

MEETING: STRATEGIC AND OPERATIONAL PLANNING COMMITTEE

DATE: MONDAY, JANUARY 10, 2022

TIME: 3:30 PM – 5:00 PM

LOCATION: WILLIAM G. PORTER BOARD ROOM

MEETING MINUTES

1. CALL TO ORDER

Marlon Moore called meeting to order at 3:30 PM

2. ROLL CALL

Board Members Present

Marlon Moore, Chair
Steven Gladman
Doug McCollough
Tim Skinner

Board Members Absent

3. APPROVAL OF THE DECEMBER 1, 2021 STRATEGIC AND OPERATIONAL PLANNING COMMITTEE MINUTES

Trustee McCollough motioned to approve the December 1, 2021 Strategic and Operational Planning Committee minutes. Trustee Tim Skinner seconded the motion. Motion carried.

4. NEW BUSINESS

LINKUS UPDATE – KIM SHARP, SENIOR DIRECTOR OF DEVELOPMENT

Kim Sharp, Senior Director of Development presented the LinkUS Update. The Committee asked that the LinkUS - WHY be presented. A complete mobility system along key corridors will address: connect more residents to more jobs; add more bikeways, sidewalks and greenways; provide faster, more reliable and more affordable mobility options for all residents; promoting affordable neighborhoods with access to improved, reliable and sustainable mobility options; reduce per capita energy consumption and promote cleaner air; and more cost-effective and fiscally sustainable

development patterns for our region.

How the face the challenges of a growing region:

Existing Challenge

- Inequitable growth – interstate, highways expansion, discriminatory housing policies, and educational investment

How LinkUS can address:

- Reconnect neighborhoods with fast transit, sidewalks and bike trails (LinkUS investment)
- Job growth is focused in locations where workforce has multiple mobility solutions (not just driving, and site acquisition does not focus on parking). (Mutually inclusive policy need)

Key LinkUS Goal/metric:

- LinkUS will lift up our communities by connecting more residents to more jobs

Opportunity

- A successful mobility system should connect the community to those destinations and opportunities most critical for livability

Existing Challenge

- Population growth – up to 3 million people in Central Ohio by 2050. If 'mode share' does not shift – roads will not support congestion

How LinkUS can address:

- Connect more people to multiple mobility options – make choosing to walk, bike or use transit an easy choice

Key LinkUS Goal/metric:

- LinkUS will improve our health and access by adding more bikeways, sidewalks and greenways

Chair Moore, when it says reduce the need for car with better or more mobility options, the first thing that comes to my mind is how will we go about communicating that to people? Using my car is more comfortable for me, what will be some of the strategic initiatives to help us shift the narrative as how we look at the goals and metrics and challenging us to provide more mobility options? How do we know that we achieved that?

For example, I just came out of the meeting with the City of Reynoldsburg and he mayor said, "I'm on the phone with friend who get two hours' worth of work done on the transit system on their way to work." I think there's a different communication point that hit home. For some people it's what can you do during that time you're in transit instead of driving. For some, it's I can't afford two cars in my family. We can afford one or none. Yet, we still need jobs and we need to get to school. So, I think it's going to be different communication.

Trustee McCollough, is there a specific activity within the LinkUS program to promote policies or influence policies, or is this within the purview of COTA itself, or state and local and those kinds of things? What is the policy connection?

The reporting mechanism that the LinkUS Leadership Coalition Group is working on, of which there is COTA representation on that, there will be some policy recommendations, very specific policy recommendations within that report. Specifically, as it has to address development and development patterns and affordable housing.

FARE MANAGEMENT SYSTEM PROECT UPDATE

Jason Yanni presented an update on the Fare Management System Project that was launched in November. Executive Summary – in December 2020, the COTA Board of Trustees approved a contract with Masabi to implement a modernized fare payment system that would include:

- Digital payment options for our customers via Transit app or smart card
- Fare capping to create across the board payment equity no matter how often a customer rides
- A third-party retail network making it easier for our customers to digitize cash

The first phase of the new system launched on November 1, 2021 and was the culmination of an agency-wide effort involving extensive cross-departmental collaboration over the course of an eleven-month period. Some accomplishments of note include the development and execution of:

- Agency-wide staff training on the new system including 700+ operators, admin staff, and customer service.
- Comprehensive internal communication strategy to support continued employee education.
- A robust marking and external communication/customer engagement strategy.
- Public pilot of the software and app with a pool of 100+ individuals.
- Installation and performed acceptance testing of over 350 new validators across the fixed-route fleet.

