based on current fiscal year budgeted amounts. Any continued increases in ridership resulting from the removal of fares carry with them the obligation to continue to invest in transit services and expand transit capacity as demand grows. Research indicates that the use of fare-free transit itself does not guarantee sustained increases in ridership, given that it is primarily a

benefit for transit-dependent riders, whereas discretionary riders are more likely to choose transit based on factors such as convenience, frequency, reliability and comfort.

BC Transit analyzed current ridership trends using Automatic Passenger Counter (APC) data within proximity to schools within the Sunshine Coast. Utilizing APC data allowed BC Transit to determine how many students typically use the bus during a typical weekday. By understanding the current ridership and system capacity, the following ranges were developed considering peak capacity. Note that these are estimates just like the options presented in Table 5 above.

Table 6 Complimentary Student Fares (18 and Under)

	Low	High
Additional System Service Hours	1,000	2,500
Additional Buses	1	2
Estimated Gain in Youth Ridership	9,000	28,000
Estimated Gain from DayPASS-on-Board Ridership	24,000	24,000
Increase in Operational Costs*	+\$173,000	+\$398,000
Foregone Fare Revenues	-\$175,000	-\$175,000
Total Annual Cost Impact	+\$348,000	+\$573,000

**Total cost associated with complimentary transit. Funding partnerships with the province would need to be explored.*

If there is interest in implementing a free fares program, to improve the accuracy of financial and ridership estimates a pilot program is recommended prior to adoption. The additional buses will need to be a part of the Transit Improvement Process (TIPs) which is an eighteen to twenty-four month process. BC Transit does not currently have any spare buses to allocate to systems exploring free transit options.

10.1 Conventional Quantitative Impacts

The quantitative impacts that the proposed fare structures are expected to have on revenue and ridership is calculated based upon the distinct product use trends observed in systems that have introduced the DayPASS-on-Board. Specifically, increases in cash and monthly pass revenues and a decrease in ticket revenues. As is outlined above, the introduction of the DayPASS-on-Board is anticipated to have positive impacts on both revenue and ridership, which is a result of encouraging users to ride the bus more often in a calendar day and because monthly passes become more affordable relative to regularly purchasing a DayPASS fare.

Option three is provided as a range due to the added complexities of modelling free transit.

Table 7 Conventional Quantitative Analysis

Quantitative Analysis	Option 1	Option 2	Option 3 Low	Option 3 High
Revenue				
Projected Conventional Annual Impact	+\$39,000 (+5%)	+\$29,000 (+4%)	-\$175,000 (-23%)	-\$175,000 (-23%)
Expenses				
Projected Conventional Annual Impact			+\$173,000 (+5%)	+\$398,000 (+11%)
Ridership				
Projected Conventional Annual Impact	+24,000 (5%)	+30,000 (6%)	+33,000 (7%)	+52,000 (10%)

As a baseline the introduction of the DayPASS-on-Board program and reduction in DayPASS pricing in option one results in an increase to revenue and ridership. Option two's price reduction for discount monthly passes for students and seniors results in a decrease to the expected revenue increase offset by an anticipated increase in ridership. Assuming a relatively even distribution of the anticipated increase in ridership, the Sunshine Coast fleet is expected to be able to accommodate the additional riders in option two. Finally, Option three provides an estimate on the impact that free transit for youth (18 and under) could have in the region, which results in an estimated 23% reduction in revenue and a 5-11% cost increase. The loss of revenue and increased service hours and busses are estimated to cost the system between \$348,000-\$573,000 annually. If complimentary student fares is the desired option (option three), BC Transit will require eighteen to twenty-four months to plan for the delivery of the additional busses needed to accommodate the expected increase in peak ridership for students.

11.1 Implementation

As with any significant change associated with transit service, BC Transit will provide a full-scale marketing, and communications plan to inform the public on how their transit experience will change. This would include a mix of digital, print and radio advertising, media advisories, social media promotion and on-bus information as best suited for transit audiences in Sunshine Coast. In addition to this, BC Transit staff will work with the local operating company to ensure that all operations staff are aware of the changes to policies and practices involved with the introduction of the DayPASS-on-Board program.

12.1 Recommendations

It is recommended that the Sunshine Coast Regional District:

1. Receive this report as information
2. Approve option one or option two of the proposed conventional fare structures for implementation April 1, 2020
3. Direct staff to work with BC Transit to implement the fare change

Please note that fare changes should be scheduled for the 1st of a given month. BC Transit requires at least sixteen weeks' notice after Board's approval to implement any fare changes for non-complimentary options. Complimentary fare options will require between eighteen and twenty-four months.

