

BUDGET COMMITTEE REQUEST:

Staff provide responses to the following requests:

1. What other sources of revenue does Oakville Transit collect?
2. How much does it currently cost us to provide free transit for youth and seniors?
3. What would be the budget impact if Council were to consider going to 2 days a week free service for both seniors and youth (possibly weekends free for youth and Tuesday and Thursday for seniors (which is usually seniors days for special discounts))
4. What would be the budget impact if half-price fares were introduced for youth and seniors?
5. What was the historical cost of a subsidized monthly pass, prior to the implementation of free transit for youth and seniors?
6. How much of an increase or decrease is there in the fee for service (aka the subsidy per ride) on transit this past year?
7. Provide detailed data on school-related tap boardings, including the number of school special taps (to/from) and the number of taps for lunch trips, on additional bus services provided to students, including dedicated lunch-time buses, and on whether the Board of Education is supporting school bus runs operated by Oakville Transit
8. What is the impact of adding a bus on Sixth Line, including any discussions held with the school board?
9. What measures does Transit have in place to address concerns about misuse of transit services by students?
10. Are there any CUTA statistics on the social impact of public transit?
11. How does transit ridership compare to other municipalities similar in size to Oakville?
12. Provide a summary of the PRESTO One Fare Program as it relates to Oakville Transit free fares.

RECOMMENDATIONS:

- That the information be received.

KEY FACTS:

- Total 2026 budgeted external revenue for Oakville Transit is \$8,129,300 to be collected through fares, advertising, charters and recoveries.
- Staff conducted an analysis of multiple youth and senior fare paying options to determine estimated revenues.

- Oakville Transit estimates that approximately \$5.8 million in additional revenue would have been collected from youth and senior ridership between May 2023 and December 2025 if fares were paid. Oakville Transit estimates that the 2026 impact would be \$2.5 million in youth and senior fare revenue.
- Oakville Transit operates 32 School Specials including 8 lunch-hour trips.
- Oakville Transit is forecasting a 4 percent year-to-date increase in ridership in 2025, in contrast to similar municipalities experiencing declines of up to 20 per cent.

COMMENTS/OPTIONS:

Below are responses to budget committee questions for Oakville Transit.

1. Oakville Transit earns revenue through fares, advertising, charters, cost recoveries, and continues to explore other potential revenue streams.

Oakville Transit generates revenue through a combination of traditional and innovative streams designed to support operational sustainability and service improvements. Total budgeted external revenue for 2026 is \$8,129,300.

These include:

- **Fare Collection:** Passenger fares which include single-rides, monthly passes, and other fare products purchased by customers. *2026 Budgeted Revenue: \$7,072,600*
- **Transit Charters:** Services for special events, group travel and community functions. This provides a flexible transportation option while generating additional non-fare revenue. *2026 Budgeted Revenue: \$12,500*
- **Advertising:** Revenue earned through advertising on buses, shelters, and other transit infrastructure. *2026 Budgeted Revenue: \$878,000*
- **Recoveries:** These include reimbursements and shared service agreements with other agencies. *2026 Budgeted Revenue: \$166,200*
- **Emerging Revenue Streams:** Oakville Transit is actively exploring new funding opportunities, including participation in the federal Clean Fuel Regulations (CFR) program. By using low-carbon fuels, credits are earned that can then be sold or traded, creating a new revenue channel while advancing environmental goals.

2. Current cost to Oakville Transit for providing free transit to youth and seniors.

The operating cost of a transit system is not identified by ridership category. The cost of operating a transit system is determined by the amount of service provided and the resources required to operate the service.

Oakville Transit assessed the revenue impacts of providing free transit for youth and seniors. The free fares for youth and seniors were implemented in May 2023. This initiative has made transit more accessible for students commuting to school and for

seniors seeking reliable transportation for daily activities. Tap ridership for the youth and senior age groups between April 2023 and September 2025 increased by 279% and 254% respectively. (Note: Tap ridership is forecasted to reach 3.2 million in 2025 and is calculated by the total number of passengers boarding a bus and tapping; excluding transfers from other routes/agencies. Tap Boardings = (Total boardings - Transfers)).

