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4 WESTSIDE/CENTRAL SERVICES COUNCIL
5 MEETING AND FARE FORUM
6

7 WEDNESDAY, MARCH 12, 2014
8 5:45 P.M.
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11 La Cienega Tennis Center in Beverly Hills
12 325 South La Cienega Boulevard
13 Beverly Hills, CA 90211
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1 WESTSIDE/CENTRAL SERVICE COUNCIL MEETING AND FARE
2 FORUM, before Wendy Rasnick, Certified Shorthand
3 Reporter, Number 12347, for the State of California,
4 with principal office in the County of Los Angeles,
5 commencing at 5:45 p.m., Wednesday, March 12, 2014,
6 at 325 South La Cienega Boulevard, Beverly Hills,
7 California 90211.

* * * *

APPEARANCES:

10 | Council Representatives:

11 Jeffrey Jacobberg, Chair

12 Elliott Petty, Vic

13 Perri Sloane Goodman

14 | Randal Henry

15 | Art Ida

16 | Glenn Rosten

17 | George Taule

18

19 Officers:

20 Jon Hillmer, Director

21 Jody Litvak, Community Relations Dir

22 Dolores Ramos, Council Admin Analyst

23 Henry Gonzalez, Council Comm. Rel. Mgr.

24 Carol Silver, Transportation Planning Manager

1 BEVERLY HILLS, CALIFORNIA; WEDNESDAY, MARCH 12, 2014
2 5:45 P.M.

3

4 MR. JACOBBERGER: The next is the
5 presentation regarding the proposed fare
6 restructuring from JonHillmer.

7 MR. HILLMER: Thank you, Mr. Chair.

8 MR. JACOBBERGER: Wait. Am I supposed to
9 read this part first before Jon starts.

10 MS. RAMOS: Yeah.

11 MR. JACOBBERGER: Okay. Okay. We will now
12 begin the fare forum segment of this meeting. To be
13 clear, this is not a public hearing. Only the Metro
14 Board can call a public hearing regarding changes to
15 the fare structure. In order for it to be a formal
16 public hearing, there must be a quorum of Metro
17 Board members present.

18 The Metro Board of Directors will hold a
19 formal public hearing regarding the proposed fare
20 change on Saturday, March 29th, starting at 9:30
21 a.m. at the Metro headquarters building in downtown
22 Los Angeles.

23 The purpose of today's fare forum is to
24 receive public comment on the fare restructuring
25 proposed for implementation on September 1st, 2014,

1 or later, if approved by the Metro Board. Fare
2 forums are being held in each of this month's
3 Service Council meetings at the request of the Metro
4 Board to provide the public with opportunities in
5 different regions of LA County to receive
6 information and comment on the proposed fare
7 restructuring.

8 Copies of the public hearing, Take-One
9 brochure, which provides information about the
10 proposed fare restructuring, the fare forums, and
11 the March 29th public hearing, are available at the
12 sign-in table.

13 All comments gathered at the fare forums
14 will be transcribed, summarized, and submitted to
15 the Metro Board of Directors as part of the record
16 of public comment on the proposal. Please note that
17 the Service Council do not decide what fare changes,
18 if any, are made. Those decisions are entirely up
19 to the discretion of the Metro Board of Directors.

20 The purpose of today's fare forum is to
21 receive public comment on the proposed fare change.
22 Your comments today are being recorded. This
23 record, as well as the summary of the comments
24 received from all five Service Council fare forums,
25 will be provided to the Metro Board for their review

1 to consideration prior to their scheduled May
2 meeting to consider action on the proposed fare
3 change.

4 Persons who have asked to submit comments
5 this evening will be called in the order in which
6 they turned in their Request to Speak forms. If you
7 have not filled out a form and wish to comment on
8 the proposed fare restructuring, please, hold up
9 your hand, and a staff member will give you one to
10 fill out and turn in. If you wish to comment, but
11 do not wish to provide oral testimony, staff will
12 gladly accept your written comments.

13 Jon Hillmer will now provide an overview of
14 the proposed fare restructuring.

15 MR. HILLMER: Thank you, Mr. Chair. I will
16 present a 16-cell presentation, which is sort of a
17 summary of the fare proposal. The goal -- Metro has
18 a goal, of course, of providing quality transit
19 service for our residents of LA County. And as
20 you've seen over the past four years or so, the
21 quality that Metro service, as I have presented to
22 you, has improved in many of those areas: On time
23 performance, cleanliness and so forth. It's been
24 very good.

25 Metro -- I should say the fares that Metro

1 receives is an important element of providing this
2 service. Metro operates a very extensive network of
3 over 50 bus routes, 6 rail lines, 2 BRT lines. The
4 last calendar year, over 475 million people boarded
5 a Metro bus or train. It's a very well used system.

6 The fares, of course, play a big portion of
7 this, and to continue with that quality service,
8 fares have to be adjusted periodically to match cost
9 increases and so forth.

10 If you take a look at the fare structure
11 that Metro has and why you're looking at a proposed
12 fare change, the base fare for Metro is \$1.50. That
13 is one of the lowest base fare for adults in the
14 United States for major transit operators.

15 You can see here that New York City is
16 \$2.50. In fact, an agency in Orange County's fare
17 is \$2.00 for one riding fare. More importantly, if
18 we take a look at the portion of passenger fares
19 that cover the operating costs of our buses and
20 trains, it's down to 26 -- a little over 26 percent
21 of the operating costs. That is the lowest among
22 the nation's largest transit operators, and the
23 lowest it's been at Metro.

24 You can see here that 26 percent means that
25 74-plus percent of our operating costs have to be

1 covered by other sources. That includes advertising
2 revenue, which we are very aggressive at. There's
3 advertising on our trains now and our train
4 stations.

5 Also, sales tax revenues are the fare mix
6 from our proposition A, C and R, which are revenues
7 that come in there for operations. The rest of this
8 shortfall has to be covered by our reserve funds,
9 and we are quickly running out of those reserve
10 funds.

11 Fare increases that we've experienced over
12 the years have not kept up with inflation. In fact,
13 we go back to 1993, about 19 years ago, Metro's base
14 fare was \$1.10. Today it's \$1.50. That's a 36
15 percent increase over 19 years. That's about 1.9
16 percent increase per year.

17 Inflation in the Los Angeles/Orange County
18 region has gone up by well over 3-and-a-half percent
19 per year on average. So relative to the inflation,
20 our fares have not kept pace. They've fallen way
21 behind. And as that happens, less and less of our
22 fares -- we don't adjust our fares more -- less and
23 less percentage of our operating costs is covered by
24 our fare box.

25 And that's important, by the way, as well,

1 because passenger fares not only account for -- even
2 if it's only 26 percent of our fare box, we also
3 receive additional money that's allocated out to all
4 the transit operators in LA County such as Culver
5 City, Santa Monica, LA DOT, based on a formula.
6 That formula includes how much revenue you collect
7 from passengers divided by your base fare; so Metro
8 receives slightly more subsidy for our revenues than
9 we actually collect in revenues. That usually comes
10 two years later after we have an accounting of it.
11 So it's very important for that revenue to be robust
12 enough so that we get additional subsidy dollars.

13 The fact is now that we're facing, in a
14 couple of years, a deficit as our reserve funds are
15 depleted. We're projecting a 36-million-dollar
16 shortfall in the coming years, going up to a
17 225-million-dollar shortfall within 10 years. The
18 graph here just kind of illustrates that on a
19 graphic basis, how it declines over time. It is
20 unsustainable.

21 Now, how can we address this deficit? Well,
22 there's different ways. One question is can we move
23 money from one funding source to another?
24 Typically, people will ask, well, what about capital
25 dollars, dollars that are used to build divisions,

1 buildings, or train systems? And the short answer
2 is, no. Subsidy dollars that we receive for capital
3 projects have to be spent on capital projects. If
4 we had wanted to take the capital dollars and put it
5 into operating funds, those funds, those capital
6 dollars, would be withheld from those projects.

7 As an example, Measure Art South, which was
8 approved by a vast majority of voters, contains
9 specific projects that are to be funded. Many of
10 them are capital projects, in terms of rail, such as
11 the Expo Line extension. They contain capital
12 dollars and have to be put into those improvements.
13 Metro is prohibited from moving that money.

14 As another example, Metro -- in order to
15 maintain its fleet-age, less than 12 years of peak
16 age for our buses, Metro should be buying
17 approximately 185 buses per year. That's expensive.
18 Typically, the Federal Government will provide up to
19 80 percent of the funds for those buses. If Metro
20 decided instead of buying those 185 buses we wanted
21 to use that money to subsidize our operations, the
22 Federal Government would simply pull back the money.
23 We would not be able to validate further service,
24 but we wouldn't have buses. So moving capital to
25 operations, unfortunately, is not a viable option.

1 Another question is can Metro operate more
2 efficiently? The simple answer to that is yes.
3 Every business in that vast majority could be a
4 little more efficient in some place, and Metro has
5 been looking at streamlining our operations. In
6 fact, there are fewer full-time employees that work
7 for Metro, 116 fewer. That does not include, by the
8 way, you may have read that our C.E.O. has reduced
9 the executive staff, the people reporting to him.
10 He has fewer executive staff positions. Several of
11 those positions that were there are no longer in
12 existence. That's a substantial savings, but even
13 so, that substantial savings is a very small
14 percentage of our operating costs.

15 No cost of living since 2010 and there are
16 programs to increase our efficiency. Listed here
17 are just a few: Solar panels on many of our
18 buildings and structures to provide us with low-cost
19 electricity and so forth.

20 Can Metro cut service to balance our budget?
21 It could do that, but that's one of the last things
22 we really want to do. We don't want to create a
23 network of bus routes that has lots of holes and
24 fewer trips. We hear from our customers on a
25 regular basis saying, "We'd like to have more

1 service, better service, more frequent service."
2 So, contrary to our mission, we constantly hear, as
3 I mentioned, people want better and more service.
4 And we actually need a structure in terms of our
5 service and our fare structure that encourages
6 people to use this very valuable transit system.

7 Another question, a very valid question is,
8 if we were to reduce fare evasion, would that help?
9 The answer to that, of course, it would help. In
10 fact, Metro has initiated some significant programs
11 to address fare evasions both on the bus and the
12 trains.

13 On the trains, as you know, we've been
14 gating many of our stations. In fact, in my
15 performance report, we'll talk about the Green Line
16 receiving more passenger gates. In addition, we
17 have more sheriff's personnel, security personnel,
18 and we have others monitoring our bus service.

19 And finally, on our buses, if a person gets
20 on and does not pay the fare, our operators are to
21 push a button on the fare box that gives us
22 information on where we've had an issue on
23 nonpayment of fares. That data then is collected,
24 typically on a monthly basis and analyzed, and that
25 will give us information on where to focus our

1 efforts in terms of sheriff's officers, safety
2 personnel, and so forth, to specific areas to
3 address those fare evasion occurrences. So that is
4 being worked on quite aggressively at this point.

5 Let's see. Now getting back down to the
6 basics: How can a fare change help on this? Well,
7 it's obvious that the more money we get in the fare
8 box, the better Metro can operate. That's simply
9 because we don't have to dig into the reserves. If
10 we had to dig into the reserves and we deplete the
11 reserves, the most obvious option is to start
12 cutting our service. That is one of the options we
13 really do want to avoid.

14 Our current 26 percent fare box coverage
15 ratio is really not sustainable. We do need to get
16 to 33 percent in the near future because our
17 long-range plans, which were adopted by the Metro
18 Board, do identify the 33 percent fare box return
19 ratio as something we need to achieve in order to
20 fund the projects that we have planned as well as
21 the Government's -- Federal Government's funding
22 these additional projects. As you recall from an
23 earlier slide, 33 percent fare box return ratio
24 would only put us up one transit property in terms
25 of fare box return. We would still be very, very

1 low, even with a 33 percent fare box return ratio.

