

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	04/24/17	Open	Action	04/19/17

Subject: Unlimited Trips within 90 minutes on the Mobile App (Permanently) and Connect Card (Temporary)

ISSUE

Whether to offer Mobile App (permanently) and Connect Card users (temporarily) unlimited trips within 90 minutes of purchase on both bus and light rail and redefine "Fare Ticket" to reflect change made in March 2016.

RECOMMENDED ACTION

- A. Adopt Resolution No. 17-04___, Amending the Fare Structure (Resolution 09-10-0174) to add a new "Mobile Fare Ticket" Fare Type and Redefine "Fare Ticket"; and
- B. Adopt Resolution No. 17-04-___, Temporarily Authorizing a "Connect Card Fare Ticket"

FISCAL IMPACT

<u>Description</u>	<u>Fiscal Impact</u>
(1) Permanently offer a Mobile Fare Ticket valid for unlimited boardings within 90 minutes on both bus and light rail. *	\$ (28,262)
(2) Temporarily offer a Connect Card Fare Ticket valid for unlimited boardings within 90 minutes on both bus and light rail. *	\$ (141,309)
(3) Redefine "Fare Ticket". **	\$ -

*The fiscal impact of items (1) and (2) listed above is highly sensitive to the adoption rate of each offering. An adoption rate of 2.5%, based on current revenue share, was used for the mobile app analysis. An adoption rate of 25%, based on peer agency review performed by project consultants, was used for the Connect Card analysis. A full analysis of the on-going impact of the Connect Card Fare Ticket will be performed once the Title VI analysis is complete and more data is available.

**There is no fiscal impact to item (3) listed above given that these are strictly changes to the definition of terms and the proposed changes are governed by prior Board actions.

DISCUSSION

In recent months, staff has presented monthly financial performance results showing year-over-year increases in fare revenue, despite steadily declining ridership. The impact of this trend has had some positive results in that we are seeing a decline in fare evasion and a higher percentage of paying riders. However, with overall ridership continuing to trend downward, RT has been exploring new ways to improve ridership without significant changes to fare revenues. As you are aware, RT staff has made major efforts to clean up our system and provide an increased sense of security. Our hope is that these efforts will lay the groundwork for retaining new ridership gained from the implementation of the offerings discussed below.

Approved:

Presented:

Final 04/19/17

General Manager/CEO

VP, Finance/Chief Financial Officer

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Mobile Fare Application

With the introduction of RT’s Mobile Fare App in January 2016, RT temporarily implemented a Mobile Single Ride ticket that was valid for 90 minutes on all modes. This included free transfers on bus (RT previously offered paid bus transfers, which were eliminated in 2009). The Mobile Single Ride ticket was valid until December 31, 2016. On March 14, 2017 (Resolution No. 16-03-0024), the Board approved a Title VI analysis for the Mobile Single Ride ticket and determined that it did not cause a disparate impact on minority populations or disproportionate burden on low-income populations.

At this time, staff would like to seek approval to permanently authorize a Mobile Fare Ticket type that is valid for unlimited rides for 90 minutes on both modes. The Mobile Single Ride ticket mentioned above was very popular amongst users. Over the past year we have seen purchasing grow from approximately \$50,000 monthly to \$65,000 in recent months. With future outreach plans, RT intends to reach new users and continue to grow the revenue stream from 2.5% of RT’s revenues to 5% or more. The Mobile App has become a quick, safe and reliable way to purchase fares. While the public has provided consistent and positive feedback regarding the Mobile Single Ride, one of its drawbacks has been accessibility to the fare itself. A large percentage of our ridership either does not have access to a mobile phone or receives subsidized fares that are also not available on the mobile application. With the future launch of a permanent Mobile Fare Application, RT will have more options available to address the needs and concerns mentioned above.

Failure to permanently authorize the Mobile Fare Ticket would present a major challenge for our Mobile Fare application. In order to revert to a single ride on the bus as is currently allowed for cash and prepaid riders, RT would need a method to deactivate or consume active Mobile Fare Tickets. This is not available with our current mobile application provider. RT has discussed the possibility of deactivating or consuming Mobile Fare Tickets at the bus fare box, but early indications were that the cost of implementation would far exceed the annual impact of continuing the fare offering and would have a negative impact to our riders.

Connect Card

The Connect Card will be able to overcome the barriers to entry currently experienced by the mobile app. Connect Cards can be made available to all willing participants beginning as early as June 15, 2017, the current scheduled date for full public launch. All riders, including those without bank accounts or credit cards, will have access to purchase Connect Card fares at Customer Service sales centers and select retailers. In addition to this, public access to Connect Card fares will also be made available through the Connect Card website. Those who receive subsidized transit fares will be able to access Connect Card through their employer or other provider.