To identify the financial impact of free fares for youth and seniors, Oakville Transit staff estimated, in **Chart 1** and **2**, the ridership if the free transit initiative was not implemented.

Chart 1: Analysis comparing free transit ridership to estimated fare paid ridership (youth)

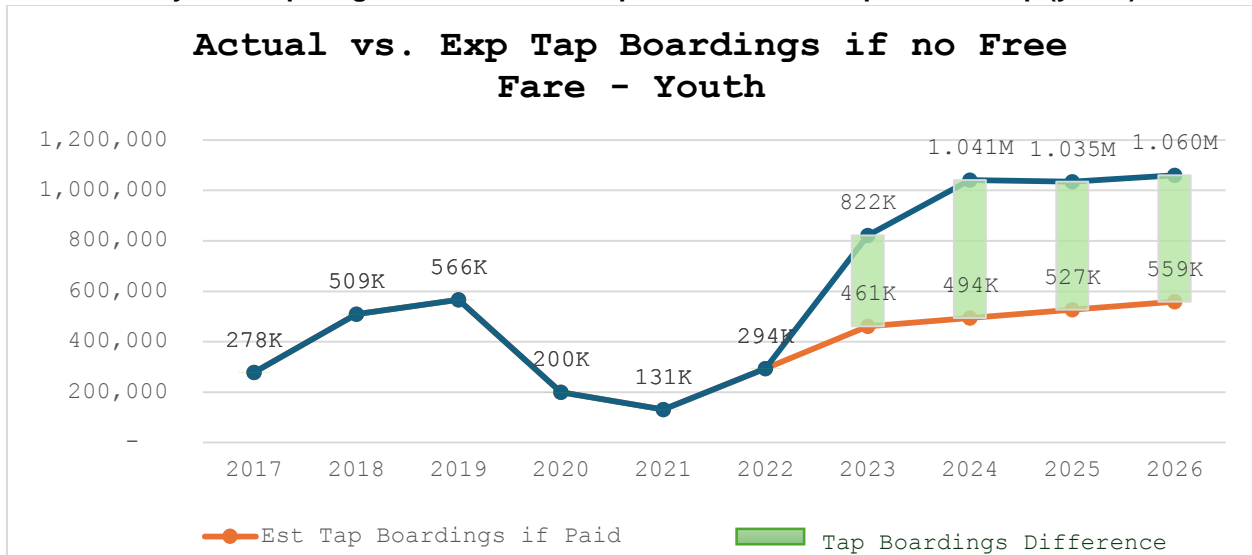
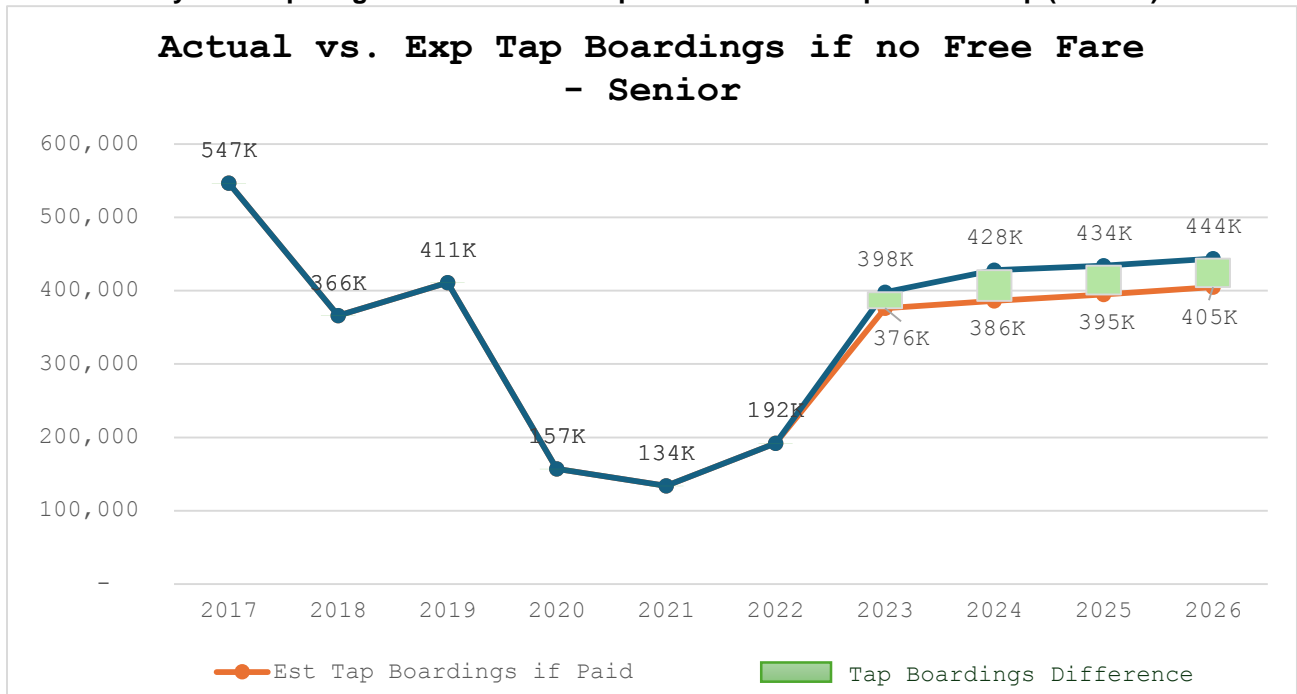


