

DATE: December 4, 2019

FILE: 8550-20/CV

TO: Chair and Directors
Committee of the Whole

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Comox Valley Regional Transit Fares

Purpose

To provide an overview of the recent transit fare review and associated recommendations.

Recommendations from the Chief Administrative Officer:

THAT option one of the BC Transit Fare Review Report attached as Appendix A of the staff report dated December 4, 2019 be approved for implementation in April 2020;

AND FURTHER THAT the April 2020 transit fare change include replacing transfers with the DayPASS-on-board program;

AND FINALLY THAT the custom transit monthly pass price be increased to \$55.00.

Executive Summary

Fare reviews are conducted approximately every three years and BC Transit has recently completed a fare review for the Comox Valley Regional Transit system (final report is attached in Appendix A). The report recommends some minor changes to be implemented in April 2020 to facilitate a transition to new fare collection technology and to align with the Campbell River Transit system (dual pass valid for travel on both transit systems).

- BC Transit is working toward new fare collection technology that will enable transit riders to pay for and access their fares in an account-based environment from their mobile phones and/or bank and credit cards.
- In order to facilitate this transition the removal of transfers is recommended. In place of transfers transit riders would pay for a DayPASS-on-board the bus, equivalent to two times the base fare.
- Three options for conventional transit fare structure were evaluated and option one is being recommended as it provides for a large increase to ridership while also providing an increase to revenue and none of the costs and complexities of the free fare concepts (e.g. option three, discussed further below).
- The only change being recommended for the custom transit (i.e. HandyDART) is to align the monthly pass with the conventional transit pass price (increase from \$52.00 to \$55.00)
- The City of Campbell River are also targeting April 2020 implementation of a similar fare structure including alignment of the dual pass program which allows travel on both transit systems.

Table 1 below summarizes the three conventional fare structure options including:

- Option 1 – Recommended – No change to current except using DayPASS instead of transfers and extension of discounted semester pass to youth.
- Option 2 – Changes to fares in order to maximize revenue, specifically by increasing monthly/semester products.
- Option 3 – Same as option 1 except free fares for all youth.

Table 1. Fare structure options

Fare Product	Riders	Current Fares	Option 1	Option 2	Option 3***
Cash	All	\$2.00	\$2.00	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00	\$18.00	\$18.00
DayPASS	All	\$4.00	\$4.00*	\$4.00*	\$4.00*
Monthly Pass	Adult	\$55.00	\$55.00	\$55.00	\$55.00
	Student/Senior	\$35.00	\$35.00	\$47.00	\$35.00
Dual Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Student/Senior	\$40.00	\$40.00	\$51.00	\$40.00
Semester Pass	Post-Secondary Student/Student**	\$115.00	\$115.00	\$150.00	\$115.00
Dual Semester Pass	Post-Secondary Student	\$130.00	\$130.00	\$163.00	\$130.00

*DayPASS-on-board

**Expansion of the local semester pass is recommended to ensure equity across audiences and communities

***Complimentary fares for riders aged 18 and under.

Table 2 below shows the expected impact on revenue, expenses and ridership from each of the three options from above.

Table 2. Quantitative impacts

Quantitative Analysis	Option 1	Option 2	Option 3 Low	Option 3 High
Revenue				
Projected Conventional Annual Impact	+\$52,000 (7%)	+\$91,000 (12%)	-\$204,000 (-28%)	-\$204,000 (-28%)
Expenses				
Projected Conventional Annual Impact			+\$447,000 (11%)	+\$661,000 (17%)
Ridership				
Projected Conventional Annual Impact	+51,000 (8%)	+11,000 (2%)	+58,000 (9%)	+68,000 (11%)

