

PURPOSE:

The purpose of the Chatham Area Transit Authority (CAT) fare revenue handling policy and procedure is to ensure the proper procedures, equipment and technology are in place to safeguard our employees, to minimize the opportunity for theft or mishandling of fare revenues, and to ensure that the proper safeguards and controls exist for non-cash revenue items such as tickets and passes.

DEFINITIONS:

1. **Fare Media:** All passes, tickets, cards, or IDs sold or otherwise distributed for use on CAT vehicles
2. **Local Bus Route:** Any fixed route bus service not designated as a shuttle, specialty, or commuter service
3. **Medicare Cardholders:** Individuals who have been issued a Medicare card, regardless of age or disability
4. **Reduced Fare:** The reduced fare required of eligible passengers
5. **Seniors:** Any person 65 years of age or older
6. **Youth:** Any rider between the ages of 6 and 18 years of age

SPECIFICS:

1. Enhance Ridership Utilization and Occupancy

Because CAT exists to provide transit services for the benefit of the public, the degree to which the Authority increases ridership is a direct indication of how successfully CAT is achieving its mission. Increasing ridership also supports the important societal goals of reducing traffic congestion and decreasing air pollution. However, when an increase in ridership creates the need to add service, the resulting additional fare revenue is offset by new operating costs. It is therefore important to adopt fare strategies that will support ridership on needed services in accordance with our fare policy. It is also important to adopt fare strategies that will increase ridership by making CAT services more attractive and convenient to use.

2. Establish Equitable Fares

CAT realizes the benefits of providing accessible transportation options to its citizens. To ensure a level of equity, fares must take into account the needs of various populations of users. To this extent, a fare structure should be established as one that supports, encourages and enables travel choices for our customers who have income under the Federal Poverty line. Equity between users and non-users that help support the system must be considered when determining fare policies.

3. Enhance Mobility and Access

The fare system will enhance the ability of riders to access the system and move through it with ease. To do so, the Fare Structure should be easy to understand and should promote a unified system by simplifying fares across modes. It should also provide adequate choices for customers to select the payment option that suits their travel needs.

4. Maintain/Increase Fare Revenue Stream

Fare revenue is a critical component of the operating budget. Any increase or restructuring of fares should ensure that the total fare revenue stream is maintained at an appropriate level to meet the economic needs of the system.

5. Maximize Fare Revenue Collection

To maximize fare revenue collection, CAT continues to research substantial developments in fare collection technologies.

6. Streamline Fare Collection Process

A process should be established that minimizes the fare categories to eliminate confusion between the customers and CAT Staff. In addition, fare collection should allow drivers to track and regulate inequities and expedite the boarding process.

PRINCIPLE GUIDELINES:

Fares are required to generate revenue to offset a portion of CAT's expenses as defined by the Cost Allocation Agreement as part of a sustainable long-term Financial Plan. The following principles provide guidelines for CAT's fare revenue collections:

- Promote ridership on all modes of CAT transportation: CAT seeks to encourage and facilitate transit ridership within CAT's service area. CAT's fares shall, therefore, be devised to be attractive to the largest possible range of existing and potential riders. Additionally, fare media distribution channels shall be developed to ensure convenience and facilitate access to fare media for all rider groups (subject to the cost efficiency objective outlined below).
- To be in accordance with our Title VI policy, fares must take into account the needs of CAT's riders as well as the cost and value of the service provided by CAT. CAT's fares shall be consistent throughout the service area, shall support the travel patterns and requirements of transit riders throughout the service area, and shall also reflect differences in the characteristics and frequency of the service provided, while not undervaluing CAT's service.
- CAT's fares shall enhance the ability of riders to access the fare payment method systems and to navigate through it with ease. To do so, CAT's fares shall be easy to understand and shall promote a unified system by simplifying and, where effective, unifying fares across modes.
- CAT's fare pricing, fare policy, fare media distribution channels, and fare collection technologies shall be developed and operated to minimize the costs associated with fare collection, fare media distribution and revenue processing.
- CAT's fares and fare collection system shall be designed to facilitate data collection to foster analytical decision -making by CAT's management.

