


To: James L. App, City Manager
From: Mike Compton, Director of Administrative Services 
Subject: Transit Fares - Monthly Punch Pass
DATE: June 1, 1999

Need:
For the City Council to consider a monthly punch pass for City transit fares.

Facts:

1. At the Council meeting of April 20, 1999, the Council adopted revised transit fares.
2. Council also requested evaluation of a monthly transit pass.

Analysis and
Conclusions:

The Council's discussion, at the April 20, 1999 Council meeting, suggested that the monthly pass might be priced at a discounted rate. A monthly "punch" pass designed after that currently being provided by the San Luis Obispo Regional Transit Authority is presented for Council consideration. As designed, the City's punch pass would provide a set dollar amount of value for fares which would be sold at a discounted rate.

The advantages of a monthly discounted punch pass with a set amount versus a monthly pass which expires on a date certain are identified as follows:

1. Provides a measurable level of income and use.
2. Provides that the purchaser receives full value for the price paid.
3. Requires significantly less administrative oversight and policing.

The disadvantages of a monthly discounted punch pass are identified as follows:

1. Additional operational expense to print and distribute passes.
2. Requires additional administrative oversight.
3. May result in increase in fare subsidy due to discounted price.
4. May result in less fare revenues.

Given the amount of the current fares, designing a monthly punch pass, including pricing, proved difficult. If pricing were based upon two adult rides per day (a single commute), five days per week, four weeks per month, the DAR non-discounted value would be \$120 and the CATS non-discounted value would be \$80. While staff has no prior experience with monthly passes, these costs, even if discounted, would likely be too costly for public acceptance. Thus, staff has designed a punch pass with a value of \$48, representing 16 one way adult DAR fares or 24 one way adult CATS fares. The punch passes would have one dollar punches so that children and adults could use the same monthly punch passes. Additionally, one dollar punches would also provide for a single pass which could be used

on either system; DAR or CATS. Assuming the Council desires to implement a discounted punch pass, staff would suggest a \$48 value punch pass and that it be sold for \$40. This would represent a 17% discount.

The City would continue to accept individual fares at full value and would also continue selling books of 10 tickets at full value. Should the Council consider the cost of the monthly punch pass prohibitive, even at one of the discounted rates, the value of the monthly punch pass could be readily modified.

Impact:

Given all the variables, it is impossible to determine with any reasonable degree of accuracy the fiscal impact of providing a discounted monthly punch pass. As noted above, a discount pass will not help reduce taxpayer subsidy of service costs nor will it provide the improvement desired by the Council in the fare box ratio. On the other hand, one might argue that offering the discounted punch pass may attract ridership back to public transit which might not otherwise returned due to the recent fare increase.

Options:

- a. That the City Council consider approval of a resolution to implement a monthly punch pass for both transit systems at a 17% discounted rate; or
- b. Amend, modify or reject any of the options above.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF EL PASO DE ROBLES
ESTABLISHING A MONTHLY PUNCH PASS
FOR PASO ROBLES TRANSIT SYSTEM

WHEREAS, the Council is desirous of implementing a monthly punch pass in response to public requests for same; and

WHEREAS, the implementation of a monthly punch pass would result in increased convenience to the riding public; and

WHEREAS, the implementation of a monthly punch pass would also result in reduced fare administration and oversight; and

WHEREAS, selling a monthly punch pass at a discounted price would address, at least partially, the concerns of passengers would use public transit frequently and/or may have limited income

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that a monthly punch passe shall be implemented as soon as practical.

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles that the monthly transit punch pass shall have a value of \$48 and be sold at the discounted rate of \$40.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 1st day of June, 1999 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Duane J. Picanco, Mayor

Attest:

Madelyn Paasch, City Clerk