

# T Transportation Committee

**Business Item**  
**Item: 2009-264**

Meeting date: August 10, 2009

For Metropolitan Council: August 26, 2009

## **ADVISORY INFORMATION**

**Date:** July 29, 2009  
**Subject:** Request Change to Transit Fare Policy and Procedure  
**District(s), Member(s):** All  
**Policy/Legal Reference:** Transit Fare Policy Changes 3-2-6,  
Implementing Procedure 3-2-6a  
**Staff Prepared/Presented:** Brian J. Lamb, General Manager, Metro Transit, 612-349-7510  
Mark W. Fuhrmann, Deputy General Manager, Metro Transit,  
651-602-1942  
Edwin D. Petrie, Director, Finance Metro Transit, 612-349-  
7624  
Adam Harrington, Asst. Director Route & System Planning,  
Metro Transit, 612-349-7797  
**Division/Department:** Northstar Project Office, Metro Transit

### **Proposed Action/Motion**

That the Metropolitan Council authorize the Regional Administrator to amend the Transit Fare Policy (3-2-6) and Transportation Service Fare Policy Changes Procedure (3-2-6a) in accordance with the attached revised policy and procedure changes.

### **Background**

The Council's Policy on Transit Fare Policy Changes (3-2-6) and Procedure on Transportation Service Fare Policy Changes (3-2-6a) requires proposed permanent fare increases or decreases will be subject to the public hearing process. Public hearing requirements specifically relating to public transit as defined by the Federal Transit Administration (FTA), in Circular 9030.1C (rev. 10/01/98), Chapter V, Section 5.0 and 6, state a grantee is expected to have a written policy that describes the public comment process on increases in the basic fare structure and on major service reductions. The current Council Policy has additional requirements for decreases in the permanent fare which is beyond FTA requirements.

### **Recommendation**

Adjust the Council's Policy on Transit Fare Policy Changes (3-2-6) and Procedure on Transportation Service Fare Policy Changes (3-2-6a) by removing the additional requirements of the public comment process on decreases in the permanent fare structure. This change will be in full compliance of the Public Hearing Requirements specifically relating to public transit as defined by the Federal Transit Administration (FTA), in Circular 9030.1C (rev. 10/01/98), Chapter V, Section 5.0 and 6.

### **Rationale**

The proposed change to the Council's Policy on Transit Fare Policy Changes (3-2-6) and Procedure on Transportation Service Fare Policy Changes (3-2-6a) will adjust Council Policy and Procedure to be consistent with the Public hearing requirements specifically relating to

public transit as defined by the Federal Transit Administration (FTA), in Circular 9030.1C (rev. 10/01/98), Chapter V, Section 5.0 and 6.

**Funding**

No impact on Funding.

**Known Support / Opposition**

No known opposition.

**POLICY - Transit Fare Policy Changes**

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Section/Number: 3-2-6	Total Pages: 2
Dept. Responsible: Metropolitan Transportation Services	Effective Date: 1/10/01
Special Note:	Revision No.

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**I. Policy:**

It is the policy of the Metropolitan Council to plan effective regional transportation services and facilities, coordinate regional transportation priorities and to invest transportation resources in a cost-effective manner. Transit and transportation planners and providers are to deliver necessary services to help implement the Transit 2020 Master Plan. Staff are expected to ensure that planning and operating of transit services are more compatible with different land use patterns and socioeconomic conditions to meet the growing and changing transit needs of the region. Staff will also coordinate transit service for all travel markets including regular route, paratransit and travel demand management. Staff will regularly evaluate the performance of the regional transportation system for purposes of policy updates and redirecting transportation resource investments. These policy plans will be prepared with the involvement of local officials and participation of citizens. There are two types of fare policy changes: (1) permanent changes to the fare tariff and (2) temporary changes to the fare tariff, i.e. demonstration fares which last less than twelve (12) months. Proposed permanent fare increases will be subject to the public hearing process. Proposed temporary fare changes shall not require an approval by the Metropolitan Council.

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**II. Procedure:**

Fare revenue is a critical component of the funding mix that includes federal, state, and local contributions to fully fund the operation of the regional transit system. The regional bus system historically seeks to recover approximately thirty percent of its operating cost via farebox revenue.

**III. Background and reasons for policy:**

This policy is needed to meet public hearing requirements guidance specifically relating to public transit as defined by a Federal Transit Administration (FTA), in Circular 9030.1C (rev. 10/01/98), Chapter V, Sections 5.0 and 6. Permanent fare changes approved by Metropolitan Council or temporary fares change initiated by staff need to be implemented in conjunction with all affected transit providers in the region.

