

# **Farewell to Fare Free:**

Toledo Area Regional Transit Authority reintroduces fare collection with a fresh solution

Case Study









## **Overview**

Toledo, Ohio, is a mid-sized commercial, industrial, and transportation hub located on the western tip of Lake Erie. Like its neighbors Detroit and Cleveland, it is seeking to <u>uplift its economy and better serve its population</u> after a long post-industrial slump. The city's public transit agency, the Toledo Area Regional Transit Authority (TARTA), <u>is playing</u> a key role in revitalization efforts, actively working to make transit accessible and affordable to more riders.

In March 2020, TARTA became one of the first public transit agencies in the nation to suspend fare collection due to Covid-19, with the goal of keeping passengers and employees safe, maintaining transit access, and helping businesses retain workers and patrons. But the fare free model did not prove to be sustainable. Like other U.S. transit agencies that suspended fare collection during the pandemic, TARTA faced an increase in safety complaints and a reduction in ridership and revenue.

Meanwhile, voters in 2021 approved a sales tax funding model for TARTA and an expanded service area with the understanding that the agency would also improve its fleet, technology, and customer experience.

With a new source of public funding and a mandate to improve, TARTA pledged to modernize its operations. TARTA Next, a <u>comprehensive</u>

operational

analysis, became the basis for a community



conversation about the future of Toledo public transport. The result was plans for more equitable, sustainable services with the aim of expanded access to transit, and increased ridership.

The agency's goals included reinstating fast, efficient fare collection, an overhaul of the agency's token-based fare collection system, and an expanded reduced-fare program. There was no time to lose. TARTA had promised its board and the public that new rider-facing technology upgrades would be up and running by August 1, 2022.



## **Solution**

TARTA worked with Genfare, a longtime partner, to find a technology solution that would accept cash, coin, and magnetic fare media, offer accessibility to a wide range of riders, and simplify the expansion of its reduced-fare program. Refurbishing the agency's older token-accepting fareboxes wasn't a viable option.

Genfare's <u>Fast Fare® fareboxes</u>, a fully integrated automated fare collection system, emerged as the right fit for the forward-looking transit agency, and TARTA opted to install 80 of the new fareboxes on its fixed-route buses.

TARTA's new Fast Fare fareboxes were seamlessly integrated with its existing automatic vehicle location (AVL) system and mobile ticketing application. In addition, Genfare provided TARTA with two new vault receivers and a garage data system.

## **Fast Fare fareboxes**

Fast Fare fareboxes® are an all-in-one, customizable solution that can quickly accept, validate, and process whatever forms of payment are chosen by a transit agency. They speed and simplify boarding with an easy-to-use interface that requires minimal driver interaction. This supports efficiency and effectiveness for passengers and operators and reduces fare collection costs to the agency.

In TARTA's case, modernized, cost-efficient fare collection promised new revenue that could be used toward its other service improvement goals, including fleet expansion.

Fast Fare fareboxes also collect valuable data in real time, which agencies can use to streamline operations and better serve riders' needs. The technology is secure, having attained EMV Level 3 certification, the top level of security in payment transactions. Fast Fare also can be reconfigured in the future as agencies' needs and technology change.



## **Project Implementation and Process**

To meet its tight deadline, TARTA's leaders worked closely with the Genfare team, led by Edward Brandis, Genfare's Business Development Director for the Northeast. That meant quickly negotiating and executing a contract and



Edward Brandis
Business Development
Director, Northeast Region

delivering the product and the fare media in advance of the date to resume fare collection.

The system upgrade was handled as a sole source procurement, with Genfare as the existing vendor. TARTA and Genfare quickly negotiated the project scope price. The contract was then approved by TARTA's board, who returned a purchase order the following day, Ed says. Genfare had its mission in hand by February 2022 and the new fare collection system was installed and online by August 2022.

Genfare's full-service field services team and training engineers made sure that hardware installation, system integration and training went smoothly. Field services team members connected TARTA's new hardware to power, the internet and its AVL system, testing everything to make sure all systems were in sync, and that the transit agency could begin using its new fare collection technology on day one.

Hands-on training included a combination of inperson and virtual learning for bus operators and administrative staff, including train-the-trainer learning for maintenance. In the future, TARTA can also take advantage of Genfare's 24/7, on-demand training as needed, available through Genfare's customer portal.



# **Challenges**

TARTA was starting from scratch, not only in reinstating fare collection and installing new technology, but introducing the all-new fare collection system to its workers and the public.

The agency also needed new magnetic fare media that would accommodate an expanded set of reduced-fare options for key rider groups, such as veterans, seniors, and students, and facilitate free transfers and produce change for cash in the form of balance tickets. In addition, the agency had committed to providing free summer transportation for city youth and needed to quickly obtain fare media for 2,200 free Youth Summer Blast Passes.



