REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Consider Redding Area Bus Authority (RABA) Request for Temporary Farebox Ratio Reduction and Amendment #2 to the 2005/2006 Overall Work Program		07/26/05	6

RECOMMENDATION

It is recommended that the Agency consider and approve RABA's request:

1) For a temporary 15% farebox ratio reduction in 2005/06;
2) For a joint meeting;
3) To fund an update to the 2001 Short- and Long-Range Transit Plan; and
4) To approve an amendment to the Overall Work Program (OWP) to fund the Transit Plan Update referred to above.

SUMMARY

RABA is currently operating below the farebox ratio of 19% established by the RTPA. RABA has developed a 10-year financial plan (Exhibit A) that is projected to achieve the required farebox ratio of 19% in 2006/07, and has requested a temporary farebox ratio reduction for 2005/06 to 15%.

RABA requests that the RTPA and RABA hold a joint meeting to discuss future public transit policies. RABA also requests funding to update to the 2001 Short- and Long-Range Transit Plan through the OWP.

DISCUSSION

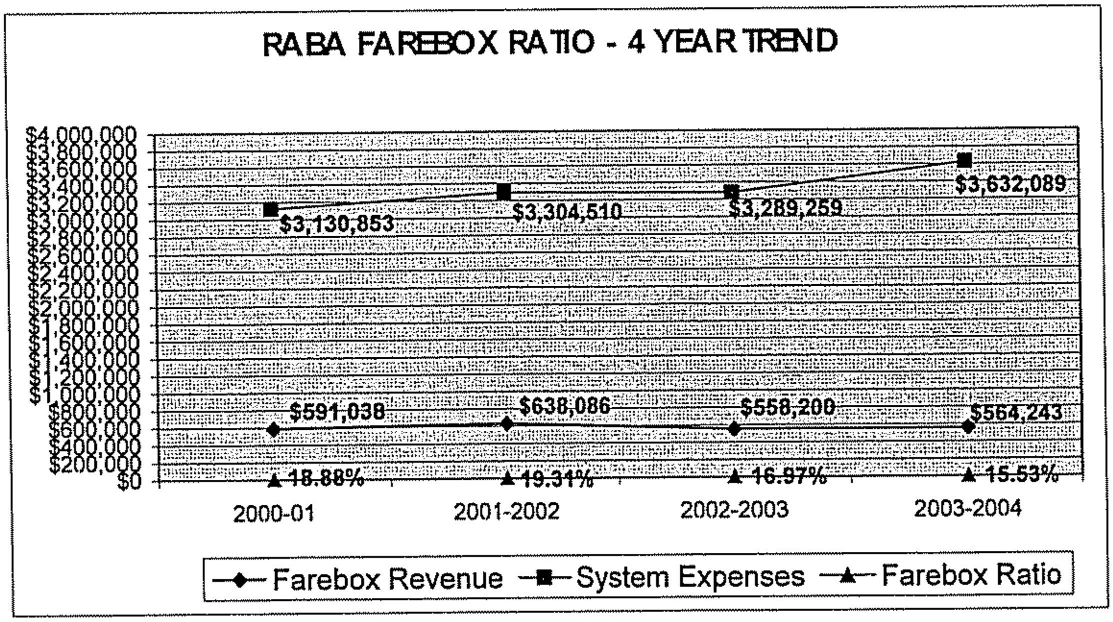
At the April 26, 2005 RTPA meeting, the Agency declined RABA's request to reduce the required system farebox ratio of 19%. As part of the discussion, it was emphasized that the Agency would like to review RABA's plan to eventually achieve the current standard. The implication was that the Agency would consider a temporary farebox ratio reduction if RABA provided a plan to eventually attain the 19% farebox ratio.

RABA created a 10-year financial plan (Exhibit A) based upon the Leigh, Scott and Cleary (LSC) 2001 Short- and Long-Range Transit Plan. RABA developed several scenarios that include; route modifications, fare increases, and decreased expenses. RABA's preferred alternative would increase fixed route bus fare to $1.25 and demand response fare to $2.50, in October 2005, and to $1.50 and $3.00, in July 2006. Other proposed changes included in the preferred alternative are: modifying Route 9 to operate only within Anderson with an express bus to Redding every other hour, modify Route 3 to travel both Eastside and Westside road eliminating Route 12, and establishing an hourly group rate for care facilities utilizing demand response for outings.

