

City of Mississauga
Corporate Report



<p>Date: January 27, 2021</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works</p>	<p>Meeting date: February 10, 2021</p>

Subject

MiWay Discount to UTM students of the 2021 Winter U-Pass Program and Cancellation of 2021 Summer U-Pass Program

Recommendation

1. That the report dated January 27, 2021 from the Commissioner of Transportation and Works entitled "MiWay Discount to UTM students of the 2021 Winter U-Pass Program and Cancellation of 2021 Summer U-Pass Program" be received.
2. That a discount, for the period between January 01, 2021 to April 30, 2021 of \$79.77 per student of approximately \$1,300,000 in total be approved for all students enrolled in the 2020/2021 Fall/Winter U-Pass Program due to low demand of MiWay services by UTM students from lockdown restrictions caused by the COVID-19 outbreak.
3. That the 2021 Summer U-Pass Program be cancelled due to low demand of MiWay services from lockdown restrictions and online studies caused by the COVID-19 outbreak, resulting in a revenue loss of \$1,500,000.
4. That consideration to cancel 2021/2022 Fall/Winter U-Pass Program be received for information.
5. That the User Fees and Charges By-law 251-2020, be amended to reflect the discounted 2020/2021 Fall/Winter U-Pass 8 Month Fee and cancellation of the 2021 Summer U-Pass program, as outlined in Recommendations #2 and #3.

Report Highlights

- Due to COVID-19 outbreak, the demand for MiWay services by UTM students have reduced significantly as most University courses are now offered online. Students are requesting not to pay for the 2021 U-Pass programs as their needs have changed.
- Staff recommends that Council approves discount of \$79.77 per student of approximately \$1,300,000 in total for all students enrolled in the 2020/2021 Fall/Winter U-Pass program and to cancel the 2021 Summer U-Pass program with a revenue loss of \$1,500,000

- 2021/2022 Fall/Winter U-Pass program is under review for potential request to cancel pending confirmation from UTMSU by April 30, 2021

Background

The COVID-19 outbreak caused the implementation of several physical distancing measures and lockdown restrictions leading to many university courses being offered online as opposed to on-campus studies. These online studies have led to low demand for MiWay services, as many students are now enrolled in online courses. In addition, COVID-19 building access restrictions delayed the U-Pass distribution. This adversely impacted the number of students who could pick up their U-Pass cards, as it had to be done via pre-booking to avoid crowding in the office. Even with the change in distribution method of mailing out U-Pass cards to students, only 2,817 (17% as of Jan 5th, 2021) of the total 16,295 students enrolled for the 2020/2021 Fall/Winter academic program had picked up their U-Pass cards.

University of Toronto Mississauga Student Union (UTMSU) has shared concerns of students requesting to not pay the full U-Pass fee for 2021 winter term considering their demand for MiWay services has reduced significantly as their travel needs have changed due to the COVID-19 outbreak and in-person courses conversion to online courses. MiWay has adjusted service to UTM campus to respond to the low travel demand of utilizing MiWay services.

Comments

In order to address the low demand of MiWay services from UTM students caused by the COVID-19 outbreak and the significant increase in online courses, MiWay is recommending that the City provide a discount of \$79.77 per student of approximately \$1,300,000 in total for the 2021 Winter U-Pass program running from January 01, 2021 to April 30, 2021. Considering the unprecedented times that all of us are going through, this discount is in good faith and in fairness to the students who constitute a very important ridership market segment and future of MiWay.

On November 04, 2020, Council approved a discount, effective September 18, 2020, of \$15 per student totalling \$219,000 for all those students who were unable to collect their 2020/2021 Fall/Winter U-Pass cards during the September 18, 2020 to October 4, 2020 UTMSU student office closure due to COVID-19 precautions.

If Council approves this second discount for 2020/2021 Fall/Winter U-Pass Program, the discounted 2020/2021 Fall/Winter U-Pass Fee (effective Sept. 18, 2020) of \$242.28 as set out in the Fees and Charges By-law 245-2020 will be reduced by \$79.77. The Transit Pass Agreement entered between the City, UTM and UTMSU will also be amended to reflect this discount. The \$79.77 discount will be given to 16,295 students who enrolled in the 2020/ 2021

Fall/Winter Program and will result in a \$1,300,000 lost revenues to the City. This will, however, address UTM students' concerns of low or no usage of the U-Pass in a reasonable way.

