



san Luis OBispo transit

AGENDA

SPECIAL MEETING-OPEN HOUSE

CITY OF SAN LUIS OBISPO MASS TRANSPORTATION COMMITTEE

990 Palm Street
Council Hearing Room

2:45 p.m.

Thursday, August 5, 2010

CALL TO ORDER

Chair calls the meeting to order.

ROLL CALL OF COMMITTEE MEMBERS AND STAFF

Chair: Elizabeth Thyne

Vice-Chair: Stanley Yucikas

Committee Members:

- | | | | |
|-----------------|------------|-------------------|--------------------|
| Denise Martinez | (Disabled) | Margaret Crockett | (Member at Large)* |
| Susan Rains | (Cal Poly) | Art Apruzzese | (Technical) |
| Tracey Amundson | (Student) | Louise Justice | (Alternate) |
| Stanley Yucikas | (Business) | Jonathan Ellis | (Alternate) |
| Elizabeth Thyne | (Senior) | | |

Staff: John Webster, Sr., Transit Manager
Tim Bochum, Deputy Director of Public Works
Dee Lawson, Transportation Assistant

ANNOUNCEMENTS:

None

PUBLIC COMMENTS

10 min.

At this time, members of the public may address the Committee on items not on the agenda, **not to exceed three minutes per person**. Items raised are generally referred to the staff and, if action by the committee is necessary, may be scheduled for a future meeting.

The Chair will provide the opportunity for the public to address items on the agenda.

Service Complaints: Complaints regarding bus service or routes are to be directed to the Transportation Assistant at 781-7531. Reports of complaints/commendations are available to the public upon request.

A. CONSENT ITEMS

Consent Items can be approved by a single vote by the Committee. Any member of the Committee can pull and discuss any individual consent item.

NONE

B. DISCUSSION ITEMS

NONE

C. ACTION ITEMS

C-1 Open House/Special meeting on proposed fare modifications 2 Hours

D. INFORMATION ITEMS

NONE

MEMBER'S COMMENTS

15 min

NEXT MEETING DATE/LOCATION

September 8, 2010, 2:45 pm-4:45 pm, Council Hearing Room

ADJOURNMENT



Item: C-1
TO: Mass Transportation Committee
FROM: John Webster, Transit Manager
SUBJECT: SLO TRANSIT FARE MODIFICATION

STAFF RECOMMENDATION

1. Hold an Open House/Special meeting to receive public comments on potential fare modifications.
2. Recommend to Council potential fare changes, if any.

BACKGROUND

The Council held a public hearing on July 20, 2010 to discuss the MTC recommendations regarding fare changes for SLO Transit. After much discussion the Council decided to return this issue back the MTC for further discussions and consideration. Specifically they:

1. Deferred this item and directed staff to send it back to the MTC for consideration of the trade-offs associated with cash fare increases, passes and transfers. Council will not make a definitive decision about fare increases until further analysis is complete. This matter should be brought back to the Council as expeditiously as possible.
2. Deferred evening service fare modifications and directed staff to conduct additional discussions and public outreach with Cal Poly.

DISCUSSION

MTC Process

At its regular meeting on May 12, 2010, MTC members discussed budget issues for SLO Transit and made specific recommendations for budget balancing priorities in regard to service and fare structure modifications and requested that Council set a date for a public hearing. As part of the Transit Enterprise fund review (On June 1, 2010) Council approved July 14, 2010 for the MTC to hold a



public hearing on this issue. The MTC held the public hearing and received public testimony. Ultimately MTC resulted in the following recommendations to the Council for their consideration:

1. Increase the base cash fare from \$1.25 to \$1.50 (Senior-Disabled from \$.60 to \$.75)
2. Set \$1.00 (Senior-Disabled to \$.50) as base cash fare for all Evening service riders on Routes 2, 3, 4, & 6A/6B.
3. Eliminate transfers between SLO Transit Routes
4. Direct staff to consider implementing a 31 Day Evening Pass for Cal Poly students and staff to avoid having to carry extra cash.
5. Fare modification effective September 1, 2010

Council considered these issues and ultimately decided to return the issues to MTC for further discussion and recommendations. The following outlines the key issues discussed by Council.

Evening Fare – Deferral

Prior to the Council meeting staff received requests from Cal Poly and Associated Student, Inc.(ASI) both requesting that the issue be deferred until later time so that additional discussions could take place regarding charging students for evening service. Upon further review, it does not appear the City has the authority under the existing Cal Poly subsidy agreement to charge any fare, even for extra service that has been increased since the initial subsidy agreement was enacted. This issue will be deferred as staff meets and confers with Cal Poly and ASI to discuss impacts further and will likely return as part of the any proposed update to the Subsidy Agreement.

