

Transportation Committee

For the Metropolitan Council meeting of July 26th, 2017

Subject: Regional Fare Adjustment Recommendations

Proposed Actions

1. That the Metropolitan Council accept the public comment report for proposed fare adjustments and authorize the recommended fare change proposal (attachment B) for service operated by all regional transit providers participating in the regional fare structure, with changes to be effective October 1, 2017 or as noted on the attached proposal.
2. That the Metropolitan Council directs staff to develop a fare policy recommendation by EOY 2017 for Council consideration to help determine when future fare adjustments should be considered and how future fare increases will continue to drive towards:
 - a. Creating solutions for a more sustainable funding structure
 - b. Understanding the best way to grow ridership while equalizing subsidies across modes to the best extent possible
 - c. Mitigating disproportionate impacts of increased fares on people of color, low income communities, youth and seniors, and persons with disabilities
 - d. Addressing the future considerations included in the Equity Advisory Committee recommendation from July 18, 2017.
3. That the Metropolitan Council directs staff to develop a report for review by the Council by 1st quarter 2018 that will:
 - a. Look at how travel distances could be considered as part of overall fare policy, and
 - b. Identify opportunities to implement a reverse commute fare aimed at growing ridership on reverse commute trips
4. That the Metropolitan Council directs staff to update the Council at least every six months on the TAP program's results, including assessment of the program and recommendations for potential expansions of the program, reporting back to the Council by June 2018.

Summary of Committee Discussion/Questions

Nick Eull presented this item. Council member Dorfman expressed concern regarding the TAP program and how it has a fairly limited definition for 'qualifying' and asked if staff can begin to delve into how we can make this accessible to more low-income customers.

Motion by Letofsky, seconded by Barber to approve the motion. Council members engaged in discussion.

Letofsky made a motion to amend the Main Motion, seconded by Elkins to make the following additions/changes:

Front Page Amendments:

3. That the Metropolitan Council directs staff to develop a report for review by the Council by 1st quarter 2018 that will:
 - a) Look at how travel distances could be considered as part of overall fare policy, and

- b) Identify opportunities to implement a reverse commute fare aimed at growing ridership on reverse commute trips

4. That the Metropolitan Council directs staff to update the Council at least every six months on the TAP program's results, and include recommendations for potential expansions of the program.

Attachment B Amendments:

- 1. The senior, reduced and Medicare ("Reduced Fare") base fare increases by \$0.25, to \$1.00 during off-peak times, and the peak fare matches the full-fare value.

Cash Fare Increases Senior, Youth and Medicare:	<u>Current</u>	<u>Proposed</u>
Local Off-Peak	\$.75	\$1.00
Local Peak	\$2.25	\$2.50
Express Off-Peak	\$.75	\$1.00
Express Peak	\$3.00	\$3.25

Transit Assistance Pass (TAP)	New Program	\$1.00
-------------------------------	-------------	--------

Additional discussion ensued. Dorfman had an issue with #4 (above), wanting to have a more definite date on when recommendations for TAP Program could be completed. Eull indicated potentially October 1, 2018, adding the pilot test gave valuable information to build a model that can be successful but we need time with the new model. A period between now and April/May 2018 would allow enough time to formulate recommendations that they'd be comfortable talking about regarding expansion. Brian Lamb added that modifications would continue to be made, with a June 2018 time frame for Policy Recommendations, with an implementation by the end of 2018. Munt added she wants to be cautious that we don't recreate the deficit but look to how we can expand TAP in a way we have control. Commers suggested an early report back/discussion by mid-2018 to allow for a decision to be made by current Council Members as a late year implementation makes it harder to 'hand-off' due to Council Members' terms.

Dorfman made a motion to amend the proposed amendment, seconded by Elkins to make the following changes in italics.

4. That the Metropolitan Council directs staff to update the Council at least every six months on the TAP program's results, ~~and include~~ *including assessment of program* and recommendations for potential expansions of the program *reporting back to the Council by June 2018.*

A vote was taken on the motion to amend the proposed amendment (made by Dorfman, seconded by Elkins) and passed unanimously.

A vote was taken on the proposed amendment as amended by the motion to amend the amendment (made by Letofsky, seconded by Elkins) and passed unanimously.

Chair Rodriguez expressed her thanks to staff, Council Members and customers who've provided input and ideas throughout this process. Several Council Members expressed their support for the \$.25 cent increase, expressing how tough of a decision this is, suggesting we look at system design and ensuring we keep the services our customers depend on.

A vote was taken on the Main Motion as amended by the motion to amend as amended and passed unanimously. Motion passed.

