

## Appendix 1:

### Ottawa City Council / Conseil Municipal d'Ottawa Motion

Meeting date / Date de la réunion : 11 December 2024 / 11 décembre 2024

Agenda No. / Ordre du jour n° : 48

Item / Point de l'ordre du jour : Draft 2025 Operating and Capital Budgets

#### **Re / Objet : Transit Fare Adjustments and Strategic Review**

Moved by / Motion de : Councillor T. Tierney

Seconded by / Appuyée par : Councillor J. Leiper

**WHEREAS Ottawa's public transit system is a vital service that supports economic growth, mobility, equity, affordability, and sustainability for seniors, students, and the general population; and**

**WHEREAS fare adjustments in the 2025 Draft Budget must balance affordability for vulnerable groups with the financial sustainability of the transit system; and**

**WHEREAS collaboration with stakeholders, such as the Ottawa Student Transportation Authority (OSTA), the Consortium de transport scolaire d'Ottawa (CTSO), postsecondary institutions and student associations, is essential to develop equitable and sustainable transit solutions;**

#### **THEREFORE BE IT RESOLVED THAT City Council:**

- 1. Maintain the Free Transit for Seniors program on conventional buses and trains on Wednesdays and Sundays, at a cost of \$414,000, to promote affordability and increase transit usage among seniors**
- 2. Approve that the Senior monthly pass fare remain \$49 in January 2025 and be adjusted to \$58.25 effective February 1, 2025, the same level as the Equipass, at a cost to the budget of \$1.105M**

*Staff comment: Completed through the 2025 budget process.*

#### **BE IT FURTHER RESOLVED THAT City Council approve the following as a replacement to Transit Commission Recommendation 4:**

- 1. Approve a 5% increase to the Youth monthly pass, from \$99.25 to \$104 per month, effective January 1, 2025**
- 2. Delay the plan to eliminate the Youth monthly pass, which would impact OSTA, until September 1, 2025, aligning with the start of the school year in order to reduce immediate financial impact on school boards and allow for a smoother transition for students, at a cost to the budget of \$3.34 million**
- 3. Direct staff to collaborate with OSTA and stakeholders to advocate for a sustainable model for student transit funding from the Province, ensuring equitable and**

affordable solutions for youth transit users that reflects the true cost to the City of transporting students, and therefore the subsidization of provincially-funded budgets

4. Advocate with the Province to reduce the 2-kilometre eligibility criteria to qualify for a OSTA or CTSO-funded monthly pass; and

*Staff comment: Items 1 and 2 were completed through the 2025 budget process. Items 3 and 4 are ongoing.*

**BE IT FURTHER RESOLVED THAT City Council approve the following as a replacement to Transit Commission Recommendation 3:**

1. Delay the increase of 5% to the U-Pass until September 1, 2025, aligning with the start of the postsecondary institutions' fall semester, contingent upon the completion of consultations with postsecondary institutions and student associations, at a cost to the budget of \$1.05 million
2. Direct OC Transpo staff to negotiate and conclude new U-Pass agreements with postsecondary institutions and student associations consistent with the above and taking into consideration the following:
  - o Review fee adjustments and their impacts
  - o Collaborate on aligning U-Pass fees with the City's transit budget requirements
  - o Report back with findings and recommendations by Q2 2025
3. Authorize staff to include any other postsecondary institutions in these negotiations, should those institutions be interested in joining the U-Pass program.

*Staff comment: Item 1 was completed through the 2025 budget process. Items 2 and 3 are ongoing.*

**BE IT FURTHER RESOLVED THAT staff offset these measures, at a total cost to the budget of \$5.909 million, as follows:**

1. Reduce the Draft 2025 Capital budget for Project 911707 Customer Services Technology System 2025 by \$1.435M, reduce Project 911715 Scheduling and Control Systems 2025 by \$2.124M and reallocate to the Draft 2026 project forecast respectively, returning \$3.435M to the Transit Capital Reserve;
2. Reduce the draft 2025 contribution to the Transit Capital Reserve (budgeted at \$63.5 million) by \$4.409M, maintaining a balanced contribution to Capital from Operating with a contribution from the Transit Capital Reserve to the Draft 2025 Transit Capital Program;
3. Reallocate \$1.5 million in expected savings from the City's fuel hedging program reflecting updated hedging pricing and current economic analysis; and

