

Fare Changes: The FTA Circular 4702.1B, requires that recipients of Federal Transit Administration funding prepare and submit fare equity analyses for all proposed fare changes. The purpose of this policy is to identify when the adverse effects of a fare change are borne disproportionately by low income or minority populations.

Fare/ Equity Policy

Purpose of the Policy

The FTA Circular 4702.1B, requires that recipients of Federal Transit Administration funding prepare and submit fare equity analyses for all proposed fare changes. The purpose of this policy is to identify when the adverse effects of a fare change are borne disproportionately by low income or minority populations.

Basis for Policy Standards

Periodically, Metro Transit will make adjustments to transit fares in order to generate revenues to help sustain transit service operations. Federal law requires Metro Transit to prepare and submit fare equity analyses for all potential transit fare adjustments, as outlined in Federal Transit Administration (FTA) Circular 4702.1B, effective October 1, 2012.

Policy

The following is Metro Transit's policy for determining if a fare adjustment will result in a minority disparate impact or low-income disproportionate burden.

A. Minority Disparate Impact Policy (Fare Equity Analysis)

If a planned transit fare adjustment results in more than a 5% increase to a fare type that has been identified as being used by a minority population as compared to the lowest proposed percentage increase of a non-minority fare type, then it will be considered a minority disparate impact.

Example: If the lowest increase of a non-minority fare item is 10%, then Metro staff will strive to ensure that no non-minority fare type is raised by no more than 15%.

If an adjustment is considered to have a disparate impact, staff will look at alternative adjustments to minimize or eliminate it entirely. In the example above, pricing would be adjusted to ensure all minority fare types would be increased by no more than 15%.

B. Low-Income Disproportionate Burden Policy (Fare Equity Analysis)

If a planned transit fare adjustment results in more than a 5% increase to a fare type that has been identified as being used by a low income population, as compared to the lowest proposed percentage increase of a fare type that is considered non-low-income, then the resulting effect will be considered a low-income disproportionate burden.

Example: If the lowest increase of a non-low income fare item is 10%, then Metro staff will strive to ensure that any low-income fare type is raised by no more than 15%.

If an adjustment is considered to cause a disparate impact, staff will look at alternative adjustments to minimize or eliminate it entirely. In the example above, pricing would be adjusted to ensure all low-income fare types would be increased by no more than 15%.

Metro uses the 2013 poverty guideline in determining which households/riders are considered to be low income.

Table 11

The 2013 Poverty Guidelines for the 48 Contiguous States and the District of Columbia calculated at 150%	
Persons in family	Poverty guideline
1	\$17,235
2	23,265
3	29,295
4	35,325
5	41,355
6	47,385
7	53,415
8	59,445
For families with more than 8 persons, add \$6,030 for each additional person.	

How will Metro staff determine if a fare increase causes a minority disparate impact or low income disproportionate burden?

Metro Transit conducted an On-Board Survey in 2008. Questions were asked about fare type, racial identity, and income level. Information gathered is limited with the only fare question being asked was whether a respondent had paid with cash, a pass, or a 10-ride ticket. Below are summary tables showing the results from the survey.

Table 12: Percentage of Fare Usage by Income Level

Income	Fare type		
	Cash	Pass	10-ride
1. Under \$9,999	16%	74%	9%
2. \$10,000 - \$24,999	14%	77%	9%
3. \$25,000 - \$49,999	12%	75%	13%
4. \$50,000 - \$74,999	10%	74%	16%
5. \$75,000 - \$99,999	7%	76%	17%
6. \$100,000 and more	9%	70%	21%
	11%	74%	14%

Table 13: Percentage of Fare Usage by Racial Identity

Racial Identity	Fare type		
	Cash	Pass	10-ride
1. African/American	14%	62%	24%
2. Native American	8%	65%	27%
3. White	5%	76%	19%
4. Hispanic	7%	83%	11%
5. Asian/Pacific Islander	3%	86%	12%

In order to provide a more complete and detailed analysis, Metro will need to conduct a new and much more in-depth customer survey which will include questions about fare payment use across income and racial categories.

Staff hope to use Transport 2020 to secure funding to administer this survey and gather detailed data on which riders are using each fare type.

Determining a Disparate Impact

Once this new data has been collected, staff will need to establish whether a particular fare category should be considered as “minority use” or “non-minority use”.

Staff will use the following definition to determine these categories.

If a fare category has a 5% greater minority than non-minority ridership staff will consider it to be a “minority use” fare type.

Sample data below demonstrates how Metro proposes to identify this “minority use” fare type.

Count Fare Type	Ethnicity		Total Riders	Percentage Minority	Percentage Non-Minority
	Minority	Non-Minority			
Cash	10,000	5,000	15,000	66	33.3
Youth Cash	8,000	3,000	11,000	73	27
Disabled/Senior Cash	6,000	2,000	8,000	75	25
Child (under 5)	100	50	150	66	33.3
31 Day Pass	20,000	8,000	28,000	28.6	71.42
31 Day Senior/Disabled Pass	4,000	6,000	10,000	40	60
31 Day Pass Low Income	2,000	2,200	4,200	47.6	52.538
One-Day Pass	1,000	1,500	2,500	40	60
EZ Rider Youth Pass	3,000	2,000	5,000	60	40
Summer Youth Pass	500	200	700	71.4	28.6
Day Tripper Pass	3,000	1,000	4,000	75	25
Adult 10-ride card	13,000	15,000	28,000	46.4	53.5
Youth 10-ride card	15,000	10,000	25,000	60	40
Senior/Disabled 10-ride card	500	200	700	71.4	28.6

Fare types shaded yellow indicate that minority ridership is 5% or more higher than non-minority ridership for that fare type. These fare types will be designated as “minority use” fare types.

