


EXECUTIVE SUMMARY

To: Jim Scholl, City Manager

cc: James Fitton, Port and Transit Director

From: Myra Wittenberg, KWDoT Manager 

Date: October 15, 2010

Subject: Resolution - Approval to Amend Bus Fares, Bus Passes and Bus Routes
(Lower Keys Shuttle / Key West to Marathon)



Action Statement:

This is a request for a resolution of approval to increase the rate charged on bus fares, bus passes and revise the bus routes currently serving the Lower Keys Shuttle bus service area; Key West to Marathon, Florida.

Project History:

The Lower Keys shuttle began as a result of successfully engaging into an Inter-local Agreement with the City of Marathon and Monroe County, to provide fixed route shuttle bus services between Key West and Marathon, Florida. That service began September 2005 and continues to operate providing a need in the communities along the Lower Keys today. Over the past several years, and based on customer use, public participation and input as well as budgetary restrictions, certain changes have been made to the routes, fares and timetables in the Lower Keys service area.

Over time we continued to receive numerous requests to extend the bus service into downtown Key West more frequently than twice daily as is current; and to travel slightly further into the east end of Marathon. In order to accomplish that goal - certain challenges were identified including but not limited to a cost neutral revision as to operating expenses.

Key West Department of Transportation believes they have met the challenges presented and further have held public hearings presenting the options and opportunities for the proposed revisions to the public, both in Marathon on September 22 and in Key West on September 29, 2010. The proposals were met well by those in attendance at the public hearings with a few concerns expressed regarding the recommended one-way trip fare increase from \$3.00 to \$5.00 per person. There was concern that this might be a significant increase for someone on a fixed income or even the many people who might be unemployed at this point in time.

As a solution discussed to this concern - and also agreed upon by those in attendance at the meetings, was the recommendation to raise the one-way fare half that amount, or by an additional \$1.00 / person / trip to a new fare of \$4.00 / person / trip; and as trade off - to increase the pass sales amounts on all types of passes, which is now a part of this recommendation for revision. See attached data provided to indicate the percentage base of types of passengers for Lower Keys Shuttle bus service and the recommended rate increases herein.

In addition, a new type of pass was introduced that will be sold as a "Stored Value" pass which essentially provides a customer the ability to purchase a dollar value on a pass, use it at will with no expiration date, use it in both the City and Keys areas of service; and the customer receives a slight discount off the full fare charge equal to 10% for the Lower Keys Shuttle services and 20% for the City bus services.

Proposed Lower Keys Fare Structure - Effective December 1, 2010		
Full Fare	<u>Current</u>	<u>Proposed</u>
Lower Keys - One way trip	\$ 3.00	\$ 4.00
Lower Keys - 7 day pass	\$ 16.00	\$ 25.00
Lower Keys - 31 day pass	\$ 50.00	\$ 75.00

Reduced Fares	<u>Current</u>	<u>Proposed</u>
Lower Keys - One way trip	\$ 1.50	\$ 2.00
Lower Keys - 7 day pass	\$ 10.00	\$ 15.00
Lower Keys - 31 day pass	\$ 30.00	\$ 45.00

NEW	CITY and Lower Keys Service areas	
Stored Value:	\$20.00	\$30.00

Option #1:

Option #1 would see the City approve passing a resolution which provides for an increase in the Lower Keys Shuttle bus fares and passes as well as the extended areas of service as a cost neutral revision.

Advantages

The advantage for passing this resolution is to extend the services to downtown Key West, nine (9) trips per day, as well as east into Marathon, nine (9) trips per day, thereby providing a potential of increased passenger opportunities to areas currently not being served.

Disadvantages

Customers who do not travel the full extended distance between Key West and Marathon may complain that they should be charged less for a shorter trip but based on total operating costs - and the limitations of both staff and farebox programming in our current fleet of vehicles, fare or zone rates are not feasible at this time. Plus, with the options of different types of passes being sold, customers do have the ability to reduce the increase of fare being proposed and in fact, regular riders using the Keys service to commute to and from work or school four (4) to five (5) days per week, should be able to reduce their daily trip costs with the new proposed changes.

Fiscal Impact

Initially, as with any change, we anticipate a decrease of both ridership and revenue - as change is suspect to most persons; however, we believe that once the changes are implemented and education is put out there as to the various types of fares and passes available for sale to all types of customers providing efficient for everyone - that the service changes will result in increased use.

Option #2:

Option #2 would be that the City not approve the resolution and that the Lower Keys routes and fares remain status quo.

Advantages

One advantage to not passing this resolution is that we avoid complaints received that are typical to any type of public service change - but we also lose an opportunity to try to improve an existing service that should be increasing ridership but has flat lined in the past six (6) to nine (9) months.

Disadvantages

The disadvantage to not passing this resolution would be to see a continued disproportionate increase in operating expenses and a continuation of passengers acquiring reduced fare passes through other than standard measures. Another disadvantage is that we are not taking steps to provide additional opportunities to residents and visitors in the Lower Keys as to those areas where the bus currently does not travel, or limiting our opportunities to gain ridership.

Fiscal Impact

The gap between revenues and expenses will continue to widen.

Recommendation:

KWDoT recommends Option #1.