

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: March 1, 2011 Consent Regular
 Ordinance Public Hearing

Department: Palm Tran
 Submitted By: Palm Tran
 Submitted for: Palm Tran

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to Approve:

A) an increase to transfer fares effective April 3, 2011 for customers traveling between Palm Tran buses and South Florida Regional Transportation Authority (SFRTA) trains, and between Palm Tran buses and Broward County Transit (BCT) buses; and

B) an upward budget amendment in the Palm Tran Operations Fund of \$100,000.

Summary: Currently, Tri-Rail riders with a valid SFRTA pass can transfer to/from Palm Tran buses at a significant discount over normal fares to encourage transit usage. A SFRTA customer at a SFRTA station, can now board Palm Tran buses free. Presently, when SFRTA customers board a bus on a route that serves a SFRTA station, they pay \$.50. Customers must present a SFRTA pass or ticket upon boarding the bus with a valid use date to receive this discount.

Tri-Rail has begun using new "smart-card" technology for all tickets and passes. This *EasyCard* uses electronic media that cannot be accepted in the farebox systems that both Palm Tran and BCT use. The new pass does not provide any visible indication as to whether it is a valid pass. Tri-Rail has told their customers that they must present to the driver their purchased pass receipt in order to be afforded the discount. Palm Tran and BCT expect that the use of the *EasyCard* as it is currently designed will lead to significant fare abuse and revenue loss.

Staff recommends modifying the existing transfer policy/fare structure to control the abuse of the *EasyCard*. While there are several options, staff recommends that we modify the transfer charge that a person boarding at a SFRTA station bus stop who has an *EasyCard* and a fare receipt/transfer would be charged \$.50. This would provide the customer with a \$1.00 discount. Boarding's at any other location would be charged regular fare (\$1.50). The amount of discount would be consistent with what SFRTA allows Palm Tran customers boarding the train with a Palm Tran bus pass.

We would recommend that passengers transferring from BCT buses to Palm Tran also be charged \$.50, which is currently collected by BCT and Miami Dade for their transfers. Countywide (DR)

Background and Policy Issues: For years, all three (3) counties have provided customers transferring between Tri-Rail and all bus systems with a significant fare discount to encourage the use of public transit. While Palm Tran's ridership for FY 2011 is averaging over 37,000 passenger boarding's during an average weekday, transfers between Palm Tran buses and Tri-Rail average between 700 and 1,000 trips per day. **(continued on Page 3)**

Attachment(s): 1. Budget Amendment

Recommended By:	February 16, 2011 Date
Approved By:	2/25/11 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	20--
Grant Expenditures					
Operating Costs					
External Revenues	(\$100,000)	(\$250,000)	(\$250,000)	(\$250,000)	
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	(\$100,000)	(\$250,000)	(\$250,000)	(\$250,000)	
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	

Is Item Included In Current Budget? Yes ___ No X
 Budget Account No.: Fund ___ Dep't. ___ Unit ___ Object ___
 Program ___ Reporting Category ___

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

C. Departmental Fiscal Review: John Murphy
 John Murphy, Finance Manager

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

M. Blas 2/22/11
 OFMB

Dr. J. Law 2/22/11
 Contract Dev. and Control

B. Legal Sufficiency:

Donna Roney M.E.C.
 Assistant County Attorney

C. Other Department Review:

 Department Director

Continued from Page 1 - Background and Policy Issues

Tri-Rail's *EasyCard* uses electronic media that cannot be accepted in the farebox systems that both Palm Tran and BCT use. The only way to validate this new pass is electronically. Palm Tran and BCT elected not to implement this electronic pass technology, as it would have required a major modification to their existing farebox and pass systems, one that would have had both significant implementation costs and additional operating costs. Given the small number of daily customers who transfer, and the impacts including costs that we would have, not implementing this exact system made good sense. Palm Tran and BCT have been working with FDOT on a review of alternative electronic fare technology that can be used to electronically accept valid cards, but would not require complete replacement of our existing farebox system.

SFRTA's suggestion that we require customers who transfer to show a fare receipt to the driver, will not work well. The fare receipt is not a guarantee of anything, nor is it easy for a driver to read, especially after it has been folded after several days of use. Further, it will be easy to find discarded fare receipts in trash receptacles, as we did, which customers can use to abuse the system. Compounding the issue is Tri-Rail's plans to distribute the pass shell free to any/all potential customers' in all three Counties in which it serves, rather than selling it to customer. This further increases the potential for abuse and the likelihood of significant revenue loss. We have discussed these issues with SFRTA. They are looking at the possibility of issuing a transfer to customers who have a valid pass. This would improve but not solve the problem. The transfer system they are designing would only provide a transfer at and from the station. SFRTA has stated that they were unable to delay the implementation until a more permanent solution was available.

Given the design of the system, staff believes until we have the electronic capability of validating these passes that there is little that can be done to solve the inherent issues with this system. We see no choice but to recommend that immediate action be taken to protect us from a significant potential revenue loss. The staff at both Palm Tran and BCT has discussed a number of options and recommends, until a more permanent solution is available, that we modify our existing fare structure for each time a customer boards a Palm Tran bus with an SFRTA *EasyCard*.

Concerning the transfers between Palm Tran and BCT buses, Broward County currently charges our customers who transfer to their buses a \$.50 transfer fare. We recommend that we use this opportunity to implement a similar charge for customers traveling from BCT buses.

As this is not modifying Palm Tran's base fare structure, no public hearing is required. Palm Tran discussed this with the Palm Tran Service Board on February 17, and received their concurrence to our recommendation.

Overall, we expect this fare change not to impact our ridership and would generate approximately \$100,000 in revenue (six months).

Transfer Policy/Fare Structure	Boarding at SFRTA Station Stop	Boarding on a Route Traveling to Station
Current	\$0	\$.50
Proposed	\$.50	\$1.50

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY
BUDGET AMENDMENT

FUND 1340 Transportation Authority

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPEND/ENC AS OF 2/11/11	REMAINING BALANCE
REVENUE								
<u>Palm Tran OPERATING Revenue</u>								
540 5101 4430	Farebox Revenue	5,550,000	5,550,000	100,000	0	5,650,000		
Total Receipts & Balances		<u>66,514,242</u>	<u>66,806,073</u>	<u>100,000</u>	<u>0</u>	<u>66,906,073</u>		
APPROPRIATIONS								
<u>Palm Tran OPERATING Expenses</u>								
540 5140 5214	Diesel	6,473,874	6,765,705	100,000	0	6,865,705	1,671,131	5,194,574
Total Appropriations & Expenditures		<u>66,514,242</u>	<u>66,806,073</u>	<u>100,000</u>	<u>0</u>	<u>66,906,073</u>		

PALM TRAN
Initiating Department/Division
Administration/Budget Department Approval
OFMB Department - Posted

Signatures _____ Date _____
[Signature] *FPS 16, 2011*

4D 2/16/11
5/2/2011

By Board of County Commissioners
At Meeting of March 1, 2011.

Deputy Clerk to the
Board of County Commissioners