Once staff have designated “minority use” fare categories, we will then compare the percentage increase of “minority use fares” versus “non-minority use fares”.

If a “minority use fare” increases more than 5%, compared to the lowest percentage increase of “non-minority fare”, then it will be considered a disparate impact.

Sample data below demonstrates how Metro proposes to identify a minority use fare that increases more than 5% compared to the lowest percentage increase of a non-minority fare.

Proposed Fare Increase	Ethnicity		Percentage Increase	Disparate Impact?
	Current	Proposed		
Cash	2.00	2.50	25	yes
Youth Cash	1.25	1.75	40	yes
Disabled/Senior Cash	1.00	1.25	25	yes
Child (under 5)	free	free	0	
31 Day Pass	58.00	60.00	3.4	
31 Day Senior/Disabled Pass	29.00	35.00	20.7	
<i>31 Day Pass Low Income</i>	<i>27.50</i>	<i>30.00</i>	9	
One-Day Pass	4.50	5.00	11.1	
EZ Rider Youth Pass	150.00	175.00	16.6	yes
Summer Youth Pass	30.00	40.00	33.3	yes
Day Tripper Pass	42.00	50.00	19	yes
Adult 10-ride card	15.00	18.00	20	
Youth 10-ride card	10.00	12.00	20	yes
Senior/Disabled 10-ride card	10.00	13.00	30	yes

Yellow shaded fare types are considered “minority fares”.
White shades are “non-minority fares”.

Established Threshold of Lowest Percentage Increase of a Non-Minority Fare

The sample proposal above shows that the 31 Day Low Income Pass increased 9%, the lowest percentage increase of all non-minority fares.

If a proposed fare increase results in more than a 5% increase in a minority fare type as compared to this 9% lowest percentage increase of the non-minority fare type (14% or higher), then Metro will consider this a disparate impact on minority fare users.

If a disparate impact is identified, staff will adjust the fare increase so that all minority fares are within 5% of the lowest percentage increase of non-minority fares.

Sample data below provides an example of how Metro would adjust its fare increase proposal so that all minority fare types would increase no more than 5% as compared to the lowest percentage increase of a non-minority fare type.

Proposed Fare Increase	Pricing			
Fare Type	Current	Proposed	Percentage Increase	Disparate Impact?
Cash	2.00	2.25	12.5	no
Youth Cash	1.25	1.35	8	no
Disabled/Senior Cash	1.00	1.15	15	no
Child (under 5)	free	free	0	
31 Day Pass	58.00	63.50	9.4	
31 Day Senior/Disabled Pass	29.00	35.00	20.7	
<i>31 Day Pass Low Income</i>	<i>27.50</i>	<i>30.00</i>	<i>9</i>	
One-Day Pass	4.50	5.00	11.1	
EZ Rider Youth Pass	150.00	175.00	13.3	no
Summer Youth Pass	30.00	34.00	13.3	no
Day Tripper Pass	42.00	47.00	11.9	no
Adult 10-ride card	15.00	18.00	20	
Youth 10-ride card	10.00	11.00	10	no
Senior/Disabled 10-ride card	10.00	11.00	10	no

Yellow shaded fare types are considered “minority fares”.
White shades are “non-minority fares”.

If an adjustment to eliminate any potential disparate impacts can’t be made, Metro staff will bring their findings to the Madison Transit and Parking Commission for its review.

Determining a Disproportionate Burden

Once new data has been collected, staff will need to establish whether a particular fare category should be considered “low income use” or “non-low-income use”.

If a fare category has ridership identified as low income that is 5% or more greater than those identified as non-low income staff will consider it to be a “low income use” fare type.

Sample data below demonstrates how Metro proposes to identify this “low income use” fare type.

Metro Sample Income Status by Fare Type

Count	Income Status		Total Riders	Percentage Low Income	Percentage Not Low Income
	Low Income	Not low income			
Cash	12,000	3,000	15,000	80	20
Youth Cash	5,000	8,000	13,000	38.5	61.5
Disabled/Senior Cash	4,000	4,000	8,000	50	50
Child (under 5)	100	50	150		
31 Day Pass	10,000	18,000	28,000	35.7	64.3
31 Day Senior/Disabled Pass	5,000	5,000	10,000	50	50
31 Day Pass Low Income	4,200	0	4,200	100	0
One-Day Pass	1,500	1,000	2,500	60	40
EZ Rider Youth Pass	1,000	4,000	5,000	20	80
Summer Youth Pass	100	600	700	14.2	85.7
Day Tripper Pass	1,000	3,000	4,000	25	75
Adult 10-ride card	10,000	18,000	28,000	35.7	64.3
Youth 10-ride card	18,000	7,000	25,000	72	28
Senior/Disabled 10-ride card	600	100	700	85.7	14.3

Fare types shaded in light blue indicate that low income ridership is 5% or more higher than non-low income ridership for that fare type. Blue shaded fare types meet this threshold. These fare types will be designated as “low income use” fare types.