2 Okay. So let's get into the basics here.

3 There are two options that are proposed for
4 consideration, Options 1 and 2. They have a lot of
5 similarities. They propose a gradual increase in
6 fares every three years; so after six years, you
7 have three increases in fares. They also contain a
8 free 90-minute transfer ability. When a person pays
9 with a TAP card, a stored value TAP card, that is if
10 they put money on their TAP card, not a pass, but a
11 stored value, they can use that stored value when
12 they board a Metro bus or train station. Then they
13 have 90 minutes from the first TAP to make other
14 transfers within the system. That's a significant
15 improvement. Currently today, we have no transfers.
16 If you are only riding twice, you pay twice, or you
17 buy a pass, or you buy a day pass. So this is a
18 very important option we're considering.

19 Also, monthly passes after two years and
20 excuse me -- three years. By 2017, the regular pass
21 will include the E-ZPass. The E-ZPass would allow
22 the individual to transfer to 24 other very
23 important transit operators, including Culver City,
24 Santa Monica, I believe, and many, many others. So
25 that's another very positive thing.

1 This summarizes those things I've just
2 talked about. If we go down to the third level
3 here, after 2020, the proposal is that the fares
4 would be adjusted to CPI every two years after the
5 last fare increase that we're talking about. That
6 will show on three different slides coming up.

7 And also, we have a consistent fare of our
8 tresses and the Silver Line would be going to a
9 single zone increment as opposed to two. We have
10 some lines that are shorter, have one longer express
11 line instead of two. This would take it to one.

12 The difference is Option 2 has a peak,
13 off-peak fare. That means that during rush hours,
14 which are typically from 6:00 o'clock in the morning
15 to 9:00 o'clock and also from 3:00 o'clock to 6:00
16 o'clock in the afternoon on weekdays -- those are
17 the peak periods. The fares would be higher to ride
18 during that period of time and lower during the off
19 peak, mid-day, nights and weekends; however, it
20 comes at a steep price for the express line
21 peak-period riders as you will see.

22 And finally, the Title 6 Civil Rights Act
23 evaluation -- we evaluated these proposed fare
24 changes using the Federal Government's guidelines on
25 how to evaluate this. And these fare changes were

1 determined not to create disparate impacts or
2 disproportionate burdens on minorities and
3 low-income riders.

4 All right. Here we get into the very
5 specifics. Now, this is a summary. We have
6 provided 90,000 documents. These very large
7 Take-Ones, which were printed in 10 different
8 languages. There are 10 different languages on all
9 these, and they contain the fare structure in more
10 detail, or you can buy get one of these flyers which
11 has it in even larger print so it's easier to read
12 and you don't have to unfold it and treat it like
13 one of our system maps.

14 The current fare is listed here at \$1.50 for
15 base fare. Seniors are \$.55 during peaks, \$.25 off
16 peak; students a buck; day pass \$5; monthly pass
17 \$75. This is Option No. 1. We're proposing to
18 implement this in September of this year. So if it
19 were implemented as proposed, the base fare would go
20 up a quarter to \$1.75; seniors peak fare would be
21 \$.75, off peak \$.35; the student fares would go up.
22 \$.25 to \$1.25; a day pass would increase \$2.00 to
23 \$7.00; monthly passes would go up \$25.00 to \$100.

24 Three years later, we have a very similar
25 progression of increases. \$2.00 for the base fare;

1 \$.90 - \$.50 for the seniors peak, off peak; \$1.50
2 for student cash; day pass is 8 bucks, goes up a
3 dollar; and the monthly pass goes up to \$120, but it
4 would include the E-ZPass option, where it could be
5 used on at least 24 other transit operators.

6 Then finally, 2020, the last year of this
7 every three-year increments, things go up again, as
8 you can see here.

9 Now, looking at Option 2, this is a little
10 more detailed, but you'll see that the peak,
11 off-peak fare has a big impact. This is the current
12 fare, not too bad. Now, for 2014, the peak fare
13 would go up to \$2.25. While the off-peak fare would
14 remain at \$1.50. Senior fares would go to \$.90
15 and \$.50; students, a \$1.25; day pass goes up more
16 to \$9.00; and the monthly passes would go up another
17 25 bucks to \$125.00 for the monthly pass.

18 Three years from now, things would go up
19 again to \$2.75 for peak, \$1.75 for off-peak. And
20 you can see everything goes up incrementally with
21 each of the next three years; so by the time you get
22 to 2020, we have a \$3.25 base fare. Off-peak would
23 be 2 bucks; senior fares would be \$1.10 during peak,
24 \$.60 during off-peak; students, \$1.75, still a
25 bargain; day passes will be \$13.00; and monthly pass

1 will be up to \$180. That's the progression of these
2 two options. Option 1 is more traditional with few
3 of those benefits, such as the 90-minute window.

4 Now, we didn't mention what's missing on the
5 slide, is the fact that we do have a Board of
6 Directors public hearing that will be held on the
7 last Saturday of this month in March, March 29th.
8 It will be held downtown in the boardroom at 9:30 on
9 Saturday morning. Council members are more than
10 welcome to come and participate in that very
11 exciting event. We do anticipate a very large crowd
12 of people being there.

13 All right. So let us know if you're going
14 to attend, and we can make sure we have some
15 refreshments, and if you want to stay for lunch,
16 maybe some lunch as well. So let us know. Public
17 is very much encouraged to come. All the comments
18 that are being made here today will be recorded.
19 They will be summarized and provided to the Metro
20 Board for their review prior to their decisions on a
21 fare change.

22 After the public hearing is held in March, a
23 revised, possibly a revised plan would go back to
24 the Board in May for their considerations on May
25 22nd at their regular Board Thursday-of-the-month

1 meeting. This will be an item for them to consider
2 to adopt, the fare change.

