



**City of Kingston
Report to Council
Report Number 16-142**

To: Mayor and Members of Council

From: Denis Leger, Commissioner of Transportation, Facilities, and Emergency Services

Resource Staff: Sheila Kidd, Director of Transportation Services

Date of Meeting: May 3, 2016

Subject: Kingston Transit – Secondary School Complimentary Transit Pilot Program

Executive Summary:

The City of Kingston (Kingston Transit) provides complimentary access to all Grade 9–12 students attending secondary school in the City of Kingston, including students attending private schools and students being home educated. Since its inception in 2012, the program has operated as a pilot program, subject to annual review. The objective of the program is to expose high school students to the Kingston Transit system and create the potential for students to continue as regular paying and committed transit passengers when they are no longer eligible for the program. The Limestone District School Board (LDSB) and Algonquin Lakeshore District Catholic School Board (ALDSCB) each provide a financial contribution to the program.

Given the continued uptake and success of the program measured by significant increased ridership of this demographic of the population, this report recommends that the program be continued on a pilot basis for a 3-year period (2016/17, 2017/18, 2018/19), subject to LDSB and ALDSCB continuing their combined contribution of \$60,000 in each year of the program. Representatives of LDSB and ALDSCB have indicated their commitment to continue their current level of funding for the 3-year period.

For the 2015/16 academic school year, the program was expanded to include Grade 12 students. In keeping with the objective of the program noted above, there is an opportunity to assist in transitioning Grade 12 graduating students that are staying in Kingston and not planning to attend a post-secondary institution to continued transit users. This report recommends that Grade 12 graduating students be provided with an additional 4 months of complimentary transit access from September 2016 – December 2016.

May 3, 2016

Page 2 of 7

This report further recommends that a research project be undertaken, in keeping with the primary objective of the program, to provide an assessment of the potential for high school students to continue as regular, committed transit users in the future. Staff is proposing a partnership between the City of Kingston and the University of Waterloo to complete this research work.

Recommendation:

That Council continue the complimentary Grade 9 to Grade 12 transit pilot program for a 3-year period (2016/17, 2017/18, 2018/19 academic years), including students attending public, separate or private schools in the City of Kingston, or students receiving a home-based education in the City of Kingston, subject to the City of Kingston receiving a total combined financial contribution of \$60,000 in each of the academic years from the Limestone District School Board and Algonquin Lakeshore Catholic District School Board in support of the program; and

That Council direct staff to continue to evaluate the operational and financial impacts of the pilot program and make recommendations regarding a secondary school student transit program, with funding source considerations, as part of the transit fare review being undertaken in 2016; and

That Council approve providing Grade 12 graduating students that are staying in Kingston and not attending a post-secondary institution with a complimentary 4-month transit pass for the period of September 1, 2016 – December 31, 2016; and

That Council authorize the Mayor and City Clerk to enter into a research partnership, to the satisfaction of the Director of Legal Services, with the University of Waterloo to complete a research report whose scope is outlined in this report at a cost not to exceed \$25,000, including taxes.

May 3, 2016

Page 3 of 7

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Denis Leger, Commissioner,
Transportation, Facilities, &
Emergency Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives	Not required
Lanie Hurdle, Community Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	Not required

May 3, 2016

Page 4 of 7

Options/Discussion:Background

In June 2012, Council approved the initiation of a pilot program to provide complimentary access to Kingston Transit for all Grade 9 students attending public and separate secondary schools within the City of Kingston. Each year since the program was initiated staff has reported back to Council with results and recommendations regarding the continuation of the program. Complimentary transit access has been extended in each year since 2012 to include the next grade level. For the 2015/16 academic year the program was expanded to include all high school students in Grades 9 through 12.

Program Results

There is a strong indication that the pilot program continues to be successful in encouraging high school students to use the public transit system.

Secondary school student ridership has continued to increase sharply with the inclusion of Grade 12 students in 2015/16. For comparison purposes, staff reviewed the 7-month period from September 1, 2014 to March 31, 2015 (Grades 9-11 included) and September 1, 2015 to March 31, 2016 (Grade 9-12 included).

During this timeframe, trips by high school students increased from 137,578 to 299,924 (an increase of 118%). Staff is projecting that total ridership for all high school students for the 2015/2016 program year will reach nearly 500,000 trips. Based on day and time of travel during the September – March period, it is estimated that 50% of the trips are related to travelling to/from school at arrival/dismissal times. The remaining 50% of trips are non-school related. Approximately 15% of all trips occur on weekends (Saturday – Sunday).

Program Considerations

In June 2015, Council passed the following motion regarding the pilot program:

***That** Council direct staff to evaluate the operational and financial impacts of the pilot program and make recommendations regarding a secondary school student transit program with funding source considerations for the 2016/2017 academic year, and the 2017 municipal budget year, as part of the overall planned transit fare review to be undertaken in 2016;*

The transit fare review recommendations are expected to be presented in Q3 2016, which will not provide sufficient time to address the continuation of the program for the 2016/2017 academic year.

Given the continued success of the program, staff is recommending that the pilot program be extended for an additional 3-year period in order to further evaluate the objective of the program. The transit fare review, expected to be presented in August 2016, will review the

May 3, 2016

Page 5 of 7

operational and financial impacts of extending the pilot program for this additional 3-year period and provide consideration for future high school programs.