Chart 2: Analysis comparing free transit ridership to estimated fare paid ridership (seniors)



The orange lines in each chart represent the estimated ridership, based on historical ridership trends, had free fares not been implemented, while the blue line shows the actual ridership following the introduction of free transit for youth and seniors. The green bars illustrate the difference between the estimated and actual ridership levels.

Using the tap ridership information in the above charts, staff calculated the difference between free transit and paid transit fares for each fare category (**Table 1**) to determine the estimated revenues that were not collected between 2023 and 2025.

Table 1 below identifies the estimated youth and senior revenue not collected between 2023 and 2025.

Table 1: Estimated youth and senior revenues not collected 2023-2025

2023	Ridership		Fare	Revenue not collected*
	Free transit	Fare paid transit		
Youth	821,600	461,500	2.61	\$ 804,400
Seniors	397,600	376,200	2.15	\$ 540,300
Total*	*Accounts for 8 months of free fare			\$ 1,344,700
2024	Free transit	Fare paid transit	Fare	Revenue not collected
Youth	1,041,100	494,100	2.68	\$ 1,324,700
Seniors	427,900	385,900	2.21	\$ 852,500
Total				\$ 2,177,200
2025	Free transit	Fare paid transit	Fare	Revenue not collected
Youth	1,034,600	526,800	2.75	\$ 1,448,000
Seniors	433,600	395,500	2.27	\$ 896,200
Total				\$ 2,344,200
Total (2023 – 2025)				\$ 5,866,100

Staff estimate Oakville Transit could have generated an estimated \$5.8 million in transit fare revenue between 2023-2025 if youth and seniors paid transit fares. This represents approximately 25% of the total fare revenue that would have been collected if youth and seniors paid transit fares.

3. Budget impacts if Council were to implement a two-day-per-week free transit program for youth and seniors (e.g., weekends for youth; Tuesdays and Thursdays for seniors, aligned with typical senior discount days).

To determine the budget impacts of moving from free transit for youth and seniors to a program where only certain days are free for youth and seniors, Oakville Transit staff first calculated the estimated paying ridership for these two groups for 2026 (**Table 2**), based on the analysis in **Chart 1** and **Chart 2** above.

Table 2: 2026 estimated youth and senior tap ridership and revenue

2026	Ridership		Fare	Estimated Revenue
	Free transit	Fare <u>paid</u> transit		
Youth	1,060,500	559,400	\$ 2.82	\$ 1,577,500
Seniors	444,400	405,100	\$ 2.32	\$ 939,800
Total				\$ 2,517,300

Transit staff estimate that \$2.5 million in revenue will not be collected with the continuation of the free transit for youth and senior initiative in 2026.