As we approach the full public launch date, staff will be looking for incentives to help drive ridership towards the Connect Card. Fare alternatives, such as the previously-Board-approved Daily Best Fare and the proposed Connect Card Fare Ticket valid for 90 minutes on all modes will

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be attractive offerings to both new and existing riders. Offering a temporary Fare Ticket on the Connect Card that is valid for 90 minutes on both modes requires a simple configuration change to the system’s software. This configuration can be handled in house and comes at no additional cost to RT. Should the temporary Connect Card Fare Ticket be approved, staff will target the full public launch date for implementation of the offering.

Definition of “Fare Ticket”

Finally, as staff was evaluating this proposal, it was determined that the Board’s action in March 2016 to reduce the validity period of tickets on light rail from 120 minutes to 90 minutes by Exhibit B to Resolution 16-03-0024 was not appropriately reflected in the fare structure. As a consequence, staff is recommending that the definition of “Fare Ticket” in the fare structure be modified to reflect that action.

Recommendation

With the increased popularity of the Mobile App and the planned launch of the Connect Card as early as June 15th, 2017, staff will be looking to seamlessly transition riders from cash and pre-paid tickets to more convenient electronic forms of fare media. Therefore, staff recommends that the Board redefine the term “Fare Ticket”, permanently add a new “Mobile Fare Ticket” fare type and temporary authorize a “Connect Card Fare Ticket” valid for unlimited boardings on all modes with the tickets 90 minute duration.

RESOLUTION NO. 17-04-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 24, 2017

**AMENDING THE FARE STRUCTURE (RESOLUTION 09-10-0174) TO ADD A NEW
“MOBILE FARE TICKET” FARE TYPE AND REDEFINE “FARE TICKET”**

WHEREAS, by Resolution No. 09-10-0174, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, the Fare Structure has subsequently modified been by multiple resolutions, including temporary adoption of new fare types; and

WHEREAS, the Board desires to make permanent a mobile fare offering that is valid for 90 minutes on both bus and light rail; and

WHEREAS, the Board desires to modify the definition “Fare Ticket” to reflect the shortened validity period that was approved in Resolution 16-03-0024.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the following definition of “Mobile Fare Ticket” is hereby added to the Fare Structure to read in its entirety as follows:

Mobile Fare Ticket - May be purchased only through the mobile application implemented by RT for the Single Ride or Discount Single Ride fare set forth in Resolution No. 16-03-0024, validated through the mobile application prior to the ticket holder boarding a bus or light rail vehicle and, once validated, is valid for a duration of 1.5 hours and may be used for multiple Rides until expiration of the validity period.

allocation, subject to the terms and conditions set out by the General Manager/CEO.”

THAT, the section entitled “Fare Ticket” in Article III.C.4 in the Fare Structure is amended to read in its entirety as follows:

Fare Ticket - When used as Payment upon boarding a Bus, a Fare Ticket that has not been Validated is valid until 1:30 a.m. local time on the Expiration Date printed on the Fare Ticket and it must be deposited in the fare box upon boarding. RT fare vending machines will Validate all Fare Tickets for 90 minutes from the date and local time of validation, subject to the Expiration Date.

THAT, in the event of a conflict between this Resolution and Resolution No. 09-10-0174, as amended, this Resolution will govern as to terms defined herein.

THAT, in all other respects, Resolution No. 09-10-0174, as amended, remains in full force and effect.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 17-04-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 24, 2017

TEMPORARILY AUTHORIZING A CONNECT CARD FARE TICKET

WHEREAS, by Resolution No. 09-10-0174, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, RT desires to implement on a temporary basis, a new fare type available only on the Connect Card electronic media.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in addition to the other Prepaid Fare types identified in Resolution No. 09-10-0174, a new Prepaid Fare entitled "Connect Card Single Ride" is hereby established on a temporary basis for a six-month period from the date of public launch of RT's Connect Card.

THAT, the Connect Card Single Ride ticket may be purchased only through the Connect Card electronic fare media.

THAT, the fare for a Connect Card Single Ride ticket will be the Single Ride Fare or Discount Single Ride Fare, as applicable, set forth in Resolution No. 16-03-0024.

THAT, once validated, the Connect Card Single Ride ticket will be valid for a duration of 1.5 hours and may be used for multiple rides until expiration of the validity period.

THAT, in the event of a conflict between this Resolution and Resolution No. 09-10-0174, as previously amended, this Resolution will govern as to the terms of use of the Connect Card Single Ride Fare.

THAT, in all other respects, Resolution No. 09-10-0174, as previously amended, remains in full force and effect.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary