

To: Board of Directors
From: Anne Muzzini, Director of Planning and Marketing
Reviewed By:

Date: January 12, 2012

SUBJECT: Fare Increase Timing

SUMMARY OF ISSUES: CCCTA is due for a fare increase in the next year or two in order to keep up with inflation and maintain the farebox recovery ratio. Some of the budget projections developed have assumed the increase will occur in FY 2011-12. The short range transit plan shows a fare increase in FY 2012-13 that would increase the average fare from \$1.29 to \$1.35 per passenger and generate \$200,000 additional revenue.

For several reasons staff recommends that there not be a fare increase this year (FY 11-12):

- Ridership remains flat and a fare increase will reduce ridership further
- Due to cost containment measures the farebox recovery ratio actually went up from FY 2009/10 to 2010/11 (17.2% to 17.3%)
- Implementation of Clipper at CCCTA is projected to be in 18 to 24 months away and changes to multi ride fare instruments are a likely result. Bundling a fare increase with changes to the multi ride fare instruments is logical.

RECOMMENDATIONS: The A&F Committee recommends that the Board defer consideration of a fare increase for another year.

FINANCIAL IMPLICATIONS: A fare increase is projected to generate \$200,000 a year if there is no drop in ridership.

OPTIONS:

1. Support A&F Committee recommendation
2. Other action as determined by the Board