Subject: Fare Compliance Initiative Update

File Number: ACS2025-TSD-SRTD-0001

Report to Transit Committee on 17 March 2025

Submitted on March 6, 2025 by Renée Amilcar, General Manager, Transit Services

Department

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Department

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Ward: Citywide

Objet : Mise à jour sur l'Initiative axée sur la conformité aux tarifs

Numéro de dossier : ACS2025-TSD-SRTD-0001

Rapport présenté au Comité du transport en commun

Rapport soumis le 17 mars 2025

Soumis le 6 mars 2025 par Renée Amilcar, Directrice générale, Services de transport en commun

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That Transit Committee receive this report for information.

RECOMMANDATION(S) DU RAPPORT

Que la Comité du transport en commun reçoive ce rapport pour information.

BACKGROUND

On February 8, 2024, staff presented an update to the Transit Commission outlining the scope of fare enforcement on the OC Transpo multimodal transit network (ACS2024-TSD-SRTD-0001). The report summarized regular fare enforcement activities that took place in Q4 2023 and, in response to continued evidence of fare evasion across the transit network, introduced a Focused Fare Compliance Initiative that began January 5, 2024.

Throughout the duration of the initiative, staff provided regular updates to Transit Commission on fare compliance, most recently on November 25, 2024. As part of these updates, staff committed to providing a more fulsome report outlining a longer-term plan for fare compliance on the City's transit network.

This report, being prepared for the March 17, 2025, meeting of the Transit Committee, provides background, current status, analysis of fare enforcement data, and a recommended plan for an ongoing fare compliance program.

DISCUSSION

Fare revenue is a vital component of the funding model for transit in Ottawa, as defined in the City's Long-Term Affordability Plan and Transit Services' Long Range Financial Plan. The requirement for customers to pay fares approved by Council, and to carry and present a valid proof of payment such as a transit pass, ticket, transfer, voucher or other fare medium, is set out in <u>Section 4 of the Transit By-Law (2007-268)</u>. Fare enforcement also ensures the integrity of the fare system and equity amongst transit customers.

Transit Fare Enforcement Officers (TFEOs) are part of the Special Constable organizational unit but are separate from the Special Constables who are sworn peace officers. TFEOs have different training, responsibilities, job requirements and authorities, and are part of a separate union affiliation, under ATU 279.

Following training that is received from the Special Constable Unit, TFEOs discharge their fare enforcement duties pursuant to the Transit By-Law in a fair and unbiased fashion which emphasizes a respectful approach to enforcement.

TFEOs are considered Municipal By-Law Officers for the purpose of enforcing fares under the Transit By-law but they also serve a customer service role and provide information and education to customers on fare requirements. TFEOs have a host of daily interactions with members of the public that are educational, and customer service focused. These include wayfinding for new users of the transit system and assisting customers with disabilities. TFEOs have recently begun staffing various outreach functions, working alongside Special Constable resource officers at schools. All TFEOs are trained in first aid and Narcan, and are able to assist with medical emergency situations, when required. Their efforts have contributed to increased safety, morale and reduced stress for customers, operators and transit supervisory staff. Overall, they are contributing to a more positive transit environment for staff and for customers.

Fare compliance is essential to ensuring stability of revenues, the integrity of the fare system, and equity among riders, but the benefits go beyond purely financial. Fare compliance also assists with mitigating violence against operators (bus and rail) by having dedicated TFEOs address fare infractions, promote fare compliance, improve reliability and productivity, by reducing disruptions to service and potentially attracting new customers by building confidence in the transit system. Having uniformed staff working in the field contributes to transit users' overall sense of safety and acts as a general deterrent of undesirable behaviours, including vandalism, smoking and drug use at stations and on transit vehicles.

It is important to underline that the main focus of the fare enforcement initiative is not to generate revenue for the City. The initiative focuses on encouraging users to use the transit network as a fare-paid system and is meant to incentivize customers to purchase the appropriate fare and be able to show proof of payment when requested, thus generating revenue through proper fare payment channels.

