Fare Study
Introduction
Part I

*Presented by:*
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Deputy CEO, Finance and Administration
Agenda

• Fare Study Overview
• Current State of TheRide’s Fares
• Peer Comparison Summary
• Needs, Opportunities, and Challenges
• Next Steps
• Board Feedback
Fare Study Objectives

• Frame and inform future discussions and decisions.

• Develop potential goals for fares to balance ridership, revenue, and social, environmental, and economic development benefits.

• Suggestions to make fares easier to understand for customers and explainable.

• Provide ideas for current and future technologies to improve processes for the sale and collection of fares.

• Deliver a forecasting tool for further analysis of fare options.
## Fare Study Overview

### Deliverables

<table>
<thead>
<tr>
<th>Document</th>
<th>Description</th>
<th>No. of Pages</th>
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</thead>
<tbody>
<tr>
<td>Memo 1 &amp; 2</td>
<td>Existing Fare Structure, Best Practices, Industry Review</td>
<td>61</td>
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<td>Community Engagement Summary</td>
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<td>Strengths, Needs, Opportunities, Challenges</td>
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<td>Fare Model Calibration &amp; Assumptions</td>
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Reports Online at [http://www.theride.org/AboutUs/Initiatives/Fare-Study](http://www.theride.org/AboutUs/Initiatives/Fare-Study)
Current State of TheRide’s Fares

Operating Revenue Sources

- Fare Revenues: $6,926,124
- POSA Revenues: $2,294,858
- Property Tax: $16,037,925
- State Operating: $14,083,421
- Federal Operating: $2,400,000
- Other Federal: $2,656,459
- Other: $353,180

Total Revenue: $44.8 million (FY2018)
Current State of TheRide’s Fares

Fare Collection Technology

Genfare
Odyssey
Farebox

TRiM Unit
(Paper Ticket Printer/Receiver)

Contact Card Capability

Magnetic Passes
Swipe

Coins, Tokens, Bills
### Peer Comparison

**Average Fare per Boarding**

- Peer Average: $0.83

<table>
<thead>
<tr>
<th>City</th>
<th>Fare ($)</th>
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<tbody>
<tr>
<td>Peoria, IL</td>
<td>$0.56</td>
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<tr>
<td>Champaign-Urbana, IL</td>
<td>$0.58</td>
</tr>
<tr>
<td>Ann Arbor, MI</td>
<td>$0.69</td>
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<td>South Bend, IN</td>
<td>$0.73</td>
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<tr>
<td>Shreveport, LA</td>
<td>$0.80</td>
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<tr>
<td>Grand Rapids, MI</td>
<td>$0.85</td>
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<tr>
<td>Roanoke, VA</td>
<td>$0.85</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>$0.91</td>
</tr>
<tr>
<td>Erie, PA</td>
<td>$0.96</td>
</tr>
<tr>
<td>Syracuse, NY</td>
<td>$1.37</td>
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</tbody>
</table>
# Peer Comparison

## Subsidy per Boarding

- Peer Average: $3.61

<table>
<thead>
<tr>
<th>City</th>
<th>Subsidy per Boarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champaign-Urbana, IL</td>
<td>$1.95</td>
</tr>
<tr>
<td>Grand Rapids, MI</td>
<td>$2.28</td>
</tr>
<tr>
<td>Roanoke, VA</td>
<td>$2.32</td>
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<tr>
<td>Shreveport, LA</td>
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<td>Ann Arbor, MI</td>
<td>$3.75</td>
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<tr>
<td>Erie, PA</td>
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<tr>
<td>Syracuse, NY</td>
<td>$4.03</td>
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<tr>
<td>South Bend, IN</td>
<td>$4.44</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>$4.75</td>
</tr>
<tr>
<td>Peoria, IL</td>
<td>$5.22</td>
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### Peer Comparison