I. Fare Adjustments

Fare adjustments are defined as any permanent changes to CAT's fare structure. Decisions on fare adjustments are made by the Chatham Area Transit Board of Directors (Board). Prior to making a decision on a fare adjustment, the Board shall consider the recommendation by CAT's staff, including but not limited to an analysis of the impacts on minorities and low-income individuals consistent with Title VI of the Civil Rights Act of 1964 the Federal Transit Administration (FTA) Title VI regulations and FTA's Circular 4702.1B, including any future amendments thereto, as well as CAT's Title VI Policy. Prior to raising a fare, CAT shall solicit and consider public comment in compliance with 49 USC Chapter 53 and FTA Circular 9030.1E.

CAT staff will annually report to the Board a review of farebox revenues and the farebox recovery ratio for the entire system and by mode. CAT staff will recommend possible solutions for meeting the minimum farebox recovery if analysis indicates it has not been met. Solutions may include a recommendation for a fare adjustment.

If fare changes are required to keep pace with changes in costs, or if the Chief Executive Officer determines that a modification of CAT's fare structure would benefit achievement of its goal or would improve CAT's consistency with the above principals, staff will make recommendations to the Board to modify the fare structure. Such recommendation will include consideration of economic trends, CAT's current and future operating health and the value of services, both qualitative and quantitative, in the communities we serve.

At the recommendation of CAT management, the Board can direct staff to implement the fare adjustment in phases over multiple fiscal years. The pricing structures for each phase shall be made available to CAT riders (e.g., on the CAT website). The timing and magnitude of later phases of the fare adjustment may be adjusted by the Board should the assumptions underlying these phases become invalid (e.g., unexpected cost increases). Any changes resulting in either an increase in the proposed fare prices or acceleration of the timing of any phases of the fare adjustment will also require a public outreach process.

II. Public Involvement

Proposed fare increases will be published for public review and comment no less than 90 days before the proposed changes are to take place. A public hearing/meeting will be held to hear and consider comments no less than 30 days after the published notice.

A summary of the comments and effects of changes in regard to customers and the public will be provided to all CAT Committees and Board. Notice of the final changes will be posted on CAT vehicles, through other communication avenues, at the Joe Murray Rivers Intermodal Transit Center (Transit Center), and/or at other CAT transit centers and stations.

FARE POLICY

Approved By: Board of Directors on June 22, 2021

III. Special Rate of Fares

1. Special Events

Special event services are for public transportation needs that temporarily exceed the capacity of regular scheduled services. The Chief Executive Officer is authorized to establish special fare structures, rates or third-party payments for the purpose of providing special event service, with the goal of recouping the marginal cost to provide such service to the extent practicable.

2. Discounts and Free Fares

The Chief Executive Officer is authorized to provide discounted or free fares for the following purposes: Promotional and marketing campaigns, educational outreach, transit training activities, Customer relations, complaint resolution and health/safety concerns affecting transit.

3. Bulk Pass Programs

The Chief Executive Officer is authorized to enter into bulk pass sales agreements with businesses. Passes are priced according to actual or estimated use at a level no lower than the fare revenue that would be expected from the pass users as a group if the bulk purchase/distribution program were not in place. For purposes of market development and retention, a discount of no more than 20 percent maybe granted on a temporary basis.

4. Institutional Program

The Chief Executive Officer is authorized to enter into agreements with businesses, organizations and institutions for universal pass programs, when deemed to be in the interest of CAT.

Establishing partnerships that assist with transit tax and revenue measures, increased marketing exposure, and attracting non-traditional and/or occasional transit riders. Institutional programs are granted rates based on a contractual agreement no less than a year, which will provide unlimited access to services for all associated with the institution.

IV. Fare Structure

1. Fare Media and Passes

CAT fare media will be available for use on the CAT system:

The stored value pass allows passengers to pay for rides individually, for multiple rides within a specified duration of time, or both at the same time.

- The stored value card (a ticket with a magnetic strip) that can be programmed to hold stored value OR a pass. CAT may consider plans to phase out use of the card if that is determined to be in the agency's best interest.
- Cash will be accepted at bus fare boxes and the Joe Murray Rivers, Jr. Intermodal Transit Center (transit center), 610 W. Oglethorpe Ave. Credit and debit cards will also be accepted online or via a smartphone app and at the transit center.

FARE POLICY

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2. Reduced Card Holders

CAT offers a Half-Fare Program to eligible individuals with disabilities, young people 6-18 years old, seniors 65 years and older, and honorably-discharged veterans. Half-Fare can apply to one-way trips, Day Passes, and Monthly Passes. To be eligible for Half-Fare, an individual must satisfy one of the following conditions when first boarding the bus:

- Present a Medicare Health Insurance Card issued pursuant to Sections II and XVIII of the Social Security Act.
- Present a valid state-issued Photo ID verifying the qualifying age.
- Present veteran ID card, discharge documents, or driver's license with a veteran designation. Proof of membership in a veterans' organization such as the VFW, American Legion and AMVETS also will be accepted. An individual who is using a wheelchair may ride for Half-Fare without presenting an ID card.