Using the estimated 2026 tap ridership data in **Table 2**, Oakville Transit staff prepared revenue estimates for a combination of free weekdays and free weekends for youth and seniors. **Table 3** identifies revenue loss for multiple free transit initiative scenarios. The first row identifies the revenue if the free transit for youth and seniors continues without changes (i.e. the \$2.5 million base scenario). The following scenarios outline the estimated revenue loss for each of the other scenarios identified in the table. For example, should free transit (youth and senior) be implemented for just one day (i.e. all the other days are paid), the estimated revenue loss would amount to \$437K (\$273K/youth and \$163K/seniors) and the Town would expect to receive \$2.08 million in transit revenue (\$2.5 million base less \$437k in lost revenue).

Table 3: Revenue loss scenarios using 2026 forecasted fare paid ridership

Revenue Loss Scenarios - 2026 Projection			
	Youth	Seniors	Total
Free (no restrictions)	\$1,577,500	\$939,800	\$2,517,300
1 Weekday Free	\$273,600	\$163,400	\$437,000
2 Weekdays Free	\$547,300	\$326,800	\$874,100
5 Weekdays Free	\$1,368,200	\$817,000	\$2,185,200
Free weekends	\$208,500	\$124,500	\$333,000

4. Half-price fares for youth and seniors

If Council wished to consider half-price fares for youth and seniors, staff estimate approximately \$1.2 million would be generated in additional annual revenue compared to the current free fare structure. Staff utilized estimated 2026 ridership information to determine the estimated revenues shown in **Table 4**.

Table 4: Half price senior and youth fare using estimated 2026 fare paid ridership

Half Price Transit for Youth for Seniors		
Youth	\$	788,800
Seniors	\$	469,900
Total	\$	1,258,700

Implementing half-price fares for youth and seniors offers a moderate discount that continues to encourage transit use while recovering a portion of lost revenue.

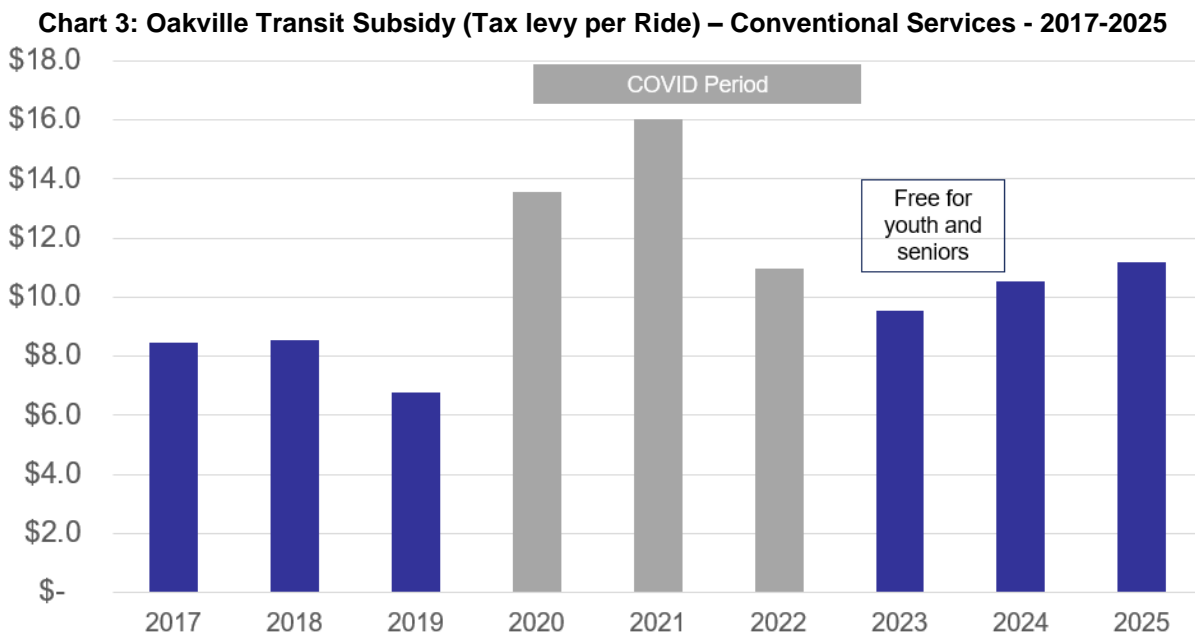
5. Historical cost of a subsidized monthly pass prior to the implementation of free transit for youth and seniors.

