



## Transit Executive Committee Agenda

Council Chambers  
Regional Headquarters Building  
605 Rossland Road East, Whitby

**Wednesday, December 4, 2019**

**1:30 PM**

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**1. Declarations of Interest**

**2. Adoption of Minutes**

- A) Durham Region Transit Executive Committee meeting –  
[November 6, 2019](#)

Pages 3-7

**3. Delegations**

There are no delegations to be heard

**4. Presentations**

- A) Kelly McDermott, Solicitor, Labour and Employee,  
Region of Durham and Ian Sinnott, Unifor Local 222,  
Chairperson, re: DRT Court Advocacy Program

Handout

**5. Correspondence**

**6. Reports**

- A) General Manager's Report – December 2019 ([2019-DRT-23](#))
- B) Durham Region Transit Budget Status Report to October 31,  
2019 and Full Year Forecast ([2019-DRT-24](#))
- C) Durham Region Transit Fare Strategy ([2019-DRT-25](#))

Pages 8-19

Pages 20-24

Pages 25-38

**7. Advisory Committee**

**8. Confidential Matters**

**9. Other Business**

**10. Date of Next Meeting**

Wednesday, January 8, 2020 at 1:30 PM

**11. Adjournment**

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## The Regional Municipality of Durham

### MINUTES

#### DURHAM REGION TRANSIT EXECUTIVE COMMITTEE

Wednesday, November 6, 2019

A regular meeting of the Durham Region Transit Executive Committee was held on Wednesday, November 6, 2019 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 1:32 PM

Present: Commissioner Collier, Chair  
Commissioner Barton, Vice-Chair  
Commissioner Anderson  
Commissioner Carter  
Commissioner Drew  
Commissioner Pickles  
Regional Chair Henry

Absent: Commissioner Bath-Hadden  
Commissioner Mulcahy

#### Staff

Present: E. Baxter-Trahair, Chief Administrative Officer  
W. Holmes, Acting General Manager, Durham Region Transit  
J. Austin, Deputy General Manager, Business Services, Durham Region Transit  
D. Beaton, Commissioner of Corporate Services  
D. Dunn, Project Manager, Transportation Design, Works Department  
J. Hunt, Director, Legal Services, Corporate Services – Legal  
T. Macaulay, Manager, Talent Acquisition & Organizational Development.  
Corporate Services – Human Resources  
A. McKinley, Deputy General Manager, Maintenance, Durham Region Transit  
A. Naeem, Solicitor, Corporate Services – Legal  
C. Norris, Manager, Customer Experience, Durham Region Transit  
R. Inacio, Systems Support Specialist, Corporate Services – IT  
C. Tennisco, Committee Clerk, Corporate Services – Legislative Services

#### 1. **Declarations of Interest**

There were no declarations of interest.

**2. Adoption of Minutes**

Moved by Commissioner Carter, Seconded by Commissioner Barton,  
(53) That the minutes of the regular Durham Region Transit Executive  
Committee meeting held on Wednesday, October 2, 2019, be adopted.  
CARRIED

Moved by Commissioner Carter, Seconded by Commissioner Pickles,  
(54) That the agenda be altered to consider Item 8. A), Report #2019-DRT-22:  
Confidential Report of the Chief Administrative Officer – Personal Matters  
about an Identifiable Individual with Respect to an Employment Contract,  
next.  
CARRIED

**8. Confidential Matters**

A) Confidential Report of the Chief Administrative Officer – Personal Matters about  
an Identifiable Individual with Respect to an Employment Contract (2019-DRT-22)

Confidential Report #2019-DRT-22 from E. Baxter-Trahair, Chief Administrative  
Officer, Durham Region Transit, was received.

With the consensus of the Committee, Confidential Report #2019-DRT-22 was  
considered in the open session of the Transit Executive Committee meeting.

Moved by Regional Chair Henry, Seconded by Commissioner Drew,  
(55) That the Transit Executive Committee confirm the appointment of  
William Holmes as the new General Manager of Durham Region  
Transit, effective November 7, 2019.

CARRIED ON THE FOLLOWING  
RECORDED VOTE:

<u>Yes</u>	<u>No</u>
Commissioner Anderson	None
Commissioner Barton	
Commissioner Carter	
Commissioner Drew	
Regional Chair Henry	
Commissioner Pickles	
Chair Collier	

Members Absent: Commissioner Bath-Hadden  
Commissioner Mulcahy

Declarations of Interest: None

**3. Delegations**

There were no delegations to be heard.

**4. Presentations**

There were no presentations to be heard.

**5. Correspondence**

**6. Reports**

A) Acting General Manager's Report – November 2019 (2019-DRT-19)

Report #2019-DRT-19 from W. Holmes, Acting General Manager, Durham Region Transit, was received.

W. Holmes provided an overview on key performance indicators including the 10 per cent increase in the September 2019 ridership; and, the Y10 youth fare incentive attributing to a 25 per cent increase in the number of September youth pass sold. Discussion followed on the increase in On Demand service trips delivered in the municipalities of Brock, Scugog, Uxbridge, and when the On Demand services would be extended into the rural areas of the Municipality of Clarington. W. Holmes advised that the current project to review transit services in the rural areas will inform the DRT strategy for delivering transit services in rural and low demand areas of the Region, and staff will report back on future On Demand service requirements, including in the Municipality of Clarington.

At the request of the Committee, W. Holmes provided a brief update on the improved September On-Time Performance (OTP) services because of increased availability of operator resources; and the steps being taken to review and improve OTP.

Moved by Commissioner Carter, Seconded by Commissioner Barton,  
(56) That Report #2019-DRT-19 of the Acting General Manager, Durham Region Transit, be received for information.

CARRIED

B) Investing in Canada Infrastructure Program – Public Transit Stream Funding Submissions (2019-DRT-20)

Report #2019-DRT-20 from W. Holmes, Acting General Manager, Durham Region Transit, was received.

Moved by Commissioner Carter, Seconded by Commissioner Barton,  
(57) That Report #2019-DRT-20 of the Acting General Manager, Durham  
Region Transit, be received for information.

CARRIED

C) Durham-Scarborough Bus Rapid Transit – Update (2019-DRT-21)

Report #2019-DRT-21 from W. Holmes, Acting General Manager, Durham  
Region Transit, was received.

Moved by Commissioner Carter, Seconded by Commissioner Barton,  
(58) That Report #2019-DRT-21 of the Acting General Manager, Durham  
Region Transit, be received for information.

CARRIED

**7. Advisory Committee Resolutions**

There were no advisory committee resolutions to be considered.

**8. Confidential Matters**

This matter was considered earlier in the meeting. [See Motion 55 on page 2 of  
these minutes.]

**9. Other Business**

9.1 Durham Regional Police Service (DRPS) Food and Toy Drive

W. Holmes provided an update on the 2019 Durham Regional Police Services  
annual holiday Food and Toy Drive initiatives. He advised that DRT's  
participation will include a DRT season-themed bus at the various parades within  
Durham Region; and, also supporting DRPS at several of their Food and Toy  
Drive locations.

