




Monitoring Report: 2.5.12 Fare Policy

Monitoring Period: October 2023 – September 2024




Finance Committee Meeting Date: September 10, 2024




Board Meeting Date: September 19, 2024

INFORMATION TYPE	
Monitoring	
RECOMMENDED ACTION(S)	
<p>That the Board review this monitoring report and consider accepting it as:</p> <ul style="list-style-type: none">(A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations.(B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO's stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.(C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation2. For policy items x.x.x – the interpretation is not reasonable3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance4. For policy items x.x.x – the Board acknowledges and accepts the CEO's stated non-compliance and the proposed dates for compliance	
ISSUE SUMMARY	
<p>This policy was scheduled for submission in September and submitted in the September Finance Committee Meeting.</p> <p>TheRide's Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO's interpretations of those policies, evidence of achievement, and an assertion on compliance with the Board's written goals. As with other monitoring reports, the Board decides whether the interpretations are reasonable, and the evidence is convincing.</p> <p>I certify that the information is true and complete, and I request that the Board accept this as indicating an acceptable level of compliance.</p>	
<p style="text-align: center;">CEO's Signature</p> <p style="text-align: center;"></p>	<p style="text-align: center;">Date</p> <p style="text-align: center;">8/28/24</p>

BACKGROUND
<p>Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:</p> <ol style="list-style-type: none"> 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)
PRIOR RELEVANT BOARD ACTIONS & POLICIES
N/A
IMPACTS OF RECOMMENDED ACTION(S)
<ul style="list-style-type: none"> • Budgetary/Fiscal: TheRide continues with its choice to not change fares • Governance: Compliance with monitoring report requirements
ALTERNATIVE OPTION(S)
N/A
ATTACHMENTS
<ol style="list-style-type: none"> 1. Monitoring report for Policy 2.5.12: Fare Policy 2. FY 2025 Draft Operating and Capital Budget

Table of Contents

POLICIES:	Page #	Compliance
2.5.12 The CEO shall not...adjust passenger fares	4	
<p>2.5.12.1</p> <p>Request authorization to adjust passenger fares without (a) incorporating the request into a budget or budget amendment for board consideration, (b) providing data that demonstrates the fare adjustment is fiscally responsible and aligned with achievement of the board’s Ends, and (c) providing data that supports an informed decision by the board – including but not limited to clearly articulated information about the following:</p> <p>A. A clear listing of all proposed fare categories/types and prices, along with supporting information.</p> <p>B. The fare discounts to be provided for low-income residents and other vulnerable populations and rationale for how residents qualify for fare discounts.</p> <p>C. The impact of the proposed adjustment on equity among different fare categories.</p> <p>D. The implication of the proposed fare adjustment on ridership.</p> <p>E. The implications of the proposed adjustment on the authority’s budget and the financial trade-offs required (e.g., tax rate increase/decrease, increased/decreased services, impact on reserve or deficit, etc.).</p> <p>F. Opportunities that users, residents, Legal Owners, and stakeholders had to provide feedback on the proposed adjustment, the nature of their feedback</p>	8	
<p>2.5.12.2</p> <p>Let the travelling public, residents and businesses be without reasonable advance notice of approved changes to fares.</p>	10	

 Fully Compliant
  Partially Compliant
  Non-Compliant

Preliminary CEO Interpretations and Evidence

POLICY 2.5.12 The CEO shall not...adjust passenger fares.

Degree of Compliance: Compliant

Interpretation

Measure/ Standard & Level of Achievement

Compliance with this policy will be demonstrated when the CEO

- A. Does not adjust any fares without prior approval from the Board OR
- B. Adjusts fares with Board's approval and is compliant with the sub policies below.

Rationale

The Board has retained the right to control decisions on changes to fares for itself (see policy 3.2.9).

