Minute No. 758
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

Item No. 1 Winnipeg Transit Smart Card Implementation and Related Policies

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and adopted the following:

1. That the Winnipeg Transit Fare Model be revised as follows:

   A. the e-ride fare category be eliminated

   B. the e-cash single ride fare be set to the approved e-ride single fare (current ticket fare)

   C. the revised Fare Model reflecting the foregoing in Appendix 1 be approved and that the fare model, with the exception of cash, e-cash, ticket and special use tokens, continue to be exempt from the CFO's authority in sections 3 and 4 of the Fees and Charges By-law.

2. That the one ride safety net feature available on the Automated Fare Collection System be disabled during the launch period of smart cards, and potentially introduced at a later date at the Director of Transit's discretion.

3. That the Proper Officer of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

DECISION MAKING HISTORY:

Moved by Councillor Swandel,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works, and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Winnipeg Transit Smart Card Implementation and Related Policies - Update

Critical Path: SPC on Infrastructure Renewal and Public Works – EPC – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Caldwell T. Yanchishyn	D. Wardrop	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That the Winnipeg Transit Fare Model be revised as follows:
   - the e-ride fare category be eliminated
   - the e-cash single ride fare be set to the approved e-ride single fare (current ticket fare)
   - the revised Fare Model reflecting the foregoing in Appendix 1 be approved and that the fare model, with the exception of cash, e-cash, ticket and special use tokens, continue to be exempt from the CFO's authority in sections 3 and 4 of the Fees and Charges By-law.

2. That the one ride safety net feature available on the Automated Fare Collection System be disabled during the launch period of smart cards, and potentially introduced at a later date at the Director of Transit's discretion.

3. That the Proper Officer of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Changes to the Winnipeg Transit Fare Model and policies require Council approval.

IMPLICATIONS OF THE RECOMMENDATIONS

Eliminating the e-ride fare category will simplify the fare structure for passengers, sales agents and bus operators.

Withholding the One Ride Safety Net during the launch period, and possibly introducing it at a later date, will help reduce the likelihood of technical problems and passenger confusion (up to 250,000 cards to distribute).
Fare product pricing calculations based on the e-ride have been revised to be based on e-cash. There is no effect on the pricing of the fare products. It is simply the terminology on which the calculation is based as the e-cash fare is taking on the value of the previous e-ride category.

The previously approved Council exemption to all Winnipeg Transit Fare Model products from the provision of the Fees and Charges By-Law with the exception of cash, e-cash/ticket fares and special use tokens would continue to apply as previously approved on October 23, 2013 and November 14, 2012.

HISTORY

On November 14, 2012, Council adopted a new fare model. On October 23, 2013, Council also approved additional recommendations pertaining to the implementation of Transit's Automated Fare Collection System based on preliminary planning. The approved fare model after the October 23, 2013 meeting is provided in Appendix 2, highlighting the recommended changes.

If adopted this report would result in the following changes to the approved fare model:

- Elimination of the e-ride fare category
- Change in pricing of the e-cash fare category
- Change in remaining fare model calculations to reflect the above two changes

Elimination of e-ride Fare Category

The proposed fare structure was developed in the absence of the new smart card system. Once the first Winnipeg version was delivered in Spring 2014, it became evident the Council adopted proposed fare structure is complex and may confuse passengers, sales agents and bus operators.

There were two categories with similar functions and per ride prices:

1. E-ride – the replacement product for the paper ticket. Each e-ride constitutes a ride 'token' valid for a single journey, including associated transfers, stored on the reloadable card. Basically, passengers pre-purchase a certain number of rides in advance.

2. E-cash – cash loaded onto the smart card is reduced each time it is used on the bus by the value of one ride at the cost defined in Transit's fare model. For this product, rides are not purchased in advance, cash is added onto the card that can be used to purchase rides on the bus.

The two fare categories resulted in an extensive menu of fare options that are difficult to explain and understand, creating potential for public dissatisfaction. It is easier to communicate two options – passes or a cash value on the card for single rides which ensures the lowest per ride fare to the passenger.

Some of the reasons for eliminating this category include:

- Eliminating the e-ride category will enable Transit's smart card to be similar to a prepaid card many food and beverage retailers issue under their brand names that allows our passengers to add money to the card and have the fare amounts deducted when the transit ride takes place.
- Fare increases for single rides will be effective the day of the increase as opposed to having left over rides stored on the smart card at the former fare rate.
- The minimum purchase requirement of e-cash is $5.00, which makes the best non-pass fare available to low income passengers who do not want to purchase 5 or 10 e-rides at one time.
- The smart card rebate adopted by Council October 23, 2013 can only be reimbursed via e-cash. Having one single ride product will make the rebate more accessible to customers. Removing the e-ride option eliminates the potential for public dissatisfaction of being provided a rebate that is difficult to utilize.

<u>One Ride Safety Net</u>

Registered cardholders who board a bus without e-cash value or a valid pass on their card may be allowed to go one ride into debt on their smart card. Before the card can be used again, payment to cover this previously unpaid ride must be made prior to purchasing additional e-cash value or passes.

This feature is new to smart card systems and has been the cause of significant difficulties which can greatly add to the challenges involved moving passengers to automated fare collection. Another transit system that implemented a smart card system from the same vendor experienced great confusion amongst passengers and sales agents concerning this feature and resulted in significant public dissatisfaction.

Disabling this feature during the launch period will reduce the number of "new things" passengers, sales agents and bus operators have to learn during the implementation period while reducing the risk of technical problems during roll out.