Staff recently met with representatives of the Limestone District School Board and the Algonquin Lakeshore District Catholic School boards to review the ridership results and discuss the benefits of the program. The school boards concur with extending the program for an additional 3 year period. The representatives of each board have indicated their commitment to continue their combined contribution of \$60,000 in each year of the program. The recommendation to continue for a 3-year period is subject to the boards continuing to make their contribution.

Budgetary and Financial Considerations

While the ridership results are encouraging, the growth in the program, particularly with the inclusion of Grade 12 students, continues to have an adverse impact on transit fare revenues. Staff analysed transit financial data since the inception of the program in 2012 and has estimated that the amount of foregone revenue (revenue that would have otherwise been collected) for each of Grade 9 and 10 is \$30,000, \$90,000 for Grade 11, and \$100,000 for Grade 12. The total foregone revenue is approximately \$250,000 per year. A portion of the \$250,000 foregone revenues is offset by the \$60,000 contribution from the school boards.

In addition to the school boards' contribution, the increase in ridership which is directly attributed to this program (especially with the inclusion of Grade 11 and Grade 12 students) is having a positive impact on the level of provincial gas tax funding the City receives. Provincial gas tax funding allocations are provided to the City on the basis of population and transit ridership. As population and ridership levels increase/decrease, relative to other municipalities, the gas tax funding also increases/decreases. The provincial gas tax funding varies year to year based on a number of factors. Given historical provincial gas tax funding levels in recent years, staff estimates that provincial gas tax funding increases attributed directly to increases in ridership generated by the high school program is in the range of \$100,000 - \$125,000 per year.

The difference between the foregone revenue and the contributions from the school boards and the provincial gas tax leaves a gap in the range of \$65,000 - \$90,000 annually that requires ongoing funding from other sources.

2016 Budget Impact

The 2016 Transit approved operating budget accounted for the program continuing on an ongoing basis for the 2016 portion of the 2016 – 2017 academic year. The continuation of the program is not expected to have any adverse financial or operational impact on the 2016 operating budget. If Council approves the continuation of the program for the additional 3-year period, the 2017, 2018 and 2019 operating budget submissions will need to continue to recognize and account for the \$65,000 - \$90,000 gap between foregone revenues and other funding sources.

May 3, 2016

Page 6 of 7

Grade 12 Graduating Students – Transition Plan

With students graduating from high school in June 2016, this presents the first opportunity since the program was initiated to assess whether students that have had free transit throughout all of their high school years have become regular, committed users of the transit system after leaving high school.

To facilitate the transition out of the high school program, staff is recommending that Grade 12 students graduating from high school, staying in Kingston, and not attending a post-secondary institution be provided with an additional 4 months of complimentary transit access for the period September 1, 2016 – December 31, 2016. Staff is recommending that the passes be provided at no cost in order to assess ongoing transit usage without the cost of the pass being an immediate determining factor. In order to encourage ongoing transit usage and participation, monthly photo ID passes will be issued to eligible graduating students in May/June 2016 before the end of the current school year.

The transit usage of this group will be monitored closely. This group will be engaged in a voluntary research project as outlined below. Transit usage and preliminary findings of the research project will determine whether any additional transitional considerations need to be considered when complimentary transit access for this group ends on December 31, 2016.

Research Project

The continuation of the program for an additional 3-year period provides an opportunity to conduct formalized research to:

- understand if the objective of having high school students continue as regular, committed transit users is likely to be fulfilled through this program
- assess how households with high school students have allocated/reallocated resources, including time and expenses related to transportation as a result of this program
- identify and quantify other benefits that high school students realize through the independent travel option this program provides

Staff is recommending that the City enter into a research partnership with the University of Waterloo, under the leadership of Dr. Jeff Casello, to complete this work. The estimated cost to undertake the research, including disbursements, is not expected to exceed \$25,000 including taxes. Dr. Casello is very familiar with Kingston Transit having been involved in the development of the Transit Redevelopment Plan (2011 – 2015) and most recently in April 2016 as a guest speaker at a public information session for the 2016-2020 transit service review project.

There are sufficient funds in the Transit operating budget to support this important research work. Dr. Casello and his research team expect to contribute at least 500 hours to this project. The research work will begin immediately in conjunction with the Grade 12 graduating student transition plan noted above.

May 3, 2016

Page 7 of 7

The nature of this partnership is not specifically addressed in the Purchasing By-law and therefore requires Council approval.

Existing Policy/By Law:

Not Applicable

Notice Provisions:

Not Applicable

Accessibility Considerations:

Not Applicable

Financial Considerations:

The total annual cost (foregone revenue) of providing complimentary transit to all secondary school students has been estimated at \$250,000. A portion of these costs (foregone revenues) is offset by a \$60,000 annual contribution by the school boards and an estimated increase of \$100,000 - \$125,000 in provincial gas tax funding, as a result of increased ridership attributed to the high school program.

The 2016 Transit approved operating budget accounted for the program continuing on an ongoing basis for the 2016 portion of the 2016-2017 academic year. The continuation of the program is not expected to have any adverse financial or operational impact on the 2016 operating budget. If Council approves the continuation of the program for the additional 3-year period, the 2017, 2018 and 2019 operating budget submissions will need to continue to recognize and account for the \$65,000 - \$90,000 gap between foregone revenues and other funding sources.

The research partnership costs of up to \$25,000 with the University of Waterloo are expected to be expensed over a period of at least 2 years.

Contacts:

Jeremy DaCosta, Transit Manager, 613-546-4291, Extension 1310

Other City of Kingston Staff Consulted:

Not Applicable

Exhibits Attached:

Not Applicable