

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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Meeting Date:   August 17, 2010             [ ]   Consent   [ X ]   Regular
                                                    [ ]   Ordinance [ ]   Public Hearing
Department:    Palm Tran
Submitted By:   Palm Tran
Submitted For:  Palm Tran
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**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve: Modifying Palm Tran's proposed FY2011 budget by changing the TD Bus Pass Program fare structure and not implementing an overall fare increase at this time.

**Summary:** The Board of County Commissioners (BCC) had directed staff to reconsider its proposed changes to the TD Bus Pass program and to consider increasing fares on Palm Tran's Fixed Route service by twenty-five cents per trip with equivalent increases to other fares. Staff met with the Palm Tran Service Board (PTSB) on August 12, 2010 and the PTSB recommended implementing a modified change to the TD Bus Pass Program fare structure that is expected to generate slightly less revenue but would not impact the eligibility of customers as the original proposal would have. The PTSB further strongly recommended that no other fare increase be implemented at this time.

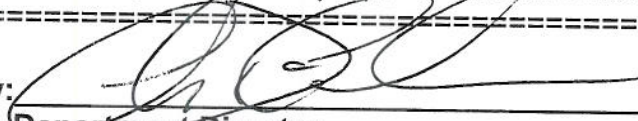
The original budget proposal would have raised all TD Bus Pass fares by \$5.00 and eliminated eligibility for people who have household incomes above 100% of the Federal Poverty level. The new proposal for the TD Bus Pass would create a two tier fare structure. People with household income at or below 100% of the Poverty level would pay \$10.00 for the monthly fare (a \$5.00 increase) while people with household income that is between 100-150% of the Poverty level would pay \$15.00 for the monthly pass (a \$10.00 increase). This proposal, which was approved unanimously by the PTSB, is expected to raise approximately \$650,000 in additional revenue, and that the difference from the original budget proposal (approximately \$150,000) can be absorbed in Palm Tran's proposed FY2011 budget by reducing other expenses.

Should the BCC believe a fare increase is warranted then staff would recommend a fare increase that would adjust the fixed route base fare by \$.25 to a fare of \$1.75 for a single trip and adjust other fares similarly. Palm Tran's current fixed route base fare is \$1.50 for a one-way trip, \$4.00 for an all-day pass (unlimited access), and \$60.00 for the monthly pass, with Connection customers paying \$3.00 for a one way trip. Staff's recommendation would include collecting \$.50 for all transfers between Broward buses and Tri-rail trains (to Fixed Route buses) and raising Connection's fares by \$.50 per trip to \$3.50 per trip. Passenger fares from Connection services represent just 10.6% of total costs. The Americans with Disabilities Act (ADA) allows for para-transit fares to be twice that of the fixed route service. While we have traditionally raised Connection fares concurrent with a Fixed Route fare, the PTSB recommended that Connection fares not be raised, if a fare increase is done now. Countywide (DR)

**Background and Policy Issues: (continued on Page 3)**

- Attachments:**
1. Ridership by Fare Type
  2. Ridership 2000 – 2010
  3. Proposed TD Bus Pass Fare Change
  4. Recap of the staff proposal for a fare increase

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Recommended By: 
                 Department Director
                 _____
                 Date

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Approved By: 
              Assistant County Administrator
              _____
              Date
              8/15/10

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**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures					
Operating Costs		150,000			
External Revenues		150,000			
Program Income (County)					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>		\$ - 0 -			
# ADDITIONAL FTE POSITIONS (Cumulative)		0			

Is Item Included In Current Budget? Yes  No   
 Budget Account No.: Fund 1340 Dep't 540 Unit Various Object \_\_\_\_\_  
 Program \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Departmental Fiscal Review:**

\_\_\_\_\_  
 John Murphy, Finance Manager

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Dev. and Control Comments:**  
 \* Original Green Sheet Cut \$800,000 (450,000 + 350,000) - Proposed Green Sheet Cut \$650,000 :  
 \$150,000 less to current FY2011 Budget, that will be absorbed in the budget by making the expend reduction  
 \_\_\_\_\_  
 OFMB      8/12/10  
 SN 8/16/10      AD 8/13/10  
 \_\_\_\_\_  
 Contract Dev. and Control      8/16/10

**B. Legal Sufficiency:**

\_\_\_\_\_  
 Donna Roney, Esq.  
 Assistant County Attorney      8/16/10

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

(continued from Page 1)

**Background and Policy Issues:** Palm Tran's operating costs over the last two years have been relatively stable, while fixed route ridership in this period has increased by over 7%. Unfortunately, passenger revenue continues to decrease, down by 22% over the last two years, mostly as a result of the dramatic increase in the use of the TD Bus pass, now approximately 40% of all trips. Bus Pass and Farebox revenue under the current fare structure for fixed route operations is budgeted at \$8,008,251 in fiscal year 2010 and represents approximately 17% of total fixed route operating costs. It is estimated that an overall fare increase would generate over \$1.4 million in additional revenue annually and increase the farebox recovery ratio by 2%. This recovery ratio would be more in line with national averages for farebox recovery of 20-25%.

Staff believes that the proposed change in the TD bus pass fare structure will stabilize this to some degree, but that we may still need to do a general fare increase next year, if the budget assumptions for revenue generated by the TD Bus Pass fare increase fall short.

