



Minutes

Toronto Transit Commission Board

Meeting No.: 2030

Meeting Date: Wednesday, February 27, 2019

A meeting of the TTC Board was held in Committee Room 2, Toronto City Hall, 100 Queen Street West, Toronto, Ontario on Wednesday, February 27, 2019 commencing at 10:05 a.m. The meeting recessed at 10:25 a.m. to meet as the Committee of the Whole. The Board re-convened the public session at 1:08 p.m.

Present at Committee of the Whole

J. Robinson (Chair), A. Heisey, Q.C. (Vice-Chair), B. Bradford, S. Carroll, J. De Laurentiis, J. Karygiannis, R. Lalonde, J. McKelvie and D. Minnan-Wong (Members), C. Greenwood, B. Leck, M. MacRae, F. Monaco, G. Piemontese, S. Reed Tanaka, S. Sperling, K. Watson, R. Wong, D. Wright, M. Atlas, S. Conforti, J. Matharu, K. Lee and C. Finnerty were present.

V. Guzzo, P. Kraft, M. Stevenson (TTC), R. Glenn, M. Ormond (CreateTO), V. Faria, N. Lawrence (Affordable Housing), L. Lennox, P. Palmieri and N. Simos (City of Toronto) were present for Item 4.

V. Guzzo, P. Kraft, M. Stevenson (TTC). P. Palmieri (City of Toronto) were present for Item 5.

T. Bal, C. Leach, S. Milloy and N. Pazzano (TTC) were present for Item 6.

D. Magisano (Mayor's Office) was also present.

J. Robinson was in the Chair.

Present at Public Session

J. Robinson (Chair), B. Bradford, S. Carroll, J. De Laurentiis, A. Heisey, Q.C., J. Karygiannis, R. Lalonde, J. McKelvie and D. Minnan-Wong (Members), G. Downie (Chief Transit Expansion Officer – acting), C. Greenwood (Chief Service Officer), B. Leck (Head of Legal & General Counsel), K. Llewellyn-Thomas (Chief Customer Officer – acting), M. MacRae (Executive Director – Human Resources), F. Monaco (Chief of Infrastructure and

Engineering), G. Piemontese (Chief People Officer), S. Reed Tanaka (Chief Capital Officer), J. Ross (Chief Operating Officer), S. Sperling (Executive Director – Corporate Communications – acting), K. Watson (Deputy CEO - Operations), R. Wong (Chief of Vehicles – acting), D. Wright (Chief Financial Officer), T. Bal (Head – Audit, Risk & Compliance), S. Conforti (Head of Finance/Treasurer), C. Leach (Director – Internal Audit), J. Matharu (Manager – CEO Business Support & Council Relations), K. Lee (Head - Commission Services) and C. Finnerty (Co-ordinator – Secretariat Services) were present.

J. Robinson was in the Chair.

Declaration of Interest - Municipal Conflict of Interest Act

Nil

Minutes of the Previous Meeting

Commissioner McKelvie moved that the Board approve the minutes of the meeting held on Thursday, January 24, 2019.

The motion by Commissioner McKelvie carried.

Business Arising Out of the Minutes

Nil

Public Presentations

Item No. 3 Auditor General's Report - Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection

Miroslav Glavic
Carlos Santos, President, ATU Local 113
Alan Yule
Derek Moran

The Board received the deputation for information.
(See Item No. 3 for minute)

Item No. 10 Access to Information and Protection of Privacy – Policy Approval

Alan Yule

The Board received the deputation for information.
(See Item No. 10 for minute)

Presentations/Reports/Other Business

1. Chief Executive Officer's Report – February 2019 Update

The Board received the Chief Executive Officer's Report – February 2019 Update for information.

2. Approved Minutes of the Advisory Committee on Accessible Transit (ACAT) General Monthly Meeting for December 20, 2018

ACAT Chair Mazin Aribi introduced this item.

Following the ACAT Chair's comments the Board received for information the approved minutes from the Advisory Committee on Accessible Transit (ACAT) General Monthly Meeting of December 20, 2018.

3. Auditor General's Report - Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection

Commissioner De Laurentiis moved the following motion:

1. The TTC Board direct the TTC Chief Executive Officer to use all tools and means available to him to ensure Metrolinx addresses the operational and policy issues identified by the TTC and the Auditor General, and resolved to the satisfaction of the TTC in the interests of its customers.
2. That the service level agreement with Metrolinx be assessed against a standard expected of a supplier and owner of a payment card system, such as a debit or credit payment system.

The motion by Commissioner De Laurentiis carried.

Commissioner Lalonde moved the following motion:

1. That the TTC Chair request that the Chair of Metrolinx agree to co-sponsor an initiative to raise PRESTO performance standards to contracted levels; and
2. That the President & Chief Executive Officer of Metrolinx and the Chief Executive Officer of the Toronto Transit Commission report back to the TTC Board on this initiative no later than Q3 2019.

