



Legislation Details (With Text)

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On agenda: 5/29/2018 **Final action:** 10/14/2025
Title: Public Hearing on Proposed Transit Fare Increases

Sponsors:

Indexes:

Code sections:

Attachments: 1. Transit Fares 5-29-18, 2. Notice Fare Increase.pdf, 3. Fare Comparison 3-2018.pdf

Date	Ver.	Action By	Action	Result
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TO: Mayor and Members of City Council

THRU: Jay Reinstein, Assistant City Manager

FROM: Randy Hume, Transit Director

DATE: May 29, 2018

RE:
Public Hearing on Proposed Transit Fare Increases

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal 4: Desirable Place to Live, Work and Recreate

Objective D: To develop and maintain public transportation investments with high quality transit and airport services

Executive Summary:

An increase in transit fares is proposed for the FY 2019 Budget. In accordance with FAST’s fare policy and Title VI program requirements, any increase in transit fares requires the City to provide an opportunity for public comment via a public hearing. On May 7, City Council directed staff to proceed with a public hearing notice about the proposed fare increase.

The notice for the hearing was published in the Fayetteville Observer on Thursday, May 10, 2018.

Notices have also been posted at the FAST Transit Center, on buses and FASTTRAC! vans and on FAST's website at ridefast.net. A copy of the notice is attached. Information meetings or workshops were held on May 22 and 23 to provide FAST customers and others an opportunity to learn more about the proposal, ask questions as well as provide comments about a fare change.

Fayetteville Advisory Committee on Transit (FACT) began reviewing fare proposals and comparisons with other transit systems after the option of increasing fares was offered at the Council's strategic planning retreat. In May, FACT reached consensus in support of an increase

Upon receiving comment at the hearing Council may approve the increase as proposed, modify the proposal, reject the proposal or provide further direction to staff.

Background:

During the City Council's Strategic Planning Retreat, Council expressed an interest in a possible transit fare increase to support improvements made to the FAST system. Fares were last increased in April 2013. The current base fare is \$1.25 per ride with a \$3.00 a day pass that provides a customer an unlimited number of rides and/or transfers within a 24 hour period of purchase on the bus or first use. A requirement related to our transit grants requires FAST to offer at least a 50% discount to senior adults and persons with disabilities. Also, the American with Disabilities Act (ADA) limits the fare for complementary paratransit or our FASTTRAC! service to two-times the base fare. As a convenience, FAST offers an array of multi-ride passes.

At the May 7 work session and at recent budget workshops, staff presented a proposal that includes a \$0.25 increase in the base single ride fare to \$1.50. Other fare and pass rates would increase by approximately the same percentage.

Since 2009 transit services have improved significantly with the addition of new buses, more evening services, and the extension of services to new areas. In November 2017 the City opened the new FAST Transit Center, realigned routes to improve ride times and began offering Sunday bus and paratransit services.

FAST's basic fare is comparable to other peer and North Carolina transit systems with Greensboro (\$1.50) and Wilmington (\$2.00) being higher, while Winston-Salem, Asheville, and Durham are lower. Raleigh and FAST have the same basic fare and promote a day pass instead of providing free transfers when traveling in one direction. This attached comparison only considers local fares and not Raleigh's or Go Triangle's regional fares. The chart also compares other performance measures such as fare recovery.

FAST's fare for persons with disabilities and seniors over 65 years of age is lower than the average of our peer cities and equal to or lower than the other systems. It should be noted that FAST provides free rides to these individuals on Thursdays. Also Raleigh and Durham provide free rides for seniors. FASTTRAC! fares are lower than the peer average and are less than or equal to all cities except Greensboro.

The FY 2019 proposed budget includes about \$133,000 in new revenue based on a \$0.25 increase (20%) and an across the board increase in all fare categories. This calculation factors in what is a typical loss in riders due to resistance to an increase in rates. A smaller percentage increase will result in a lower projected loss in ridership, but also less revenue. For instance, a \$0.10 (8%) increase from \$1.25 to \$1.35 is projected to produce about \$81,000 in additional revenues.

Issues/Analysis:

Ridership Loss. Transit customers as with other services will generally dislike and resist price increases. FAST will continue to look at opportunities to better promote FAST services and grow transit ridership.

Disabled, senior and ADA fares. FTA grant guidelines and ADA rules require these persons be charged no more than 50% of the base full adult fare and that ADA paratransit fares may not exceed two times the base full adult fare. FAST has historically been well below these allowances. The logic behind the ADA fares is the much higher cost per trip on paratransit than on fixed route buses. In FY 2017, FASTTRAC! cost was \$33.08 per trip while the fixed route cost per trip was \$4.24.

Budget Impact:

The proposed \$.25 base fare increase is projected to generate \$133,632 on an annual basis. If it is implemented on July 30th, projected revenues for FY 2019 would be \$122,496. A \$.10 base fare increase is projected to generate \$81,158 on an annual basis. If it is implemented on July 30th, projected revenues for FY 2019 would be \$74,394.

Options:

Receive public comment and approve the increase as proposed; or
Receive public comment and modify the proposal; or
Receive public comment and reject the proposal;
Receive public comment and provide further direction to staff

Recommended Action:

Receive public comment and approve the increase as proposed

Attachments:

Public Notice
Fare Comparison
Presentation