

To: Administration and Finance Committee

Date: January 3, 2013

From: Kathy Casenave, Director of Finance

Reviewed by:

SUBJECT: Why are Passenger Fares up but Passengers Down?

Summary of Issues:

Passenger fares for Jul-Sept 2012 are up by \$47,570 over the same period in 2011 but the passenger count is down by 20,369.

There are a number of explanations for this anomaly.

1. Free passengers or passengers who have fares paid for by other entities. The passengers are part of the passenger count but not part of the passenger fare revenue category. ACE, Walnut Creek, Bishop Ranch, Chevron, Galaxy and Airport revenue is posted in special fares, not passenger fares.

There was a substantial drop in these types of passengers-16,297 or 80%.

	Promo	Bus Transfer	Free	Ace Train 92X	Bishop Ranch Pass	Chevron 91X	Galaxy 91X	Airport 91X	
July	(366)	(2,909)	(4,698)	(303)	(419)	(38)	(15)	67	
August	(264)	(515)	(2,908)	(380)	88	233	60	9	
September	(1,513)	(553)	(860)	(197)	(1,200)	222	64	99	
	(2,143)	(3,978)	(8,466)	(880)	(1,531)	418	108	175	(16,297)
									80%

2. Passes that are paid for through the outlets, online, and by special order accounted for a **\$14,951 increase in revenue**. The use of passes accounted for an increase of **1,460** in ridership.

It is difficult to make comparisons of pass revenue with passengers using passes because we count the revenue when paid & passengers when the passes are used.

- Passengers may pay for a pass in Month A but use it in Month B.
- Some government agencies buy quite a number of passes at once for clients to use in later calendar months.
- One of our biggest outlets- CVS- pays by check written & mailed from the East coast, so there can be a time delay.

3. Cash fares from the farebox account for \$32,619 of the increase in revenue but there was a drop of 5,532 in cash passengers.

There is a mismatch of passengers/farebox revenue because of **the farebox dumping schedule**. **The fareboxes are emptied twice a week** and it rarely happens that a cutoff can happen exactly at the end of any given month. The first dump and last dump of each month include revenue from days in each month and is recorded in the month with the most number of days. For example, the September 2012 revenue included 2 days of October because the first dump of October included 3 days of September and 2 days of October. Comparing 2011 with 2012:

- The July-September 2011 revenue included 63 weekdays, 13 Saturdays, 13 Sundays and 2 holidays. This revenue did not include one day in September; that dump was posted to October. It did not include any of June because that dump was exactly on the last day of June.
- The July-September 2012 revenue included 66 weekdays, 14 Saturdays, 14 Sundays and 2 holidays. This revenue included 2 days of June and two days of October because the first dump of July included 3 days of July and 2 days of June and the first dump of October included 3 days of September and 2 days of October.

This report addresses some of the anomalies between the passenger count and passenger fare revenue. The Planning Department is continuing to review and assess the accuracy of the passenger count.