Transportation Committee

Meeting date: July 24th, 2017

For the Metropolitan Council meeting of July 26th, 2017

Subject: Regional Fare Adjustment Recommendations

District(s), Member(s): All

Policy/Legal Reference: Public Accountability Policy 2-1, Public Hearings Procedure 2-1b; Transit Fare Policy Changes 3-2-6, Implementing Procedure 3-2-6a; CFR 49 Parts 37 & 38 – Paratransit ADA

Staff Prepared/Presented: Brian J. Lamb, General Manager, Metro Transit (612-349-7510)

Nick Thompson, Director, MTS (651-602-1754)

Edwin D. Petrie, Director of Finance, Metro Transit (612-349-7624)

Gerri Sutton, Asst. Director Contracted Transit Services, MTS (651-602-1672)

Nick Eull, Senior Manager of Revenue Operations, Metro Transit (612-349-7364)

Michelle Fure, Manager of Public Involvement, Regional Administration (651-602-1545)

Division/Department: Metro Transit, Metropolitan Transportation Services

Proposed Actions

1. That the Metropolitan Council accept the public comment report for proposed fare adjustments and authorize the recommended fare change proposal (attachment B) for service operated by all regional transit providers participating in the regional fare structure, with changes to be effective October 1, 2017 or as noted on the attached proposal.
2. That the Metropolitan Council directs staff to develop a fare policy recommendation by end-of-year 2017 for Council consideration to help determine when future fare adjustments should be considered and how future fare increases will continue to drive towards:
 - a. Creating solutions for a more sustainable funding structure
 - b. Understanding the best way to grow ridership while equalizing subsidies across modes to the best extent possible
 - c. Mitigating disproportionate impacts of increased fares on people of color, low income communities, youth and seniors, and persons with disabilities
 - d. Addressing the future considerations included in the Equity Advisory Committee recommendation from July 18, 2017.
3. That the Metropolitan Council directs staff to develop a report for review by the Council by 1st quarter 2018 that will:
 - a. Look at how travel distances could be considered as part of overall fare policy, and
 - b. Identify opportunities to implement a reverse commute fare aimed at growing ridership on reverse commute trips
4. That the Metropolitan Council directs staff to update the Council at least every six months on the TAP program's results, including assessment of the program and recommendations for potential expansion of the program, reporting back to the Council by June 2018.

Background

- As a result of inflationary pressures, growth in Metro Mobility demand, and forecasted reductions in Motor Vehicle Sales Tax (MVST) receipts from previous estimates, the Metropolitan Transportation Division is facing a projected

State Fiscal Year (SFY) 2020-2021 deficit of nearly \$110 million. One of the recommended solutions to help resolve this projected deficit is a fare adjustment.

- Federal guidelines and Metropolitan Council policy require that fare adjustments be reviewed through a public hearing and public comment process prior to adoption. Public comments were accepted from April 12 through June 26th, 2017. A full public comment report is available.
- Staff have developed a combination of measured and balanced transit fare adjustment recommendations for revenue enhancements, to help address this shortfall with the minimum of possible impacts to the riding public and the region as a whole. These recommendations include feedback gained through the public comment process.
- With the recommended fare adjustments, ridership is estimated to decrease 3.8M rides (4.7%) in year one throughout the region, with rides expected to return over an 18-24 month period.
- Implementation of new fares is scheduled for October 1st, 2017.

Rationale

The proposed fare increase will help sustain 2017 end-of-year service levels through the remaining current biennium. The recommended proposed fare adjustments will provide one lever to reduce the Metropolitan Transportation Division's projected SFY 2020-2021 budget deficit but will not resolve the entire structural deficit.

Thrive Lens Analysis

A fare increase will impact all public transit customers in the Twin Cities region. Staff have analyzed and included recommendations for mitigating increases to the region's most transit dependent customers with adoption of the Transit Assistance Pass (TAP) program with this fare adjustment. These proposals have also passed a Title VI analysis, which tests whether proposals have a disparate impact on low-income communities, or communities of color. In addition, staff have included other options that could help offset a fare increase for seniors, youth and Medicare card holders. The public comment process engaged a significant number of stakeholders and yielded more than 6,000 comments. Among the 1,600 surveys submitted, about 39% identified as non-white, higher than the percentage of the region's population identified as people of color (26%).

Funding

The Metropolitan Council last took action to increase fares effective Oct. 1, 2008. This fare adjustment recommendation proposes fare adjustments for services operated by all regional transit providers participating in the regional fare structure.

