

To: Administration and Finance Committee

Date: December 30, 2013

From: Kathy Casenave, Director of Finance

Reviewed by:

SUBJECT: Why are Fixed Route Passenger Fares Down but Passengers Up for July-September 2013 compared to July-September 2012?

Summary of Issues:

At the December 2013 A&F meeting the three month financial statement was presented. Schedule 6 of the report showed a \$35,384 decrease (-4.3%) in passenger fares but a 29,561 (3.8%) increase in fixed route passengers compared to the three months of the prior fiscal year. The committee requested more information.

Almost the entire drop in passenger fares is the result of adjustments to BART Plus revenue. BART collects the data for the sale of BART Plus tickets and allocates the revenue to participating bus operators net of BART administrative costs. This is done quarterly but the reports have been very slow in coming. By the time of the close of FY 2013 we had not yet received the Jan-Mar 2013 report or the Apr-Jun 2013 report. Based on prior quarters an accrual was made for \$30,000 per quarter. We finally received the Jan-Mar report on September 23, 2013 and were quite surprised to find it was only \$5,489. The migration of the large transit operators to TransLink dramatically reduced the number of tickets sold- only 602 tickets in Jan-Mar 2013 vs. 9,267 in Oct-Dec 2012. FY 2013 had already been closed, so the only way to adjust the year end receivable was to reduce revenue in the current fiscal year. The revenue for the first quarter of this year has been adjusted to reflect the difference in the Jan-Mar 2013 quarter. There will be another negative adjustment in the quarter ending December 2013 when that report is received.

The table below shows the differences between Jul-Sep 2013 and Jul-Sep 2012.

	Fares		Passengers	
BART Plus	(\$32,147)	-421.0%	(2,654)	-38.7%
Cash Fares	\$7,855	1.4%	11,171	3.2%
Pass Fares	(\$9,081)	-3.4%	5,295	4.1%
St Mary's/JFK	(\$2,011)	-21.9%	-934	14.1%
Free fares/transfers			8,931	3.8%
Special fares			7,752	14.0%
	(\$35,384)	-4.3%	29,561	3.8%

The pass fares are difficult to analyze because revenue is recorded in the month payment is received but passengers are counted when boarding the bus. Staff will continue monitoring this category.