Once staff have designated “low income use” fares, they will then use adjusted pricing as determined above by its disparate impact analysis and compare the percentage increase of “low income use fares” versus “not low income use fares”.

If a “low income use” fare increases more than 5%, compared to the lowest percentage increase of “not low income” fare, then it will be considered a disproportionate burden.

Sample data below demonstrates how Metro proposes to identify a low income use fare that increases more than 5% of the lowest percentage increase of a non-low income fare.

Proposed Fare Increase	Pricing			
Fare Type	Current	Proposed	Percentage Increase	Disparate Impact?
Cash	2.00	2.25	12.5	no
Youth Cash	1.25	1.35	8	
Disabled/Senior Cash	1.00	1.15	15	
Child (under 5)	free	free	0	
31 Day Pass	58.00	63.50	9.4	
31 Day Senior/Disabled Pass	29.00	35.00	20.7	
31 Day Pass Low Income	27.50	30.00	9	no
One-Day Pass	4.50	5.00	11.1	no
EZ Rider Youth Pass	150.00	175.00	13.3	
Summer Youth Pass	30.00	34.00	13.3	
Day Tripper Pass	42.00	47.00	11.9	
Adult 10-ride card	15.00	18.00	20	
Youth 10-ride card	10.00	11.00	10	no
Senior/Disabled 10-ride card	10.00	11.00	10	no

Blue shaded fare types are considered “low income fares”.
White shades are “non-low income fares”.

Established Threshold of Lowest Percentage Increase of a Non-Low Income Fare Type

The sample proposal above shows that the youth cash fare increased 8%, the lowest percentage increase of all non-low income fares.

If a proposed increase results in a 5% larger increase in low income use fares as compared to this 8% lowest percentage increase of non-minority fares (13% increase or higher), then Metro will consider this a disproportionate burden on low income riders.

Sample data above indicates none of the low income fares increased by more than 13%, and as a result, none are considered to place a disproportionate burden on low income riders.

If increases were identified that did cause a disproportionate burden, staff would adjust the fare increase so that all low income fares would not exceed an increase of 5% as compared to the lowest percentage increase of a non-low income fare.

If an adjustment to eliminate any potential disproportionate burdens can’t be made, Metro staff will bring their findings to the Madison Transit and Parking Commission for its review.

Fare Equity Analyses Conducted Since June 2011

As discussed earlier in the Fare Equity Analysis Policy section, Metro Transit does not currently have statistics that would allow an in-depth analysis of fare usage by income level or race.

However, during discussion about a fare increase that took place in January 2013, knowledge of our ridership and community was used in determining to have a targeted fare increase rather than an increase across the board.

Pass fare types including 31-day passes, 31-day Senior/Disabled passes and Commute Card fares were increased while cash fares and low income passes remained the same. Paratransit fares were changed to \$3.25 per ride for any ride; previously there had been a differential for rides during the peak.

With the grant money we hope to obtain, we will be conducting a survey which will give us more information that will allow us to do a more in-depth analysis in the future of fare type usage by race and income.

In 2009, Metro proposed an increase to fares and through the public participation process, staff came to realize there is a huge need in Madison for a low income fare. Fare increases were implemented, but at the same time, a Low Income Pass program was created that allowed for a set amount of Metro's 31 day passes to be sold at half price to riders that self-certified that they were at 150% of the national poverty level.

As this program continued, it was further determined that the set amount of passes offered at half price was not enough to meet the need of Madison's low income population. As a result, in 2013 the program was expanded allowing 50% more passes to be available at the low income rate. In order to provide more even distribution of the passes, half the passes are made available to the public on the first weekday of the month. The other half of the passes are made available on the 15th of the month or the first weekday following.

Once staff have obtained user data for each fare type, it will be possible to analyze the impact of rate changes on each passenger category, and allow a comparative analysis of the rate change across ridership groups to determine any disparate impacts or disproportionate burden.

If this analysis demonstrates that the fare increase causes more than a 5% increase to fare items used by low-income or minority passengers as compared to non-minority or non-low-income passengers, then staff will present their findings to its oversight body the Madison Transit and Parking Commission (TPC) and describe any mitigating conditions. Staff will then follow the final decision made by the TPC.

Following is the section of the Transit and Parking Commission meeting minutes from December 123, 2012 where the commission discussed and approved the targeted fare changes staff proposed.

attached), detailed the potential upgrades and extensions to existing service in the Madison area. These concepts were a sort of wish list of the MPO and Metro staff, which had costs associated with them and reflected what might be considered in the next five years and might make sense to do. This portion was not something that had typically been prepared as part of the TDP, but arose out of the discussion around the fare increase, which called for improvements to the Route 2, Route 18 and Owl Creek.

Cechvala described a few of the future service changes (shown on "Pages 1-8").

- Routes 2 and 3 (Pg 1): Currently these routes split and caused confusion for riders; would be restructured so the main routes would go the same way all the time.
- Routes 6 and 20 (Pg 1-2): Would restructure routes on the northeast side, by streamlining the Route 6 to get out to MATC and East Towne as fast as possible, and having the Route 20 pick up some of the loops and service area that was now served by the Route 6; and could form the basis of a BRT route.
- Establish an express stop pattern along University Avenue and E. Washington (Pg 3); for faster, more regional routes like the 70 series, Route 15 to the west, the Routes 14, 15, 27, 29 on E. Washington, which would benefit by being sped up. Establishing distinct express and local patterns would also help make routes easier to understand.
- Route 2 (Pg 3): Increase frequency of service.
- Extending service to Owl Creek and City View, and some other peripheral areas of the city.

Re: express service, Golden asked whether data were available about how far people were going on the bus, to inform the discussion of express vs. local service; if for example, we saw only 2% of the riders going 3 miles on average, was express service needed? Cechvala said that though we had data about boardings, they didn't really know (with transfers, etc.) where people were getting off. Metro had gotten feedback that service needed to be sped up. Data showed that the West and North Transfers Points were busy; they knew of people making long trips who wanted to be sped up. Golden wondered if there were enough of them to warrant express service.

Transit Schedule Planner Colin Conn said there was a compelling need, and discussed a few routes relative to this issue.

- Route 38, loading along Tompkins, took an hour to get to UW Hospital.
- It took riders in the Southwest neighborhoods 20 minutes to get to the transfer point. These seemed to beg the need.
- Speeding up a trip by 3-4 minutes could reduce travel time by 10%, and create a positive impact.
- It was useful to develop an express design with an underlay of local service.

Cechvala said the final report would be on their website, and would made available to the group. Poulson said that the work done by Cechvala and Metro staff on the Plan was much appreciated.

F.4. 28577

Proposed Metro fare increases: Discussion and action - TPC 12.12.12

Attachments: [Impact on 2013 Budget w/ fare inc vs no fare inc.pdf](#)

Schmidt made a motion to reaffirm the current fare structure, which was

seconded by Subeck. Schmidt said that since they were going to go into discussion, for procedural reasons, he preferred to have a motion on the floor.

Later in the discussion, Golden asked staff what they thought it would take to reach \$65K to have the system running the way they'd like, if the Commission were to tinker with fares. Golden said that once they had this info, they would need to weigh the political cost, before taking a vote; and would like to hear from the Alders about this. He did not want it to seem that the Commission was disrespecting the Council's decision.

Having anticipated this question, Kamp said staff had run some numbers and found that the following adjustments would help reach about \$65K.

- Raise the 31-day Adult Pass from \$55 to \$58 (still deeply discounted).
- Raise the Senior/Disabled Pass from \$27.50 to \$29 (still half the other pass, but adding some to revenues).
- Raise the Commute Card from \$1.15 to \$1.25.

Staff would also ask for one revenue-neutral Paratransit fare; i.e., \$3.25, as shown on the attachment, "Impact of Fare Increase Proposal".

Kamp said these were not the only possibilities; but these would still provide deep discounts and didn't touch any of the cash fares (student, senior, regular).

Following further discussion, Golden made a motion to amend the main motion, seconded by Schmidt, to adopt the \$65K proposal that Kamp outlined.

Poulson reiterated that the motion to amend was to implement the three pass increases (and the single rate for Paratransit), to be implemented on 2/1/13 (later determined to be Sunday, 2/3/13, due to the dates falling on a weekend).

A Roll Call vote was taken on Golden's amendment, as follows: Ayes - Streit, Schmitz, Golden, Schmidt. Noes - Kovich, Bergamini, Subeck, White. Poulson voted aye to break the tie. The amendment passed 5 to 4.

A Roll Call vote was taken on the main motion as amended, as follows: Ayes - Streit, Schmitz, Golden, Schmidt. Noes - Kovich, Bergamini, Subeck, White. Poulson voted aye to break the tie. The amendment passed 5 to 4.

Poulson asked Metro staff to prepare a report about the Commission's action and what they did with the fare proposal that had been presented at the hearing, to be forwarded to the Common Council.

Chair Poulson noted that Item F.4. had been included on the agenda because fares can be set by the Transit and Parking Commission. They could also be appealed to the Common Council and overturned. Discussion had centered not only on the fare increase, but also some of the discrepancies among different types of passes, and how these might be adjusted. He suggested the group start with questions, and then if it strayed into discussion, a motion could be

made.

Poulson asked Metro staff (Kamp and Block) if they could talk about the ramifications of the budget decision: whether Metro would be able to meet its budget, and some of the service improvements Metro hoped to accomplish. Kamp summarized: The fare increase was rescinded in the final vote on the budget. \$150K was approved for additional service with a focus on Owl Creek, but with some understanding that if this could fund some other service, Metro would work through the Commission. Metro had updated its budget to reflect no fare increase and notified all of its partners since they had their budgets to move forward; not that the Commission couldn't change this, but finalizing the budget was part of the mechanics of this time of year. Block had a program to help look at different scenarios and how they would impact the budget.