It is expected that these fare increases, along with route modifications, will reach the 19% farebox ratio requirement in 2006/07. RABA expects to achieve a 15.6% ratio for 2005/06 and requests that the Agency consider a temporary farebox ratio reduction to 15% in 2005/06.

RTPA Staff concurs that the attached Exhibit A will achieve the desired fare requirement in 2006-07 and beyond, assuming ridership does not decrease substantially after fare increases. It should be emphasized that if costs increase then fares may need to be adjusted accordingly to maintain the required farebox ratio.

The chart below demonstrates a 4-year trend in farebox revenue to system expenditures. The last fare increase by RABA was in October 1998, with the exception of the City of Anderson who implemented a fare increase in October 2003.



The action requested of the Agency is consistent with action taken in 1998 and 2001, when similar farebox ratio reductions were approved by this Agency. In both of these instances RABA incurred cost increases that negatively impacted the farebox ratio recovery. The fact we are facing these identical issues now can be traced to the reluctance to increase fares as costs increase. To minimize these situations in the future, it is necessary to acknowledge that fares need to increase as costs to operate the system increase.

RABA has requested that the Agency consider a joint meeting to discuss the direction and goal that public transit should achieve in future years. Staff is of the opinion that these two agencies need to understand and appreciate the goals and objectives of the two organizations. To the extent that a joint meeting facilitates this understanding, it should be pursued. Suggested agenda topics should focus on the statutory role of the RTPA and how it relates to RABA and its member agencies. Staff requests that Agency members suggest agenda topics they feel will foster a better understanding between the agencies.

The last RABA transit plan was completed in 2001. Transit plans are generally updated every 5-years. RTPA staff has recommended an update of the 2001 Short- and Long-Range Transit Plan. This update would be administered by RABA in cooperation and collaboration with the RTPA. Funding would be provided through the OWP. The estimated cost for this update is $50,000.

Since this transit plan was not included in the approved OWP, an amendment is required. This transit plan would be funded by a combination of federal planning funds matched with TDA resources.

OTHER AGENCY INVOLVEMENT

The Redding Area Bus Authority (RABA) has worked with RTPA staff in the development of the 10-year financial plan (Exhibit A). The Technical Advisory Committee (TAC) has considered this request and recommends approval.

FINANCING

Reducing the farebox ratio to 15% for 2005/06 will impact the cities of Anderson, Redding and Shasta Lake, and the County of Shasta by reducing their funds available for other uses in 2005/06. Funding for a transit plan update will be provided through the RTPA's OWP.

Daniel J. Kovacich

Daniel J. Kovacich, Executive Officer

SLC/jac

Attachments: Letter from RABA dated May 27, 2005
Exhibit A: RABA 10-year Financial Plan
Revenue Sources OWP Page 50
2005/2006 Financial Summaries
2005/2006 OWP Pages 29 and 30
Resolution 05-09
Minute Order

RABA

May 27, 2005
R-010-750

Daniel J. Kovacich, Executive Officer
Shasta County Regional Transportation Planning Agency
1855 Placer Street
Redding, California 96001

Subject: RABA Board Request for Temporary Reduced Public Transit Farebox Ratio

Dear Dan:

At the Monday, May 16, 2005, meeting of the Redding Area Bus Authority (RABA) Board of Directors (Board), an item related to route and fare modifications was discussed. This item was a follow-up to the Shasta County Regional Transportation Planning Agency (RTPA) action of April 26, 2005, in which the RTPA Board declined to reduce the public transit system farebox ratio level established by the RTPA. Our understanding is that the RTPA would further consider the question of a temporary or permanent ratio reduction at such time as RABA provided its plan to increase the fairbox ratio.