Comox Valley Regional District (CVRD) staff worked with BC Transit to explore some ‘free fare’ or complimentary fare concepts aimed at increasing ridership. BC Transit has reviewed these concepts and are not recommending they be pursued as they would reduce CVRD’s transit revenue sources significantly, thus requiring a taxation increase, and further could lead to significant increased demand for service, thus requiring additional service and fleet, which in turn brings with it additional costs. For example, BC Transit have developed an option three fare structure which provides free transit to youth (18 and under). This option could result in increased ridership of approximately 25,000-35,000 per year but would require an additional 1,700-2,450 service hours and 4-6 additional buses per year to satisfy increased demand. This in turn would increase annual operating costs by approximately \$447,000 - \$661,000 while also seeing a loss of revenue of approximately \$204,000. In

addition to the reduced revenue and increased costs associated with this change, the administration of complimentary passes can be very complex.

To address the interest in providing more affordable transit to youth, the recommendation being put forward as part of this fare change, included in option one, is to extend the existing reduced price semester pass to youth. Currently the semester pass is only available to post-secondary students at North Island College and this change would allow access to the reduced priced pass to high school and elementary students. If the board wishes to investigate other complimentary pass concepts, or option three, in more detail then CVRD and BC Transit staff will work on further analysis of the options and impacts and report back at a later date.

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Stakeholder Distribution (Upon Agenda Publication)

Transit Management Advisory Committee	✓
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Attachments: Appendix A – “BC Transit Fare Review Final Report”



Fare Review Report

Comox Valley Regional District

December 2019



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1.1 Overview

BC Transit has prepared this fare review report for the Comox Valley Regional District as a part of its efforts to prepare the Comox Valley Transit System for the introduction of advanced fare collection technology. To accomplish this, BC Transit is recommending the introduction of the DayPASS-on-board fare product, which necessitates the removal of transfers. The report will begin with an outline of BC Transit's Fare Strategy, which guides fare-related decisions in BC Transit systems, and will provide information on the direction of future fare collection technology in BC Transit systems. It will then offer a new fare structure option for the Comox Valley Transit System that aligns with BC Transit's Fare Strategy and plans for future fare collection technology, along with expected impacts on revenue and ridership.

This report was developed in collaboration with Comox Valley staff and takes into account the following local considerations:

- Campbell River and Comox Dual Fare Alignment
- Complimentary fares

Through accounting for both Comox Valley and BC Transit priorities, this report presents recommendations that provide a clear and sustainable direction for the fare structure of the Comox Valley Transit System.

A glossary of transit terms can be found in Appendix A.

2.1 BC Transit Fare Strategy

Since its introduction, BC Transit's Fare Strategy has guided decision making in transit systems towards improving the net yield of fare revenues. That is, the revenue collected after the costs of revenue collection are deducted. The fare strategy was developed through collaboration with local government partners and accounts for both local considerations and BC Transit corporate priorities. To improve the net yield of fare revenues, fare structure decisions are made considering the following four key objectives:

1. The fare structure is attractive to customers and encourages ridership
2. The fare structure is marketable and is easy to produce and sell
3. The fare structure has low costs of operation and debt service
4. The fare structure is secure and hard to defraud

With these objectives in mind, any changes to the fare structure should be made with the intent of simplification. This is to make it easier for customers to comprehend and purchase the correct fare, easier and less costly to administer and more difficult to defraud. To help accomplish these objectives, BC Transit developed the fare structure guidelines found in Table 1 below. For reference, the adult cash fare is the base from which other fares are calculated.

Table 1 BC Transit Fare Structure Guidelines

Fare Product	Fare Type	BC Transit Fare Guideline
Cash	Adult	Base Fare
	Discount	Base Fare
Tickets	Adult	9 times Base Fare
	Discount	9 times Base Fare
DayPASS	Adult	2 times Base Fare
	Discount	2 times Base Fare
Monthly Pass	Adult	20 to 30 times Base Fare
	Discount	Adult Monthly Pass less 15%
Semester Pass	Student	4 times discount monthly pass less 20%
Transfers	All	No Transfers
Zones	All	No Zones

The BC Transit Fare Strategy has been used to guide fare reviews in several BC Transit conventional transit systems. Using pre-fare change ridership and revenue trends to compare against, the actual results in the following fiscal show a median increase of three percent to revenue and six percent to ridership. Additionally, (although limited) the data set shows positive impacts to long-term ridership and revenue trends increasing year over year system growth. While outcomes are unique to each transit system, the results observed in systems that have implemented aligned fare structures indicate the positive benefits that can be anticipated when making similar changes.