Transit may introduce this feature with its own public education program at a later date. Doing so would help gain a better understanding and improved acceptance from customers.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 3, 2014

Project Name:

Winnipeg Transit Smart Card Implementation and Related Policies Update

COMMENTS:

There is no financial impact associated with this report.

original signed by'
Tanis Yanchishyn, CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to Legal Issues)

SUBMITTED BY

Department	Winnipeg Transit
Division	Finance and Administration
Prepared by:	Catherine Caldwell, Manager of Strategic Initiatives
	Tanis Yanchishyn, Manager of Finance & Administration
Date:	September 3, 2014
File No.	

APPENDIX 1 - As Recommended

Winnipeg Transit
Fare Model

					All relationships are applied and then rounded up or down to the nearest nickel as appropriate
		Reloadable Card	One Time Loadable Card	Effective	Fare Model
Single Journey					
	Cash			January 1, 2013	Adjusted annually by inflation per the Fees and Charges By-Law 196/2008
	E-cash (stored on a card) Token (not available for seniors) Ticket under old system	✓		January 1, 2013	Adult & Reduced = Adjusted annually by inflation per the Fees and Charges By-Law 196/2008 Seniors = 50% of adult e-cash fare
Time passes					
	24 Hour - E-Pass	✓		Upon implementation of Smart Card System	3.7 x e-cash price Seniors = 50% of adult fare
			✓	Upon implementation of Smart Card System	3.7 x full fare e-cash fare
	3 Day E-Pass	✓		Upon implementation of Smart Card System	7.5 x e-cash price Seniors = 50% of adult fare
			✓	Upon implementation of Smart Card System	7.5 x full fare e-cash fare
	5 Day E-Pass	✓		January 1, 2013	9 x e-cash fare Seniors = 50% of adult fare
			✓	Upon implementation of Smart Card System	9 x full fare e-cash fare
	7 Day E-Pass	✓		January 1, 2013	10 x e-cash fare Seniors = 50% of adult fare
	14 Day E-Pass	✓		Upon implementation of Smart Card System	18.5 x e-cash fare Seniors = 50% of adult fare
	21 Day E-Pass	✓		Upon implementation of Smart Card System	27.5 x e-cash fare Seniors = 50% of adult fare
	28 Day E-Pass	✓		Upon implementation of Smart Card System	35.5 x e-cash fare (PSS x 80%) Seniors = 50% of adult fare
Period passes					
	Monthly Pass	✓		January 1, 2013	38.5 x e-cash fare Seniors = 50% of adult fare
	Semester Pass (4 months)	✓		Upon implementation of Smart Card System	38.5 x e-cash fare x 3.4 x 80%
	Annual Pass	✓		Upon implementation of Smart Card System	13-28 day passes, for price of 12 Seniors = 50% of adult fare
	Until the smart card system is operational, all pricing calculated from a value of e-cash will be calculated from the value of a ticket.				

APPENDIX 2 - Approved on October 23, 2013 Sections to be Changed

Winnipeg Transit
Fare Model

	Reloadable Card	One Time Loadable Card	Effective	All relationships are applied and then rounded up or down to the nearest nickel as appropriate Fare Model
Single Journey				
Cash			January 1, 2013	Adjusted annually by inflation per the Fees and Charges By-Law 196/2008
E-cash (stored on the card)	✓		Upon implementation of Smart Card System	Adjusted annually by inflation per the Fees and Charges By-Law 196/2008
E-ride (stored on a card) Token (not available for seniors) Ticket under old system	✓		January 1, 2013	Adult & Reduced = Adjusted annually by inflation per the Fees and Charges By-Law 196/2008 Seniors = 50% of adult e-ride fare
Time passes				
24 Hour - E-Pass	✓		Upon implementation of Smart Card System	3.7 x e-ride price Seniors = 50% of adult fare
		✓	Upon implementation of Smart Card System	3.7 x full fare e-ride fare
3 Day E-Pass	✓		Upon implementation of Smart Card System	7.5 x e-ride price Seniors = 50% of adult fare
		✓	Upon implementation of Smart Card System	7.5 x full fare e-ride fare
5 Day E-Pass	✓		January 1, 2013	9 x e-ride fare Seniors = 50% of adult fare
7 Day E-Pass	✓		January 1, 2013	10 x e-ride fare Seniors = 50% of adult fare
14 Day E-Pass	✓		Upon implementation of Smart Card System	18.5 x e-ride fare Seniors = 50% of adult fare
21 Day E-Pass	✓		Upon implementation of Smart Card System	27.5 x e-ride fare Seniors = 50% of adult fare
28 Day E-Pass	✓		Upon implementation of Smart Card System	35.5 x e-ride fare (PSS x 80%) Seniors = 50% of adult fare
Period passes				
Monthly Pass	✓		January 1, 2013	38.5 x e-ride fare Seniors = 50% of adult fare
Semester Pass (4 months)	✓		Upon implementation of Smart Card System	38.5 x e-ride fare x 3.4 x 80%
Annual Pass	✓		Upon implementation of Smart Card System	13-28 day passes, for price of 12 Seniors = 50% of adult fare
Other				
E-ticket - 2 ride		✓	Upon implementation of Smart Card System	2.33 x reloadable card e-ride fare
E-ticket - 6 ride		✓	Upon implementation of Smart Card System	6 x full fare e-cash fare
E-ticket - 10 ride		✓	Upon implementation of Smart Card System	10 x full fare e-cash fare

Until the smart card system is operational, all pricing calculated from a value of an e-ride will be calculated from the value of a ticket.