Golden said that he had talked to the Chair about having this item on the agenda. After having had a hearing, he thought it was important for the Commission to close the loop (with discussion/action), even if the Commission decided to do nothing about fares. There had been three service changes that had been discussed as part of the fare discussion: expansion into Owl Creek, at the request of the neighborhood; and two other changes that were more Metro-driven, to fix things that weren't working well. While not wanting to do anything to disrespect the Council's decision not to increase cash fares, Golden observed that during the fare discussion, they learned of one "broken" fare, the Senior/Disabled pass; which had played out differently than originally expected and which the group might want to remedy.

It seemed to Golden that the Commission could have a productive discussion around these issues. His particular questions were: Was the \$150K enough for Owl Creek, and would it be better to have "x" amount more? What would it cost to do the minimal version of the two fixes proposed by Metro staff? Did Metro have a different proposal, given the strong feedback that the Sr/Dis adjustment was too severe? Having asked those questions, it was clear they didn't have the revenues to address them. The question then became, was there anything on the fare tariff that might be minor adjustments? For example, looking at the deep discount between the tickets and the \$2 cash fare, what would happen if that tickets were kicked up 5¢, which would still be in the range of what the deep discount program recommends? Did the group want to raise enough revenue to do the fixes? Or, did the group want to do nothing; and perhaps Metro could steal some resources from some other routes (with lower productivity) to fix the problems? Doing nothing would be an acceptable outcome. But since the Commission was the group that oversaw service and fares (with appeal to the Council), he thought it was important to at least have a discussion.

White asked Kamp if \$150K was enough to provide service to Owl Creek, and what such service would be. Kamp said the \$150K was more than enough. He went on to say that the original proposal called for modifying Routes 11 and 12 (for Owl Creek), and included other changes to service between South and West transfer points and to University Avenue corridor to relieve overcrowding. Since making their original proposal for Routes 11 and 12, and following meetings with the Neighborhood Resource Team, staff had clearly heard that it would be a problem for Owl Creek students getting to/from LaFollette/Sennett to have to make a transfer. As a result, staff developed a stand-alone route that would travel from the East Transfer Point past

LaFollette/Sennett to Owl Creek (which was a little more expensive than modifications to Routes 11 and 12). The \$150K would cover this stand-alone route, and would provide some extra money for some other improvements that staff had started to work on, since the budget was approved.

Kamp said an overarching issue was the constraint on buses: They really had to limit their expansion on services, which was driven as much by buses as it was by dollars. By adding four more buses at peak, they were flirting with that limit. The original 2013 budget proposal would have involved four more peak-hour buses. Right now, expansion to Owl Creek involved 1-2 more peak-hour buses. And since the budget was approved, Epic had approached Metro asking for more service because the Route 75 was overcrowded, which would add another peak-hour bus. The question was what to do with the flexibility, both with the money and the fourth bus.

In response to another question from White, Kamp described how the Senior/Disabled pass had evolved. As a pilot, they had estimated what ridership would be; and in the first year, the ridership was close to their estimate. Now they were estimating 600K for Sr/Dis rides in 2013, which just 3-4 years ago was half that. There had been a significant shift from Adult 31-day, which used to be over 1 million rides, to 900K rides now. In the context of the original fare proposal and as part of the 5% target in the Mayor's budget, they had proposed an increase to the Sr/Dis pass by a larger % because there were more rides from it and they lost more revenues than they had originally anticipated. The proposed increase still reflected a \$22 discount vs. the proposed 31-Day pass. Per the Council's budget decision, the Sr/Dis fare remained \$27.50.

White asked if staff would recommend any changes to fares. Kamp said that if there were to be a fare change, they would look at having a single fare for Paratransit. Staff probably wouldn't ask for this, if that were the only change to be made. But if other changes were to be made, they would want to include this; which could be revenue-neutral and would eliminate the complication of having two separate fares. When asked if staff was otherwise comfortable with fares as they were for 2013, Kamp said yes.

Schmidt made a motion to reaffirm the current fare structure, which was seconded by Subeck. Schmidt said that since they were going to go into discussion, for procedural reasons, he preferred to have a motion on the floor.

Subeck said she supported the motion she seconded. Thinking of the possibilities, part of her was tempted to support an increase. But being in tough financial times and having heard from bus users, she felt they could meet the goals they set out to meet without a fare increase because of the additional money budgeted by the Council. She was comfortable keeping fares where they were at, for now. Some day, a fare increase would be inevitable; but she had rather they figure out what they hoped to accomplish before they even considered a fare increase. She preferred not to come up with something piecemeal; but rather to think in terms of a long-term strategic plan that may/may not involve fare increases or may involve other funding sources. She wanted to have those kinds of goals before considering an increase.

Conn addressed the group. He said he was more or less responsible for loading on buses. The comment about doing nothing, though understandable,

was not really applicable. He couldn't do nothing. When he received reports of a bus regularly passing up passengers over a period of a couple of weeks, he assigned an "Extra" bus to that route. And that Extra bus still cost money. While it made the people on that bus happy, because now they had a place to stand, this did nothing to improve the general health of the system. They had consistent overloads on Route 2. They regularly cycled Extra buses on the route. Ridership was still going up on Route 2, even though they lost passengers when the VA Hospital built its new parking ramp. So they were still attracting passengers to the route, and they were fixing the problems. But if they could invest some more money, they could make a significant improvement to the route, with 15-minute service to the west side all day long that would attract more casual ridership and add more ridership to the system in general.