Focused Fare Compliance Initiative

A Focused Fare Compliance Initiative (ACS2024-TSD-SRTD-0001) took place between January 5, 2024, and May 1, 2024. The initiative focused on problematic areas based on feedback from the public, bus operators, staff and TFEOs. As a part of the focused initiative, in addition to ongoing education campaigns, TFEOs requested proof of payment from riders and issued fines to individuals who were unable to do so. Through this initiative, it was confirmed that an increased and robust fare compliance program was required to effectively reduce fare evasion over the long term and ensure deterrence throughout the system. In order to support this increase in enforcement, eight additional TFEO positions were filled, in addition to the existing four permanent TFEOs, bringing the total complement of TFEOs to 12. The cost to fund the additional eight relief TFEO positions from August to December 2024 was approximately \$300,000 and was funded from within existing budgets. As of September 2024, these 12 TFEOs have been active across the entire transit network; present on buses, trains and at O-Train stations,

inspecting fares, and issuing tickets.

Staffing and Deployment

The TFEOs are deployed as two teams of five and cover all transit modes on a daily basis. Their shift structure includes morning rush hour, midday traffic and afternoon rush hour. TFEOs check and confirm the eligibility of customers travelling the transit network, including those using discounted fares. Seniors, children and pre-teens are required to carry proof of age. Customers travelling using EquiPass or Community Pass fares or other discounted or free pass types are all asked to carry proof of identity so their eligibility can be checked. Passes issued to students by school boards and U-Passes issued by post-secondary institutions are also checked by TFEOs. The scope of the TFEOs does not include Para Transpo as fare compliance is possible through direct trip booking in the name of the customer.

While on duty at O-Train stations, TFEOs position themselves at train exits and fare gates to monitor ingress and egress, to and from stations and into fare paid zones. This static enforcement strategy was identified as a success from the initial fare compliance initiative and remains in effect today. As evidenced by the data in a further section of this report, fare compliance on the O-Train network has resulted in more tickets issued than on the bus network. This can be attributed to the effectiveness of the enforcement strategy used by TFEOs at fare gates. Once customers exit a train, they enter a fare paid zone and are requested to provide proof of payment. Customers unable to do so are issued a ticket (provincial offence notice) or warning.

Not every encounter TFEOs have with customers results in either a ticket or warning. Given the TFEO's frequent interactions with customers, their mere visibility and presence at stations incentivizes users to be increasingly vigilant about tapping their cards and purchasing correct fare. As a result, there are many untracked verbal and non-verbal warnings to customers boarding and/or purchasing fare.

Discretion and Scope

When issuing a ticket or a warning, TFEOs have discretion to determine the most appropriate course of action and apply discretion fairly, equitably and in accordance with OC Transpo policies.

Discretion is also used in certain specific situations including:

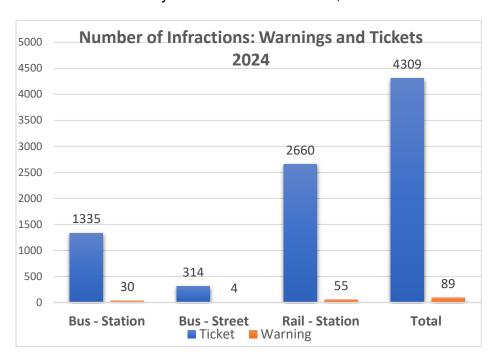
- Transfers that have expired for less than one hour.
- Customers under the age of 16.

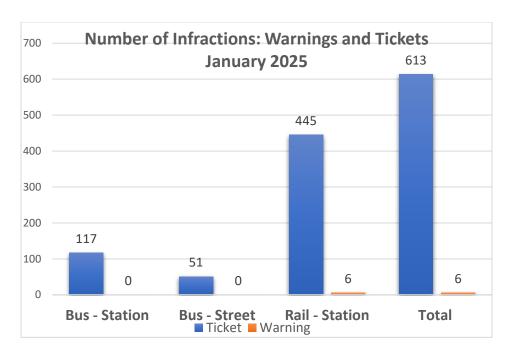
 Other extenuating circumstances based on the totality of the situation at hand at the time of the interaction.

Data Analysis

The charts below indicate the total number of tickets and warnings issued by the TFEOs. The first chart shows data for the year 2024, the second shows data from January 2025 and includes tickets issued on O-Train Lines 2 and 4 since opening on January 6, 2025.

Amounts shown represent tickets and warnings issued at stations on both the bus and rail networks and those issued by officers on board buses, shown below as "Bus – Street."





Fare Compliance Revenue

The table below summarizes the revenue generated by the fare compliance initiative in 2024. Amounts indicated include both tickets paid directly by the recipient and those that were paid through collections within a given month and are not directly tied to the number of tickets issued that month. Tickets that are unpaid result in an automatic conviction and the option to contest expires. After 90 days, outstanding amounts are then sent to collections for recovery.