Adoption Statistics

- 37% of all trips able to leverage new 2-hour transfer policy
- 11% of all trips able to leverage fare capping (daily/monthly)
- 80% of app downloads resulted in account creation
- 75% of cash loaded has been used
- 92% of funds loaded has been via the app

Next, I want to move into the marketing campaigns that we have been working on right now. So the first phase of this was Ride On Us.

Phase 1: November 1 – January 31 (Ride On Us)

- Our campaign opens with a strong retail promotion:
 - Download the Transit App today and set up your COTA account for a complimentary \$4.50!
 - Our primary goal is to drive trial by lowering barriers to participation and inviting our audience to try this new experience at no cost.

Phase 2: February 1 – April 30 (Ride With Us)

- In Phase 2, we shift the incentive from a retail promotion to a value proposition. We will encourage customers to join their peers who have already tried the Transit App because it is the most affordable, safe and convenient way to ride COTA.

Phase 2 is going to focus on the value proposition of the fare capping and the benefits of getting everything digitally in place so that we can help keep their information and their riding value secure. For example, if I come into the Customer Experience Center (CEC) and buy a 31-day pass today and lose it, there's not much that I can do. However, on the new system, if I come in and put my 31 or \$62 on my account, and I lose my phone, I lose my smart card that I'm using on the system, then it's not a problem. The value is still there. So, it provides some additional security and safety measures just around their value that they're putting into the public transportation system.

Chair Moore, if someone uses \$3 cash, minimum risk for us because it's a cash transaction. Now that we have this app, I'm assuming we have bank data or however they may pay for it, there may be other alternative methods for payment, right? Jason, yes.

Looking Ahead – Continuing Monitoring

- Customer education on technology and new system behavior
 - Calendar-based fare capping vs rolling passes
 - Validator behavior and messaging
 - Connector app vs COTA//Plus app vs Transit app
- Retail Network

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- Retail network consistency with customer experience
- Customer usage
- Additional retail opportunities and partnerships
- Support & Escalation
 - Continue working with internal staff on building out support and escalation procedures
 - Notification protocol for system outages (i.e. AWS outage on 12/7)

Product Roadmap

- Near Term
 - Employee & Dependent Program
 - Uber/Lyft Integration
 - NPO Integration
 - Support for Special Events
- Mid Term
 - Fare Free Days
 - Promo Programs
 - Partner portal – Cpass integration, schools/universities
 - AVL Integration
 - Packaged Offerings
 - Referral Program
 - Kroger/Giant Eagle
 - COTA//Plus Integration
 - Apply Pay
 - Family Support

Trustee McCollough, stated that he appreciated the details. When do you think another update will be given? I'd be interested to see if it continues to rise.

Jason, we are prepared for hiccups as much as we can be. We're continuing to monitor and see what's going to come up. But we would be happy to present even if it is just for five minutes to go over some of the numbers at any of the committee meetings. So, we will work with Chair Moore and Andy Biesterveld and make sure we can get on the next appropriate agenda to give an update.

RESOLUTION 2022-XX – AUTHORIZING A NON-PROFIT ORGANIZATION FARE STRUCTURE (PILOT)

Angel Mumma, Chief Financial Officer, we will be incorporating with the monthly ridership that we provide in our financial updates, but not only does performance monitoring get with the Board as a whole, we will start measuring our utilization and transit utilization in addition to our traditional fixed route ridership.

These two resolutions that we're bringing forward for consideration this month, last year the Board approved the Masabi rollout, and in conjunction with that, this group initiated and the Board further approved changes in our fare policy, and specifically it implemented the fare capping, the two-hour transfer and modifications to the children's discount eligibility.

First is a pilot program for nonprofit agencies. COTA currently has a nonprofit program in place that was approved back in 2014 that offers a day pass, which value is at \$4.50 to 501(C)(3) for \$4.00. That's an 11% discount. Within that resolution that approved this program there was a maximum of the number of day passes that would be allocated at 150,000 passes annually. Additionally, the program requirements included the agency providing their mission statement and a policy regarding how they would distribute the day passes. As it pertains to this program that we are recommending that these provisions be removed and a new nonprofit pilot program be offered that would provide the following: Limited use passes. This would be in review of the day pass that everybody knows and uses today that can be used on our new system loaded with \$4.50 at that same cost of \$4.00 to the agency. So, they could purchase those limited use passes for the 11% discount, so really no change.