Conn said that was how he looked at things. What was the point? They had put on a million passengers over the past year. But that wasn't free; it came with a price. There was an expense to the passengers, who ended up with a longer trip and a more crowded bus. If they were not making consistent improvements to the system where they were needed, this prevented the system from growing and improving. Without a fare increase, they didn't have the pieces to work with. As a result, they had to start looking at the dot map (showing boardings), and looking at where the dots were the smallest and figuring out how to reapply that service. There was a penalty to not increasing the fare. A sort of "back door" expense was still there, without necessarily making a significant improvement to the quality of service.

Poulson asked staff what the dollar amount would be to go from passable service to an improved Route 2. Kamp said that in the original budget, they had \$218K in service improvements (to address the overcrowding issues, provide better service between the South and West TP's, and expand into Owl Creek.) That was the target amount to fit within four buses. That was a \$68K more than what the Council approved.

Golden asked staff what they thought it would take to reach \$68K to have the system running the way they'd like, if the Commission were to tinker with fares. Golden said that once they had this info, they would need to weigh the political cost, before taking a vote; and would like to hear from the Alders about this. He did not want it to seem that the Commission was disrespecting the Council's decision.

Having anticipated this question, Kamp said staff had run some numbers and found that the following adjustments would help reach about \$65K.

- Raise the 31-day Adult Pass from \$55 to \$58 (still deeply discounted).
- Raise the Senior/Disabled Pass from \$27.50 to \$29 (still half the other pass, but adding some to revenues).
- Raise the Commute Card from \$1.15 to \$1.25.

Staff would also ask for one revenue-neutral Paratransit fare; i.e., \$3.25, as shown on the attachment, "Impact of Fare Increase Proposal".

Kamp said these were not the only possibilities; but these would still provide deep discounts and didn't touch any of the cash fares (student, senior, regular). The Epic changes would not add to these revenues, because another entity would be paying for that.

Bergamini said that it was never easy to raise fares and tweak service; there really was never a good time to do it. While she respected the Mayor's prerogative to put out the first draft of the budget and ask his managers to provide suggestions/wish lists, she was no more comfortable with that than with waiting for a financial crisis and having to change routes and make cuts. When they made changes, she preferred it to be as deliberative a process as possible. They had just reviewed a document from Cechvala that was a 5-year plan, with much more specific recommendations than she would have expected in a 5-year transportation plan. She had no doubt that tweaks could be made here and there that wouldn't get them to actual service improvements. But what she felt looming was the specter of the State budget and what would happen to transit aid; she didn't imagine it would be good.

Bergamini said she would hate to see them make changes now, and then six months from now, have to come back and make another set of changes. She felt members should be anticipating that changes would be forced by the State budget; and therefore, they should be looking at efficiencies, partnerships, lengthening distances between stops, etc. They should be anticipating they would need to tighten things up as if the system wasn't already tight.

White thought that Bergamini made a good point about the State budget, and wondered if there were any operational costs involved in making the changes outlined. Kamp said that for all practical purposes, like four years ago, Metro wouldn't show a cost for implementing the changes; it would be part of staff's regular duties. Though understanding the value of relieving overcrowding, White felt that the amount of money (to be gained) was rather small, compared to all the different people who would be upset by the changes (the riders affected, the Common Council). She didn't feel comfortable making changes at this time.

Golden made a motion to amend the main motion, to adopt the fare adjustments that Kamp had outlined (above), to reach \$65K. Schmidt seconded Golden's motion.

Though he rarely disagreed with Bergamini, Golden felt there was no way to know what would happen in the future, the magnitude of it; whether it could be of such a magnitude that it would lead to a transformational change or whether it would amount to a rounding error. He was concerned however, with not offending the Council, if the Commission were to adopt this. He also wanted to respect staff's thoughts about the benefits of making improvements. What a wonderful problem to be facing: overcrowding. Having this issue out in front of them, if they were to vote the amendment down, they might want to at least look at how they might adjust other less significant service and where to go to fix it.

Having been a regular bus rider before retirement, Golden felt that the changes could be defined as a fare adjustment, reflecting a few minor changes to a couple of fares. The main "headline" fares were not being touched; which would respect the Council's intent. Even if the Commission voted the amendment down, it was important to have it out on the table, to show they considered it; and show that they needed to consider ways (other than more money) to make the fixes.

Block pointed out that the \$65K was predicated on making the fare adjustments on 1/1/13. This effective date was probably beyond their capabilities at this (late) date; and the further out in the year the changes went into effect, the more this would reduce the amount.

During budget discussions, Schmidt said he and others tried to make sure that the Council left some leeway for the Commission to address these issues, because focusing only on Owl Creek was perhaps inadvisable, given the sorts of situations that had been described with Routes 2 and 18. Adjustments had already been made to Route 18 in the past year; and he didn't want to tell Metro not to worry about it. As important as Owl Creek was, it was on the table because it had been brought to them; but they had other needs to address as well. Schmidt felt it wouldn't be a shock to his colleagues on the Council if the Commission were to make some small adjustments like those proposed; because he had raised just such a possibility during discussion. The Senior fare had been pointed to, because of the size of the proposed change, that there was a problem with that fare. He didn't think the Council would be particularly upset, though he couldn't say for sure whether they would disagree. But the magnitude of the change was not so great, that he would be especially concerned about it. Schmidt felt the Council had left some leeway for the Commission to deal with it.

