



Date: February 12, 2021
Current Meeting: February 18, 2021
Board Meeting: February 25, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Manager of Special Projects and Regional Mobility Integration Ryan Wilhite
SUBJECT: Consideration and Approval of Resolution 2021-03 Temporary Fare Decrease for 7 Day Pass

ACTION ITEM A – 13

RECOMMENDATION:

The IPTC Board of Directors approves a temporary fare reduction for the 7-day pass. The temporary price of the 7-day pass will now be \$15.75 for full fare, and \$7.65 for half fare. The temporary fare reduction would last for a period of 6 months from the date of the approval of the resolution.

BACKGROUND:

The IPTC Board of Directors approved a new fare policy at its February 28, 2019 board meeting. The new fare policy was necessitated because of the opportunities presented by a fare modernization effort, which included the introduction of a new account-based fare system, branded as MyKey. The new fare policy introduced fare capping and recommended the elimination of certain fare types, except for the single trip and one-day passes. Fare capping limits the daily charge to \$4.00 and the weekly charge to \$15.75, for full fare.

In reviewing the program, IPTC staff realized there was a discrepancy in pricing for the 7-day paper pass and a registered MyKey user who became eligible for weekly fare capping. The rider purchasing the 7-day paper pass was paying \$20.00 full fare for as many rides as desired in seven days as compared to a rider using MyKey who would only pay \$15.75, as long as the rider was registered.

DISCUSSION:

The plan for fare implementation continues to include the elimination of stored value passes, except for single trip and one-day passes. The timeline for such elimination has not been created as the fare modernization roll-out has just begun. The discrepancy in the price combined with the limited roll-out of the MyKey QR code cards presented access concerns to IPTC staff, which will eventually be resolved by the retail network.

A 6-month temporary fare reduction for the 7-day pass eliminates the discrepancy and provides IPTC the time it needs to implement the fare modernization system. A fare change, increase or decrease, normally triggers IPTC's Major Service Change policy and would require a Title VI equity analysis. Temporary fare reductions are an exemption for Title VI fare equity analysis.

ALTERNATIVES:

If the IPTC Board of Director's rejects IPTC staff recommendation, the 7-day pass would continue to be offered at a higher cost to riders than the MyKey weekly fare capping.

FISCAL IMPACT:

Based on sales for the last two years, the estimated fiscal impact of this action is a potential loss of revenue for the six months of approximately \$25,000.

DBE/XBE DECLARATION:

Not applicable.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee and Service Committee on February 18, 2021.