*Staff comment: Completed through the 2025 budget process.*

**BE IT FURTHER RESOLVED THAT staff undertake a comprehensive review of the City's transit fare structure, including but not limited to the following:**

**1. Fare Calculation Methodology:**

- a. Analyze how current fares, including discounted fare categories such as the U-Pass, EquiPass, and senior/student fares, are calculated
- b. Assess principles guiding fare increases, including inflationary adjustments, cost recovery targets, and ridership trends

**2. Comparative Analysis:**

- a. Compare Ottawa's transit fares across all fare categories with those of other Ontario municipalities, including Toronto, Hamilton and Mississauga, as well as smaller municipalities
- b. Highlight key differences in fare policies, including discounts, subsidies, and service levels

**3. Financial Risk Assessment:**

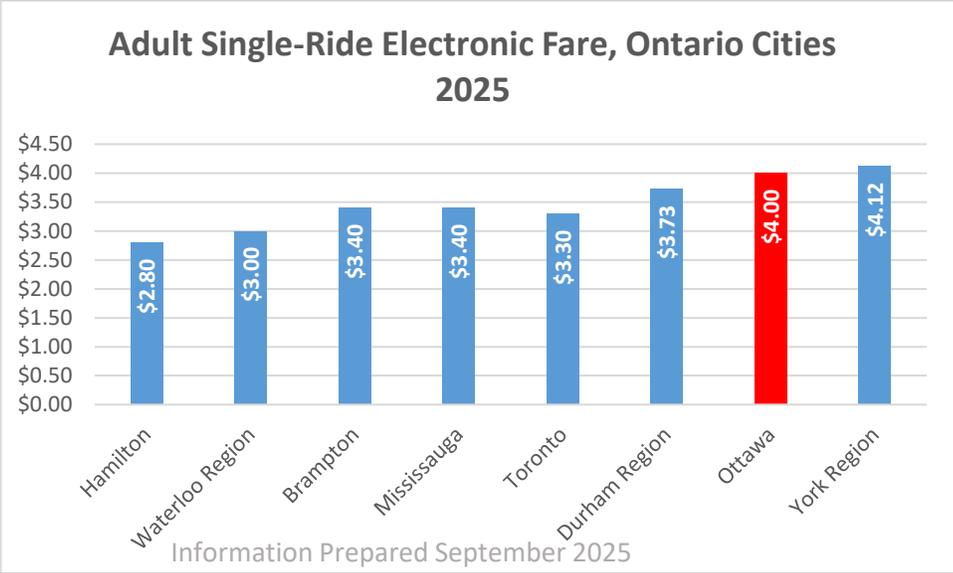
- a. Evaluate the potential impacts of fare adjustments on the City's transit budget
- b. Identify risks associated with fare freezes, capped increases, or significant adjustments, including implications for revenue stability, service sustainability, and ridership retention; and

*Staff comment: Included in this memo.*

**BE IT FURTHER RESOLVED THAT staff report back with findings and recommendations in parallel with the Transit Long Range Financial Plan and the updated Transportation Master Plan to inform future decisions on transit fare strategies that balance affordability, equity and financial sustainability.**

