

To: Administration and Finance Committee

Date: 02/22/2017

From: Anne Muzzini, Director of Planning and Marketing

Reviewed by:

SUBJECT: Preliminary Fare Increase Review

Background:

County Connection has not increased fares since 2009 but has scheduled fare increases in long range budget planning. The information presented here is intended to show the Committee what potential revenue would be generated by various fare increase strategies.

Summary:

One fare change strategy would be to eliminate our paper passes forcing riders to use the Clipper card and the monthly pass option available there. The table below shows the volume of paper pass use, current revenue generated, and the result if those riders switched to paying cash or used Clipper to pay the cash fare.

	FY15-16 Passengers	Current Price per Ride	Total Revenue	Revenue if Cash Fare Paid	Increase in Revenue
12 Ride Punch	317,038	\$1.67	\$529,453	\$634,075	\$104,622
Senior 20 Ride Punch	77,727	\$0.75	\$58,295	\$77,727	\$19,432
Commuter Card	38,881	\$1.33	\$51,712	\$116,644	\$64,932
Monthly Pass	145,143	\$1.50	\$217,715	No change	
					\$188,986

Another fare increase strategy could include increasing the base cash fare from \$2.00 to \$2.25 which would generate an additional \$206,567 if ridership stayed the same. Very few operators in the State of California have a fare that is higher than \$2.00.

Another fare increase strategy would be to eliminate the senior midday free fare. If all the current riders paid \$1.00 instead of riding free, this would generate an additional \$242,318.

The detailed table attached shows details about how passengers are paying and math behind the calculations.

Fare Payment Breakdown										
	Cash			Paper Passes				Transfers and Mid Day Free		
	Adult Cash	Express Bus Cash	Senior Cash	12 Ride Punch	Senior 20 Ride Punch	Monthly Pass	Commuter Card	Bart Transfer	Bus Transfer	Mid-Day Free
	751,984	62,142	164,918	317,038	77,727	145,143	38,881	248,398	469,843	242,318
Value	\$2.00	\$2.25	\$1.00	\$1.67	\$0.75	\$1.50	\$1.33	\$1.00	\$0.00	\$0.00
Clipper Breakout	74,282	11,271	25,481			13,914		47,139	8,951	

Eliminate Mid Day Free	\$242,318
Eliminate 12 Ride Punch	
Current revenue	529,453
New Revenue (if \$2.00 cash)	634,075
	\$104,622
Eliminate Snr 20 Ride Punch	
Current	\$58,295
If \$1.00	\$77,727
Increase	\$19,432
Raise Adult Cash to \$2.25	1,859,100
Current	1,652,533
	\$206,567
Math to Calculate Value of Single Ride	
12 ride punch	
Cost	\$20.00
cost per ride	\$1.67
Snr 20 Ride Punch	
Cost	\$15.00
cost per ride	\$0.75
Monthly Pass	
Cost	\$60.00
cost per ride	\$1.50
assume 40 rides	
Commuter Punch - 20 bus rides & 20 BART transfers	
Cost	\$40.00
cost per ride	\$1.33
1 ride = 1 bus plus 1 transfer = 1.5 bus rides in terms of cost	
If Cash then: 1 bus ride; \$2.00 plus one transfer \$1.00 = \$3.00	