3.1 DayPASS-On-Board

As a part of its fare guidelines, BC Transit recommends the removal of transfers on account of issues that stem from the subjective nature of their use. This subjectivity creates the potential for fare evasion by users who attempt to use an expired or invalid transfer as a valid fare. In escalated circumstances, this can lead to conflict between customers and operators. Currently, the Comox Valley Transit System offers its customers the ability to request a transfer for travel on any route in a single direction for a period of 60 minutes.

In place of transfers, BC Transit recommends the introduction of the DayPASS-on-board program. Under this program, a customer pays two times the base fare upon boarding the bus, either with cash or two tickets, and the operator provides them with a dated paper DayPASS. The customer can then travel throughout the transit system for the remainder of the calendar day by presenting the DayPASS to the operator when boarding.



The DayPASS-on-board program is currently in place in the Regional District of Nanaimo and Victoria Regional Transit Systems, and was introduced in Kamloops, Prince George, and Squamish in September 2019. The program has proven effective in reducing transfer-related conflicts with operators to the point of being non-existent. Additionally, transit ridership has been observed to have increased in two ways. First, users of the DayPASS-on-board are more inclined to take additional transit trips in a calendar day given the added convenience of the product. Second, there has been a marked increase in the purchase and use of monthly pass products in both systems after the introduction of the DayPASS-on-board program that also correlates to increased transit ridership. The final observable impact of the DayPASS-on-board is an increase in revenue as a result of the removal of transit users' ability to fraudulently use expired transfers. Customers currently using transit and utilizing transfers can look to unlimited pass products (which encourage ridership) for a more cost effective means of riding the bus. Riders using transit infrequently can still board a single bus one way using a cash fare.

4.1 Future Fare Collection

BC Transit is currently working towards introducing new fare collection technology in place of the fareboxes used in transit systems across the province. This initiative is occurring as a part of BC Transit's SmartBus strategy to enhance the technology on board its buses. The intent with the introduction of this new technology is to enable transit customers to pay for and access their fares in an account-based environment using their mobile phones and/or their bank or credit card. This new technology is anticipated to have the following benefits:

1. Improved user experience
2. Decreased need for physical fare products
3. Increased revenue security
4. Improved data on fares and travel behaviours
5. Increased ability for BC Transit to support fare programs in regional transit systems

In efforts to keep the costs of implementation low and to enhance BC Transit's ability to centrally support the users of the new fare collection technology, consistency is sought with the fare structures of the systems implementing it. As such, the fare structure available in the new technology is expected to be the following:

Table 2 Expected Fare Structure for New Fare Collection Technology

Fare Product	Riders
Cash	All
Tickets	All
DayPASS	All
Monthly Pass	Adult
	Discount

This fare structure is clear and easy to understand for a customer looking to purchase the appropriate fare in a digital environment. The fare structure above does not preclude local governments from approving fare structures with additional fares. However, any additional fares would most likely require a physical product that would solely be visually validated on the bus. This would create inconsistency and inequity for the transit users of those fare types and reduce the amount of usable data gathered by the fare collection technology.

5.1 Fare Strategies Overview

Intended as a supporting section for decision makers, the following sub-points offer insight into general strategies associated with transit fares. Additional strategies exist beyond the scope of this fares report.

To Raise Revenues

If the goal is to improve the net yield of a transit system to fund improvements and maintain funding equity the following options are available:

(1) Raise Fares

Research has shown that transit is an inelastic product. Such that an increase in fare cost will be offset with a lesser decrease in ridership resulting in additional revenues as transit costs rise.

