



Office of the Commissioner
Transportation Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Paul Jankowski
Commissioner of Transportation Services

Date: August 26, 2020

Re: PRESTO Update

This memorandum updates Council on the Province of Ontario's direction of the regional transit smartcard system PRESTO. At September 10, 2020 Committee of the Whole, Metrolinx staff is scheduled to present their short-term plan to modernize PRESTO.

PRESTO is one of ten strategies identified by the Province as part of The Big Move

This Greater Toronto and Hamilton Area's (GTHA) regional transportation plan was to create an integrated transit fare system among all GTHA transit agencies.

York Region Transit (YRT), together with other 905 Transit Agencies and Ottawa-Carleton Transportation Commission (OC Transpo), implemented PRESTO in 2011. The Toronto Transit Commission (TTC) adopted PRESTO in 2014. Continued PRESTO participation by all GTHA transit agencies is mandatory to continue to receive provincial gas tax funding. In July 2020, York Region received approximately \$16.3 million in gas tax funds, with \$15.6 million being spent on transit operations.

Today, more than 80% of travellers using YRT's family of services use PRESTO as their fare payment method. The remaining 20% pay their fare using YRT's mobile pay app or cash.

PRESTO replaces the need for travellers to use cash or paper tickets and passes. The dollar value can be placed on the card in person at Shoppers Drug Mart stores or self-service machines located primarily at GO Train or TTC subway stations. Travellers can add value to their card remotely, in a variety of ways. Travellers can set up a PRESTO account to protect the dollar value on their card. If ever lost or stolen, the funds can be transferred to a replacement card.

In April 2017, Council approved the principles of a new PRESTO agreement with Metrolinx in anticipation of improved traveller experience and a system that would support GTHA-wide fare integration

The initial PRESTO agreement between Metrolinx, the 905 Transit Agencies and OC Transpo that lead to the implementation of the current system expired in October 2017. In [April 2017](#), Council approved the principles of a new PRESTO agreement with Metrolinx (Attachment 1). Under the new agreement, Metrolinx staff is working with all GTHA transit agencies to incorporate new PRESTO features supporting a fare integration solution and improving the traveller experience.

The first deliverable under the terms of the 2017 agreement is the replacement of the existing 905 Transit Agency PRESTO equipment that has reached its end of life. Replacing outdated equipment creates an opportunity to improve PRESTO functionality and support a long-desired move towards GTHA-wide fare integration. Equipment replacement in York Region is underway and is anticipated to be completed by the end of 2020.

The 2017 PRESTO Agreement also identifies a number of additional deliverables over the coming years by Metrolinx

Equipment replacement will support the Metrolinx plan to make a number of system changes that will benefit travellers across the Region. Planned initiatives include:

- Quicker loading of customer payment to their PRESTO card, eliminating the 24-hour waiting period
- Easy transfer of dollars from customers lost or stolen PRESTO card to a new card
- Cross-boundary travel between the 416 and 905 area
- Setting payment parameters - fare-by-distance, service type and daily dollar capping
- Electronic fare payment - paying through a mobile app
- Credit and debit card payment - using a physical card or phone
- Loyalty programs - ability to earn points towards a product or transit services
- Social services programs - such as Ontario Works, Ontario Disability Support Program and the Region's Transit Assistance Program
- Regional paratransit solution - YRT was first to pilot a solution, in 2015

The PRESTO Agreement is governed by a management group comprised of representatives from Metrolinx, TTC, 905 Transit Agencies and OC Transpo that ensure compliance with the terms and counselling on the strategic direction of the PRESTO system

The 2017 PRESTO agreement also established a system management group.

The group's mandate is to advise and provide counsel on the strategic direction of the core services and management of the PRESTO system while supporting efficient operations. The group is intended to maintain the integrity of the PRESTO system and agreement, and to manage any changes identified throughout the term of the agreement. Metrolinx staff also participates in the Fare Integration Forum to ensure the issue of cross-boundary travel and fare integration is addressed from a technology, fare payment collection perspective.

To date, changes to the PRESTO system to accommodate the outlined initiatives, fall within the terms of the 2017 PRESTO agreement. The associated costs remain in line with estimates agreed to at the time of the agreement execution.

York Region's continued participation in the PRESTO program ensures continued receipt of provincial gas tax funding.

Beginning in 2021, transit agencies are required to pay a set, annual commission to Metrolinx, based on an established revenue ridership threshold. This threshold gives Metrolinx a revenue guarantee that offsets PRESTO administration and operating costs. With the impact of COVID-19 on transit ridership, it is highly unlikely this threshold will be met and therefore, will create a financial risk for the 905 Transit Agencies in 2021. Limited discussion on this matter has taken place to date. Staff is now engaging with Metrolinx staff to reconsider this contract requirement given current revenue ridership experience.

Paul Jankowski
Commissioner of Transportation Services

Bruce Macgregor
Chief Administrative Officer

Attachment (1)

11261586