Known Support / Opposition

More than 6,000 comments and surveys were submitted during the public comment process. The overwhelming majority noted opposition to any increases to regional transit fares. Survey respondents indicated overwhelming support for implementing a permanent program to provide reduced fares for qualifying low-income riders. Several organizations also weighed in during the comment period, with both opposition and support for a 25-cent increase to regular-route transit fares or for the fare increase to be applied evenly to local and express service. The Council's Equity Advisory Committee approved the following recommendation related to this action:

- i. 25-cent increase to all express route transit fares; no increase to regular route transit fares
- ii. Pursue measures that protect fares for low-income and transit-reliant populations (including the Transit Assistance Program and partnerships with community organizations to provide a discounted pass program like Metropass)

- iii. Use funds that previously went to Go-To Card purchase bonuses to help pay for protection programs for low-income and transit-reliant populations

Regional Fare Adjustment Recommendation – Attachment A (Amended)

Major Fare Adjustments	Adjustment Amount	Projected 2018 Net Impact
Local and Express Fares	\$0.25 Increase	\$6,530,000
Metro Mobility	\$0.50 Base Increase \$0.75 Distance Surcharge (non-ADA)	\$1,300,000
Transit Link	\$1.60 Avg. Increase \$0.75 Distance Surcharge	\$265,000
Transit Assistance Pass (TAP)	\$1.00 Fare (New Program)	(\$3,500,000)
Limited Mobility	\$0.25 Increase	\$370,000
Transit Schools Discount	Eliminate Discount (5% - 10%)	\$10,000
Eliminate Stored Value Bonus	Eliminate 10% Bonus	\$1,900,000
Total 2018 Est. Revenue Increase		\$6,875,000

***18-24 month ridership recovery expected; increased revenues in future years**

**Regional Fare Adjustment Recommendation
For proposed implementation on October 1, 2017 -
Attachment B (Amended)**

Cash Fare Increases:	<u>Current</u>	<u>Proposed</u>
Local Off-Peak	\$1.75	\$2.00
Local Peak	\$2.25	\$2.50
Express Off-Peak	\$2.25	\$2.50
Express Peak	\$3.00	\$3.25
Metro Mobility		
Demand Response		
Off-peak	\$3.00	\$3.50
Peak	\$4.00	\$4.50
Distance Surcharge (non-ADA, trips greater than 15 miles)	None	\$0.75
All-You-Can-Ride Passes	Not Accepted	Not Accepted
Dial-A-Ride (Transit Link)	\$2.25 - \$6.75	\$3.50 Off-Peak, \$4.50 Peak
Distance Surcharge (trips greater than 15 miles)	None	\$0.75
All-You-Can-Ride Passes	Accepted	Cash and Stored Value Only
Northstar Fares (to MPLS)		
Big Lake	\$6.00	\$6.25
Elk River	\$4.50	\$4.75
Ramsey	\$3.50	\$3.75
Anoka	\$3.00	\$3.25
Coon Rapids/Riverdale	\$3.00	\$3.25
Fridley	\$3.00	\$3.25
Station-to-Station	\$3.00	\$3.25
Senior, Youth, Medicare Fares	\$0.75 Off-Peak	\$1.00 Off-Peak
Limited Mobility (All Times)	\$0.75	\$1.00
Downtown Zone (All Times)	\$0.50	No Change
Transit Assistance Pass (TAP) Fare	N/A	\$1.00

Additional Adjustments

	<u>Current</u>	<u>Proposed</u>
Transfers and Transfer Policy		No Change
Rush Hours		No Change
31-Day Pass		
Local Off-Peak	\$59	\$65
Local Peak	\$85	\$90
Limited Mobility	\$31.50	\$36
Express	\$113.50	\$120
Stored Value Bonus	10%	No Bonus
Transit Schools Fare Discount	5% - 10%	No Discount
6-Hour Pass	\$3.50 - \$4.00	Replaced by All-Day Pass
All-Day Pass		
Full Fare	\$3.50 - \$4.50	\$4.00 - \$5.00
Reduced Fare, Limited Mobility	\$1.50 - \$4.50	\$2.00 - \$5.00
Downtown All-Day Pass	\$1.00	No Change
24-Hour Pass	\$6.00	\$6.50
10-Ride Farecards		
Full-Fare	\$18.50	\$20.50
Young Adult	\$13.50	\$15.00
7-Day Pass	\$22.00	\$24.00
Tokens (Bags of 50)	\$87.50	\$100.00
One Ride Tickets	\$2.70/ea.	\$2.90/ea.
Visitor Pass	\$4.50	\$5.00