9.2 Terminal Planning for DRT Buses at the Durham-Scarborough Boundary

At the request of the Committee, C. Norris provided an update on the initiatives of  
the Metrolinx preliminary design business case, in conjunction with the  
Scarborough subway extension project, regarding the terminal planning for DRT  
buses in Scarborough.

9.3 DRT Transit Services into the Seaton Development

W. Holmes responded to questions regarding the potential upcoming DRT transit  
routes into the new Seaton development area located in the City of Pickering. W.  
Holmes advised that DRT will be meeting with the Mayors and Regional  
Councillors to review draft service plans for the DRT network.

Commissioner Carter asked that staff consider enhancing timely communication for any future DRT route or service changes.

9.4 DRT Bus Operator Career Fair

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At the request of the Committee, W. Holmes provided an update on the DRT Bus Operator Career Fair held in collaboration with Durham Region's Human Resources Talent and Acquisition group on October 19, 2019; the objective was to broaden DRT's applicant pool. He advised that the event attracted over 750 people interested in a career with DRT and provided participants support in the initial testing to become a bus operator. He noted that staff continues to track and monitor the applicants as the recruitment process moves forward.

9.5 The Transit Executive Committee Powers to make Decisions

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Chair Collier raised a concern regarding the recent two incidents that the Finance & Administration Committee amended DRT reports, the last report being the 'Update on DRT Kids Ride Free Incentive Pilot Program'; without knowing the implications and the Transit Executive Committee's overall goals and objectives for the DRT services. E. Baxter-Trahair advised that staff is reviewing the governing Council Rules of Procedures and the Durham Region Transit Commission By-law.

**10. Date of Next Meeting**

The next regularly scheduled Durham Region Transit Executive Committee meeting will be held on Wednesday, December 4, 2019 at 1:30 PM in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

**11. Adjournment**

Moved by Regional Chair Henry, Seconded by Commissioner Drew,  
(59) That the meeting be adjourned.

CARRIED

The meeting adjourned at 1:47 PM

Respectfully submitted,

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S. Collier, Chair

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Committee Clerk

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3702



## Durham Region Transit Report

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To: Durham Region Transit Executive Committee  
From: General Manager, Durham Region Transit  
Report: [#2019-DRT-23](#)  
Date: December 4, 2019

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**Subject:**

General Manager's Report – December 2019

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**Recommendation:**

That the Durham Region Transit Executive Committee recommends:

That this report be received for information.

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**Report:**

**1. Purpose**

1.1 This report is submitted at each Transit Executive Committee (TEC), for information.

**2. Background**

2.1 The General Manager Report provides regular updates on key performance measures and summaries of current activities and transit issues in Attachment #1.

**3. Financial**

3.1 The General Manager's Report focuses mainly on performance and service standards. There are no financial impacts associated with TEC's receipt of this report.



**4. Attachment**

**Attachment #1:** General Manager's Report – December 2019

Respectfully submitted,

Original signed by

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Bill Holmes  
General Manager, DRT

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



# General Manager Report

December 4, 2019

TEC

Attachment #1

Performance Measures Dashboard	2
Safety	3
Ridership	4
Service Delivery	6
Updates	7
General	9

# Performance Measures Dashboard

## Safety

Key performance indicator	Description	Latest Measure	Current	Target <sup>1</sup>	Current Variance to Target	YTD Status <sup>2</sup>
Collisions	Preventable collisions per 100,000 km	October	0.53	0.46	15 per cent	15 per cent

## Ridership

Key performance indicator	Description	Latest Measure	Current	Target <sup>1</sup>	Current Variance to Target	YTD Status <sup>2</sup>
Conventional						
Ridership	Monthly passengers	October	1.12M	1.10M	2.9 per cent	2.8 per cent
PRESTO Ridership	Customers paying using PRESTO	October	37.4 per cent	32.1 per cent	16.5 per cent	16 per cent
Bus full occurrences	Number operator reported occurrences	October	365	437	-16 per cent	Not previously reported
On Demand (OD) and Specialized Services (SS)						
Ridership (OD)	Number customer trips	October	185	18	928 per cent	304 per cent
Ridership (SS)	Number customer trips	October	16,428	16,087	2 per cent	-0.7 per cent
Trip Demand (SS)	Total of trips delivered, no show or cancelled at door, unaccommodated	October	16,985	16,441	3 per cent	0.1 per cent
Unaccommodated Rate (SS)	Trip requests not scheduled	October	0.9 per cent	0.9 per cent	0	-23 per cent

## Service Delivery

Key performance indicator	Description	Latest Measure	Current	Target <sup>1</sup>	Current Variance to target	YTD Status <sup>2</sup>
On time performance	Percent on-time departures from all stops	October	77 per cent	70 per cent <sup>3</sup>	10 per cent	76 per cent <sup>4</sup>
Service availability	Percent scheduled service delivered	October	99.7 per cent	99.5 per cent <sup>3</sup>	0.2 per cent	99.1 per cent <sup>4</sup>

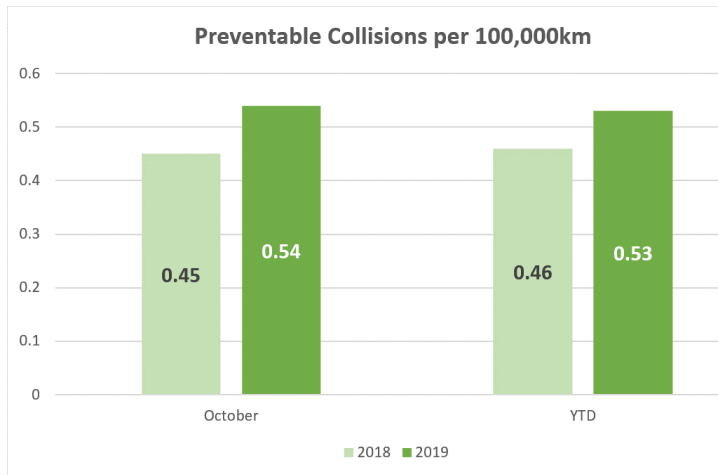
<sup>1</sup>Target is 2018 measure for the same period as latest measure

<sup>2</sup>Year to Date (YTD) compared to previous year

<sup>3</sup>Represents annual target, not previously monitored and reported monthly prior year

<sup>4</sup>Current YTD status, not previously monitored and reported monthly prior year

## Preventable Collisions per 100,000 km



**Definition:** A preventable collision is one in which the driver failed to do everything reasonable to avoid it. A collision may not be reportable to police based on the Highway Traffic Act, but for Durham Region Transit (DRT) purposes all collisions are documented and investigated.

### Analysis

The collision rate in October 2019 was 15 per cent higher than 2018, and year to date (YTD) remains at 0.53 collisions per 100,000 km.

The increase in preventable collision data in 2019 is a result of an improved reporting by bus operators, an enhanced investigation process and utilization of data from the expansion of the on-board surveillance system throughout the bus fleet.

