



City of Culver City

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Staff Report

File #: 18-01126, **Version:** 1

Item #: PH-2.

CC - PUBLIC HEARING: Approval of Proposed Policy Changes Regarding Culver CityBus Fare Payment (i.e. How Fares are Paid).

Meeting Date: April 23, 2018

Contact Person/Dept: Samantha Blackshire/Transportation Department

Phone Number: (310) 253-6500

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☒ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: E-Mail) Meetings and Agendas - City Council (04/18/18)

1st Release: Posted City Website & Buses (2/19/18); Letters to Stake Holders (2/26/18); Culver City News (3/1/18); Gov Delivery (3/1/18); Social Media (Facebook/Next Door) (3/7/18)

2nd Release: Posted City Website & Buses (3/19/18); Culver City News (3/22/18); Gov Delivery (3/20/18); Social Media (Facebook/Next Door) (3/22/18)

Department Approval: Art Ida, Transportation Director (04/11/18)

RECOMMENDATION

Staff recommends the City Council approve the proposed policy changes regarding Culver CityBus fare payment (i.e. how fares are paid).

PROCEDURE

1. Mayor seeks motion from Council to receive and file the affidavit of mailing and posting of public notice.
2. The Mayor calls on staff for a brief staff report and City Council poses questions to staff as desired.
3. The Mayor seeks a motion to declare the public hearing open and the City Council receives public comment.
4. The Mayor seeks a motion to close the public hearing after all testimony has been presented.

5. The City Council discusses the matter and arrives at its decision.

BACKGROUND/DISCUSSION

For many years Culver CityBus has participated in the regional Inter-Agency Transfer (IAT) Program, which allows passengers to purchase a paper IAT from one transit agency and surrender it to another as a means of fare payment. On June 25, 2015 the Metro Board of Directors adopted the following changes to the IAT Program:

- Elimination of the paper IAT
- All transfers will be made by using a TAP Card
- Payment for the IAT will be made upon boarding the second bus, rather than on the first as it is today.
- Extend the IAT window between boardings from 2 to 2 ½ hours
- Provide a single IAT within the transfer window

Metro is the countywide coordinator and program manager for the TAP Program. Therefore, they are responsible for the TAP Service Center, TAP Marketing, and the account and reconciliation of all TAP fare payments. All TAP participating transit agencies, including Culver CityBus, is part of the TAP working group. As a participant each agency works alongside Metro to make certain the region continues to work together to create a seamless fare media.

Earlier this year, Metro informed all the municipal operators that the changes to the regional IAT program would take effect in June 2018. Since that time Metro has also indicated that beginning May 2018, they would discontinue the sale of its tokens. Passengers could use their remaining tokens however they would be encouraged to move to TAP cards.

Regional IAT Process

The regional IAT process would be as follows:

- Example 1: A cash paying passenger boards a Culver CityBus and pays the base fare. The passenger will not be able to purchase an IAT to board a Metro bus, for example, since he/she does not have a TAP card. Once the passenger boards the second bus he/she would then pay the base fare for Metro.
- Example 2: When traveling between transit agencies a passenger should utilize a TAP Card, to avoid the continuous payment of base fare, which creates a financial impact. Upon boarding Culver CityBus the passenger will pay the base fare. The system then gives the passenger 2 ½ hours to transfer to a second bus, such as Metro. Once he/she boards the second bus the system will acknowledge that their TAP Card was used on Culver CityBus within the allowed transfer timeframe, and will then charge for an IAT transfer on Metro.

The same concept outlined in Examples 1 and 2 would also apply when utilizing Local Transfers to move between one Culver CityBus to another. Since transfers will be paid for on the 2nd bus, Operators will not have any means by which to issue free Emergency Transfers. Therefore, the Emergency Transfer will be completely eliminated.

The Transportation Department carefully considered all the regional IAT policy changes and that of the discontinuation of the Metro token, which is accepted by Culver CityBus fareboxes. On February 19, 2018, we entered the public notification process regarding the IAT policy changes; discontinuation of the Metro token; and the following:

- Elimination of paper Local & Emergency Transfers
- Farebox no longer accepts pennies
- Ability to add money, \$5 - \$20, to TAP Cards at the farebox

The public was informed of the proposed fare changes by several notification methods in both Spanish and English. This information was placed on placards that were posted in 38 buses and displayed on the information monitors in the remaining 18 buses. More detailed take-ones were also placed in locations where Culver CityBus schedule holders are displayed, which also included all buses. Notifications were sent to the local newspaper; posted on social media (Facebook/Next Door); and transmitted through the City's email notification system. The public was given an opportunity to provide comments regarding the changes via mail; email; or by leaving a voice mail message by March 9, 2018.

The Department held two outreach meetings on March 8, 2018, allowing staff an opportunity to make a formal presentation on the proposed fare changes and to allow in-person feedback from the public. Staff received comments from a total of six people in attendance at the meetings. Many of the attendees expressed concerns regarding the impact that the payment of the base fare continuously on multiple buses (when not using a TAP Card) will have on students, seniors and those with low income. There was also concern about no longer accepting pennies, which is part of the United States currency. There were several attendees in support of moving transfers to the TAP Card system.

Staff also received a total of six email communications; four voice mails; and 182 likes and seven Shares on Facebook. Staff did not receive any comments on Next Door.