**Appendix 2:**

**Table 1:**



**Table 2:**

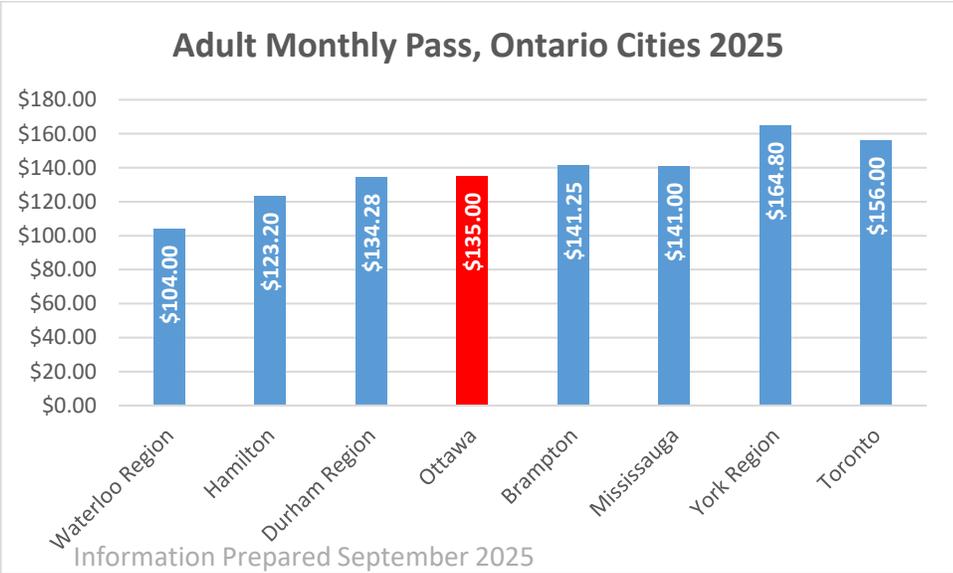


Table 3:

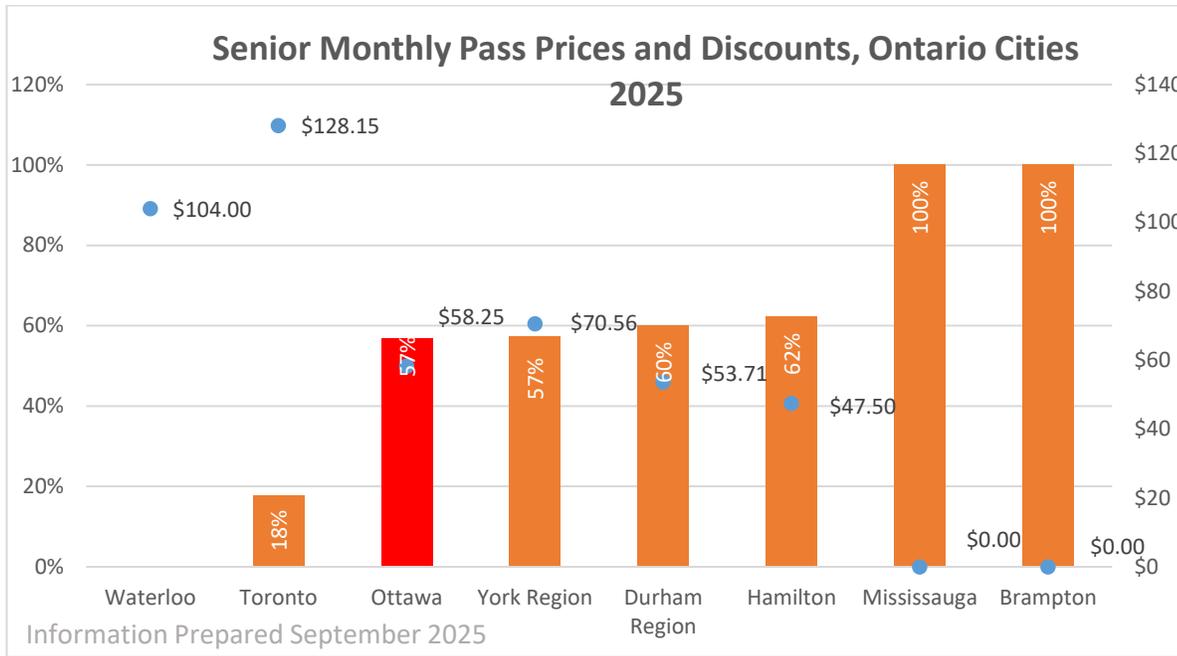


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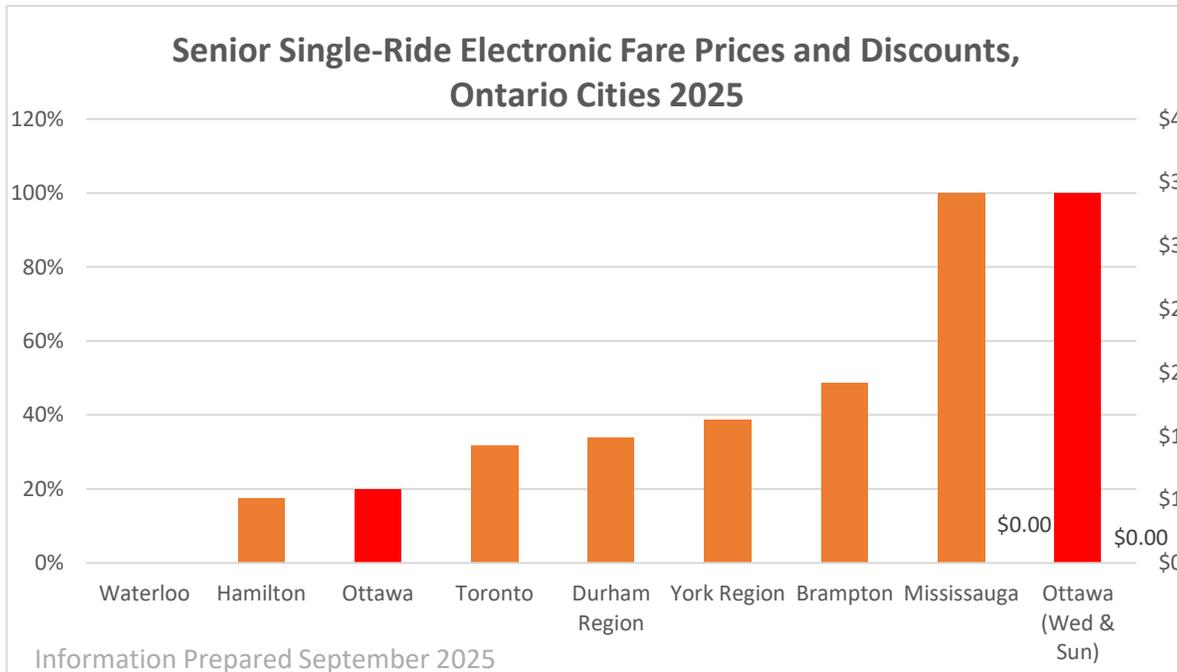


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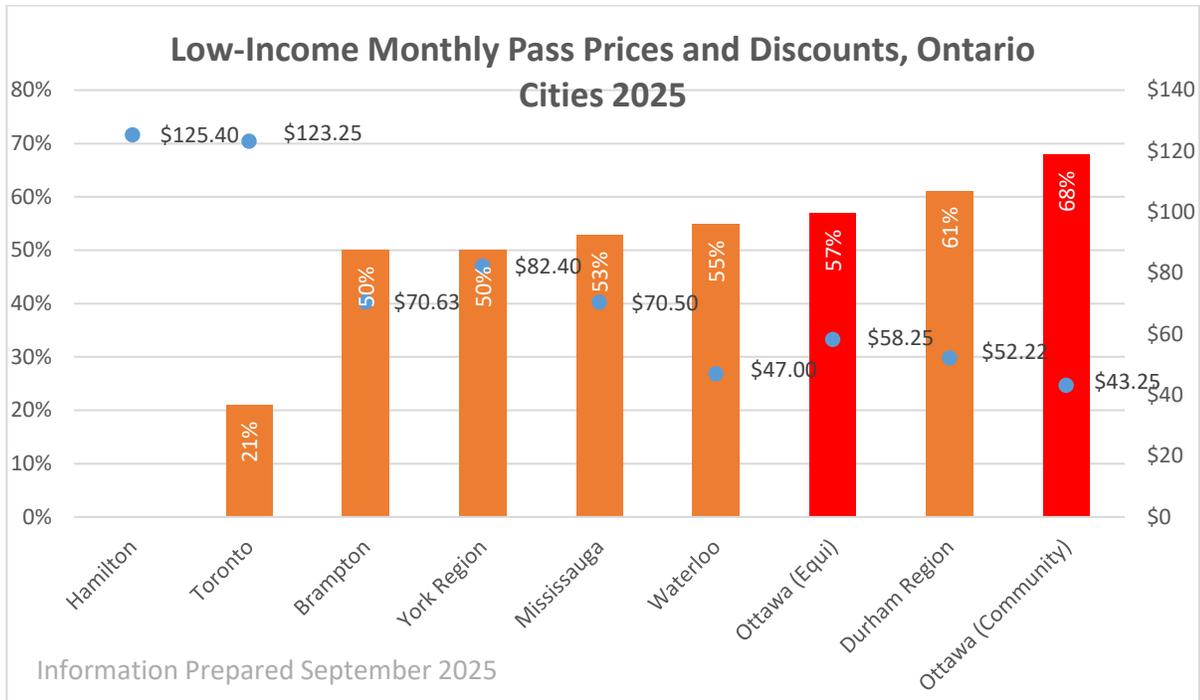


Table 6:

