

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
22	06/22/09	Open	Action	06/15/09

Subject: Amend the Fare Structure for Fixed Route Service; Amend the Fare Structure for Complementary Paratransit Service

## ISSUE

Whether to amend the Fare Structure for Fixed Route Service and adopt proposed rate changes effective 9-1-09; to adopt the proposed rate changes effective 9-1-09 and amend the Fare Structure for Complementary Paratransit Service.

## RECOMMENDED ACTION

- A. Adopt Resolution No.09-06 -\_\_, Amending Resolution No. 07-12-0157 Setting Forth the Fare Structure for Fixed Route Service; and
- B Adopt Resolution No. 09-06-\_\_, Amending Resolution No. 08-10-0148 Establishing Fares for Complementary Paratransit Service

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$ 0
Budget Source:	Operating	Next FY:	\$ 3.3 Million
Funding Source:	Fare Revenue	Annualized:	\$ 4 Million
Cost Cntr/GL Acct(s) or Capital Project #:	N/A	Total Amount:	\$
Total Budget:	\$41.3 Million		

## DISCUSSION

On June 8, 2009, staff provided the Board with an update on the status of the FY 2010 Operating Budget. As the update indicated, RT has been struggling to bridge an estimated budget gap of \$9 million for FY2010. The update detailed the challenges RT has due primarily to the significant decline in sales tax-supported revenues such as Measure A and LTF funds, as well as a reduction in projected fare revenues. The reduction in fare revenues was partly due to changes in buying patterns following the fare increases adopted on 1/1/09, which increased the monthly pass from \$85 to \$100. Staff determined that further changes to the fare structure were needed in order to generate the level of revenue projected in the preliminary budget released for public review.

On June 8, 2009, RT staff introduced modifications to the fare structure for fixed route service and asked the Board to authorize a Public Hearing on June 22, 2009, to discuss the proposed changes. The proposed changes to the fare structure were one feature of several in a re-

Approved:

  
General Manager/CEO

Presented:

  
Chief Financial Officer

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balancing strategy proposed to bridge the \$9 Million gap in FY 2010. The re-balancing strategy also proposed two phases of service reductions; one in September 2009, and one in January 2010, with the level of the second phase dependent upon various conditions such as increases in revenue or finding additional cost containment opportunities that would minimize or eliminate the need for a second phase of service reductions. Table 1 shows both the re-balancing strategy proposed on June 8, 2009 and the revised re-balancing strategy now recommended by staff.

Table 1  
(in millions)  
Recommended Re-Balancing Strategies for the FY 2010 Operating Budget

Board Meeting Dates	6/8/2009	6/22/2009
Estimated FY 2010 Shortfall	\$9	\$9
Non-Labor Cost Reductions*	-2	-2
Labor Savings**	-2	-2
<i>Fare Structure Change/Increases (Effective 9-1-09)</i>	-1.8	-3.3
<i>Phase 1 Service Reduction (Effective 9-1-09)</i>	-2.2	-0.7
<i>Phase 2 Service Reduction (Effective 1-1-10)***</i>	-1	-1
Remaining Shortfall	\$0	\$0

Additional non-labor cost reductions include further reductions in professional services contracts.

- \*\* Additional labor savings can be achieved through future attrition and a commitment to not fill vacancies that arise for currently budgeted and filled positions.
- \*\*\* Phase 2 Service reductions can be reduced or eliminated by the following:
  - Other cost containment efforts
  - Other revenue generated by unbudgeted sources such as charging for parking

The public hearing on service reductions was held on June 8, 2009, and included discussion of phased service reductions as part of the re-balancing strategy. Considerable public testimony was received on the adverse effects of service reductions throughout the RT system. The message was clear that refinements to the proposed fare changes were preferable to service cuts.

Table 2 provides each of the recommended fare structure changes and increases. Detailed descriptions of each recommended fare structure increase and change is provided in the presentation on the FY 2010 Operating and Capital Budget.

Changes are recommended to both the fare structure for fixed route service and for the fares for complementary Paratransit service.