The motion by Commissioner Lalonde carried.

Chair Robinson moved the following motion:

1. That the TTC Board direct the Chief Executive Officer, Toronto Transit Commission, to conduct a cost-benefit analysis of the TTC's major fare categories, utilizing new PRESTO data, as a part of the Fare Pricing Strategy report expected in Q4 2019.
2. That the TTC Board direct the Chief Executive Officer, Toronto Transit Commission, to initiate a review of the Child PRESTO card fare category data, including the following, and report back to the TTC Board in Q3 2019.
 - a. Overall PRESTO card usage by children under the age of twelve.
 - b. Station by station usage of the Child PRESTO card.
 - c. A specific, costed action plan to reduce Child PRESTO card fraud and evasion.
3. That the TTC Board Chair, Toronto Transit Commission write a letter to the Chair, Metrolinx reaffirming the Board's commitment to ensuring that Metrolinx equipment meets the contractually-required service levels and establishing a final Service Level Agreement to ensure future service standards.
4. That the TTC Board direct the Chief Executive Officer, Toronto Transit Commission, to advise the President & Chief Executive Officer, Metrolinx that the TTC intends to be involved in meaningful consultations as a key customer as PRESTO develops and implements its plans for an account-based fare collection system.
5. That the TTC Board direct TTC staff to review the status of all service level agreements for PRESTO equipment and report back to the TTC Board in Q2 2019.
6. That the TTC Board direct TTC staff to work with Metrolinx to implement controls for all concession cards similar to the controls recommended by the Auditor General with respect to child cards.

Commissioner Bradford moved the following motion:

1. That the TTC Board request a response from Metrolinx on the timeline for re-introducing debit/credit payments on PRESTO fare and transfer machines.
2. That the response be brought to the April 11, 2019 TTC Board meeting.

The motion by Commissioner Bradford carried.

The TTC Board approved the Auditor General's recommendations, as follows:

The Auditor General recommends that:

1. The Board request the Chief Executive Officer, Toronto Transit Commission, to set acceptable targets for its fare evasion rates (by mode and overall) and to develop short and long-term strategies to reduce the fare evasion rates and the resulting revenue loss, while ensuring good customer service.
2. The Board request the Chief Executive Officer, Toronto Transit Commission, to raise customer awareness and understanding of the importance of paying the appropriate fare, as well as the PRESTO card payment process, Proof-of-Payment system, and consequences if found evading fare.
3. The Board request the Chief Executive Officer, Toronto Transit Commission, to:
 - a. Accurately measure and publicly report on the fare evasion rate every year; and
 - b. Reports from Internal Audit on fare evasion study should be made public.
4. The Board request the Chief Executive Officer, Toronto Transit Commission, to further improve the fare inspection program by ensuring:
 - a. Adequate training to Fare Inspectors on data collection and why this work is important to Toronto Transit Commission;
 - b. Development of realistic and clear performance expectations; and
 - c. Implementation of ongoing monitoring of staff performance and regular review of inspection data.
5. The Board request the Chief Executive Officer, Toronto Transit Commission, to explore system wide options that can help prevent and reduce fare evasion on streetcars with multiple doors and Proof-of-Payment policy.
6. The Board request the Chief Executive Officer, Toronto Transit Commission, to expand its fare inspection program to include buses and develop effective fare inspection methods for buses.
7. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that bus operators and streetcar operators are instructed and trained to press the fare dispute key whenever the appropriate fare is not paid. Data from the fare dispute keys should be routinely analyzed and used to aid in the strategic allocation of fare enforcement resources.

8. The Board request the Chief Executive Officer, Toronto Transit Commission, to expand its fare inspection program to include coverage of subway station entrances.
9. The Board request the Chief Executive Officer, Toronto Transit Commission, to take the necessary actions to reduce the number of illegal entries, particularly at automatic subway entrances, including:
 - a. Perform a cost-benefit analysis of continuing to keep the automatic entrances open, whether to install high gates in high-risk entrances at subway stations, and whether to station Toronto Transit Commission staff at some of these entrances;
 - b. Complete work on the fare gate sensors and fare gate event data reporting, so that information can be used to determine the rate of illegal entries at subway stations and to strategically allocate fare inspection resources; and
 - c. Ensure security camera video is monitored on a regular basis.
10. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure the contracted service requirements are upheld regarding functionality of Metrolinx Single Ride Vending Machines and PRESTO Card Readers, and recover from Metrolinx lost passenger revenue.
11. The Board request the Chief Executive Officer, Toronto Transit Commission, to review current TTC fare gate functionality issues, and develop and implement short and long-term strategies to improve fare gate functionality to reduce revenue loss.
12. The Board request the Chief Executive Officer, Toronto Transit Commission, to instruct and train crash gate staff on Toronto Transit Commission (TTC) policy, to request the fare collector to close the TTC fare gate when unattended by TTC staff, and to ensure fare collectors are trained in this task.
13. The Board request the Chief Executive Officer, Toronto Transit Commission, to re-assess whether there is a critical need to issue Child PRESTO cards, balancing provision of good customer service with the risk of fraudulent use of the Child Cards.
14. The Board request the Chief Executive Officer, Toronto Transit Commission, to *NOT* distribute the Toronto Transit Commission's promotional Child PRESTO cards until appropriate controls are in place.
15. The Board request the Chief Executive Officer, Toronto Transit Commission, to explore ways to provide a Child PRESTO Card that is visually different from an Adult PRESTO card, including further negotiation with Metrolinx to issue visually different PRESTO cards for adults and children aged 12 and under.

16. The Board request the Chief Executive Officer, Toronto Transit Commission, to make the necessary changes to the Child PRESTO cards so that bus and streetcar operators can spot inappropriate use of PRESTO concession cards including:
 - a. Negotiate with Metrolinx to provide a different light and sound on PRESTO card readers for Child PRESTO cards from other concession types; and
 - b. Perform cost benefit analysis and consider making change to Toronto Transit Commission revenue vehicles to include display of the PRESTO concession type for bus and streetcar operators.
17. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure adequate controls are in place and consistently applied in the issuance of Child PRESTO cards by Distributors.
18. The Board request the Chief Executive Officer, Toronto Transit Commission, to find ways with Metrolinx to either seize or obtain confirmation of deactivation for Child PRESTO cards found to be fraudulently used.
19. The Board request the Chief Executive Officer, Toronto Transit Commission, to work with Metrolinx to determine the feasibility of temporarily suspending the Child PRESTO cards on the Toronto Transit Commission until appropriate controls are in place.
20. The Board request the Chief Executive Officer, Toronto Transit Commission, to conduct a cost-benefit analysis of Transit Fare Inspectors vs. Transit Enforcement Officers with a view to improving the effectiveness and efficiency of the fare inspection program.
21. The Board request the Chief Executive Officer, Toronto Transit Commission, to review the level of authority, tools and uniform provided to Transit Fare Inspectors to ensure they can carry out their duties in a safe and effective manner.
22. The Board request the Chief Executive Officer, Toronto Transit Commission, to take steps to improve the speed, reliability, and functionality of PRESTO hand-held devices for fare inspections. Such steps should include, but not be limited to:
 - a. Improving tracking and reporting of the functionality and repairs of the hand-held devices;
 - b. Finalizing the Service Level Agreement with Metrolinx, which should specify a level of speed and functionality for the hand-held devices that meets Toronto Transit Commission's business requirements; and

- c. Holding Metrolinx accountable for its contracted service requirements on the speed, reliability and functionality of the hand-held devices supplied to the Toronto Transit Commission.

- 23. The Board request the Chief Executive Officer, Toronto Transit Commission, to improve the effectiveness of the off-boarding inspection process to minimize the number of passengers walking away from fare inspection, including measures such as installation of temporary or permanent physical barriers where feasible, and assigning a sufficient number of Transit Fare Inspectors and Transit Enforcement Officers for the off-boarding inspection.

- 24. The Board request the Chief Executive Officer, Toronto Transit Commission, to provide Transit Fare Inspectors with efficient access to the previous fare evader database during inspections.

- 25. The Board request the Chief Executive Officer, Toronto Transit Commission, to improve the effectiveness and consistency of the scheduling practices of its fare inspection program to:
 - a. Ensure the route and timing coverage is risk-based and strategic; and
 - b. Increase the use of plain clothed Transit Fare Inspectors as it enables a more accurate assessment of fare evasion rates and a more effective inspection program.

- 26. The Board request the Chief Executive Officer, Toronto Transit Commission, to explore ways to increase actual inspection time by Transit Fare Inspectors including:
 - a. Automating the manual ticketing process and the recording and reporting of fare inspection results;
 - b. Assessing the feasibility of establishing an internal fare evasion ticket appeal process, similar to Metrolinx (GO Transit); and
 - c. Exploring ways to reduce travel time by Transit Fare Inspectors between their reporting and lunch locations and assigned routes.

- 27. The Board request the Chief Executive Officer, Toronto Transit Commission, to finalize updating the TTC By-law No.1 and enhance the Fare Inspection Policies and Procedures manual to ensure they are up to date and include sufficient details to facilitate consistent fare inspections.

