

The Regional Municipality of York

Committee of the Whole
Transportation Services
February 10, 2022

Report of the Commissioner of Transportation Services

York Region Transit 2022-2023 Fare Freeze Holding 2019 Rates

1. Recommendation

Council approve a continued freeze on York Region Transit fares in 2022, maintaining 2019 rates.

2. Summary

This report seeks Council approval to freeze York Region Transit (YRT) fares for the 2022-2023 period at the 2019 rates.

Key Points:

- YRT fares were not increased in 2020 or 2021 and staff do not recommend an increase in 2022 because of continued impacts from the COVID-19 pandemic
- Freezing transit fares supports travellers who are dependent on public transit for essential travel in York Region during the COVID-19 pandemic
- Most transit agencies in the Greater Toronto and Hamilton Area (GTHA) are not increasing fares in 2022
- Staff continue to manage the cost impacts of COVID-19 on transit service by introducing operating efficiencies internally and through service level adjustments to meet demand
- Staff continue to work with the Canadian Urban Transit Association and Ontario Public Transit Association to advise the provincial and federal governments of capital and operational constraints and advocate for funding during and post-COVID-19 pandemic recovery

3. Background

Transit fares were not increased in 2020 and 2021 due to impacts of the COVID-19 pandemic

The YRT Fare Policy anticipates an internal cost adjustment annually and is included in the operating budget each year. An internal inflation rate is applied to primarily cover annual operations and maintenance contract increases, helping to achieve the revenue-to-cost ratio target of 40% set by Council.

With the onset of the COVID-19 pandemic and resulting YRT service reductions, staff did not proceed with fare increases in July 2020 or July 2021. The total annualized financial impact of these for 2020 and 2021 was approximately \$2M. The joint provincial-federal *Safe Restart Agreement* funding helped offset the estimated 2021 30% revenue-to-cost ratio by approximately 10%.

4. Analysis

An increase in transit fares is not recommended in 2022

As transit services have been reduced or suspended during the COVID-19 pandemic due to the reduced number of daily travellers, it is not recommended to increase transit fares on July 1, 2022. Freezing transit fares supports travellers who are dependent on public transit for essential travel during the COVID-19 pandemic. Several Greater Toronto and Hamilton Area transit agencies, including the Toronto Transit Commission, are not planning to increase fares in 2022.

5. Financial

The financial impact of not increasing transit fares in 2022 is estimated to be \$0.6M

The impact of not increasing fares July 1, 2022 is forecasted to result in a revenue loss of approximately \$0.6M in 2022, and \$1.2M annualized in 2023, based on projected 2022 ridership. The revenue loss would be managed within the 2022 Council-approved Operating Budget. The impact in 2023 would be considered as part of the annual budget process. The YRT cash fare is the highest in the GTHA but remains in line with the average fare across the GTHA.

The joint provincial-federal *Safe Restart Agreement* funding helped offset the estimated 2021 30% revenue-to-cost ratio by approximately 10%. Funds received through the agreement between April 1, 2020 and December 31, 2021 were approximately \$40.2M.

The provincial and federal governments have not committed to additional transit funding support for 2022 and a lower revenue-to-cost ratio of 21% is projected. Staff continue to work with the Canadian Urban Transit Association and Ontario Public Transit Association to

advise the provincial and federal governments of capital and operational constraints and advocate for funding during and post-COVID-19 pandemic recovery.

York Region Transit continues to manage impacts to operating costs by adjusting service levels to meet demand. As ridership returns and service is increased to promote additional travel, staff will continue to analyze the impact to revenue, including decreased revenue-to-cost ratio, and will provide an update to Council in 2023.

6. Local Impact

Freezing transit fares supports travellers who are dependent on public transit for essential travel during the COVID-19 pandemic.

7. Conclusion

Staff seek Council approval to freeze York Region Transit fares in 2022 at the 2019 rates, to ensure continued accessibility for those who use public transit as their primary means of transportation to access work and essential services.

For more information on this report, please contact Fabrizio Guzzo, General Manager, Transit, at 1-877-464-9675 ext. 78057. Accessible formats or communication supports are available upon request.



Recommended by:

Ann-Marie Carroll
Acting Commissioner of Transportation Services



Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

January 13, 2022
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