Oakville Transit staff reviewed the monthly pass rates in place before May 2023. The monthly cost of a subsidized transit pass prior to the introduction of free fares was \$87.20 for youth and \$65.40 for seniors.

For simplicity, the analysis above regarding revenue loss due to free fares do not account for previous years of monthly pass uptake.

6. Staff identified the change in the fee for service on transit from 2024 to 2025

The year-over-year change in subsidy (tax levy per ride) is outlined in **Chart 3** below which is also included on page 113 of the budget book under Table 12 Subsidy (Tax Levy per ride).



The Subsidy (tax levy per ride) measures the degree to which cost of providing service is being shared between transit customers and taxpayers for conventional transit services. From 2017 to 2018, the subsidy per ride averaged about \$8 and began trending downward in 2019. However, as ridership recovered following the COVID years, the subsidy per ride increased between 2023 and 2025 due to the overall cost of operating transit relative to ridership levels.

For 2025, the subsidy per ride is projected to rise by \$0.60 compared to 2024, representing a 5.7% increase. This upward trend is largely driven by free transit programs for children, youth, and seniors as operating costs continue to grow while fare revenue is limited to adult riders.

The 2025 net budget for Oakville Transit included capital and growth-related investments such as the purchase of electric buses, expansion of the transit facility, and installation of charging infrastructure. Additional inflationary pressures and departmental adjustments are also contributing to the increase from 2024, primarily due to contractual obligations for personnel services and insurance, as well as higher reserve transfers to fund future vehicle replacements.

7. Oakville Transit operates school specials and dedicated lunch-hour trips designed to move students to and from school without impacting other scheduled conventional services.

Oakville Transit does not compete with yellow bus services provided by Halton Region school boards in providing transit services for students. The school boards primarily offer yellow bus services on the following criteria, however other factors such as safety are included in determining yellow school bussing eligibility for students:

Urban Areas: Grades K – 8: distance from school: more than 1.6km

Grades 9 – 12: distance from school: more than 3.2km

Rural Areas: Grades K – 12: distance from School: more than 1.6km

Oakville Transit staff continuously work with the school boards and their transportation services provider to identify yearly changes to student services ensuring transportation service coverage is provided for all students. The Board of Education does not financially support the operation of Oakville Transit's school specials.

Operating school specials alleviates pressure on regular scheduled conventional routes, particularly during peak school travel times, and ensures a more balanced distribution of ridership across the system. These transit trips operate exclusively within town boundaries and are strategically scheduled to support student transportation needs by supplementing the existing transit network.

Due to an increase in student ridership during the lunch hour, regularly scheduled conventional trips were experiencing overcrowding. To mitigate the overcrowding, lunch-hour trips were implemented on routes to operate ahead of the conventional trips.

School specials are categorized by time of day, including morning, lunch-hour, and afternoon trips. Lunch-hour trips are defined as those departing between 10:50 AM and 1:15 PM. **Table 5** identifies the School Specials currently operated by Oakville transit.

Table 5: Oakville Transit School Specials (Sept 2025)

School Special Ridership Sept 2025		
Morning Service		
Route Name	Daily Trips Scheduled	Monthly APC
80 Holy Trinity – Morning service	1	784
81A Abbey Park/Loyola (North) – Morning service via Palermo (blue line)	1	416
81B Abbey Park/Loyola (North) – Morning service via Pine Glen (purple line)	1	423
84 Oakville Trafalgar H.S. – Morning service from Clearview	1	942
86 Garth Webb –4th line & Glen Vally, Vallyridge + highvalley	3	1,714
Morning Service Total	7	4,278
Lunch Service		
71 White Oaks S. S. Special (North) – Lunch service	2	1,360
71 White Oaks S. S. Special (West) – Lunch service	2	1,117
80 Holy Trinity – Lunch service	1	545
83 T.A. Blakelock East	2	1,351
86 Garth Webb – Lunch service	1	773
Lunch Service Total	8	5,146
*Lunch trips are defined as those starting between 10:50 AM and 1:15 PM		
Afternoon Service		
71 White Oaks S. S. Special (North) – Afternoon service	1	798
71 White Oaks S. S. Special (West) – Afternoon service	1	549
80 Holy Trinity – Afternoon service	2	1,756
81N Abbey Park/Loyola (North) – Afternoon service	2	1,238
81 Abbey Park H. S. / Loyola S. S. South	1	915
82 Loyola (North) – Afternoon service	1	882
83 T.A. Blakelock East (Via Kerr+Oakville Go)	2	1,431
83 T.A. Blakelock West	2	1,231
84 Oakville Trafalgar H.S. – Afternoon service to Clearview	1	804
86A via Proudfoot (blue line)	2	1,812
86B via Westoak Trails (orange line)	2	1,399
Afternoon Service Total	17	12,816
School Special Total	32	22,240

