

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS

County of Placer

TO: BOARD OF SUPERVISORS

DATE: April 21, 2009

FROM: KEN GREHM / WILL GARNER

SUBJECT: FARE MODIFICATION – TAHOE AREA REGIONAL TRANSIT

ACTION REQUESTED / RECOMMENDATION

Conduct a Public Hearing and Approve a Resolution modifying the fares for Tahoe Area Regional Transit (TART) effective June 1, 2009.

BACKGROUND / SUMMARY

Department of Public Works (DPW) is proposing a modification to the fares for TART. The fare adjustment would increase the general public cash fare from \$1.50 to \$1.75 and the senior & disabled fares from \$.75 to \$.85. The proposed fare modification also eliminates the issuance of free transfers coupled with no increase to the charge for an all-day pass. The 20-ride and 40-ride passes are replaced with a 14-day and 30-day unlimited ride pass. Federal law requires that fares for elderly persons, persons with disabilities, and Medicare cardholders cannot exceed one-half the fare charged to the general public. The proposed modification to the TART fare structure is shown in Attachment A - Supplemental Information. Also included in Attachment A is a comparison of fares of 17 other transit operations in the region.

The elimination of free transfers is a notable change to the fare structure. Transfers will be replaced with a 24-hour unlimited ride pass costing \$3.50. Under this proposal, a passenger taking a two-way trip will pay the same price as paying two separate fares with a free transfer for each boarding. This is being done to reduce boarding time, use of paper, and cost of transfers.

The last fare increase for TART was in July of 2004, when the cash fare was increased from \$1.25 to \$1.50. Since that time, the increased fare charge and higher ridership have resulted in a steady increase in the farebox recovery ratio. The purpose of the fare modification is to stay in line with inflation and to help offset decreases in subsidy fund sources. Local Transportation Fund Revenue, which is derived from the retail sales tax, is down 16% over the last 2 years. The State Transit Assistance has been reduced by 50% in the current year and eliminated beginning next year. Both of these reductions result in \$220,000 less revenue for TART in FY 2009/10, which is 7.5% of the operating budget. The increase in fares is estimated to generate \$53,000 in additional revenue. DPW will also be implementing bus advertising in FY 2009/10, which will raise an estimated additional \$20,000. The remaining deficit is proposed to be funded through cost reduction measures and additional revenue from the Transient Occupancy Tax.

ENVIRONMENTAL

This action is categorically exempt as there is no possibility that this will have an effect on the environment per CEQA Guidelines Section 15061(b)(2).

FISCAL IMPACT

Fare revenue is estimated to increase by \$53,000 to \$548,500 in FY 2009/10.

Attachments: Attachment A - Supplemental Information
Resolution

SUPPLEMENTAL INFORMATION

DATE: APRIL 21, 2009

SUBJECT: TART FARE MODIFICATION

The current TART fare structure has been in place since July of 2004. The table below compares the current and proposed TART Fare structure. This modification is proposed to take effect on June 1, 2009.

Proposed TART Fare Modification - June 1, 2009			
Fare Category	Current Fare	Proposed Fare	Percent +/-
General Public - Cash Fare	\$ 1.50	\$ 1.75	16.7%
Senior/Disabled/Youth - Cash Fare	\$ 0.75	\$ 0.85	13.3%
Transfers	FREE	NO FREE TRANSFER ISSUED	
General Public - Daily Pass	\$ 3.50	\$ 3.50	0.0%
Senior/Disabled/Youth - Daily Pass	\$ 1.75	\$ 1.75	0.0%
General Public - 10 Ride	\$ 14.00	\$ 14.00	0.0%
Senior/Disabled/Youth - 10 Ride	\$ 7.00	\$ 7.00	0.0%
General Public - 20 Ride	\$ 25.00	DISCONTINUED	
Senior/Disabled/Youth - 20 Ride	\$ 12.50	DISCONTINUED	
General Public - 40 Ride REPLACED BY 30 DAY PASS	\$ 45.00	DISCONTINUED	
Senior/Disabled/Youth - 40 Ride REPLACED BY 30 DAY PASS	\$ 22.50	DISCONTINUED	
General Public - 14 Day Pass		\$ 30.00	
Senior/Disabled/Youth - 14 Day Pass		\$ 15.00	
General Public - 30 Day Pass		\$ 53.00	
Senior/Disabled/Youth - 30 Day Pass		\$ 26.50	
ADA Taxi Program	\$ 3.00	\$ 3.50	16.7%
Ages 5 and Under	FREE	FREE	

Note: Youth is ages 6 to 12

TART Operating Cost & Fare Revenue

One key performance indicator for transit is the ratio of fare revenue to operating cost. This is known as the farebox recovery ratio. In FY 2007/2008, TART fare revenue was \$488,500 and operating expenses were \$2,652,000, resulting in a farebox recovery ratio 18%. The current year expenses are estimated to be \$2,752,000 with fares estimated to be \$495,500 resulting in a farebox recovery ratio of 18% also.

Attachment A – Supplemental Information

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In the last five full fiscal years (FY 03/04 through FY 07/08), the cost of operating service has increased with increased costs of fuel, liability insurance, workers compensation, wages, employee benefits and County services. Service hours have also increased by 31%. Since the last fare increase in 2004, fare revenue has kept pace with cost increases. The table below shows the TART farebox recovery ratio for the last sixteen years including the current fiscal year.