Appendix A: Glossary of Transit Terms

Adult fare: A regular fare must be paid by all passengers who do not qualify for a discount or cannot prove eligibility.

Average fare: Total revenue from fare sources divided by ridership (including BC Bus Pass)

Cash fare: A cash fare allows one person to use transit. No change is given on the bus so exact fare must be used.

Child: A person who is four years of age or under. Children may ride the bus for complimentary.

College student: Adult students in full-time attendance at a recognized post-secondary institution who are eligible to receive a discount monthly or semester pass.

Conventional transit: Serves the general population in urban settings using mid-sized or large buses. The buses are accessible and low-floor and run on fixed routes and fixed schedules.

Cost recovery: Reflects annual total revenue divided by total costs. This ratio indicates the proportion of costs recovered from total revenue. A strong cost recovery is desirable, as it reduces the subsidy from the taxpayer. However, this is a municipal policy decision.

DayPASS: A DayPASS offers a discount for unlimited travel throughout the day. The DayPASS-on-Board program provides customers with a convenient way to purchase their DayPASS on the bus.

Discount fare: Discount on cash fares and pre-paid products are applicable to seniors (aged 65+), students in full-time attendance to Grade 12 and full-time college students.

Family Travel Program: An adult customer can bring up to four children (12 years and under) on board for complimentary. Children must board and alight at the same stop as the pass-carrying customer. The program is available to parents and guardians who are 19 years and over with a valid monthly pass, ProPASS, or BC Bus Pass. This program does not apply to cash fares and tickets.

Fare Structure: The fares and products available to purchase and use transit and the policies associated with their use.


Monthly pass: For users taking transit regularly throughout the month, a monthly pass offers a discount for unlimited travel.

Net yield: The total yield of fare revenues once the costs of revenue collection have been deducted. Improving the net yield of fare revenues is the goal of BC Transit's fare strategy.

Pre-paid fare: Fare products that provide a discount for pre-purchase. This includes ticket, DayPASS and monthly pass fares.

Semester pass: A four-month discounted pass for students. Semesters run from January to April, May to August and September to December.

Student: A person in full-time attendance in school to Grade 12.



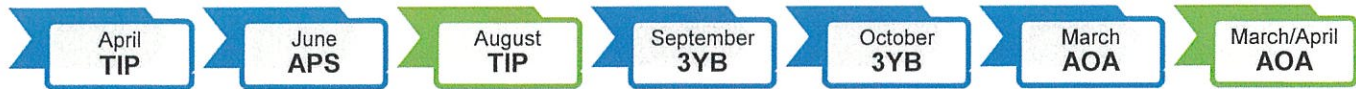
Ticket: Each ticket allows one person to use transit. When purchasing a package of ten tickets, a user will receive a discount. Using tickets has the advantage of not requiring exact change to be used on the bus.

Total revenue: Includes passenger and advertising revenue and excludes property tax.

Transfer: When a user pays for their fare using cash or tickets and requires more than one bus to complete their trip, they may request a transfer from the operator. Transfers are complimentary, valid for the next connecting bus and cannot be used for a return trip.