3. Daily Pass

A day pass valid for unlimited travel on all CAT fixed -route services for one calendar day from the time of purchase through the end of the service day.

4. Weekly Pass

A seven (7) day period pass valid for unlimited travel on all CAT fixed -route services for seven consecutive calendar days from the day activation through the end of the 7th consecutive service day.

5. Monthly Pass

A thirty (30) day period pass valid for unlimited travel on all CAT fixed -route services for 30 calendar days from the day of activation through the end of the 30th consecutive service day.

6. Ten Ride Pass

Offers 10 rides, but no multi-ride discount will be available (the 10-ride ticket is equivalent to the price of 10 single-ride fares).

7. Time-Based Fare

There will be no peak or off -peak fares charged for commuting bus service. The fare remains the same throughout service hours.

8. Transfers

Transfers are valid for 90 minutes one-way on any route. Passengers must request a transfer before depositing fares. Transfers are not valid for return trips on the same route they were issued.

9. Mobile Ticketing

Mobile ticketing apps allow CAT customers to purchase bus passes with their smartphones, which can then be used as electronic passes to board buses. All CAT passes are available for purchase using the mobile ticketing app, including reduced fare passes. Electronic passes purchased using the mobile ticketing app cost the same as regular passes.

10. Online Purchases

Customers have the ability to purchase passes online and have them mailed to their destination of choice. The passes cost the same as if purchased at the transit center or at the farebox. However, delivery costs \$2 for first-class postage or \$4 for certified mail.

FARE POLICY

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IV. Fare Differentials

CAT fares shall balance simplicity and uniformity, while pricing services in a manner consistent with the cost and value of that service. The number of fare types, levels, and fare payment instruments shall consider the ease of enforcement by vehicle operators, ease of understanding by customers and the ease of tracking farebox and back-office technology.

Services that cost more to operate or provide additional value to passengers compared with local bus service are considered premium services, and may be priced higher (but never lower) than local bus service. Premium services include express bus service, paratransit, and bus rapid transit. The price structure for each premium service will be set separately.

1. Downtown or School Campus Distribution

Downtown or School Campus distribution services that operate in a small area and are used for shorter than average trip lengths provide less value to riders and are classified as shuttle services. Shuttle services may be priced equal to or lower than local bus service.

2. Paratransit Fares

CAT policy, in compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12143) and the implementing FTA Regulations (49 CFR Section 37.121) is that ADA complementary paratransit fares will equal twice the regular fixed-route fare for the same trip. If the Act is changed, this policy shall be changed to be consistent with federal law. If ADA complementary paratransit provides service beyond or in addition to the federally defined ADA complementary paratransit service, a higher fare shall be charged for that service. If the threshold is exceeded, CAT must evaluate whether there is an alternative that has a more equitable impact.

V. TITLE VI

1. Disproportionate Burden

The Disproportionate Burden requirement establishes a threshold for determining whether proposed fare or service changes have a disproportionate burden on low-income populations versus non-low-income populations.

The threshold is the difference between the burdens borne on low-income populations compared to non-low income populations. Exceeding the threshold means that a fare or service change either negatively impacts low-income populations' more than non-low-income populations or that the change benefits non-low-income populations more than low-income populations.

If the threshold is exceeded, CAT must evaluate whether there is an alternative that has a more equitable impact.

CAT will take steps to propose policy to avoid, minimize, or mitigate actions that result in a 15 -percent disparity between the burdens borne by low-income populations compared to non-low-income populations.

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FARE POLICY

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II. Disparate Impact

The Disparate Impact requirement establishes a threshold for determining whether proposed fare or service changes have a disproportionate burden on low-income populations versus non-low-income populations.

The threshold is the difference between the burdens borne on minority populations compared to non-minority populations. Exceeding the threshold means that a fare or service change either negatively impacts minority populations more than non-minority populations or that the change benefits non-minority populations more than minority populations.

CAT will take steps to avoid, minimize, or mitigate actions that result in a 15 percent disparity between the burdens borne by minority populations compared to non-minority populations.