



Park and Recreation Commission

City of Arts & Innovation

TO: HONORABLE COMMISSIONERS

DATE: JULY 13, 2015

**FROM: PARKS, RECREATION AND COMMUNITY
SERVICES DEPARTMENT**

ITEM NO:

**SUBJECT: FISCAL YEAR 2015/16 TO 2017/18 SHORT RANGE TRANSIT PLAN AND
PROPOSED RATE INCREASE**

ISSUES:

The issues for Park and Recreation Commission consideration are to receive the Fiscal Year 2015/16 to 2017/18 Short Range Transit Plan (SRTP) and a proposed fare increase for Special Transportation program from \$2.00 per trip to \$3.00 per trip.

RECOMMENDATION:

That the Park and Recreation Commission:

1. Receive the SRTP for file; and
2. Recommend that the City Council approve an increase in fare from \$2.00 per passenger per trip to \$3.00 per passenger per trip for the Special Transportation program effective January 1, 2016.

BACKGROUND:

The City of Riverside's Special Transportation Program offers transportation services for senior or developmentally disabled residents within the City of Riverside limits. The program, which was implemented in 1975 has grown significantly and currently has a fleet of 35 paratransit compressed natural gas (CNG) buses, a sedan, and a passenger van. The program fleet was expanded by five CNG buses in Fiscal Year 2012/13 to keep up with rising demand, and a modern state-of-the-art CNG garage maintenance bay was constructed to ensure that the CNG buses are well maintained and serviced. The program provides on average 600 to 700 rides per day with an expected growth rate of 2% annually.

The Short Range Transit Plan (SRTP) includes operating information such as service and rider characteristics, performance indicators, targets, operating statistics, and funding levels associated with the City of Riverside's Special Transportation Program. Special Transportation staff updates the SRTP each year for review and approval by the Riverside County Transportation Commission (RCTC), the agency that is tasked under state law to administer and oversee the allocation of federal, state, and local funds to transit operators.

The current fare structure for a one-way trip for the City's Special Transportation Program is

\$2.00 per passenger per trip. Clients may pay their fare in cash at boarding time or with pre-purchased tickets and punch cards. In order to continue to be eligible to receive transportation funds, RCTC requires the program to recover 10% of its operating costs through fares. The program has achieved its mandatory fare box ratio of 10% without a fare increase for the past 9 years, since 2006. As noted in the Fiscal Year 2015/16 SRTP, the estimated farebox ratio for Fiscal Year 2014/15 is 13.37% based on 3rd quarter actual operating expense and revenue numbers. The projected farebox ratio for Fiscal Year 2015/16 is 10.94%. The decline in farebox ratio is anticipated due to unavoidable increases in operating cost (necessary to keep up with rising demand and inflationary adjustments) which will outpace increase in revenue that are collected through passenger fares.

While costs have been kept to a minimum, the rising demand for services amply justified adding five buses to the fleet in 2013. The addition of these service lines has resulted in an increase in maintenance and fuel costs, especially as the fleet ages. Also, a number of part-time drivers were recently upgraded to full-time status due to the need for additional coverage to ensure passengers are picked up on schedule and to avoid declining requests for services. Ridership has grown from approximately 172,725 passenger trips in Fiscal Year 2012/13 to an estimated 190,000 in Fiscal Year 2015/16 – an approximate growth of 10%. During that same period, total operating expenses grew from \$3,169,702 to \$3,499,680. Fare revenue grew from \$374,768 to \$383,000 – an approximate growth of only 3%.

Staff conducted a market survey of agencies providing similar transportation services for seniors and disabled. Below are results of the survey.

Senior & ADA Transportation Program	Base Fare
OmniTrans (Accesss ADA Service) - Zones 1-3	3.25
Riverside Transit Authority (Dial-A-Ride)	3.00
Corona (Dial-A-Ride)	2.50
City of Riverside (Special Transportation)	2.00
Moreno Valley (MoVan)	2.00
Beaumont (Dial-A-Ride)	2.00
Banning (Dial-A-Ride)	2.00
SunLine Transit Agency (SunDial)	1.50

The City of Riverside Special Transportation Program lags behind the Riverside Transit Agency which covers the City of Riverside service area for fixed routes and which would, in the absence of the City program, be the area's service provider.

For the various reasons outlined above which include: 1) unavoidable increase in operating cost due to growing demand for services and inflationary adjustments; 2) no fare increases in the past 9 years to keep pace with rising operating costs; 3) need to maintain farebox recovery ratio of at least 10% to remain eligible for transportation funds; and 4) alignment with market survey; staff recommends increasing fare for Special Transportation services from \$2.00 per passenger per trip to \$3.00 per passenger per trip effective January 1, 2016. This implementation timeline would provide sufficient time for residents to be notified of the fare increase.

An alternative would be to phase the rate increase by adjusting the rate to \$2.50 effective January 1, 2016 and to \$3.00 effective July 1, 2016. This alternative is not recommended since it would reduce the cost recovery in Fiscal Year 2015/16 and would require multiple notifications of rate adjustments which might be confusing to the senior and disabled patrons as well as prolong the adjustment period. Also, a rate that is not an even dollar amount, such as \$2.50 would

require the passengers to carry coins or small change or require drivers to carry coins, neither of which is ideal from a cash handling perspective and multiple transactions per day.

Another alternative is to maintain status quo and revisit this issue in one year or wait until further declines in farebox recovery ratio. This alternative is not recommended since it would limit management's ability to proactively meet the demand for services and continue to make improvements to bus services and facilities.

If the Commission supports staff's recommendation, the next step will be to seek input from the Commission on Aging and Disabilities and then City Council approval.

FISCAL IMPACT:

The impact of the fare increase as recommended, based on 190,000 paid passenger trips is anticipated to result in an increase in farebox revenue in the amount of \$95,000 in Fiscal Year 2015/16.

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