




PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 11.1.3
Halifax Regional Council
August 17, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Wayne Anstey, Acting Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: August 6, 2010

SUBJECT: New U-Pass Agreements Cost Increase- Impact on Students

ORIGIN

Motion from Regional Council on August 3, 2010 requesting staff to provide additional information of the impact the proposed increased price for U-Pass Agreements for 2010/11 will have on students.

RECOMMENDATION

It is recommended that Halifax Regional Council reaffirm its decision to increase U-Pass fees and directs staff to continue to work with the U-Pass Partners to execute agreements with flexible payment terms to allow each University time to manage their associated process for increasing student fees.

BACKGROUND

In 2003, Metro Transit began partnering with local universities and colleges by offering a Transit U-Pass program to provide a discounted transit pass to all full time students with unlimited access, seven days a week to regular transit services during the academic year (September - April).

A U-Pass program is managed by the University through either its Student Association or administration. As such, the decision to adopt a U-pass program resides with each university. Once interest is identified, discussions are entered into with Metro Transit staff to determine plausible implementation timelines, ensure sufficient service and capacity on existing routes, and to implement plans to supplement and/or add routes to service the campuses.

Saint Mary's University Student Association (SMUSA) was the first to implement U-Pass in 2003/04. Dalhousie University and the University of Kings College followed in 2006 and Mount Saint Vincent University (MSVU) as well as the Nova Scotia College of Art and Design (NSCAD) in 2007. Most recently, Nova Scotia Community College identified interest and Metro Transit is in the process of signing a U-Pass Agreement beginning the 2010/11 academic year. Since the first U-Pass was implemented, Metro Transit has incorporated over 67,000 hours of service expansion related specifically to routes that serve the campuses.

Metro Transit charges the same U-Pass rate and issues the same uniform U-Pass sticker to distribute to students upon completion of registration. In order for the U-Pass program to be implemented, it must be agreed that all full-time students will participate in the program and pay for the transit pass as a portion of the Student Fee. There are no restrictions on the use of the U-Pass during the academic year on the conventional transit service which provides a benefit to those students who do not need to travel on a regular basis to school.

DISCUSSION

All existing U-Pass Agreements expired in April 2010. U-Pass partners were notified by Metro Transit in February 2010 of the pending expiration of the Agreement and Metro Transit's intent to develop new 3-year agreements to begin September 2010.

New 3-year term U-Pass Agreements were sent to U-Pass partner administrators in the second week of April 2010. They contained a fare increase of 14.6% raising the rate per student from \$116.95 per annum to \$134.00 per annum. The increased rate was calculated using an average based on the fare increase implemented by Metro Transit in July 2009 see Table 1.

Table 1

| | |
|----------------------------------|-------|
| 2009 Cash Fare Increase | 12.5% |
| 2009 Metro Monthly Pass Increase | 16.7% |
| 2010 U-Pass Increase | 14.6% |

The proposed rate for 2010/11 U-Pass is \$134 for the 8 month agreement and \$150 for the 9 month agreement.

Table 2

| U-Pass | Cost Per Student | Number of Days | Cost Per Day |
|--|------------------|----------------|--------------|
| 8 Month Agreement Proposed (SMUSA, MSV, Dalhousie/Kings, NSCAD) | \$134 | 242 | \$.55 |
| 8 Month Agreement Existing (SMUSA, MSV, Dalhousie/Kings, NSCAD) | \$116.95 | 242 | \$.48 |
| 9 Month Agreement (NSCC) | \$150 | 273 | \$.55 |
| For reference: Unsubsidized cost | \$2.25 per ride | \$57 per month | |

Since mid June, Metro Transit has been meeting with the partners to discuss the proposed U-Pass Agreement and rate increase.

With the intention of maintaining its U-Pass partners, and based on concerns they raised, Metro Transit has extended an offer to adjust the payment terms of the first year of the new agreement to allow each University the opportunity to collect and submit the additional fare in January 2011. The additional funds would need to be received by Metro Transit before the end of the 2010/11 fiscal year.

Metro Transit will continue to work with the U-Pass partners to develop a solution which resolves this issue.

BUDGET IMPLICATIONS

2010/11 Bus Fare Revenues are expected to increase by approximately \$500,000 as a result of the increase to the U-Pass fee, as included in the approved 2010/11 Operating Budget. Failure to receive the \$500,000 will result in a shortfall.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Community Engagement occurred during the process when the U-Pass program were initially implemented with each of the U-Pass partners.

ALTERNATIVES

Halifax Regional Council could choose to direct staff to extend the existing agreements and defer the collection of the increased Student U-Pass fees until 2011/12. This is not the recommended alternative as it would result in a \$500,000 deficit in the overall revenue collected by Metro Transit as the increase in the fees was included in the 2010-11 Operating Budget.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Lori Patterson, Manager, Marketing & Communication, 490-6609
Kimberley Cusack, Financial Analyst, 490-6624
Erin Flaim, Manager, Service Delivery, 490-6272

Report Approved by: _____
Pat Soanes, General Manager, Metro Transit, 490-6608

Financial Approval by: _____
For - Cathie O'Toole, CGA, Director of Finance, 490-6308

Report Approved by: _____
Ken Reashor, P.Eng, A/Director of Transportation and Public Works, 490-4855