Increasing Cash Fare to \$1.50 and Senior Disabled Pass

The issue of raising the cash fares was discussed by Council with a lack of consensus. One issue discussed was the potential for a reduction in farebox due to the increased cost and the potential loss of cash paying fare payers due to the increase. Staff reviewed this issue as part of the prior fare recommendations and concluded that while there may be an initial drop off in cash riders; this will normalize over time and be offset by an increase in pass sales. We have seen this occur partially in FY 2010 although other issues, such as fuel price changes affect choice ridership. Based upon the discussion of Council staff has conducted some



additional analysis of ridership and fare statistics for the last two years. This is shown in Tables 1 & 2 below.

For FY 2010, general cash riders were down significantly but Senior/Disabled cash riders were up along with most other pass sales. The net result was that farebox was slightly higher for the year (mostly due to pass sales) but was below expectations. This was due largely in part to the lower general cash paying riders, less revenue from the Senior/Disabled pass riders since the recommended 2009 fare increases for last year were not fully implemented by Council, and the newly created VIP program where peoples 80 and over now ride for free.

The general cash ridership dropped significantly (by -27%) but it is unknown how much of this was due to the fare increase or changes in the economy and fuel prices. Although the ridership dropped by 27%, the farebox only dropped by \$9,880 (-8%) due to the increase in cash fare implemented on July 1, 2009. Staff does not believe that a direct comparison between fare increase and ridership drop can be established based upon this limited analysis. Rather, a general conclusion can be reached that the 2009 general cash fare change did cause some reductions in ridership but the resulting change in farebox was offset by the higher cash fare rate; albeit lower than expected.

As shown in Table 2, the average fare per trip for a Senior/Disabled *pass* riders was **\$.25** per trip based upon 86,651 trips that generated \$21,387 in pass sale revenues. This was less than half the per trip revenue for either the general pass sales or monthly student pass which ranged from \$.55 to \$.91 per ride.

The analysis also indicates that although the 31-day Senior/Disabled pass use represents approximately 28% of the overall SLO fixed route riders (Non Cal Poly/RTA, trolley) it generates only slightly over 10% of the SLO general rider revenue. As a comparison, an adult 31-day pass represents approximately 9% of the overall SLO ridership and generates approximately 7.5% in general revenue.

Council discussed the 2009 deferral of the increase in the Senior/Disabled pass amount (it was recommended by Staff and MTC to increase to \$15.00 but was deferred by Council at \$12.50 for FY 2010) and requested MTC review this issue and recommend changes if needed.



Table #3- reflects the potential FY 2010-11 revenue calculations if pass costs are increased. If the cost of a 31-day SD pass is increased by 20% from \$12.50 to \$15.00 we would forecast total pass sale estimates at 1,601 or (-6.43%) from FY 2009-10 but the potential to raise an additional \$1,207 in revenue due to the cost increase.

Elimination of Transfer

The issue of eliminating the free transfer was discussed by Council with a lack of consensus. However, the general comments focused on concerns that charging the full fare for the transfer would be too expensive. When establishing a transfer fee the revenue assumption uses 10,130 transfers issued or approximately 50% of the FY 2009-10 transfer totals. Staff has reviewed this issue further and while the goal is to increase the fare by eliminating the free rides the fare to be charged is purely discretionary. If we were to consider a \$.75 transfer fee in lieu of the full fare, it would be expected to generate approximately \$7,600 in new revenue.

Questions for MTC Consideration

The Council has asked for additional MTC review and discussion on these issues. The following represent the issues that should be resolved:

1. Based upon the final year end statistics, farebox revenue and the decision to defer Evening Service Charge changes, does it make sense to move forward with the general fare cash increase at this time?
2. Should the Senior/Disabled Monthly pass be increased to \$15.00 (consistent with the 2009 MTC recommendation) in order to better reflect cost sharing of service use and per trip revenue?
3. What should the transfer fare be if free transfers are to be eliminated? A recommendation may be to initially set the transfer fee at \$.75 and observe the effects on ridership.



TROLLEY Fare Change

A new fare change recommendation:

During our recent (July) Federal Triennial review it was determined that the Trolley service needed to establish a half-fare category for Senior/disabled. The finding requires that the City implement this half fare as soon as possible.

At the same time staff has continued to work with the Tourism Business Improvement District (TBID) and the Promotional Coordinating Committee (PCC) to see if additional funding may be allocated to reestablish partial trolley services for FY 10-11. Initial feedback from these groups is that they will be willing to recommend using their funding to bring back some trolley service on Friday and Saturday during the spring and summer period. However, a caveat is the need to increase the base trolley fare to \$.50 to help cost recovery for the service.

This request, in tandem with the increase in funding and needing to satisfy the Federal requirement offers a unique opportunity to solve both issues with one fare change.