The proposed changes are considered fare changes under the Federal Transit Administration (FTA) guidelines pertaining to Title VI of the Civil Rights Act of 1964. On behalf of the transit operators that participate in the regional IAT Program, Metro completed a fare equity analysis. The results of this analysis indicated there was an impact to passengers within the County that do not have a TAP Card and are not within walking distance to a place to obtain one. Metro has decided to provide each transit agency with a number of TAP Cards that can be handed out to passengers for free. Culver CityBus will receive 25,000 TAP Cards to be distributed on the buses; at various transit centers; and at transfer points. These TAP Cards will not contain any stored value or passes. Passengers will have an opportunity to add value to the card at the farebox. They will not be charged the \$2

administrative fee, which is currently being charged, for the TAP Card.

Metro is currently preparing the farebox software changes for TAP participating transit agencies along with a marketing campaign.

Elimination of Paper IAT, Local and Emergency Transfers

Staff believes the transition of transfers from paper to the TAP Card would in fact reduce boarding time, decrease operator error, and encourage the use of TAP Cards. The reduction in boarding time occurs by paying for the transfer on the second boarding. The Operator no longer needs to press a key to add a transfer to a TAP Card or to capture the issuance of a paper transfer. The interaction between operator and passenger is reduced since upon boarding the 2nd bus the passenger only needs to tap the TAP Card on the farebox and the cost of a transfer is taken from their card. Also, in their haste to issue transfers in order to expedite boarding, operators may punch a paper transfer incorrectly (i.e. incorrect direction, timeframe etc.). This type of error can trigger a passenger's transfer being rejected by the receiving transit agency. The TAP Program has been in existence for several years; however, many passengers still have not fully accepted it as a means of seamlessly moving between transit agencies. The proposed changes truly eliminate the need to carry change and promotes the use of TAP Cards.

To offset costs for riding a Metro or Culver City bus passengers can apply for Metro's LIFE (Low-Income Fare is Easy) Program. This program is based on household size and income. Passengers that qualify can receive coupons valued between \$8 - \$24 to use toward their TAP Card.

Fareboxes No Longer Accept Tokens

Currently Culver CityBus fareboxes accept the Metro Token as fare payment. Once Metro stops selling the token they will establish a sunset on its acceptance which will also apply to all transit agencies. Staff will notify the public of the sunset date via placards inside the buses; through the City's email notification system; and on Social Media (Facebook/Next Door).

Fareboxes No Longer Accept Pennies

Staff is proposing to no longer accept pennies, similar to other transit agencies (Long Beach Transit, Foothill Transit and Orange County Transit Authority) in the Southern California Region.

Ability to Add Money, \$5 - \$20, to TAP Cards at the Farebox

After much discussion with Metro, staff is proposing that only up to \$5 be allowed to be added to a TAP Card at the farebox. The larger the dollar value the longer the passenger will remain at the farebox. For example, passengers adding \$20 to their TAP Card in change and bills would delay the boardings. Also, the \$5 amount more than covers a round trip payment for the base fare and transfer.

FISCAL ANALYSIS

The transfer activity on the second boarding is not expected to have a direct impact on the Culver

CityBus farebox revenues received for either IAT or Local transfers. The transfer fare will still be registered through Metro's farebox software via the accounting and reconciliation process. However, if a passenger pays the fare by utilizing cash upon the 2nd boarding, the payment of the full fare will be required. Staff expects a slight increase in farebox revenue due to this possibility at the onset of the changes to the IAT program. We anticipate within a short timeframe, passengers will realize they can save money if they use a TAP Card.

The capability of loading cash in denominations of \$5 onto TAP cards at the farebox will initially reflect a surge in farebox revenue. These payments will be handled through Metro's accounting and reconciliation process. Whereas, the actual fare that was paid will be credited to Culver CityBus and the remaining funds will be placed in the TAP Card account to be debited as the card is used on each transit agencies bus. Metro provides monthly "Position Summary" reports to each TAP Card participating transit agency. The report reflects the amount owed to the agency from Metro, or vice versa and is handled through the reconciliation process. We have participated in this type of debit/credit system for several years along with the other TAP Card participating transit agencies.

Metro reimburses the Department \$1.00 per token, equal to our base fare, for an annual revenue of approximately \$22,000. Staff anticipates a minimal revenue impact by no longer accepting tokens. The fare will be paid with cash or by utilizing a TAP Card.

The Department's annual fare revenue from pennies averages approximately \$6,500 per year via 130 bags. Handling and costs associated with the acceptance and processing of pennies is not an efficient use of operational resources. Fare revenue is not expected to be impacted by fareboxes no longer accepting pennies. Other dominations will continue to be accepted by the fareboxes.

No General Fund monies are necessary to implement these policy changes.

ATTACHMENTS

None

MOTION

That the City Council:

Approve the following policy changes regarding Culver CityBus fare payment (i.e. how fares are paid):

- Elimination of the paper IAT; Local; and Emergency Transfers;
- All transfers will be made by using a TAP Card;
- Payment for the IAT will be made upon boarding the second bus, rather than on the first as it is today;

- Extend the IAT window between boardings from 2 to 2 ½ hours;
- Provide a single IAT within the transfer window;
- Accept Metro tokens until Metro establishes a final date of acceptance, after which tokens will no longer be accepted;
- Farebox no longer accept pennies; and
- Ability to add money, up to \$5, to TAP Cards at the farebox.