RABA staff has created a 10-year financial plan based upon the one developed by LSC and contained within the 2001 Short and Long Range Transit Plan. Several scenarios were developed for the Board's consideration that obtained different ratio percentages during fiscal years 2005-06 and 2006-07. All scenarios included route modifications to decrease expenses and several included fare adjustments to increase revenues. The Board's preferred alternative would increase the base fixed route bus fare to $1.25 and the demand response fare to $2.50 in October 2005 and to $1.50 and $3.00 in July 2006. However, this is not projected to achieve the RTPA required 19 percent requirement in 2005-06. It is projected to achieve a 15.6 percent ratio in 2005-06 with an October 1, 2005, start date and 19.1 percent in 2006-07. Our estimates assume a five percent ridership reduction as a result of the fare increase.

Included in this alternative is a request for the RTPA to reduce the required farebox ratio for the 2005-06 fiscal year to 15 percent. Should the RTPA not approve the requested farebox ratio reduction, then the Board selected an alternative that would raise the fixed route base fare to $1.60 and the demand response fare to $3.20 beginning in October 2005. This is projected to result in a 19 percent ratio in 2005-06. RABA staff will begin the public participation process to acquaint the community with the various alternatives regarding expense reductions and revenue enhancements as outlined to the Board and contained within the staff report, a copy of which you have received,

REDDING AREA BUS AUTHORITY
777 CYPRESS AVENUE,REDDING, CALIFORNIA 96001-3396 • (530) 225-4171 • FAX (530) 245-7024

prior to a public hearing before the Board where a final selection will be made following RTPA's response to the farebox ratio reduction request. Therefore, the answer to the ratio question from the RTPA is on the critical path prior to the public hearing.

The Board further decided to take you up on your offer to fund an update to the Short- and Long-Range Transit Plan that would be administered by RABA in cooperation and collaboration with the RTPA. The Board also requested that the RTPA consider a joint meeting to discuss the direction/goal that public transit should achieve in future years. This meeting could be a pre-cursor to issuing the Request For Proposals for the transit plan update. Your thoughts on this would be appreciated.

I would suggest that you and I meet at your earliest convenience to discuss the best way to proceed from this point.

Very Truly Yours,

Randy Bachman
Executive Officer

RB:ls
C:\Documents and Settings\shank\My Documents\DCM\Letters\L05-27-05RTPA.wpd

c: Connie Strohmayer, City Clerk
Ray Duryee, Municipal Utilities Manager

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY
2005 - 2006 OVERALL WORK PROGRAM
Available Revenue by Source

Sources of Revenue:	Amount
Federal Highway Administration (FHWA)	**488,649**
PL Funds 2005/2006 Allocation	
Federal Highway Administration (FHWA)	
PL Funds - Carryover from Prior Years	**184,407**
Amendment #1 - Travel Model Update (RTPA)	***55,601***
Amendment #2 - RABA Transit Plan	***44,265***
Federal Transit Adminstration (FTA)	
Planning (Section 5303) Funds 2005/2006 Allocation	**50,601**
Federal Transit Adminstration (FTA)	
Section 5303 - Carryover from Prior Years	**41,624**
Transportation Development Act Funds	**246,101**
Allocated for Administration and Planning	
Amendment #1 - Travel Model Update (RTPA)	***7,204***
Amendment #2 - RABA Transit Plan	***5,735***
Local In-Kind Match	**30,189**
Federal Aviation Administration	0
State Planning Partnership	0
State Subvention	0
Match (Caltrans)	0
Total Resources:	**1,154,377**
Total Expenses in OWP:	**1,154,377**
Difference between Revenues and Expenses	0

