



(For Board Meeting of August 12, 2005)

SUMMARY OF RECOMMENDATIONS
MEETING OF THE FINANCE-AUDITING COMMITTEE
FRIDAY, AUGUST 12, 2005
(CHAIR J. DIETRICH STROEH)

Item No. 1

Authorize the setting of a public hearing on Thursday, September 22, 2005, at 9:00 a.m., in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, to receive public comment on a proposal to simplify the District's regional transit fare system by implementing a regional bus and ferry fare restructure program, as outlined in the staff report.

Action by the Board – Resolution

Item No. 2

Authorize an increase the youth discount from 25% to 50% for local Marin County travel on Golden Gate Transit bus routes, resulting in a change in the youth fare from \$1.50 to \$1.00 per ride, effective August 22, 2005.

Action by the Board – Ordinance

Item No. 3

Authorize execution of amendments to the Agreement between the District and Marin County Transit District for intra-county public bus transit service to transfer the responsibilities for Routes 117, 123 and 127 to MCTD and to eliminate Route 132 from the list of MCTD local bus routes operated by Golden Gate Transit.

Action by the Board – Resolution



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 12, 2005

From: Alan R. Zahradnik
Joseph M. Wire,
Celia G. Kupersmith, General Manager

Subject: **STAFF PRESENTATION ON A REGIONAL BUS AND FERRY FARE
RESTRUCTURE PROGRAM AND AUTHORIZE THE SETTING OF A
PUBLIC HEARING**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the setting of a public hearing on Thursday, September 22, 2005, at 9:00 a.m., in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, to receive public comment on a staff proposal to simplify the District's regional transit fare system by implementing a regional bus and ferry fare restructure program consisting of the following changes to the District's current fare ordinance:

- Consolidate regional bus fare zones 7 and 9 with zone 2; and consolidate regional bus fare zone 8 with zone 3. Eliminate zones 7, 8, and 9 from the regional bus fare matrix.
- Remove local Marin County bus fares from the regional zone fare matrix and establish a separate fare table for local Marin bus travel.
- Remove local Eastbay and inter-county Eastbay bus fares from the regional fare zone matrix and establish a separate table for Eastbay bus travel. Set the inter-county bus fare from the Eastbay to all points in the District's service area at the current zone 10 to zone 3 fare. Eliminate zone 10 from the regional bus fare matrix.
- Redefine the ferry youth fare category from ages 6 through 12, to ages 6 through 18, to be consistent with the current bus youth fare category definition.
- Increase the discount for the regional bus and ferry youth fare category to 50% of the adult cash fare from the current 25% to be consistent with discounts provided to seniors and persons with disabilities.
- Eliminate the weekend ferry family fare plan category.
- Eliminate the ferry children and senior group fare categories.
- Establish Translink[®] as the Golden Gate Transit bus and Golden Gate Ferry regional fare card to eventually replace Bus Ride Value Tickets and Ferry Frequent Rider Tickets, expand the convenience of pre-paid fares to youths, seniors and persons with disabilities, and offer automatic fare collection to all District regional transit customers.

This matter will be presented to the Board of Directors at its August 12, 2005, meeting for appropriate action.

Summary

The District's current fare structure is quite complex. An example of this complexity can be found in the current Golden Gate Transit (GGT) bus fare matrix shown in the District's Transit Guide which contains 300 cash fares for bus customers to select from. This is unwieldy for our customers, particularly new customers. This item proposes to set a public hearing to solicit public input on a proposal to simplify the fare program.

In conjunction with District efforts over the past several years to develop strategies for transit revenue generation related to ongoing updates to its Strategic Plan for Achieving Long-Term Financial Stability, staff has reviewed transit fares and policies and presented findings to the Finance-Auditing Committee. Most recently, staff presented a fare plan with three components:

1. Fare Restructure Program
2. Fare Recovery Goals
3. Five-Year Annual Fare Increase Program

This report presents a staff recommendation to initiate Board action on the first component. Staff will bring recommendations on the second and third components to a Finance-Auditing Committee meeting in September with its presentations on an updated financial projection and Strategic Financial Plan.

