

Item No. 10



DATE: June 5, 2013

TO: Board of Directors

FROM: Steven P. Brown, General Manager *Steve*
Helene Buchman, Director of Planning & Marketing

RE: Consider a Proposed New GCT Fare Structure and Authorize the General Manager to Schedule and Publicize a July 10, 2013 Public Hearing on the Proposed New Fare Structure.

I. Executive Summary

During the weekend of May 17-19 new, state-of-the-art fareboxes were installed on the fleet of fixed route buses. These new fareboxes issue magnetic-stripped (mag-stripe) tickets. Beginning on May 19th, we stopped issuing paper transfer slips and began issuing mag-stripe transfers that are good for 2 hours from the time they are issued from the farebox. Also on that date, the fareboxes began issuing day passes, a convenience that reduces the need for passengers to purchase these ahead of time. Another phase in the implementation of our new fareboxes will occur in late September, when our existing multi-ride and monthly passes will be substituted with new, mag-stripe passes. In advance of that time, we will be recommending a new fare structure, with new fare categories,

RECOMMENDATION

It is recommended that the Board of Directors hear a report on the transition to new fareboxes and new fare categories. It is further recommended that the Board of Directors direct staff to schedule and publicize a July 10, 2013 public hearing on the proposed new fare categories.

II. Background

As the lead agency in the countywide new farebox transition, GCT is moving forward with implementation of new fare media to accommodate the new technology. GCT is also taking this opportunity to provide new and improved fare payment options to our riders.

Phase I of the implementation went into effect on May 19, 2013, when the new fareboxes were put into service. This phase also included training for GCT staff on the operation of the farebox and extensive public outreach. The new fareboxes issue easy to read, time-stamped transfer tickets that are valid for two hours from the time of

issuance. These replace paper transfer slips that were valid for 90 minutes past the end of the line. In addition, the farebox also sells a DAY-PASS valid until 11:59 p.m. on the day of purchase.

Phase II includes the development and implementation of new and improved fare category options. Since the new fareboxes only accept electronic mag-stripe tickets, all passes and tickets will also undergo a redesign.

We plan to begin distributing and accepting new fare media on our buses in September. By October 1st only new fare media will be sold. To encourage the phasing out of old fare media quickly and reduce confusion for drivers and passengers, we propose Dec 31, 2013 as the cut-off date to use old fare media on the bus and June 30, 2014 as the cut-off for exchanging old fare tickets for new ones.

In order to accommodate our passengers who want to exchange their old fares, we will make exchanges at the Customer Service Center and at the GCT Administration Office. Additionally, staff will arrange for "Fare Exchange Days" at several locations throughout the service area.

The proposed Phase II timeline is shown below:

June 5, 2013	Proposed new fare categories presented for discussion.
July 10, 2013	Public hearing on proposed new fare categories and Board adoption.
July 11, 2013	New card designs finalized and ordered.
September, 2013	New fare media sold at outlets and accepted on buses.
Oct 1, 2013	Only new fare media sold after this date.
Dec 31, 2013	Last date to use old fare media <u>on the bus</u> .
June 30, 2014	Last day to exchange old fare media at outlets.

III. Description of New Options:

The following new fare options are being proposed

1-RIDE & 2-RIDE: 1-ride and 2-ride tickets would available only to organizations that make bulk ticket purchases. The two-ride ticket option was requested by agencies who currently distribute two 1-trip tickets to their customers to enable them to make a round trip.

15-RIDE Pass→ Replaces 10, 20 & 30 ride punch passes: This card would be sold at outlets and dipped into the farebox each time it is used. After each use, the remaining number of trips would be printed on the card.

Since the space available on the back of the electronic card is limited to 22 lines, we will no longer be able to issue a 30-ride ticket. The new 15-ride ticket would be priced at \$20.00 for Adult, \$15.00 for Youth, and \$10.00 for Reduced Fare. Pricing for this fare was based on the current discounts for punch passes.

31-DAY Pass: Replaces the monthly pass: This card would be sold at outlets and allows unlimited rides for 31 consecutive days from the first day of use. One of the limitations of our currently monthly pass is that it is valid only for the calendar month in which is it first punched, which means passengers must begin using it during the first week of the month to get the full benefit. The new 31-DAY Pass can be purchased and activated at any time, and would be good for 31 days from the time it is activated. It is recommended to be priced at \$50.00 for Adult, \$40.00 for Youth and \$25.00 for Reduced Fare. Pricing for the proposed 31 day pass was based on the current monthly pass cost plus the additional day. Staff calculated how the 31-day pass would save money for users in each category.

Another benefit associated with the proposed 31-day pass is that it will ease the pressure to purchase monthly passes in the first and last week of every month. We often get overwhelmed at the CSC during these weeks, and being able to spread the purchase of 31-day passes will make it much easier to accommodate all of our customers.

