

August 12, 2005  
(For Board: August 26, 2005)



**REPORT OF THE FINANCE-AUDITING COMMITTEE/  
COMMITTEE OF THE WHOLE**

Honorable Board of Directors  
Golden Gate Bridge, Highway  
and Transportation District

Honorable Members:

A meeting of the Finance-Auditing Committee/Committee of the Whole was held in the Board Room, Administration Building, Toll Plaza, San Francisco, California, on Friday, August 12, 2005, at 9:00 a.m., Chair Stroeh presiding.

**Committee Members Present (8):** Chair Stroeh; Directors Boro, Brown, Cochran, Eddie, Murray and Reilly; President Middlebrook (Ex Officio).

Director Brown was appointed Committee Member Pro Tem for this meeting only.

**Committee Members Absent (2):** Vice Chair Pahre; Director Shahum

**Other Directors Present (4):** Directors Hernández, Kerns, Martini and Moylan

**Committee of the Whole Members Present (12):** Directors Brown, Cochran, Eddie, Hernández, Kerns, Martini, Murray, Reilly, and Stroeh; Second Vice President Boro; First Vice President Moylan; President Middlebrook

**Committee of the Whole Members Absent (6):** Directors Ammiano, Dufty, McGoldrick, Pahre, Sandoval and Shahum

**[On this date, there was one vacancy on the Board of Directors.]**

**Staff Present:** Acting General Manager and District Engineer Denis J. Mulligan; Auditor-Controller Joseph M. Wire; Secretary of the District Janet S. Tarantino; Attorney Patrick Miyaki; Deputy General Manager/Administration and Development Teri W. Mantony; Public Affairs Director Mary C. Currie; Planning Director Alan Zahradnik; Budget and Program Analysis Manager Jennifer Mennucci; Assistant Clerk of the Board Karen B. Engbretson

**Visitors Present:** None

1. **Staff Presentation on a Regional Bus and Ferry Fare Restructure Program and Authorize the Setting of a Public Hearing**

Acting General Manager Denis Mulligan reported on staff's proposal to restructure the District's regional transit fare system, and to set a public hearing to receive public input on this proposal. The report stated that staff has reviewed the transit fare structure over the past several years in conjunction with revenue generation efforts associated with the *Strategic Plan for Achieving Long-Term Financial Stability*. This fare restructure proposal represents the first of three components of a new fare plan, of which the second and third components, fare recovery goals and a five-year annual fare increase program, respectively, will be presented to the Committee in September 2005.

The report stated that the District's current fare structure is complex and difficult to understand, with 300 possible cash fares to choose from in the fare zone matrix. The fare system and associated policies apply to four inter-related, but somewhat distinct, public transit services: Golden Gate Transit (GGT) regional bus, Golden Gate Ferry (GGF), Marin County Transit District (MCTD) local bus, and GGT bus service across the Richmond-San Rafael Bridge. The report described how staff developed the fare restructure program, which entailed peer comparison of the fare programs of other public transit operators, staff discussion by the Service Review Committee and outreach to the District's Bus and Ferry Advisory committees.

The staff report described in detail the history of the District fare structure, as well as staff's proposal, which would consist of the following changes to the fare program:

- 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 East Bay and inter-county East Bay bus fares from the regional fare zone matrix and establish a separate table for East Bay bus travel. Set the inter-county bus fare from the East Bay 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.

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- Establish Translink<sup>®</sup> 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.

The report explained the fiscal impacts of the fare restructure program, noting the following:

- Proposed changes to the regional bus fare zones would affect about 3% of regional bus rides, would result in reduced fares for travel to and from zones 7, 8, 9 and 10 and would decrease fare revenue by less than \$50,000 annually.
- Proposed changes to regional bus and ferry youth discount fares would affect less than 2% of regional bus and ferry rides, would result in reduced fares for travel by youth and would decrease fare revenue by less than \$100,000 annually.
- Proposed elimination of ferry family fare plan and ferry group fares would affect less than 3% of ferry rides, would result in increased fares for travel by riders in these discount categories and increase fare revenue by less than \$150,000 annually.
- Proposed establishment of Translink<sup>®</sup> as a regional GGT bus and GGF transit fare card, anticipated for early 2006, would not directly affect existing fare revenues, but a small savings in reduced ticket printing costs would be realized.

In conclusion, the report stated that staff recommends that the Board of Directors initiate the process of formally considering the staff proposal summarized above by authorizing 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 the proposal to consider the implementation of a regional bus and ferry fare restructure program. Staff intends to concurrently conduct a major public outreach effort to the District's customers. In anticipation of the full rollout of Translink<sup>®</sup> throughout the GGT bus system at the beginning of 2006, it is recommended that the Board consider taking action on the staff proposal in October 2005 to allow implementation of the proposal in early 2006. A copy of the staff report is available in the Office of the District Secretary and on the District's web site.

