

**S T A F F   R E P O R T**

SUBJECT: Final Staff Proposed Fare Policy Changes

FROM: Tony McCaulay, Director of Planning and Marketing

DATE: September 24, 2018

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**Action Requested**

Staff recommends the Projects and Services Committee forward the final staff proposed fare policy changes to the Board of Directors for consideration, and recommends that the Board approve these proposed changes with an implementation date of January 1, 2019.

**Background**

In June 2016, staff presented the Board with a set of proposed fare policy changes and requested authorization to initiate a public input process. The public outreach process included:

- Two presentations to the Tri-Valley Accessible Advisory Committee (TAAC, formerly the Wheels Accessible Advisory Committee) and one to the Pleasanton Paratransit Task Force
- Presentations to Wheels and Rapid bus operators at their monthly Safety Meetings in August
- Flyers outlining the public input process posted on all Wheels, Rapid and Paratransit vehicles and at high ridership bus stops
- A brochure detailing the proposed changes and the public input process that was made available on all Wheels, Rapid and Paratransit vehicles
- Flyers and brochures distributed to the public libraries, Senior Centers and a number of senior housing complexes in Livermore, Pleasanton and Dublin
- Advertisements outlining the public input process that ran twice each in the Pleasanton Weekly and the Livermore Independent
- A news release sent to area media, resulting in stories in the Pleasanton Weekly and Livermore Independent.
- Social media outreach including posts multiple posts on Facebook, Twitter and Nextdoor as well as a post on Peachjar
- Public hearings in Dublin, Pleasanton and Livermore the week of September 10

**Discussion**

Public feedback was primarily received via email and the wheelsbus.com website. Eleven comments were received from those sources and are included as Attachment 1 to this document. There were no attendees at either the Dublin or Pleasanton public hearings and three people came to the Livermore public hearing. None of the public hearing attendees submitted formal comments, but instead chose to ask questions and receive responses.

The Tri-Valley Accessible Advisory Committee (TAAC) considered the proposed changes at their September 5 meeting. At the meeting, the committee reviewed the proposals and chose to take an action recommending adjustments to the staff proposal. The TAAC recommended adjustments are:

- Have the Senior and Disabled Monthly Pass increase from \$18 to \$22 in January, 2019, as originally proposed by staff, then increase from \$22 to \$25 in January, 2021 with no additional increase beyond that point
- Have the Dial-A-Ride fare increase from \$3.50 to \$3.75 in January 2019, as originally proposed by staff and delay the proposed increase to \$4.00 until January 2021, which leaves two years between the fare increases instead of one year that was proposed.

Based on the input received, Staff is proposing the following fare policy changes, which includes some modifications from the original proposal noted below:

**Eliminate transfers and replace with Day Pass.** Currently, upon depositing payment, LAVTA passengers receive a 2-hour window of unlimited boardings at no extra charge. This is primarily intended for transferring from one route to another, but may also be used for short roundtrip or trip-chaining purposes within the allotted time window.

The Day Pass is already available as a fare payment option for passengers using the Clipper Card and is priced at \$3.75 (\$1.75 senior/disabled/Medicare), which is less than the cost of two cash fares. Further, it applies automatically with the second boarding of the day and caps the daily fare at this amount. Staff's proposal would expand the access to the Day Pass, making it available for cash purchase at the farebox upon boarding, by issuing a magnetic-stripe card as fare medium for this purpose.

A number of comments were received requesting that the current \$1 credit available for passengers transferring from BART to Wheels and rapid buses be maintained for those using a Clipper Card. Staff supports this request, which is limited to Clipper Card transactions and not the paper transfers issued at BART Stations.

The amended staff recommendation is that the current free two-hour transfer be discontinued and that the current Clipper Day Pass option priced at \$3.75 (\$1.75 senior/disabled/Medicare) be extended to also be available with a cash purchase onboard at the farebox. In addition, passengers transferring from BART and using a Clipper Card for payment would continue to receive a \$1 credit towards their Wheels or Rapid fare.

**Eliminate 10-ride tickets and replace with a Youth Clipper Card fare at the same rate.** Currently, LAVTA sells its FareBuster-branded tickets in paper sheets of 10 tickets for \$16.00 for Adults and Youth. This fare type is popular with parents of students who ride to school because they can dispense them to their children on a day-to-day basis.

These tickets, however, cannot be accepted by the new fareboxes that the agency is deploying fleet-wide. As an interim solution, FareBuster tickets are collected manually into a pouch by the

bus driver, who then turns it in at the end of the shift. This procedure is not ideal from a loss prevention and fraud perspective and needs to be discontinued.