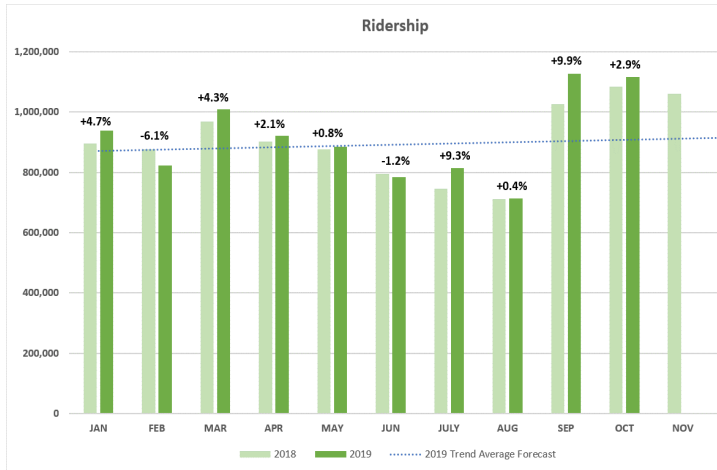
### Action Plan

DRT Safety and Training have implemented mandatory training, specific to the root cause of the collision, for any employee involved in a preventable collision or incident.

DRT Safety and Training and the Joint Health & Safety Committees continue to monitor collision trends with the objective to identify appropriate mitigation strategies.

# Ridership

## Conventional



year, with 39 per cent of ridership now using PRESTO fare payment (six per cent using monthly pass on PRESTO, 33 per cent using PRESTO E-purse).

The introduction of PRESTO-based fare incentives in 2019 (such as Y10 and TAP) has significantly contributed to the increasing use of PRESTO electronic fare payment for monthly passes.

Ridership continues to improve in all fare categories.

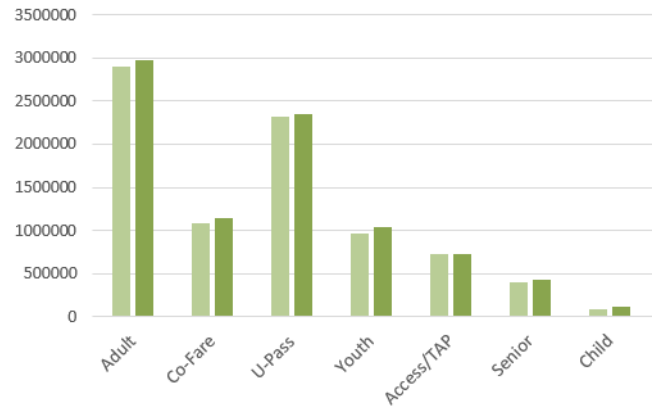
**Definition:** Ridership is the sum of all passenger trips. A passenger trip is considered a one-way trip from origin to destination, regardless of the number of transfers that may be required. Ridership data is calculated from fare box data and data from PRESTO, GO Bus One Fare Anywhere, and On Demand.

### Results

Ridership on the conventional service continues to surpass 2018 and the current budget; 2.9 per cent in October, 2.8 per cent YTD, and 3.0 per cent compared to 2019 budgeted ridership.

Customers continue to transition to PRESTO electronic fare payment, with a ten per cent increase in ridership using E-Purse YTD, and a 59 per cent increase in ridership using a monthly pass on PRESTO YTD. Overall, ridership using PRESTO is up approximately five per cent compared to the same period last

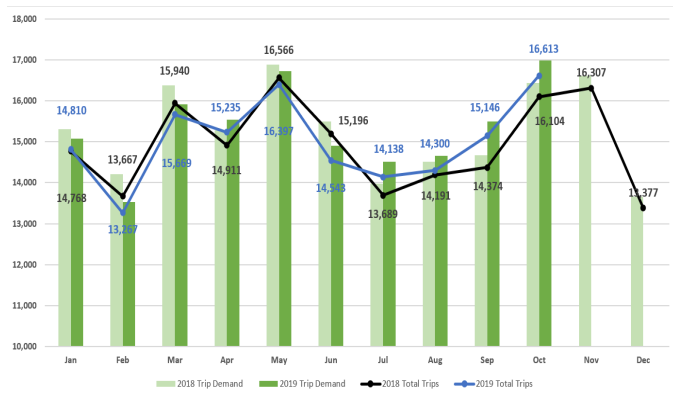
### YTD Ridership By Fare Category



### Action Plan

Additional analysis of ridership will be undertaken to inform ridership and revenue projections for the 2020 budget.

# On Demand / Specialized Services



## Definitions:

**Ridership:** A Specialized Services trip is considered a one-way passenger trip from origin to destination, regardless of the number of transfers that may be required. Ridership data is calculated from the scheduling system used by DRT Specialized Services.

**Trip Demand:** Trip demand is the sum of all trips delivered, no-shows and cancelled at the door, and unaccommodated trips.

**Unaccommodated Rate:** An unaccommodated trip is one where DRT is unable to schedule a trip for the specific requirements of the customer, or the customer declined to accept the trip option provided by the booking agent.

## Results

Ridership on the On Demand service continues to exceed expectations following the September implementation of service enhancements that improved access to public transit.

For October 2019 ridership increased by approximately 930 per cent compared to 2018,

with a YTD increase of 304 per cent. Residents are increasingly using DRT On Demand throughout the municipalities of Brock, Scugog and Uxbridge, accounting for 34 per cent, 52 per cent and 14 per cent of ridership, respectively.

For the second straight month ridership on the Specialized service exceed a 2018, increasing by two per cent in October and contributing to YTD ridership that is less than one per cent lower than last year. Similarly, trip demand increased by three per cent in October, and YTD demand now exceeds 2018 demand.

Unaccommodated trips for October were basically the same as last year, contributing to a YTD improvement of 23 per cent fewer unaccommodated trips.

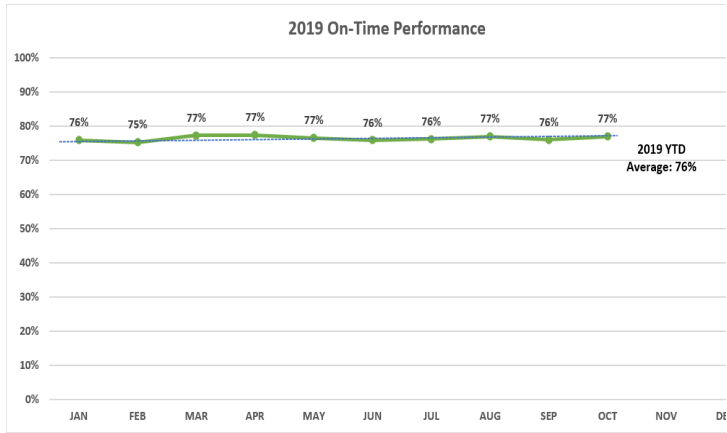
## Action Plan

The Communications group continue to promote On Demand services through various channels, with additional opportunities to engage residents during the various Rural Review public information centres being held in late November.

Specialized service staff are monitoring the increased demand for Specialized services, which, until last month, had been declining. When the eligibility review program begins it is expected that some customers may no longer be eligible for Specialized Services, which will increase capacity to accommodate the increasing demand.

