

Council Meeting of
October 14, 2008

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Transit – Approve public comment process on proposed changes to the fare structure of Torrance Transit System.

RECOMMENDATION

Recommendation of the Transit Director that City Council approve a public comment process on proposed changes to the fare structure of the Torrance Transit System.

FUNDING

There is no special funding required. Project will be conducted by Transit staff with all incidental expenses being covered out of Transit Department's current operating budget.

BACKGROUND/ANALYSIS

Per Federal Transit Administration Circular 9030.1C, the City of Torrance Transit System has adopted *Guidelines for Public Review: Fare and Service Changes* (Attachment A). These Guidelines require a public comment process, including written, telephone and voice messages, fax, and e-mail submissions. Staff proposes to conduct two community meetings, one in the City of Torrance and one in the City of Long Beach, to solicit public comment. These two meeting sites would provide venues for the majority of the patrons of the Torrance Transit service. The solicitation of public comment and notification of the two community meetings will be posted in both English and Spanish on all Torrance Transit buses. The two meetings and the public hearing (see below) will also be

publicized via public notices in the *South Bay Daily Breeze*, the *Long Beach Press-Telegram*, and *La Opinion*.

This process would culminate in a public hearing to be held in conjunction with the City Council meeting of December 9. This public hearing would involve staff presenting the fare structure proposal to Council reflecting public comments made in the process. If approved, the new fare structure would be effective January 5, 2009.

History of Fare Increases

The last fare increase for Torrance Transit was in November 1995, increasing the base fare from \$.50 to \$.75.

The cost of providing transit service has steadily increased since the fare increase in 1995. At that time the average cost per passenger trip was \$2.30 according to Federal Transit Administration's National Transit Database (NTD) calculations for Torrance Transit. Before the increase in base fare, each boarding was subsidized \$1.80 and after the fare increase each passenger trip was subsidized \$1.55. As of FY 2006, the NTD calculations put the cost of each boarding on Torrance Transit at \$4.00. After fare offset, it produces a \$3.50 subsidy for each boarding. This near doubling in 12 years represents increases in fuel, insurance, liability, benefits, and labor costs with no corresponding increase in farebox revenues.

Torrance Transit is mandated by Los Angeles County Metropolitan Transportation Authority (METRO) Proposition "A" 40% Discretionary Program Guidelines to meet a 38% local contribution for transit operating expenditures. To make up the gap left by farebox revenues which produce about 15% of these funding needs, Proposition A Local Return, Proposition C, Transportation Development Act (TDA), and State Transit Assistance (STA) are used. Staff anticipates potential problems with state funding (TDA and STA) in future years because of fiscal difficulties faced by the state. Staff also has concerns about the revenues from Proposition A and Proposition C which are both derived from sales taxes. In FY 07-08 the growth in revenue was 2.7%, in FY 08-09 the growth is projected to be 1.8% and in FY 09-10 the growth in revenue it is projected to modest or no growth.

Fare Alternatives

Staff has developed an alternative fare schedule which will address a portion of the operating revenues needs while not putting undue stress on fixed income residents.

Staff proposal (Attachment B) involves an increase in the base fare from \$.50 to \$1.00. The discounted fares for seniors (currently 60 and older) and disabled will

remain at \$.25. New fares will be created for K-12 students (\$.50) and college students, 18 + years old (\$.50). Zone fares (on Routes 1 and 2 on the Harbor Transitway to downtown Los Angeles) will be increased from \$.75 to \$1.00 for adults and from \$.25 to \$.50 for seniors and disabled. The Adult local service monthly pass is currently \$30 and would be increased to \$35. The Adult express service monthly pass is currently \$60 and would be increased to \$65. A new Student monthly pass will be introduced and offered at \$30.

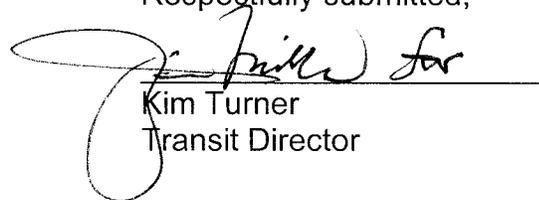
Staff proposes increasing the age for seniors to 65. This increase would match the age in the City's Senior Taxi program and reflects concerns of the impact of the impending Baby Boomer generation explosion on the agency's service. In the most recent survey by Torrance Transit, it was discovered that 39.8% of trips by seniors on our service were for work. This would also support increasing the senior age to 65. It is proposed that all current holders of Torrance Transit issued Senior IDs be grandfathered into the new age qualifications and retain their senior status.