3 And with that, I'm more than willing to
4 answer any questions now from the Council or after
5 the public has had a chance to make any comments.

6 MR. JACOBBERGER: Do any service members
7 have questions?

8 MR. ROSTEN: Yeah, I have a question.

9 The seniors seem to go up in
10 disproportionate in what some of the other things
11 are arising. I'm wondering if that isn't going to
12 be difficult for someone with a low-income seniors,
13 and why haven't they actually thought about making a
14 need a part of that? There are some seniors that
15 are way better off, and some people are not who take
16 the bus because they can't drive. Why should they
17 necessarily get a much lower fare, and why are the
18 seniors, in general, going up so much more than --

19 MR. HILLMER: A couple things -- one is that
20 the Federal Government requires that transit
21 agencies receiving Federal subsidies have to provide
22 fares for seniors and disabled that are one-half the
23 regular fares during off-peak periods. During rush
24 hours, there's no requirement for reduced fare for
25 seniors or disabled.

1 Metro actually provides a very significant
2 reduction in fares for our seniors and disabled,
3 both in the peak but even more so in the off-peak.
4 The off-peak is a bargain with the cash fares. It's
5 very, very low.

6 MR. ROSTEN: It's the same thing with
7 disabled parking?

8 MR. HILLMER: There's some discussion in the
9 past about trying to look at ways of a needs-based
10 fare structure. It becomes extremely complicated
11 for Metro to engage in that. There were some
12 thoughts of relying on the social services
13 departments. That becomes very cumbersome as well.
14 It's very difficult --

15 MR. ROSTEN: As a senior, the current
16 seniors, which are the baby boomers, are probably
17 better able to pay the bus fares than some other
18 people and seniors.

19 MR. HILLMER: As a group, you're correct. I
20 understand that, as a group, seniors are better off
21 than any other age group within society; however,
22 you still have a significant group of seniors who
23 are very, very low income.

24 MR. ROSTEN: No, I understand that.

25 MR. JACOBBERGER: Any other questions.

1 MS. GOODMAN: So, Jon, can you tell us, does
2 Metro have data on the proportion of either riders
3 or trips or something that use either a day, week,
4 or monthly pass versus paying by the trip?

5 MR. HILLMER: We do.

6 MS. SLOAN GOODMAN: Either stored value or
7 cash?

8 MR. HILLMER: Yeah, we do. In fact, for
9 January, I don't remember the exact numbers, but for
10 a bus, it was 23 percent of the riders paid with
11 cash on the bus. 36 percent were pass. Seniors and
12 disabled were 18 percent, I believe, and students
13 and others made up a smaller portion. That's on the
14 bus.

15 On the train, it's a little bit different.
16 There was no recording for cash payment on the
17 train, simply because when you TAP, to get on the
18 train system, you have to TAP; so there's no cash
19 accepted except in the fare boxes.

20 MS. GOODMAN: When you say, "23 percent is
21 cash," is that including the stored value on a TAP
22 card, or is that only car cash?

23 MR. HILLMER: No, stored value is -- on the
24 bus, it's real low. It's about 3 percent; however,
25 it's much bigger on the trains at about 20 percent

1 stored value. That's partly due to the fact that
2 the fare machines are right there at every station.

3 DR. HENRY: Is there a senior monthly pass?

4 MR. HILLMER: Yes.

5 DR. HENRY: And how does that operate?

6 MR. HILLMER: It's -- right now, it's \$14.00
7 for a senior pass, and that's going up progressively
8 as well. That's included in the document. You can
9 buy a senior pass at -- in a very large number of
10 outlets. You need to initially have documentation
11 of your age, and then you can simply do that.

12 And many cities also provide additional
13 subsidy for seniors and disabled to bring the ride
14 down even further than the current costs.

15 MS. LITVAK: Excuse me. If I may, do you
16 guys have all of this?

17 MR. HILLMER: We do.

18 MS. LITVAK: The second set of information
19 here relates to senior and disabled.

20 MR. JACOBBERGER: 14.

21 MS. LITVAK: Do you see the second gold bar,
22 it says, "seniors, disabled" on each one; so that
23 gives you all the information.

24 MR. ROSTEN: What is the senior age
25 requirement?

1 MR. HILLMER: 62. It's very young.

2 MR. ROSTEN: It is.

3 MR. JACOBBERGER: Dr. Henry, did you have

4 a --

5 DR. HENRY: No, that answers my question. I

6 didn't see it on -- I didn't notice it here.

7 MR. HILLMER: That was a summary of some of

8 it, but there is a complete listing in both this

9 multi-language, Take-One.

10 DR. HENRY: And these -- so it will

11 ultimately -- just so I understand what I'm looking

12 at here, it will double by 2020 from the current

13 fare, the senior monthly pass?

14 MR. HILLMER: That would be on Option A,

15 Option 1, on the left-hand side. You can see here

16 it goes from \$14.00 presently up to \$28 in six

17 years.

18 DR. HENRY: Right.

19 MR. HILLMER: Option 2, it goes up even

20 more. It goes up to \$28. Well, actually goes up

21 the same. It just goes there faster. Instead of

22 \$20.00, it goes to \$22.

23 DR. HENRY: Thank you.

24 MR. JACOBBERGER: I just have a quick

25 question on the free transfers. Is there any

1 directional limitation? I know when I was growing
2 up in San Francisco, it was, like, you couldn't --
3 you could go any of three directions, but you
4 couldn't go the opposite direction of the direction
5 of your first trip.

6 MR. HILLMER: It's a tricky answer to this
7 and -- we are looking to only look at prevent people
8 from round-tripping to go back on the same line they
9 purchased their ride on. So if they board the 720
10 going westbound; then they can't use that same thing
11 to go on the 720 back. They could use it on the 20
12 Line and ride locally or use it on the Purple Line
13 and come back.