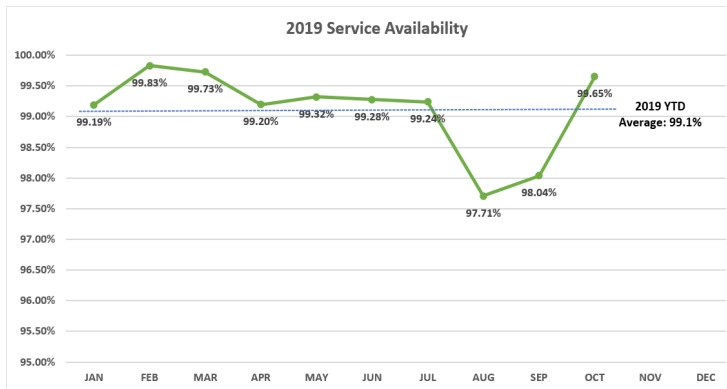
# Service Delivery

## On Time Performance & Availability (conventional)



### Definition

On-Time Performance (OTP) is a measure of the percentage of buses departing a bus stop no more than zero minutes early and five minutes late. The annual OTP target is 70 per cent.



Service availability measures the actual service delivered by DRT compared to the scheduled revenue service.

### Results

OTP through October continues to be in the 76-77 per cent range, exceeding the 70 per cent target.

DRT delivered 99.7 per cent of schedule service in October, with the YTD availability of 99.1 per cent.

The increased service availability is attributed to improved traffic conditions and availability of operator resources.

### Action Plan

Transit Control continue to leverage and enhance service management actions to improve availability, and it is expected that the annual target of 99.5 per cent will be achieved for 2019.

### Improving Access

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#### 1. Transit Assistant Program (TAP) Update

Following a targeted communications and training campaign in October with social assistance clients and caseworkers, DRT officially launched the Transit Assistance Program (TAP) pilot on November 1, 2019. TAP is a PRESTO-based Fare Incentive program for Ontario Works and Ontario Disability Support Program (ODSP) clients in Durham that provides free travel on DRT after 14 rides each month. TAP provides customers with certainty that they will not pay more than \$44.80 on DRT during any one month.

DRT installed a PRESTO sales terminal at the Durham Social Services Office at 200 John Street in Oshawa, allowing for PRESTO cards to be loaded and distributed directly to Ontario Works clients. The terminal is also being used to set up cards for distribution through other Durham Social Service office locations in Whitby, Ajax and Uxbridge. As part of the roll-out DRT assigned a customer service representative to 200 John Street to assist with card loading and registration and client questions. Between October 28 and November 18, 1,060 TAP PRESTO cards were distributed through Durham Social Service Offices.

TAP cards have also been made available through other DRT PRESTO points of sale, including DRT Customer Service in Ajax, Regional Headquarters in Whitby, the Oshawa Centre and the Pickering Town Centre, and have been provided to the ODSP Office in Oshawa for distribution in November. At this time DRT is awaiting confirmation on the number of TAP PRESTO cards issued by the ODSP office.

DRT customer service and point of sale staff have identified significant interest in TAP and a high volume of calls from customers to answer questions about how the card works. While initial system information indicates there are many TAP card users who are knowledgeable about the program and continued to ride DRT at no additional charge after exceeding the 14-ride cap, some customers are still getting accustomed to the program and are managing trips so as to not exceed 14 rides over the month. In the small number of cases where technical issues with TAP cards have occurred (e.g. unrecorded rides), DRT has worked with PRESTO to resolve issues as quickly as possible.



# Continuous Improvement

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## 1. No Show and Late Cancellation Policy

In 2016 DRT Specialized Services fully implemented the No Show and Late Cancellation policy to address the increasing incidents of customers wasting vehicle capacity by not showing for a scheduled trip or cancelling the trip late. The policy enabled staff to work with customers who trigger into the accountability framework to ensure the customer is aware of the expectation to notify staff in advance when scheduled trips are not required. The policy also considers unplanned incidents beyond the control of the customer, such as a medical episode or delays due to weather, for which the customer is not held accountable for the now show or late cancellation.

The points-based policy is progressive, starting with a letter reminding the customer about the policy and notifying the person of their no show or late cancelled trips. At each stage of the process the customer is encouraged to contact DRT to discuss incidents that may not fall within the policy. As the customer continues not to show up for a scheduled trip or cancel late, points accumulate and may trigger an outcome ranging from being unable to use the service for two to 90 days. At each stage the customer can appeal by notifying DRT, and if a resolution is not reached with the Manager, On Demand/Specialized, the appeal is then forwarded to the General Manager for a decision.

In the three years since the policy was implemented, no show and late cancelled trips have decreased by 20 per cent, with a further reduction predicted by the end of 2019.

Specialized Services has recently issued letters to customers who triggered the policy accountable thresholds and staff are responding to customer inquires. This is the first time that a threshold has been reached where the customer will be unable to use the service for 60 days. Generally, customers do not progress beyond the first or second threshold, but at times customers continue to ignore the policy requirement to cancel scheduled trips in advance.

# General

## 1. December service highlights

The next service change will be implemented December 9, 2019 through January 5, 2019.

### Schedule changes & service improvements

Minor schedule changes are being made to better match actual running times and to improve connections.

Route 103 Weekdays: Morning and afternoon peak schedule changes to improve GO Train connections at Rouge Hill Station.

Route 110 Saturday: Updates to running time for some trips.

First trip around 06:30 hours to support earlier customer travel options and thirty-minute frequency until 20:00 hours to provide additional travel options and improve connections.

Route 112 Saturday: First trip around 06:45 hours to support earlier customers travel options and thirty-minute frequency until 20:00 hrs to provide additional travel options and improve connections.

Route 120 Saturday: Thirty-minute frequency until 20:00 hours to provide additional travel options and improve connections.

Route 217 Saturday: First trip around 06:30 to support earlier customer travel options.

Route 223 Saturday: First trip around 06:30 hours to support earlier customer travel options and thirty-minute frequency starting at 06:30 hours to improve connections.

Route 401 Saturday: First trip around 06:00 hours to support earlier customer travel options.

Route 915 Weekdays: Early evening scheduled changes to improve connections with GO Trains.  
Weekday midday service will operate every fifteen minutes or better, all year.

Route 915 Saturday: First trip around 06:00 hours to support earlier customer travel options and thirty-minute frequency until 20:00 hours to improve connections.

### December 2019 service level exceptions

Monday, December 23	Saturday schedule
Tuesday, December 24	Saturday schedule
Wednesday, December 25	Special schedule (check web site or call customer service)
Thursday, December 26	Sunday schedule
Friday, December 27	Saturday schedule
Tuesday, December 31	Weekday schedule with extended late evening service
Wednesday, January 1	Sunday schedule

On December 23, 24 and 27, Saturday schedules will be enhanced with supplemental trips earlier in the day and/or increased frequency on several routes including routes 110, 112, 120, 216, 223, 302, 305, 401, 403, 405, 407, 910, 915, 916, and PULSE 900 Highway 2.

### New Year's Eve

On New Year's Eve, extended late-night service will operate on routes 120, 216, 224, 302, 401, 403, 405, 910, 915, 916, and PULSE 900 Highway 2.

