


AGENDA ITEM 3A  
Information Only

**MEMORANDUM**

**DATE:** December 3, 2009

**TO:** El Dorado County Transit Authority

**FROM:** Matt Mauk, Transit Services Assistant 

**SUBJECT:** Update of the Universal Transit Farecard (Connect Card) program for the Sacramento region.

**REQUESTED ACTION:**

**BY MOTION,** None. For Information Only

**BACKGROUND**

In 2006, the Sacramento Area Council of Governments (SACOG) commissioned a study of available fare system technologies and to evaluate the benefits and costs of their application to the Sacramento region. The purpose of the study was to assist SACOG and fourteen area transit providers, including the El Dorado County Transit Authority (El Dorado Transit), in determining if investment in one of these technologies was practical for the region. The objective of implementing such a fare system technology would be to provide a fare card that is accepted by all transit operators in the Sacramento region, thus allowing seamless travel among their services. With the findings of the study, completed in December 2007, SACOG and the participating agencies reached a consensus to work towards regional implementation of contactless smart card technology.

A contactless smart card is credit card-sized and has a microchip and antenna embedded inside. It has data storage capacity and processing power to electronically accommodate the different fares of each transit agency in the region. The user can purchase and encode on one card any fare or fares suited to his or her travel needs. The card is durable enough to last up to five years. Throughout the life of the card the user simply purchases more fare, which is then encoded onto the card. As travel plans change, the user can adjust his or her purchases. Payment and validation of fare is done by touching the card to a target on a toaster-sized device near the farebox. Fare can be purchased and loaded onto smart cards at ticket vending machines, customer service centers, retail outlets and onboard vehicles. The individual users, employers, benefits coordinators and/or colleges will all have the ability to manage the farecard accounts online. The user will have the flexibility of linking the farecard to a bank account to ensure that the card is always loaded to pay the fare. The benefits coordinator will no longer need to place monthly orders for printed passes and ticket books, and agencies will be able to reduce the process of reconciling consignment sales. Each agency receives an improved means of recording transit use,

providing a more accurate basis for allocating revenue among operators for transfers, and for calculating transit use by students.

In February 2008, having heard recommendations from staff and the Transit Advisory Committee (TAC), the El Dorado Transit Board directed agency staff to continue participation in implementation of the regional fare card program. The recommended action included limiting smart card capability to the agency's downtown commuter and light rail connector services. The initial capital outlay will be for agency level infrastructure and installation of smart card readers on commuter buses that directly connect to other regional operators. Participation in the initial rollout of the program ensures El Dorado Transit is included in the development of technical standards and governance structure of the program. This phased approach will also give the agency the opportunity to more easily expand capability to the local fixed routes and demand-response services after working with the commuter application.

## **DISCUSSION**

Robert McCrary, Senior Planner for SACOG will present a status update on the Connect Card project. In addition, a listing of answers to frequently asked questions prepared by SACOG staff is provided as Attachment 1.

## **FISCAL IMPACT**

The cost of procuring and installing a regional smart card system is estimated to be \$8.4 million, based on a scenario in which at least eight agencies elect to participate in the initial procurement and implementation. At this time, SACOG reports having secured full funding for those agencies within the four county region for which it serves as the Regional Planning Agency. Of the eight agencies included in the above scenario, El Dorado Transit, Placer County Transit and City of Roseville Alternative Transportation will be responsible for the full cost of equipping their own fleet. Based on a projected commuter fleet size of nineteen (19) buses, El Dorado Transit's portion of the initial program implementation costs will be approximately \$231,000.

The region wide operational cost of the smart card system is estimated to be in the range of \$1.3-2.0 million annually. Decisions made on a number of policy issues will affect the cost impacts of operating and maintaining the regional system once in place. Overall, with any scenario, implementing a smart card system will increase the cost of collecting fares in the region. This is because the costs of operating the regional center are greater than the reductions in cost and improvements in revenue capture experienced by the individual agencies. The percentage of riders shifting to the use of a smart card will have a considerable effect on operating costs. Eliminating fare medium, such as paper transfers, monthly passes and ticket books, eliminates associated costs such as printing, distribution, sales and revenue counting and reconciliation. Replacing printed transfers and passes with electronic fare media can also reduce loss of revenue which occurs through the fraudulent use of expired or altered transfers, student IDs and monthly passes.

## The Connect Card Program

### Frequently Asked Questions

**Q: What is the Connect Card?**

A: The Connect Card is a program to implement a regional, contact-less electronic transit fare system (or “smart card”) in eight different transit systems across the greater Sacramento region.

**Q: How does Connect Card work?**

A: A transit patron will carry a smart card (perhaps the size of a credit card) and use it to board and pay fare on buses and light rail; the patron will pass the card within a couple of inches of a sensor near the driver, and the sensor will acknowledge the payment.

**Q: How will the Connect Card system know that it is the correct fare?**

A: The smart card will know automatically the required fare for any given patron. If the patron pays with a special discount, that information will be encoded onto the computer chip in the card. All or nearly all transit fares will be programmed into the system computers.

**Q: Are there different options for paying fare with the Connect Card?**

A: Yes. Patrons will be able to buy various types of passes, put a fixed amount of value into the “cash purse”, or enroll in special discount programs. Patrons may choose to reload value through an automatic account deduction, an on-line internet transaction, or with cash/credit from a kiosk.

**Q: What are the advantages of the Connect Card to the general public?**

A: Advantages include easy and varied methods for paying transit fare, quicker boarding of buses, and seamless transfers between transit systems. The Connect Card will make using transit easier and more convenient.

**Q: What are the advantages of the Connect Card to the transit agencies?**

A: Transit agencies will be able to improve operational efficiency over time by consolidating programs and fare media types, and through use of much improved rider data for planning. Reduction in cash handling should yield some immediate cost savings.

**Q: How are we paying for the Connect Card program?**

A: SACOG has secured funds from regional programs to pay full program costs, through implementation, for those transit systems in the greater Sacramento RTPA. SACOG is working with its partners in Placer and El Dorado counties to fund the program for those systems.

**Q: When will the Connect Card become operational?**

A: The Connect Card system is expected to be fully operational by the summer of 2011.