14 Now, we're looking at that as a little
15 complicated for the fare machines to recognize all
16 those permutations. You know, when it gets tapped
17 the first time, it has to put that into the
18 database. It has to remember which line it was
19 purchased on and what direction that particular bus
20 was headed at the time of the purchase. It's not
21 the direction necessarily that the bus was
22 traveling, but the general direction of the bus
23 route.

24 MR. ROSTEN: 90 minutes will help eliminate
25 most of it.

1 MR. HILLMER: Well, the 90 minutes is quite
2 a rich transfer time. When I was a bus operator,
3 you had 60 minutes to make your transfers. And back
4 then, it was very similar to what you explained in
5 San Francisco. If you were going west on the 27
6 Line, you couldn't go east on any other line in the
7 vicinity. You had to only go in the direction you
8 purchased that transfer.

9 MR. PETTY: Is it limited to one transfer?

10 MR. HILLMER: No, as many as you can make in
11 90 minutes. Now, I have to go back and check
12 because we have a pass-back protection on each of
13 our passes, which means you can't use that thing in
14 the next 7 minutes. And that's to prevent, when I
15 was an operator, many, many years ago, there would
16 be occasions I'd pick up lots of students, and I
17 think I saw the same pass go out the window to
18 someone else; so it was to prevent that kind of a
19 situation.

20 It is a good question. I'll have to go back
21 and see if people are precluded from using that
22 within 7 minutes.

23 MR. PETTY: Just, you know -- I know you
24 guys working on the gates latching and the rails.
25 What is the estimate of the leakage of fares, rail

1 or bus?

2 MR. HILLMER: It's really hard. It's really
3 hard to put a good estimate on it because we do have
4 estimates of ridership, and we do have railroad
5 coming in, but we don't necessarily know how that
6 revenue came in necessarily.

7 So we're looking at something, probably, in
8 the range of 10 percent, maybe a little bit more.
9 Which is very large when you're dealing with nearly
10 500,000,000 people boarding in a given year. So --

11 MR. JACOBBERGER: Great. Thank you,
12 Mr. Hillmer.

13 I will now open the forum for public
14 comments on the fare restructuring proposal. If you
15 have not already done so, please fill out a Request
16 to Speak form and submit it to staff. Each person
17 providing comments will be limited to two minutes.
18 Again, you also have the option of submitting
19 written comments to staff today or any of the other
20 fare forums at public hearings or by E-mail or mail.

21 I will call the name of the next person to
22 speak, as well as the person to follow so that
23 person can be prepared. I'll actually call all
24 three because we just have three cards here.

25 The first person to speak will Ken Rubin,

1 followed by Sonia McIntosh, followed by Wayne
2 Wright.

3 MR. RUBIN: Ken Rubin, Vice President for
4 the first six months for Southern California Transit
5 Advocates.

6 Before I start up in our report, if I don't
7 get through it all, we'll also do it at the 29th
8 forum.

9 This is a senior E-ZPass that I use, and
10 this is with a picture, and it expires next year,
11 and I can discuss this with you later.

12 So looking at the e-mail that our treasurer
13 sent me, on the 90 minutes, we recommend two hours
14 in transfer time instead of the 90 minutes as just
15 discussed.

16 If transfers are offered only on TAP cards,
17 then Southern California Transfer Advocates suggests
18 TAP cards sold on buses be able to hold transfers.
19 If a peak, off-peak structure is implemented, it
20 should be done using TAP stored value and consider
21 it an off-peak discount for using TAP rather than a
22 peak surcharge. In other words, the off-peak fare
23 is a discount for using TAP and riding off-peak with
24 the peak fare being considered the fault fare.

25 We recommend that off-peak fares be provided

1 only to seniors and the disabled with a valid senior
2 disabled TAP card, like I just showed you. Cash
3 riders will still be eligible for a 50 percent or
4 greater discount by paying the peak senior disabled
5 fare as required by State law.

6 TAP service center hours should expand to
7 match those of the Metro customer center. Fare
8 capping should be -- there's something here about
9 putting in stations at West LA Transit Center, I
10 think some of the others.

11 And I want to go on to fare capping should
12 be implemented such that after the fourth-phased
13 fare, we use a TAP card, and it converts to a day
14 pass automatically.

15 I think my time is up, but I have a few
16 other things that I can copy and paste this and get
17 it to Dolores for the whole of our comments.

18 And thank you for your time.

19 MR. JACOBBERGER: Great.

20 Ms. McIntosh.

21 And then Mr. Wright.

22 MS. MCINTOSH: My name is Ms. McIntosh,
23 speaking again here, and I left my address over
24 there on my letter for the file for this
25 hearing/meeting.

1 I'd like to just address, I don't understand
2 what's happening on Rossmore and Wilton Place on
3 Wilshire Boulevard, and the money that you got, 70
4 million dollars from the Congress, and I guess the
5 President, approved of it, also.

6 I'm just wondering what happened to all that
7 money. We could use that for the buses. I don't
8 think we need a fare increase. I don't think
9 seniors need that, or other poor people mostly
10 riding, and I don't see rich people riding, frankly.

11 And seniors need to be taken into account
12 here, and also it's hard enough transferring from
13 one bus to another, to the subway, going upstairs,
14 all the way downstairs, and escalators. Maybe you
15 get the elevator, and that's very hard on a person.
16 So asking us -- I rather just have a bus to get the
17 way it used to be, maybe two buses. That's it, not
18 have to walk blocks home at night. It's cold, not
19 safe, tiring on your body. I mean, are your knees
20 going to make it, et cetera, and not get the flu, et
21 cetera. See.

22 That's about all I can think of right now.
23 I don't want to overdue my -- but I'd like to know,
24 is that the subway going down Wilshire, or is that a
25 bus lane? And there's no subway from La Brea to

1 Western Avenue. I believe that people do not want
2 it there, do not want a Crenshaw stop, but is that
3 Purple Line really -- do we need to fund all this
4 stuff so there could be development on Wilshire? I
5 just feel that -- let's take care of the bus riders
6 first.