Additional late-night drop-off shuttle departures will operate from Pickering (181 from Platform 4), Ajax (283, 284 from platform 7) and Whitby (385 from platform 7) stations.

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3702



## Durham Region Transit Report

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To: Durham Region Transit Executive Committee  
From: Treasurer, Durham Region Transit  
Report: [#2019-DRT-24](#)  
Date: December 4, 2019

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**Subject:**

Durham Region Transit Budget Status Report to October 31, 2019 and Full Year Forecast

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**Recommendation:**

That the Durham Region Transit Executive Committee recommends:

That this report be received for information.

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**Report:**

**1. Purpose**

1.1 This report provides a projection of the 2019 Durham Region Transit (DRT) budget status position. The analysis is based on a review of the financial reports to October 31, 2019, and discussions between DRT and Finance Department staff related to the DRT overall financial position for 2019.

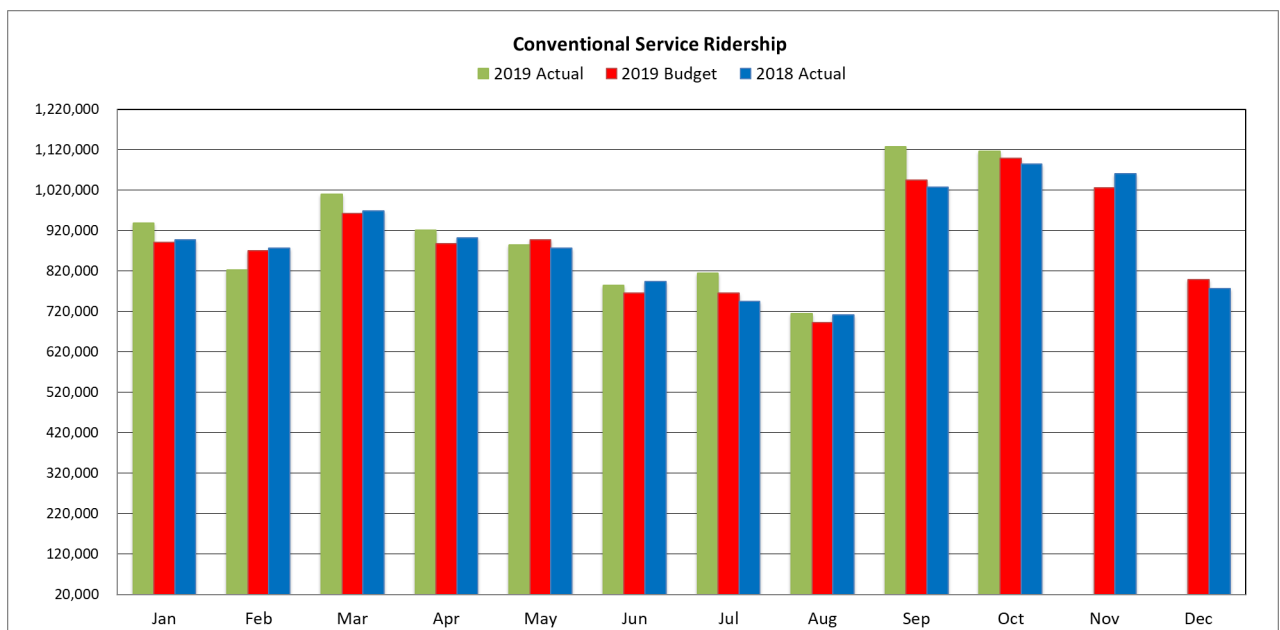
**2. Background**

- 2.1 A \$300,000 surplus position is expected for 2019 based upon a review of actual expenditures and revenues to date and forecasts to the end of the year, with the major variances shown in the following table.
- 2.2 However, there are uncertainties that may impact the forecast, including risks relating to fluctuating fuel prices and harsh weather events at the end of the year.

	Detail	Surplus (Deficit) Variance to Budget
	\$	\$
<b>Fare Revenue</b>		
Presto	150,000	
Cash Fare	(250,000)	
Passes & Tickets	-	
U-Pass	400,000	<b>300,000</b>
<b>REVENUE PROGRAM SUMMARY</b>		<b>300,000</b>
Operations	(200,000)	
Maintenance	200,000	
Facilities	-	
Specialized Services	-	-
<b>EXPENDITURE PROGRAM SUMMARY</b>		<b>-</b>
<b>PROJECTED OPERATING RESULTS</b>		<b>300,000</b>

**3. Year to Date Result and Full Year Forecast – Revenue Programs**

3.1 Preliminary statistics available to the end of October indicate that overall conventional ridership is approximately 2.9 per cent, or approximately 264,000 riders, higher than the budgeted ridership expectations and about 2.8 per cent or 253,000 higher than the same period in 2018. The graph below depicts total conventional ridership by month compared to the 2019 budget and actual prior year.



- 3.2 Preliminary statistics available to October indicate that specialized services ridership, comparatively much smaller than conventional service ridership, is down approximately 0.5 percent when compared to the same period in 2018 and is equal to 2019 budget expectations.
- 3.3 Overall, a \$300,000 surplus position for conventional and specialized fare revenue is projected for 2019, based on ridership and revenues to the end of October.
- PRESTO ridership is tracking approximately nine per cent higher than budgeted expectations. Consequently, a \$150,000 surplus is projected for PRESTO revenue.
  - However, cash fare revenue is trending lower than budgeted expectations, resulting in a \$250,000 deficit for this fare type. Pass and ticket sales revenue is trending equal to budgeted expectations, and as a result, a break-even position is expected for this type of fare media.
  - U-Pass revenue is approximately \$400,000 greater than budgeted levels as enrolment has surpassed what was anticipated in the approved budget.

#### **4. Year to Date Results and Full Year Forecast – Expenditure Programs**

- 4.1 The significant factors influencing the current 2019 forecast for each major expenditure program are highlighted below.
- a. Operations: The forecasted deficit for the Operations program is expected to be approximately \$200,000.
- Route maintenance services, including snow and ice removal, are required in order to keep almost 2,800 bus stops and over 500 shelters safe for DRT riders. The budget assumes approximately 75 per cent of expenditures are incurred in the early part of the year, with the remaining 25 per cent in the November-December time frame. Currently, expenditures are close to 90 per cent of budget as weather conditions were unusually harsh well into April, along with earlier than anticipated snow fall in November. Consequently, a \$200,000 deficit position is expected.
- b. Maintenance: The Maintenance program is expected to be in a \$200,000 surplus position.

