

Mountain Metro Fare Study

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AGENDA



- Goals
- Findings
- Recommendations
- Next Steps

Goals



Make fares less complicated for current and new riders



Improve fare structure and match to service quality



Investigate new fare technologies



Improve operations and speed up boarding



Reduce conflict at the farebox



Ensure equity



Be conscious of low-income ridership



Increase ridership and minimize lost revenue

FINDINGS

Findings



60%
of riders



50%
of revenues

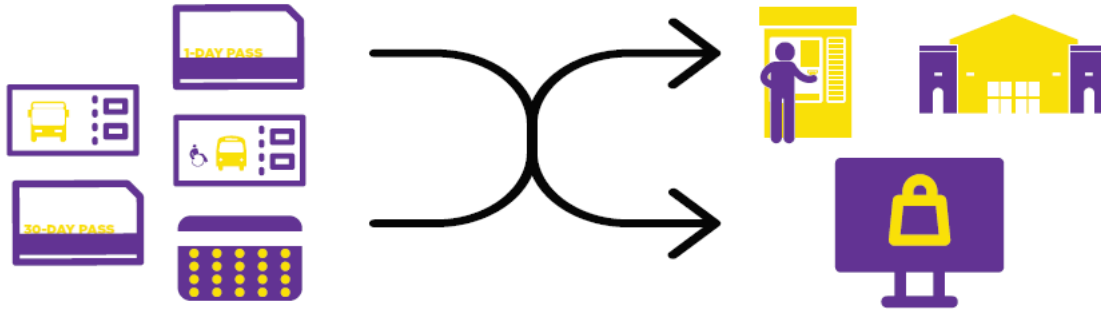
Cash payments and transfers are widely used among Mountain Metro riders

Day passes are used by few riders and are not available for special (reduced) fare



6%
of riders

Findings



Pass
distribution is
complicated
for customers

Tickets are available to purchase in-person at Mountain Metro, at various grocery stores, online, at ticket vending machines, and onboard. Not all ticket products are available at all outlets, however—which may be a barrier to use for some customers.

Findings

Mountain Metro is increasing service levels in 2018

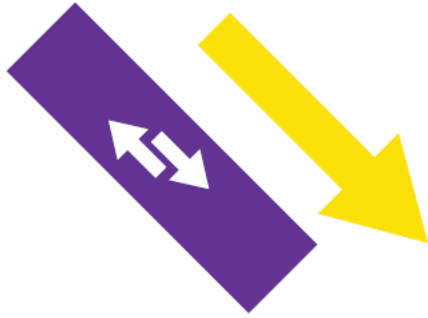
The focus of the 2018 service change is on increasing frequency on highest ridership routes, connecting important community activity centers, enhancing on-time performance, and adding service to job-access routes during off-peak times. This service increase will be an appropriate time to consider a fare increase to match service levels.



Farebox recovery is declining, but still in line with the national average

Mountain Metro farebox recovery ratio has been declining since 2011, from a high of 26.6% in 2011 to 20.1% in 2016. The national average is around 23%.

Findings



Industry trend to phase out transfers

Mountain Metro is unusual for offering both transfers and a day pass. The trend has been to phase out transfers and replace them with unlimited-ride hourly or day passes.



Passes are not priced competitively

Mountain Metro's 31-Day Pass discount is not as attractive as discounts offered at peer agencies.

Findings



Fixed-route free rides for Metro Mobility are above Federal requirements

Peer agencies allow for reduced price or free travel on fixed-route service with an ADA card. Under federal requirements, PCAs can be charged for rides on fixed-route service.

38%



of Mobility clients using fixed-route services did not use paratransit service in the previous one-year timeframe.



Pennies, cash payments, and transfer slips slow down boarding

Findings



Mobile ticketing is being implemented by peer agencies

Increasingly, transit agencies are turning to smartphone technology as a low-capital way to provide additional fare payment options to customers. Peers adopting mobile ticketing have seen significant improvements in bus boarding performance and daily cash-handling efficiency.



