

Fare Policy – Future Adjustments Discussion

*Nick Eull
Senior Manager of Revenue
Operations
November 13th, 2017*



2017 Fare Adjustment Recap

- October 1st – Fare increase goes into effect
- December 2017 – Recommendation to Council for future fare adjustments
 - More sustainable funding structure
 - Grow ridership while equalizing subsidies across modes
 - Mitigating impacts on people of color, low income communities, youths and seniors, and persons with disabilities
 - Reduce fare evasion
- 2018 1st Quarter – Analyze opportunities for distance-based fares and reverse commutes
- June 2018 – Opportunities to expand TAP

Fare Recovery Goals

- Long-standing goal of 28.5% bus farebox recovery
 - Doesn't represent multimodal growth
- How should fare recovery be considered as part of fare policy?

		Projected w/2017 Fare Increase					
		2015	2016	2017	2018	2019	2020
Bus Farebox		21.9%	21.0%	21.6%	22.8%	23.3%	23.3%
Light Rail		34.8%	34.9%	32.3%	34.3%	35.1%	35.2%
Northstar		15.8%	13.6%	13.0%	13.6%	13.4%	13.3%
System Wide		23.8%	23.1%	23.2%	24.4%	24.9%	24.9%

*Numbers provided are estimates for demonstration purposes only

Don't Focus Solely on Fare Recovery

- Consider all fare policy goals in any decisions
 - Increased fares result in ridership decreases
 - Overall funding status may not require immediate fare increase
 - Recovery focus could limit future investment
 - Single fare increase may not return recovery to target levels



Fare Adjustment Recommendations

- Identify/review standing goals for fare policy
 - Increase ridership
 - Improve customer experience
 - Enhance equity
 - Meet fare recovery goals
 - Facilitate integrated fare payment
- Each goal must be weighted accordingly



Annual Council Updates

- Fare recovery report will be included in the annual budget process
 - Provides Council with ongoing opportunities to review and evaluate progress
- Council can consider multiple factors in addition to fare recovery with any recommended changes
 - Budget forecasts
 - Ridership trends
 - Increased revenues w/o system fare increase
 - Decreased costs to positively impact fare policy goals

Metro Mobility and Transit Link Fares

- Service is required by FTA and fares are capped at 2x fixed route fare levels
- Current Metro Mobility Task Force looking at ways to increase service efficiencies
- Looking at ways to reduce costs by utilizing fixed route as part of some trips
- Pilot testing group ride discounts



Policy Renewal Process/Proposal

- Phase 1 – Develop high-level fare policy goals and considerations (December 2017)
- Phase 2 – Overall analysis of current fares levels, fare products, etc. (2nd Quarter 2018)
 - Work with outside consultant group to generate overall fare policy analysis and recommendations
 - Analysis will include review of peer agency fare policies and industry trends related to fare increases and funding structures
 - Analysis will also include looking at distanced-based fares, reverse commutes, subsidies by mode, fare technology, etc.
 - Public feedback process will be included
- Phase 3 – Review 1st year TAP results and provide recommendations for program growth (June 2018)

Proposed Schedule/Next Steps

- November 13th – Review with Transportation Committee for feedback
- November and December 2017 – Continue discussions with Transportation Committee and Council
- First and 2nd Quarter 2018 – Work with consultant to gather information and report back to the Transportation Committee





Questions and Comments