The chart below demonstrates the actual discounts:

Category	Proposed Cost	Cost per ride/Discount
1-Ride Adult/Youth	\$1.50	
1-Ride Reduced Fare	\$0.75	<i>½ price</i>
DAY PASS Adult/Youth	\$4.00	<i>saves \$ after 3 rides</i>
DAY PASS Reduced Fare	\$2.00	<i>saves \$ after 3 rides</i>
2-Ride Adult/Youth	\$3.00	
2-Ride Reduced Fare	\$1.50	<i>½ price</i>
NEW Category		
15-RIDE Adult	\$20.00	<i>\$1.33 / 11% discount</i>
15-RIDE Youth	\$15.00	<i>\$1.00 / 33% discount</i>
15-RIDE Reduced Fare	\$10.00	<i>\$0.67 / 11% discount</i>
NEW Category		
31-DAY Adult	\$50.00	<i>saves \$ after 34 rides</i>
31-DAY Youth	\$40.00	<i>saves \$ after 27 rides</i>
31-DAY Reduced Fare	\$25.00	<i>saves \$ after 34 rides</i>

Stored Value Card: Replaces Change Receipts: This ticket is proposed to only be issued by the farebox in the case of fare overpayment. Currently, when passengers overpay at the farebox, they either lose the amount overpaid or can request a receipt from the driver that is redeemable for change only at the Customer Service Center. The time and effort required to do this is often frustrating to passengers, particularly since they need to wait until a copy of the receipt is also turned in by the operator. The new farebox will be now issue a “stored value” card in the amount overpaid (with a recommended minimum value of \$0.25. The “stored value” card would only be valid toward future GCT fares and not redeemable for cash.

Staff researched other transit agencies’ policies on this and many have implemented this type of stored value change card. We anticipate this will make it easier to track our fares.

Reduced Fare: Replaces Senior/ Disabled: The term “Reduced Fare” would replace the current Senior/Disabled category in order to emphasize the benefit of the card vs. the personal limitation of the rider. Passengers would still be required to show proper identification in order to pay a reduced fare.

The new farebox is programmed to say “Show ID” each time a Reduced Fare card is used.

IV. Future Options

The new fareboxes and printing equipment we purchased allows us the flexibility to develop and implement specialty passes. Depending on the demand for new fare categories, we may also consider adding the following options: 3-DAY, 7-DAY, or other special event multi-day passes. Should this be deemed practical, the GM would have the ability to establish these special event and shorter multi-day passes.

V. Setting a Date for a Public Hearing on the New Fare Categories

Since we are modifying our fare structure, establishing new and deleting old categories, staff is recommending the Board of Directors direct staff to schedule a public hearing to take place at the July 10, 2013 Board of Directors meeting. Staff further recommends that the Board direct the General Manager to post notice of this meeting not less than 30 days prior to the public hearing.

In the upcoming weeks, staff will be conducting public outreach to advise our riders and the general public about the proposed fare category changes. We will be circulating information as well as posting it on our website. We will provide the Board members copies of all input received up to the date of the public hearing.

The Technical Advisory Committee took action at their May 15, 2013 meeting to support the recommendations contained in this report.

RECOMMENDATION

It is recommended that the Board of Directors hear a report on the transition to new fareboxes and new fare categories. It is further recommended that the Board of Directors direct staff to schedule and publicize a July 10, 2013 public hearing on the proposed new fare categories.

ATTACHMENT

Existing fare structure and Proposed new fare categories and prices

ATTACHMENT 1:

Existing Fare Categories

GOLD COAST TRANSIT FARES & TICKET PRICES						
	1-TRIP	DAY	10-TRIP	20-TRIP	30-TRIP	MONTHLY
ADULT <i>Regular Fare</i>	\$1.50	\$4.00	\$14.00	\$26.00	\$36.00	\$49.00
YOUTH <i>Age 18 or younger with school ID or proof of age</i>	\$1.50	\$4.00	\$11.00	\$20.50	\$29.00	\$38.50
SENIOR CITIZEN <i>Age 65 & older with proof of age</i>	75¢	\$2.00	\$6.50	\$12.00	\$17.50	\$21.50
MEDICARE RECIPIENT <i>With Medicare card</i>	75¢	\$2.00	\$6.50	\$12.00	\$17.50	\$21.50
PEOPLE WITH DISABILITIES <i>With GCT Disability ID or ADA ID</i>	75¢	\$2.00	\$6.50	\$12.00	\$17.50	\$21.50
75+ <i>FREE with GCT Age 75+ ID Card or proof of age</i>	FREE	—	—	—	—	—
CHILDREN UNDER 45" TALL <i>FREE when accompanied by paid fare</i>	FREE	—	—	—	—	—
TRANSFERS <i>FREE with initial fare</i>	FREE	—	—	—	—	—

**REDUCED
FARE**

New Options:

15-RIDE	31-DAY
\$20.00	\$50.00
\$15.00	\$40.00
\$10.00	\$25.00