#### Fare vs. Subsidy per Trip

<table>
<thead>
<tr>
<th>City</th>
<th>Fare % Per Trip Cost</th>
<th>Subsidy % Per Trip Cost</th>
<th>Cost per Boarding</th>
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</thead>
<tbody>
<tr>
<td>Grand Rapids, MI</td>
<td>27%</td>
<td>73%</td>
<td>$3.14</td>
</tr>
<tr>
<td>Roanoke, VA</td>
<td>27%</td>
<td>73%</td>
<td>$3.17</td>
</tr>
<tr>
<td>Syracuse, NY</td>
<td>25%</td>
<td>74%</td>
<td>$5.41</td>
</tr>
<tr>
<td>Champaign-Urbana, IL</td>
<td>23%</td>
<td>77%</td>
<td>$2.53</td>
</tr>
<tr>
<td>Erie, PA</td>
<td>20%</td>
<td>80%</td>
<td>$4.84</td>
</tr>
<tr>
<td>Shreveport, LA</td>
<td>19%</td>
<td>81%</td>
<td>$4.26</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>16%</td>
<td>84%</td>
<td>$5.66</td>
</tr>
<tr>
<td><strong>Ann Arbor, MI</strong></td>
<td><strong>16%</strong></td>
<td><strong>84%</strong></td>
<td><strong>$4.45</strong></td>
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<tr>
<td>South Bend, IN</td>
<td>14%</td>
<td>86%</td>
<td>$5.17</td>
</tr>
<tr>
<td>Peoria, IL</td>
<td>10%</td>
<td>90%</td>
<td>$5.78</td>
</tr>
<tr>
<td><strong>Peer Average</strong></td>
<td><strong>20%</strong></td>
<td><strong>80%</strong></td>
<td><strong>$4.44</strong></td>
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</table>
SWOT Analysis

Needs, Opportunities, Challenges

Emergent Themes

- Simplicity
- Equity
- Safety
- Cash vs. Cashless
- Technology

- Customer Service
- Ridership & Revenue Growth
- Data Collection & Use
- Integration Between Services
SWOT Analysis

Need to guide decision-making about fares

- Use of operational data in decision-making
- Establish equitable discounting methods
- Pricing of new services, integration with existing services
- Setting the price for new third-party pass programs
SWOT Analysis

Opportunity to simplify payment choices

• 50+ ways to pay
• Need to simplify for clarity
• Focus upon retaining and improving highly used fares
SWOT Analysis

Equitable discounts

• Build equity into discounting methodologies
• Align discounts with industry/regulatory standards
• Shift enforcement of discount fares off-board
• Opportunity to increase revenue
SWOT Analysis

Clarify transfers

• Clarity will reduce customer confusion
• Consistency needed in transfer protocol
• Address time validity of transfer tickets
SWOT Analysis

Pricing promotes ridership

- Passes can incentivize ridership growth
- Faster boarding time
- Minimizes transfer problems
- Opportunity to price correctly
SWOT Analysis

Reduce use of change cards

• Customer inconvenience, risk of loss
• Increased use of TRiM unit
• Incentivize cashless fare payment
SWOT Analysis

Fare integrations and data-driven decisions

- Integrated fares between services can improve convenience
- Improve use of data and new technology
- Implement new technology such as smart cards or mobile app payments
SWOT Analysis

Other opportunities and challenges

• Rising costs (price of fares not changed since 2010)
• Misclassification / Unclassification
• Underreporting of ridership
• Concerns about fare evasion
• Uncertainty from RTA
Suggested approach to future fare decisions

- Finding balance between needs and benefits
- Ensuring convenience and usability of fares
- Use technology to improve customer experience with fares
Board Policy

• Ends
  • Policy 1.1.1: Affordability
  • Policy 1.1.2: Equitable access
  • Policy 1.3.7: Financial sustainability

• Executive Limitations
  • Policy 2.1: Dignified, respectful, clear, non-intrusive procedures
  • Policy 2.5.2: Federal compliance
  • Policy 2.5.8: Adjusting fares is Board’s responsibility
  • Policy 2.8.4.2: Importance of social, environmental, economic implications
  • Policy 2.10.4: Community engagement for fare changes
What’s Next?

Presentation to Board in May:
• Customer survey results
• Consultant’s ideas
• Staff perspectives
• Roadmap for further discussion
Questions / Feedback

Thank you.