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**Subject:** U-Pass Agreements 2019-2020**Report to:** Public Works Committee**Report date:** Tuesday, September 10, 2019

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## Recommendations

1. That this report **BE RECEIVED** for information.

## Key Facts

- The purpose of this report is to advise Committee members that terms for the continuation of the U-Pass program have been reached with the Brock University Student Union (BUSU) and the Niagara College Student Administrative Council (NCSAC).
- The U-Pass provides post-secondary students with unlimited access to transit during the period of the agreements.
- By restructuring the U-Pass agreements to flow through Niagara Region, the Inter-municipal Transit Working Group (IMTWG) has advanced the harmonization of transit services in Niagara and confirms participation in the U-Pass program by each Niagara municipality that offers transit.
- PW 26-2018 granted repeat delegated authority to the Commissioner of Public Works to execute U-Pass agreements with BUSU and NCSAC where the terms are satisfactory to the Commissioner of Corporate Services, Director of Legal & Court Services, and the Chief Administrative Officer.
- The 2019-2020 U-Pass agreements increase the budgeted 2019 NRT revenues by \$0.8M (24%).

## Financial Considerations

The U-Pass revenue is a significant portion of total conventional transit revenue and allows transit systems in Niagara to bolster the public service by leveraging the contributions by the post-secondary student bodies. Table 1 below shows Niagara Region Transit's (NRT) portion of the U-Pass revenues and their share of the overall NRT revenues.

**Table 1 – NRT U-Pass Revenues**

Revenues	2017 Actuals	2018 Actuals	2019 Forecast
U-Pass	\$627,819	\$1,278,675	\$3,758,000
Total	\$1,330,805	\$1,912,765	\$4,504,000
Share	47%	67%	83%

The U-Pass revenue amount of \$3,758,000 for 2019 includes those revenues committed through the 2018 U-Pass agreements covering the period for January through August 2019, and the amounts related to the recently renewed U-Pass agreements for the fall of 2019.

This year's agreements mark a key milestone of the Linking Niagara Transit Committee (LNTC) work plan to rationalize the post-secondary student routes with the existing public routes. By merging these routes, the revenues attributable to the previous post-secondary routes will flow to NRT. This increases the NRT revenues beyond what was budgeted in 2019 by \$0.8M (24%). Any in-year NRT operating costs related to delivering these service changes will be accommodated by the increased U-Pass revenue as well as the funding for route enhancements identified in the 2019 NRT Operating Budget. Any excess of increased NRT revenues beyond budget, net of increased operating costs associated with these service changes, will be identified at year end for potential return to the taxpayer relief reserve which was utilized to partially fund 2019 NRT operations. The U-pass agreements contain a provision which indicates that Niagara Region's ability to provide the U-Pass is subject to Niagara Region's 2020 budget approval process.

Staff was provided repeat delegated authority to execute the U-Pass agreements in 2018 in order to facilitate the timely execution of the agreements and to ensure service continuity. At the time of writing this report, the negotiated terms of the agreements have been confirmed by the parties involved, however formal execution is still underway.

## **Analysis**

The provision of the U-Pass as consideration of a paid fare provides each student with unlimited access to the entire transit network in Niagara. This removes a significant barrier (i.e. reliable transportation) for post-secondary students in Niagara by ensuring that they are able to equitably pursue their education. In addition, it enables students to freely engage in employment opportunities throughout the region.

In June 2012, Niagara Region's Public Works Committee approved the use of a valid U-Pass on NRT buses. Since that time, student ridership on NRT has increased significantly from approximately 69,000 in 2013 to more than 600,000 in 2018. This trend highlights the importance of the U-Pass to post-secondary students. As noted in the financial information above, the subsequent revenue generated from the U-Pass is equally important to NRT and has increased commensurate with ridership over that period of time.

## **Alternatives Reviewed**

Before entering negotiations, the IMTWG considered whether offering the U-Pass program was still in the best interest of the respective transit systems. The group determined that not only does it still make financial sense to offer a U-Pass, but the program also allows the transit systems to leverage those contributions to enhance service for the use of the general public as well.

## **Relationship to Council Strategic Priorities**

Advancing Regional Transit is an objective under Priority 3: Responsible Growth and Infrastructure Planning and is one of the 6 implementation projects identified. The enhancements provided through the leveraging of U-Pass revenues represent significant service improvements for residents, students and tourists alike. The U-Pass provides students with reliable and equitable access to a variety of educational, medical and employment opportunities regardless of their socio-economic status.

## **Other Pertinent Reports**

- PW 23-2019 NRT & NST Ridership and Revenue Summary
- PW 26-2018 Delegated Authority for NRT U-Pass Agreements

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### **Prepared by:**

Robert Salewytch  
Program Manager, Transit Services  
Public Works Department

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### **Recommended by:**

Catherine Habermehl  
Acting Commissioner  
Public Works Department

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### **Submitted by:**

Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

*This report was prepared in consultation with Matt Greenfield, Finance Sustainability Project Manager and reviewed by Cheryl Selig, Director (Acting), GO Implementation Office.*