7 And if someone could tell me what's going
8 on, we'd really like to know. Do we have to go back
9 downstairs to get on the subway at La Brea to get
10 the subway a little farther, say to Fairfax, et
11 cetera, all the way to the veterans administration,
12 ultimately?

13 Okay. Thank you.

14 MR. JACOBBERGER: Mr. Wright.

15 MR. WRIGHT: First of all, fare evasion is
16 out of control, Westside South Bay particularly.
17 South Bay is the worse.

18 The lines that are operating out of South
19 Bay coming from the Westside, you have numerous
20 people either half-paying their fares, put a dollar
21 in the box, or they don't pay it all. It is a major
22 problem. I complained about this at other Service
23 Council meetings. The sheriff's are more focused on
24 the rail systems than they are with the bus systems.

25 Also, you have problems with the change in

1 the slots of the fare boxes. The fare boxes don't
2 work. So they have no way of knowing how much
3 you're getting into these boxes.

4 As for the transfer system limited to 90
5 minutes, it's unacceptable. You have a service area
6 that stretches from San Pedro to the south all the
7 way up to Sylmar. You're trying to get from, say,
8 point A to point B in 90 minutes. It's virtually
9 impossible. They're talking about, you can take the
10 bus or you take the rail to get there faster, but
11 you're not near a rail line. You're not near a bus
12 line. You have to take a local.

13 You hear about these people, the domestic
14 workers, say they have to take two or three buses,
15 and it takes two hours to get to their jobs.
16 They're not going to be able to get to their point
17 in 90 minutes with that type of exception.

18 TAP system needs to be free transfers and/or
19 expanded out to at least two to three hours because
20 90 minutes is not sufficient.

21 As for the local passes, particularly the
22 monthly passes, you know, I want to see them go
23 because, you know, not everybody can afford the
24 E-ZPass. I can't afford an E-ZPass. I am barely
25 able to afford a \$20.00 pass. But quickly,

1 basically, I would like to see, you know, staff, you
2 know, put more E-ZPass uses, daily, weekly. One of
3 the reasons right now you have three municipal
4 systems that have hold outs. So that is one of the
5 reasons we don't have them.

6 This concludes my comments.

7 Thank you.

8 MR. JACOBBERGER: Thank you, Mr. Wright.

9 Is there anybody else who wants to make
10 public comment?

11 Okay. That concludes the fare forum portion
12 of this evening.

13 Do any of our Council members have any
14 remarks?

15 MS. GOODMAN: I've been taking notes.

16 So just in general, I think the elimination
17 of the transfers is a great benefit to riders. I
18 don't care for the Option 2 with the peak and
19 off-peak. I think that just creates a really
20 complicated system for people to understand.

21 I also just did have to make a remark about
22 Jon's comment about employees not having a cost of
23 living adjustment for 40 years, and I'm sure that
24 the staff present will appreciate this, but I just
25 think that that's pennywise and kind of foolish. If

1 you want to have a world-class system, you would
2 have to have a world-class staff and compensate
3 accordingly. So I hope when these fare changes are
4 adopted, which I imagine some form will be, that
5 that's one of the first things that gets addressed.

6 The other comments I have more specifically
7 are that it seems, like, based on what Jon said
8 about the data of cash versus pass fares -- is
9 that -- if by eliminating the transfers, it seems
10 like you kind of make the day pass irrelevant
11 because you're no longer -- I mean, unless
12 somebody's taking a lot of trips, if they're not
13 paying for a transfer, it doesn't seem like that
14 would be necessary.

15 I'm also wondering if you would have the
16 result of having -- the result of that being a lot
17 of people going back to cash as opposed to buying a
18 day pass?

19 I guess the last thing would be also with
20 respect to the peak structures, that most people are
21 using passes. That sort of makes the peak versus
22 off-peak structure kind of irrelevant; right?

23 MR. HILLMER: I don't know about irrelevant,
24 but --

25 MS. GOODMAN: I mean, if somebody has a

1 monthly pass, then it doesn't really matter what
2 time of day they travel; right?

3 MR. HILLMER: That is true. In Option 2,
4 you'll see how the monthly passes are more
5 expensive. And also too, the 90-minute window of
6 free transfers using the TAP with stored value, I
7 agree with you, there will be far fewer people
8 buying the day pass.

9 People who can make -- even if they have to
10 pay two fares to get someplace, they have 90 minutes
11 and then another 90 minutes to complete the trip.
12 That's less expensive than buying a day pass. And
13 possibly even the number of passes, regular monthly
14 passes for people who are commuters. They may have
15 to take three buses or trains to get to work and
16 three buses or trains to get home. Maybe it's
17 better for them instead of buying a pass for \$100 to
18 put \$100 on their TAP card and then use that to
19 board each and every time. It may be even more of a
20 bargain for some riders.

21 DR. HENRY: I'm concerned about the limited
22 time for transfers. I'm a regular transit rider,
23 and this tell-tales with Mr. Wright's comment with
24 construction on Crenshaw. I was trying to take a
25 local up, and I waited. It was, like, for 30

1 minutes. Check the thing on the bus and 30 minutes
2 went by and got to where I was going. I tried to
3 get back, missed my train. You know, I couldn't do
4 it in 90 minutes. I was trying to get to Crenshaw
5 and Expo and to Crenshaw and Expo and to USC, and I
6 was not able to do that recently.

7 So I -- when I looked at the fare changes,
8 I'm, like, this is a rather short trip given the
9 expansiveness of the County that may be difficult to
10 accomplish certain things, especially in areas where
11 there's a lot of construction going on in the south.

12 The second thing -- I'm extremely concerned
13 about is the doubling of the fares over time. You
14 know, in my community, anything that's going to
15 double is just problematic. People have fixed
16 incomes, and it's -- so that is not palatable to a
17 lot of people and needs to be better explained,
18 like, how am I going to afford the doubling?

