

CITIZEN ADVISORY COMMITTEE
Meeting Minutes for March 12, 2008
Northside Conference Room

MEMBERS PRESENT

Fyrne Bemiller
Victor Frasier
Elaine Hoskin
Dean Lynch
Brenda Smits
David Swalling

STAFF PRESENT

Steve Blaska, Director of Operations
Susan Millbank, Ombudsman
Jim Plaster, Director of Finance & Administration
Ryan Stewart, Planner
Mike Volz, Assistant Director of Finance

MEMBERS ABSENT

Margaret Jones

1. CALL TO ORDER AND INTRODUCTIONS (David Swalling, Chairman)

Chairman Swalling called the meeting to order at 5:03 p.m. Mr. Swalling announced that the Agenda for this meeting would be addressed out of order, due to Mr. Blaska's need to leave the meeting early.

2. Tariff Policy - Fare Elasticity Model

Mr. Blaska began by reiterating that the Committee asked staff for a number of items to be produced for this meeting, one of which was the Fare Elasticity Model. Mr. Blaska asked Ryan Stewart to present this information.

Mr. Stewart explained that the Fare Elasticity Model is a tool used to help determine a target fare recovery ratio by forecasting the sensitivity of transit passengers to fare changes. The price sensitivity is measured using *elasticities*, defined as the percentage change in ridership resulting from a one-percent change in price. Nationwide studies have been conducted for years, and recent studies show a range of elasticities from -0.20 to -0.90. The ranges are more reflective of local economic conditions, and representative of the reaction in the short and long terms. Staff recommends using the average elasticity of -0.43 for current analysis.

The elasticity model also shows that an overall 48% fare increase would be necessary in order to increase the farebox recovery ratio from the 2007 rate of 16.2% to a projected 19.5%. Mr. Plaster reminded the Committee that there are 3 primary factors affecting the recovery ratio (level of ridership, level of fares, and the level of operating expense). The 2008 budget was impacted by compensation, fuel prices, and other general inflationary impacts.

Tariff Policy - Sample Relationships

Mr. Blaska provided a grid representing different examples of relationships which compared the cost per revenue hour, number of riders, fare, revenue, percentage of farebox return and the cost per passenger by revenue hour. The cost per passenger is the measure of effectiveness. The grid shows that the flex between the relationships of number of riders and fare can greatly affect the outcome of cost per passenger and the farebox return.

Mr. Blaska reminded the Committee that at the onset of this project the Committee's adopted strategy was to be passenger focused vs. revenue focused, and as the number of passengers increase, so does the need to add a bus to maintain the same amount of service, thereby doubling the cost per revenue hour, demonstrating the fine balance of how easily the outcome can shift by a single change in any of the factors previously mentioned.

Tariff Policy - Average Fixed Route Fare/Average Fixed Route Fare CPI-U Adjusted Farebox Recovery Ratio

Mr. Plaster presented a chart comparing STA's fare recovery ratio from 1992 through estimated 2008, STA's average fare per passenger from 1985 through estimated 2008, in addition to comparing the 1985 average fare adjusted annually by CPI-U through 2008. The chart demonstrated fare increase impacts from 1991 and 2002 and disclosed the average fare in 2007 as \$ 0.645, and in order to achieve a 20% fare recovery for 2008, the average fare would require approximately a 43% increase.

Tariff Policy - Reduced Fares

Ms. Millbank spoke about the Reduced Fare Program (VIP), which is a federally mandated half fare program for fixed-route service during non-peak hours. Reduced fare is for people who are disabled, 65 years of age or older, or who have a current Medicare card.

Ms. Millbank shared that Spokane Transit has always applied the half fare to all hours of service, and expressed that it is much easier to explain half fare for all hours to riders and staff, vs. having half fare for non-peak hours and full fare for peak hours.

Ms. Millbank explained that while there is no flexibility for half fare during non-peak hours due to the federal mandate, there is flex for decisions to alter the service shifting to full fare in peak hours. The current one-way reduced fare for fixed-route is \$.50 (1/2 of the current adult \$1.00 fare).

Ms. Millbank continued by stating that in addition to the fixed route, Reduced Fare Program (VIP), another fare which is impacted by federal, state and local regulation is the Paratransit fare.

According to the ADA (Americans with Disabilities Act), Spokane Transit can charge twice the fare for a Paratransit ride as is charged for a regular adult fare on Fixed Route, except for according to Washington State Law, the fare for services for people to are disabled cannot be

more than the uniform rate charged to other people, however, according to the Citizens for Fair Fares vs. Spokane Transit Authority, the fare for a person using Paratransit cannot be more than the reduced fixed route fare charged to people who are disabled.

Mr. Plaster shared that approximately 15.7% of ridership is comprised of VIP riders.

Mr. Lynch asked if the current system in place could accommodate a change in fares based on hours (peak and non-peak). Mr. Blaska stated that the fare box could be re-programmed for this change.

Ms. Bemiller asked if Paratransit would have the Smart Card read capability. Mr. Blaska stated that the hardware is purchased and is currently on hold until a new version of the software that goes along with it is available and installed.

Ms. Millbank offered that another item of consideration is if the fixed route peak fare is raised, the corresponding fare is raised for Paratransit, which will have a huge impact of how Paratransit riders schedule their rides, changing their rides to non-peak hours, ultimately causing the flow of rides to be high for non-peak and much lower during peak hours.