(2) Fare Product Mix

Unique to each system is the possibility of adjusting the product mix to better suit the system's customers. Products such as the DayPASS on Board program pitched above offer added convenience encouraging new customers to begin riding the bus.

(3) Fare Payment

For specific ridership segments, simply being able to pay for the bus is one of their biggest barriers to entry. Such riders are less inclined to embrace pre-paid products like tickets or passes and would rather the flexibility of using the cash fare. With global trends towards cash-less societies these riders find themselves inconvenienced with having to pick up physical cash to ride the bus. This segment is one of the groups most likely to appreciate advanced fare collection systems discussed above.

To Raise Ridership

If the goal is to raise the ridership of a transit system the following options are available:

(1) Reduce Fares

In the same way that by raising fares you inherently decrease ridership, by reducing fares more users are incentivized to ride the bus. However, the increased ridership will not offset the entire amount of lost revenue resulting from a fare decrease. The extreme end of this spectrum is the elimination of fares. With no fares, systems see large increases in expenses due to the added service needed to accommodate new riders. Additionally, the lost revenue from fares still needs to be provided by the local government, necessitating an increase in taxes. With such a narrow source of transit revenue future expansions are tied directly to tax increases. Complimentary transit could be perceived as devaluing the system. Complimentary transit programs around the world have been implemented and revoked with varying success and all required shifting funding sources to another group to recoup lost funding revenues.

(2) Fare Product Mix

By changing the value proposition of fare products it is possible to encourage a shift in user behaviour encouraging the use of unlimited fare products such as Day and Monthly Passes. These products have shown that their revenue to ridership ratio is more heavily skewed to ridership than other products. DayPASS on Board has also shown a measurable increase in ridership for the casual rider.

(3) Service Expansion

One of the most important factors in encouraging new riders is transit's service in the region. This includes increasing frequencies and additional routing to increase the value proposition to riders. Improving the convenience of taking the bus makes taking transit attractive to customers and encourages ridership.

6.1 Current Fare Structure and Performance

The current Comox Valley Transit System fare structure has been in effect since September 2018, at which point single cash, ticket and DayPASS fares were introduced and the three discount monthly pass fares were consolidated into a single fare, with the same being true for the dual monthly pass.

Table 3 Current Fares for the Comox Valley Transit System

Fare Product	Riders	Current Fares
Cash	All	\$2.00
Tickets	All	\$18.00
DayPASS	All	\$4.00
Monthly Pass	Adult	\$55.00
	Student/Senior/Post-Secondary	\$35.00
Dual Monthly Pass	Adult	\$60.00
	Student/Senior/Post-Secondary	\$40.00
Semester Pass	Post-Secondary Student	\$115.00
Dual Semester Pass	Post-Secondary Student	\$130.00
HandyDART Cash	Registered Users	\$2.00
HandyDART Tickets	Registered Users	\$18.00
HandyDART Monthly Pass	Registered Users	\$52.00

When referring to the BC Transit Fare Guidelines, the Comox Valley Transit System fare structure is well aligned with the exception of the following:

- The discount provided on the student/senior/post-secondary monthly passes being greater than 15% off the adult monthly pass fare
- Use of transfers

Given the short period of time since the September 2018 fare change, it is recommended that the focus of this change is on the implementation of DayPASS on Board (and removal of transfers), and any changes to the fare amounts be considered as a part of a future fare review.

