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Committee: Transit Commission	Date: 1/19/2023
Common Council Item Number: ID#23-5562	Date: 2/7/2023
Submitted By: Alex Damien, Interim Director of Public Works	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Joseph Ciurro, Finance Director JC	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Review and Act on WisGo Services Agreement with Milwaukee Transport Services, Inc.	

Details:

This item is to review and act on the proposed agreement with Milwaukee Transport Services, Inc (MTS) for WisGo Services. Essentially this agreement allows Waukesha Metro to join the Milwaukee County Transit System's new fare payment service UMO which will be branded as WisGo and includes an accompanying mobile app. By joining the WisGo platform, passengers in Waukesha and Milwaukee would have an integrated regional platform for a transit mobile app and fare payment. MTS is already providing the fare validators installed on all fixed route Waukesha Metro buses at no costs to the City to allow transfers between the two systems. The only request MTS had was that Metro purchase a few spare validators at \$1,360/unit. The validators are the main hardware needed for the system and the rest of the system is cloud based software. The agreement would be for three years with two additional option years.

The WisGo/UMO system includes mobile fare and smart cards payment and a regional transit mobile app that would include predictive arrivals of next bus and trip planning capabilities. The system would move Metro passengers to an account based system, where the smartcard/mobile payment app is tied to an individual so passengers can just re-load additional funds to their account/smartcard vs. getting another pass/ride card. Several social service agencies have expressed support for this type of system as it would allow them to better control bus fares provided to clients.

Another reason to move to this system is that Metro's current farebox the Genfare Odyssey is at the end of life and Genfare is no longer producing the Odyssey farebox. Genfare has stated that it will support the software through 2025 and will try and provide parts for as long as feasible. Genfare's new fare collection system would require purchasing new fareboxes at a cost of \$18,000-\$20,000/unit as well as a new software system and ticket vending machines. The capital investment would well exceed \$500,000 and likely include an annual maintenance fee of \$30,000-50,000. Transit currently does not have an annual maintenance fee.

If the WisGO agreement were to move forward, the Odyssey fareboxes would continue to be used for cash fares and transfers from cash fares and be used on paratransit vehicles for the next few years while the Odyssey system is still supported. MTS is looking into incorporating paratransit into the UMO/WisGO system. If the WisGO system would not be feasible for paratransit, alternatives for fare payment for Metrolift are available through our current

paratransit software as well as other means. Eventually Transit will need to replace the Odyssey fareboxes but those could be replaced by a simple cash farebox at a fraction of the cost (estimated between \$3,000-\$5,000/unit) and that would have very low maintenance cost as it would be simple mechanical unit. An even less expensive option would be needed for paratransit vehicles.

The costs of the WisGo system is \$0.035/transaction (each boarding using the WisGo payment system) which would likely result in an expense of \$12,000 annually given current ridership levels and estimated percentage of pre-paid fares (mobile or smart card) vs. cash. Additional costs for credit/debit card transactions would apply but those fees already exist for credit/debit purchases at the Metro Ticket Vending Machines. Open payment, using credit/debit card, for individual fares instead of a cash fare would also be available and would come with a \$0.045/transition fee and applicable credit/debit card fees. In the future, MTS may ask the City to pay for a portion of the annual maintenance fee but it is anticipated to be much less than the expected maintenance fee for the new fare system from Genfare. In addition, Transit will likely need to purchase a point of sale unit for the Transit Center to automatically sell, load and re-load WisGo smartcards in replace of the current Ticket Vending Machines. Transit has grant funds that were allocated to replace a piece of current fare equipment, but was not purchased given the end of life notice and those funds could be used towards a new point of sale unit.

Metro's new fare structure would need to incorporate some features of Milwaukee County's new fare structure such as fare capping. Fare capping simplifies the fares by setting a limit a passenger pays per day, week and month instead of having daily, weekly or monthly passes. The system does have some flexibility including allowing for additional fare categories such as Student fares. Certain specialty fares like the Summer Youth Pass would no longer be feasible in the WisGo system but Transit staff was planning to propose elimination of the Summer Youth Pass as very few passes were sold to the general public in recent years.

The new WisGo system has other positives such as being far less labor intensive for transit staff than the current system and streamlines several processes. There is also an opportunity to expand the fare retail network through a national system that could include CVS and Walgreen's stores.

The implementation of the new system would take several months but can be brought online in modules. The preliminary plan would be to roll out the mobile payment first as Metro passengers currently do not have that option and then roll out the smartcards, etc. later.

Transit staff had researched other mobile payment systems a few years ago but were dissuaded due to the high costs as those systems were requiring commissions of 5-10% of the fare. The WisGo system charging a small flat fee is a much more reasonable approach and does not include a large capital investment.

Options & Alternatives:

The only other option is to reject this agreement and continue with the Odyssey fareboxes for the next few years while the current system is supported. The concern with this approach is eventually a new system would be required that would cost much more and would not take advantage of this new regional based system that is much more passenger friendly.

Financial Remarks:

As stated in the details, the primary expense is a \$0.035/usage fee which would result in an expense of \$12,000 annually. Open payments, paying cash fares with credit/debit cards, would be an additional \$0.01/transaction but the usage of this would likely be minimal. The only foreseeable capital expense would be a point of sale unit for the Transit Center but capital funds are available that were originally intended to replace existing fare equipment.

Executive Recommendation:
Recommend approval.