If the Board of County Commissioners decides to implement a general fare increase we will need to hold the required public hearing, which we would propose to do on Tuesday, September 14, 2010. The Board would then be able to approve the change on that date, enabling staff to implement these fare changes concurrent with the start of the County's FY 2011 budget in October. No fare hearing is required if we are not going to raise the base fare.

**Fixed Route Ridership by Fare Type**

Sorted by Fare Type % of Use

<b>Fare Type -</b>	<b>Fare</b>	<b>% of Total Ridership</b>	<b>Avg Weekly Ridership #</b>
Monthly TD Pass	\$ 5.00	40.2%	82945
Base Fare Cash - Key 1	\$ 1.50	17.0%	35065
One Day Full Fare Pass	\$ 4.00	10.9%	22558
Half Fare Cash Customers	\$ 0.75	8.4%	17234
One Day Reduced Pass	\$ 2.75	4.6%	9478
Tri-Rail Transfer	\$ 0.50 *	3.3%	6792
Child or PD - Key C	No Fare	3.2%	6652
Full Fare Monthly Pass	\$ 60.00	3.0%	6267
Reduced Fare Monthly Pass	\$ 45.00	2.8%	5824
Short/Over - Key D	**	2.8%	5771
Courtesy Passes	No Fare	2.0%	4129
Accept Broward Transfer	No Fare	0.6%	1294
Contract ID - Key 9	\$ 4.00	0.6%	1157
Student ID Card - Key 8	\$ 1.03	0.5%	1063
Express Bus pass	\$ 5.00	0.04%	75

\* Tri-Rail Transfer is free traveling from Station

100% 206,304

*Connection Paratransit One Week Ridership*

16378

### Palm Tran - Annual Ridership FY00 - FY10

	<u>Fixed Route Ridership</u>	<u>% Change</u>	<u>Connection Ridership</u>	<u>% Change</u>
FY10	10,258,000 *	2.51%	815,239 *	-0.16%
FY 09	10,006,871	2.10%	816,509	-6.95%
FY 08	9,801,466 **	-2.56%	877,461 **	-7.33%
FY 07	10,059,186	9.10%	946,917	10.25%
FY 06	9,220,237	12.51%	858,876	13.78%
FY 05	8,195,301	10.46%	754,880	29.30%
FY 04	7,419,026	6.43%	583,817	-3.27%
FY 03	6,970,513	12.57%	603,535	19.33%
FY 02	6,191,902	8.23%	505,753	13.07%
FY 01	5,721,312 **	-6.58%	447,276 **	
FY 00	6,124,023		***	

\* Estimated based on ridership thru July

\*\* Fare Increase

\*\*\* Connection did not exist prior to FY00

## Proposed TD Bus Pass Fare Change

Proposal	<u>Original Budget</u> Change Eligibility & Raise Fare	Two Tier Fare Increase Proposal (Recommended by PTSB)
Eligibility based on Federal Poverty Level	100% for all eligibilities	150% for all eligibilities
Impact to Existing Customer eligibility	15-20% of customers no longer eligible	no change
Proposed Cost Increase	\$5.00	\$5.00 & \$10.00
Revised Pass Costs	\$10	\$10.00 and \$15.00
<b>Impact to Budget (Goal = \$800,000)</b>		
Additional TD Pass Revenue	\$450,000.00	\$655,200.00
Additional Fixed Route Revenue	\$350,000.00	\$0.00
<b>Total Additional Revenue</b>	<b>\$800,000.00</b>	<b>\$655,200.00</b>
Comparison with Budget	\$0.00	-\$144,800.00

### Palm Tran Fare Increase Proposals

Fare Type -	Current Fare	Proposed Fare Increase	Difference	Projected Revenue Increase	
Child or PD - Key C	No Fare	No Fare			
Courtesy Passes	No Fare	No Fare			
Accept Broward Transfer	No Fare	\$ 0.50	\$ 0.50	\$34,000.00	
Monthly TD Pass	\$ 5.00	\$5.00 & \$10.00	\$5.00 & \$10.00	\$650,000.00	**
Tri-rail transfer	\$ 0.50	\$ 0.50	\$ 0.50 *	\$99,000.00	
Reduced Fare Monthly Pass	\$ 45.00	\$ 5.00	\$ 50.00	\$32,000.00	
Half Fare Cash Customers	\$ 0.75	\$ 0.85	\$ 0.10	\$90,000.00	
One Day Reduced Pass	\$ 2.75	\$ 3.00	\$ 0.25	\$39,000.00	
Short/Over - Key D	**				
Full Fare Monthly Pass	\$ 60.00	\$ 65.00	\$ 5.00	\$89,000.00	
Student ID Card - Key 8	\$ 2.06		No change till 2011		
One Day Full Fare Pass	\$ 4.00	\$ 4.50	\$ 5.00	\$203,000.00	
Contract ID - Key 9	\$ 4.00	\$ 4.00	\$ -		
Base Fare - Key 1	\$ 1.50	\$ 1.75	\$ 0.25	\$456,000.00	
Express Bus pass	\$ 5.00	\$ 5.50	\$ 0.50	\$975.00	
Connection Paratransit Service	\$ 3.00	\$ 3.50	\$ 0.50	\$426,000.00	
<b>Totals</b>				<b>\$2,118,975.00</b>	

\* currently collect transfer fee from customers going to Tri-Rail but not traveling from station

\*\* Fare adjustment recommended by PTSB to be implemented before any other fare increase