It is anticipated these fare adjustments would result in a net increase of \$700,000 and \$900,000 per year in fare revenue to offset the increased operating costs of fuel, liability, insurance, labor and benefits.

SUMMARY

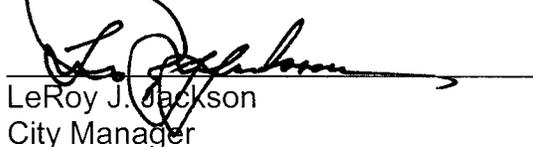
While the increase in the base fare is substantial, it should be noted that according to the 2007 Fare Summary conducted by the California Transit Association (CTA), Torrance Transit is one of a handful of agencies with base fares under \$1.00. With the recent increase by Gardena Municipal Bus Lines in its base fare, CTA's survey identifies Torrance Transit as having the lowest base fare in the state. Increasing costs require Torrance Transit to mitigate at least a portion of this added expense with greater fare revenue. The funding is critical to maintaining the level of service provided to patrons.

Respectfully submitted,



Kim Turner
Transit Director

Concur.



LeRoy J. Jackson
City Manager

Attachments: A) Guidelines for Public Review: *Fare and Service Changes*
B) Proposed Fare Changes

City of Torrance Transit System

Guidelines for Public Review: *Fare and Service Changes*

The Torrance Transit System (TTS) policy on Required Public Comment conforms to the requirements of the Federal Transit Administration, state and local transit authorities, and the City of Torrance Procedure. The purpose of this policy is to ensure the opportunity for public participation prior to making significant changes in fares or service, which impact riders on the Torrance Transit System.

- I. Fare Changes Requiring Public Review
 - A. All fare increases by Torrance Transit System shall require the solicitation of public comment.
 - B. Fare decreases or “special fares,” while not requiring public comment; can be opened up for such comment at the discretion of the City Council or the City Manager acting as the agent for the City Council.
- II. Service Changes Requiring Public Review
 - A. Reduction of service on any of TTS’s nine routes of more than 25 percent of revenue vehicle hours or revenue vehicle miles shall necessitate the solicitation of public comment.
 - B. Experimental service changes of no more than 180 days will not require public comment.
 - C. Emergency service changes of no more than 180 days will not require public comment.
 - D. Increases in service in revenue vehicle hours or miles, while not requiring public comment, can be opened up for such comment at the discretion of the City Council or the City Manager acting as the agent for the City Council.
- III. Procedures for Conduct of Public Review
 - A. A public hearing is mandatory for any fare increase or for any service reduction of more than 25 percent as described in the previous sections. The public hearing may be held in conjunction with a meeting of the Torrance City Council.

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- B. Publish legal notice describing proposed change in service or fares 30 days prior to the hearing date.
- C. Notice will appear in the South Bay Daily Breeze and specific neighborhood ethnic newspapers servicing areas affected by change.
- D. Notification of intent to increase fare or institution of qualifying service reduction and information on public hearing will be posted on TTS transit vehicles and at the West Annex Transit Center.
- E. Notice will be posted at the Torrance Transit System web site.
- F. Public comment will be accepted at public hearing and by written submission, telephone voice mail or message, fax, and e-mail.
- G. Consideration will be given to all public submissions and comments.

Proposed Fare Changes

Category	Current Fare	Proposed Fare
<u>Regular Fare</u>		
Adult (Ages 18-59 currently)	\$0.50	\$1.00
<u>Discounted Fares</u>		
Seniors (currently 60 and older) and Disabled	\$0.25	\$0.25
K-12 School Student (Currently no special fare)	NA	\$0.50
College Students with ID (Currently no special fare)	NA	\$0.50
Transfer (Interagency Transfer - IAT)	\$0.40	\$0.40
<u>Zone Fares</u>		
Zone Fare (Express service on Routes 1 & 2) Adult	\$0.75	\$1.00
Zone Fare (Express service on Routes 1 & 2) Seniors/Disabled	\$0.25	\$0.50
<u>Monthly Passes</u>		
Adult (Local Service)	\$30	\$35
Adult (Express Service)	\$60	\$65
Student Pass	NA	\$30

NOTE: The Proposed fare change would raise the age for Adult passengers to 64, and the Seniors to 65+