Given this, staff proposed to discontinue the 10-ride FareBuster paper ticket and replace it with a \$1.60 (value equivalent to each individual FareBuster ticket) youth fare. This discounted fare would be available only on Clipper, and the youth fare discount would not apply to any other fare category, such as cash, the Day Pass cap or the monthly pass. Youth Clipper Cards are available free of charge. During the Fall 2018 semester, LAVTA staff would work closely with area schools to assist students in the transition from FareBusters to Clipper Cards.

LAVTA also currently sells 10-ride tickets for Senior/Disabled/Medicare riders for \$10.00, which provides no discount compared to cash fare. It is proposed to discontinue selling these 10-ride tickets and encourage the transition to Clipper Card. Senior/Disabled Clipper Cards offer the incentive of the discounted Day Pass when two or more rides are taken in a day.

Several public comments were received regarding this proposal. Among the comments were the following points:

- For a person who bikes to work and rides the bus home, a discounted fare medium would no longer be available
- Eliminating the Farebusters and the \$1 BART credit would increase the daily commute rate from \$2.60 to \$3.75
- Support for the new Clipper Card Youth fare
- Concern over being able to use existing supplies of Farebusters
- A question regarding the impact of the proposed Paratransit Fare on the cost of 10 ride paratransit tickets

After considering these comments, staff still proposes that 10-ride tickets no longer be sold beginning December 31, 2018. A rider using Farebusters today rides round trip for \$3.20. With the Day Pass proposal, this daily cost would increase to \$3.75. However, given the fact that LAVTA has not had a fare increase since 2009, this increase does not seem excessive. Staff originally proposed that 10-ride tickets would continue to be accepted through December 2020 to allow riders the opportunity to use previously purchased tickets. Upon further consideration, one year seems to provide sufficient time for the use of outstanding inventory, so staff is now proposing that tickets continue to be accepted through December 31, 2019. Regarding the cost of Paratransit 10 ride tickets, the cost has always been the non-discounted cost of ten rides. That is proposed to continue.

**Raise monthly senior/disabled pass price to 50% of the full-fare monthly pass.** The monthly pass provides for unlimited rides on the buses of LAVTA and three of the other small East Bay-based operators of County Connection, WestCat, and Tri-Delta Transit. It is available as a flash pass by calendar month, as well as on the Clipper card for a rolling 31-day period that starts with the day of the first boarding.

Currently, the price for an unlimited-ride monthly regular Adult/Youth monthly pass is \$60.00, while the price for a Senior/Disabled/Medicare monthly pass is \$18.00 – a 70% discount over

the regular price. This differs from LAVTA's other fare options, where the Senior/Disabled/Medicare discount is 50%.

In order to bring the pricing of the Senior/Disabled/Medicare monthly pass in line with the agency's other fare types (and common industry practice), staff had originally proposed to gradually raise the price of the Senior/Disabled/Medicare monthly pass to 50% of the regular Adult/Youth pass using the annual steps as follows:

- Current - \$18.00
- Proposed January 1, 2019- \$22.00
- Proposed January 1, 2020 - \$26.00
- Proposed January 1, 2021 - \$30.00

This was one of the proposals that the TAAC recommended adjustments to the original staff recommendation, suggesting that the pass increase from \$18 to \$22 in January 2019, as originally proposed, then increase from \$22 to \$25 in January 2021 with no additional increase beyond that point. Given the concern over the financial impact of the original proposal to the affected riders, staff supports the TAAC's recommendation.

**Raise the paratransit fare to be double that of the fixed-route fare.** Due to its nature of on-demand, curb-to-curb service, the LAVTA paratransit service is expensive to provide. Whereas the average subsidy in FY2017 per fixed-route passenger was \$7.66, the corresponding number for paratransit was \$27.40. The current fare the LAVTA paratransit service is \$3.50.

As a recipient of Federal funds, LAVTA cannot impose an unlimited charge on its paratransit riders; the Federal rules allow a charge of up to double the amount of the full fixed-route fare. Based on the agency's current full fare of \$2.00 for fixed route, the paratransit fare cap would be \$4.00.

Given the high cost of providing the paratransit service, and to encourage the use of fixed routes, it is proposed that the paratransit fare be raised to \$4.00. Recognizing that many of the riders in this category are on fixed, limited incomes, it is proposed that this increase be implemented in two steps:

- Current - \$3.50
- Proposed January 1, 2019 - \$3.75
- Proposed January 1, 2020 - \$4.00

The TAAC also asked for adjustments to the original staff recommendation on this proposal. They suggested that the fare increase from \$3.50 to \$3.75 in January 2019, as originally proposed and that LAVTA delay the proposed increase to \$4.00 until January 2021, which leaves two years between the fare increases instead of one year that was proposed. Again, given the concern over the financial impact of the original proposal to the affected riders, staff supports the TAAC's recommendation.

The table below summarizes the results from the modeling in terms of impact to revenue and ridership of the final staff recommended fare policy modifications.