Transportation Committee

Meeting date: July 24th, 2017

For the Metropolitan Council meeting of July 26th, 2017

Subject: Regional Fare Adjustment Recommendations

District(s), Member(s): All

Policy/Legal Reference: Public Accountability Policy 2-1, Public Hearings Procedure 2-1b; Transit Fare Policy Changes 3-2-6, Implementing Procedure 3-2-6a; CFR 49 Parts 37 & 38 – Paratransit ADA

Staff Prepared/Presented: Brian J. Lamb, General Manager, Metro Transit (612-349-7510)

Nick Thompson, Director, MTS (651-602-1754)

Edwin D. Petrie, Director of Finance, Metro Transit (612-349-7624)

Gerri Sutton, Asst. Director Contracted Transit Services, MTS (651-602-1672)

Nick Eull, Senior Manager of Revenue Operations, Metro Transit (612-349-7364)

Michelle Fure, Manager of Public Involvement, Regional Administration (651-602-1545)

Division/Department: Metro Transit, Metropolitan Transportation Services

Proposed Actions

1. That the Metropolitan Council accept the public comment report for proposed fare adjustments and authorize the recommended fare change proposal (attachment B) for service operated by all regional transit providers participating in the regional fare structure, with changes to be effective October 1, 2017 or as noted on the attached proposal.
2. That the Metropolitan Council directs staff to develop a fare policy recommendation by EOY 2017 for Council consideration to help determine when future fare adjustments should be considered and how future fare increases will continue to drive towards:
 - a. Creating solutions for a more sustainable funding structure
 - b. Understanding the best way to grow ridership while equalizing subsidies across modes to the best extent possible
 - c. Mitigating disproportionate impacts of increased fares on people of color, low income communities, youth and seniors, and persons with disabilities
 - d. Addressing the future considerations included in the Equity Advisory Committee recommendation from July 18, 2017.
3. That the Metropolitan Council directs staff to develop a report for review by the Council by 1st quarter 2018 that will:
 - a. Look at how travel distances could be considered as part of overall fare policy, and
 - b. Identify opportunities to implement a reverse commute fare aimed at growing ridership on reverse commute trips
4. That the Metropolitan Council directs staff to update the Council at least every six months on the TAP program's results, including assessment of the program and recommendations for potential expansions of the program, reporting back to the Council by June 2018.

Background

- As a result of inflationary pressures, growth in Metro Mobility demand, and forecasted reductions in Motor Vehicle Sales Tax (MVST) receipts from previous estimates, the Metropolitan Transportation Division is facing

a projected State Fiscal Year (SFY) 2020-2021 deficit of nearly \$110 million. One of the recommended solutions to help resolve this projected deficit is a fare adjustment.

- Federal guidelines and Metropolitan Council policy require that fare adjustments be reviewed through a public hearing and public comment process prior to adoption. Public comments were accepted from April 12 through June 26th, 2017. A full public comment report is available.
- Staff have developed a combination of measured and balanced transit fare adjustment recommendations for revenue enhancements, to help address this shortfall with the minimum of possible impacts to the riding public and the region as a whole. These recommendations include feedback gained through the public comment process.
- With the recommended fare adjustments, ridership is estimated to decrease 3.8M rides (4.7%) in year one throughout the region, with rides expected to return over an 18-24 month period.
- Implementation of new fares is scheduled for October 1st, 2017.

Rationale

The proposed fare increase will help sustain 2017 EOY service levels through the remaining current biennium. The recommended proposed fare adjustments will provide one lever to reduce the Metropolitan Transportation Division's projected SFY 2020-2021 budget deficit but will not resolve the entire structural deficit.

Thrive Lens Analysis

A fare increase will impact all public transit customers in the Twin Cities region. Staff have analyzed and included recommendations for mitigating increases to the region's most transit dependent customers with adoption of the Transit Assistance Pass (TAP) program with this fare adjustment. These proposals have also passed a Title VI analysis, which tests whether proposals have a disparate impact on low-income communities, or communities of color. In addition, staff have included other options that could help offset a fare increase for seniors, youth and Medicare card holders. The public comment process engaged a significant number of stakeholders and yielded more than 6,000 comments. Among the 1,600 surveys submitted, about 39% identified as non-white, higher than the percentage of the region's population identified as people of color (26%).

Funding

The Metropolitan Council last took action to increase fares effective Oct. 1, 2008. This fare adjustment recommendation proposes fare adjustments for services operated by all regional transit providers participating in the regional fare structure.