Tariff Policy - Timeline/Scenario Selected at the February 25, 2008 Meeting

Chairman Swalling suggested to delay further review of Agenda items due to the lengthiness of the meeting, and the obligation to still review the TDP items in preparation for the March 26th TDP Open House.

Mr. Blaska offered that due to flexibility in the selected timeline, the remaining Agenda items from this meeting could be reviewed at the next meeting (4.e. Review of Other Transit Fare Structure Matrix; 4.f. Review of Modified Fare Matrix/Pricing Discussion; 4.g. Ridership/Fare Media Breakdown). In preparation for the next meeting, Mr. Blaska quickly recapped the Matrix items:

Other Transit Fare Structure Matrix: There are four matrix' provided in the March 12th packet (Adult, Youth, VIP, Express) which are broken down by other transits and various types of products previously chosen by the Committee. These four matrix' are provided for comparison when the Committee moves forward with populating the modified Fare Structure Matrix, a blank working aid in grid format with a list Customer Categories and Products as previously selected by the Committee (also provided in the March 12th packet).

Ridership/Fare Media Breakdown: This breakdown shows average ridership and the percentage of passengers who use cash vs. passes broken down by 2007 and 2008.

3. 2008 Transit Development Plan (TDP)

Mr. Howell presented the updated, seven year Transit Development Plan 2009 – 2015. The State of Washington requires STA to develop and update the plan annually, and is required to hold a public hearing in order to adopt the plan. The TDP identifies direction for the agency via estimation of future service levels, capital programs and also outlines vehicle replacement.

The TDP is available to the public and is also used internally as a resource document for processes such as public comment and budgeting.

In his presentation, Mr. Howell discussed the seven year summary of the capital budget, and discussed major projects/purchases such as: Vehicles, Customer Service Technology Enhancements, Facilities & Equipment, and Planning Projects.

Ms. Millbank shared that STA has just received a federal earmark of \$600,000 for the Smart Bus Project. Mr. Howell submitted that there is just over \$2M in total federal funding for this project. Some of the key features of Smart Bus include GPS tracking, cameras, automated stop call outs and reader boards.

Mr. Howell continued by noting that Transit Enhancements is part of a federal requirement stating that STA must set aside a percentage equaling about 1% of all federal funds received to be used for bus shelters, lighting, walkways, signage, bicycle facilities which improve the environment for transit users.

Mission and Greene falls under Planning Projects and is a \$5M project located just across from Spokane Community College on the Southeast side at the intersection of Mission and Greene street. There are approximately 14 acres and STA is currently working with Washington State Department of Transportation (WSDOT) to purchase or lease this property. The vision is to provide up to 686 parking places, and up to 13 bus bays. Currently, 5 routes drop off and pick up in this area, and have layover locations in other places. This location would be an excellent solution for these layovers, ultimately allowing for future growth of ridership.

Mr. Howell recapped the TDP Open House information for March 26th, in addition to the timeline. The Committee's primary goal is to listen to the public attendees comments, and act as liaisons between the agency and the public. Mr. Howell added that input from the public and the Committee will be requested regarding future items such as park and ride locations, service enhancements, bus shelter locations and other amenities, in addition to any other ideas and recommendations.

Mr. Howell said that he will present the same presentation at the TDP Open House as presented to the Committee this evening, if the Committee thought this to be acceptable.

Ms. Hoskin suggested adding a column showing a perspective and public benefit of each expenditure listed to further educate attendees of the meeting.

Mr. Frazier added that he would emphasize the fact that STA has money in reserves, budgeted for these capital purchases and will be paying cash for these items. Mr. Frazier also suggested adding detailed description for Smart Bus, with focus on adding multiple cameras per bus and GPS tracking as they are safety features which are benefits of great interest to the public/riders.

Mr. Howell thanked the Committee for their time and feedback. Mr. Howell invited the members to contact him anytime for further input or questions.

6. GENERAL BUSINESS - Public Expressions

Mr. Swalling addressed a letter submitted to the CAC by fixed route rider, Leola Huffman. Mr. Swalling summarized Ms. Huffman's general expression as using one seat per paid fare, suggesting for riders to remove personal belongings in the seat next to them as needed in order to allow for other riders to sit down.

Mr. Frazier asked if there is a policy on this issue. Mrs. Millbank shared that the drivers are not encouraged to confront people, however, they are required to ask a passenger to move from the side facing seats if they are not disabled or in need and there is a passenger who is disabled, elderly, etc. and in need of such a seat.

Mr. Frazier continued by asking if there are any signs regarding courtesy or bus riding etiquette. Ms. Millbank replied that there are not, however, she thought perhaps this information could be addressed via STA's rider alert publication which is available for riders to read while riding the bus.

Mr. Plaster expressed to the Committee his thanks for Mr. Stewart's excessive time invested in working on the Fare Elasticity Model. The Committee shared the same sentiment and felt this to be an excellent tool as they move forward with determining a target rate.

7. SET AGENDA FOR NEXT MEETING

- a) The next meeting is set for April 9, 2008.

8. ADJOURN

With there being no further business to come before the Committee, the meeting was adjourned at 7:19 p.m.

Respectfully submitted,

Naomi Dunning
Executive Assistant