

Minutes

RTA External & Stakeholder Relations & Advocacy Committee Meeting

9:01 a.m., August 6, 2019

Committee: McCall (Chair), Lucas (Vice Chair), Bibb, Byrne, Welo

Other Board members: Bibb, Byrne, Clough, Moss

Not present: Joyce, Serrano

Also Present: Anderson, Astolfi, Bencs, Bitto, Burney, Caver, Ciesla, Cranford, Dangelo, Draper, Feliciano, Ferraro, Fields, Garofoli, Gibbons, Gillan-Shafron, Gray, Haer, Halverson, Hershman, Jaszczak, Johnson, Jones, Kirkland, Laule, Lewis, Lincoln, Loh, Macko, Mills, Montgomery, Penning, Pinkney-Butts, Richardson, Rusnov, Schipper, Scruggs, Sims, Stocking, Sutula, Tarka, Togher, Tucker, Uhas, Wilson, Winn, Woodford, Young, Zeller

Chief McCall called the meeting to order at 9:01 a.m. The secretary called the roll and reported that five (5) committee members were present.

Fare Policy Study

Joel Freilich, acting director of operations is the project manager and Rick Halverson of LTK made the presentation. This study is one of the five Pillar Studies. It lines up in a set of projects that will help to inform the Strategic Plan. This study allows RTA to better understand ridership and the relationship between ridership and changes in fares, fare levels, fare structure, fare collection systems and the relationship between ridership and revenue. Based on research, this study will suggest some possible changes to GCRTA fares and fare collection methods to better support the goals and strategic vision and reflect best practices. It will be research-based and provide RTA with improved tools to analyze impacts of fare changes and meet FTA requirements.

The research effort for this presentation was in three parts. One was an on-board rider survey of 3,700 riders collected last fall. There were a number of public presentations along with the study on the system redesign. They collected 546 surveys there. They did a peer review of other Ohio major agencies and agencies around the country with similar size, operations and climate. A big part of the survey was meeting FTA requirements, which requires analysis defining what low income groups are and how they are treated in any fare change compared to the general population. RTA has a good structure and fare products designed for all types of rider. But not all riders used what was in their best interest. Frequent riders choose the monthly or weekly pass. They both serve the same population, but the weekly pass ends up being more expensive. About 50% of the population said they are traveling at least 5 days a week and making at least 10 total trips. A lot of riders are paying with cash or the All Day pass on the bus when they get on.

Other than the riders that travel frequently, they looked at three groups. One is the group taking 3 or more trips a day. They don't travel enough to pay for a monthly and weekly pass. Their best choice is the All Day Pass and about 30% of them pay with that or cash. Second is people

who are infrequent and who don't travel heavily on a given day. Those were divided into those who transfer or don't transfer. The transfers use the 5-trip fare card. It's the cheapest option, but it is only used by a small group of people. The All Day pass is the second best choice or they pay with cash. The last group is direct travelers. Cash or 5-trip cards work for them. Few of them are using the All Day pass. They also asked on the survey the importance of the Fare Policy Goals and how well the agency was doing at achieving the goals. The big gaps show where they didn't feel the agency was measuring up to the goal. There is a big gap under Fast Fare Payment, Easy to Understand and Measures of Affordability. Smaller gaps were in Premium Service Cost, Mobile Devices and Paying for Other Transportation Modes. The riders were asked what their preference would be if the RTA revenue changed. If RTA receives more funding, they want to maximize service over cutting fares. With less funding, they want to balance service decreases and fare increases.

Almost all of the peer agencies had fares of \$2.50. RTA is current with them. RTA's premium service charge of \$0.25. No one else has a premium that low. Peer agency premiums range from \$0.50 - \$2.25. Fare box recovery ratio is a political decision as to how much is a fair share of what riders should be paying versus the general public. It's driven by statutes in some states, availability of funding, etc. RTA is among the lowest of their peers, but it's a matter of what is fair in the particular city or area. FTA requires that Paratransit fare be no more than twice the base bus fare. RTA has the lowest multiple. Only one agency has a discount for multi-ride fares. RTA is the only agency with an unlimited ride pass for Paratransit. Paratransit trips are more expensive to provide than fixed route trips, so that's why peer agencies are charging the max under the federal rules.

Issues for RTA to consider include that some riders or low income and minority riders are paying excessively for transferring. They are paying with cash, getting an All-Day ticket on the bus when a 5-day ticket, weekly or monthly pass would be in their best interest. They recommend RTA understand why riders are making these choices, improve the outreach and availability of these products in the communities, per the distribution, especially the marketing of the 5-trip fare cards, which is rarely used. In the long term, they believe future policy should be based on a rider's complete trip, but without inviting fare evasion. In the next fare change, unless the 5-trip card use increases, go to a Smart Card and have 4-trip for \$10 cards. Consider charging a nominal fee for transfers and reducing the price of a day pass. Long term changes would be implementing fare capping. This is when a rider has an account and they pay for each trip until they hit the monthly amount. Another issue is the past pricing distribution. Research is needed to determine why people are making certain choices. Improved public outreach and education to low income and minorities is needed.

Improved distribution of passes and related marketing is needed. Before you can implement fare capping, consider making the cost of four weekly passes more equivalent to a monthly pass. Surcharges is an issue because it cost money to implement. The fare differential should be big enough to counter the confusion they cause and the cost they impose. It should be no less than 20%. The P-N-R surcharge should be at least \$0.50 or be eliminated. Look at eligibility determination for Paratransit. There is an issue with an increased number of people going for service. Move the fares in compliance with FTA requirements. Eliminate unlimited ride passes. For those who have the ability to use both services, give them free rides on the fixed route so they have the incentive to ride the fixed route. The future of fare collection is that fare boxes are old and will have increased maintenance cost. Travel will be multi-modal and multi-operator. An aging population will increasingly need transportation options. Approaches agencies are moving towards is having riders pay for transportation they want to consume, not

each trip, with a Smartcard or cell phone account with free transfers. Eliminate riders needing exact change or credit/debit cards. Riders can use multiple modes and operators with regional agreements. Discounts should not depend on the ability to pay up front with fare capping. There should be new agreements with agencies, retail stores and new technology with wireless connectivity/real time, third party retail network, open architecture and open payments.

Next steps is to get comments from the Board, do more public outreach with the service study and receive some final recommendations for the Board review. Chief McCall sees parallels to the system redesign surveys and these surveys. She asked for a deeper dive into who is being surveyed. She said with the use of technology, RTA could go further and be bolder. A Smart Card is the way to go. It should be easier for riders. RTA should be the leaders in the industry. Joel said they are not done and since there will be more meetings with the public in September on the system redesign, they will have easels at these meetings on the fares and fare technology. The new technology will solve a lot of problems.

Mr. Bibb asked if RTA currently has Smart Cards. Joel said a contract was signed to provide them, but the firm is behind schedule in development. The cards will solve some of the problems, but not all of them. They are already thinking ahead because the fare collection system has been in service for more than 11 years. They are looking at new request for proposals for a new system. The contract was signed in 2006. It provided all the fare collection systems in place on all the buses since 2006. Smart cards was one component. The contractor hasn't been paid for the cards. Mr. Bibb said the cost of this technology has decreased and if the vendor can't provide the service, a new vendor should be sought. He asked how RTA is modeling the fare pricing with existing customer data (related to how much certain riders are paying for fares.) Rick said this information is the reason for the on-board survey. It will be shown in a spreadsheet. Dr. Caver added that they have accelerated the conversation over the last year on the Smart Card contract for delivery on the product. But the contract will not be one that is modern. They are speaking with the team on how to collect. New technology uses the smart phone to pay fares. IT is creating a Technology Roadmap. A key to that is customer facing. Mr. Bibb said that due to the diverse community, multiple options are needed.

Chief McCall questioned the contract and if the discussion about the Smart Card should continue if the technology will be old. The vendor is now known as Conduent, Inc. formally known as Xerox and then formally known as ASC. Joel said that nothing about this contract is slowing down the planning for the successor fare collection system in the Capital Plan. Mr. Bibb added that staff should have a deep dive on the current contract. If the contract is not terminated, then what is the near term strategy on smart card delivery, who is the best in class vendors, and provide analysis on customer personas and transit trends to align efforts. Mayor Clough concurred with the other board members. The board was led to believe that the contractor would deliver in a few years. Chief McCall suggested local tech firms are sought out too. A list of the September community meetings will be sent to the Board.

Chief McCall adjourned the meeting at 9:41 a.m.



Floun'say R. Caver, Ph.D., Interim CEO
General Manager/Secretary/Treasurer



Theresa A. Burrage
Executive Secretary