- Average fuel prices are about sixteen cents lower than budget to date, and as a result, have impacted operating results by approximately \$700,000. If this trend continues, the surplus could reach approximately \$950,000.
  - This fuel price surplus is partially offset by the volume of conventional fuel used, which is trending about 93,000 litres higher through October than budgeted expectations, leading to an expected deficit of \$100,000. Overall, a projected surplus of \$600,000 for fuel is anticipated.
  - A \$400,000 deficit position for bus repairs and parts is forecasted at this time. DRT Maintenance staff continues to review opportunities to manage expenditures to control this over expenditure.
- c. Facility Management: DRT Facilities are expected to be in a break-even position. Ground maintenance, mainly clearing of snow and ice at the main bus depots, is tracking higher than anticipated. However, this is offset by lower than expected facility-related repairs and maintenance.
- d. Specialized Services: The Specialized Services program is expected to be in a break-even position in 2019 when compared to the approved budget.
- Contracted taxi services continue to be used to supplement the specialized bus services. Approximately 38 per cent of all Specialized Service riders are supported by contracted taxis in 2019 to October. This level of support from taxi services is in line with 2018 levels for the same period and 2019 budgeted expectations, and as a result, a break-even position is expected for this service.

## **5. Tangible Capital Asset Program**

- 5.1 Orders have been placed for replacement and expansion buses, as well as for bus stop infrastructure requirements. It is expected that the funding provided for tangible capital assets budgeted for in 2019 will be sufficient to cover the costs of the capital purchases.

## **6. Year End Forecast**

- 6.1 As of October 31, it is projected that DRT will be in a \$300,000 surplus position for 2019.

6.2 DRT and Regional staff will be working cooperatively to closely monitor the financial status of operations over the coming months.

Respectfully submitted,

Original signed by

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Nancy Taylor, BBA, CPA, CA  
Treasurer, DRT

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3702



## Durham Region Transit Report

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To: Durham Region Transit Executive Committee  
From: General Manager, Durham Region Transit  
Report: [#2019-DRT-25](#)  
Date: December 4, 2019

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**Subject:**

Durham Region Transit (DRT) Fare Strategy

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**Recommendation:**

That the Durham Region Transit Executive Committee recommends:

- A) That the principles and timeframes outlined in the fare strategy described in this report be endorsed;
  - B) That DRT continue to collaborate with Metrolinx and other Greater Toronto and Hamilton area transit agencies to harmonize concessions and explore opportunities to reduce fare barriers to cross boundary travel.
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**Report:**

**1. Purpose**

- 1.1 This report presents DRT's fare strategy and objectives over the next five years to simplify DRT's overall fare structure and incentivize and accelerate the transition to PRESTO electronic fare card payment. The report identifies opportunities to reimagine public transit fares in Durham in a manner that continues to increase the value of public transit for customers.

## 2. Background

2.1 DRT's current fare structure is based on a range of fare products, fare concessions and fare mediums as summarized in Table 1:

Table 1: Summary of DRT Fare Structure

Concessions	Products		
	Pre-purchased single ride (PRESTO, ticket)	Pre-purchased monthly pass (PRESTO, ticket)	Cash
Standard (Adult)	Yes	Yes	Yes
Youth (13-19)	Yes	Yes	Yes
Senior (65 and over)	Yes	Yes	Yes
Child (0-12)	Yes	Yes	Yes

### 2.2 Fare Products

#### a. Pre-purchased single ride

A single ride option is provided as a pre-purchased fare for all DRT concessions. Tickets, in books of multiples of ten, are available through the municipal and third-party point of sale locations. Single ride tickets represent three per cent of customers. Customers can also load money onto their PRESTO E-Purse to use the single ride tap, which represents 33 per cent of ridership.

#### b. Monthly Pass

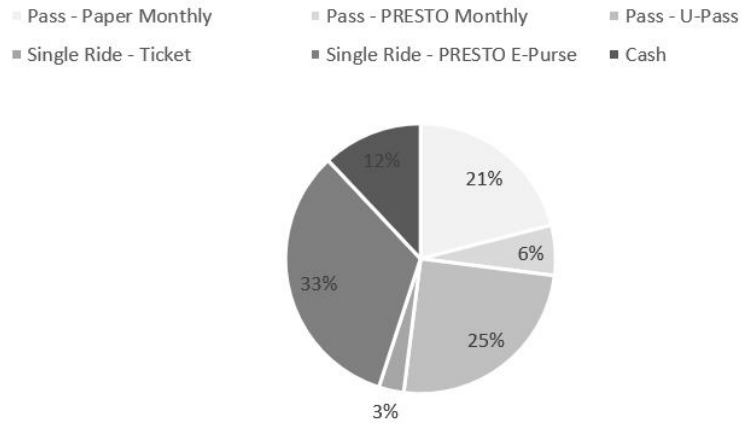
- The monthly pass provides unlimited travel on the DRT network for a fixed upfront payment providing ease of travel and spontaneous journeys.
- The monthly pass, valid over a calendar month, is priced differently for each concession and are pre-purchased through a network of municipal and third-party point of sale locations and on PRESTO. Monthly passes represent 27 per cent of ridership, with 21 per cent using paper passes and six per cent using PRESTO.

c. Cash

Cash fares are higher than the pre-purchased single ride and pass products. Customers can pay cash at the time of boarding and represents 12 per cent ridership.

Figure 1: provides the current market segment by fare product:

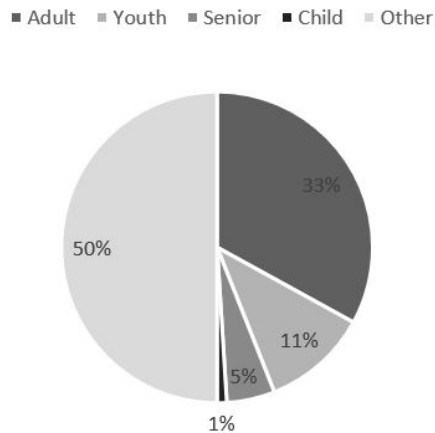
Figure 1: Ridership by fare product



2.3 Fare Concessions

The standard fare is the adult fare and is the base fare that applies to all customers who do not qualify for a discounted concession or who have not purchased a concession for which they may qualify for. Figure 2 provides the current market segment by concessions:

Figure 2: Ridership by fare concession



The other category, which accounts for 50 per cent of ridership, represents fare incentive programs that are not included within the fare concession table: U-Pass, Access/TAP, Co-Fare, and unclassified payment.

Table 2 summarizes the current discount provided for each fare concession and product compared to the standard fare (adult):

Table 2: DRT Fare Discount by Concession and Product

<b>Concession</b>	<b>Single ride</b>	<b>Monthly pass</b>	<b>Cash</b>
Senior (65 and over)	34 per cent	61 per cent	33 per cent
Youth (13-19)	11 per cent	20 per cent	0 per cent
Child (under 12 with fare paying passenger)	100 per cent	100 per cent	100 per cent
Child (under 12 without fare paying passenger)	34 per cent	61 per cent	33 per cent

## 2.4 Travelling beyond the DRT network

### a. Transfers

- Transfers between all 905 transit systems are accepted within the two-hour transfer window (from the time of boarding the first bus). This enables customers to seamlessly travel beyond the borders of one transit system onto another paying only a single fare. There are currently no agreements to honour transfers TTC, Orillia Transit, and Lindsay Transit.