At the meeting, Alan Zahradnik provided a PowerPoint presentation related to the proposed fare restructure program, which included a summary of the proposed improvements to the regional bus and ferry fare structure, maps of the existing and proposed GGT fare zones, charts of the existing and proposed fare matrix tables and charts highlighting the proposed fare changes. In addition, the presentation described the effects of the following elements of the fare restructure program: (1) separating fares for East Bay GGT service from the Golden Gate Corridor regional bus fare matrix; (2) redefining the youth fare age range for ferry service and increasing the youth fare discount; (3) eliminating ferry group fares for organized groups of seniors or children; and, (4) implementing Translink<sup>®</sup>.

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During his presentation, Mr. Zahradnik emphasized the following salient points:

- The proposed changes to the fare zones will restore the historical GGT distance-based fare zones established in the early 1970s when GGT bus service was initiated.
- The proposed regional bus fare zone changes are intended to be revenue-neutral and as benign as possible to the District's transit customers.
- The consolidation of bus fare zones 7, 8, 9 and 10 will result in reduced cash fares for passengers traveling in those areas.
- The current ferry group fares for organized groups of seniors or children, with a group rate of 10 cents per passenger per round trip, should be reviewed.
- The Ferry Passenger Advisory Committee recommends retaining the reduced fare for groups of school children at an increased one-way fare of \$1.00 per student.

He described Translink<sup>®</sup> in detail, noting that no fare changes are contemplated from the introduction of Translink<sup>®</sup>, and that this automatic fare collection system would emulate existing discount ticket books.

Discussion ensued, including the following:

- In response to an inquiry from Director Brown as to how the East Bay Route 40 is funded, Mr. Zahradnik replied that this bus service across the Richmond-San Rafael Bridge is now supported entirely by the Metropolitan Transportation Commission through Regional Measure 2 funds.
- President Middlebrook made the following comments and inquiries:
  - She expressed her concerns regarding the timing of the fare restructure program, since some transit customers would experience a temporary fare decrease and then will experience a subsequent fare increase through the five-year annual fare increase program.
  - She inquired if staff anticipates an increase in Translink<sup>®</sup> users versus users of transit discount tickets. In response, Mr. Zahradnik stated that after a reasonable period of time following the introduction of Translink<sup>®</sup>, staff contemplates eliminating bus and ferry discount tickets, similar to how Golden Gate Bridge toll discount tickets were eliminated following the introduction of FasTrak<sup>™</sup>.
  - She suggested that the District provide the public with a date certain as to when the bus and ferry discount tickets would be eliminated. In response, Mr. Zahradnik stated that staff is using a cautious approach rather than setting specific dates for elimination of ticket use.

- She expressed her concerns about completely eliminating the discounted ferry fare for school groups. In response, Mr. Zahradnik stated that at the direction of the Board of Directors, staff could modify the ferry group fare element regarding school groups.

**[With the arrival of Directors Boro and Murray, the Committee became a Committee of the Whole.]**

- Director Boro made the following suggestions and inquiries:
  - He suggested that targeted outreach to senior groups be undertaken prior to eliminating the senior group ferry discount program.
  - He requested further information regarding the numbers of school groups that would be affected by the elimination of the ferry group fare discount program.
- Director Stroeh inquired as to how the implementation of Translink<sup>®</sup> would interface with the proposed changes to the fare zones. In response, Mr. Zahradnik replied that any changes to the fare zones would be programmed into Translink<sup>®</sup> to account for any changes in fares.
- Director Murray made the following comments and suggestions:
  - She expressed her support for staff's proposal, applauding the simplification of the existing complex fare table.
  - She advised staff to proceed cautiously with regards to ferry group fares for organized groups.
  - She requested that a cost analysis be undertaken to estimate the proposed cost savings to be realized through the various elements of the fare restructure program, and whether additional savings could be realized by further simplifying the fare structure.
  - She noted that fare increases are an ongoing necessity, and that it is appropriate to undertake the fare restructure program at this time and consider the five-year annual fare increase program at a later date.
- Director Reilly suggested that the District use public outreach targeted to those bus passengers that would experience fare decreases through the fare restructure program, to inform them that the fare would subsequently increase in a relatively short period of time after adoption of the planned five-year annual fare increase program.
- Directors Eddie and Cochran expressed their concurrence with President Middlebrook regarding the timing of the fare restructure program and the five-year annual fare increase program. They commented that it would be more prudent to tie in the proposed fare increases with the fare restructure program, to avoid a situation wherein certain fares are decreased and then increased again. In response, Mr. Zahradnik stated that staff is eager to undertake the fare restructure program first, in order to provide the public with positive results such as fare decreases and fare zone simplification. He stated that such positive results may be lost in the larger context of a general fare increase program.

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Staff recommended and the Committee concurred by motion made and seconded by **Directors MURRAY/BROWN** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends 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 proposal to consider implementation of a regional bus and ferry fare restructure program, consisting of the following changes to the 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 East Bay and inter-county East Bay bus fares from the regional fare zone matrix and establish a separate table for East Bay bus travel. Set the inter-county bus fare from the East Bay 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<sup>®</sup> 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.

