

T Transportation Committee

Meeting date: August 11, 2008

For Metropolitan Council: August 13, 2008

ADVISORY INFORMATION	
Date:	August 5, 2008
Subject:	Fare Adjustment Recommendation
District(s), Member(s):	All
Policy/Legal Reference:	Transit Fare Policy Changes 3-2-6 and Procedure 3-2-6a; CFR 49 Parts 37 & 38 – Paratransit ADA
Staff Prepared/Presented:	Brian J. Lamb, General Manager, Metro Transit (612) 349-7510 Arlene McCarthy, Director – MTS, (651) 602-1754 Edwin D. Petrie, Director, Finance Metro Transit, (612) 349-7624 Gerri Sutton, Asst. Director – MTS, (651) 602-1672
Division/Department:	Metro Transit, Metropolitan Transportation Services

Proposed Action/Motion

That the Metropolitan Council authorize the recommended fare change proposal (attached) for service operated by all regional transit providers participating in the regional fare structure, with changes to be effective October 1, 2008, or as noted on the attached proposal.

Background

- As a result of inflationary pressures such as escalating fuel, health insurance costs, and reductions to Motor Vehicle Sales Tax (MVST) receipts, the Metropolitan Transportation Division is facing a projected SFY 2009 deficit of nearly \$15.0M. One of the recommended solutions to solve this projected deficit is a fare adjustment.
- Staff developed a combination of measured and balanced adjustments for revenue enhancements, to address this shortfall with the minimum of possible impacts to the riding public and the region as a whole.
- Council policy as well as state and federal guidelines require public hearings for the purpose of input prior to implementation of any significant fare adjustment by the public transit system. Public hearings and meetings were scheduled for July 1 – 15, 2008 with public comment open until July 25, 2008.
- Specific Information on the Public Hearings and meetings are as follows:
 - Total meeting attendees of 248 with 103 individuals providing testimony (80 individuals, 14 repeat individuals, and 9 representing groups).
 - Total submitted comments of 429 (80 from the public hearings, 96 from phone, 245 from email and 8 written). See table below for summarization of those comments.
- Authorization of the fare adjustment by the Council no later than August 13, 2008 is necessary to meet an October 1, 2008 implementation date.
- The regional fare change proposal, which was presented at the public hearings, includes the option to increase all fares by up to an additional fifty cents (\$.50) at any time in 2009. Since the public hearing requirement has been satisfied, additional public hearings are not required for a fare increases in 2009. However, before approving any additional increase in 2009, the Council will provide additional opportunities for public input.

Rationale

The recommended proposed fare adjustments will assist in the process to bring forward regional fare adjustments to aid in balancing the Metropolitan Transportation Division’s projected SFY 2009 budget deficit.

Funding

The Metropolitan Council last took action to increase fares effective July 1, 2005. This action was an effort to raise revenue and also served to preserve the regular route farebox recovery rate at or above 28.5%. The fare adjustment proposal and is for service operated by all regional transit providers participating in the regional fare structure. The recommended fare increase will generate approximately \$9.2M in additional revenue annually for the Metropolitan Council Transportation Division, with an estimated 2M less annual rides.

Known Support / Opposition

See Public Comments Summary

Public Comments Summary

	Public Hearings	Phone	Email	Written	Total
Increase fares					
General	8	13	36	1	58
Increase fares in 2008, but not 2009	2	3	8		13
Increase bus, not LRT		2			2
Increase less	2				2
Increase downtown zone		2	3		5
Increase express	1				1
Increase distance fare/add zones	3	1	16	1	21
Support all but MM increase			2		2
Subtotal	16	21	65	2	104
Don't increase fares					
General	20	33	101	1	155
Metro Mobility	7	8	9		24
Less increase for MM	1		1		2
Limited Mobility	2	3	7		12
Less increase for LM		1			1
Seniors		5			5
Low Income	13	7	37		57
Don't Extend AM Peak (seniors)	2		2		4
Alternative Funding (Delay Fare Increase)	14	4	7	1	26
Other	5	14	16	4	39
Subtotal	64	75	180	6	325
Total Comments (429)	80	96	245	8	429

Fare Adjustment Recommendation - Historical

Fare Adjustment	Annual Revenue	Last Change
Base \$0.25	\$7,000,000	2005
Metro Mobility \$0.50	\$1,000,000	2005
Limited Mobility \$0.25	\$300,000	1995
Senior/Youth Medicare \$0.25	\$200,000	1995
Dial-A-Ride \$2.25 (01.01.09)	\$300,000	2005
<i>TransitWorks!</i> Discount	\$400,000	1996
Total Annual Revenue	\$9,200,000	

Regional Fare Adjustment Proposal To Be Implemented October 1, 2008

Cash Fare Increases:	Current	Proposed	
Local Off-Peak	\$ 1.50	\$ 1.75	
Local Peak	\$ 2.00	\$ 2.25	
Express Off-Peak	\$ 2.00	\$ 2.25	
Express Peak	\$ 2.75	\$ 3.00	
Senior, Youth, Medicare Fares (Off Peak)	\$ 0.50	\$ 0.75	
Limited Mobility (All Times)	\$ 0.50	\$ 0.75	
Downtown Zone (All Times)	\$ 0.50	\$ 0.50	
Dial-a-Ride – Implement Jan. 1, 2009	\$ 0 - 2.00	\$ 2.25 minimum	
Metro Mobility demand-response:			
Off-Peak	\$ 2.50	\$ 3.00	
Peak	\$ 3.50	\$ 4.00	
Transfers and transfer policy		No Change	
31-Day Pass			
Local Off-Peak	\$ 50.00	\$ 59.00	
Local Peak	\$ 76.00	\$ 85.00	
Limited Mobility	\$ 21.00	\$ 31.50	
Express			
Off-Peak	\$ 76.00	\$ 85.00	
Peak	\$ 104.00	\$ 113.50	
Stored Value Cards – Magnetic (No Change)			
	Card	Value	Bonus
	\$ 10.00	\$ 11.00	10%
	\$ 20.00	\$ 22.00	10%
	\$ 40.00	\$ 44.00	10%
Stored Value Cards - GoTo	10% bonus with cards \$10.00 or greater in value		
TransitWorks! Fare Discount			
Stored Value Cards	5%		0
31-Day Pass	10%		0

	Current	Proposed
6-Hour Pass - Off Peak		
Adult	\$ 3.00	\$ 3.50
Youth/Senior/Mobility	\$ 1.00	\$ 1.50
6-Hour Pass - Peak		
Adult	\$ 3.50	\$ 4.00
Youth/Senior/Mobility	\$ 2.00	\$ 3.00
Young Adult 10 Ride Farecards	\$ 11.50	\$ 13.50
One Ride Tickets	\$ 1.75	\$ 2.00
Tokens	\$ 67.50 /bag 50	\$ 78.75/bag 50
Rush Hours: Monday – Friday	6:00 – 9:00a.m.	No Change
	3:00 – 6:30p.m.	No Change

**Regional Fare Adjustment Proposal
That May Be Implemented After January 1, 2009**

Any of the above fares may be increased by up to an additional fifty cents (\$0.50) at any time after January 1, 2009, provided that the Council gives the opportunity for public input prior to adoption of any fare change.