Evidence

Source of Data: FY 2025 Draft Operating and Capital Budget

Date of Data Review: 8/26/2024 as verified by the Deputy CEO, Finance and Administration

Data: A comparison of fares and prices used during the monitoring period with those used in previous years confirms that none were changed. See below for that detail as provided in Table 8.3 on pages 51 and 52 of the FY25 budget.

FIXED ROUTE FARES	FY2023	FY2024	FY2025
Cash Fares			
Full Fare Cash	\$1.50	\$1.50	\$1.50
Transfer	Free	Free	Free
Reduced Cash Fares			
Youth (Grades K-12)	\$0.75	\$0.75	\$0.75
Children (5yrs & Younger)	Free	Free	Free
Fare Deal Card	\$0.75	\$0.75	\$0.75
A-Ride Card	Free	Free	Free
GoldRide Card	Free	Free	Free
Passes and Tokens			
Day Pass	\$3.00	\$3.00	\$3.00
Reduced Day Pass	\$1.50	\$1.50	\$1.50
30 Day Pass	\$45.00	\$45.00	\$45.00
30 Day Value Pass (Senior)	\$22.50	\$22.50	\$22.50
30 Day Value Pass (Income Elig.)	\$22.50	\$22.50	\$22.50
30 Day Value Pass (Disability)	\$22.50	\$22.50	\$22.50
30 Day Value Pass (Student)	\$22.50	\$22.50	\$22.50
Full Fare Token	\$1.50	\$1.50	\$1.50
Reduced Fare Token	\$0.75	\$0.75	\$0.75
SPECIAL SERVICES FARES	FY2023	FY2024	FY2025
GroceryRide			
GroceryRide	\$0.75	\$0.75	\$0.75
NightRide			
NightRide (Full Fare)	\$5.00	\$5.00	\$5.00
NightRide (go!Pass)	\$3.00	\$3.00	\$3.00
NightRide (Reduced Fare)	\$2.50	\$2.50	\$2.50
NightRide (Surcharge/outside A2)	\$0.00	\$0.00	\$0.00
NightRide (Child aged 5 & under)	Free	Free	Free
HolidayRide			
HolidayRide (Full Fare)	\$5.00	\$5.00	\$5.00
HolidayRide (go!Pass)	\$3.00	\$3.00	\$3.00

HolidayRide (Reduced Fare)	\$2.50	\$2.50	\$2.50
HolidayRide (Surcharge/outside A2)	\$0.00	\$0.00	\$0.00
HolidayRide (Child aged 5 & under)	Free	Free	Free
FootballRide			
One-Way	\$1.50	\$1.50	\$1.50
Round Trip	\$3.00	\$3.00	\$3.00
A-RIDE FARES	FY2023	FY2024	FY2025
Cash Fares			
Advance Reservation	\$3.00	\$3.00	\$3.00
Same Day Reservation	*\$4.00	*\$4.00	*\$4.00
Will Call return Trip	\$3.00	\$3.00	\$3.00
Companion Fare	\$3.00	\$3.00	\$3.00
Companion Fare (Youth K-12)	\$1.50	\$1.50	\$1.50
Companion Fare (Age 5 & Under)	Free	Free	Free
Personal Care Assistant	Free	Free	Free
Scrip Coupons			
Booklet of 10	\$30.00	\$30.00	\$30.00
FLEXRIDE FARES	FY2023	FY2024	FY2025
Standard Adult One-Way	\$1.00	\$1.00	\$1.00
Students (K-12, ages 6-18)	\$0.50	\$0.50	\$0.50
Children (Age 5 & Under)	Free	Free	Free
Fare Deal Card	\$0.50	\$0.50	\$0.50
A-Ride Card	Free	Free	Free
GoldRide Card	Free	Free	Free
30-Day Value Pass (Fare Deal)	Free	Free	Free
GoldRide*	FY2023	FY2024	FY2025
One-Way	\$20.00	\$20.00	\$20.00
Additional Passenger (Companion)	\$ 5.00	\$ 5.00	\$ 5.00

*GoldRide was added to this table after the Finance Committee meeting, but was included in the Draft Budget Book sent to the Board in August that was referenced in this monitoring report.

