

**To:** Board of Directors  
**From:** Gary McNeil  
*Managing Director, GO Transit*  
*Executive Vice President, Metrolinx*  
**Date:** February 19, 2010  
**Re:** Proposed Fare Increase

---

## ***EXECUTIVE SUMMARY***

Like most transit systems in North America, the decline in the national economy has impacted ridership and revenues of local transit systems. GO Transit's operations have not been immune to this slowdown. With stabilized riderships and ongoing increases in costs, Metrolinx's operating budget is under increasing pressure to maintain fiscal balance.

In order to meet the goals and objectives established in the Metrolinx Business Plan for 2010/11, it is necessary to generate additional fare revenue of approximately \$14.6 million. It is proposed to introduce a flat fare increase of \$0.25 per trip on the adult fare in order to meet the revenue target.

There is also a need to equalize the discount rate for 10-Ride tickets and the Monthly Pass. Across the system, fare discounts are at varying rates depending upon the point-to-point distance travelled. It is recommended that the price of a 10-Ride ticket be set at 7.5% off the price of buying 10 tickets. The price for a Monthly Pass would be 17.5% off the price of 40 tickets (the usual number of travel times in a month). Student discounts would be set at double this amount. In addition it is also proposed to introduce a fare top-up of \$3.00 for the rail excursion weekend service to Niagara, in order to cover its higher than usual operating cost.

- Fare revenues cover a high proportion of the cost of operating the GO Transit service, with provincial subsidy providing the balance. GO traditionally has recovered 85% of its operating costs from revenues. Limited ridership growth and increases in operating expenses over the past year means that with the recommended flat fare increase of \$0.25 per trip, fares and sundry revenues will provide just over 81% of the cost of operating the service. The balance will be supported by the provincial subsidy (\$72 million).
- The equalization of multi-ride discounts will standardize the price of an adult 10-Ride ticket at a discount rate of 7.5%. (Rates now range from 7% to 9%). The price of Monthly Passes will be set at a discount rate of 17.5% from 40 adult single rides. (Rates now range from 15% to 20%). This change will provide equitable discounts for all trip lengths.

- Service improvements that are included in the cost of the 2010/2011 business plan include selected additional rail trips and bus services, maintenance of new customer and operating facilities and a significant investment in customer service improvements.
- Students will receive double the discount of multi-ride adult tickets. 10-Ride tickets, which now vary from 15% to 19%, will be set at 15% to/from any zone. Monthly Passes, which now vary from 33% to 42%, will be set at 35% to/from any zone.
- Seniors and children will continue to receive 50% off the price of an adult fare ticket, whether it is a single ride, 10-Ride or Monthly Pass.
- Excursion rail service was introduced in 2009 to serve the special market for travel to/from the Niagara Falls area. This higher cost service requires additional staffing for promotion, customer service, and arrangements with special-purpose equipment to accommodate bicycles. A premium fare top-up, to a maximum of \$3.00, will be applied to offset the additional expenses of this service.

### ***RECOMMENDATION***

#### **RESOLVED:**

THAT the Board approve repealing the current By-law No. 2A and replacing it with By-Law 2A attached to the Managing Director of GO Transit's report to the Board dated February 19, 2010 to:

1. introduce a flat fare increase of \$0.25 per trip effective March 20, 2010;
2. standardize the price of an adult 10-Ride ticket at 9.25 adult single fares (7.5% off the equivalent price of 10 adult trips)
3. standardize the price of a student 10-Ride ticket at 8.5 adult single fares (15% off the equivalent price of 10 adult trips)
4. standardize the price of an adult monthly pass at 33 adult single fares (17.5% off the equivalent price of 40 adult trips)
5. standardize the price of a student monthly pass at 26 adult single fares (35% off the equivalent price of 40 adult trips)
6. introduce a fare top-up, to a maximum of \$3.00 per trip for Niagara Falls excursion rail service;
7. delete the existing Tariff of Fares, and substitute in its place a new Tariff of Fares;
8. delete the existing Table of Fares, and substitute in its place a new Table of Fares.

AND FURTHER THAT the Chairman and Secretary be authorized to sign the By-law.

## ***BACKGROUND***

As required by Subsection 8.1(3) of the *Metrolinx Act, 2006*, S.O. 2006, c.16 (the “Act”), the Board shall, by by-law, establish the fares that shall be charged for transit services. Prior to the passing of any by-law changing the fares, Metrolinx is required by Subsection 8.1(4) of the Act to provide written notice to the Minister of Transportation (The “Minister”). Metrolinx advised the Minister on January 28, 2010 of its intent to introduce a flat fare increase of \$0.25 per trip, standardize discounts applied to multi-ride fares, and apply a premium fare top-up of up to \$3.00 per trip for Niagara Falls service, effective March 20, 2010.

The attached By-law No. 2A repeals the current By-law No. 2A and replaces it with a new by-law by replacing the current Tariff of Fares with a new Tariff of Fares that sets out the authorized fares for each of the more than 1,000 possible origin/destination zone pairs within the GO Transit service area. The by-law also replaces the Table of Fares which provides for the discounted fares which may be charged for different classes of fares.