Table 4 Key Performance Measures

Measure	Performance
Ridership Growth (5-year annual compound rate)	3%
Revenue Growth (5-year annual compound rate)	4%
Ridership	674,908
Revenue	\$769,921
Revenue From Fare Sources*	\$643,415
Fare Revenue from Pre-paid Sources	57%
Average Fare	\$1.12
Cost Recovery	22%

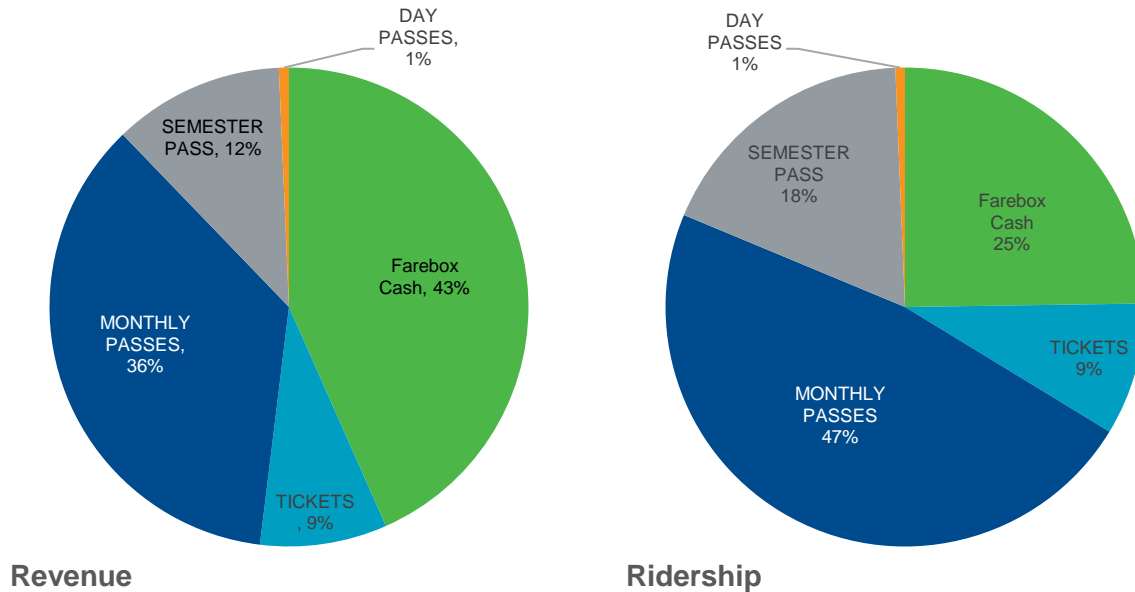
*Excludes advertising, BC Bus Pass and miscellaneous revenue. Represents revenue that can be affected by fare change.

Ridership – Trend analysis of annual ridership in the Comox Valley Transit System outlines an overall increase over the past five years with ridership peaking in 2018/19.

Revenue – Similar to ridership, revenue in the Comox Valley Transit System has shown an increase over the past five years with 2018/19 setting an overall high.

Revenue from prepaid sources have increased by five percent over the past five years and makes up 57% of total fare revenue. This is a positive trend as increased purchase of prepaid fares is shown to improve the stability and predictability of fare revenues, while also leading customers to use transit more frequently. Average fare has increased over the past five years.

Figure 1 Proportion of Revenue and Ridership by Fare Product Type



Sources: Hubble (revenue, actual data) and Ridesbook (ridership, calculated data)

Figure 1 outlines the proportions of revenue and ridership generated by cash and prepaid fares. As is evident, cash fares make up a considerably smaller portion of total ridership as compared to total revenue, with the opposite being true of monthly and semester passes. This trend clearly indicates the benefit of promoting the purchase of prepaid fares as a means of continuing to increase ridership in the Comox Valley Transit System. The chart also indicates the potential impacts that changes to the fares of each of fare type might have, with the understanding that increases in a fare will generally result in increased revenue and decreased ridership.

7.1 Fare-Related Considerations

Along with BC Transit's priorities, the following considerations specific to the Comox Valley Transit System warrant acknowledgement as a part of the fare review process.

Campbell River and Comox Dual Fare Alignment

Historically, the dual product fare structures of the Campbell River Transit System and Comox Valley Regional Transit System have been aligned to provide consistency for customers who utilize

both services. In September 2018, the Comox Valley Transit System adopted a new simplified fare structure to align with BC Transit's Fare Strategy. Since then the pricing of Dual fare products have been misaligned.