The District's transit fare system and policies incorporated in the District's Master Ordinance are inherently complex since they apply to four inter-related but somewhat distinct public transit services: GGT regional bus, Golden Gate Ferry (GGF), Marin County Transit District (MCTD) local bus, and GGT bus service across the Richmond-San Rafael Bridge. As such, the current transit fare system may be viewed as potentially being a deterrent to increased public transit use, in particular to potential transit users unfamiliar with the array of public transit services operated by the District. After considerable deliberation, including peer comparison of the District's fare system and policies with those of other public transit operators, discussion at staff Service Review Committee, and outreach to the District's Bus and Ferry Passenger Advisory Committees, staff has developed a program of proposed structural changes to the existing regional transit fare system and fare policies. This program is summarized as follows:

Regional Bus Fare Zone Changes

There are currently 10 regional bus fare zones. Zone 1 is San Francisco. Zones 2, 3, 4, 7, 8, and 9 are in Marin County. Zones 5 and 6 are in Sonoma County. Zone 10 represents the Eastbay as accessed via the Richmond-San Rafael Bridge. Zones 1 through 6 are the historical GGT bus fare zones established in the 1970's along the 60-mile long, U.S. Highway 101 - Golden Gate Corridor that support our distance-based regional fare policy. Zones 7, 8, 9 were created in the 1980's to further define areas to the west and east of U.S. Highway 101 served by GGT regional buses. Zone 10 was created in the early 1990's to allow District operation of Metropolitan

Transportation Commission (MTC) sponsored bus service over the Richmond-San Rafael Bridge and outside the GGT service area linking up with Eastbay bus and train operators.

Staff proposes to restore the six historical regional fare zones along U.S. Highway 101 and their boundaries, eliminating zones 7, 8, and 9 by consolidating 7 and 9 with zone 2 and consolidating zone 8 with zone 3. Since current GGT regional bus services in zones 7, 8 and 9 are limited to small portions of three bus routes, this can be accomplished with insignificant system-wide impact on transit riders and fare revenues and yet retain the equity of charging customers a fare based on their distance traveled.

Staff further proposes to remove local Marin County bus fares from the regional fare zone matrix and establish a separate local Marin bus fare table since local bus fares are not zone and distance-based. Since over 50% of all GGT bus riders travel locally within Marin County, this will greatly simplify local bus riders' understanding of the bus system. Instead of having to select from a large matrix of zone fares, the local bus rider would choose between two cash fares: \$2.00 for adults and \$1.00 for youths, seniors and persons with disabilities. Separating local from regional fares also supports the Agreement between the District and MCTD that gives MCTD responsibility for setting fares for its local bus routes.

Finally, staff proposes to also separate the fares set for the Richmond-San Rafael Bridge bus service from the regional bus services along the Golden Gate Corridor. The Richmond-San Rafael Bridge bus service to and from the Eastbay is now supported entirely by MTC through Regional Measure 2 funds. As such, it is not necessary to integrate these fares into the Golden Gate regional fare zone matrix and the separation provides an opportunity to establish fares that simplify use of the bus service. The majority of riders on the District's Richmond-San Rafael Bridge bus routes are Eastbay residents traveling to/from work in Marin County. AC Transit is their local bus operator and charges a single fare for travel between the Eastbay and San Francisco. Staff proposes to establish a single cash fare for travel across the Richmond-San Rafael Bridge between the Eastbay and the District's Northbay service area. This would greatly simplify Eastbay bus riders' understanding of the GGT bus system. To minimize impact to current riders and fare revenues supporting the Richmond-San Rafael Bridge bus service, staff proposes to set the cash fare at the current zone 10 to zone 3 amount.

Youth Fare Changes

Currently, youths receive a 25% discount on the adult cash fare for regional travel on GGT buses and GGF. However, the definition of a youth is ages 6 to 12 on the ferry and ages 6 to 18 on the bus. The more restrictive youth definition on the ferry, combined with a higher ferry cash fare, led to the establishment of a weekend ferry family fare in the 1980s. The family fare plan allows up to two youths to ride free when accompanied by an adult paying the full cash fare.

Staff proposes to establish a youth fare policy that is uniform for bus and ferry. Staff peer operator review suggests that the District should increase the transit discount offered to youth to 50% of the adult cash fare and define youth to be ages 6 to 18. A 50% discount for youth would allow combination of youth with seniors and persons with disabilities, who already receive 50% discount, in a single display of the regional fare zone matrix that would further simplify the

presentation of fare information to the public. Independent of this regional fare proposal, MCTD and District are jointly acting to increase the youth fare discount to 50% for local Marin travel on GGT buses. In addition, to offset possible revenue loss from this more liberal definition of youth for GGF, staff proposes to eliminate the family fare plan that is unique to the ferry and not offered to bus riders.

Ferry Group Fares

District has historically provided a special reduced fare program for group travel on ferries. The Master Ordinance contains specific conditions that allow organized groups of children, through age 17, and groups of 10 or more seniors, age 62 or older, to ride the ferries for 10 cents per round trip. Staff views these special group rates as archaic, inequitable, difficult to administer and, in the case of senior groups, difficult to prevent misuse by private tour companies. Staff strongly urges the Board to eliminate these special group fares and instead apply the general 50% discount policy to both groups of and individual youths and seniors. Staff notes that the Ferry Passenger Advisory Committee recommends retention of the reduced fare for groups of school children at an increased one-way fare of \$1.00 per student.

Translink

Staff is working with MTC and the region's transit operators to implement Translink, the regional fare card. The District has formally participated in this major effort since 1999. GGF was fully equipped with Translink nearly 3 years ago as part of the successful Phase 1 program demonstration. Over 500 ferry riders are currently using Translink cards to automatically pay their ferry fare. By the end of the year about 1,000 ferry riders will have Translink cards. Phase 2 of the Translink program will initiate full rollout of the system across all public transit operators in the region. GGT bus and AC Transit are the first Phase 2 operations to roll out, followed by MUNI, BART and Caltrain.

For the District, Translink represents a major improvement in transit fare collection not only for customers traveling across the various operators in the region, but also for customers who exclusively use GGT bus and GGF. As has been stated earlier, the inherent complexity of the District's services and regional fare structure lends itself to simplification via an automatic fare collection system such as Translink. With Translink, customers can enjoy seamless travel through and beyond the GGT system without the worry of having correct cash or ticket fare value. Staff anticipates most regular transit riders will experience a similar level of convenience that Fastrak users have on the Golden Gate Bridge and the other major bridges in the region.

Currently, for Phase 1, the District set Translink fare policy to replicate its discounted Ride Value Ticket and Frequent Rider programs and cash fares where ticket programs are not available. Staff proposes to continue and expand this policy in Phase 2 to eventually, after a reasonable break-in period, establish Translink as the GGT bus and GGF regional fare card to replace Bus Ride Value Tickets and Ferry Frequent Rider Tickets, expand the convenience of pre-paid fares to youths, seniors and persons with disabilities, and offer automatic fare collection to all District regional transit customers. Additional Translink enabled regional fare policy changes to be considered in the future after further study and development include uniform inter-

operator transfer credits, peak/off-peak fares, service value based fares, and special “institutional” fare programs.

In conclusion, staff recommends the Board of Directors initiate the process of formally considering the staff proposal summarized in this report and authorize the setting of a public hearing on Thursday, September 22, 2005, at 9:00 a.m., in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, to receive public comment on this proposal to change the District’s current fare ordinance. Staff intends to concurrently conduct a major public outreach effort to our customers. In anticipation of the full rollout of Translink throughout the GGT bus system at the beginning of the new calendar year, staff recommends that the Board consider taking action on the staff proposal in October 2005 to allow implementation of the proposal in early 2006.

Fiscal Impact

Proposed changes to the regional bus fare zones would affect about 100,000 of approximately 3.3 million annual regional bus passenger trips, or about 3% of regional bus rides. Reducing the existing fares for travel to and from zones 7, 8, 9 and 10 would have relatively small fiscal impact estimated at a decrease of less than \$50,000 in fare revenue annually.

Proposed changes to regional bus and ferry youth discount fares would affect about 90,000 of 5 million annual regional bus and ferry passenger trips, or less than 2% of regional bus and ferry rides. Reducing the existing fares for travel by riders in this discount category would have relatively small fiscal impact estimated at a decrease of less than \$100,000 in fare revenue annually.

Proposed elimination of ferry family fare plan and ferry group fares would affect about 50,000 of 1.7 million annual ferry passenger trips, or less than 3% of ferry rides. Increasing existing fares for travel by riders in these discount categories would have a relatively small fiscal impact estimated at an increase of less than \$150,000 in fare revenue annually.

Proposed establishment of Translink as a regional GGT bus and GGF transit fare card and extending fare policy applied to Phase 1 of the program to Phase 2 full rollout would not directly affect existing fare revenues, but a small savings in reduced ticket printing costs would be realized.

In summary, the staff proposal to restructure the existing regional fare system will improve customer convenience while having a minimal impact on existing District transit fare revenues.



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 12, 2005

From: Alan R. Zahradnik, Planning Director
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE AN INCREASE IN THE YOUTH DISCOUNT FROM 25%
TO 50% FOR LOCAL MARIN TRAVEL ON GOLDEN GATE TRANSIT
BUS ROUTES**

Recommendation

The Finance-Auditing Committee recommends the Board of Directors authorize an increase to the youth discount for local Marin travel on Golden Gate Transit (GGT) bus routes, effective August 22, 2005, from 25% to 50% of the adult cash fare as requested by Marin County Transit District (MCTD). This will result in a youth fare of \$1.00 per ride.

This matter will be presented to the Board of Directors at its August 12, 2005, meeting for appropriate action.

Summary

On December 8, 2004, the District and MCTD executed an Agreement for Intra-County Public Bus Transit Service in Marin County (Agreement), effective November 1, 2004, through April 30, 2006. Under the terms of this Agreement with MCTD for local bus service, MCTD is responsible for setting fares and service levels of 20 local bus routes operated by GGT. The Agreement also acknowledges the benefit to the public of having a highly coordinated local and regional bus network.