**Staff Recommendation Annual Ridership and Revenue Impacts**

	Change in Annual Ridership	Ridership Percent Change	Change in Annual Revenue	Revenue Percent Change
Eliminate Transfers and Add Day Pass (\$3.75)	-22,100	-1.3%	\$315,800	15.7%
Eliminate FareBuster Tickets and Add Day Pass	-21,300	-1.3%	\$62,700	3.1%
Modify Senior/Disabled Monthly Pass Price (\$22)	-4,500	-0.3%	\$8,400	0.4%
Modify Senior/Disabled Monthly Pass Price (\$25)	-7,900	-0.5%	\$14,000	0.7%
Paratransit Fare (\$4.00)	-1,200	-2.3%	\$27,100	11.7%
Year one impact: Eliminate Transfers, Add Day Pass (\$3.75/\$1.75), Eliminate FareBuster Tickets (except Youth), Modify Senior/Disabled Monthly Pass Price (\$22)	-51,000	-3.1%	\$280,200	14.0%
Full implementation impact: Eliminate Transfers, Add Day Pass (\$3.75/\$1.75), Eliminate FareBuster Tickets (except Youth), Modify Senior/Disabled Monthly Pass Price (\$25)	-54,300	-3.3%	\$292,200	14.6%

Note: In FY16, Wheels annual fixed-route ridership was 1,648,604, and passenger fare revenue was \$2,007,023.

While LAVTA is not required to complete a fare equity analysis of these proposed changes as a part of its Title VI plan, the recommended changes recommended do not appear to disproportionately impact or burden low-income or limited-English proficient populations. It is also important to note that all of the proposed fare policy changes have been reviewed by LAVTA’s Tri-Valley Accessible Advisory Committee (TAAC) and both of the TAAC recommended modifications to the original staff proposal have been incorporated into this final staff recommendation.

**Next Steps**

If approved by the Board, staff would begin an extensive public outreach campaign to educate our passengers on the upcoming changes.

**Recommendation**

Staff recommends the Projects and Services Committee forward the final staff proposed fare policy changes to the Board of Directors for consideration, and recommends that the Board approve these proposed changes with an implementation date of January 1, 2019.

**Attachments:**

1. Written Public Comments Received

## Written Public Comments Received

### **Steven Dunbar (8/26/2018):**

Hello Wheels Staff, I wanted to chime in and say I support the fare changes being proposed fare changes to Day Passes and elimination of paper transfers, having seen first-hand the issues they cause when people see that their transfer is not valid, frustrating both the driver and the rider. I also support it because it will hopefully reduce confusion about fares, leading to increases in service speed. I am all too aware of the tough balance between a service that serves seniors/ADA users, children, and tourists, while still providing the speed and convenience for commuters and just people trying to get from place to place. I would suggest that LAVTA tries to add very clear directions on Day Passes both directly on the farebox and at popular stops, such as BART and the outlets, with easy to understand instructions. (Ex: Heading somewhere and then back on the same line? Taking longer than x hours? Ask the driver for a day pass) I would hope that LAVTA makes it clear at the outreach hearings that electronic transfers are not being discontinued, and to also make it clear what facilities will be available to distribute Clipper cards to seniors or others with little internet access. Clipper is a great system that should be encouraged for all users, but there is an initial barrier in getting a card and then keeping it loaded for those who don't have frequent internet access. If Clipper services are not already offered at the Livermore Transit Station, I would suggest adding them there. I have no opinion on Monthly Passes and Dial-a-Ride fees other than to say that the per-passenger subsidy of Dial-a-Ride is worrying but largely outside of LAVTA's control. Increasing the fare is a band-aid. Thanks for listening, Steven Dunbar

### **Greg Lingenfelder (8/27/2018):**

Hello, I ride the bus every work day on my way home. I commute by bicycle in the morning, and ride bus occasionally in morning. The monthly pass is not worth it for me. Fare Buster ticket sheet is my only option for discount off of normal fare. Please consider bicycle commuters and offer some kind of bulk buying discount that Fare Buster provides.

### **John Collins (9/5/2018):**

I disagree with two of your plans. First, I am no longer working and so I don't know if the \$1 BART discount still applies to those who use BART for a return trip. If it still does, then your plan to eliminate the Fare Buster tickets for all adults and instead offer only a day pass will increase a round trip cost for BART commuters from \$2.60 to \$3.75. Eliminating Fare Buster tickets will be one more reason for BART commuters to cease using Wheels. I suggest that you offer the Fare Buster tickets on-line to add to ones Clipper card. Clipper offers BART ticket discounts for Clipper cards and I am certain that you too can arrange discounts with Clipper. Second, I recommend that you continue the use of transfers automatically for Clipper card users. I believe that it is unfair to those to whom you don't provide single bus service to charge almost a second fare simply because your system fails to provide a single bus route to their destination. You should charge one fare to all passengers to get to their destination. Your concern of fare evasion will not be possible for those who use Clipper and must use more than one bus simply to get anywhere within the LAVTA service area. Therefore, your reason for eliminating transfers will not be valid.

