

Report to Council



Date: May 08, 2023
To: Council
From: City Manager
Subject: Umo electronic transit fare collection system
Department: Integrated Transportation

Recommendation:

THAT Council receives, for information, the follow up report from Integrated Transportation dated May 08, 2023, regarding transit fare policy changes in support of BC Transit's electronic fare collection system, Umo;

AND THAT Council approve the replacement of monthly passes with a 30-day pass and approve the revised option #1 transfer policy proposed by BC Transit.

Purpose:

To update Council on transit fare policy changes in support of BC Transit's Umo, electronic fare collection system.

Background:

As presented to Council on February 6th, BC Transit is preparing to launch their Umo electronic fare collection system across the province. BC Transit is tentatively planning to implement Umo in the Kelowna Regional Transit System in late 2023. Umo will allow customers to pay their fare using a mobile app, reloadable smart card as well as credit and debit cards, and cash. To facilitate this new system, BC Transit requires Kelowna City Council to consider updates to select transit fare policies, which are generally a local government responsibility and are included in local annual operating agreements. In February, Council deferred further discussion on fare policy changes pending BC Transit providing additional information specific to fare transfer structure and fare product expiration dates. An updated report on these changes that takes into consideration concerns raised by Council during the earlier report has been provided by BC Transit, attached as Attachment 2.

Discussion:

As part of Umo, BC Transit is seeking to introduce four (4) specific fare policy changes in the Kelowna Regional Transit System. Two of these policy changes are presented for information to local government partners and are unchanged from the previous report:

Fare Product Refunds:

Full refunds will be available for unused fare products purchased by the customer. No refunds will be made available for any partially used or expired fare products. Refunds will be available on stored value amounts on personal Umo accounts of greater than ten dollars.

Fare Product Expiration:

Pre-purchased packs of 10 rides (previously tickets), or portions thereof, and DayPASS fare products will expire after 365 days from the date of purchase¹. As comparison, Translink fare products expire after 254 days. Stored value amounts on user accounts will not expire².

BC Transit is seeking to introduce the following two (2) fare policy changes that require local government approval, the first of which is unchanged from the previous report:

30-Day Pass:

The current calendar-based monthly pass products will be converted to a more flexible 30-day pass which can be purchased at any time of the month and remain valid for 30 days rather than expiring at the end of the month. This change is expected to result in an increase to annual fare revenue of 0.65%.

Transfer Policy:

Implementation of Umo across multiple transit systems requires a degree of standardization including a universal transfer policy; the architecture of Umo means that the only transfer policy available is a universal one. As a result, BC Transit carries forward its transfer policy change of limiting transfers for use on the next connecting bus within 90 minutes of the original fare payment or product use.

Acknowledging the concerns raised by Council on February 6th regarding the impact of the proposed policy³, and working within the technological constraints of the platform, BC Transit proposes two (2) options:

1. Reduce the cost of the DayPASS fare to two times the current cash fare rate at \$5.00. This is a reduction of \$1.50 for DayPASS and caps DayPASS at the cost of taking two single-directional trips (e.g., a trip to school or work in the am and return in the pm).
2. Delay the launch of Umo locally and conduct a comprehensive fare review; an assessment of the fare structure that would consider various approaches to fare pricing and the potential for introducing an on-board DayPASS fare product with subsequent removal of transfers.

Under Option 1, Umo would automatically cap riders at the DayPASS rate when paying via stored value on their Umo account. Cash and ticket paying riders would continue to be provided a transfer on board

¹ Fare products are purchased to access a defined service (i.e., transit trip(s) on a specific transit system) and are not protected under gift card legislation.

² Ensures riders who do not ride transit frequently over the course of a year are not impacted by the expiration policy by allowing them to pay their fare from their stored value.

³ Council expressed concern over the impact the policy may have on cash or ticket-paying riders who make multiple transfers on a single-direction trip within 90 minutes. These fare payment categories represent approximately 16% of ridership in the system, thus it is expected that the number of riders paying by these methods and making multi-bus single direction trips is low.

upon request. Within Umo, digital transfers will also be available to riders who purchase and use fare products through the application. A reduced-cost DayPASS may incentivize riders to use transit for more trips throughout the day thereby improving mobility for citizens and increasing ridership.

Conclusion:

Through the introduction of Umo in the Kelowna Regional Transit System, BC Transit will replace the current antiquated fare system with a solution that provides customers with new convenient ways to purchase and use transit fare products. To work within the technological constraints of the platform, BC Transit aims to introduce a universal fare policy across BC Transit systems that have a transfer policy in place today. BC Transit has considered the concerns raised by Kelowna City Council, particularly regarding the proposed transfer policy and has presented two approaches for Council's consideration.

Internal Circulation:

Communications Coordinator - Infrastructure
Revenue Supervisor

External Circulation:

Senior Manager, Government Relations, BC Transit

Financial/Budgetary Considerations:

Projected less than 1% increase to transit fare revenues resulting from implementation of a 30-day passes in replace of current month passes.

Considerations not applicable to this report:

Communications Comments:

Existing Policy:

External Agency/Public Comments:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Submitted by: M. Kittmer, Transit Service Coordinator

Reviewed by: J. Dombowsky, Transit and Programs Manager

Approved for inclusion: M. Logan, Infrastructure General Manager

Attachment 1 - UMO Fare Policy Changes Update (slides)

Attachment 2 - UMO and Fare Policy Updates – BC Transit

cc: Divisional Director, Corporate Strategic Services
Divisional Director, Financial Services
Divisional Director, Partnership & Investments
Divisional Director, Planning & Development Services.