

City of Mississauga
Corporate Report



<p>Date: February 4, 2025</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Sam Rogers, MBA, Commissioner of Transportation and Works</p>	<p>Meeting date: February 19, 2025</p>

Subject

2025-2028 Universal Transit Pass Program Agreement with the University of Toronto at Mississauga

Recommendation

That the Commissioner of Transportation and Works or designate be authorized to negotiate and execute, on behalf of The Corporation of the City of Mississauga, a new Universal Transit Pass Agreement with the University of Toronto and the Erindale College Student Union, for a universal transit pass for undergraduate and graduate students, for a three-year term, and any and all necessary agreements and related ancillary documents, all in a form satisfactory to the City Solicitor, as outlined in the Corporate Report dated February 04, 2025, entitled " 2025-2028 Universal Transit Pass Program Agreement with the University of Toronto at Mississauga" from the Commissioner of Transportation and Works.

Executive Summary

- The Universal Transit Pass (U-Pass) program provides eligible University of Toronto's Mississauga Campus ("UTM") full time and part time students with discounted bus pass for unlimited travel each semester on all MiWay routes. UTM U-Pass also provides a two-hour free transfer across local Transit Agencies in the Greater Toronto and Hamilton Area ("GTHA").
- The U-Pass program has been operating successfully for the last eighteen years, providing an affordable means of transportation to UTM students, contributing to transit ridership which leads to improvements in transportation, the environment, and the health of the community while also guaranteeing a steady flow of transit revenues to the City.
- The City (via MiWay) in partnership with UTM, and University of Toronto Mississauga Student Union ("UTMSU"), currently has in place a two year Universal Transit Pass ("U-Pass Agreement") which expires on August 31, 2025. The U-Pass is issued to students

in digital form via PRESTO eTickets. The U-Pass fee increased by 5% in year one and another 5% in year two of the existing agreement.

- All parties have agreed in principle on the terms of the new three-year U-Pass agreement which now requires U-Pass be issued via PRESTO vouchers, no change in U-Pass fee for year one of the agreement, 3% increase in U-Pass fee for year two and another 3% increase in year three to help offset PRESTO additional commission costs.
- Building on the success of the U-Pass program and the need to ensure the continuity of the U-Pass program, MiWay seeks Council approval for a new three-year agreement with UTM and UTMSU effective September 01, 2025, to August 31, 2028.

Background

The current Universal Transit Pass Agreement between the City, UTM and UTMSU, was approved by the City under City By-law 0010-2023 and executed by Mississauga May 29, 2023, and valid for 2 years until August 31, 2025.

This contract includes full-time and part-time undergraduates and full-time graduates who attend UTM for the 8-months fall and winter academic terms (September to April), as well as full-time and part-time undergraduates who attend the 4-months summer academic term (May to August).

UTM students received the U-Pass in paper form each academic term since the inception of the program and the last paper U-Pass was issued for the fall/winter academic term of 2022/2023. Effective the 2023 summer academic term, students began receiving the U-Pass in digital form through the PRESTO e-Ticket on their mobile phones as a pilot program. Effective September 01, 2023, as per the existing agreement, all students began receiving the U-Pass through the PRESTO e-Ticket. To provide additional benefit for students to use the two-hour free transfer window across local Transit Agencies in the GTHA, the U-Pass will be issued via PRESTO vouchers effective 2025 summer academic term as a pilot and permanent beginning September 01, 2025, when this new agreement goes in effect

The U-Pass program requires mandatory participation from all students at UTM. 8,804 students were part of the 2024 summer term U-Pass program with a pass price of \$154.65, and 16,737 students are currently part of the 2024/2025 fall and winter term U-Pass program with pass price of \$324.76. The existing U-Pass agreement provides for an incremental price increase during each year of the agreement.

Comments

The MiWay U-Pass program with UTM has been successful for eighteen years and provided great benefits to UTM students and the community. For students, it reduces transportation

costs, provides a new and convenient travel options, makes it cheaper and easier to use transit more often for school, social outings and work. MiWay's goal is to encourage students to use transit, and to continue using transit after they graduate as it helps provide for increased MiWay ridership, guarantee steady flow of current and future transit revenue, and helps to reduce automobile traffic which leads to a healthier community for all.

Building on the success of the U-Pass program, MiWay staff have worked closely with representatives from UTM and UTMSU to discuss continuing the relationship and to provide students with both a fall/winter and summer U-Pass for the next three years (September 1, 2025, to August 31, 2028). The following outlines updates to the new contract:

Transition the digital U-Pass from PRESTO eTicket to PRESTO voucher:

The U-Pass on PRESTO voucher is the U-Pass which is available on the PRESTO card. Effective November 2023 and August 2024, the PRESTO card became available in digital version on Google and Apple wallets respectively. PRESTO card in mobile wallets allow users to tap their phones or wristwatch to pay for transit. UTM eligible students will be issued directly by UTM the U-Pass voucher codes for each academic term and students will redeem the codes on their registered PRESTO accounts for the U-Pass to become available on their mobile wallet and ready to tap on the bus.

The U-Pass voucher will allow UTM students to continue to benefit from the two-hour free transfer window to travel across local transit agencies in the GTHA including the TTC, once they tap first on MiWay. Also, under this new agreement, the U-Pass voucher will provide a better user experience for the students as they are required to tap their phones to show proof of U-Pass compared to the U-Pass eTicket which requires scanning a bar code from your phone which many students struggled on how to get a correct scan especially during rush hours. MiWay will also be able to collect complete and accurate ridership data with the U-Pass voucher.

