

- a. no increase on base adult single fares -up to and including \$5.65.
- b. 3% increase on base adult single fares greater than \$5.65, and other fare types will increase accordingly, including concession fares (senior and student fares), and package pricing (group fares).

AND THAT By-law No. 2A be repealed and replaced with By-law No. 2A attached to the Report in order to delete the existing Tariff of Fares and substitute in its place new Tariff of Fares that will reflect the new base adult single fares and the new fare zone, subject to any minor adjustments;

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

Background

Fare Increase

From 2013 to 2016, fares increased by approximately 5% per annum in February of each year. No fare increase was implemented in February 2017.

The proposed September 2017 fare increase is consistent with the approach to moderately and predictably increase fares to fund new service improvements and offset annual escalation of operating costs specifically as we move to greater off-peak services, our costs increase on a per rider basis.

Determining the Increase

Metrolinx's transit network has continued to experience consistent ridership growth over the past year. However, revenue from ridership growth alone is not sufficient to:

- address increasing operating costs;
- address the costs of adding new services; and
- operate and maintain new infrastructure.

A number of factors were considered in order to determine the size of the proposed increase:

- release of a number of service improvements in fiscal year 2017-18 in addition to those implemented in 2016-17 to respond to growing customer demand in both rail and bus services;
- sufficient funding is required to provide and maintain the high levels of reliability, safety and customer service that have been sustained in the past and are expected by transit customers;
- significant investment in new infrastructure has been made over the last few years in order to increase the capacity of the system. As this infrastructure is brought into service, additional costs are introduced in order to operate and maintain the new infrastructure; and

- in addition to the increase in costs associated with new service, increased ridership and new infrastructure, a number of Metrolinx's key cost drivers for operations (e.g. corridor and equipment maintenance, contracted services for vehicle operation and station maintenance) have increased based on market conditions and contractual commitments.

New Fare Zones & Fares

Over the year new services have been introduced throughout the network, as described below. A new fare zone has been created to accommodate these new services. This new fare zones will now be incorporated into the revised Tariff of Fares appended to By-Law 2A. The new fare zone reflects services departing from (origin) or arriving at (destination) the Dixie Bus Rapid Transit (BRT) Station and Renforth BRT Station.

Fares are determined based on origin/destination pairs between service zones. Staff have proposed new fares for these origin/destination pairs within the new zone which are in line with existing fares, based on similar distances.

Service Improvements and New Infrastructure

Service Improvements

A mixture of new peak service and extended service is planned across the transit network in 2017-18. New services that have been introduced in 2016-17 include:

- additional weekday service on the Richmond Hill, Milton and Stouffville corridors;
- peak-period service extensions between Georgetown and Kitchener on the Kitchener Corridor;
- new weekend trains on the Barrie corridor;
- new and expanded bus services to Brantford, Kitchener and Cambridge;
- seasonal (summer) express bus service between Niagara Falls and Burlington GO station; and
- new weekend bus service on the North York/Mississauga (Square One) and North York/Meadowvale routes.

In addition to the new midday and evening Stouffville Train service that was introduced on June 26, 2017, Metrolinx is planning to launch other services in the remainder of 2017-18 that will be announced in the coming months. Without the proposed fare increase, Metrolinx will not be able to move forward with planned service improvements.

New Infrastructure

Significant investments in new stations, parking and vehicle infrastructure are required to support the growth in ridership and increase the capacity of Metrolinx's transit system. While the initial capital construction costs are not funded through fare revenue, the ongoing operating, maintenance and storage costs are partially supported through fare revenue. New infrastructure completed in 2016-17 includes the new Gormley GO Station on the Richmond Hill line, Mississauga Transitway's Winston Churchill Station, a new storage and maintenance layover facility at Shirley Avenue in Kitchener, over 1,000 parking spaces across the transit network, and new station facilities such as platform extensions, kiss-and-ride areas, bike shelters, heated customer shelters, and pedestrian tunnels.

For additional details on recent and planned service improvements and infrastructure, please refer to *Appendix 1*.

Fare Pricing

Currently fares are based on a fare-by-distance approach. As such, staff are proposing a 3% increase that would see a larger increase for the longer-distance rider than the short-distance rider.

Like the previous year, a price freeze for the lowest tier of fares - representing shorter-distance trips with fares up to and including \$5.65 - is proposed. The approach of freezing fares of shorter-distance trips will help make transit fares in the Greater Toronto and Hamilton Area more consistent by ensuring the cost of these trips remain more comparable to local transit fares.