The Table of Fares establishes a new standardized price for the adult 10-Ride ticket and the student 10-Ride ticket, a new standardized discount for the adult Monthly Pass and the student Monthly Pass.

The attached by-law also introduces a new Section 2.19, which authorizes the Corporation to charge a fare top-up for travel on the excursion rail service to Niagara Region of up to a maximum of \$3.00 per trip (based upon distance travelled).

## ***BUDGET POSITION***

The recommended fare increase will generate a revenue increase of approximately \$14.6 million, and is necessary to meet the revenue targets for fiscal year 2010/11 Operating Budget, allowing GO to operate its services, introduce new services where necessary, and maintain a relatively high level of reliability and customer service.

## ***ATTACHMENTS***

Draft By-law No. 2A (*Tariff of Fares and Table of Fares available for viewing at Board meeting*)

---

Respectfully submitted,

Gary McNeil  
*Managing Director, GO Transit*  
*Executive Vice President, Metrolinx*

## BY-LAW NO. 2A

A by-law to establish the fares that shall be charged for transit services and establish the approximate routes, locations and frequencies of the transit services provided

**METROLINX**  
(the “Corporation”)

BE IT ENACTED as a by-law of the Corporation as follows:

1. By-law No. 2A of the Corporation is repealed and the by-laws contained herein shall become the by-laws of the Corporation with respect to the subject matter contained herein.

### Definitions

- 1.1 In this by-law and in all other by-laws of the Corporation, unless the context otherwise requires:
- a) ‘Table’ means the Table of Fares attached hereto, dated February 19, 2010 with effect as of March 20, 2010;
  - b) “Tariff of Fares” means the Tariff of Fares No. 1 attached hereto, approved by the Board of Directors this 19<sup>th</sup> day of February, 2010 with effect as of March 20, 2010 pursuant to subsection 8.1(3) of the *Metrolinx Act, 2006*.

### 2. FARES

#### FARES TO BE CHARGED

*available to the public*

- 2.1 The Tariff of Fares may be read by members of the public at the head office of the Corporation during regular business hours and at [www.gostransit.com](http://www.gostransit.com).

*one-way ride*

- 2.2 Except as otherwise provided in this By-law, the amount to be paid for a single one-way ride on a transit system operated by or for the Corporation is the applicable amount set out in the Tariff of Fares.

*fares generally*

- 2.3 The fare to be paid for:
- a) a adult ten-ride ticket;
  - b) a student ten-ride ticket;
  - c) a senior ten-ride ticket;
  - d) an adult monthly pass;
  - e) a student monthly pass;
  - f) a senior monthly pass; or
  - g) a group pass

DRAFT

is the amount in the appropriate column of the Table that is set out opposite the amount in the Single column of the Table that a passenger would pay under Section 2.2 for a single one-way ride.

- children under 5 years of age* 2.4 Children under the age five years may ride free of charge. No Child under the age of five years may ride on the transit system unaccompanied.
- children under 12 years of age* 2.5 Except as provided in section 2.8, the fare to be paid for a child under 12 years of age, but older than 5 years of age, is the amount in the half column of the Table set out opposite the amount in the Single column of the Table that a passenger would pay under Section 2.2 for a single one-way ride.
- more than one child under 5 years of age* 2.6 Notwithstanding Section 2.4, where an adult passenger is accompanied by more than one child who is not less than one year of age and has not reached his fifth birthday, the adult shall pay, in addition to his own fare, the fare prescribed in Section 2.5 on behalf of each additional child.
- child over 12 years of age* 2.7 The fare payable by a child 12 years of age or over is the fare that would be payable by an adult passenger as determined under Section 2.2.
- children's group pass* 2.8 Subject to 24 hours' notice and the confirmation that space is available, a children's group pass may be sold for the carriage of children as a group on the basis of half-fare of a one-way fare per child provided that,
- a) each child is under the age of 12 years or in full daytime attendance at an elementary school;
  - b) the group consists of at least 20 children;
  - c) the group is under adult supervision; and
  - d) the group ticket is purchased at least 15 minutes prior to scheduled departure time;
  - e) each adult accompanying the group will be required to pay the full adult fare as applicable.
- group pass exception* 2.9 A group pass shall not be sold in conjunction with children's group fares.
- day pass* 2.10 A day pass shall be sold at a rate of two times the fare that would be payable by an adult, child or senior citizen, as the case may be, for a single one-way fare.
- two-ride ticket* 2.11 A two-ride ticket shall be sold at a rate of two times the fare that would be payable by an adult, child or senior citizen, as the case may be, for a single one-way fare.
- monthly passes* 2.12 An adult monthly pass, a senior monthly pass or a student monthly pass shall be sold only at stations and agencies during their hours of operation.

DRAGNET

*group pass*

- 2.13 A group pass is available to a group consisting of a maximum of five persons of whom at least one but not more than two are 18 years of age or over and is valid;
- a) on the date printed on the face of the pass for an unlimited number of rides on the transit system between the zones within the same transit corridor for which the pass is issued; and
  - b) for a trip that begins before 3:00 a.m. on the day after the date printed on the face of the pass to the originating point of the holder of the pass.