Liaison calls between staff in both the City of Campbell River and Comox Valley Regional District resulted in a preference for option one presented below. As such recommendations will be included in both community's Fare Reviews to select option one which will ensure a standard set and price of dual products.

Table 5 Dual Fare Product Alignment

Fare Product	Audience	City of Campbell River	Comox Regional District	Option 1	Option 2
Dual Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Post-Secondary/Senior	\$50.00	\$40.00	\$40.00	\$51.00
	Student	\$30.00			
Dual Semester Pass	Post-Secondary Student	\$150.00	\$130.00	\$130.00	\$163.00

Complimentary Fares

Interest has been expressed in providing a complimentary pass to tax paying households. However, the administrative burden to administer such a program and increased complexity for customers provides a strong opposition. As an alternative the estimated revenue and operational cost implications are summarized below to explore complimentary transit in the Comox Valley Regional Transit System for users 18 and under.

8.1 Proposed Conventional Fare Options

As was outlined above, BC Transit is recommending that the Comox Valley Transit System adopt the DayPASS-on-board. Doing so further aligns the Comox Valley Transit System with BC Transit Fare Guidelines and will better prepare it for future fare collection technology.

Table 6 Proposed Conventional Fare Options

Fare Product	Riders	Current Fares	Option 1	Option 2	Option 3***
Cash	All	\$2.00	\$2.00	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00	\$18.00	\$18.00
DayPASS	All	\$4.00	\$4.00*	\$4.00*	\$4.00*
Monthly Pass	Adult	\$55.00	\$55.00	\$55.00	\$55.00
	Student/Senior	\$35.00	\$35.00	\$47.00	\$35.00
Dual Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Student/Senior	\$40.00	\$40.00	\$51.00	\$40.00
Semester Pass	Post-Secondary Student/Student**	\$115.00	\$115.00	\$150.00	\$115.00
Dual Semester Pass	Post-Secondary Student	\$130.00	\$130.00	\$163.00	\$130.00

*DayPASS-on-board

**Expansion of the local semester pass to include students is recommended to ensure equity across audiences and communities

***Complimentary fares for riders aged 18 and under.

Option one maintains the current fare pricing with the addition of the DayPASS on Board program and expansion of the regular semester pass to students, extending an 18% discount compared to purchasing four monthly passes. Option one also prepares the system for advanced fare collection systems and is the option that is being recommended in both the City of Campbell River, and Comox Valley Regional District to return dual pass products to an aligned state. Option two raises discount monthly passes in line with BC Transit's fare guidelines. Option three mimics the fares in option one with the inclusion of complimentary (free) transit for riders 18 and under. Dual fare products are not included in the complimentary products. Detailed impacts and discussion on option three can be found in section 9.1.

9.1 Quantitative Impacts of Complimentary Fares at Current Rates

With interest growing in complimentary fares, the following analysis engaged BC Transit's planning and finance departments alongside the sales and revenue team to estimate the impacts complimentary student (18 and under) fares might have on ridership, revenues, and expenses. Due to the added complexity of modeling free fares, the following tables are presented to explore the expected range of impacts.

It is important to note that the projected impacts on fare revenues, ridership and operational costs provided are based on current fiscal year budgeted amounts. Any continued increases in ridership resulting from the removal of fares carry with them the obligation to continue to invest in transit services and expand transit capacity as demand grows. Research indicates that the use of fare-free transit itself does not guarantee sustained increases in ridership, given that it is primarily a benefit for transit-dependent riders, whereas discretionary riders are more likely to choose transit based on factors such as convenience, frequency, reliability and comfort.

BC Transit analyzed current ridership trends using Automatic Passenger Counter (APC) data within proximity to schools within the Comox Valley Regional District. Utilizing APC data allowed BC Transit to determine how many students typically use the bus during a typical weekday. By understanding the current ridership and system capacity, the following ranges were developed considering peak capacity. Note that these are estimates just like those presented in Table 8 below.