### b. Metrolinx/GO Transit

#### • Co-Fare

The co-fare agreement between DRT and Metrolinx enables customers to transfer between a GO bus or rail service and a DRT service for a reduced rate. Customers save up to 75 per cent off of the adult single ride fare. The customer pays DRT \$0.80 when boarding the bus, and Metrolinx reimburses DRT the balance of the adult fare. This agreement provides an incentive for customers to access GO Transit services at a reduced rate while guaranteeing full adult fare revenue for DRT.

- One Fare

The one fare agreement between DRT and Metrolinx enables travel for customers on GO Transit corridors where DRT currently does not provide service. These corridors are GO bus routes 71 (Uxbridge to Goodwood), 81 (Whitby to Brock), and 90 (Oshawa to Newcastle). Under the payment terms of the agreement DRT pays Metrolinx for each customer boarding made with a paper-based DRT fare (pass, ticket, and transfers); PRESTO and cash are not eligible.

The One Fare agreement has been maintained because a PRESTO solution is not available.

## 2.5 Fare mediums and distribution

### a. Paper-based

Paper-based products include monthly passes and tickets and are available for sale through the network of municipal and third-party point of sale locations. Approximately 30 per cent of DRT ridership currently uses paper-based fares.

### b. PRESTO

In 2008, DRT introduced the PRESTO fare payment system which offers several benefits for passengers, operators and DRT, including seamless travel between transit systems, on-line account management and electronic purse protection, and accurate ridership data. Customers also benefit from an extensive point of sale network that includes Shoppers Drug Mart locations in Durham Region and supplemented by DRT. Thirty-nine per cent of DRT customers use PRESTO today, and that number continues to grow annually.

New fare incentives are only available on PRESTO and are expected to further shift customers away from paper fare media. The introduction of the next generation PRESTO mobile solution for specialized services will further provide an opportunity to shift customers away from the paper-based fares.

## 2.6 Current fare setting process

DRT's current process for setting fares has not applied fare changes consistently across concessions. In certain cases, this has resulted in a growing differential in fares subject to annual increases (for example adult and youth PRESTO fares) and those remaining unchanged for multiple years (for example senior fares). In other cases, there has been compression of incentive structures, such as the cash

fare, which has remained unchanged for more than three years, and may have reduced the incentive for transition to electronic fare payment.

Incentive and discounted fares have been traditionally absorbed by DRT, directly impacting revenues along with the quantity and quality of service available to customers

### **3. DRT Fare Strategy**

- 3.1 The DRT fare strategy will achieve a fare structure that is simple, seamless and fair, provides incentives to loyal customers, and offers additional assistance to customers through social services. The strategy will be informed by the fare integration work currently underway through the Regional Collaboration Forums that involve participation from all transit agencies in the GTHA.

The fare strategy is based on six principles:

- a. Recognize fare pricing influences services use.
  - b. Apply fare increases to the standard (adult) single-ride fare and translate increases to other concessions and products.
  - c. Provide choice for customers through loyalty incentives offering value for frequent use.
  - d. Incentivize and prioritize electronic fare payment functionalities that provide value for customers and DRT.
  - e. Minimize interaction/oversight of fares by bus operators.
  - f. Ensure sustainability of discounted fare programs while minimizing impacts on DRT service delivery.
- 3.2 The fare strategy consists of three stages.
- a. Short term (2020): Incentivizing PRESTO by creating a significant price differential between single ride and cash fares.
  - b. Medium term (2021-2024): Fare harmonization and acceleration of PRESTO adoption.
  - c. Long term (2025 and beyond): Simplified, needs-based fare structure that promotes easier travel beyond Durham Region boundaries.

Each phase of the strategy is dependent on key prerequisites (Table 3).

Table 3: DRT Long Term Fare Strategy Overview

Element	Short Term – Restore	Medium Term – Harmonize	Long Term – Reimagine
	2020	2021-2024	2025+
Objectives	<ul style="list-style-type: none"> <li>• Stronger price differential between adult single ride fares and cash fare to incentivize PRESTO</li> </ul>	<ul style="list-style-type: none"> <li>• Harmonize all cash fares to a single price</li> <li>• Promote loyalty through monthly pass, weekly and daily cap rates</li> <li>• Phase out legacy paper passes</li> <li>• Evaluate U-Pass price for consideration to align with new fare structure</li> <li>• Standard discount percentages for concessions and incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Implement needs-based fare structure</li> <li>• Introduce regional fare products enabling travel on multiple transit agencies</li> <li>• Examine the opportunity to provide premium service fares</li> </ul>
Prerequisites enabling implementation	<ul style="list-style-type: none"> <li>• Implement fare initiatives for customers on social assistance, and for children and youth and those with low income</li> </ul>	<ul style="list-style-type: none"> <li>• Complete replacement of all PRESTO devices</li> <li>• Implement PRESTO payment on all On Demand and specialized services</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation and expansion of permanent PRESTO-based low-income program</li> <li>• Finalize and plan for GTHA fare structure</li> </ul>

### Short Term (2020)

- 3.3 The short-term objective of the DRT fare policy is to incentivize PRESTO use by increasing the price differential between the standard adult single ride and cash fares. Over the past five years DRT single ride tickets have increased by five cents annually to the current rate of \$3.20. At the same time DRT's cash fare has remained unchanged at \$3.75, a price differential change from \$0.70 to \$0.55.
- 3.4 DRT continues to recognize the impact that fare increases can have on existing and potential customers. In 2019 DRT launched several discount fare initiatives targeting youths and customers using social assistance, to improve affordability and increase ridership among these customer groups. who may have few transportation alternatives. DRT will continue to explore new markets where innovative fare incentives and products can be offered.
- 3.5 To incentivize customers to migrate towards PRESTO and move away from cash, a price differential between the standard single ride fare and cash will be set at \$1.00. This differential will keep DRT in line with other 905 transit agencies as indicated in Table 4. This target could be phased in over two years to minimize impacts to customers.

Table 4: Summary of GTHA 2019 Standard Transit Fare Price Differentials

Transit Agency	Cash Fare	PRESTO Single Ride	Price Differential
Brampton	\$4.00	\$3.10	\$0.90
Oakville	\$4.00	\$3.10	\$0.90
Burlington	\$3.50	\$2.75	\$0.75
Hamilton	\$3.25	\$2.50	\$0.75
Mississauga	\$3.75	\$3.10	\$0.65
Durham Region	\$3.75	\$3.20	\$0.55
York Region	\$4.25	\$3.88	\$0.37
Toronto	\$3.25	\$3.10	\$0.15

- 3.6 A framework is proposed to set fares throughout the concessions and products based on the standard (adult) pre-purchased single ride fare. The pre-purchased single-ride fare would be calculated based on a Commission approved discount for



each concession. Loyalty products, such as the monthly pass and potential day pass and weekly maximum, would be determined based on approved trip equivalencies.

Table 5 below is an example of the current fare table following the proposed fare framework.

