

## A Note from the CEO

### Fare Restructuring Analysis – METRO Board directs staff to initiate analysis of possible fare restructuring

As part of long term financial and service planning, **METRO** staff has been conducting preliminary analysis of fare restructuring, including technological upgrades to fare payment methods. The fare structure is an important tool for operational efficiency, marketing and long-range budget planning.

This analysis is necessary because:

- Potential risks to the 5-year balanced budget.
- Reduced revenue from one State program beginning in FY20.
- Based on future budget projections, **METRO** will need additional revenue to maintain service levels over the next five years as funding sources remain relatively stable while costs increase.
- It is standard transit industry practice to review fare structure at least every five years.
- **METRO** is required by State of California Transportation Development Act to maintain a 20% farebox recovery rate (farebox revenue as a percentage of all operating costs). **METRO** currently has a 23% farebox recovery rate.



Alex Clifford,  
CEO of Santa Cruz METRO

Currently, as required by federal law, **METRO** discounted fares (Senior and Disabled) are priced at 50% of full fare costs. Approximately 24% of **METRO** local service (not including **Highway 17 Express**) are discounted fares.



There may be opportunities to implement targeted strategies that would address various needs and issues of our non- **UCSC/ Cabrillo** ridership who are generally transit dependent and have lower incomes, including discount scenarios for various passes. Another opportunity may be to incentivize non-cash fare payment by providing a discount for use of smartcards (**Cruz Cash** or **Cruz Pass**).

Basic fare restructuring can be achieved without any change in fare collection technology. However, a fare restructuring provides an opportunity to consider other aspects of fare collection, such as improving customer convenience and trying to reduce inefficiencies in **METRO's** current fare collection process, such as increased dwell time and service delays due to on-board cash payments.

### Upcoming Public Outreach Events (<http://scmtd.com/planning/fare-restructuring>)

Per direction from the **METRO Board** on January 26th, **METRO** encourages the community to participate in these scheduled community outreach activities:

- February - March 2018 – Informal Community Engagement.
- March 23, 2018 - Preliminary staff recommendations to Board
- March 23 - May 18, 2018 – Public comment process
- May 18, 2018 – Public Hearing and possible Board adoption of revised Fare Policy
- 2019 – Possible implementation of revised fare structure

### Rider Survey (<http://scmtd.com/survey>)

In addition to participating in the above public input process, **METRO** would appreciate it if you could assist by filling out a short online survey designed to help us learn more about our patrons' ridership patterns and use of various fare types.

Alternatively, you can fill out the survey at the **Customer Service Information Booth** at **Pacific Station** or **Watsonville Transit Center**.

### Articulated Buses in Santa Cruz County

You may have seen these extra long white buses on the streets of **Santa Cruz** since the first of the year.

**UC Santa Cruz** is funding three articulated buses to be used on **METRO** routes serving **UCSC** and the **Coastal Science Campus** (3, 10 15, 16, 19, 20, and 20D) during Winter and Spring Service. **UCSC** is funding this pilot project to attempt to meet increasing demand that creates overcrowding and passbys on their routes. Articulated buses can carry up to 110 passengers – 30 passengers more than standard **METRO** buses without significantly increasing **METRO** operating costs. The articulated buses make 39 trips each weekday, and 19 trips each Saturday and Sunday.

Send us your comments about any aspect of **Santa Cruz Metro** bus service using our online form at:

<http://scmtd.com/customer-service-report>

