

Memo

To: Mayor Cieslewicz, Madison Transit and Parking Commission, Madison City Council, Metro Funding Partners

From: Chuck Kamp, Transit General Manager

Subject: Proposed Fare Increase and Service Cuts

Date: January 7, 2009

Over the past month, Metro staff has worked on responses to several issues raised resulting from the decision made at the December Transit and Parking Commission (TPC) not to approve the proposed fare increase. This memo attempts to address the fact that our 2009 approved budget now carries a \$762,000 deficit given the current fare structure.

The City Attorney has provided guidance on this issue in his December memo (attached). The memo carefully reviews the role of the Transit and Parking Commission (TPC) and the Common Council in overseeing Metro Transit's budget, fares, services and other policies. It is clear from this review of the existing ordinances that the TPC has jurisdiction over setting service and fare levels, and the Common Council has overall budget authority for Metro.

The TPC will be reconsidering the December decision at its January 13th meeting. If the decision is made to approve the proposed fare increase, then Metro's budget issue is resolved. If the decision is made not to approve the proposed fare increase, Metro would need to make significant service cuts, as listed below, in order to fill the \$762,000 budget gap.

Proposed service cuts to help meet budget without fare increase:

- Sunday service cut from 16 to 8 hours per day = \$440,000 - Reduction of 10,000 hours of service on 21 routes
- Elimination of 5 drivers
- Eliminate service on all major holidays = \$175,000 -Reduction of 2,000 hours of service on 21 routes
- Eliminate new services = \$150,000

These service cuts would impact Metro's ridership and ridership productivity the least compared to other potential service cuts. The service cuts above would impact ridership by approximately 300,000 rides annually. Work trips on Sundays would become difficult with only 8 hours of coverage per day, as it would be more likely that passengers currently using the bus to get to and from work would not be able to with this service cut.

It is my recommendation that the TPC approve the fare increase included in the approved 2009 City budget. The recently approved Metro Ad Hoc Long Range Plan calls for a number of short and long term improvements necessary to strengthen Metro's role in serving the community. I believe the fare increase would allow Metro to address more of the identified needs for service and system improvements in that approved plan.