Staff conducted an analysis using automatic passenger counting (APC) data specifically for school specials and lunch runs from September 2025. APC data was used for this analysis since it is the most accurate dataset for counting students using school special trips. Oakville Transit School Special data is summarized below:

Trip data (Sept 2025):

- Number of total school specials offered: 32
- Number of lunch school specials offered: 8

Passenger counting data (Sept 2025):

- **All School Specials:** 22,240 students
- **Lunch-Hour School Specials:** 5,146 students

To operating 32 daily school specials over the course of a full year costs an estimated \$174,720. Within this total, 8 lunch specials account for approximately \$43,680 annually.

8. Staff are currently assessing the introducing of a North Oakville school special route on Sixth Line, in collaboration with the school board.

Oakville Transit received multiple requests from North Oakville residents expressing interest in dedicated school service.

Using postal code data provided by the school board, current student levels indicate the route could serve up to 294 students in North Oakville which meets the criteria for a morning and an afternoon school special. A preliminary route has been identified, and staff are evaluating resource and scheduling logistics to implement this service. The annual cost would be approximately \$11,000.

Oakville Transit staff will continue working closely with the school board to refine and share a proposed service and implementation plan.

9. Oakville Transit actively monitors student conduct and has a comprehensive incident management plan in place to address concerns.

When student behaviour while on Oakville Transit service arises, staff conduct a thorough investigation of the incident using onboard video footage of the specific trip. Complaints may originate from passengers, operators, or other students. If the investigation confirms an incident has occurred, staff contact school administration, share relevant footage, and provide an update on transit policies.

In some cases, disciplinary action has included student suspensions from school. To ensure safety and accountability, supervisors may be assigned to monitor specific school runs and trips have occasionally been cancelled mid-route when deemed necessary.

Schools take these matters seriously and work closely with Oakville Transit to promote respectful behaviour among students while using public transit. As part of this collaboration, Oakville Transit staff actively provide schools with information and resources to help educate students on expected conduct while riding the bus. In addition to providing information to schools, staff are currently finalizing a travel training guide that will provide the tools and education for customers to ride Oakville Transit with confidence.

10. A review of available CUTA statistics on the social impact of public transit.

CUTA data shows that public transit enhances access to essential services, boosts economic returns, increases ridership among youth and seniors through fare programs, and reduces greenhouse gas emissions.

According to the Canadian Urban Transit Association's (CUTA) national data, over 85% of Canadians who rely on transit do so to access essential services such as education, employment, healthcare and social activities. Transit systems are particularly critical for

youth, seniors, and low-income residents, helping reduce isolation and improve quality of life. CUTA reports that every dollar invested in public transit generates approximately \$3 in economic returns through increased productivity and improved access to opportunity.

Social benefits are also reflected in ridership trends. CUTA's 2024 statistics show that Canadian transit systems collectively provided over 1.6 billion passenger trips, with youth and seniors accounting for a growing share of ridership due to targeted fare programs. In municipalities that introduced free or reduced fares for these groups, ridership increased by up to 30%, indicating that affordability directly enhances mobility and participation. Furthermore, transit contributes to environmental and public health goals by reducing car dependency, CUTA estimates that public transit saves over 2.4 million tonnes of greenhouse gas emissions annually across Canada.

Increasing transit ridership in Oakville can strengthen the town's vision for an inclusive, and sustainable community. Higher ridership would improve access to employment, education, healthcare, and civic engagement, particularly for vulnerable populations who rely on public transit. It would also lead to service improvements and support the effective use of transit infrastructure such as terminals, shelters, and dedicated lanes, enhancing public spaces and boosting the economic vitality of transit-adjacent areas.