Table 5: Current Fare Table Discount Framework

	Pre-purchased single ride discount	Cash differential	Monthly Pass Trip equivalent
Standard (Adult)	Not Applicable	\$0.55	36.6 trips
Youth (13-19)	11 per cent	\$0.90	32.8 trips
Senior (65 and over)	34 per cent	\$0.40	21.9 trips
Child (0-12)	34 per cent	\$0.40	31.0 trips

### Medium Term (2021-2024)

- 3.7 DRT will consolidate the four current cash fares (adult, senior, youth, child) into a single standard cash fare. All GTHA transit agencies, except DRT and TTC, offer a single, harmonized cash fare. This will further incentivize and accelerate the transition to PRESTO electronic fare payment. Moving to a single cash fare is contingent on the following deliverables:
- a. Replacement of all PRESTO devices and sales terminals by Fall, 2020.
  - b. Implementation of a PRESTO payment solution on all On Demand and specialized services vehicles, including contracted taxi providers.
  - c. Resolution of the One Fare arrangement with Metrolinx.
- 3.8 The senior, youth and child fares will be established based on a pre-defined percentage of the standard single ride fare (Adult). Currently, single ride senior and child fares are equivalent to 66 per cent of adult fares while the youth single ride fare is approximately 90 per cent.
- 3.9 Monthly pass price will be based on a defined number of single ride trips. For example, the current adult monthly pass, at a cost of \$117.00, is equivalent to 36.6 rides at \$3.20.

- 3.10 Daily and weekly loyalty products will be examined to further create value for customers. Additional markets, such as post-secondary schools not currently part of the U-Pass arrangement, will be considered.
- 3.11 DRT will complete reviews of existing fare incentive programs including Y10 and TAP. Subject to this review, DRT will recommend ending, amending and/or making the program permanent. For TAP this could involve expansion to other low-income customers based on a defined income level and subject to the availability of sustainable funding.

The costs of discounted fare programs that improve mobility of customers, such as Y10 and TAP, have traditionally been borne primarily by DRT. Yet the benefits from such programs, that may include strengthening connections to employment, training, education and health care opportunities, are often realized beyond DRT. Over the long term, DRT alone is unable to assume or sustain the revenue and/or service risks that accompany programs aimed at addressing broader social issues. Recommendations to make discount programs permanent will be informed by a full business case including funding requirements.

- 3.12 Upon completion of the PRESTO device replacement in 2020 and the elimination of the GO One Fare agreement, DRT will eliminate paper fare media.
- 3.13 DRT will consider options for aligning the U-Pass arrangement with Durham's three post-secondary institutions (Durham College, Ontario Tech University and Trent University) with the updated fare structure. DRT is currently working with post-secondary institutions on a one-year extension to the existing U-Pass agreement that would be effective through August 31, 2021.

### **Long Term (2025 and beyond)**

- 3.14 Over the long term, the introduction of a permanent and sustainable low-income program as a component of DRT's fare structure provides the opportunity to reimagine how public transit fares are constructed in Durham. Expanding the low-income program beyond solely social assistance clients may enable further simplification of DRT fares through a needs-based fare structure. Under this type of approach, customers below an established income threshold would be eligible for a discounted fare or pass. This type of approach would remove the need for age-based concessions for seniors or youth. Options for validating income levels under a needs-based structure will be reviewed as part of the TAP program evaluation and any recommended program adjustments.

#### 4. Transitioning to PRESTO and Cash only

4.1 DRT will phase out the paper fare products by 2022 or sooner. Paper fare products currently cost DRT approximately \$50,000 per year, offer fewer safeguards to prevent fraud compared to electronic payment, and do not provide accurate data on ridership.

Paper fare media and the supporting point of sale distribution network will be phased out over an 8-12-month period.

- a. Two months after decision is made to phase out paper fare media.
  - Municipal and library point of sale locations are closed (24 locations)
- b. Five months: All ticket sales end.
- c. Eight months (minimum), aligned with annual fare change date.
  - All transit tickets would no longer be valid.
  - All paper pass sales end.
  - Remaining paper fare media point of sale locations are closed (11 locations).

4.2 Customers have several opportunities to purchase a DRT fare on PRESTO. This includes web, mobile application, self-serve kiosks, GO Transit stations, Shopper's Drug Mart, and DRT operated locations. A summary of fare availability is presented in Table 6 below.

Table 6: DRT Fare availability by location

Channel	Availability	Locations	E-Purse	Monthly pass	Concession	Fare Incentive
DRT	Pickering, Ajax, Whitby, Oshawa	4	Yes	Yes	All	All
GO Transit Stations	Pickering, Ajax, Whitby, Oshawa (GO Stations)	4	Yes	No	Universal concessions only	No
Shopper's Drug Mart	Pickering, Ajax, Whitby, Oshawa, Uxbridge,	26	Yes	Yes	Universal concessions only	No

Channel	Availability	Locations	E-Purse	Monthly pass	Concession	Fare Incentive
	Scugog, Clarington					
Self serve kiosks	Pickering, Ajax, Whitby, Oshawa (GO Stations)	4	Yes	No	No	No
Web	prestocard.ca		Yes	Yes	Universal concessions only	No
Mobile application	Apple and Android		Yes	Yes	Universal concessions only	No

4.3 Cash fares are expected to continue to be offered and are expected to be a declining share of overall revenue composition.

## 5. Financial Implications

5.1 The DRT fare strategy sets out the strategic direction for DRT's fare program over the next five years and beyond.

5.2 The proposed fare strategy will have impacts on DRT's revenues and expenses (e.g., PRESTO commission costs) which have not yet been quantified due to uncertainty around the timing of the individual elements of the strategy. Any proposed adjustments to transit fares in accordance with this strategy will be subject to approval through the Region's annual budget process.

5.3 For the 2020 budget, following the introduction of discount fare initiatives for children, youth and low-income customers in 2019, DRT will be requesting adjustment to all single ride fares. This includes cash fares which were last increased in 2016. The details of all 2020 fare rate changes, including financial implications, will be included in the forthcoming Transit Strategic Issues and Financial Forecast Report as part of the 2020 budget process.

**6. Next Steps**

- 6.1 DRT will bring forward proposed fare adjustments and new fare products and programs, consistent with the objectives of this strategy, for approval as part of the annual budget process, including associated financial implications

**7. Attachments**

Attachment #1: Fare Strategy Implementation Timelines

Respectfully submitted,

Original signed by

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Bill Holmes  
General Manager, DRT

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer

## Attachment #1 Fare Strategy Implementation Timelines

2019 Implementation of discount fare initiatives including Kids Ride Free, Y10 youth monthly pass loyalty discount program, and the Transit Assistance Program (TAP) pilot for low income customers receiving social assistance

## Short Term

2020 Increase price differential between the standard adult single ride and cash fares

Replacement of all on-board DRT PRESTO devices and sales terminals

Implement PRESTO payment solution for contracted taxi providers and resolve One Fare arrangement

## Medium Term

2021 Complete evaluation of discount fare initiatives, including business case development for long term

Harmonize cash fares to single price

2022 Establish senior, youth and child fares as percentage of standard adult fare

Complete phase out of legacy paper pass and ticket sales, including closure of paper media points of sale

Set monthly pass price based on defined number of single ride trips

2023 Increase price differential between the standard adult single ride and cash fares to \$1.00 target

Consider options for aligning U-Pass with fare structure

## Long Term

2025+ Reimagine DRT fare structure on a needs/income level basis