



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Provide Direction to Staff about Consideration and Public Notice of a Proposed Transit Commuter Fare Structure and Elimination of the Unrestricted Pass

MEETING DATE: September 23, 2009

PREPARED BY: Tiffani Fink, Transit System Manager

DEPARTMENT HEAD: Cody Tubbs, Deputy City Manager

RECOMMENDED ACTION:

Staff seeks direction from the City Council about whether to consider and publicly notice a proposed Transit Commuter fare structure and, if so, at what amounts. Additionally, staff seeks direction regarding the elimination of the unrestricted pass.

BACKGROUND INFORMATION:

On July 22, 2009 the Elk Grove City Council directed staff to implement adjusted transit levels of service effective September 1, 2009 in order to reduce the Transit Fund's FY 2009/10 projected operating deficit from \$1.7 million to \$25,000. The adjustments are necessary due to cuts in State Transit Assistance and a decline in sales tax revenues that flow to Transit.

At a special meeting on August 31, 2009 the City Council voted to restore a weekend "shop local" route (with deviation service) at a cost of \$135,000 and to reinstate runs on the commuter Routes 52 and 53 at a cost of \$140,000. The total cost of those restorations, coupled with the \$25,000 for the taxi script program, is approximately \$300,000/year.

The Council also directed staff to report back on October 28, 2009 with a "premium" Commuter fare to cover the cost of restoring all commuter service (except Route 49¹) to pre-September 1 levels, which is \$470,500/year, or an additional \$330,500 over the cost of the commuter service restored on August 31.

In order to fully recover the cost of all commuter service restoration through a "premium" fare increase borne by commute riders, the cost of the new Commuter monthly pass would need to be between \$200/month and \$250/month, an increase of \$100-\$150/month from the current Unrestricted pass.

The amount will depend on the loss of riders resulting from the fare increase, as some riders are likely to find another fare increase cost-prohibitive and not use the service at all. The Commuter Pass would allow a passenger to ride any of the Commuter or Fixed Routes operated by the City.

In addition to creation of the Commuter Fare Pass, the City would discontinue acceptance of the RT Monthly pass on Commuter routes. Those passengers wishing to access both the Commuter Routes and the RT system would be able to purchase an "add-on" to the Commuter Pass through a purchase of the RT Monthly Pass at a lower rate.

The adjusted unrestricted (commuter) cash fare would need to be set between \$5/each way and \$6.50/each way, again depending on loss of riders due to the increase. If no loss of riders is assumed, than the lower fares may be adopted. If a 20% loss of riders is assumed, than the higher fares need to be adopted to fully recover the costs of the restored service.

Transfers would still be issued to *e-tran* local fixed routes at the current rates of \$0.50 for General Public and \$0.25 for Senior/Disabled/Medicare. However, transfers would not be issued from *e-tran* local routes to the Commuter Routes.

Table 1 illustrates the new *e-tran* pass structure, if a Commuter Pass is adopted and the Unrestricted Pass is discontinued:

¹ Route 49 was excluded from the route calculation due to the low ridership on the route (less than 30 passengers daily) and the high cost because it does not operate on a fixed "route".

Table 1: e-tran Pass Comparison

Pass Type	Commuter Monthly Pass	Commuter Pass with RT add-on	Local Monthly Pass	RT Monthly Pass
Cost	\$200-\$250	add ½ RT Monthly Pass cost (\$50) to Commuter Pass cost (\$200-\$250)	\$80	\$100
Pass includes:	Access to e-tran Commuter and Local Fixed Routes	Access to e-tran Commuter, Local Fixed Routes and the entire RT system	Access to e-tran Local Fixed Routes only	Access to e-tran Local Fixed Routes and entire RT system

The fare was developed by calculating the cost of the service restoration and spreading it among the proposed commuter fare structure. Staff used the fare model created by the City's Finance Analyst for the February 2009 fare increase.

This model estimated the revenue generated by the Commuter Pass and Commuter cash fare to develop pricing which covered the cost of the services to be restored.

The calculation assumed that 75% of the commuters would be monthly pass-holders and that the remaining 25% would be cash fare or 10-ride ticket passengers.

The cash fare calculation assumed that a passenger would travel round-trip 20 times per month. This "weighting" of the fare types also reflects furloughs, although a portion of riders are either not subject to the State employee furloughs or have self-directed furloughs instead.

Table 2 compares commuter fares in the Sacramento Region:

Table 2: Comparison of Regional Commuter Passes

Agency	Commute Cash Fare	Commute Only Monthly Pass	Commute/RT Pass Monthly Pass
El Dorado County Transit *	\$5.00	\$180	\$210
Roseville Transit	\$3.25	\$110**	
Yuba Sutter Transit	\$3.50	\$112	\$162
San Joaquin RTD	\$3.00-\$7.00	\$128-\$208	
Elk Grove (potential)	\$5.00	\$200	\$200 + 1/2 RT Monthly pass (\$50)
* Effective January 2010			
** Roseville's Commuter Pass does not include local service			

If the Council wants to consider a Commuter Fare pass and cash fare, staff would post a proposal to discontinue the unrestricted pass. Currently, the unrestricted pass allows passengers to access the Commuter Routes.

Following the fare increase, the Sacramento Regional Transit District (RT) decided not to accept the unrestricted pass on their system.

e-tran passengers who want to access the RT system must purchase an RT pass which is accepted on all *e-tran* routes. The City and RT then divide the revenues according to ridership surveys.

If the Commuter Pass is adopted and RT passholders are not eligible to use their passes on *e-tran* Commuter Routes, use of the unrestricted pass would decline.

Staff would recommend eliminating the pass and clarifying that the RT pass is available for passengers wishing to access RT routes and local *e-tran* routes.