*special fares*

- 2.14 The Corporation may, from time to time, establish special fares for:
- a) package trips provided that the portion of the special fare applicable to transportation is not less than 77% of the regular fare otherwise provided in this by-law; or
  - b) discounted marketing programs for the purpose of encouraging additional commuter ridership or promoting special or seasonal events.

*police officers  
exempt*

- 2.15 No fare is required to be paid by a police officer as defined in Section 2 of the *Police Services Act* (Ontario) or a police officer of the Royal Canadian Mounted Police who is in possession of the official identification issued by the police services engaging such officer. For greater certainty, the benefit of this provision does not extend to any special constable, First Nations Constable, by-law enforcement officer, or any auxiliary or civilian member of a police force.

*veteran's*

- 2.16 On days that are for National or Provincial recognition of war veterans, no fare is required to be paid by: (i) a war veteran and any person accompanying him or her; or (ii) the immediate family of a deceased veteran, provided that such individual is carrying something that identifies his or her relation to the deceased veteran, including an identification card or service papers

*accessible  
passengers*

- 2.17 If a proper authority is satisfied that a passenger has a disability that hinders his or her ability to travel alone, the passenger may purchase a ticket at the rate for that passenger as set out in the Tariff of Fares, that is endorsed by the proper authority as a party ticket for the carriage of both the passenger and an attendant accompanying him or her.

*premium fare*

- 2.18 Where more than one transit service is provided between two places by the Corporation, a local transit system, or a combination thereof, the Corporation may charge on any such service operated by it a premium fare and the amount of the premium fare shall be:
- a) for a single one-way fare, \$1.30 plus the amount of the fare set out in the Tariff of Fares; and
  - b) for a pass or 10 one-way tickets, the amount in the applicable column of the Table that corresponds to the amount in the Single column of the Table that is equal to 60 cents plus the single one-way fare payable

DRAFT

under Section 2.2.

*Premium Fare  
Niagara Falls*

2.19 For excursion trips that have an origin or destination or any combination thereof within the Niagara Falls service area, the Corporation may charge in addition to the fare set out in the Tariff of Fares, a premium fare up to a maximum of \$3.00 per single one-way fare.

*refunds*

2.20 Except as provided by this By-law, no refund of fares shall be made.

*10-ride refunds*

2.21 The amount of refund on the unused portion of a adult ten-ride ticket, senior ten-ride ticket or a student ten-ride ticket is determined by deducting from the amount paid for the ticket the product obtained by multiplying the greater of:

- a) the number of rides machine cancelled and the number of rides punch cancelled, multiplied by;
- b) the single one-way fare that would be payable for the same trip.

*monthly pass  
refunds*

2.22 Where a refund is claimed on a student monthly pass, a senior monthly pass, or an adult monthly pass, the pass shall be deemed to have been used up to and including,

- a) the day the pass is returned in person to the offices of the Corporation;  
or
- b) the date of the postmark on the envelope where the pass is mailed by the holder of the pass and received at the offices of the Corporation.

*calculating amount*

2.23 The amount of a refund on an adult monthly pass, a senior monthly pass and a student monthly pass shall be determined by deducting from the amount paid for the pass the amount obtained by multiplying:

- a) the number of days the pass was deemed to have been used as determined by Section 52; multiplied by,
- b) two rides per day; multiplied by,
- c) the single one-way fare that would have been payable for the same trip.

*group or day pass  
advance sale*

2.24 An advance sale group pass or day pass shall be refunded at full value up to the date preceding the date printed on the face of the pass.

*labour disruption*

2.25 If a student monthly pass, a senior monthly pass, or an adult monthly pass has been issued for use during a period of time and during that period or any part of it a labour dispute occurs that prevents the use of the pass, the amount of refund shall be determined by dividing the amount paid for the pass by the number of days the pass was valid, multiplying that number by the number of days the pass could not be used, and rounding to the nearest five cents.

*administration fee*

2.26 Where a refund is eligible on any ticket or pass, an administration fee of 15% will be calculated and charged against the value of the refund.

DRAFT

**3. Tariff of fares**

3.1 Tariff of Fares is as appended to this by-law.

**4. Table of fares**

4.1 Table of Fares is as appended to this by-law.

**5. ROUTES AND SCHEDULES**

*schedules*

5.1 The Members of the Corporation may establish the approximate location, routes and frequencies of the transit services provided.

*available on Internet*

5.2 The approximate location, routes and frequencies of the transit services provided by the Corporation shall be as published in any schedule whether in paper or electronic form. The official version shall be the version as published on the Corporation's public web site from time to time. ([www.gotransit.com](http://www.gotransit.com))

*rights reserved*

5.3 The Corporation reserves the right to change, modify or deviate from any posted schedule as necessary.

This by-law No. 2A is hereby consented to and passed by the Board of Directors of the Corporation this the 19<sup>th</sup> day of February 2010 pursuant to Subsection 8.1(3) of the *Metrolinx Act, 2006*.

---

Chair

---

Secretary

DRAFT