Exhibit A:
REDDING AREA BUS AUTHORITY
2005-15 BUDGET

10-Year Plan - with Recommended Fare Increases

ACCOUNTS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Revenues	As Requested	Requested	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Passenger Fares	649,290	819,650	827,847	890,847	899,755	908,753	974,220	983,962	993,802	1,061,828
Other Revenue	202,300	169,500	171,867	174,300	176,801	179,372	182,014	184,731	187,523	190,394
FTA	1,141,330	801,200	531,956	914,645	1,113,340	1,151,241	1,189,151	1,049,478	961,810	993,353
TDA	2,937,230	2,833,550	3,575,889	3,613,823	3,913,884	4,052,811	4,138,549	4,241,023	4,360,941	4,456,151
Total Revenues	**4,930,150**	**4,623,900**	**5,107,559**	**5,593,615**	**6,103,780**	**6,292,176**	**6,483,934**	**6,459,195**	**6,504,076**	**6,701,726**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Expenses	Requested	Requested	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Personnel	228,420	250,020	257,521	265,246	273,204	281,400	289,842	298,537	307,493	316,718
Purchased Transportation	2,533,970	2,614,300	2,562,729	2,639,511	2,718,716	2,800,418	2,883,690	2,970,611	3,060,259	3,151,717
Other Operating Expenses	1,274,710	1,300,110	1,338,630	1,378,306	1,419,171	1,461,263	1,504,618	1,549,273	1,595,268	1,642,643
City Interdepartmental Charges	197,090	205,470	211,634	217,983	224,523	231,258	238,196	245,342	252,702	260,283
Overall Work Program	106,800	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674
Total Operating Expenses	**4,340,990**	**4,439,900**	**4,442,614**	**4,575,309**	**4,712,105**	**4,853,125**	**4,997,495**	**5,147,347**	**5,301,814**	**5,460,035**
CAPITAL OUTLAY										
Capital Outlay	589,160	184,000	664,945	1,018,306	1,391,675	1,439,051	1,486,439	1,311,848	1,202,262	1,241,691
TOTAL EXPENSES	**4,930,150**	**4,623,900**	**5,107,559**	**5,593,615**	**6,103,780**	**6,292,176**	**6,483,934**	**6,459,195**	**6,504,076**	**6,701,726**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Fare Box Ratio - Fixed Route	16.6%	20.2%	20.4%	21.3%	20.9%	20.5%	21.4%	20.9%	20.5%	21.3%
Fare Box Ratio - Demand Response	12.4%	15.9%	16.1%	16.8%	16.5%	16.2%	16.9%	16.6%	16.2%	16.9%
Fare Box Ratio - Combined	15.7%	19.2%	19.4%	20.3%	19.9%	19.5%	20.3%	19.9%	19.5%	20.3%
Beginning Balance of FTA Funds	(137,900)	(301,230)	(124,430)	331,394	414,407	308,701	175,171	13,908	2,596	89,335
FTA Funds Available	978,000	978,000	987,780	997,658	1,007,634	1,017,711	1,027,888	1,038,167	1,048,548	1,059,034
FTA Funds Used	(1,141,330)	(801,200)	(531,956)	(914,645)	(1,113,340)	(1,151,241)	(1,189,151)	(1,049,478)	(961,810)	(993,353)
FTA Balance to carry forward	**(301,230)**	**(124,430)**	**331,394**	**414,407**	**308,701**	**175,171**	**13,908**	**2,596**	**89,335**	**155,016**
TDA Funds Available	3,741,852	3,910,235	4,086,196	4,270,075	4,462,228	4,663,028	4,872,865	5,092,144	5,321,290	5,560,748
TDA Funds Needed per budget	2,937,230	2,833,550	3,575,889	3,613,823	3,913,884	4,052,811	4,138,549	4,241,023	4,360,941	4,456,151
TDA Funds not used by RABA	**804,622**	**1,076,685**	**510,307**	**656,251**	**548,344**	**610,218**	**734,316**	**851,120**	**960,349**	**1,104,597**

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY
FINANCIAL SUMMARY FOR 2005 - 2006 BY FUNDING SOURCE AND LOCAL AGENCY
2005 - 2006 OVERALL WORK PROGRAM -