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Table 2  
All Fares at Recommended Fare Change Level

<b>Sacramento Regional Transit District Current and Proposed Fare Structure Effective September 1, 2009 N/C = No Change</b>				Fiscal Impact
	Current	Change	Proposed	
<b><u>FARES</u></b>				
Basic Fare	\$2.25	\$0.25	\$2.50	
Discount Fare	\$1.10	\$0.15	\$1.25	
Central City Fare	\$1.10	Eliminate		
Discount Central City Fare	\$0.55	Eliminate		
Shuttle Service Fare	\$1.10	Eliminate		
Basic Transfer Fee	\$0.50	Eliminate		
Discount Transfer Fee	\$0.25	Eliminate		
<b><u>TICKET AND PASS BOOKLETS</u></b>				
Fare Ticket Booklets				
10 Basic Fare Tickets	\$22.50	\$2.50	\$25.00	
10 Discount Fare Tickets	\$11.00	\$1.50	\$12.50	
Daily Pass Booklets				
10 Basic Daily Passes	\$60.00	N/C	\$60.00	
10 Discount Daily Passes	\$30.00	N/C	\$30.00	
<b><u>PASSES AND STICKERS</u></b>				
Basic Daily Pass	\$6.00	N/C	\$6.00	
Discount Daily Pass	\$3.00	N/C	\$3.00	
Basic Monthly Pass	\$100.00	N/C	\$100.00	
Basic Semi-Monthly Pass	\$50.00	N/C	\$50.00	
Senior Disabled Sticker	\$50.00	N/C	\$50.00	
Senior Disabled Semi-Monthly Sticker	\$25.00	N/C	\$25.00	
Student Sticker	\$50.00	N/C	\$50.00	
Student Semi-Monthly Sticker	\$25.00	N/C	\$25.00	
Lifetime Pass	\$0.00	Eliminate		
<b><u>EFFECT ON COST CONTAINMENT WITH THE FOLLOWING CHANGES</u></b>				
Paratransit Single Fare	\$4.50	\$0.50	\$5.00	
Paratransit Monthly Pass for 30 Rides	\$100.00	\$25.00	\$125.00	
				<b><u>\$3,300,000</u></b>

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## Paratransit Fare Increase

Under the Americans with Disabilities Act of 1990 (ADA), each public entity operating public transit along a fixed route system is required to provide demand responsive complementary paratransit services for disabled individuals. The RT Board has the authority to establish fares and charges, if any, for transit service provided under the authority of RT's Enabling Act (Government Code section 102285).

On August 8, 2005, the RT Board adopted Resolution No. 05-08-0144, Establishing Fares for Complementary Paratransit Service which included a schedule of increases for Complementary Paratransit Fares and Pass Pricing with the goal of bringing the Paratransit fares to the level of twice the basic fare for fixed route service as allowed by ADA. That was achieved on September 1, 2007, when the fare increase for Paratransit basic fare was implemented bringing the fare to \$4.00 for a single ride. When fares were increased on January 1, 2008, Paratransit Fares were increased to \$4.50, twice the adopted basic fare of \$2.25.

Staff seeks Board action to amend the Fares for Complementary Paratransit Service in conjunction with the proposed fare changes to fixed route service to increase the Paratransit fare to \$5.00, twice the proposed basic fare of \$2.50.

## Summary

The attached resolutions amend the RT fare structure for fixed route service and the fares for complementary Paratransit service; and detail the new fare structure, pricing and conditions of use.

The resolution also includes a finding that the fare structure is exempt from review under the California Environmental Quality Act because the increases to the price of RT's transit fares are for the purposes of meeting RT's: (a) operating expenses and (b) financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within the existing service area.

Staff recommends adoption of both resolutions so that RT can begin the work of implementing the proposed fare changes by the September 1, 2009 start date to meet Fiscal Year 2010 budget requirements.

RESOLUTION NO. 09-06-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 22, 2009

**AMENDING RESOLUTION NO. 07-12-0157 SETTING FORTH THE FARE STRUCTURE FOR FIXED ROUTE SERVICE**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, this Board finds this amendment to the Fare Structure for Fixed Route Service is exempt from review under the *California Environmental Quality Act* (Division 13, Chapter 2.6 of the Public Resources Code) and the *Guidelines for Implementation of the California Environmental Quality Act* (Title 14 of the California Code of Regulations) because increases to the price of RT's fares and pre-paid fares that are being implemented by this resolution are for the purpose of meeting RT's: (a) operating expenses and (b) financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas.

THAT, effective September 1, 2009 Resolution No. 07-12-0157 setting forth the RT Fare Structure for Fixed Route Service is amended as follows:

Section 1: The following definitions under Article II are removed in their entirety:

**Central City; Elder; Lifetime Pass; Transfer.**

Section 2: The following definition under Article II is hereby amended to read in its entirety as follows:

**“Prepaid Fare** means any one of the following:

1. Monthly Pass;
2. Semi-Monthly Pass;
3. Daily Pass;
4. Fare Ticket;
5. Transit Pass;
6. Group Pass;
7. Temporary Pass;
8. School Class Pass;
9. Peace Officer Identification Card;
10. Paratransit Pass; or
11. Token”

Section 3: Article III.C.9 (Lifetime Pass) is hereby amended to read in its entirety as follows:

“ 9. Intentionally Omitted”

Section 4: Article IV. B.2 (Discount Student Fare) is hereby amended to remove “Central City/Shuttle Service, respectively” from the first sentence.