Annual Partner Communications Calendar



Annual Partner Communication Key Processes		
Process	Description and Deliverables	
Transit Improvement Program (TIP)	The TIP communicates to local government (LG) the expansion initiatives proposed for the next three years. It seeks the commitment to the expansion initiatives from LG which thereby allows BC Transit to proceed with requesting sufficient funding within the Provincial Budget. This includes the allocation process and results of expansion priorities from Transit Future Plans, other Service Plans, local initiatives as well as major capital initiatives necessary for the development of the transit system.	
	April	BCT to send out Expansion Initiatives to LG
	August	LG to confirm Expansion Initiatives by way of sign-off and return to RTM
	March	BCT to provide confirmation to LG of the intent to fund expansion initiatives
Annual Performance Summary (APS)	The APS offers a high level analysis of the system's performance, in comparison to prior years, and where established, the opportunity to measure against service standards established by the local government. The intent is to inform council prior to decision on expansion initiatives for future years and subsequent budgeting. This document also serves as an opportunity to present results to council and to engage in discussion on decisions aimed at future year initiatives.	
	June	BCT to send out APS to LG
	On Request	LG to extend invitation, if desired, to RTM to present APS to council
Three Year Budgets (3YB)	The 3YB provides LG with budget expectations for the coming year and two year projections for base service levels. Additionally, a calendar year budget estimate is provided for the convenience of LGs. Where the LG has confirmed their desire to pursue expansion initiatives, a separate budget will follow with expansion budget projections.	
	September	BCT to send out 3YB based on existing, or known, service levels to LG
	October	BCT to send out 3YB based on calendar year estimates to LG; and, BCT to send out 3YB based on expansion initiatives confirmed by the LG in August
	December	LG to advise RTM of any budget concerns to expedite the execution of the AOA
Annual Operating Agreement (AOA)	Defines the service to be delivered, the provincial and municipal funding contributions, and the tariff schedule. Any changes to services defined in the AOA require the establishment of a Memorandum of Understanding which defines the objectives and scope of the service change. The intent is to ensure that all parties are in agreement to changes to the defined service in the AOA. Additionally, it defines the appropriate timeline, from the time of this agreement, necessary for the provision of service including planning, scheduling, operator training, shift changes, and fleet procurement if necessary.	
	March	BCT to send out 3 copies of AOA to LG for signature
	March/April	LG to ensure timely approval of AOA and forward all copies to operating company

Tracey Hincks

From: Tracey Hincks
Sent: Friday, November 8, 2019 2:43 PM
To: Tracey Hincks
Subject: FW: TraC - Free Transit For Students - Infrastructure Services Committee meeting
Attachments: TraC Free Transit For Students.pdf

SCRD
RECEIVED

NOV 08 2019

CHIEF ADMINISTRATIVE
OFFICER

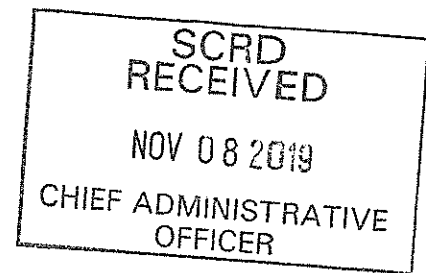
From: TraC [mailto:coasttrac@gmail.com]
Sent: Friday, November 8, 2019 12:58 PM
To: SCRD General Inquiries <info@scrd.ca>
Cc: Donna McMahon <Donna.McMahon@scrd.ca>; Mark Hiltz <Mark.Hiltz@scrd.ca>; Remko Rosenboom <Remko.Rosenboom@scrd.ca>
Subject: TraC - Free Transit For Students - Infrastructure Services Committee meeting

Sherry Reid,

Please find attached a background document related to Free Transit For Students. We are submitting this as an information resource to be included at the Nov 21 Infrastructure Services Committee meeting. TraC is not making a delegation request for this meeting but will be in attendance.

thanks
Alun Woolliams
TraC Director
coasttrac@gmail.com

This email was scanned by Bitdefender



Free Transit for K-12 Students on the Sunshine Coast

TraC fully supports free transit for students on the Sunshine Coast. This summary explains why we think it is important, what other municipalities are doing and contains links to resources we found to be of value.

Why free bus passes for students?

- A 2018 survey commissioned by the Town of Gibsons¹ found that a large percentage of Gibsons Elementary and Elphinstone Secondary students are driven to school in cars instead of walking, cycling, or taking the public bus.
 - Only 4% of Elphinstone students responding to the survey took transit to school in the morning. Thirty-six percent are driven to school in the morning.
 - The majority of Elphinstone students (71%) live over 1.6 km away from school. The rate of transit use for these students doubles after school versus in the morning indicating that students are willing to take the bus.

What benefits are there to free bus passes to students?

- Address climate change. Climate change mitigation and adaptation actions can be complex and have steep price tags for municipalities. Increasing transit ridership is one of the most immediate and cost-effective ways that the SCRD can address climate change by reducing CO2 emissions from cars.
- Build early sustainable transportation habits and develop lifelong transit users.
- Grow or improve the transit system. Free access to transit increases demand, resulting in a need for increased service frequency. In turn, increased service frequency makes public transit a more attractive option for paying riders.²
- Reduce Highway #101 traffic congestion.
- Manage the cost of moving students.