28. The Board forward this report to City Council for information through the City's Audit Committee.

Approved

Correspondence submitted by: Adam Cohoon, Hamish Wilson

4. 640 Lansdowne Avenue Lease (Affordable Housing) & Licence (Metrolinx)

It is recommended that the TTC Board:

1. Approve the execution of the necessary agreements between the TTC (“Landlord”), the Proponent (“Tenant”), and the City of Toronto – Affordable Housing Office (“AHO”) on the Terms and Conditions set out in Attachment 1 – Confidential Information for the construction and operation of affordable housing and long-term care, satisfactory to the TTC’s General Counsel and the City Solicitor;
2. Authorize the release of the Terms and Conditions as referenced in recommendation #1 above upon execution of the necessary agreements between the TTC, the proponent and the City of Toronto; and
3. Authorize that the information contained in the confidential attachment that is subject to solicitor-client privilege remain confidential in its entirety.

Approved

5. Christie Station Easier Access Phase III – Property Acquisitions

It is recommended that the Board:

1. Approve the recommendations set out in the Attachment 1 – Confidential Information; and
2. Maintain confidentiality of the information set out in Attachment 1 – Confidential Information until such time as the agreement(s) are executed with all the property owners.

Approved

6. Internal Audit Report: Divisional Clerk Resource Management (2018 Flexible Work Plan Update)

Commissioner Carroll moved the following motion:

That staff report back to the May 29, 2019 Audit & Risk Management Committee meeting on the Management Action Plan to address Internal Audit's observations and identified risk and control gaps.

The motion by Commissioner Carroll carried and the item was adopted, as amended, as follows:

That the TTC Board receive the confidential information as set out in the Internal Audit Report: Divisional Clerk Resource Management (2018 Flexible Audit Plan Update) report for information, noting that it is to remain confidential in its entirety as it contains information about labour relations and adopt the action taken in-camera.

7. Supply of Special Trackwork Castings Contract

It is recommended that the TTC Board:

1. Authorize issuing a contract to Voestalpine Nortrak Inc. in an amount of up to \$37,650,000 USD including applicable taxes (which is equivalent to \$50,014,260 CDN) for the supply of surface special trackwork commencing upon notification of award and covering deliveries of material for up to the five-year period January 1, 2020 to December 31, 2024;
2. Delegate authority to the CEO to add up to \$15,060,000 USD including applicable taxes to the contract with Nortrak to cover the cost of special trackwork during a period of up to two additional years beyond the initial term;
3. Delegate authority to the CEO to authorize the issuance of a contract(s) in an amount(s) of up to \$7,530,000 USD including HST to other suppliers, in order to secure alternate sources of supply (via a competitive bid process).

Approved

8. Bylaw to Govern TTC Board Meeting Proceedings – Update (Supplemental Report) (Referred from January 10, 2019 meeting)

On a motion by Vice-Chair Heisey, this item was deferred to the April 11, 2019 TTC Board meeting.

Correspondence submitted by: Adam Cohoon, Hamish Wilson

9. Member Appointments – Capital Projects & Procurement Working Group and Budget Working Group

Commissioners Karygiannis, Lalonde and Minnan-Wong nominated themselves for appointment to the Capital Projects & Procurement Working Group.

Commissioner Lalonde moved the following motion:

1. That Commissioners Minnan-Wong, Karygiannis and Lalonde be appointed to the Capital Projects & Procurement Working Group; and

2. That Commissioner Shelley Carroll be appointed as a regular member of the Budget Working Group.

The motion by Commissioner Lalonde carried.

10. Access to Information and Protection of Privacy – Policy Approval

It is recommended that the Board:

1. Approve the Access to Information and Protection of Privacy Policy, as attached; and
2. Direct staff to provide notice to the Information and Privacy Commissioner of Ontario (IPC) of the Board's policy approval and delegation of authority in accordance with the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) to the position of Head – Commission Services Department.

Approved

11. PricewaterhouseCoopers LLP 2017 Management Letter Follow-up Report

The Board approved the following:

1. That the TTC Board receive the PricewaterhouseCoopers LLP 2017 Management Letter Follow-up Report and forward a copy of the report to the City Clerk for appropriate handling.

12. Internal Audit Report: Changes to Select Contract Terms and Conditions (2018 Flexible Work Plan Update)

The TTC Board received this item for information.

13. Audit, Risk and Compliance Report: An Integrated Strategy & Flexible Work Plan

The TTC Board received this item for information.

14. Correspondence: Office of the Integrity Commissioner Toronto – Changes to the Municipal Conflict of Interest Act

Valerie Jepson, Integrity Commissioner, City of Toronto addressed the Board with a presentation regarding changes to the Municipal Conflict of Interest Act and the impact on Board members.

Board members queried the Integrity Commissioner with respect to the changes and moved receipt of the presentation.

The meeting adjourned at 5:08 p.m.