

## THE MUNICIPALITY OF LAMBTON SHORES

**Report TR 17-2024**

**Council Meeting Date: July 16, 2024**

**TO:** Mayor Cook and Members of Council

**FROM:** Janet Ferguson, Director of Financial Services

**RE:** Huron Shores Area Transit Fee Update

**RECOMMENDATION:**

**THAT** Report TR 17-2024 regarding a Huron Shores Area Transit Fee Update be received; and

**THAT** the Huron Shores Area Transit Monthly Pass be increased to \$100.00 effective September 1, 2024 and \$120.00 effective January 1, 2025.

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### **SUMMARY**

This report is provided as support for a fee increase to the Monthly Transit Pass for Huron Shores Area Transit (HSAT).

### **BACKGROUND**

HSAT has successfully implemented a local and long-distance transit program with the assistance of funding through the Community Transportation Grant Program. With the Transit Feasibility Study as a guide, the program has evolved and there has been a need to modify routes and rates as well as add options and advanced technologies. HSAT provides more services and travels more distances than most other programs under this funding platform.

One of the strongest components of success with ridership is the availability of a monthly pass. Currently the monthly pass is \$80.00 and allows for unlimited rides for 31 days. There are 264 active monthly passes and on average, reflect a trip rate \$3.99 compared to a non-pass one way trip fare of: local \$5.00 and long distance \$10.00.

The majority of the passes are used by students from Lambton College allowing them to travel for employment in our communities. This reflects that the majority of pass riders utilize a long-distance route.

Having a monthly pass is advantageous to both the rider and the operator. Consideration must be given to affordability for the user as well as providing good value, while balancing the costs of providing services and ongoing operational increases for fuel and contracted

services. Further, the price point of the pass must be attractive to both the local and long-distance riders.

The following chart shows a break-even point for the monthly pass pricing:

MONTHLY PASS "BREAK EVEN POINT" COSTS (expressed in # of return trips)				
Pass Cost	\$10 Long Distance Return Trips/Mo		\$5 Local Return Trips	
	Per Month	Per Week	Per Month	Per Week
\$80.00	4.0	1	8.0	2
\$100.00	5.0	1.2	10.0	2.5
\$110.00	5.5	1.4	11.0	2.7
\$120.00	6.0	1.5	12.0	3

The HSAT data shows that the actual number of trips of pass users far exceed the break-even point.

Staff are recommending a phased in rate increase to \$100.00 September 1, 2024 and \$120.00 on January 1, 2025. This recommendation is further supported by a comparison of transit program passes as follows:

	Local or Both	Inter- Community / Regional
HSAT - Current	\$ 80.00	
HSAT - September 1	\$ 100.00	
HSAT - January 1	\$ 120.00	
Middlesex - Student	\$ 160.00	
Norfolk -Adult	\$ 68.00	\$ 164.00
Norfolk -Senior/Youth	\$ 53.50	\$ 149.50
Norfolk - Semester	\$ 120.00	\$ 240.00
Tillsonburg -Adult	\$ 63.25	\$ 211.00
Tillsonburg -Senior/Youth	\$ 50.75	\$ 168.75
Sarnia -Adult	\$ 84.50	
Sarnia - Senior	\$ 62.50	
Sarnia - Semester	\$ 176.00	
Sarnia -Semester College	\$ 197.00	
Sarnia - Annual	\$ 916.00	
London - Unlimited	\$ 112.00	
London - Weekday	\$ 95.00	
London - Youth	\$ 72.00	

## **ALTERNATIVES TO CONSIDER**

Council could choose not to increase the monthly pass fare or increase it at a different level than proposed.

Staff have done research and analysis to support the new rate(s) proposed. Based on the services and distances provided by HSAT compared to other systems, staff feel the proposed rate(s) is in line with similar operations and fair and affordable for the users. The monthly pass will still provide the same service at a discounted rate.

## **RECOMMENDED ACTIONS**

That Report TR-17-2024 regarding the HSAT Monthly Pass rate increase be received and that the new fee of \$100.00 be implemented September 1, 2024 and the fee of \$120.00 be implemented January 1, 2025.

## **FINANCIAL IMPACT**

Although our hope is that we will maintain or even grow the number of monthly passes sold, there are no guarantees.

For illustration purposes, if the 264 monthly passes remain in place, HSAT's annual revenue will increase by \$5,280.00 monthly or \$63,360.00 annually with each rate increase.

For the rider the average discount rate for using a monthly pass is currently 60% and it will move to approximately 53% then 43% with the rate changes. This is still well below the feasibility study suggestion of a 20% discount.

## **CONSULTATION**

HSAT Transit Coordinator, Susan Mills