In 2024, statistics show that approximately 30 per cent of tickets issued are paid on time, 11 per cent are paid late and incur additional fees. The remaining 59 per cent of tickets remain outstanding; efforts are underway in collaboration with Finance and Corporate Services to improve payment rates for 2025.

Effective January 2024, all revenue generated from paid fines was returned to the transit budget for use in funding transit operations.

2024 Annual Summary Transit Fare Enforcement Revenue		
Month	Amount Paid	
January	\$12,900.00	
February	\$22,080.00	
March	\$37,538.92	
April	\$24,400,64	
May	\$27,062.12	

June	\$22,422.72
July	\$19,330.25
August	\$20,235.87
September	\$37,406.19
October	\$43,170.99
November	\$49,744.39
December	\$36,814.11
TOTAL	\$353,105.20

Other Fare Evasion Mitigation Strategies

The use of fare paid zones is considered an advantage for transit security because they allow for easier and more efficient fare enforcement, as everyone within that zone is assumed to have paid their fare, which means transit security personnel can focus their efforts on checking for potential fare evasion at entry points like fare gates, rather than having to randomly check passengers throughout the system, leading to a safer and more streamlined passenger flow.

During the October 24, 2024, Transit Commission meeting, Councillors inquired about fare evasion issues at Blair and Hurdman stations, and what immediate and long-term actions can be taken. Staff reviewed the issues and recognizing the concerns at Blair and Hurdman stations, assigned TFEOs and Special Constables to work together to conduct a focused fare evasion and roadway safety project targeting these two locations. This joint initiative aimed at enhancing safety and addressing fare evasion took place from December 9 to 13, 2024. As a result of the initiative, six *Trespass to Property Act* infractions were issued by Special Constables while TFEOs issued 65 fare evasion tickets and eight warnings.

Councillors also requested a breakdown of the fare issues at O-Train stations, with a focus on the stations with the greatest issues. That information was provided at the November 2024 Transit Commission meeting, and included this table:

Tickets and Warnings Issued by Station Sept. 3 to Oct. 31, 2024	Total
Rideau Station	364
St-Laurent Station	142
Hurdman Station	116

Tremblay Station	76
Blair Station	73
Lees Station	45
uOttawa Station	43
Lyon Station	41
Parliament Station	37
Tunney's Pasture Station	37
Cyrville Station	31
Bayview Station	23
Pimisi Station	23
TOTAL	1,051

In addition to TFEOs enforcing fares along the transit network, recent changes have been made to fare purchasing systems that also help mitigate instances of fare evasion.

Listed among the top four fare evasion strategies observed by TFEOs and supported by data received by the OC Transpo Fare Systems Branch, was the purchase of improper fare type for the purchaser, namely, that many customers purchasing senior fare tickets from automatic ticket machines were not eligible for the senior fare.

Dating back to 2022-23, a similar trend was noted with Child fares, which were the lowest price fare available for purchase at the time. When "Kids Go Free" was introduced in July 2023, child fare tickets were removed from automatic ticket machines which led an immediate and notable approximate 3-times increase in the volume of senior fare being purchased, which had then become the lowest fare available. This purchasing volume remained consistent and was observed by TFEOs in the field and underscored the fact that previously, most child's fares, and then most senior fare purchases being made at automatic ticket machines were by customers who were not eligible to receive the discount.

In order to mitigate this behaviour and reduce instances of fraudulent fare purchasing, as part of the fare updates approved by Council through the 2025 budget process, discounted fare single-ride tickets are no longer available for purchase at ticket machines in O-Train stations, but customers need to use a Presto smartcard. Since this fare systems update came into effect, TFEOs have noticed a significant reduction in instances of improper senior fare purchase and evasion.

Fare compliance is also encouraged for users of the transit system by the introduction of many convenient payment options for riders to pay their fares, most notably the O-Payment system that is available at fare readers on buses and fare gates at O-Train stations.

Transit Agency Comparison and Benchmarking

Fare evasion and enforcement is not unique to OC Transpo. Transit agencies across Canada have reported increases in fare evasion that have led to significant fare revenue loss and have resulted in increased-enforcement strategies in many cities to attempt to curb this trend.