Table 7 Complimentary Student Fares (18 and Under)

	Low	High
System Service Hours	+1,700	+2,450
Number of Buses	+4	+6
Estimated Gain in Youth Ridership	+25,000	+35,000
Estimated Gain from DayPASS on Board Ridership (non-youth)	+33,000	+33,000
Increase in Operational Costs*	+\$447,000	+\$661,000
Foregone Fare Revenues	-\$204,000	-\$204,000
Total Annual Cost Impact	+\$651,000	+\$865,000

*Total cost associated with complimentary transit. Funding partnerships with the province would need to be explored.

There is also the potential for additional infrastructure expansions (which would increase costs needed to accommodate this change) but this remains an unknown until scheduling. Dual pass products are excluded from the complimentary products available to those 18 and under due to being multi-system products. Table 7 presents the total costs associated with complimentary transit. Funding partnerships for such an agreement would need to be explored.

If there is interest in implementing a free fares program, to improve the accuracy of financial and ridership estimates a pilot program is recommended prior to adoption. The additional buses and service hours will need to be a part of the Transit Improvement Process (TIPs) which is an eighteen to twenty-four month process. BC transit does not currently have any spare buses to allocate to systems exploring free transit options. Implementation of free transit without service expansions is not recommended as it may result in capacity and quality of service issues.

10.1 Conventional Quantitative Analysis

The quantitative impacts that the proposed fare structures are estimated to have on revenue and ridership is calculated based upon the distinct product use trends observed in systems that have introduced the DayPASS on Board. Specifically, increases in cash and monthly pass revenues and a decrease in ticket revenues. As is outlined above, the introduction of the DayPASS-on-Board is anticipated to have positive impacts on both revenue and ridership, which is a result of encouraging users to ride the bus more often in a calendar day and because monthly passes become more affordable relative to regularly purchasing a DayPASS fare. Complimentary (free)

fare analysis is an estimate based on the best available information and observations from other systems following complimentary fare decisions.

Table 8 Conventional Quantitative Analysis

Quantitative Analysis	Option 1	Option 2	Option 3 Low	Option 3 High
Revenue				
Projected Conventional Annual Impact	+\$52,000 (7%)	+\$91,000 (12%)	-\$204,000 (-28%)	-\$204,000 (-28%)
Expenses				
Projected Conventional Annual Impact			+\$447,000 (11%)	+\$661,000 (17%)
Ridership				
Projected Conventional Annual Impact	+51,000 (8%)	+11,000 (2%)	+58,000 (9%)	+68,000 (11%)

As is outlined in Table 8, the introduction of the DayPASS-on-Board program is anticipated to have positive impacts to revenue and ridership. As expected option two results in decreased ridership increases due to the increased fares. The DayPASS-on-Board program contributes to offsetting ridership decreases due to fare increases as riders choose to ride the bus more in a calendar day with their DayPASS. Option three provides an estimate of the range of impacts associated with complimentary fares for youth 18 and under. In addition to the lost revenue associated with complimentary fares, in order to accommodate the additional ridership it is expected to end up costing the system between \$651,000 and \$865,000 more annually to accommodate the additional hours and buses required. As mentioned above, any continued increases in ridership resulting from the removal of fares carry with them the obligation to continue to invest in transit services and expand transit capacity as demand grows. If complimentary student fares is the desired option (option three), BC Transit will require eighteen to twenty-four months to plan for the delivery of the additional busses and hours needed to accommodate the expected increase in peak ridership for students.

Staff from the City of Campbell River and the Comox Valley Regional District have agreed to **endorse Option 1's** fare structure in efforts to ensure alignment of the dual fare products between communities. Campbell River City Council approved option one in November 2019.

11.1 Proposed Custom Fare Options

In order to ensure rider equity the following supplemental adjustment to the handyDART service are suggested to align pricing across transit types. No complimentary service is included for HandyDART.

