

City of Mississauga Corporate Report



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| Date: October 20, 2023 To: Chair and Members of General Committee | Originator's files: |
| From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works | Meeting date: November 15, 2023 |

Subject

The Province's Fare Integration Program and Fare Integration Agreement

Recommendation

That the Commissioner of Transportation and Works, or their designate, be authorized to negotiate and execute a fare integration agreement with Metrolinx on behalf of the City, to implement the Province's Fare Integration Program, including all necessary documents ancillary thereto, in a form satisfactory to Legal Services as outlined in the corporate report entitled "The Province's Fare Integration Program and Fare Integration Agreement" dated October 20, 2023 from the Commissioner of Transportation and Works.

Executive Summary

- MiWay has established fare integration with all neighbouring 905 transit agencies and GO transit, enabling free transfers. This integration means customers can pay a single fare and obtain a two-hour transfer. MiWay does not have the same fare integration with the Toronto Transit Commission (TTC).
- The Province of Ontario has committed to introducing and fully financing fare integration between the TTC and 905 transit agencies. This initiative aims to eliminate the need for customers to pay double fares when using a PRESTO card, PRESTO mobile wallet, or open payment for travel between TTC and 905 transit agencies. The program is expected to commence in early 2024, subject to the finalization of an agreement with the City of Mississauga (City) and Metrolinx.
- Staff are currently engaged in close collaboration with key stakeholders to finalize the implementation plan and legal agreement for fare integration. MiWay staff are working diligently to ensure that all aspects of this initiative are carefully and comprehensively

addressed.

Background

Currently, customers transferring between 905 transit agencies and the TTC are required to pay a double fare. The Province has committed to introducing and fully funding fare integration between the TTC and 905 transit agencies. This initiative aims to eliminate the need for customers to pay double fares when using a PRESTO card, PRESTO mobile wallet, or open payment methods (debit card and credit card) for travel between TTC and 905 transit agencies (Brampton Transit, Durham Region Transit, MiWay, and York Region Transit and between TTC and GO Transit). The fare integration programs will enhance affordability for customers who transfer between TTC and 905 transit services and TTC and GO Transit services.

The Ministry of Transportation (MTO) has instructed Metrolinx to implement and deliver a comprehensive fare integration program. This program encompasses various aspects, such as overseeing the management and disbursement of a provincial subsidy for farebox revenue to transit agencies. Additionally, the MTO and Metrolinx have collaborated with transit agencies to devise the necessary design and technical implementation for the fare integration program.

The fare integration program is designed with four fundamental principles:

- A reimbursement of 100 per cent of eligible trips to transit agencies for their respective foregone farebox revenue subject to the agreement between the Province and the City.
- A prospective subsidy based on actual transfer transactions, not a formula.
- The proposed eligible fare media are PRESTO Card, PRESTO Mobile Wallet, and open payment with a requirement for municipalities to use PRESTO as their fare collection mechanism to be eligible for this program
- A proposal for the first phase of the new program with built-in review milestones to assess performance, requiring engagement and data sharing.

Staff have been actively engaged with the MTO and Metrolinx, and collaborating with other transit agencies (Brampton Transit, Durham Region Transit, TTC and York Region Transit) in several working groups for this program. These groups include, fare and service integration collaborative table, a technical working group and a legal working group. Staff are currently working to finalize a legal agreement with Metrolinx that will specify terms specific to MiWay and the City.

Comments

The Province intends to have the fare integration program commence in early 2024, subject to finalization of an agreement between Metrolinx and the City. The program is approved by the Ministry of Transportation until March 31, 2026 with terms to be included in the agreement around the extension of the program. Under this program, customers who use a PRESTO card, PRESTO mobile wallet or open payment to pay will only be charged a single fare for their entire trip within a two-hour transfer window. The Province would reimburse participating transit agencies for the extra fare a customer would have paid, under the existing fare rules.

To facilitate the program launch and the flow of subsidy payments, as described above, Metrolinx and the City intend to confirm the terms and conditions of the Program by way of a formal written agreement. The Legal Agreement will specifically outline the fare integration subsidies that would be provided, clarify the responsibility for associated program costs, and establish provisions for renewal and termination. It is important to note that the existing PRESTO operating and master agreements with MiWay will remain unchanged and fully effective following the execution of the fare integration program's legal agreements.

To advance the objective and actions set forth by the fare integration collaborative table, MiWay, the TTC and the Province will continue their efforts to enable service integration. The ongoing commitment aims to promote regional fare and service integration, with a focus on increasing customer access and optimizing service coordination through the ability to operate on an 'open door' process within the Toronto boundaries.

At present, the partner agencies are primarily dedicated to creating an equitable collection solution utilizing the PRESTO system. After the implementation of this solution, a pilot program will be introduced on Bloor Street. Further expansion to all MiWay cross-boundary corridors would be considered, should the pilot prove to be successful.

When available, staff will provide a future update on the progress of the service integration plan.

Financial Impact

The proposed fare integration program aims to achieve a fare system where the TTC and partner agencies like MiWay can maintain revenue neutrality while enhancing the customer experience for passengers travelling across municipal boundaries. Under the program, customers using PRESTO will receive the discount on eligible transfers between participating transit systems. Transit authorities will be reimbursed for the revenue they would have earned, minus the applicable PRESTO commissions.

The provincial fare integration program will compensate MiWay for its reduction in revenue which is estimated to be approximately \$7 million annually. The fare program leverages the existing PRESTO system to facilitate an automatic and prompt reimbursement process for participating transit agencies. Any future financial impacts would be reported through multi-year

operating budgets. The ultimate goal is to improve the customer experience by providing more options and affordability fostering long-term growth in ridership.

Trips taken using cash fare payments, e-Ticket applications, or PRESTO Ticket purchases are not eligible for reimbursement under the program as the customers will not receive the discount on eligible transfers between participating transit systems.

Conclusion

This report requests Council approval to authorize the City's participation in the provincial fare integration program and to authorize the Commissioner of Transportation and Works, or their designate, to negotiate and execute a fare integration agreement with Metrolinx on behalf of the City. The program aims to eliminate the double fare currently paid by customers using both MiWay and Toronto Transit Commission (TTC).

Staff have been engaged with MTO and Metrolinx, and collaborating with other transit agencies, and internal stakeholders to prepare for the proposed launch of the provincial fare integration program in 2024.



Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

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