Therefore staff is recommending that the MTC approve a recommendation to Council that the base cash fare for the Trolley be increased to \$.50 with the Senior/Disabled fare at \$.25 beginning November 2010.



TABLE 1 - FY 2009-10 RIDERSHIP & REVENUE

2009-10	Riders	% Total	% Non	Revenue	% Total	% Non
		All	Cal Poly, RTA, Trolley		All	Cal Poly, RTA, Trolley
1-Day Reg Pass	4,336	0.43%	1.39%	\$ 3,906	0.70%	1.89%
3-Day Reg Pass	2,143	0.21%	0.69%	\$ 1,656	0.30%	0.80%
5-Day Reg Pass	1,043	0.10%	0.34%	\$ 810	0.15%	0.39%
7-Day Reg Pass	1,197	0.12%	0.38%	\$ 518	0.09%	0.25%
31 Day Adult Pass	27,380	2.68%	8.80%	\$ 15,557	2.79%	7.53%
31-Day Sr/Dis Pass	86,651	8.50%	27.84%	\$ 21,387	3.83%	10.35%
31-Day Student Pass	10,673	1.05%	3.43%	\$ 9,675	1.73%	4.68%
Adult Cash Fare	87,339	8.56%	28.06%	\$ 113,529	20.35%	54.93%
S/D Cash Fare	23,940	2.35%	7.69%	\$ 14,364	2.58%	6.95%
Downtown Access Pass (DAP)	11,495	1.13%	3.69%	\$ 14,369	2.58%	6.95%
SLO Transfers	20,260	1.99%	6.51%	\$ -	0.00%	0.00%
Free (Under 5 years)	12,884	1.26%	4.14%	\$ -	0.00%	0.00%
VIP free (80+)	7,231	0.71%	2.32%	\$ -	0.00%	0.00%
Prado Tokens	7,772	0.76%	2.50%	\$ 9,715	1.74%	4.70%
Promo Pass	927	0.09%	0.30%	\$ 1,159	0.21%	0.56%
Misc (Amtrak , Event, etc)	6,000	0.59%	1.93%	\$ 39	0.01%	0.02%
Total	311,271	30.52%	100.00%	\$ 206,683	37.06%	100.00%
Cal Poly	623,719	61.16%		\$ 341,610	61.25%	
Total	934,990	91.69%		\$ 548,293	98.30%	
Regional Day Pass	13,539	1.33%		\$ 3,024	0.54%	
Regional 31 day Pass	50,298	4.93%		\$ 7,000	1.26%	
Trolley	20,958	2.06%		\$ 6,432	1.15%	
Total	1,019,785	100.00%		\$ 557,748	100.00%	



Table-2

Ridership	Riders 2008-09	Riders 2009-10	Riders Change	% Change	Farebox 2008-09	Farebox 2009-10	Farebox Change	% Change	2009 Avg Fare	2010 Avg Fare
1-Day Reg Pass	1,956	4,336	2380	122%	\$ 1,707	\$ 3,906	\$ 2,199	129%	\$ 0.87	\$ 0.90
3-Day Reg Pass	1,227	2,143	916	75%	\$ 1,000	\$ 1,656	\$ 656	66%	\$ 0.81	\$ 0.77
5-Day Reg Pass	967	1,043	76	8%	\$ 703	\$ 810	\$ 107	15%	\$ 0.73	\$ 0.78
7-Day Reg Pass	2,332	1,197	(1135)	-49%	\$ 1,626	\$ 518	\$ (1,108)	-68%	\$ 0.70	\$ 0.43
Total	6,482	8,719	2237	35%	\$ 5,036	\$ 6,890	\$ 1,854	37%	\$ 0.78	\$ 0.79
31-Day Adult Pass	23,038	27,380	4342	19%	\$ 12,905	\$ 15,557	\$ 2,652	21%	\$ 0.56	\$ 0.57
S/D 31 Day Pass	102,919	86,651	(16268)	-16%	\$ 21,305	\$ 21,387	\$ 82	0%	\$ 0.21	\$ 0.25
VIP Pass	None	7,231	7231		FREE	FREE				
31-Day Student Pass	10,873	10,673	(200)	-2%	\$ 8,010	\$ 9,675	\$ 1,665	21%	\$ 0.74	\$ 0.91
Total	136,830	131,935	(4895)	-4%	\$ 42,220	\$ 46,619	\$ 4,399	10%	\$ 0.31	\$ 0.35
Adult Cash Fare	119,516	87,339	(32177)	-27%	\$ 123,407	\$ 113,529	\$ (9,878)	-8%	\$ 1.03	\$ 1.30
S/D Cash Fare	22,826	23,940	1114	5%	\$ 13,696	\$ 14,364	\$ 668	5%	\$ 0.60	\$ 0.60
Total	142,342	111,279	(31063)	-22%	\$ 137,103	\$ 127,893	\$ (9,210)	-7%	\$ 0.96	\$ 1.15
DAP/Tokens/Promo	19,497	20,194	697	4%	\$ 16,311	\$ 25,281	\$ 8,970	55%	\$ 0.84	\$ 1.25
FIXED ROUTE TOTALS	305,151	272,127	(33024)	-11%	\$ 200,670	\$ 206,683	\$ 6,013	3%	\$ 0.66	\$ 0.76
Cal Poly	613,337	623,719	10382	2%	\$ 331,660	\$ 341,610	\$ 9,950	3%	\$ 0.54	\$ 0.55
SLO Transfers	24,887	20,260	(4627)	-19%	FREE	FREE	\$ -			
Regional Day Pass	2,632	13,539	10907	414%	\$ 986	\$ 10,058	\$ 9,072	921%	\$ 0.37	\$ 0.07
Regional 31 day Pass	30,167	50,298	20131	67%	11,191	2,500	\$ (8,691)	-78%	\$ 0.37	\$ 0.14
FIXED ROUTE TOTALS	995,671	1,000,137	4466	0%	560,817	586,131	\$ 25,314	5%		