Smartcard technology would cost MMT
\$0.5-1.5 million

Smartcard payment requires significant investment in farebox technology

RECOMMENDATIONS

Recommendations

Fare Structure

Fare Category	Existing	Proposed
Fixed-Route		
Single Ride Ticket (<i>Special</i>)	\$1.75 (\$0.85)	\$2.00 (\$1.00)
1-Day Pass (<i>Special</i>)	\$4 (--)	\$4 (\$2)
20-Ride Ticket (<i>Special</i>)	\$32 (\$16)	\$35 (\$17)
31-Day Ticket (<i>Special</i>)	\$63 (--)	\$60 (\$30)
Summer Haul Pass	\$25	\$30
Metro Mobility Certified	Free (\$0.85 effective 9/30/18)	\$1.00
Metro Mobility		
Base Fare	\$3.50	\$4.00
10-In City Mobility Book	\$35	\$40
40-In City Mobility Book	\$140	--

Recommendations

Fixed Route Recommendations



Implement Recommended Fare Structure

- ✓ Increase base fares to flat dollar amounts →
- ✓ Create new 1-Day and 31-Day special options
- ✓ Lower price of 31-Day passes \ Maintain 1-Day pass prices
- ✓ Increase paratransit eligible fixed-route pricing
- ✓ Raise 20-Ride and Summer Haul pass pricing

Increasing the base fare to \$2 will:

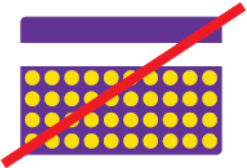
- Help reduce cash payments
- Speed up boarding times
- Reduce administrative costs of cash handling

Recommendations

Metro Mobility Recommendations



Increase Metro Mobility pricing to match base fare increase



Eliminate Metro Mobility 40-Ride Pass and consider eliminating all paper passes for Metro Mobility

Recommendations

Policy Recommendations



Provide Two-Hour Transfer Window

Instead of limiting the number and direction of transfers, a two-hour transfer window will be offered. Riders are issued a magnetic swipe card that is valid for unlimited trips in a two-hour window in any direction. This replaces paper transfer slips and simplifies transfers for riders and operators alike.



Establish Guidelines for Fare Increases and Farebox Recovery

A transparent fare increase policy that enables more regular fare increases to stay in line with inflation and other revenue related trends is recommended.



Expand College Student Pass Program



Initiate Employer Bulk Pass Program



Establish Vendor Return Policy



Prohibit Use of Pennies

Recommendations

Technology Recommendations



Implement Mobile Ticketing

Mobile ticketing allows riders to use their phone as a “flash pass,” an animated ticket that can be validated by the bus operator when they board the bus.

Mobile ticketing can make the experience of boarding and paying for transit seamless and can lower the barrier of entry for new transit riders. Mountain Metro will continue to offer traditional ticketing options to accommodate all riders.

Benefits of mobile ticketing include:

- ✓ Low cost smartphone application requires minimal capital expenditure
- ✓ Reduces cash handling
- ✓ Riders can pay for boarding with smartphone
- ✓ Ability to send a pass to friend or colleague
- ✓ No need for additional sales outlets
- ✓ Reduces delay in fare payment
- ✓ Lower farebox maintenance costs

NEXT STEPS

What to Expect

✓ **Moderate fare increase** keeps Mountain Metro in line with peers and matches planned service increases

✓ **Increase in fare revenues** as a result of new fare structure, and minimal decrease in ridership

✓ **Attract new riders** with more attractive pass pricing and smartphone payment

+82K (3%)

Revenue

Ridership

-54K (1.7%)

What to Expect

- ✓ **New technology** for fare payment provides riders with more options and reduces cash handling
- ✓ **Faster boarding** with simplified fare payment
- ✓ **Easier transfers** with two-hour tickets are less complicated and more customer-friendly
- ✓ **Equity** among special fares



Next Steps

Fall 2018

Mountain Metro is planning a service increase of 11% in Fall 2018. Along with these changes, Mountain Metro plans to implement the following fare changes:



Begin charging Metro Mobility-certified riders a discounted fare on fixed-route services



Create Special (discounted) 31-day pass

Fall 2019

The second phase of implementation will begin in Fall 2019. Mountain Metro plans to implement all remaining recommendations at this time.