TART Historical Farebox Recovery Ratio			
Fiscal Year	Operating Cost	Fare Revenue	Farebox Ratio
1994/1995	\$ 858,742	\$ 226,956	26%
1995/1996	\$ 970,573	\$ 285,406	29%
1996/1997	\$ 983,541	\$ 251,519	26%
1997/1998	\$ 941,497	\$ 258,609	27%
1998/1999	\$ 1,117,111	\$ 254,349	23%
1999/2000	\$ 1,381,386	\$ 255,495	18%
2000/2001	\$ 1,291,180	\$ 280,733	22%
2001/2002	\$ 1,384,661	\$ 306,915	22%
2002/2003	\$ 1,666,654	\$ 293,573	18%
2003/2004	\$ 2,000,631	\$ 288,416	14%
2004/2005	\$ 2,081,787	\$ 332,593	16%
2005/2006	\$ 2,288,319	\$ 372,297	16%
2006/2007	\$ 2,437,941	\$ 407,944	17%
2007/2008	\$ 2,651,811	\$ 488,523	18%
2008/2009	\$ 2,752,000	\$ 495,500	18%

Note: Figures do not exclude allowable costs and revenue for the purpose of calculating the statutory TDA farebox recovery ratio.

TART Fare History

TART began service in 1975 with a fare of \$.35. Below is a history of the general public cash fare since the inception of TART:

<u>Year</u>	<u>Fare</u>
1975-1977	\$.35
1977-1981	\$.50
1981-1987	\$.75
1987-1995	\$1.00
1996-2004	\$1.25
2004-Present	\$1.50
Proposed	\$1.75

The proposed base cash fare is an increase of 16.7%. This is higher than the consumer price index (CPI) increase from 2004 to 2008 of 12% for all goods but lower than the 19% CPI increase for Transportation costs.

Fare Review of the Region's Transit Operators

Below is a table displaying fares for 17 other area transit operators. This summary shows that seven of the area transit operators have a general public base fare of \$1.75 (proposed TART fare) or higher.

Fare Comparison
As of March, 2009

Provider	General Public Cash Fare	Senior/Disabled Cash Fare	General Public Day Pass	Senior/Disabled Day Pass	General Public Monthly Pass	Senior/Disabled Monthly Pass
Lincoln Transit	\$0.75	\$0.50			\$15.00	
Unitrans (Davis)	\$1.00				\$25.00	
Placer County Transit	\$1.00	\$0.50	\$2.50	\$1.25	\$30.00 (40 rides)	\$15.00 (40 rides)
Auburn Transit	\$0.80	\$0.60	\$2.00		\$18.00	
Yuba-Sutter Transit	\$1.00	\$0.50			\$30.00	\$15.00
Amador Regional Transit	\$2.00	\$1.00			\$34.00	\$34.00
Vacaville City Coach	\$1.50	\$0.75	3.25	\$2.00	\$45.00	\$25.00
Truckee Trolley	\$2.00	\$0.50	\$4.00	\$1.00		
EL Dorado Transit	\$1.10	\$0.55			\$33.00	\$21.00
San Joaquin RTD	\$1.50	\$0.75	\$4.00	\$2.00	\$65.00	\$30.00
Fairfield-Suisun Transit	\$1.50	\$0.75			\$50.00	\$25.00
Roseville Transit	\$1.50	\$0.75	\$4.00	\$2.00	\$58.00	\$29.00
Folsom Stage	\$2.00	\$1.00			\$85.00	\$42.50
Sacramento RT	\$2.25	\$1.10	\$6.00	\$3.00	\$100.00	\$50.00
Yolobus	\$2.00	\$1.00	\$6.00	\$3.00	\$85.00	\$42.50
Citifare (Reno)	\$2.00	\$1.00	\$5.00	\$2.50	\$70.00	\$35.00
Blue Go (South Tahoe)	\$2.00	\$1.00	\$6.00	\$3.00	\$70.00	\$35.00
TART Current	\$1.50	\$0.75	\$3.50	\$1.75	\$45 (40 rides)	\$22.50 (40 rides)
TART Proposed	\$1.75	\$0.85	\$3.50	\$1.75	\$53 (monthly)	\$26.50 (monthly)

**Before the Board of Supervisors
County of Placer, State of California**

Resol. No:.....

In the matter of: A RESOLUTION APPROVING
MODIFICATION TO TAHOE AREA REGIONAL
TRANSIT FARES

Ord. No:.....

First Reading:.....

The following RESOLUTION was duly passed by the Board of Supervisors
of the County of Placer at a regular meeting held _____,
by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chairman, Board of Supervisors

WHEREAS, Tahoe Area Regional Transit is a public transit service operated by Placer
County;

WHEREAS, 49 USC Chapter 53, Section 5307(d)(1)(D) requires that fares for elderly,
disabled and Medicare cardholders be set no more than one-half of the fare for general
public passengers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of
Placer, State of California, that effective June 1, 2009, the fares for Tahoe Area Regional
Transit will be modified in accordance with Table A.

TABLE A

Tahoe Area Regional Transit - Fare Structure June 1, 2009	
Fare Category	Fare
General Public - Cash Fare	\$ 1.75
Senior/Disabled/Youth - Cash Fare	\$ 0.85
Transfers	NO TRANSFER ISSUED
General Public - 24 Hour Pass	\$ 3.50
Senior/Disabled/Youth - 24 Hour Pass	\$ 1.75
General Public - 10 Ride	\$ 14.00
Senior/Disabled/Youth - 10 Ride	\$ 7.00
General Public - 14 Day Pass	\$ 30.00
Senior/Disabled/Youth - 14 Day Pass	\$ 15.00
General Public - 30 Day Pass	\$ 53.00
Senior/Disabled/Youth - 30 Day Pass	\$ 26.50
ADA Taxi Program - Single Ride	\$ 3.50
Ages 5 and Under	FREE
Note: Youth is ages 6 to 12	