

## **PRESS RELEASE**

*For immediate release*

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### ***AATA to implement fare adjustment on May 2***

ANN ARBOR, MI – The Ann Arbor Transportation Authority (AATA) will implement Phase 2 of a two-year fare adjustment for both fixed-route bus and A-Ride and Senior paratransit services, beginning May 2, 2010.

In March, 2009, following an extensive effort to gather public input, the AATA Board of Directors approved implementation of a new fare structure to be implemented in two stages.

The basic adult bus fare will adjust to \$1.50. The new fare structure includes maintaining the free fare for Senior and A-Ride card holders on fixed-route service. AATA will continue to offer reduced fares for K-12 students, seniors ages 60-64, Medicare and Medicaid card holders, and income-eligible individuals at half the basic adult fare.

In announcing the fare change, AATA CEO Michael Ford said, “Despite cutting more than \$900,000 to balance the 2010 fiscal year budget, AATA still faces the challenges of reduced revenue at a time when the demand for quality public transit solutions is greater than ever.”

Ford explained that a five-year projection showed a decrease in property tax revenue due to lower property values, removal of the Pfizer property from the tax rolls and continued pressures on state operating assistance.

Fares represent a portion of the cost to operate transit service, with total fares covering 23.4 percent of the cost on fixed-route service and 15.2 percent of the cost for the demand-response service for Senior and A-Ride passengers.

Fares are paid directly by passengers and indirectly by organizations like the University of Michigan, City of Ann Arbor’s Downtown Development Authority and Washtenaw Community College.

In addition to increasing fares, over the past several years AATA has taken the following steps to improve efficiencies and reduce projected future deficits:

- Converted employees’ post-retirement health care plan to a portable defined contribution health care savings plan, reducing AATA’s unfunded liability from \$10.5 million to \$2.0 million.
- Continued to purchase hybrid electric buses to reduce diesel fuel consumption.
- Eliminated 15 employee positions, or 7.5 percent of the workforce, since 2006.
- Increased the hiring of part-time drivers.

- Switched to Voice-Over Internet Protocol (VOIP) phone service.
- Changed to a more cost-effective health care plan.

Upcoming steps to continue this effort include:

- Switching from #1 ultra-low sulfur bio-diesel (10 percent) to #2 ultra-low sulfur bio-diesel (20 percent) fuel
- Upgrading its energy management system to control natural gas and electricity costs at AATA facilities

“AATA is not alone in facing these financial challenges,” Ford said. “The American Public Transportation Association reports that, since January 1, 2009, 84 percent of public transit systems have either raised fares or cut service, or are considering either of those actions.”

Additional adjustments to AATA bus fares include:

Cash fare, Fare Deal card holders and K-12 students – 75 cents

30-day Flex Pass – \$58

30-day Value Pass – \$29

Day Passes – \$4.50

Full-fare tokens – \$15 (bag of 10)

Half-fare tokens – \$75 (bag of 100)

Fares for A-Ride and Senior paratransit services include:

Advance reservation – \$3.00

Same-day trip – \$4.00

Scrip coupons – \$30 (book of 10)

Questions on the new fares may be directed to [aatainfo@TheRide.org](mailto:aatainfo@TheRide.org), or 734.973.6500.