



AGENDA
PUBLIC HEARING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Monday, September 8, 2008
5:30 PM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

John Britton, Chair; David Davis, Vice Chair; Brian Fahnestock, Secretary; Dick Weinberg, Director; Chuck McQuary, Director; Roger Aceves, Director; Sharon Anderson, Director

3. REPORT REGARDING POSTING OF AGENDA

4. PUBLIC COMMENT

Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk **before the meeting is convened**, a "Request to Speak" form including a description of the subject you wish to address.

5. PUBLIC HEARING- FARE STRUCTURE CHANGE (Attachment- action may be taken)

The Board will be asked to increase fares. Public comment will be accepted and the time allotted per speaker will be at the discretion of the Board Chair.

6. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS REPORT

MEETING DATE: SEPTEMBER 8, 2008 **AGENDA ITEM #: 5**
TYPE: ACTION
PREPARED BY: SHERRIE FISHER
GENERAL MANAGER



Signature

SUBJECT: FARE POLICY CHANGE

DISCUSSION:

To date, MTD has held two public hearings regarding fare policy changes, with a third scheduled for 5:30 P.M. on Monday, September 8th. MTD chose to televise each of these to help inform the public. It is anticipated that the Board will make a decision regarding fare policy changes during the September 8th public hearing and Board of Directors meeting.

Seeking public input, board members and staff of MTD:

- Distributed over 15,000 flyers on board buses
- Advertised in local newspapers
- Made announcements at the Transit Center and on buses
- Placed posters on buses and at Transit Center
- Sought opinions via e-mail, targeted voice mail, fax, and direct participation
- Met with community members, including PUEBLO, SBCAN, COAST and others
- Forwarded information to the offices of Supervisors Janet Wolf, Salud Carbajal and Brooks Firestone, as well as Assemblymember Pedro Nava
- Provided Excel spreadsheet for ease of use by community members seeking to make recommendations
- Asked for input at televised meetings

Recommendation

As General Manager, I recommend that MTD increase the fares as outlined in Spreadsheet D (attached). This increases regular adult fares to \$1.75 cash and 10-ride passes to \$12.50. For seniors and persons with disabilities, I recommend an \$.85 cash fare and 10-ride passes for \$6.00. Student 10-ride passes increase to \$10.00 with my recommendation that these be valid all day every day of the year thus increasing their value.

Note: The adult 10-ride passes have been \$10.00 for approximately 10 years. As recommended, these passes will continue to offer a substantial savings.

This recommendation includes capping the SBCC contractual fare at \$1.50 at present. I ask you to direct me and staff members to meet with SBCC to increase the contractual fare to \$1.75 as soon as logistics allow based on SBCC's student registration schedule. This will require a student vote.

I make this recommendation knowing that, for some members of our community, any increase is difficult. Without an appropriate increase, staff will need to recommend a reduction in service. Loss of any service would adversely affect riders.

Staff has outlined the reason for a fare increase, including the skyrocketing price of diesel fuel and stagnant revenues. Members of the community have spoken about their need for additional bus service. In this recommendation, I am reminding you of both needs.

- MTD needs to increase revenues by at least \$1.5 million annually, based on current bus service. Without this, service cuts would be necessary.
- Throughout the MTD service area, we continue to experience overloads, indicating a demand for more service.
- On an immediate basis, we are providing 10 to 12 hours per day of unscheduled booster service to avoid leaving passengers standing at the curbside, at an annual cost of approximately \$200,000.
- Ridership continues to increase, as does the need for more service.

Thus, as General Manager, I am asking the members of the Board of Directors to consider that MTD needs to solve today's problem as well as create a revenue stream that allows additional service as the need arises. That need has already arisen and is growing.

Timing or Effective Date:

The Board instructed staff to provide information regarding the time required to prepare for the fare policy changes as well as the transition process.

If the Board authorizes changes to the fare structure at the meeting on September 8th, staff recommends the changes take effect on January 1, 2009.

- ✓ An effective date of January 1, 2009 provides important additional funding for fully half of the fiscal year.
- ✓ Time is needed to finalize changes to passes (10-ride and 30-day)
- ✓ Testing of the passes (in the farebox) will be necessary prior to printing and again upon receipt of the passes
- ✓ Supplier of the passes require up to 60 days turn-around from date of order.
- ✓ Allows time for passenger information and exchange of "old" passes for new
- ✓ Passes can be ready for purchase in early December

Recommendation on Transition Process:

Mid September

Begin informing MTD drivers and passengers regarding change.