19 For women -- women are practically the
20 majority of transit riders. Women make 70 percent
21 of what men make on the dollar; so if you do that,
22 that's already a 30-percent deficit for women who
23 are the majority of riders on -- and I'm not an
24 economist, but I did a lot of economic training back
25 in my under graduate period.

1 Those are concerns that, for this to be
2 acceptable to folks, that should just be discussed.

3 And then, the third thing as a rider, there
4 is a lot of fare evasion. I'm on the bus all the
5 time. I see it, and sometimes it looks like -- is
6 it open fare day? You know, at U.S.C., I'm, like,
7 wow, like, how many people can be getting it? We're
8 observing it. I ride every single day, 5 days a
9 week. I've been riding for two years. I see a high
10 degree of fare evasion.

11 `I surmise that it could -- there could be
12 enforcement -- the enforcement could, in fact, pay
13 for itself if what Mr. Wright eludes to is what I've
14 seen. Your numbers are acceptable, and there was a
15 7 percent gap in what you need between the 26
16 percent than what you're currently collecting and 33
17 percent, and I was wondering to what degree the fare
18 evasion that's currently done, that might contribute
19 to the reduction of that 7 percent, which is not
20 really that far if that's the number you're going
21 for. Those are many things that I'm not laying them
22 all at your feet.

23 MR. HILLMER: I can respond to one of them,
24 but I didn't highlight it in my slide presentation.

25 There was words in there that indicated that

1 we are taking into account a reduction in fare
2 evasion in the projected return box return ratio.
3 And even if we were to eliminate all fare evasion,
4 which is probable not possible, we still would not
5 reach a balanced budget within this 10-year frame.

6 So it's a big problem. It's being
7 addressed. It needs to be driven down as far as
8 possible. But even if it was, we'd still need some
9 fare adjustment.

10 DR. HENRY: Thank you. I appreciate the
11 opportunity to just share those concerns on the
12 public record on behalf of the community I
13 represent.

14 MR. HILLMER: Again, comments from the
15 public and Council will be summarized and provided
16 to the Board as well.

17 DR. HENRY: I appreciate that.

18 MR. HILLMER: Okay. Good.

19 MR. JACOBBERGER: Quick question, Jon. I
20 think you mentioned that the fare restructuring
21 would result in total fare-box recovery, like, at 33
22 percent? Is that under Option 1 or Option 2? Are
23 they different.

24 MR. HILLMER: They're both -- actually, the
25 structures for Option 1 and Option 2 were developed

1 to achieve the fare-box return ratio. That's our
2 target, and if this were adopted, we're projecting a
3 34 percent fare-box return by 2020; so we'll reach
4 our goal with either one of these options as
5 projected.

6 MR. JACOBBERGER: So the mix of peak and
7 off-peak is adjusted so the total revenue
8 generate -- they're both intended to reach the same
9 pot.

10 MR. HILLMER: Correct.

11 MR. JACOBBERGER: Glen.

12 MR. ROSTEN: I had a couple comments. One
13 is -- I think that we need to be the lowest, and
14 it's reasonable that we are still low compared to
15 other cities but not as low. But I agree with
16 several of the other comments made here.

17 One, I think we need to look at the fare
18 evasion and try to get that down as low as we
19 possibly can. And I also agree with Harry's
20 comment. I think the off-peak and on-peak makes
21 logical sense, before it was too complicated for the
22 riders to figure out every time on the bus, what
23 time it is, what's the difference in fare. I think
24 it would be much easier all the way around to just
25 have one consistent fare.

1 MR. PETTY: I certainly share the concerns
2 for the -- basically, the doubling of the fares for
3 seniors and disabled, and I ask for the Board to
4 take a good long hard look at that.

5 I also agree that the base fare option would
6 be highly preferred than the on-peak, off-peak. I
7 find it confusing with the express lines, and I just
8 think with the buses and so many buses, we're still
9 trying to get new people to use bus and rail for
10 that matter. I think confusion would add to people
11 staying away from the transit.

12 MR. JACOBBERGER: Yeah, George.

13 MR. TAULE: I also agree that the base
14 fare -- we should probably think more in those terms
15 versus the peak and off-peak. I also wonder if the
16 increase in fares that are coming through the
17 program, being that the actual fare will go up so
18 high and the passes will be so high, that by getting
19 to your job, it might make it more palatable.

20 MR. HILLMER: Yeah, I could be wrong here,
21 but there's \$30 limit on an employer's subsidized
22 pass, transit subsidy, but that's a huge boom for
23 people currently paying the whole thing to get an
24 extra --

25 MR. TAULE: The way you guys have the

1 program set up, even if the employer doesn't
2 subsidize it at all, it becomes a very big break.

3 MS. GOODMAN: Only if all the employees get
4 it.

5 MR. TAUDE: Yes, but even if --

6 MS. GOODMAN: Less of a break if --

7 MR. TAUDE: I've done it in two places now.

8 You sign and you pay for all of the employees. Even
9 if not all of the employees buy into that but you
10 split that cost into the ones that do, it's a
11 significant reduction.

12 MS. LITVAK: There are different programs.
13 There are programs that we have where the employers
14 just make it available to everyone, and there's
15 others where the employers just make it available to
16 the people who say, "Yes, I will use it."

17 We work with all different kinds of
18 employers. I don't know if it's 130, but the limit
19 for how much of a benefit you can get -- tax free is
20 one of those. Elements that are not fair in the tax
21 code and have transit riders in terms of income tax
22 benefits are treated differently than drivers
23 because, if your employer covers your full cost of
24 monthly parking, you're not taxed for that. But
25 that's -- you know, you can talk to Congress about

1 that. Good luck with that.

2 MR. JACOBBERGER: I would guess -- I would
3 just add to what Jody just mentioned. The parking
4 limit -- I would think that Metro doesn't provide a
5 huge amount of parking, but it does provide, I
6 think, free or low-cost parking to a lot of its
7 facilities. I think that ought to be part of the
8 mix in terms of considering revenue, because I
9 imagine the people who are able to drive, say, to an
10 Orange Line, stop and leave the car there all day,
11 are more fluent than passengers who are taking the
12 bus, say, to the Orange Line and getting off and
13 having to make that transfer. So, you know, looking
14 at the equity of that.

