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YORK REGION TRANSIT
FARE ENFORCEMENT ON VIVA
PROOF-OF-PAYMENT AUDIT RESULTS

The Transit Committee recommends the following:

- 1. The presentation by Ron Gray and John Caggianiello, Horwath Orenstein, L.L.P., be received;**
- 2. The recommendation contained in the following report, December 17, 2007, from the General Manager, Transit, be adopted.**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report informs Transit Committee and Regional Council of the results of an independent audit that was conducted to review the fare inspection practices for the Viva bus rapid transit service. This included assessment of the fare inspection techniques and identification of future fare enforcement needs and enhancements.

3. BACKGROUND

In September 2005, York Region Transit (YRT) launched the Viva bus rapid transit service. Viva is based on an honour fare payment system referred to as Proof-of-Payment (POP). The POP system requires the customer to purchase or validate their fare media prior to boarding the bus. This increases the speed of the service as customers are able to board the vehicle from all doors and without verification of the fare by the driver. Enforcement staff conduct random inspections to verify that customers possess the appropriate fare media. POP is also used on all GO rail services as well as on the TTC Queen streetcar line.

YRT typically utilizes two-person enforcement teams comprised of a Fare Media Inspector and a Special Constable to perform the inspections. The use of such teams allows for a balance between safety, customer service and fare enforcement. The Enforcement section provides seven day a week, 20 hour a day service coverage. The current field staffing level consists of two Team Lead Special Constables, eight Special Constables, six Fare Media Inspectors and one Enforcement Supervisor.

The operating principles, staffing needs, and performance targets for the YRT Enforcement Unit were established several years ago prior to the commencement of the Viva service. These were based on a review of best practices in Canada and the United States. However, limited information was available at that time as the Viva service was somewhat unique in terms of its use of technology and its type of operation. The Enforcement Unit has met most goals, however, there are some performance targets related to inspection and fare evasion rates that are not being met. Also, there was a need to confirm that the current inspection protocols maximize coverage and minimize fare evasion. As such, an independent audit was conducted to review key operating practices of the YRT Enforcement Unit.

4. ANALYSIS AND OPTIONS

Horwath Orenstein was retained by the Region's Audit Services Branch at the request of the General Manager, Transit. The consultant's key findings are discussed below.

4.1 Fare Inspection and Evasion Rate Targets Require Amendments

The Horwath Orenstein report indicates that the Enforcement Unit's inspection strategy and methods appear to be reasonable overall and that its resources are well utilized. However, the consultant also determined that the fare inspection and evasion rate targets need to be amended as the initial targets are not achievable with the resources available. Table 1 identifies the current and amended inspection and evasion rates from the report.

Table 1
Inspection and Evasion Rates

Rate Type	Current Rates	Amended Rates
Inspection Rate Target	5%	3.5%
Evasion Rate Target	1.5%	2.15%

The Canadian weighted average for fare evasion is 2.10% based on the five transit systems that utilize the Proof-of-Payment program. This information is derived from a consultant's report that was prepared when the YRT Enforcement Unit was established. The amended evasion rate target for YRT is 2.15% and is in keeping with the Canadian average.

4.2 Additional Enforcement Staff Required to Minimize Fare Evasion

The consultant advised that maintaining the YRT fare enforcement staffing complement at existing levels as ridership grows will result in higher evasion rates and decreased inspection rates. There is a need to supplement fare enforcement staff in proportion to the ongoing increase in Viva ridership. Table 2 outlines the consultant's recommendation on the need for additional fare enforcement staff and the YRT staff response to the staff resource needs to meet budget, operational and training needs.

Table 2
Additional Enforcement Staffing Requirement

Year	New Staff Requirement Consultant's Plan	New Staff Requirement YRT Plan
2007	1.5	Defer to 2008
2008	2.0	4.0
2009	3.5	3.0

4.3 Further Key Audit Information and Opportunities

The audit report identifies further key opportunities and comments as noted below:

- Safety and security programs are maturing and are being effectively conducted by the Enforcement Unit.
- Customer service and passenger education has been and continues to be an important focus.
- Inspection practices are strict in charging fare evaders.
- Continue work with the Region's Prosecutors to improve prosecution and fine revenue returns.
- Pursue a software solution for the Enforcement Unit that combines statistics capabilities and POP inspection planning.

4.4 Communicating Proof-of-Payment to Our Customers

YRT customers are informed of the Proof-of-Payment fare program on Viva through customer bulletins, web site information and direct dialogue with front line transit staff. In addition, signage on the Viva buses is being enhanced to indicate that a valid fare is required before boarding the vehicle. Further, a working group is being established with representatives from YRT and the Region's Corporate Communications group in consultation with York Regional Police and Legal Services. This working group will be developing and implementing further communication strategies to educate our customers on the Proof-of-Payment and fare enforcement program.

4.5 Relationship to Vision 2026

Reviewing the practices of and identifying improvements for the YRT Enforcement Unit satisfies a number of Vision 2026 principles related to customer-centred services and safety. This is achieved by providing front-line staff members who are in direct contact with the public and who provide an elevated level of security that enhances customer safety while traveling on YRT and Viva.

5. FINANCIAL IMPLICATIONS

The draft 2008 Business Plan and Budget contains funding in the amount of \$349,000 to support the hiring of four fare enforcement staff as identified in the audit report. The hiring of the four fare enforcement staff will also generate approximately \$40,000 in fine

revenues in 2008 based on a mid-year hire date, \$80,000 on an annualized basis. The additional staff will also assist in maintaining the fare inspection rate of 3.5% and evasion rate of 2.15%. A one percent increase in fare evasion equates to approximately \$220,000 in lost revenues.

6. LOCAL MUNICIPAL IMPACT

Uniformed Enforcement staff traveling on YRT/VIVA services improve customer service and security on the vehicles and at stations and terminals. The presence of these staff also serves as a proactive deterrent in reducing graffiti and vandalism, which enhances community appearance.

7. CONCLUSION

The auditors report prepared by Horwath Orenstein indicates that YRT Enforcement is meeting most key objectives. There is a need to revise inspection and evasion rate targets to match the resources that are available. The report identifies a need to hire additional enforcement staff to meet the revised inspection and evasion rate targets as well as an increase in ridership on Viva.

Horwath Orenstein officials will be at Transit Committee to present the findings of their audit exercise.

For more information on this report, contact Rick Takagi, Manager, Operations (ext. 5624) or Angelo Apfelbaum, Supervisor, Enforcement (ext. 5352) of the Transit Branch of the Transportation Services Department.

The Senior Management Group has reviewed this report.