Description of Fare Structure

Fixed Route Fares

- Full Fares:** The current single ride fare for TheRide's local fixed route service includes one free transfer to another local route upon request and is valid for 90 minutes from the time of issuance. The transfer cannot be used to complete a round trip.

The 1-Day Pass is valid for unlimited rides on fixed route service during the day of purchase ending at 11:59 pm and the 30-Day Pass (called Flex Pass) is valid for unlimited rides on fixed route service for 30 days from first use.

- **Discount Fares:** Eligibility for discounted fares on local fixed route services are offered for several categories of passengers. Discounted fares are offered for single trip fares and 30-Day Passes.

The 30-Day discount Pass for students is called Youth Pass, and the 30-Day discount Passes for the three Fare Deal rider categories are called Value Passes. Children ride for free on fixed route services.

Basic criteria for each type of discount fares are as follows:

- A-Ride I.D. – American with Disabilities Act (ADA) eligible
- GoldRide I.D. – Seniors 65 and over
- Value Passes (Fare Deal Cards):
 - Senior Fare Deal – Seniors ages 60-64
 - Income Eligible Fare Deal – Medicaid card holders and other verified individuals
 - Disability Fare Deal – Persons with disabilities who do not qualify for A-Ride
- Children – Ages 5 and under
- Personal Care Attendant (PCA) – Assist A-Ride customers as a companion; must be registered as a PCA
- Students – Grades K-12 with a valid student ID, ages 6-18
- Commuters with go!pass – Employees who work at registered companies located in the Ann Arbor Downtown Development Authority’s boundaries are eligible to purchase a go!pass.

Demand Response Fares

TheRide offers several different options for demand response services. All services are explained and accessible on TheRide’s web site and in TheRide Guides distributed throughout the service area. Definitions of discount fares for demand response services referenced in Table 8.3 are defined under the description of Fixed Route Fares above.

A-Ride Fares

A-Ride is a shared, reservation-based accessibility service. Definitions of discount fares referenced in Table 8.3 are defined under the description of Fixed Route Fares above. A-Ride is provided for passengers with a valid A-Ride I.D. and requires an advance reservation. Reservations can be made up to 3 days in advance.

Fare definitions for A-Ride are as follows:

- **Will Call:** When an advance reservation is made for a pickup, an open-ended time for a return reservation can be made at the same time. The price is the same for the return trip, but it will not require advance notice to use the return trip if it is originally reserved with the initial reservation.

- **Companion:** A-Ride passengers requiring assistance with their trip may bring a companion for assistance. As a companion passenger, an A-Ride I.D. for the companion is not required, but there is a fare charged for the passenger, as indicated in Table 8.3.
- **Personal Care Assistant:** Personal Care Assistants (PCAs) are registered assistants that may travel with an A-Ride eligible passenger to assist with their trip. There is no fare charge for PCAs.

POLICY 2.5.12.1

The CEO shall not...request authorization to adjust passenger fares without (a) incorporating the request into a budget or budget amendment for board consideration, (b) providing data that demonstrates the fare adjustment is fiscally responsible and aligned with achievement of the board’s Ends, and (c) providing data that supports an informed decision by the Board – including but not limited to clearly articulated information about the following:

- A. A clear listing of all proposed fare categories/types and prices, along with supporting information.
- B. The fare discounts to be provided for low-income residents and other vulnerable populations and rationale for how residents qualify for fare discounts.
- C. The impact of the proposed adjustment on equity among different fare categories.
- D. The implication of the proposed fare adjustment on ridership.
- E. The implications of the proposed adjustment on the authority’s budget and the financial trade-offs required (e.g., tax rate increase/decrease, increased/decreased services, impact on reserve or deficit, etc.).
- F. Opportunities that users, residents, Legal Owners, and stakeholders had to provide feedback on the proposed adjustment, the nature of their feedback, and how their feedback has been addressed.

