



# Milwaukee County

## Legislation Text

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From the Director, Department of Transportation and Public Works, and the Managing Director, Milwaukee County Transit System (MCTS), submitting an informational report providing an update on the new fare collection system. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

### POLICY

MCTS periodically provides informational updates to the Committee on transit issues.

### BACKGROUND

Milwaukee County budgeted \$7 million in Federal Transit Administration (FTA) allocated Section 5307 transit formula assistance funds under the American Recovery and Reinvestment Act (ARRA) for a new fare collection system.

The IBI Group, an international consulting firm specializing in transit technology and fare collection was selected to assist MCTS in reviewing existing and proposed fare collection alternatives, including the capital, operating and maintenance costs of several options. Given a variety of passenger focused criteria and budgetary constraints the recommended alternative was adoption of a new contactless smart card system in conjunction with an updated farebox.

The new fare collection system proposed for Milwaukee County supports the use of contactless smart cards for passes and tickets, and the validation of cash fares. The database supported by such a fare collection system will significantly improve upon the collection of passenger counts.

Almost fifty five percent of passengers currently pay with weekly passes and tickets. The community is expected to quickly adopt smart cards, since these cards can be purchased as passes for periods of time (e.g. weekly or monthly) or loaded with values that are deducted ride-by-ride in a manner that is similar to how our current passengers redeem tickets from a 10-ride ticket booklet one at a time.

When smart cards are used, transfers are automatically encoded on them. Converting ticket using passengers to smart cards will reduce the number of transfers being requested by twenty five percent. At least initially, cash paying passengers will still have access to a paper transfer, but these passengers will be incentivized to adopt smart cards through reduced fares, similar to the discounts currently being offered for tickets and passes. Eventually the determination can be made as to whether or not transfers will continue to be made available for cash customers.

The next step is for IBI Group to complete technical specifications for a new smart card system and up-dated fare-box. Upon completion of these specifications, competitive bidding will commence via a request for proposal process. After awarding a contract for the new fare collection system in April 2011, an informational

report will be delivered to the Transportation, Public Works and Transit Committee to update you on the implementation schedule. Finally, any changes to the existing fare policy will be proposed at that time.

RECOMMENDATION

This report is informational only unless otherwise directed by the Committee.

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Approved by:

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