Table-3

CATEGORY	SOLD	PASS	PASS	EST CHANGE	EST	EST	CHANGE
	2009-10	REVENUE	COST	2011	SOLD	REV	
1-Day Reg Pass	1,302	\$ 3,906	\$ 3.00	10.0%	1,432	\$ 4,297	\$ 391
3-Day Reg Pass	276	\$ 1,656	\$ 6.00	10.0%	304	\$ 1,822	\$ 166
5-Day Reg Pass	81	\$ 810	\$ 10.00	1.0%	82	\$ 818	\$ 8
7-Day Reg Pass	37	\$ 518	\$ 14.00	5.0%	39	\$ 544	\$ 26
Total	1,696	\$ 6,890			1,856	\$ 7,480	\$ 590
31-Day Adult Pass	420	\$ 15,557	\$ 37.00	5.0%	441	\$ 16,334	\$ 778
S/D 31 Day Pass	1,711	\$ 21,387	\$ 15.00	-10% Nov-June	1,601	\$ 22,594	\$ 1,207
31-Day Student Pass	387	\$ 9,675	\$ 25.00	0.0%	387	\$ 9,675	\$ -
Total	2,518	\$ 46,619				\$ 48,603	\$ 1,985
	USAGE						
Adult Cash Fare	87,330	\$ 113,529	\$ 1.25	0.0%	87,330	\$ 113,529	\$ -
S/D Cash Fare	23,940	\$ 14,364	\$ 0.60	3.0%	24,658	\$ 14,795	\$ 431
SLO Transfers	20,260	\$ -	\$ 0.75	-50.0%	10,130	\$ 7,598	\$ 7,598
ANNUAL TOTAL	111,270	\$ 127,893				\$ 135,921	\$ 8,028
SD Pass Sales est July-Oct=572 @ (\$12.50) and Nov-June (-10%)=1030 @ (\$15.00) Total sold=1,601 (-6.43% annual)							

It is important to note that revenue assumptions are not always exact and that anticipated farebox revenue may outperform or underperform assumptions made for this analysis.

Table-4

	CURRENT	PROPOSED for MTC Discussion
	1-Day Reg Pass	\$ 3.00
3-Day Reg Pass	\$ 6.00	\$ 6.00
5-Day Reg Pass	\$ 10.00	\$ 10.00
7-Day Reg Pass	\$ 14.00	\$ 14.00
31 Day Adult Pass	\$ 37.00	\$ 37.00
31-Day Sr/Dis Pass	\$ 12.50	\$ 15.00
31-Day Student Pass	\$ 25.00	\$ 25.00
Adult Cash Fare	\$ 1.25	\$ 1.50
S/D Cash Fare	\$ 0.60	\$ 0.60
Trolley Adult cash	\$ 0.25	\$ 0.50
Trolley S/D cash	\$ -	\$ 0.25
Transfer Fee	\$ -	\$ 0.75



Staff Recommendations:

1. Defer the Cash Fare increase to \$1.50 at this time and review at mid year (December) to determine if farebox revenues are below expectations.
2. Increase the price of the Senior-Disabled 31-day monthly pass from \$12.50 to \$15.00 pursuant to the 2009 MTC recommendations.
3. Increase the Trolley base cash fare from \$.25 to \$.50 and establish a Senior-Disabled Half Fare at \$.25
4. Implement a transfer fee of \$.75 between SLO Transit routes.
5. Effective November 1, 2010

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