**III. Implementation/Accountability:**

The Metropolitan Transportation Services and Metro Transit are responsible for implementation of this policy.

Implementing procedures pertaining to public hearing notification requirements and guidance specifically relating to this policy are detailed in Council Procedure [3-2-6a](#), Transportation Service Fare Policy Changes and subordinated by Council Procedure [1-3a](#), Transportation Service Changes and Restructuring. The Office of Public Affairs will coordinate all necessary press releases and media contacts with Metropolitan Transportation Services and Metro Transit staff.

**PROCEDURE – Transportation Service Fare Policy Changes**

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Section/Number: 3-2-6a	Total Pages: 3
Dept. Responsible: Metro Transit and Metro Transportation Services (MTS)	Effective Date: 1/10/01
Special Note:	Revision No.

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**II. Procedure:**

In order for transit service to meet the expectations of the public and the transit needs of the communities, a strong customer and community involvement process is required. The Council’s local procedural process for solicitation and consideration of public comment and feedback is defined in Policy [2-1, Accountability to the Public](#). The local process is documented in procedures [2-1a Public Participation](#), [2-1b Public Hearings](#) and [1-3c Ongoing Public Involvement in the Planning Process](#). In addition, requirements for public hearings specifically relating to public transit are defined by the Federal Transit Administration (FTA), in Circular 9030.1C (rev.10/01/98), Chapter V, Sections 5.o and 6.

Depending on the type of fare change each must comply with the applicable public hearing procedures defined below and will be conducted in accordance with the Metropolitan Council public hearing policy and procedures including Federal Transit Administration public hearing guidance described in the above paragraph.

## Public Hearing Requirements by Fare Change Type

A. **Permanent Fare Change.** “Permanent” means that the fare change is long-term, not temporary. Proposed permanent increases to the fare tariff, or changes in definitions of fare types, will be subject to the public hearing process. Examples of fares or fares definitions that could change: the base fare, time of day charge, service type charge (express or local), distance or geographic charge, transfer charge, discounts, or reduced fares.

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Staff shall request the Transportation Committee and Metropolitan Council to consider setting a public hearing for any proposed permanent change to the fare tariff. Upon Council action to set a public hearing, the hearing must be scheduled at least thirty days hence. The public hearing record shall open at the time the Council acts to set the public hearing date and shall remain open for at least ten regular business days after the conclusion of the formal public hearing. Public comments and testimony shall be accepted at the formal public hearing, as well as in writing, via fax, via e-mail and via voice-mail until closing of the public record.

Staff shall review and summarize all the public comments and submit its recommendation to the Transportation Committee for consideration. The committee will, subsequent to any action, forward its recommendation to the Metropolitan Council for consideration. Any Council action to permanently change the regional transit fare tariff will then require staff to coordinate implementation.

B. **Temporary Fare Change.** Temporary means that the fare change is short-term, not permanent, up to a twelve month demonstration period. Staff shall inform the Council of a temporary fare change at least thirty days prior to implementation. Proposed temporary increases or decreases to the fare tariff will not be subject to the public hearing process except as follows. If a temporary fare change is proposed to be made permanent, then the public hearing process applies. If, after twelve months of a temporary fare change, no action is taken by the Metropolitan Council, then the change will lapse and revert to the previously adopted fare tariff and no public hearing is necessary.

### Responsibilities

The Metropolitan Transportation Services Office (MTS) and Metro Transit are responsible for proposing fare policy changes to the Metropolitan Council. Any proposed changes will be crafted by a team of staff representing the affected offices at MTS and Metro Transit in context with other Metropolitan Council adopted policies and budgets. and Metro Transit will notify all the affected offices what fare changes are to be implemented and will coordinate implementation of adopted fare policy changes with each transit provider in the region who receives operating and/or capital assistance from the Metropolitan Council. MTS staff will coordinate fare changes for all affected non-

Metro Transit regional providers and will provide the operator's bulletin to all providers and coordinate changes to automated farebox faresets.

Metro Transit operations staff will schedule the necessary training for bus and train operators and publish an operator's bulletin. Metro Transit finance will coordinate changes to automated farebox faresets on all buses and ticket vending machines (TVM) at rail stations as well as distribution of all convenience fare media changes. Metro Transit customer services and marketing will coordinate updating and distributing of all printed publications and will insure the regional Transit Information Center and Customer Relations units effectively communicate all fare change information.