Table 9 Proposed Custom Fare Options

Fare Product	Riders	Current Fares	Proposed
Cash	All	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00
Monthly Pass	All	\$52.00	\$55.00
Projected Impact on Revenue:			+\$152 (+0%)
Projected Impact on Ridership:			-100 (-0%)

12.1 Implementation

As with any significant change associated with transit service, BC Transit will provide a full-scale marketing, and communications plan to inform the public on how their transit experience will change. This would include a mix of digital, print and radio advertising, media advisories, social media promotion and on-bus information as best suited for transit audiences in Comox Valley. In addition to this, BC Transit staff will work with the local operating company to ensure that all operations staff are aware of the changes to policies and practices involved with the introduction of the DayPASS-on-board program.

13.1 Recommendations

It is recommended that the Comox Valley Regional District:

1. Receive this report as information
2. Approve **Option 1** of the proposed conventional fare structures for implementation April 1, 2020
3. Approve the proposed custom fare structure to align with conventional
4. Direct staff to work with BC Transit to implement the fare change

Please note that fare changes should be scheduled for the 1st of a given month. BC Transit requires at least sixteen weeks' notice after Board's approval to implement any fare changes for non-complimentary fare options. Complimentary fare options will require between eighteen and twenty-four months.

Appendix A: Glossary of Transit Terms

Adult fare: A regular fare must be paid by all passengers who do not qualify for a discount or cannot prove eligibility.

Average fare: Total revenue from fare sources divided by ridership (including BC Bus Pass)

Cash fare: A cash fare allows one person to use transit. No change is given on the bus so exact fare must be used.

Child: A person who is four years of age or under. Children may ride the bus for complimentary.

College student: Adult students in full-time attendance at a recognized post-secondary institution who are eligible to receive a discount monthly or semester pass.

Conventional transit: Serves the general population in urban settings using mid-sized or large buses. The buses are accessible and low-floor and run on fixed routes and fixed schedules.

Cost recovery: Reflects annual total revenue divided by total costs. This ratio indicates the proportion of costs recovered from total revenue. A strong cost recovery is desirable, as it reduces the subsidy from the taxpayer. However, this is a municipal policy decision.

DayPASS: A DayPASS offers a discount for unlimited travel throughout the day. The DayPASS-on-board program provides customers with a convenient way to purchase their DayPASS on the bus.

Discount fare: Discount on cash fares and pre-paid products are applicable to seniors (aged 65+), students in full-time attendance to Grade 12 and full-time college students.

Family Travel Program: An adult customer can bring up to four children (12 years and under) on board for complimentary. Children must board and alight at the same stop as the pass-carrying customer. The program is available to parents and guardians who are 19 years and over with a valid monthly pass, ProPASS, or BC Bus Pass. This program does not apply to cash fares and tickets.

Fare Structure: The fares and products available to purchase and use transit and the policies associated with their use.

Monthly pass: For users taking transit regularly throughout the month, a monthly pass offers a discount for unlimited travel.

Net yield: The total yield of fare revenues once the costs of revenue collection have been deducted. Improving the net yield of fare revenues is the goal of BC Transit's fare strategy.

Pre-paid fare: Fare products that provide a discount for pre-purchase. This includes ticket, DayPASS and monthly pass fares.

Semester pass: A four-month discounted pass for students. Semesters run from January to April, May to August and September to December.

Student: A person in full-time attendance in school to Grade 12.

Ticket: Each ticket allows one person to use transit. When purchasing a package of ten tickets, a user will receive a discount. Using tickets has the advantage of not requiring exact change to be used on the bus.

Total revenue: Includes passenger and advertising revenue and excludes property tax.

Transfer: When a user pays for their fare using cash or tickets and requires more than one bus to complete their trip, they may request a transfer from the operator. Transfers are complimentary, valid for the next connecting bus and cannot be used for a return trip.

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