



**SUBJECT: PRESTO Contactless Payment**

**TO: Community Planning, Regulation & Mobility Cttee.**

**FROM: Transit Department**

Report Number: TR-02-22

Wards Affected: All

File Numbers: 770-11

Date to Committee: September 13, 2022

Date to Council: September 20, 2022

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**Recommendation:**

Authorize the Mayor and City Clerk to sign the Amending Agreement for the 905 Agencies and Metrolinx related to Open Payment, referred to as the PRESTO Contactless Payment, with content satisfactory to the Director of Transit and in a form satisfactory to the Executive Director of Legal Services and Corporation Counsel; and

Approve the recommended changes to the rates and fees for the Transit Department include PRESTO Contactless payment as a payment option for transit at the current cash rate of \$3.50; and

Enact the By-law to amend By-law 61-2021, to implement PRESTO Contactless payment options, attached as Appendix "A" to transit department report TR-02-22, which has been prepared in a form satisfactory to the Executive Director of Legal Services and Corporation Counsel.

**PURPOSE:**

**Vision to Focus Alignment:**

- Improve integrated city mobility
  - Deliver customer centric services with a focus on efficiency and technology transformation
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## **Background and Discussion:**

In 2018, a new PRESTO Operating Agreement was signed by the City of Burlington. PRESTO was intended to facilitate more seamless transit travel within the GTHA. The adoption of PRESTO was a requirement for 905 transit agencies to receive Provincial Gas Tax Funding.

PRESTO is committed to modernizing the current system and provide updates to the system. Throughout the summer and fall of 2022, PRESTO is deploying PRESTO Contactless Payment on PRESTO devices, as an option for transit fare payment. PRESTO Contactless Payment will allow transit riders a new payment method option using credit or debit cards in lieu of a PRESTO card, to pay for their transit fare. Open payment has rolled out on other agencies including UP Express and will be rolled out in neighbouring transit agencies over the next few months. Burlington Transit will be adopting this payment method in late fall 2022.

The amending agreement addresses contactless payment and to improve revenue protection for contactless payment transactions for the 905 Transit Agencies. Metrolinx is increasing revenue protection from 98% to 99.5%. Metrolinx will also pay for all interchange and associated credit card fees, and will be liable for uncollected fares for all taps accepted by a fare payment device.

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## **Financial Matters:**

### **Total Financial Impact**

As open payment is a new service, there is no historical information available to determine the forecasted revenue for open payment, nor the amount that Metrolinx would be covering for interchange and uncollected fares.

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## **Climate Implications**

N/A

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## **Engagement Matters:**

Burlington Transit will be implementing PRESTO Contactless payments in the fall of 2022. Customer and rider engagement will occur through our marketing campaigns, coordinated through PRESTO.

## **Conclusion:**

The ability to use credit and debit cards to pay for bus fare is a desired customer request. PRESTO Contactless Payment will support expanded transit usage in Burlington including those who are first time riders who may not carry cash. This includes tourists and passengers who want the added convenience of alternative payment methods. Contactless payment also provides added flexibility to travel, by transit, right away before the opportunity to pick up a PRESTO card. The new payment method and reduction in liability for contactless transactions requires an amendment to the PRESTO Operating Agreement, as well as an amendment to the current 2022 Service Rates and Fees to add the PRESTO Contactless Payment method at the rate of \$3.50 per passenger.

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Respectfully submitted,

Catherine Baldelli

Director of Transit

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## **Appendices:**

A. Draft 2022 Rates and Fees Amending By-law – Transit.pdf

## **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.