Section 5: Article IV. C (Central City Fare) is hereby amended to read in its entirety as follows:

“ C. Intentionally Omitted”

Section 6: Article IV. E (Elder Fare) is hereby amended to read in its entirety as follows:

“ E. Intentionally Omitted”

Section 7: Article IV. F (Shuttle Service Fare) is hereby amended to read in its entirety as follows:

“ F. Intentionally Omitted”

Section 8: Article V. C.4 is hereby amended to read in its entirety as follows:

“ 4. Intentionally Omitted”

Section 9: Article V. D (Transfer) is hereby amended to read in its entirety as follows:

“ D. Intentionally Omitted”

Section 10: Article V. H (Lifetime Pass) is hereby amended to read in its entirety as follows:

“ H. Intentionally Omitted”

Section 11: Article V. M (RT ID Cards) is hereby amended to remove the words “and Elder” from the second sentence.

Section 12: Article VI (Fares and Pass Pricing) is hereby amended to read in its entirety as follows:

**"VI. FARES AND PASS PRICING**

	Price Effective through 8/31/09	Price Effective 9/1/09
<b>A. FARES</b>		
1. Basic Fare	\$2.25	\$2.50
2. Discount Fare	\$1.10	\$1.25
3. Central City/Shuttle Fare	\$1.10	Eliminated
4. Discount Central City/Shuttle Fare	\$0.55	Eliminated
5. Route Deviation Fare	\$1.10	\$1.25
<b>B. PASSES*</b>		
1. Basic Daily Pass	\$6.00	\$6.00
2. Discount Daily Pass	\$3.00	\$3.00
3. Basic Monthly Pass	\$100.00	\$100.00
4. Basic Semi-Monthly Pass/Sticker	\$50.00	\$50.00
5. Discount Monthly Pass/Sticker	\$50.00	\$50.00
6. Discount Semi-Monthly Pass/Sticker	\$25.00	\$25.00
7. Discount Student Monthly Pass/Sticker	\$50.00	\$50.00
8. Discount Student Semi-Monthly Pass/Sticker	\$25.00	\$25.00

\*Pass/sticker price does not include the price of an ID Card or Student ID Card

		Price Effective through 8/31/09	Price Effective 9/1/09
<b>C.</b>	<b>TRANSFERS, TICKETS AND DAILY PASS BOOKLETS</b>		
	1. Transfer		
	a. Basic Transfer	\$0.50	Eliminated
	b. Discount Transfer	\$0.25	Eliminated
	2. Fare Ticket Booklets		
	a. 10 Basic Fare Tickets	\$22.50	\$25.00
	b. 10 Discount Fare Tickets	\$10.00	\$12.50
	3. Daily Pass Booklets		
	a. 10 Basic Daily Passes	\$60.00	\$60.00
	b. 10 Discount Daily Passes	\$30.00	\$30.00



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STEVE COHN, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 09-06-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 22, 2009

**AMENDING RESOLUTION NO. 08-10-0148 ESTABLISHING FARES FOR  
COMPLEMENTARY PARATRANSIT SERVICE**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, this Board finds this amendment to the Fare Structure for Fixed Route Service is exempt from review under the *California Environmental Quality Act* (Division 13, Chapter 2.6 of the Public Resources Code) and the *Guidelines for Implementation of the California Environmental Quality Act* (Title 14 of the California Code of Regulations) because increases to the price of RT's fares and pre-paid fares that are being implemented by this resolution are for the purpose of meeting RT's: (a) operating expenses and (b) financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas.

THAT, Effective September 1, 2009, Resolution No. 08-10-0148 setting forth Fares for Complementary Paratransit Service is amended as follows:

Section 1: Exhibit A, entitled "Complementary Paratransit Fares and Pass Pricing" is hereby amended to read in its entirety as set forth in attached Exhibit A, which is incorporated herein by this reference.

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STEVE COHN, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

EXHIBIT A

**COMPLEMENTARY PARATRANSIT FARES AND PASS PRICING**

	Price Effective Through 8/31/09	Price Effective 9/1/09
A. BASIC FARE	\$4.50	\$5.00
B. MONTHLY PASS	\$100.00	\$125.00*

\*The number of rides per pass shall be limited to 30 (thirty) rides per month.

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