Subeck said she didn't the Council would be shocked or offended; though she didn't think that they wanted to necessarily see this. By adding General Fund money to Metro, the Council had sent a message that they were doing everything they could to avoid a fare increase. She didn't know if the Council would be really upset if the Commission were to make small adjustments; probably not. But their intent was really to avoid a fare increase. As sympathetic as she was to the problem with Route 2, she felt there were other options available. In talking about individual routes, they were starting with the hand they were dealt; but they were missing all the other priorities that could perhaps be bigger or smaller. They tended to be reactionary in some ways. This was not to say that staff didn't do amazing work with limited resources.

Subeck felt that given the Mayor's guidelines, staff had come up with what would make that work, which was what they should have done. But she didn't feel this addressed the broad, longer-term planning priorities that they should be addressing, where they should be focusing. Maybe there were other adjustments that could help, some other ways to produce cost-savings as well (as outlined in the TDP earlier). Maybe they should look at those, if it was urgent to relieve crowding on the Route 2. Every time they approached these issues, she felt it was so haphazard (perhaps because she wasn't involved in it every day); but she really wanted the group to speak to a plan, to make decisions based on a plan, not based on the crisis of the day. In general, Subeck felt the will of the Council was to make no fare increase; but she didn't think it would be devastated if the Commission made some small adjustments.

Bergamini said that Golden had persuaded her; and wondered what adjustments would be needed if things couldn't be implemented until March or even June of 2013.

With regard to Subeck's comments, Conn said that when Metro proposed changes in response to crises, they always had an eye down the road; how things would be impacted if for example, service were expanded east out

beyond the Interstate to City View, or to expand out into the Southwest side. Because this was a system with interdependency between routes, they always had to keep this in mind. When staff didn't get what they wanted they requested, they simply worked with what they had. It wasn't as haphazard as it might sometimes appear.

The ideas hadn't sounded haphazard to her, but Kovich felt that, from what she had heard and read, they should be very deliberate in what they chose to do and how they chose to go about it, in order to give careful consideration to all the impacts, including what could be a negative impact on ridership and growth if they didn't do something to fix those routes, and there continued to be issues and more crisis-type management. If they could ask for a plan that was perhaps more long-term and more deliberate, they would have a more mapped-out rationale for whatever decision they would make.

Golden asked that if the body agreed, his amendment be modified so that implementation be done at the earliest possible time (in relation to when the fares would begin and the revenues would start accruing), so they didn't spend more than they got in. He further noted that he was on the MPO and advisory committees that worked with Cechvala on the TDP, and when he was a Planning Commissioner, he recalled they always laid out transit routes in neighborhood plans where there was not yet development. In other words, a lot of advanced planning went into these efforts. But as good as these plans were, they didn't always get it right every time. In this case, it wasn't that people didn't get it right, it was that they were overwhelmed with business and needed to do something about it. If the Commission decided to vote the amendment down, they could later look at the dot map and decide which routes to cannibalize; that was a viable option. But if instead the Commission were to do something to fix this, it was not part of their planning role; it was part of their oversight role and in recognition of the fact that they wanted the system to work the way it was supposed to.

Poulson asked staff when the changes could be implemented, if the amendment were to pass. Kamp thought Metro could shoot for February implementation, announcing the changes through flyers, the website etc., with the Ride Guide being updated by March. (Staff later clarified that with February 1st falling just before a weekend, the changes would be implemented on Sunday, February 3rd.) With implementation in February vs. January, the estimated annual revenues of \$65K would be reduced by 1/12th.

Not necessarily disagreeing, Kovich said she wanted to make sure that the rationalization and justification was spelled out and presented to them in such a way that it would appear to be a logical decision, which could be communicated to the Council and anyone else, as to why they were making these changes: i.e., because of the positive impact, that fixes were needed because of ridership increases, and that this was exactly the right fix. And this would provide adequate money to do that. Rather than simply discussing the ideas at the table, and if this was something to which they should be giving careful consideration, she felt it would be better to come to them in a more mapped out proposal.

When asked Kamp said there were 80-90 partners in the Commute Card Program. Rusch said that the contracts renewed every year, and he wasn't sure they cited a specific rate or if they generally cited "the current rate"; and

perhaps the new rate wouldn't be implemented until January 2014. Bergamini noted that this uncertainty spoke directly to Kovich's point about doing this in a deliberate fashion. The Program had been enormously successful, and Bergamini thought they needed to be deliberate.

Subeck pointed out that the increase on the Commute Card represented a 8.7% increase – a fairly substantial increase in the cost of something they wanted to continue to market. For the 31-day Adult and the Senior/Disabled cards, it would be 5.4% increase. In the current economy, that's pretty big; esp. if people had many of their other costs going up that much. This was not what people were expecting right now. In some ways, by picking out a couple of fares to increase, the percentages were bigger than they would have been if the increases had been spread across the board.

Poulson reiterated that the motion before the group was to implement the three pass increases (and the single rate for Paratransit), to be implemented on 2/1/13 (later determined to be 2/3/13).

Poulson said that while he appreciated Kovich's comments, he felt these routes really needed their attention, and this was a way to do it. He said he wouldn't vote, unless there was a 4-4 tie.

Schmidt said the Council tried hard to find the money to do these extra adjustments, on the night they made their decision. His sense of the Council was that while they might feel some discomfort, they wouldn't feel that the Commission had not been deliberate. They were not talking about sweeping changes. He was comfortable with the proposal; but if it didn't go forward, they should not drop the ball, but should figure out something else to do.

Block added that whenever they prepared Budget Supplementals, which these changes were originally, the City asked that the numbers be annualized, to show the impact on the following year's budget (2014). The fare increase would take effect Feb. 1st, and the service changes were originally scheduled to take place Sept. 1st. The gap between the funding being discussed, and the increase in cost to provide the additional service would be larger once they went into the following year.

A Roll Call vote was taken on Golden's amendment, as follows: Ayes - Streit, Schmitz, Golden, Schmidt. Noes - Kovich, Bergamini, Subeck, White. Poulson voted aye to break the tie. The amendment passed 5 to 4.

A Roll Call vote was taken on the main motion as amended, as follows: Ayes - Streit, Schmitz, Golden, Schmidt. Noes - Kovich, Bergamini, Subeck, White. Poulson voted aye to break the tie. The amendment passed 5 to 4.

Golden suggested that as a courtesy, a report be sent to the Council, with a narrative as to why they made the fixes they did and why it was important.

Subeck said she wasn't sure they could do what they had just done. She thought they could, that it was probably legal, but it made her very uncomfortable. She believed that the public thought this was a done deal, when the Council voted on this. She was uncomfortable with the fact that they had voted on some very specific fare increases. Though they had held a public hearing prior to the Council taking this up, the public wasn't really informed

that the Commission might be raising fares at this meeting.

Poulson said that he attempted to open the public hearing by saying that the TPC could act on this; and that the Council was the appellate body if anyone would want to appeal any kind of decision the Commission would make. A lot of people probably did not know the intricacies of the Commission's authority vis a vis the Common Council, as was likely true for other bodies as well. Subeck said when the Council made its decision, the newspapers had reported there would be no fare increase. She hoped people would think about what they had just done; and she wished she had brought it up sooner, but it hadn't dawned on her. She felt they had done this without the public really knowing or having input into it.

Streit asked that the media release not describe their decision to raise the additional \$65K as simply due to buses being crowded and riders not being able to sit down. It was because buses were having to go past people, who missed their bus altogether; and because buses were running so late that people were missing their transfers. Not to downplay Owl Creek, but his guess that this fix would have more impact on more people than the number of new riders they would get out of Owl Creek. He understood the need to embrace Owl Creek. But he also understood the dilemmas created by picking up everyone, which then caused delays in the schedule and people missing their transfers. The issue needed to be framed so that people understood it wasn't just a question of a slight bit of overcrowding; rather it was the issue of a totally missed bus. Conn noted that two or three years ago, they were adding 40 Extra buses a day to pick up extra riders; last year that number had climbed to 103 Extra buses. Streit wanted them to emphasize the huge impacts it made when buses passed up riders.

Kovich reiterated that she didn't necessarily disagree with the thought process behind the decision, but she wished they could have had the info that they were gathering now in front of them when they made their decision.

Subeck called a point of order. She wondered if she could change her vote at this point. What she hoped to do was to cast a vote on the prevailing side, so that she could call for reconsideration at the next meeting, so the public could have some notice. She wondered if it would be legal for her to change her vote.

Golden said he objected to the line of reasoning Subeck was taking. This had been a legally noticed meeting, and they had held a public hearing. The Council took some actions, and the Council made the newspaper; while the Commission did not. That was not the Commissions' problem. They had put verbiage on the agenda that said that the Commission might take action. They had done their due diligence. It was not appropriate to suggest that the Commission was sneaking in a fare increase. The public was not aware of most of what the Commission did, even though it had impacts on the public. He said he was perfectly prepared for his amendment to go down 8-0 when he started; they had had a very good discussion; various members probably disagreed with various other members, and that was fine. He thought they needed to move on. From a parliamentary standpoint, someone from the prevailing side would have to make the motion to reconsider. But in general, you win some, you lose some.

Subeck said she didn't think that anyone tried to sneak anything past the

public, but it was something they had done unintentionally. She didn't want anyone to feel insulted.

Poulson said that as Chair, he ruled that Subeck could not change her vote just to be on the prevailing side. But someone on the prevailing side could move reconsideration.

Having previously been through a fairly ugly battle about fare increases, Bergamini hoped that no one would move to reconsider. The body made its decision; it was properly noticed. Perhaps they would have shouted it a bit louder from the rooftops, but what was done was done, and she didn't want them getting torn up in fancy parliamentary maneuvers that would stretch out over months and push the timeline back. Even though she voted against it, the decision was made and the fares should go up.

Poulson asked Metro staff to prepare a report about the Commission's action, and what it did with the fare proposal that had been presented at the hearing. This would be forwarded to the Common Council as a courtesy. Kamp said they would review this report with the Poulson before sending it to the Council.