Work Element	and Description	Funding Sources	AGENCIES: SHASTA CO	REDDING	SHASTA LAKE	ANDERSON	RABA	FUNDING SOURCES: FHWA PL	FTA SEC 5303	IN KIND	TDA	ELEMENT SUB-TOTALS
701	Preparation and Administration of the Regional Transportation Plan	FHWA PL	192,896	4,019		2,907		199,823				
		FTA 5303							0			
		INKIND		0		0				0		
		TDA	24,992	521		377					25,889	
		STATE										
701	Subtotal:		217,888	4,540		3,284		199,823	0	0	25,889	225,712
702	Traffic Circulation Systems	FHWA PL	34,807	83,431	5,551	5,167		128,956				
		FTA 5303							0			
		INKIND	1,172	10,507	719	669				13,068		
		TDA	3,337	303							3,640	
		STATE										
702	Subtotal:		39,317	94,240	6,270	5,836		128,956	0	13,068	3,640	145,664
703	Public Transportation	FHWA PL					44,265	44,265				
		FTA 5303					92,225		92,225			
		INKIND					11,949			11,949		
		TDA	0				5,735				5,735	
		STATE										
703	Subtotal:		0	0	0	0	154,174	44,265	92,225	11,949	5,735	154,174
704	Non-motorized	FHWA PL	12,355	6,888	0	941		20,183				
		FTA 5303							0			
		INKIND		892	0	122				1,014		
		TDA	1,601								1,601	
		STATE										
704	Subtotal:		13,955	7,780	0	1,063	0	20,183	0	1,014	1,601	22,798
705	Aviation	FHWA PL	6,230					6,230				
		FTA 5303							0			
		INKIND								0		
		TDA	807								807	
		FAA	0	0								
		STATE										
705	Subtotal:		7,038	0	0	0	0	6,230	0	0	807	7,038
706	Preparation and Administration of the Regional Transportation Improvement Plan	FHWA PL	81,353	0	1,094	2,209		84,656				
		FTA 5303							0			
		INKIND								0		
		TDA	10,540	0	142	286					10,968	
		STATE										
706	Subtotal:		91,893	0	1,236	2,495	0	84,656	0	0	10,968	95,624
707	Administration of the Transportation Development Act	FHWA PL	6,872		0			6,872				
		FTA 5303							0			
		INKIND								0		
		TDA	178,031		0						178,031	
		STATE										
707	Subtotal:		184,904	0	0	0	0	6,872	0	0	178,031	184,904
709	Interagency Coordination and Development of the Overall Work Program	FHWA PL	64,887	3,010	1,094	2,199		71,190				
		FTA 5303							0			
		INKIND	0		0					0		
		TDA	8,407	390	142	285					9,223	
		STATE										
709	Subtotal:		73,293	3,400	1,236	2,484	0	71,190	0	0	9,223	80,414
710	Special Studies	FHWA PL	178,648	0	18,819	13,280		210,746				
		FTA 5303							0			
		INKIND	0	0	2,438	1,721				4,159		
		TDA	23,146								23,146	
710	Subtotal:		201,793	0	21,257	15,000	0	210,746	0	4,159	23,146	238,050
	OWP Work Element Totals:	FHWA PL	578,048	97,348	26,558	26,703	44,265	772,922				
		FTA 5303	0	0	0	0	92,225		92,225			
		INKIND	1,172	11,399	3,157	2,512	11,949			30,189		
		TDA	250,860	1,214	284	948	5,735				259,040	
	OWP Work Element Totals:		830,081	109,960	29,999	30,162	154,174	772,922	92,225	30,189	259,040	1,154,377

703.00 PUBLIC TRANSPORTATION

Purpose

To promote and maintain a public transit system that is safe, efficient, cost-effective, and responsive to the needs of the residents of Shasta County, particularly those who are transportation-disadvantaged. This planning process will include public and interest group participation and will also ensure compliance with the provisions of the Americans with Disabilities Act (ADA).

Local agencies will ensure that national emphasis areas as disseminated by FTA are considered in the development and implementation of all transit plans and programs.

Appendix A provides a recap of Overall Work Program efforts by work element, that link to the Federal Planning Emphasis Areas (PEA's).

Previous and Ongoing Work

- Monitor transit performance.
- Ongoing coordination assistance to paratransit providers.
- Ongoing transit needs review.

Products/Target Completion Dates

703.01	20,372	Conduct ridership data collection; review system performance indicators; attend training classes. June/2006.
703.02	3,600	Review development plans to ensure on-site internal circulation for transit vehicles where appropriate. Monthly.
703.03	19,570	Attend workshops/conferences/training sessions/SCRTPA meetings as needed throughout the year. June/2006.
703.05	9,492	Submit grant applications and reports as required for state and federal funding. June/2006.
703.06	51,140	Redesign RABA website with easier navigation and ADA compliant. Add search and retrieval and mapping of current destination locations in relation to RABA routes using an industry standard web-based mapping. June/2006.
703.07	50,000	Update of 2001 RABA Short- and Long-Range Transit Plan. June/2006.
TOTAL	~~104,174~~154,174	