Known Support / Opposition

More than 6,000 comments and surveys were submitted during the public comment process. The overwhelming majority noted opposition to any increases to regional transit fares. Survey respondents indicated overwhelming support for implementing a permanent program to provide reduced fares for qualifying low-income riders. Several organizations also weighed in during the comment period, with both opposition and support for a 25-cent increase to regular-route transit fares or for the fare increase to be applied evenly to local and express service. The Council's Equity Advisory Committee approved the following recommendation related to this action:

- i. 25-cent increase to all express route transit fares; no increase to regular route transit fares
- ii. Pursue measures that protect fares for low-income and transit-reliant populations (including the Transit Assistance Program and partnerships with community organizations to provide a discounted pass program like Metropass)

- iii. Use funds that previously went to Go-To Card purchase bonuses to help pay for protection programs for low-income and transit-reliant populations

Regional Fare Adjustment Recommendation – Attachment A

Major Fare Adjustments	Adjustment Amount	Projected 2018 Net Impact
Local and Express Fares	\$0.25 Increase	\$6,530,000
Metro Mobility	\$0.50 Base Increase \$0.75 Distance Surcharge (non-ADA)	\$1,300,000
Transit Link	\$1.60 Avg. Increase \$0.75 Distance Surcharge	\$265,000
Transit Assistance Pass (TAP)	\$1.25 Fare (New Program)	(\$3,000,000)
Limited Mobility	\$0.25 Increase	\$370,000
Eliminate Peak Surcharge for Senior, Youth, and Mobility	\$1.00 Fare at All Times (\$0.25 Increase from Off-Peak Levels, No Peak Surcharge)	(\$665,000)
Transit Schools Discount	Eliminate Discount (5% - 10%)	\$10,000
Eliminate Stored Value Bonus	Eliminate 10% Bonus	\$1,900,000
Total 2018 Est. Revenue Increase		\$6,710,000

***18-24 month ridership recovery expected; increased revenues in future years**

**Regional Fare Adjustment Recommendation
For proposed implementation on October 1, 2017 -
Attachment B**

Cash Fare Increases:	<u>Current</u>	<u>Proposed</u>
Local Off-Peak	\$1.75	\$2.00
Local Peak	\$2.25	\$2.50
Express Off-Peak	\$2.25	\$2.50
Express Peak	\$3.00	\$3.25
Metro Mobility		
Demand Response		
Off-peak	\$3.00	\$3.50
Peak	\$4.00	\$4.50
Distance Surcharge (non-ADA, trips greater than 15 miles)	None	\$0.75
All-You-Can-Ride Passes	Not Accepted	Not Accepted
Dial-A-Ride (Transit Link)	\$2.25 - \$6.75	\$3.50 Off-Peak, \$4.50 Peak
Distance Surcharge (trips greater than 15 miles)	None	\$0.75
All-You-Can-Ride Passes	Accepted	Cash and Stored Value Only
Northstar Fares (to MPLS)		
Big Lake	\$6.00	\$6.25
Elk River	\$4.50	\$4.75
Ramsey	\$3.50	\$3.75
Anoka	\$3.00	\$3.25
Coon Rapids/Riverdale	\$3.00	\$3.25
Fridley	\$3.00	\$3.25
Station-to-Station	\$3.00	\$3.25
Senior, Youth, Medicare Fares	\$0.75 Off-Peak	\$1.00 – Off-Peak (only)
Limited Mobility (All Times)	\$0.75	\$1.00
Downtown Zone (All Times)	\$0.50	No Change
Transit Assistance Pass (TAP) Fare	N/A	\$1.25 \$1.00

Additional Adjustments

	<u>Current</u>	<u>Proposed</u>
Transfers and Transfer Policy		No Change
Rush Hours		No Change
31-Day Pass		
Local Off-Peak	\$59	\$65
Local Peak	\$85	\$90
Limited Mobility	\$31.50	\$36
Express	\$113.50	\$120
Stored Value Bonus	10%	No Bonus
Transit Schools Fare Discount	5% - 10%	No Discount
6-Hour Pass	\$3.50 - \$4.00	Replaced by All-Day Pass
All-Day Pass		
Full Fare	\$3.50 - \$4.50	\$4.00 - \$5.00
Reduced Fare, Limited Mobility	\$1.50 - \$4.50	\$2.00 - \$5.00 (w/no-peak surcharge for reduced fare)
Downtown All-Day Pass	\$1.00	No Change
24-Hour Pass	\$6.00	\$6.50
10-Ride Farecards		
Full-Fare	\$18.50	\$20.50
Young Adult	\$13.50	\$15.00
7-Day Pass	\$22.00	\$24.00
Tokens (Bags of 50)	\$87.50	\$100.00
One Ride Tickets	\$2.70/ea.	\$2.90/ea.
Visitor Pass	\$4.50	\$5.00