15 I guess I'm actually more concerned about
16 the increase in the student fare than in the senior
17 fare. I see a lot of families riding transit, and
18 so the fare increase, you know, when you have a
19 family that's transit dependant, it's not one fare
20 increase. It's two, three or four or even more.
21 And whereas seniors, typically, it's one or two, you
22 know, individual senior or a couple. And so I think
23 senior households might actually be better able to
24 withstand a fare increase than families with
25 children; so I think that needs to be taken into

1 account.

2 I mean, I was on the Red Line. It was --
3 like, a family of, like, eight that was getting on,
4 and I was doing the math of how much -- you could
5 rent a van, almost, not quite, but it becomes really
6 expensive for families.

7 MR. ROSTEN: There should be a family pass.

8 MR. JACOBBERGER: I do agree with the
9 comment about what Perry says. The day pass
10 becomes -- because under one of the options, I
11 think, it's, like, the day pass is not even a
12 discount off four individual fares. So if you have
13 a free transfer, who's going to take more than four
14 fare charging rides in a day? I mean, it's almost
15 like you're duping people into buy something that
16 offers them no benefit, which I don't think is a
17 particularly wise thing.

18 And there's this, you know, other thing. I
19 don't know if it's -- you know, how much of it is --
20 is there some sort of tourist pass or excursion fare
21 that could be offered? If we want to encourage
22 tourism and tourists to actually be taking the
23 transfer and maybe just a seven-day pass or
24 something works for them. But I know other cities
25 have some sort of tourist excursion fare.

1 MR. HILLMER: We are looking at day pass or
2 seven day, but there's a gap. People are here for
3 three days, the weekend; so it's three-day passes or
4 one seven-day pass. It's really more of an issue of
5 marketing, I believe, of actually having this
6 offered at the primary hotels and the airports and
7 ports of entry, which we currently don't do a great
8 job at. Better for us to be out there and have
9 these available for the concierge and others to
10 actually have available.

11 DR. HENRY: Along those lines, if I just
12 might bring up, in Puerto Rico, they have their
13 transit passes that are offered in the tourist
14 stations with a souvenir photo; so we kept ours.

15 When we go there, it's a little cool thing
16 to have a picture of either the transit station or
17 some event. I had one of the original Expo Line
18 passes with the U.S.C. I thought, "This is neat.
19 This is actually valuable now." I don't even use
20 it. I have put this one away. Now that I have this
21 one, I don't have to worry about it getting messed
22 up. They become a branding and marketing
23 opportunity, which I think, just to comment on
24 tourism, is really part of our larger worldwide
25 branding and marketing, which Metro plays a

1 significant role. But, you know, in branding as a
2 21st century, you can get that as a tourist or a
3 legal citizen or whatever.

4 MR. HILLMER: I think it's a great idea. In
5 fact, if we could partner with the convention
6 centers, when the conventions come in, we could have
7 these seven-day passes with the image of that
8 particular convention on the TAP card. Great idea.

9 MR. JACOBBERGER: Just to mention the
10 tourist thing. Like the comparison with San
11 Francisco, in San Francisco, the cable car is a
12 tourist attraction, and a fair amount of their fare
13 revenue is actually tourist attraction revenue, not
14 -- their fare box recovery is pretty low.

15 For San Francisco in particular, it's not
16 exactly an apples to apples comparison. I think
17 they actually -- you know, like the real resident
18 transit riders, their recovery is probably a little
19 lower.

20 MR. HILLMER: It's pretty low, 29 percent.
21 There's an article in the "Times" today about them
22 expanding the \$6 per ride cable car fees to
23 streetcars. So it's -- they're looking for revenue
24 anywhere they can possibly get it. Now, they have a
25 program where they'd like to expand their transit by

1 10 percent. They're looking for additional fare box
2 revenue to help feed that growth in transit service.

3 MR. ROSTEN: They probably get more than 50
4 percent of their population in San Francisco,
5 probably less than 5 percent.

6 MR. HILLMER: I think those numbers are
7 pretty accurate.

8 MR. JACOBBERGER: Great.

9 Does anybody else have any other comments?

10 Then I'd like to thank everyone for
11 providing your input. Again, your comments
12 regarding the proposed fare restructuring have been
13 recorded and will be submitted to the Metro Board
14 for their consideration.

15 This concludes the fare forum segment of our
16 meeting.

17 Oh, I am sorry.

18 Mr. Coombs.

19 MR. COOMBS: One thing that has not been
20 considered on this free transfer is that the more
21 people that pay cash is going to substantially slow
22 down the buses. And I mean substantially, not just
23 a little bit, substantially. It takes a lot more
24 time to take the fares, and when you're raising the
25 fares, you are going to have to take more cash. You

1 have to get rid of those free transfers at the very
2 least.

3 The more people that use TAP cards, the
4 faster the buses run. And also, you might be
5 interested in knowing that there's one agency that
6 gets 100 percent of their fare recovery in the box,
7 and that is Las Vegas. They make it all on the
8 strip bus.

9 Thank you.

10 MR. JACOBBERGER: And the next is our
11 records report.

12 Jon.

13 MR. HILLMER: This is our performance up to
14 January data, and I'll go through this fairly
15 expeditiously.

16 Our on-time performance has improved nicely
17 to 79 percent. Our on-time performance has jumped
18 up to nearly 78 percent. 78 percent for us is an
19 all time high for on-time performance on the
20 Westside. I did look at the February numbers, and
21 we did come down a bit but not terribly far. So
22 that's a good piece of quality information, quality
23 service.

24 In terms of complaints, complaints did go
25 down nearly as much as we can expect with on-time

1 performance. For us 3.1. Our goal is 2.26.

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3 (The meeting was adjourned at 6:40 p.m.)

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