As one comparator, the Toronto Transit Commission (TTC) reported nearly \$124 million dollars in lost fare revenue in 2023 due to evasion. As part of its fare compliance program, the TTC employs Transit Fare Inspectors (TFIs) who patrol the TTC's multimodal network, requesting proof of payment of customers and issuing tickets when necessary. The TTC currently employs 90 TFIs. To address the increase in fare evasion, they are expanding their TFI staff with an additional 65 inspectors to be added to their ranks in Q2 2025, bringing their full complement of staff to 155.¹

In 2023, the TTC reported an average of 2,551,000 customer trips per day.² Once additional staff are on board, their ratio of inspectors to customer trips will be one inspector for every 16,458 customer trips.

As part of its response to fare evasion, the Société de transport de Montréal (STM) employs a staff of 164 Special Constables tasked with the fare enforcement of their daily ridership of approximately 1,745,700, a ratio of one constable for every 10,644 customers.

By comparison, OC Transpo reports approximately 340,000 daily customer trips with a current staff of 12 TFEOs actively patrolling the network: one officer for every 28,333 customer trips. If OC Transpo were to have the same ratio of TFEOs to ridership as Toronto or Montréal, we would employ between 21 and 32 TFEOs.

OC Transpo has yet to develop a solid method to estimate normal fare revenue that is encouraged through enforcement, but we will be working with other transit agencies and associations to develop one. Going forward, in order to provide a more complete picture of fare evasion on the transit network, OC Transpo is taking steps to determine the most effective way to collect complete fare compliance data for analysis compared to overall

¹ Transit Fare Inspector staffing and customer inspection data provided by TTC Chief Special Constable, Nicole Ehlers

² https://www.ttc.ca/transparency-and-accountability/Operating-Statistics/Operating-Statistics---2023

ridership and fare purchasing trends to be able to draw verifiable, data-driven conclusions on fare evasion rates and associated revenue losses that can be reported to Transit Committee as part of the OC Transpo Update presentation.

Future of the Fare Compliance Initiative

The current TFEO staffing and shift structure is projected to continue and the initiative as a whole will be reviewed and adjustments made on an as-needed basis based on its outcomes. In addition to their fare enforcement duties, TFEOs will continue to act as ambassadors for fare compliance, providing information and education to customers using the OC Transpo transit network and leveraging their liaison with Special Constable school resource officers to provide information to youth on fare compliance. To assist in keeping customers aware of the requirement to comply with the fare policy and assist with the ongoing mitigation of fare evasion, a review of the relevant communications products and signage across the transit network will be undertaken to remind customers that proof payment is required and that it should be provided on request.

Overall, staff project that ongoing fare compliance activities will increase fare revenues by ensuring customers pay the appropriate fare, continue to mitigate violence against operators and contribute to transit users' overall sense of safety while using the transit system. The measurements of transit riders' sense of safety are done through regular safety surveys, the results of which will be tracked over time.

Given the positive outcomes of the fare compliance program over the past year, working in collaboration with the Finance and Corporate Services Department, funding has been secured to extend the eight TFEO temporary positions to sustain the program until December 31, 2025, with the overall goal of reducing fare evasion. Looking ahead to 2026, funding will be sought through the 2026 budget process.

FINANCIAL IMPLICATIONS

For 2025 the estimated cost of the Fare Compliance Initiative, including permanent staff and temporary TFEO positions extended until December 31, 2025, is \$1.264 million which is funded from within Transit's existing operating budget. The 2025 operating budget, approved by Council, included \$1 million revenue from fare enforcement fines.

Funding for permanent TFEO positions will be included in Transit's 2026 operating budget submission for Council consideration and approval.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

ACCESSIBILITY IMPACTS

Fare compliance or enforcement has no specific impacts on the accessibility of the OC Transpo system, including Para Transpo. Transit Fare Enforcement Officers are trained to provide customer service consistent with the AODA Integrated Accessibility Standards Regulation, including how to interact and communicate with persons with various types of disabilities, as well as emergency preparedness and response procedures that provide for the safety and security of persons with disabilities.

RISK MANAGEMENT IMPLICATIONS

Risk management, related to OC Transpo fares, fare compliance and fare enforcement is part of the Fare Compliance Initiative.

RURAL IMPLICATIONS

Rural implications have been taken into consideration in the development of fare compliance. The City's transportation network, including light rail transit, is designed to provide options for all residents.

TERM OF COUNCIL PRIORITIES

The 2023-2026 Term of Council Priorities include:

- A city that is more connected with reliable, safe, and accessible mobility options.
- A city that is green and resilient.

DISPOSITION

Results of the ongoing Fare Compliance Initiative are provided to Transit Committee as part of the OC Transpo Update presentation.