Our motivation for providing a greater discount for the stored value is, again, to drive customers to that new behavior using the new system. However, engaging with our nonprofit partners, which we've done a lot over the course of the past couple of months, we do understand that they have a need to have emergency passes for their customers. We don't want to negate that and that's why we still want to have that available to have a temporary use pass. Not quite as durable as a smart card, but something that could last a day or two that the agencies could determine how much value they want to put on it. This is not our decision to make, but generally speaking, we would offer them a 15% discount for any stored value.

RESOLUTION 2022-XX – AUTHORIZING A LOW-INCOME FARE STRUCTURE (PILOT)

We do believe that this nonprofit pilot program would almost be a short-term mechanism, such as those that would be offered through our second resolution that we're proposing. This second pilot program and its discount eligibility for low-income customers. As you are aware, today we offer a 50% discount fare to seniors over 65, veterans, Medicare cardholders, and those with disabilities as well as children. We are proposing to extend the discount eligibility, so that same 50% discount to those that meet a low income criteria.

For both of these programs, we are proposing a six-month pilot which would run from March 1 through September 1, 2022. We will be required to conduct another Title XI

analysis, which makes sure that we are not disproportionately hurting any low income or minority individuals. That is the requirement by the federal government on any changes in service, any changes in fares despite how inherently obvious it may seem. During the course of this pilot, we would undergo this Title XI analysis. We would gather statistics on who's using it; how much it's being used; and report back out with a final recommendation on how we move forward after September 1 to the Board.

As previously mentioned, there was a limitation of 150,000 day passes that would be provided. We had about 112 day passes purchased. So that's a relatively small hit in revenue. Again, this is something that the benefit of having a pilot program is we can evaluate what the impact is, see if there's tweaks that we need to make to it. But we do think these are two important components to the program which underscores our commitment to the community and using the dollars we have to provide access to those that need it most.

Trustee Skinner, will this be an additional discount? Angel, so the same percentage, the \$4.50, they would just purchase a different type of pass. They'll purchase it for \$4.00 and they will distribute it to their customers.

Chair Moore, does that impact the potential revenue loss? No, I believe the \$1.3 million would be the maximum loss in a pre-COVID environment. Chair Moore, okay, and then the nonprofit organization it says in the resolution we're looking at \$76,000 roughly? That is simply based on the 2019 volume, if that whole entire group went up to stored value it would be about \$76,000 in revenue.

Chair Moore, is there any benefit from staggering the launch of these pilot programs? Do we have to run them now at the same time? Let me be specific. I want to be mindful of our budget and what we just put out, and if we could push one back, would that hurt anything or would it make sense to do so?

Angel, I'll answer that from two different aspects. We can certainly adjust the timing on any of these. To the extent we combine them and do them at the same time. We can run the Title XI at the same time so we can get some scale out of that and you're measuring at the same time. So, that's from an internal standpoint. There's nothing off the table. From an external standpoint, the need is real. Certainly, we have a discount program in place today. Again, we'd like to start shifting behavior and move that over as opposed to continuing just that day pass program, try to motivate our nonprofits to add that stored value. Instead it's safer than passing out a pass that could just fly away in the wind versus what individuals are part of any one of those county programs that I noted that really need that today.

Trustee Skinner, in the second proposal, especially, I think most people are already receiving the discount passes. The 4% difference isn't enough to worry about, I wouldn't

think for something on this level.

Trustee McCollough, this budget hit is already we have already accepted, first of all. Second, there are some hooks and some encouragement and some things that could increase ridership, which was not a part of accepting a budget sort of hit. So there could be some silver lining there that's just not anticipated, nobody promised that. But it's a different kind of relationship with the existing nonprofits. Third, I would just add the equity questions that we were talking about a month ago.

Trustee Moore, instead of doing an update, can we get a mid-term update in 3 months instead of six? Yes. Trustee Skinner, any time we get change to broadcast something, I believe it should be added to the regular agenda. Chair Moore recommended that the report be added to the full Board agenda.

5. ADJOURNMENT

Chair Moore motioned to adjourn the Strategic and Operational Planning Committee meeting. It was moved by Trustee Skinner, seconded by Trustee McCollough. Meeting adjourned at 4:44 p.m.

Next Meeting: 9:00 AM, Wednesday, January 10, 2022.

Adopted: _____ **Ma 4, 2022**

Signed: _____
Marlon Moore
Chair, Strategic and Operational Planning Committee

Attest: _____
Joann Daniels
President/CEO

BOARD STRATEGIC AND OPERATIONAL PLANNING COMMITTEE:

Marlon Moore, Chair
Steve Gladman
Doug McCollough
Tim Skinner