December 1, 2008 (or before)

Begin selling new passes.

This allows passengers who buy ahead and those who buy in bulk to prepare for use of the new structure.

January 1, 2009

New fare structure begin January 1, 2009

MTD will allow use of "old/current" passes during January 2009 without additional fare added. The one-month overlap allows bus riders to use up old bus passes or exchange them toward the purchase of a new bus pass.

February 1, 2009

Old passes will no longer be accepted

Exchange of Passes

Unused "old" passes can be exchanged for new passes by paying the difference.

Partially used "old" passes allowed toward purchase of a new pass, based on the appropriate amount of remaining value

- Partially used 10-rides passes valued at the cost per unused ride.
- 30-day passes pro-rated based on the number of days left within the continuous 30-day period from first use.

Potential Fare Policy Changes
Proposed & Other Options

<u>Cash Fares</u>	Current Fare Policy	Proposed (A)	Option (B)
Regular Cash Fares	\$1.25	\$2.00	\$2.00
Mobility Cash	\$0.60	\$1.00	\$1.00
Senior Cash	\$0.60	\$1.00	\$1.00
Tokens	\$1.25	\$2.00	\$2.00
Valley Express Cash	\$4.00	\$5.00	\$5.00

<u>10-Ride Bus Passes</u>			
Adult 10-Ride Passes	\$10.00	\$11.00	\$12.50
Student 10-Ride Passes	\$7.50	\$8.25	\$10.00
Senior/Mobility 10-Ride Pass	\$5.00	\$5.50	\$6.00
Valley Express 10-Ride Pass	\$35.00	\$45.00	\$45.00

<u>30-Day Bus Passes</u>				Current Return per Ride	Proposed (A)	Option (B)
30-day - Adult	\$41.00	\$52.00	\$52.00	\$0.93	\$1.18	\$1.18
30-day - Student	\$32.00	\$42.00	\$42.00	\$0.76	\$1.00	\$1.00
30-day - Senior	\$18.00	\$20.00	\$20.00	\$0.40	\$0.44	\$0.44
30-day - Mobility	\$18.00	\$20.00	\$20.00	\$0.55	\$0.61	\$0.61
30-day - Valley Express	\$120.00	\$150.00	\$150.00	\$5.24	\$6.55	\$6.55
UCSB		60%	60%	\$0.98	\$1.57	\$1.57
SBCC		20%	20%	\$0.59	\$0.71	\$0.71

Total Additional Revenue:	\$1,071,746	\$1,681,583
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(Based upon FY 07-08 ridership)

<u>New Pass:</u>		
Day Pass (good for one calendar day)	\$6.00	\$6.00

<u>Projected Method of Payment</u>			
	Current Fare Policy	Proposed (A)	Option (B)
Cash	51.4%	15.4%	21.4%
10-ride	29.9%	68.9%	59.9%
30-day	18.7%	15.7%	18.7%
	100.0%	100.0%	100.0%

*MTD's twenty-five cent increase in the adult cash full-fare rate in 2003 resulted in a 12% point shift away from full-fare payment to discounted passes in the first full-year. An additional 10% point shift occurred the following year. As staff has indicated before, projecting the shift from full-fare to discounted passes as a result of the proposed fare policy changes is difficult. Staff is using the results of the last fare increase as a guideline but also taking into consideration that the majority of the discounted passes were new at that time.

**Potential Fare Policy Changes
Staff Proposals**

<u>Cash Fares</u>	Current Fare Policy	Proposal (C)	* Proposal (D)
Regular Cash Fares	\$1.25	\$1.75	\$1.75
Mobility Cash	\$0.60	\$0.85	\$0.85
Senior Cash	\$0.60	\$0.85	\$0.85
Tokens	\$1.25	\$1.75	\$1.75
Valley Express Cash	\$4.00	\$5.00	\$5.00

<u>10-Ride Bus Passes</u>	Current	Proposal	* Proposal
Adult 10-Ride Passes	\$10.00	\$12.00	\$12.50
Student 10-Ride Passes	\$7.50	\$10.00	\$10.00
Senior/Mobility 10-Ride Pass	\$5.00	\$6.00	\$6.00
Valley Express 10-Ride Pass	\$35.00	\$45.00	\$45.00

