
MANAGEMENT REPORT

Date: June 15, 2023
To: Community Services Sub-committee
From: Mike Mousley, Manager of Transit
Report #: COM23-005
Attachments: None

Title: Community Transportation – PC Connect Fare Increase Feasibility

Objective: To assess the feasibility of increasing PC Connect fares to generate revenue for service sustainability.

Background: In 2018, the City of Stratford received \$1.45 million in Community Transportation grant funding to launch an intercity bus service. Stratford operates three PC Connect routes, connecting North Perth with Kitchener-Waterloo on Route 1; and Stratford and St. Marys to Kitchener-Waterloo and London on Routes 2 and 3.

The service is an equal partnership with North Perth and St. Marys that provides each partner with equal service levels and shared expenses. We received an additional \$611,936.91 to continue PC Connect until 31 March 2025.

The City continues to advocate for increased Community Transportation program funding but does not anticipate any further funding commitments from MTO. Therefore, substantial municipal investment will be required to extend the program until 2025 and to make the service sustainable in the long term.

Staff recently presented a project update to Council in Spring (COU23-001) and Council passed the following resolution:

THAT options for a proposed fare increase for the PC Connect Service, be referred to staff for review and preparation of a report for consideration at a future Community Services Sub-committee meeting.

Analysis: This report outlines potential PC Connect fare increases with consideration to their impact on ridership and service sustainability, in consultation with:

- City staff, including the City's Corporate Leadership Team, Manager of Diversity, Equity and Inclusion, and Accessibility Diversity and Inclusion Coordinator;

- Our service partners: Perth County's Community Transportation Coordinator, the CAOs of North Perth and St. Marys;
- Our service provider Voyago (service managers and bus drivers);
- Our Transit App provider Blaise Transit.

Current Fare Structure

The current PC Connect fare structure is as follows:

Route	Adult	Student	Senior (60+)	Veteran	Child (Under 5)	Support Persons
1, 2, 3	\$12	\$10	\$10	Free	Free	Free
A&B	\$6	\$5	\$5	Free	Free	Free

The City's three PC Connect routes in 2022 saw an annual fare paying ridership total of 22,105 in 2022 (after subtracting 114 no charge rides for children under five, veterans and support persons) with total annual revenues for 2022 at \$56,976 for all three routes.

Potential Fare Increases

Based on a projected future operating budget of \$760,000, fares would need to be increased to \$35.00 per ride, to make the service a full cost recovery without requiring support from the tax levy, at current ridership levels.

Please note that a fare increase of this magnitude would make the service cost prohibitive for most riders and therefore the City would expect a substantial decrease in ridership.

One alternative, an increase to \$20.00 per adult ride, would produce an additional \$445,000 in revenues at current ridership levels. This still does not provide enough revenue to make the service sustainable without provincial and/or municipal support. Furthermore, Staff expect that ridership levels would decrease if the City decided to raise PC Connect fares.

Changes to fares would also impact our in-kind partners in Perth County, who operate Routes A and B and share branding, marketing, and the Blaise booking application with the City. The Blaise app does not support different fare structures for the same service area. Stratford and Perth County share routes between Stratford and St. Marys and in North Perth.

As per the terms of our Local Partnership Agreements, Stratford would need to secure the agreement of our partner municipalities in St. Marys and North Perth to change current fare structures.

Fare increases are expected to impact ridership levels due to affordability. Staff hear consistent feedback that current fares are too high, particularly on shorter distance trips (e.g., between Stratford and New Hamburg) and for students and frequent/daily riders.

At current fare levels, PC Connect provides an affordable transportation option amid the ongoing cost of living situation. More than 3,000 fare passes have been sold to local social service agencies, including Ontario Works, which is funded substantially from other levels of government and our shared services partners. PC Connect also allows affordable access to resources and services in Stratford and larger communities, including employment services, immigrant and refugee services, identity-affirming services, faith, cultural, or ethnic-based services, and/or broader social services for equity-seeking members of our communities.

Similarly, access to affordable public transportation is essential for our aging population. Many seniors depend on public transportation due to health and mobility challenges. PC Connect allows seniors to maintain their lifestyle, personal connections, and engage in activities and access services and healthcare.

Per the 2021 Census, Stratford has a higher demographic of Seniors¹ in our communities than the Provincial average of 18.5%:

- 21% Seniors in Perth County;
- 25% Seniors in Stratford;
- 26.5% Seniors in St. Marys.
- 7,485+ Perth County residents are over the age of 75

Staff expect that a fare increase would also negatively impact persons with disabilities. As per Statistics Canada (2017), 41% of the national low-income population comprises of persons with disabilities. Affordable transportation is an essential part of their lives. The American Association of People with Disabilities (AAPD), which mirrors the statistics in Ontario/Canada, states that people with disabilities are twice as likely to have inadequate transportation compared to those without disabilities. Some never leave their homes due to lack of transportation, denying them independence, employment opportunities, and community connections. The AAPD notes that rural residents with disabilities cite lack of transportation as one of the most significant barriers to accessing community resources, healthcare, and opportunities.

Go Train

The Ministry of Transportation of Ontario (MTO) extended GO Train services between Toronto, London, St. Marys, and Stratford beginning on October 18, 2021 with one daily return trip, operating Monday to Friday. Fares are structured as follows:

London - Stratford	\$12.50
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¹ Residents over 65

St. Marys - Stratford	\$7.50
Kitchener - Stratford	\$12.50
Guelph	\$16
Toronto - Stratford	\$25

At present rates, PC Connect charges a similar fare as the GO Train services operating in our community. It is hoped that GO service will replace PC Connect for long-distance connectivity to London and Kitchener-Waterloo.

Service Sustainability

Based on local and provincial market knowledge, a PC Connect fare increase is not likely to make the service any more sustainable than it currently is, as it would only serve to make our service less affordable for the residents it serves. Regardless of fare contributions in any municipality, there are no Community Transportation grant recipients currently able to maintain current program service levels without ongoing support from the Ministry of Transportation unless the local municipalities commit a substantial level of municipal investment to the service. Continued provincial investment in connecting small Ontario communities will be necessary to realize the vision outlined in MTO's [Connecting Southwest](#) strategy. City staff continue to advocate for this on behalf of our community.

A full sensitivity analysis would require the use of an outside consultant to determine the precise impact to ridership levels of any fare increases. Fare increases would need to be significant to make a material difference in approaching a break-even scenario, so it is the position of staff that any increase at this time would have a negative impact on ridership levels and the success of the program during this period of receiving government funding.

Financial Implications:

Financial impact to current year operating budget:

There are no financial implications as a result of this report.

Financial impact on future year operating budget:

Substantial municipal contributions will be required to continue with PC Connect in 2024 and the first quarter of 2025. The extent of these is unknown until such time as discussions occur with our Municipal partners. This will be determined through further analysis of the available existing grant funds, the structure of the routes and service and pending any potential additional funding.

Alignment with Strategic Priorities:

Mobility, Accessibility and Design Excellence

Improving ways to get around, to and from Stratford by public transit, active transportation, and private vehicle.

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Widening our Economic Opportunities

Strengthening Stratford's economy by developing, attracting, and retaining a diversity of businesses and talent.

Alignment with One Planet Principle:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities, and promoting a culture of sustainable living.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT the report titled, "Community Transportation - PC Connect Fare Increase Feasibility" (COM23-005), be received for information.

Prepared by:

Recommended by:

Michael Mousley, Manager of Transit

Tim Wolfe, Director of Community Services

Joan Thomson, Chief Administrative Officer