

EXECUTIVE SUMMARY



To: Jim Scholl, City Manager

cc: Shawn Smith, City Attorney
David Fernandez, Asst. City Manager
James Fitton, Port and Transit Director

From: Myra Wittenberg, KWDoT Manager *Myra HW*

Date: July 18, 2011

Subject: Resolution - Approval to Amend One-Way Bus Fare for Senior Citizens For The Lower Keys Shuttle

Action Statement:

This is a request for a resolution of approval to reduce bus fare cost on the Lower Keys Shuttle bus service, for Senior Citizens, age 60 and older, from \$2.00 / person / trip to \$1.50 / person / trip; to be effective September 1, 2011.

Project History:

In May of 2008, Key West Transit staff recommended increasing bus fares in all areas of service (including both the City and Lower Keys) due to ongoing increases to fuel costs as well as increased repair and maintenance expenses required to maintain the current level of service to the public. The exception to the rate increase was the Senior Citizen one-way fare, which was tabled for further consideration until December 1, 2008.

At which time the City Commission recommended and approved establishing a Senior Citizen flat, reduced rate of \$.50 / person / trip, which further reduced the fare charged to seniors, age 60 and older, slightly more than other reduced fare passengers.

In March 2011, the City Commission approved an increase in the fares for the Lower Keys Shuttle bus service, including the half rate reduced fare for all Senior Citizens traveling one way on the Lower Keys buses.

Once these new rates were implemented, feedback coming in indicated discomfort by the senior community with regard to the increased fare of the one-way trip rate. It was noted that many senior citizens live on a fixed income and that a fare increase of this magnitude might prevent a senior person from access to public transit services.

To that end - the City Commission expressed a desire to consider and adopt a Senior Citizen rate that is comparable to the rate structure for a one-way trip for a Senior Citizen, in the City of Key West, for the Lower Keys bus service. That basically results in a proposed rate reduction from the previously approved \$2.00 / person / trip, to \$1.50 / person trip, one-way fare only.

Option #1:

Option #1 would see the City approve this resolution to reduce the Senior Citizen bus fare in the Lower Keys from \$2.00 / person / trip (one-way fare) to \$1.50 / person / trip (one-way fare).

Advantages

The advantage of passing this resolution is that it maintains the City of Key West Department of Transportation fare structure in a consistent fashion; mirroring the Senior Citizen discount for

City bus services to a rate that is further reduced from other reduced customer rates - specifically for the Senior Citizen customer.

Disadvantages

The only disadvantage identified in this process is that there may be a slight reduction in revenue due to the reduced one-way Senior Citizen fare - but we believe that will be minimal in light of the fact that there are 7 day passes for sale offering further discount to seniors who travel more frequently or daily, as well as 31 days passes, offering even further reduced per trip fares to that group of rider / customer.

Fiscal Impact

We anticipate that the fiscal impact will be minimal, based on ridership data; seniors represent less than 25% of the ridership base in the Lower Keys areas of service.

Option #2:

Option #2 would be that the City not approve the resolution and that the Lower Keys fares remain status quo. All reduced customers pay the half rate of the full fare, \$2.00 / person / trip.

Advantages

The one (1) identified advantage to this option is that reduced rates usually result in increased use and passengers.

Disadvantages

The greatest disadvantage to not passing this resolution would be that the City could see a decrease in use of the Lower Keys bus service because of the financial hardship.

Fiscal Impact

Due to the percentage of riders that trend among the senior citizen age group of 60 years old or older being less than 25% of the ridership in the Lower Keys, the fiscal impact will be minimal either way.

Recommendation:

KWDoT recommends Option #1.

/MHW

Attachments

File: Executive Summary (LKS Sr. Citizen Reduction) 07-18-11 rev JF