The District received a request from MCTD to make the following fare changes, effective with the beginning of the 2005/2006 school year on August 22, 2005:

- Reduce the GGT bus fare for local youth riders, age 6 to 18, by increasing the existing adult cash fare discount from the current 25% to 50%. The resulting local youth cash fare would be \$1.00
- Reduce the price of local Marin youth ticket books from the current \$1.50 per ticket, or \$30 per book, to \$1.00 per ticket, or \$20 per book

On August 2, 2005, MCTD held a public hearing on its fare proposal. Afterwards, the MCTD Board approved the proposed fare changes.

A public comment period on the staff proposal was initiated on July 8, 2005, and ended with a public hearing on July 22, 2005. During this period, the District received four (4) public comments related to the proposal; the District received one additional comment on July 26, 2005. Three of the four comments supported the fare proposal. One comment opposed the proposal stating parents should pay their fair share of the cost of bus service, otherwise commuters end up paying the difference. In response to this comment, staff notes that the proposed \$1.00 local youth fare could increase revenues to support service cost relative to the recently discontinued MCTD Ride & Roll free ride for students program.

Staff recommends the Finance-Auditing Committee approve the proposed \$1.00 local Marin youth fare on all GGT bus routes, effective August 22, 2005.

Fiscal Impact

To coordinate local and regional bus fares, staff proposes to increase, concurrently with MCTD, the youth discount to 50%, or a \$1.00 fare, for local rides on regional bus routes. Since many local youth riders on regional bus routes, in particular on the transition local bus routes, have been using Ride & Roll tickets to ride free, and since MCTD has recently discontinued the Ride & Roll demonstration program, staff anticipates a modest increase in fare revenue of less than \$50,000 to the District resulting from the discounted \$1.00 youth cash fare proposed by MCTD.



Agenda Item No. 5

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 12, 2005

From: Alan R. Zahradnik, Planning Director
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF AMENDMENTS TO THE MARIN COUNTY TRANSIT DISTRICT AGREEMENT TO INCLUDE THE ADDITION OF LOCAL BUS ROUTES 117, 123, & 127, AND ELIMINATION OF LOCAL BUS ROUTE 132**

Recommendation

As requested by the Marin County Transit District (MCTD) and in accordance with the Agreement between the District and MCTD for Intra-County Public Bus Transit Service in Marin County (Agreement), the Finance-Auditing Committee recommends the Board of Directors amend this Agreement to transfer the responsibilities for Routes 117, 123, and 127, to MCTD and to eliminate Route 132 from the list of MCTD local bus routes operated by Golden Gate Transit (GGT).

This matter will be presented to the Board of Directors at its August 12, 2005, meeting for appropriate action.

Summary

On December 8, 2004, the District and MCTD executed the Agreement, effective November 1, 2004, through April 30, 2006. Under the terms of the Agreement, MCTD is responsible for setting fares and service levels of 20 local bus routes operated by GGT. MCTD can expand local bus service at an additional cost to MCTD as prescribed in the Agreement. MCTD can also reduce local bus service to obtain cost savings. The Agreement also acknowledges the benefit to the public of having a highly coordinated local and regional bus network.

The District has received a request from MCTD to make the following service changes, effective with the start of the upcoming 2005/2006 school year in late August 2005, and with the September 11, 2005, quarterly bus schedule sign-up:

- Transfer three local bus routes, Routes 117, 123, and 127, formerly provided by the District under direct agreements with Ross Valley and Larkspur School Districts, to the MCTD local bus system, bringing the number of local bus routes in the Agreement that are the

responsibility of MCTD to 23. MCTD proposes a concurrent reduction to the level of service on 7 of the existing 20 local routes and an entire elimination of local bus route 132 to help offset the added cost to MCTD of adding the 3 new local bus routes.

On August 2, 2005, MCTD held a public hearing on its service proposal. Afterwards, the MCTD Board approved the proposal.

Staff has reviewed the MCTD request, finds the request to be consistent with the Agreement, and recommends the Finance-Auditing Committee amend the Agreement to add Routes 117, 123, and 127 and eliminate Route 132 from the list of local bus routes that are the responsibility of MCTD, as referenced in Attachments A and B to the Agreement.

Fiscal Impact

The cost and revenue changes resulting from the Amendment to the Agreement as requested by MCTD are fully borne by MCTD. MCTD estimates that its annual service cost will increase by \$501,120, its fare revenue will increase by \$130,000, and its share of Marin Transportation Development Act (TDA) and State Transit Assistance (STA) funds will increase by about \$100,000, leaving a \$271,120 deficit payable to the District. This MCTD deficit would be offset by savings of about \$100,000 from the MCTD proposal to reduce some unproductive services on existing 20 local bus routes.

There are no other direct fiscal impacts to the District from the service changes requested by MCTD.