**Action by the Board - Resolution  
NON-CONSENT CALANDAR**

**AYES (12):** Directors Brown, Cochran, Eddie, Hernández, Kerns, Martini, Murray, Reilly, and Stroeh; Second Vice President Boro; First Vice President Moylan; President Middlebrook

**NOES (0):** None

**[Note: The above recommendation was forwarded to the Board of Directors meeting of August 12, 2005, for action.]**

**2. Authorize an Increase the Youth Discount from 25% to 50% of the Adult Cash Fare for Local Marin Travel on Golden Gate Transit Bus Routes**

Acting General Manager Denis Mulligan reported on staff's recommendation to authorize an increase in the youth discount for local Marin County travel on the District's Regional Bus Routes from 25% to 50% of the adult cash fare.

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

The District received a request from MCTD on June 28, 2005, to make the following fare changes effective with the start of the 2005/2006 school year:

- Reduce the fare for local Marin County youth riders, ages 6 to 18, by increasing the existing adult cash fare discount from the current 25% to 50%. This will result in a youth fare of \$1.00 per ride.
- Reduce the price of local Marin County youth ticket books to \$1.00 per ticket or \$20 per book from \$1.50 per ticket or \$30 per book and develop a new annual local Marin County youth pass which would be produced and distributed by MCTD.

The District held a public hearing on July 22, 2005, regarding the proposal to increase the youth discount for local Marin County travel on the District's Regional Bus Routes from 25% to 50% of the adult cash fare. During the public comment period that began on July 8, 2005, the District received five comments; four in support of increasing the youth discount, and one comment opposed to the proposal. MCTD held a public hearing on August 2, 2005, to receive public comment on the above-mentioned fare changes, and subsequently, it was approved by the MCTD Board of Directors.

Staff recommends an increase in the youth discount to complement and coordinate with parallel MCTD actions pertaining to local bus service and to coordinate local and regional bus fares. Since many local youth riders on regional bus routes have been using Ride & Roll tickets to ride for free, staff anticipates a modest increase in fare revenue of less than \$100,000 resulting from the discounted \$1.00 youth cash fare proposed by MCTD. A copy of the staff report is available in the Office of the District Secretary and on the District's web site.

Staff recommended and the Committee concurred by motion made and seconded by **Directors MURRAY/KERNS** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends that the Board of Directors authorize an increase in the youth discount from 25% to 50% of the adult cash fare 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  
NON-CONSENT CALENDAR**

**AYES (12):** Directors Brown, Cochran, Eddie, Hernández, Kerns, Martini, Murray, Reilly, and Stroeh; Second Vice President Boro; First Vice President Moylan; President Middlebrook

**NOES (0):** None

**[Note: The above recommendation was forwarded to the Board of Directors meeting of August 12, 2005, for action.]**

**3. 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**

Acting General Manager Denis Mulligan reported on staff's recommendation to authorize execution of amendments to the Agreement for Intra-County Public Bus Transit Service in Marin County (Agreement) between the District and the Marin County Transit District. The report stated that these proposed amendments would affect certain local bus routes formerly provided by the District under direct agreements with the Ross Valley and Larkspur School Districts, as well as one bus route already managed by MCTD.

The report stated that on December 8, 2004, the District and MCTD executed the Agreement, which is effective November 1, 2004, through April 30, 2006. Under the terms of this Agreement, MCTD is responsible for setting fares and service levels of 20 local bus routes operated by Golden Gate Transit (GGT), with the understanding that the public benefits by having a highly coordinated local and regional bus network. As prescribed in the Agreement, MCTD can expand local bus service at an additional cost or can reduce local bus service to achieve cost savings.

The District received a request from MCTD on June 28, 2005, to make GGT service changes that would transfer the responsibilities for Routes 117, 123 and 127 to the MCTD local bus system and would eliminate Route 132 from the list of MCTD local bus routes operated by GGT, effective with the start of the 2005/2006 school year and with the September 11, 2005 quarterly bus schedule sign-up. MCTD held a public hearing on August 2, 2005, to receive public comment on the above-mentioned service proposal, and subsequently, it was approved by the MCTD Board of Directors. In response to MCTD's request, it is proposed that the Agreement be amended to reflect the above-mentioned service changes in the MCTD local bus system. A copy of the staff report is available in the Office of the District Secretary and on the District's web site.

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Discussion ensued, including the following:

- Director Boro requested that in future staff reports recommending GGT service changes, the descriptions of the affected routes should include the following: (1) route number; (2) geographic location; and, (3) whether the route is a GGT regional or MCTD local route.

Staff recommended and the Committee concurred by motion made and seconded by **Directors EDDIE/MURRAY** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends that the Board of Directors 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, 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.

**Action by the Board – Resolution  
NON-CONSENT CALENDAR**

**AYES (12):** Directors Brown, Cochran, Eddie, Hernández, Kerns, Martini, Murray, Reilly, and Stroeh; Second Vice President Boro; First Vice President Moylan; President Middlebrook  
**NOES (0):** None

**[Note: The above recommendation was forwarded to the Board of Directors meeting of August 12, 2005, for action.]**

**4. Public Comment**

There was no public comment.

**5. Adjournment**

All business having been concluded, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,

J. Dietrich Stroeh, Chair  
Finance-Auditing Committee