

City Council Report

REPORT NUMBER 140-2026-Community Services-Transit Services

DATE

PREPARED

March 20, 2026

FILE

CITY COUNCIL
MEETING DATE

April 7, 2026

SUBJECT

U-Pass Agreement with Lakehead University Student Union

RECOMMENDATION TO CITY COUNCIL

WITH RESPECT to Report 140-2026-Community Services-Transit Services, we recommend that Administration be authorized to enter into another one-year Universal Transit Pass (U-Pass) Agreement between the City and the Lakehead University Student Union Inc. (LUSU), with some changes as detailed in this report, including such ancillary documents, amendments and renewal agreements as may be required to give further effect to the intended relationships of the parties for a one-year term commencing on September 1, 2026;

AND THAT the Commissioner, Community Services be authorized to execute all documentation with respect to the U-Pass program agreement;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The Transit Services Division presently has a one-year agreement in place for provision of a U-Pass program with LUSU. The current agreement was established on September 1, 2025, and is set to expire on August 31, 2026. The purpose of this report is to recommend that a another one-year agreement for the U-Pass program between The Corporation of the City of Thunder Bay and the Lakehead University Student Union Inc. (LUSU) be established, commencing September 1, 2026. A proposed 11.5% fee increase is recommended to ensure consistent treatment with the Student Union of Confederation College Inc. (SUCCI) whose current agreement is in place until August 31, 2027 and based on a 5 year pricing strategy previously supported by Council in 2023.

DISCUSSION

The City of Thunder Bay's U-Pass program has been in place for more than 18 years and has proven to be of great benefit for students and the community. For students, it reduces

transportation costs, creates new and convenient travel options, and makes it cheaper and easier to use transit more often for school, social outings and work. U-Pass members represent approximately 40 percent of Transit’s ridership. The City’s goal is to encourage students to continue to use transit after they graduate as the city benefits from reduced automobile traffic which leads to a healthier community for all.

The U-Pass program allows for unlimited access to all conventional and specialized public transit services from September 1 to August 31 annually for eligible students enrolled at Lakehead University for agreed upon rates, per school term, per student.

U-Pass programs, being universal by nature, require mandatory participation by all enrolled students and therefore approximately 3,500 students were part of the 2025/2026 twelve-month program year term and approximately 138 students were part of the partial year eight-month 2026 term. Under the provisions of the agreement, some students can either opt-in or opt-out of the U-Pass program, but only under agreed-to strict and limited circumstances.

Building on the past success of the U-Pass program, staff have been working closely with LUSU to discuss continuing the relationship of providing students a twelve-month term U-Pass commencing September 1, 2026.

As part of those discussions, LUSU has maintained that opt-out provisions are an important issue for their members which require further exploration and discussion between the parties. Given the timing of the current agreement’s expiration on August 31, 2026, both parties agree to renew the LUSU U-Pass agreement for a one-year period to allow for further discussions to take place.

Table 1 includes the 2025/2026 program year fees paid to City per student per term for the expiring LUSU agreement. All fees are HST exempt.

Table 1: 2025/2026 program fees paid to the City per student per term:

Full Year Term Period	Fee Paid	Partial Year Term Period	Fee Paid
September 2025 to August 2026	\$280.66	January 2026 to August 2026	\$185.23

Based on discussions with LUSU, Administration is recommending a new one-year U-Pass agreement beginning September 1, 2026, until August 31, 2027. An approximate 11.5% price increase is proposed as per a U-Pass pricing strategy previously supported by Council in 2023 designed to achieve a discount to the price of a 12-month adult monthly pass that aligns with peer transit properties over 5 years. This proposed increase ensures consistent treatment with Confederation College students whose current U-Pass Agreement is in place until August 31, 2027. The U-Pass program’s validity period and accompanying terms and conditions from the previous agreement will remain the same for the duration of the new one-year agreement.

Table 2 outlines the new pricing agreed to between the parties and includes the new fees to be paid to the City per student per term for the new LUSU agreement. All fees are HST exempt.

Table 2: Fees paid to the City per student per term under the new agreement will be:

Full Year Term Period	Fee Paid	Partial Year Term Period	Fee Paid
September 2026 to August 2027	\$312.93	January 2027 to August 2027	\$206.54

Experience with the U-Pass program in Thunder Bay continues to indicate that it is a win-win program that benefits the students, the post-secondary institution, the City's transit system and the local community.

CONSULTATION

Administration has worked closely with LUSU representatives to discuss continuing the relationship of providing students a twelve-month term U-Pass commencing September 1, 2026. Both parties agree to renew the LUSU U-Pass agreement for a one-year period while further discussions to establish a longer, multi-year agreement, take place. It is concluded that administration should be authorized to establish the new Universal Transit Pass (U-Pass) Agreement with the Lakehead University Student Union.

FINANCIAL IMPLICATION

The LUSU U-Pass fee will increase by 11.5% for the term periods as indicated above in Table 2. The 11.5% increase is consistent with a 5 year U-Pass pricing strategy previously supported by Council in 2023 which better aligns Thunder Bay's U-Pass pricing to that of peer transit properties.

Fees paid to the City for the September 1, 2026, to August 31, 2027, full year and partial year terms will be \$312.93 and \$206.54 per eligible students respectively.

For the September 2026 to August 2027 term period, LUSU U-Pass program revenue is estimated to generate more than \$1,100,000. The September to December 2026 portion of that amount has been included in the 2026 budget and the January to August 2027 portion will be included as part of the 2027 budget process.

BACKGROUND

A proposed U-Pass pricing strategy was supported by Council in 2023 (2023CLS.033).

In June 2025, Council approved Report 183-2025 (Transit Services) which authorized Administration to establish a U-Pass Agreement between the City and the Lakehead Student Union Inc. (LUSU). This agreement commenced on September 1, 2025, and is scheduled to expire on August 31, 2026.

A new agreement must be established for the LUSU U-Pass program to continue beyond August 31, 2026. Discussions with LUSU regarding the U-Pass program relationship with the City beyond September 1, 2027, will remain ongoing. Administration will report back as more information becomes available.

REFERENCE MATERIAL ATTACHED

None

REPORT PREPARED BY

Brad Loroff, Manager – Transit Services, Community Services Department

REPORT SIGNED AND VERIFIED BY

Kelly Robertson, Commissioner – Community Services

Date (03/26/2026)