Hamilton Street Railway (HSR) already implemented the U-Pass voucher to McMaster University, Redeemer University and Mohawk College in 2018 and to Columbia College in 2022. Durham Region Transit and MiWay are currently collaborating with PRESTO to introduce the U-Pass vouchers in 2025. MiWay will pilot the new PRESTO U-Pass voucher program in the summer of 2025 academic term which has a small UTM student enrolment to ensure successful functionality prior to a full launch in September 2025 under the new agreement, with the full UTM student population.

U-Pass price:

Based on discussions with representatives from UTMSU and UTM, MiWay is recommending a three-year U-Pass agreement beginning September 01, 2025, and ending August 31, 2028. There will be no change in the U-Pass price for the first year of the new agreement. The U-Pass price will then increase three percent each fall/winter and summer academic terms for year two and year three of the agreement. This pricing strategy is comparable to other U-Pass programs

in Ontario in that it strives to maintain a balance between affordable transit for students and a reasonable cost recovery for Mississauga taxpayers. The no U-Pass price increase in year one is consistent with overall 2025 fare structure for MiWay where fare increases were frozen for 2025 driven by increased ridership and revenue realized in 2023 and 2024. The 3% price increases for year two and three of the agreement will help offset the additional PRESTO commission cost for the use of PRESTO vouchers. MiWay's UTM U-Pass currently achieves an average price range when compared to other transit U-Pass programs throughout the province of Ontario. Comparative U-Pass pricing in Ontario is provided in Appendix 1.

The tables below show the breakdown of the new U-Pass pricing:

The U-Pass Fee for the Fall/Winter Academic Term(s) will be:

Fall/Winter Academic Term	Fee
September 2025 to April 2026	\$324.76
September 2026 to April 2027	\$334.50
September 2027 to April 2028	\$344.54

The U-Pass Fee for the Summer Academic Term(s) will be:

Summer Academic Term	Fee
May 2026 to August 2026	\$162.38
May 2027 to August 2027	\$167.25
May 2028 to August 2028	\$172.27

Strategic Plan

The U-Pass program encourages transit ridership leading to improvements in transportation, the environment and the health of the community. This program achieves several of the City's strategic goals by contributing to the following:

- Ensuring youth and new immigrants thrive by providing a means of transportation to students for traveling to school, work, errands and social events.
- Delivers affordability and accessibility by providing transit service at a discounted U-Pass price to thousands of students.
- Attracts and retain youth by providing a safe and reliable transit service that most students will continue to use even after graduation from UTM.
- Promoting a green culture by using the digital U-Pass on mobile phones ensuring less or no paper and plastics are used resulting to less environmental pollution.

Financial Impact

The UTM U-Pass fee is not changing for the first year of this agreement. The fee will however increase by 3% in year two and another 3% in year three. All additional revenues will offset any additional costs for the life of the agreement. There are no financial impacts resulting from the recommendations in this report and no budget change is recommended for 2025.

Table below shows 2024 actual and 2025-2028 forecasted net U-Pass revenues:

Item	2024	FORECASTS				
		2025	2026	2027	2028	2025 - 2028
U-Pass Revenue	\$6.7 M	\$6.8 M	\$6.9 M	\$7.1 M	\$7.2 M	\$27.9 M
PRESTO Commission Cost	(\$.4 M)	(\$.5 M)	(\$.6 M)	(\$.6 M)	(\$.7 M)	(\$2.4 M)
Net U-Pass Revenue	\$6.3 M	\$6.3 M	\$6.3 M	\$6.5 M	\$6.5 M	\$25.5 M

In 2024, MiWay collected \$6.7M in transit revenues from the U-Pass program. This reflected an 8% increase in U-Pass revenues from prior year 2023 driven by the 5% increase in U-Pass price in 2024 and increased student enrolment seen in 2024 academic terms. The 2025 U-Pass revenues are expected to grow driven by another 5% increase in price based on existing agreement. UTM has mentioned they anticipate minimal to no increase in student enrolment for the life of this new agreement due to new regulations providing caps on number of international students to admit.

As per the City's separate PRESTO service agreement, MiWay pays to PRESTO a commission cost of 6% plus HST on the revenue value of the PRESTO U-Pass eTickets issued to UTM students. In 2024, MiWay spent \$0.4M in PRESTO commission costs for the U-Pass program. Effective May 2025, with the MiWay U-Pass transitions to the PRESTO vouchers, the PRESTO commissions costs will increase from 6% to 9% plus HST as per the PRESTO service agreement.

MiWay anticipates that the additional revenue from U-Pass price increase of 3% in years two and three plus minimal growth expected in student enrolment will offset the impact of the additional PRESTO commission costs over a three-year period.

Conclusion

MiWay, in partnership with UTM and UTMSU, have delivered a successful U-Pass program over the past eighteen years. To ensure the continuity of the U-Pass program, MiWay seeks Council approval for a new three-year agreement with UTM and UTMSU. The U-Pass provides an affordable travel option for UTM students, supports community transportation goals by reducing the need for a car. The U-Pass program help generate ridership for MiWay and guarantees steady flow of both current and future transit revenues.

All parties have agreed in principle to the new contract terms and MiWay recommends that Council approve the new U-Pass agreement between UTM, UTMSU and the City that will extend the program for another three years beginning September 1, 2025, expiring August 31, 2028. The U-Pass will transition from U-Pass eTickets to U-Pass vouchers which will allow students to benefit from the two-hour free transfer window across the GTHA including the

Toronto Transit Commission (TTC). The U-Pass price will not change in first year and will increase by 3% in year two and another 3% in year three.

Attachments

Appendix 1 – U-Pass Pricing Ontario Transit Systems_2024



Sam Rogers, MBA, Commissioner of Transportation and Works

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