<u>30-Day Bus Passes</u>	Current	Proposal	* Proposal	Current Return per Ride	Proposal (C)	Proposal (D)
30-day - Adult	\$41.00	\$52.00	\$52.00	\$0.93	\$1.18	\$1.18
30-day - Student	\$32.00	\$42.00	\$42.00	\$0.76	\$1.00	\$1.00
30-day - Senior	\$18.00	\$22.00	\$22.00	\$0.40	\$0.49	\$0.49
30-day - Mobility	\$18.00	\$22.00	\$22.00	\$0.55	\$0.67	\$0.67
30-day - Valley Express	\$120.00	\$150.00	\$150.00	\$5.24	\$6.55	\$6.55
UCSB		60%	60%	\$0.98	\$1.57	\$1.57
SBCC		20%	20%	\$0.59	\$0.71	\$0.71

Total Additional Revenue: \$1,565,149 \$1,681,288
(Based upon FY 07-08 ridership)

<u>New Pass:</u>	Current	* Proposal
Day Pass (good for one calendar day)	\$6.00	\$6.00

Projected Method of Payment

	Current Fare Policy	Proposal (C)	* Proposal (D)
Cash	51.4%	29.4%	31.4%
10-ride	29.9%	51.9%	49.9%
30-day	18.7%	18.7%	18.7%
	100.0%	100.0%	100.0%

*MTD's twenty-five cent increase in the adult cash full-fare rate in 2003 resulted in a 12% point shift away from full-fare payment to discounted passes in the first full-year. An additional 10% point shift occurred the following year. As staff has indicated before, projecting the shift from full-fare to discounted passes as a result of the proposed fare policy changes is difficult. Staff is using the results of the last fare increase as a guideline but also taking into consideration that the majority of the discounted passes were new at that time.

Potential Fare Policy Changes
Pueblo Recommendation

	Current Fare					
	Policy	Pueblo (E)	Pueblo (F)			
<u>Cash Fares</u>						
Regular Cash Fares	\$1.25	\$1.75	\$1.75			
Mobility Cash	\$0.60	\$0.85	\$0.85			
Senior Cash	\$0.60	\$0.85	\$0.85			
Tokens	\$1.25	\$1.75	\$1.75			
Valley Express Cash	\$4.00	\$5.00	\$5.00			
<u>10-Ride Bus Passes</u>						
Adult 10-Ride Passes	\$10.00	\$11.00	\$11.00			
Student 10-Ride Passes	\$7.50	\$8.00	\$8.25			
Senior/Mobility 10-Ride Passes	\$5.00	\$5.50	\$5.50			
Valley Express 10-Ride Passes	\$35.00	\$45.00	\$45.00			
 <u>30-Day Bus Passes</u>						
				Current Return per Ride	Pueblo (E)	Pueblo (F)
30-day - Adult	\$41.00	\$52.00	\$52.00	\$0.93	\$1.18	\$1.18
30-day - Student	\$32.00	\$42.00	\$42.00	\$0.76	\$1.00	\$1.00
30-day - Senior	\$18.00	\$20.00	\$20.00	\$0.40	\$0.44	\$0.44
30-day - Mobility	\$18.00	\$20.00	\$20.00	\$0.55	\$0.61	\$0.61
30-day - Valley Express	\$120.00	\$150.00	\$150.00	\$5.24	\$6.55	\$6.55
UCSB		60%	60%	\$0.98	\$1.57	\$1.57
SBCC		20%	20%	\$0.59	\$0.71	\$0.71
Total Additional Revenue:		<u>\$1,164,658</u>	<u>\$1,181,115</u>			
(Based upon FY 07-08 ridership)						
<u>New Pass:</u>						
Day Pass (good for one calendar day)		\$5.00	\$5.00			

Projected Method of Payment

	Current Fare		
	Policy	Pueblo (E)	Pueblo (F)
Cash	51.4%	25.4%	25.4%
10-ride	29.9%	58.9%	58.9%
30-day	18.7%	15.7%	15.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

*MTD's twenty-five cent increase in the adult cash full-fare rate in 2003 resulted in a 12% point shift away from full-fare payment to discounted passes in the first full-year. An additional 10% point shift occurred the following year. As staff has indicated before, projecting the shift from full-fare to discounted passes as a result of the proposed fare policy changes is difficult. Staff is using the results of the last fare increase as a guideline but also taking into consideration that the majority of the discounted passes were new at that time.

Proposed by Pueblo but not included in projection

	Current Fare		
	Policy	Pueblo (E)	Pueblo (F)
<u>7-Day Pass</u>			
Adult	n/a	\$13.75	\$13.75
Student	n/a	\$10.50	\$10.50
Seniors & Mobility	n/a	\$6.75	\$6.75