FUNDING SOURCES 2005/06
WORK ELEMENT #703

RESPONSIBLE AGENCY		NOTES	FHWA PL	FTA SEC 5303	INKIND	TDA	STATE	TOTAL
Shasta County								
	Consultant							
Redding								
	Consultant							
Shasta Lake								
	Consultant							
Anderson								
	Consultant							
RABA		2		39,771	5,153			44,924
	Consultant	3		31,871	4,129			36,000
	Training			20,583	2,667			23,250
		4	44,265			5,735		50,000
		TOTALS:	44,265	92,225	11,949	5,735	0	154,174

NOTE:

1) 0 SUPPORT FOR RTPA FUNCTIONS
2) 92,225 FTA SECTION 5303 (SEC 8) FUNDS
3) 36,000 CONSULTANT/FIXED ASSET SUPPORT FOR RABA website
3) 50,000 CONSULTANT/FIXED ASSET SUPPORT FOR RABA Transit Plan

Staff Costs	44,924
Consultant Costs	86,000
Fixed Assets	
Training Costs	23,250
Other Costs	
Total Costs	154,174
FTA CARRYOVER FUNDING IN ABOVE :	41,624

Staff Cost Summary	
RABA	154,174
Less Fixed Assets and Training Costs	(109.250)
Equals Total Staff Costs	44,924

RESOLUTION
05-09
TEMPORARY 15% FAREBOX RATIO REDUCTION
FOR THE REDDING AREA BUS AUTHORITY (RABA)
FOR 2005/2006

WHEREAS, California Code of Regulations Section 6645.1 specifies that operators serving in urbanized areas in a population of less than 500,000 may establish for that operator a required ratio of fare revenue to operating costs of less than 15%; and

WHEREAS, Shasta County has a population of less than 500,000; and

WHEREAS, the Redding Area Bus Authority (RABA) has requested a temporary reduction in the farebox standard; and

WHEREAS, the size and density of the urban area in which the services to the general public are provided have been considered; and

WHEREAS, the proportion of the operator's ridership which is transit dependent, including elderly, handicapped and low income patrons, has been considered; and

WHEREAS, the transit operator is providing service to both urban areas and rural areas; and

WHEREAS, rates should be adjusted according to operating costs if costs exceed the financial plan (Exhibit A: RABA 10-year Plan).

NOW, THEREFORE, BE IT RESOLVED that the Shasta County Regional Transportation Planning Agency established a fare revenue to operating cost standard of 15% for 2005/2006 and 19% for 2006/2007 and all fiscal years, thereafter.

BE IT FURTHER RESOLVED that the 19% farebox standard is based upon the percentage of operating hours in the urban area versus those provided in the rural area.

PASSED AND ADOPTED this 26th day of July 2005, by the Shasta County Regional Transportation Planning Agency.

Glenn Hawes, Chairman
Shasta County Regional
Transportation Planning Agency

SHASTA COUNTY
REGIONAL TRANSPORTATION
PLANNING AGENCY

MINUTE ORDER

STATE OF CALIFORNIA, COUNTY OF SHASTA

The Governing Board of the Shasta County Regional Transportation Planning Agency met in regular session on the 26th day of July 2006 at Redding, California, there being present Board Members Clarke, Comnick, Goekler, Hartman, Hawes, Mathena, and Pohlmeyer.

2005/2006 OVERALL WORK PROGRAM AMENDMENT

On recommendation of Executive Officer Kovacich, and by motion made, seconded and carried, the Board unanimously voted to amend the 2005/2006 Overall Work Program to use carryover funding from the prior years Overall Work Program to update the Redding Area Bus Authority's (RABA) 2001 Short- and Long-Range Transit Plan. This reflects revising work element 703 to add $44,265 in Federal Highway Administration funds, and Transportation Development Act funds of $5,735.

STATE OF CALIFORNIA, COUNTY OF SHASTA:

I, DANIEL J. KOVACICH, Executive Officer of the Shasta County Regional Transportation Planning Agency, do hereby certify the foregoing to be a full, true and correct copy of the minute order of said Transportation Planning Agency Governing Board on July 26, 2005.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 26th day of July 2005.

Daniel J. Kovacich, Executive Officer
Shasta County Regional
Transportation Agency