Genfare walked TARTA's team through the magnetic fare media production process well in advance, ensuring that the new fare media was available as soon as it was needed. The company helps to connect transit agencies to business and community groups who can benefit from equitable fare structures, and its technology supports this mission.

"Fare media has a long lead time and TARTA had not collected fares for a while," Ed adds. "But there weren't any curveballs. We advised them on the timing and we got the system implemented and online in time for resumption of fair collection."

The quick turnaround was facilitated by the transit agency's well-researched plan and choice of a high-performance fare collection solution, but also the close collaboration with Genfare's experienced team members, Ed says.

"The Genfare products are that robust and mature, and our process and our people are that high quality," Ed adds. "This is the type of rollout our clients can expect."



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Genfare produced the fare media in a tight timeline and programmed the fare structure in a short turnaround;

we gave them a close deadline and they came through for us. That was such a great experience."

Laura Koprowski,
 CEO of TARTA



## Results

Big changes in the TARTA rider experience were evident once the new fare collection system was in place, according to Laura Koprowski, CEO of TARTA, who regularly rides public transit. The new fare structure was quickly accepted by transit riders. Customers have expressed happiness with the cash and digital fare media options, and rider safety issues related to the pandemic and the farefree model quickly improved, Laura reports.

The agency's hard work at community outreach and reintroduction of fares at a good value have paid off, and the changes are "incredible," Laura adds.

### "Customers don't need a free ride, they need a quality ride, at an affordable cost."

#### Laura Koprowski

At the same time, the system upgrade resulted in savings to the agency. Once the token-based system was replaced, TARTA not only met, but slightly exceeded its budgeted target for \$1.8 million in fare collection in 2023, Laura reports.

Those savings in turn have supported continued expansion and improvements. Newer paratransit vehicles were added to the fleet, and in early 2023 TARTA expanded on-demand microtransit van services to riders who live outside the bus transit service area.

The agency was able to make good on its pledge to voters in a short timeline.



#### Toledo, Ohio

Toledo is the fourth largest city in Ohio, with a metro-area population of about 600,000.

Toledo and its metro area are home to Great Lakes port/shipping businesses, several Fortune 500 company headquarters, auto and glass industry manufacturing business, the University of Toledo, and a world-class art museum. The Toledo Mud Hens, a triple-A Detroit Tigers affiliate, play downtown at Fifth Third Field stadium.

# **Takeaways**

Genfare advises transit agencies that equitable, accessible mobility means meeting riders where they are. Affordable fare structures are a crucial part of a transit system that attracts today's riders.

The numbers highlight the need for this forward-thinking strategy. More than half (55%) of transit riders in the United States earned under \$50,000 in 2022, according to the American Public Transportation Association. In the Toledo area, 81% of transit riders had a household income of \$25,000 or less in 2019, with 41% of commuters earning \$10,000 or less, TARTA has reported. In addition, over half of households in the Toledo area that commute via transit do not have access to a vehicle.

A fare system that uses adaptable, efficient technology gives riders, including unbanked riders, easy access to affordable fares that make regular ridership possible. Fast Fare fareboxes allow agencies to continue accepting cash alongside the convenient

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"Paying a fare increases the perception of the value of transit," according to Larry Chefalo, Genfare's Business Development Director, Central Region. "Some agencies who adopted universal free fares during the pandemic experienced



**Larry Chefalo**Business Development
Director, Central Region

an explosion of non-destination riders.
Safety, cleanliness, and quality of service complaints went up, deterring choice riders and making it more difficult to recruit bus and train operators."

"A well-structured fare system that is easily accessible to residents and community partners will ensure that access to transit services can be provided to all eligible riders, particularly for those who qualify for reduced- or no-fare privileges."

81%

of Toldeo transit riders had a household income <\$25,000

41%

of Toledo commuters earn \$10,000 or less

digitization of cash to card-based or account-based fare media. In this way, agencies can set up fare collection systems that make it easy for cash-paying riders to take advantage of fare capping, transfers and other equitable fare structures.

In addition, the less money agencies spend collecting revenue, the more funding is available for expanding or improving service. Transit agencies of all sizes are facing rising operatig costs across the board, while operational funding is diminishing along with revenue collected. The more money agencies spend collecting revenue, the less funding is available for expanding or improving service. Investing capital funds in a fare collection solution that lets transit agencies keep more of each dollar collected at the farebox is one key way to reduce operating costs.

The results of TARTA's fare collection upgrade validate the agency's efforts to carefully research the needs of its current and potential transit customers and to educate and inform the public about its resulting service improvements, Laura says.

The agency needed to modernize in order to welcome the improvements that the new fareboxes have brought to the rider experience, she says. Now, fare collection for customers, operators and the agency "is so much easier."

# **TARTA's Genfare Fast Fare upgrade**