Higher transit use also advances Oakville's climate and sustainability goals. By reducing reliance on single-occupancy vehicles, increased ridership lowers emissions, supporting low-carbon travel and transit electrification. The introduction of electric buses has already cut hundreds of metric tons of CO₂, and continued ridership growth will further amplify these environmental benefits.

Additionally, strong transit uptake encourages transit-oriented development, fostering compact, walkable communities that enhance livability and smart growth. By promoting higher ridership, Oakville can advance climate resilience, equity, and sustainable urban development, while maximizing the value of its transit investments.

11. Comparative analysis of transit ridership in municipalities of similar size to Oakville.

Oakville Transit's ridership has seen an increase of 4% in 2025 when compared to 2024, outperforming similar-sized municipalities like Windsor and Greater Sudbury, which reported declines for this year.

Oakville Transit received valuable feedback from peer transit agencies to help contextualize ridership performance relative to municipalities of comparable size. In addition, annual statistics published by CUTA provide a broader view of transit agency performance across Canada. Currently the most recent CUTA data available to transit agencies is from 2023. Taken together, the peer agency input and CUTA's 2023 data provide a meaningful comparison of ridership trends, summarized in **Table 6**.

Table 6: 2023 Ridership Comparison of Similar Transit Agencies

Statistics	CUTA 2023 Population	CUTA 2023 Annual Ridership	Projected 2025 YTD Ridership Change
Oakville	233K	4.7M	4%
Brampton	685K	40M	-12%
Ottawa	1.08M	64M	4%
Stratford	33K	551K	-20%
Niagara	496K	7.1M	-5%
London	429K	18M	-8%
Waterloo	634K	26M	-17%
Sudbury	166K	5M	-10%
Thunder Bay	109K	3.5M	-4%
Windsor	229K	9M	-15%

While many transit systems across the country are experiencing year-over-year ridership declines, Oakville Transit continues to see positive momentum. As of 2025, year-to-date ridership is trending at a 4 per cent increase, reflecting strong local demand and the success of recent service enhancements and fare strategies. This growth stands in contrast to several peer municipalities that have reported significant declines. For example, earlier this year Waterloo reported a 17% drop in ridership for this year, while Greater Sudbury Transit reported a 10% decrease. Both agencies attribute these reductions primarily to a decline in international student populations.

Oakville’s continued ridership growth reflects strong local demand and the effectiveness of service improvements and fare strategies implemented in recent years. This upward trend positions Oakville Transit favorably among its peers and supports ongoing efforts to enhance mobility and access across the community.

12. A summary of the PRESTO One Fare Program as it relates to Oakville Transit free fares.

Historically, GO Transit offered co-fare discounts to reduce the financial burden of transferring between regional and local transit systems. These discounts provided customers transferring between one of 12 local transit agencies and GO Transit a discount; however, it did not eliminate the need for customer to pay two separate fares. The discount was valid for up to two hours from the time of the initial tap or ticket validation. Customers travelling on transit agencies using the PRESTO system automatically received the co-fare discount when tapping on their transit trips.

Launched in 2024, the PRESTO One Fare Program is aimed at integrating fares across the GTA. Under this program, customers now pay only once when transferring between GO Transit and participating local agencies, including Oakville Transit. The One Fare Program enhances the customer experience by making regional travel more affordable

and seamless. When passengers transfer from Oakville Transit to GO Transit using a PRESTO card, the fare adjustment is processed automatically within a two-hour window, ensuring they are not charged twice. This results in direct cost savings for riders, who now pay only once for multi-agency trips.

Oakville Transit does not collect fare revenue directly from riders for eligible trips under the One Fare Program. Cost savings are realized directly by transit customers through fare integration, rather than being captured as additional revenue by Oakville Transit under the PRESTO One Fare Program. Metrolinx reimburses Oakville Transit for the value of the local fare that would have been paid. As such, while the program enhances affordability and convenience for riders, it does not result in revenue loss for Oakville Transit. In 2024, the total reimbursement received from Metrolinx through the co-fare program amounted to \$4,456.60.