¹ Hub for Active School Transit (HASTe). (November 2018). School travel data report: Elphinstone secondary. Retrieved from https://drive.google.com/file/d/1_uuqx_Fh7pb2TeQF6u-w_7Hv-Z_X6zWQ/view?usp=sharing.

Transportation Choices Sunshine Coast (TraC) is a member-based organization working to create more sustainable transportation alternatives on the Sunshine Coast. Visit us at www.transportationchoices.ca

- Promote social equity.
- Increase experiential learning.

What role could SD46 play?

- Free bus passes would make transit more viable for students travelling cross-boundary, attending special programs, and pursuing work experience and personalized learning in the community.
- A partnership with SD46 would help to track the number of vehicle trips and greenhouse gas emissions saved through this program (similar to other transit systems in Canada that have implemented free youth passes, such as the City of Kingston, Ontario).
- SD46 has prioritized student voice and addressing climate change in its strategic plan.

What are other municipalities doing?

- The City of Kingston, ON has offered free bus passes to secondary school students since 2016. In the program's pilot year, students accounted for 28,000 rides, and that number has grown to over 600,000 rides annually (10% of total ridership). Since the launch of the Transit High School Bus Pass Program, overall transit ridership has increased by 73%. The program is the co-winner of the Federation of Canadian Municipalities (FCM) 2018 Sustainable Communities Award (SCA) for transportation, and received FCM's inaugural Inspire Award, celebrating sustainability, innovation and creativity. In August 2019 the program was renewed for another 3 years.
 - *"For Kingston, securing external funding for the Transit High School Bus Pass Program did not determine whether the program would go forward. Implementing the program was driven by political leaders who chose to invest in educating the next generation of city commuters to make better use of transit for a more sustainable future."*²
 - A research study of the Kingston program found that, "...grade 12 students on average use the transit pass three times more frequently than grade 9 students, which suggested that as students become older and gain experience with transit, they become more frequent transit users. The surveys provided evidence that the transit pass facilitated more independent trips and helped students participate in more activities...The research study concluded that the transit pass was an important stimulant for travel independence for high schools students

² Federation of Canadian Municipalities. (2019). Engaging students to increase public transit ridership. Retrieved from <https://fcm.ca/sites/default/files/documents/resources/guide/guidebook-engaging-students-to-increase-public-transit-ridership-gmf.pdf>

and the program could be applied to other mid-sized North American municipalities.”³

- The City of Victoria is in the process of developing a free bus pass program for all K-12 students with a formal plan anticipated by November 30, 2019.
- The City of Powell River is currently considering free transit passes for youth.
- The Municipality of Whistler is running a pilot program offering free transit to local high-school students funded by an increase in the price of monthly parking passes starting in early 2020. ⁴
- The City of Seattle offers free transit passes to high school students.
- In January 2019, the City of Vancouver initiated its first steps with Translink to “fully implement” free transit for children and youth up to age 18.
- Other BC municipalities and school districts have taken the first step of endorsing the provincial *#AllOnBoard* campaign that seeks to make transit more affordable for all. These include the Vancouver School Board, Vancouver Parks Board, City of Burnaby, City of New Westminster, City of Port Moody, and the Richmond School Board.

Other Resources

- Federation of Canadian Municipalities. (2019). *Engaging students to increase public transit ridership*. Retrieved from <https://fcm.ca/sites/default/files/documents/resources/guide/guidebook-engaging-students-to-increase-public-transit-ridership-gmf.pdf>.
- Sustainability Illustrated. (May 8, 2018). *How to increase bus ridership by 70% in your city* [Video file]. Retrieved from https://www.youtube.com/watch?v=NdSmZ2X_6-s.
- Federation of Canadian Municipalities. (April 30, 2018). *Kingston's high school transit orientation program: 2018 Sustainable Communities Award winner* [Video file]. Retrieved from <https://www.youtube.com/watch?v=6EiWh82OzIw>.
- Federation of Canadian Municipalities. (June 6, 2019). *Webinar: Engaging students to increase public transit ridership: A Kingston story* [Video file]. Retrieved from https://www.youtube.com/watch?v=qxps35yB_Bw.

³ Veronica Lee Sullivan (2017). Impact of Free Transit Passes on Youth Travel Behaviour. UWSpace. <http://hdl.handle.net/10012/12199>.

⁴ Whistler high school students will get free transit in 2020
<https://www.piquenewsmagazine.com/whistler/whistler-high-school-students-will-get-free-transit-in-2020/Content?oid=14622903>