**Lisa Adamos (9/5/2018):**

To whom it may concern, With regard to implementing a reduced Youth fare discount using the Clipper Card from the current \$1.75/ride to \$1.60/ride, I am in full support. It would save parents time from having to go to Safeway to purchase the Farebuster tickets and allow for more convenience to add funds via the Clipper Card website. We would also save \$3/month with the additional discount using Clipper Card. Thank you, Lisa Adamos

**Stephanie Wilson-Goure (9/8/2018):**

I support the fare increase for Wheels. I worked for a transit agency and understand the need to increase fares particularly if there has been no fare increase since 2009. Thank you for this opportunity to comment.

**Dan Rosler (9/11/2018):**

Hi, I'd like to provide this input to your planning process. I use the Wheels bus service to get to and from BART for work and use both the 10-ride books (which I get through WageWorks to save on taxes) and the BART-to-bus transfer discount on my Clipper Card to help with total commute costs. I know from some discussion on Nextdoor.com that there are other professionals like me who do the exact same. So please consider that it's not only students who are using the 10-ride books. And if the concern about offering transfer discounts is because of fraud with the paper tickets, please continue to offer transfers when using Clipper Card -- for which there can be no fraud. Thank you, Dan

**Forrest Brown (9/11/2018):**

I have two concerns with the new, proposed policy changes.

1) "It is proposed that the use of paper transfers be eliminated".

How is it proposed to deal with that portion of the revenue customers who are on a strictly cash basis? I see a lot of people every day shoveling dimes or quarters into the fare box. They obviously prefer cash, for whatever reason, to a Clipper Card or a Day Pass Option. A significant number of the general bus rider population appear to be those who do not have a lot of spare cash for alternative options as proposed.

2) "It is proposed that Fare Busters and Senior/Disabled tickets be eliminated".

A) See comments above with regards to that portion of the population that have limited access to Clipper Cards and prefer to be on a strictly cash basis.

B) It is unclear what the proposed policy will be with regards to those of use that have purchased blocks of Fare Buster tickets in advance, as it were. Will my existing blocks of 40 tickets become invalid on some arbitrary date? Will I still be able to use up my existing stock of tickets, or will I lose the monetary value that the blocks of tickets represent? Will I be able to get a refund for the current value of the tickets? Perhaps as a credit to a Clipper Card, assuming that I have one, or will the invalidation of my current stock of tickets represent a taking of personal property?

Your assistance in these matters is appreciated. Forrest Brown

**Lynda Kinnard 9/11/2018):**

Since the fleet of new buses cannot accept Fare Buster tickets, it is obvious that the plan to eliminate them was in the works before the test bus was approved and buses ordered. So "asking the public" may really just be an act to ease your collective consciences.

I do not use Wheels daily, but when I do, see some of the people who depend on this service and rely on it every day. Especially the elderly and those with physical challenges. As most of them are dependent on social security and other financial services for their survival, the proposed increases will create hardship for many of them. They have no control over their income, so should not be penalized, even if your costs increase. Eliminate this part of your plan, or adjust it, so it remains affordable for those without other transportation options.

As to fraudulent use of the paper tickets; such as the FareBuster tickets; it was your choice to have fare boxes that do not accept them. You selected the bus design and now you are sugar-coating the need to cover the costs.

And, I do not recall seeing any mention of plans for safe and convenient places for your customers to obtain and upload money onto the Clipper cards that you are encouraging them to use. Are there plans to have a few indoor kiosks for those without internet access, and don't take BART?

Thank you for your time and consideration, Lynda Kinnard

**Shannon Fogerty (9/12/2018):**

Hi there I'm looking at the proposed fare change pamphlet and I am actually curious about one thing that wasn't mentioned in there. If everything else goes up with this passing and I just wanted to find out if the Dial-a-Ride tickets sheet of 10 would still stay at the same price or would that supposedly increase too? Just wanted to make sure that I didn't miss anything important stuff as well. Let me know when you find out the info for my question please and thanks again Shannon Fogarty

**Dan Lee (9/14/2018):**

Once you increase the fare bus 8 will no longer be anything of a value. I can take an Uber pool to and from work for about the same price and Uber pool isn't late EVERY SINGLE DAY. I mean seriously why is this bus late every day by more than 10 minutes. It's not even a long route.

**Mary West (9/16/2018):**

I take BART to Berkeley for my work and I take the 10 to get to my house downtown by using the transfer that is in the BART station that makes the total ride affordable. Thank you to please consider these transfers during your rate adjustments and help those taking public transportation by keeping discounted bus rides for those taking BART instead of driving to the parking garage. Thanks! Mary