In addition to addressing the issue of low demand of MiWay services by a majority of UTM students, MiWay is recommending that the 2021 Summer U-Pass Program be cancelled. This will allow all the students not to pay the U-Pass fee, which will be fair to majority of the students. It would also allow MiWay to collect regular fares from the few students who will continue to require MiWay services. Based on the User Fees and Charges By-law 251-2020 approved by Council for the 2021 Summer term of \$154.14, the cancellation of the 2021 Summer U-Pass Program will have \$1,500,000 lost revenues to the City.

The Fees and Charges By-law 251-2020 will be amended to reflect the discounted fees and 2021 Summer U-Pass cancellation.

UTMSU has shared with MiWay further challenges from their members or students wanting to opt out from the 2021/2022 Fall/Winter U-Pass program. UTMSU will advise MiWay by April 30, 2021 if it will propose cancelling the 2021/2022 Fall/Winter U-Pass program. Based on the Transit Pass Agreement between the City, UTM and UTMSU, the U-Pass fee for the 2021/2022 Fall/Winter is \$270.14, and the potential cancellation of the 2021/2022 Fall/Winter U-Pass program will cost the City \$4,400,000 in terms of lost revenues.

Strategic Plan

This discount and cancellation of the 2021 Summer program will contribute to the strategic pillar of Developing a Transit Oriented City and the strategic goals to:

- Ensuring Youth and New Immigrants Thrive
- Ensuring Affordability and Accessibility
- Attract and Retain Youth

Financial Impact

MiWay received \$4,200,000 from UTM in November 2020 covering the U-Pass fee for the period of September 2020 to April 2021. \$2,200,000 of this represent 2021 deferred revenue for the City of Mississauga. Through this report MiWay is proposing a discount or refund of \$1,300,000 to be issued to UTM. A cheque in the amount of \$1,300,000 will be issued to UTM and UTM shall manage the distribution of the discount to the students.

On November 04, 2020, the City approved a discount of \$219,000. With this new proposed discount of \$1,300,000 the total revenue will be revised to \$2,681,000. The \$1,300,000 discount will be returned and funded from the 2021 revenue portion of the \$4,200,000 available in the deferred revenue account (GL#215138).

MiWay is also proposing cancellation of the 2021 U-Pass Summer program that will result in loss of revenue of \$1,500,000 for 2021 financial year while no payment is expected from UTM for the 2021 Summer Program.

The potential cancellation of the 2021 Fall/Winter program will further cause a \$4,400,000 revenue loss for the 2021/2022 financial year. No payment will be expected from UTM for the Fall/Winter Program.

Conclusion

MiWay is recommending that a discount of \$79.77 per U-Pass of approximately \$1,300,000 in total be approved for all students who enrolled in the 2020/2021 Fall/Winter Program. MiWay is also recommending that the 2021 Summer U-Pass Program be cancelled. Further, there is consideration of the proposal to request cancelling the 2021/2022 Fall U-Pass program pending confirmation from UTM by April 30, 2021. This discount to currently enrolled students and cancellation of the future 2021 Summer Program and potential cancellation of 2021/2022 Fall/Winter program is due to the low demand of MiWay services by a majority of UTM students. This was caused by the implementation of several physical distancing measures and lockdown restrictions due to COVID-19, leading to significant number of university courses to be offered online as opposed to on-campus studies.

UTMSU has shared with MiWay its concerns of UTM students requesting that they not pay the U-Pass fee for the 2021 Winter term, considering their demand for MiWay services has reduced significantly. Considering the unprecedented circumstances that we all are facing due to the COVID-19 outbreak, the \$79.77 discount to all students and cancellation of the subsequent U-Pass programs in 2021 is in good faith and will help address UTM students' concerns of low usage of the U-Pass in a reasonable way.



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