Degree of Compliance: Compliant

Interpretation

I understand this policy to mean that should the CEO seek authorization from the Board to change fares, the Board has articulated the process and information it will want to see as part of the CEO proposal.

Measure/Standards & Level of Achievement

Compliance will be demonstrated when a CEO’s proposal to change fares:

- A. Is presented as a part of the annual budget process or a mid-year budget amendment.
- B. Provides the following information:
 - i. A table clearly showing the existing and proposed fares side-by-side to make it easy to see the proposed changes.
 - ii. Comments on how the proposed changes will advance the Board’s written Ends goals.
 - iii. Estimates for impacts on ridership.

- iv. Documentation of what discounts are being proposed for low-income or other passengers, and a description of, and justification for, the process for assessing eligibility for the discount.
- v. A description of the public involvement process used in developing the proposal (often dictated by Title VI requirements).
- vi. An assessment of the cost per trip and subsidy per trip for each fare type, as well as the average cost per trip and the amount of costs covered by taxpayers.
- vii. A financial assessment documenting the anticipated impacts on revenues and how the agency will compensate for any decrease in revenue.

Further, the CEO is empowered to suspend fare collection under emergency situations.

Rationale

The above interpretations are reasonable because the Board policy is already specific and unambiguous regarding the information it expects to accompany a proposal to adjust fares. The interpretation re-orders the information for a succinct proposal and clarifies the details to be provided in a few instances.

The interpretation that the CEO can suspend fare collection in emergency situations is reasonable because a blanket suspension is temporary and equitable, and timeliness may be urgent.

Evidence

Source of data: FY 2025 Draft Operating and Capital Budget

Date of data collection: 8/26/2024 as verified by the Deputy CEO, Finance and Administration

Data: The CEO is not requesting any changes to fares or prices in the budget (pages 51 and 52). No proposal has been submitted to the Board.

POLICY 2.5.12.2 The CEO shall not...let the travelling public, residents and businesses be without reasonable advance notice of approved changes to fares.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to be about publicizing a decision, not about the public involvement leading up to a decision. Public involvement is already addressed above in policy 2.5.12.1(f). Public involvement prior to decisions is also a legal requirement of Title VI.

Measure/Standards & Level of Achievement

Compliance with this policy will be demonstrated when the public is notified of any change at least 30 days in advance. While tools for notification may change, they will at least include publication on agency’s website and social media accounts, and hardcopy postings in terminals and on buses.

Rationale

This interpretation is reasonable because a minimum of 30 days of advance notification provides a reasonable likelihood that regular patrons will encounter the notification before changes take effect. This approach does not preclude staff from recommending a longer timeline between Board approval and implementation of changes.

The minimum approaches for publication and posting are reasonable as they will reach most patrons. Electronic publication will reach many, while hardcopy postings will be physically available where fares are paid. This also does not preclude staff from mounting more expansive public education efforts based on the scale of the change.

Finally, this approach is consistent with the rules from the agency’s Title VI plan which also requires considerable public involvement before a final approval can be made.

Evidence

Source of data: Review of Public Input Policy

Date of data collection: 8/26/2024 as verified by the Deputy CEO, Finance and Administration

Data: There were no fare changes implemented during the monitoring period, so no notifications were made.

Policy Trendline

Policies	FY22	FY23	FY24
2.5	3	3	3
2.5.1	3	3	3
2.5.12	2	3	3
2.5.12.1	3	3	3
2.5.12.2	1	3	3

Legend	
1	Policy is not compliant
2	Policy is partially compliant
3	Policy is fully compliant

The policy trends for this policy are as shown below. The trendline for FY2024 is not final and is dependent on the Board’s decision.

Board’s Conclusion on Monitoring Report

Board’s conclusion after monitoring the report.
 Following the Board’s review and discussion with the CEO, the Board finds that the CEO:

(A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations.

Board’s notes (where applicable)