As such, fares would be increased as follows:

- no increase on base adult single fares -up to and including \$5.65
- 3% increase on base adult single fares greater than \$5.65, and other fare types will increase accordingly, including concession fares (senior and student fares), and package pricing (group fares, family fares, etc).

All single ticket fares are rounded to the nearest nickel. The loyalty discounts for PRESTO card fares would remain unchanged.

Sample fares are provided in the table below.

Station	Current Adult Single Ticket	Proposed Adult Single Ticket	Current Adult PRESTO Fare	Proposed Adult PRESTO Fare
Union - Bloor	\$5.30	\$5.30	\$4.71	\$4.71
Union - Cooksville	\$6.75	\$6.95	\$6.00	\$6.17
Union - Rouge Hill	\$7.05	\$7.25	\$6.26	\$6.44
Union - Oakville	\$8.65	\$8.90	\$7.68	\$7.91
Union - Meadowvale	\$9.20	\$9.50	\$8.17	\$8.44
Union - Georgetown	\$11.10	\$11.45	\$9.86	\$10.17
Union - Barrie	\$13.55	\$13.95	\$12.03	\$12.35
Union - Pearson (direct)	\$12.00	\$12.35	\$9.00	\$9.25

Concluding Remarks

Metrolinx transit has three major sources of operating revenue - customer fares, provincial subsidy, and various non-fare revenue initiatives and fees. The increase in fares is not expected to have a material impact on ridership and would generate an estimated \$8.5 million in additional revenue in 2017-18.

According to Subsection 8.1(3) of the *Metrolinx Act, 2006*, S.O. 2006, c.16 (the "Act"), the Board is required to pass by-laws to establish the fares that will be charged for transit services. Before passing any by-law changing the fares, the Act requires Metrolinx to hold a meeting of the Board open to the public (Subsection 11(3)) and to provide written notice to the Minister of Transportation (the "Minister") (Subsection 8.1(4)). In accordance with the Act, Metrolinx has advised the Minister of its intent to introduce a fare increase, effective September 2, 2017.

The attached by-law in *Appendix 2* will replace the existing by-law No. 2A and become the new by-law No. 2A, effective September 2, 2017.

Respectfully submitted,

Robert Siddall
Chief Financial Officer

Anita Sultmanis
Chief Customer & Marketing Officer

Attachments

Appendix 1: Metrolinx Transit Service and Infrastructure Improvements

Appendix 2: Tracked changes version of draft by-law No. 2A illustrating the proposed changes (GO Tariff of Fares available for viewing at Board meeting)

Appendix #1: Metrolinx Transit Service and Infrastructure Improvements 2016-17

New and Improved Rail Service

The following rail service improvements were introduced in 2016-17 and will result in additional operating costs:

- System-wide:
 - Five new peak trips, 19 new off-peak trips, and 14 extended trips (described below)
 - Rollout of 50+ new rail coaches
- Barrie Corridor:
 - Three new northbound and three new southbound weekend trips between Allandale and Union
 - Thirteen new weekend midday trips between Aurora and Union
- Kitchener Corridor:
 - Two morning and two afternoon weekday peak trips extended from Georgetown to Kitchener
- Milton Corridor:
 - One new morning and one new afternoon weekday peak trip between Milton and Union
- Richmond Hill Corridor:
 - One new afternoon weekday peak trip between Richmond Hill and Union
 - Five morning and five afternoon weekday peak trips extended from Richmond Hill to serve the new Gormley GO Station
- Stouffville Corridor:
 - One new morning and one new afternoon weekday peak trip between Lincolnville and Union

New and Improved Bus Service

The following bus service improvements were introduced in 2016-17 and resulted in additional operating costs:

- New/expanded services to Brantford, Kitchener and Cambridge
- New service to the Winston Churchill Transitway Station in Mississauga
- New service to the Beamsville park-and-ride lot in the Town of Lincoln
- Seasonal (summer) express GO bus service between Niagara Falls and Burlington GO station
- New weekend services in our Mississauga to North York corridor
- Extended Richmond Hill train-bus service to the new Gormley GO station
- Extended and more frequent weekend GO bus service between Barrie and Aurora, and new weekend bus service to East Gwillimbury, Newmarket, King City, Maple and Rutherford GO stations to compliment new weekend GO rail service on the Barrie Corridor

New Infrastructure

New infrastructure was introduced in 2016-17 and resulted in additional maintenance costs. This includes:

- A new Gormley GO Station in Richmond Hill, including 850 parking spots, a kiss-and-ride, bus loop, two electric vehicle charging stations, heated customer shelters, and platform snowmelt systems
- A new Winston Churchill bus station as part of the Mississauga Transitway project, including 200 parking spaces, heated shelters and bicycle lock up area
- Numerous upgrades to Mount Pleasant GO Station in Brampton, including 223 new parking spaces, a new kiss-and-ride, bike shelter and heated customer shelter
- New parking lots at the Weston GO/ UP Express station

2017-18

New and Improved Service

The following rail and bus service improvements were introduced or are planned to be introduced in 2017-18 and will result in additional operating costs:

- New weekday, evening, and weekend train service to meet demand
- Select peak and off-peak bus services to meet growing customer demand
- Realignment of select bus services to take advantage of the opening of the new Highway 407 TTC subway station and the new East Mississauga Transitway and Renforth station

New Infrastructure

The following new infrastructure is introduced or is planned to be introduced in 2017-18 and will result in additional maintenance costs:

- New Downsview Park GO/TTC station
- New GO bus terminal at the Highway 407 TTC subway station
- New passing track on the Barrie corridor between York University and Rutherford GO stations
- New bus maintenance and storage facility in Kitchener
- New East Mississauga Transitway and Renforth station
- New East Rail Maintenance Facility in Whitby
- New Bradford train layover facility
- An expanded Lincolnville layover facility
- A new Mimico train layover facility

Appendix #2:

BY-LAW NO. 2A

METROLINX (the “Corporation”)

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

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

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

1. DEFINITIONS

1.1 In this by-law and in all other by-laws of the Corporation, unless the context otherwise requires:

- (a) “Child” means a person who is six (6) years of age or more but has not yet reached thirteen (13) years of age;
- (b) “Minor” means a person who has not yet reached six (6) years of age;
- (c) “Tariff of Fares” means the Tariff of Fares attached hereto, approved by the Board of Directors the 28th day of June, 2017 with effect as of September 2, 2017 pursuant to Subsection 8.1(3) of the *Metrolinx Act, 2006* S.O. 2006, Chapter 16.

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 on the Corporation’s public website (www.gotransit.com).

one-way ride base fare

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 for travel between enumerated zones.

special fares

2.3 The Corporation may establish special fares for:

- (a) passengers that qualify as children, students or senior citizens;

- (b) 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;
- (c) multi ride or volume discounts for passengers or groups of passengers applying to a limited or unlimited number of rides per ticket occurring within a specified time period;
- (d) discounted marketing programs or loyalty programs;
- (e) encouraging additional commuter ridership;
- (f) promoting special or seasonal events; or
- (g) promoting and/or implementing new or revised programs, services or technologies.

The Corporation reserves the right to change, modify or cancel such special fares as necessary. Information on such special fares shall be published on the Corporation's public website (www.gotransit.com).

- Minors* 2.4 Minors may ride free of charge. No Minor may ride on the transit system unaccompanied.
- more than one Minor* 2.5 Notwithstanding Section 2.4, where an adult passenger is accompanied by more than one Minor (excluding infants under the age of 12 months), the adult shall pay, in addition to his own fare, the full Child's fare prescribed in the Tariff of Fares on behalf of each additional Minor.
- passengers over 13 years of age* 2.6 The fare payable by a passenger 13 years of age or over is the fare that would be payable by an adult passenger as determined under Section 2.2.
- police officers exempt* 2.7 No fare is required to be paid by a police officer as defined in Section 2 of the *Police Services Act*, R.S.O. 1990, Chapter P.15 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.
- veterans* 2.8 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.
- passengers with disabilities* 2.9 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

2.10 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 set out on the Corporation’s public website (www.gotransit.com).

*Premium Fare
Niagara Falls*

2.11 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

2.12 No refunds of fares shall be made except in accordance with Metrolinx fare refund administrative policy, as amended from time to time, and as posted on the Corporation’s website.

3. TARIFF OF FARES

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

4. ROUTES AND SCHEDULES

schedules

4.1 The Corporation’s Board of Directors may establish the approximate location, routes and frequencies of the transit services provided.

*available on
Internet*

4.2 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).

rights reserved

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

The foregoing by-law is hereby enacted as a by-law of the Corporation by the Board of Directors this 28th day of June, 2017 pursuant to Subsection 8.1(3) of the *Metrolinx Act, 2006* S.O. 2006, Chapter 16.

J. Robert S. Prichard, Chair

Mary E. Martin, Secretary

c/s