

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/24/2023

Staff Report No. 23-206

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Board Policy 333 - Fare Policy Goals and Methodology Revision

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider approving amendments to Board Policy 333 - Fare Policy Goals and Methodology.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

The structure and implementation of the District's fare policies have direct effects on ridership, ease of system use, and revenues.

BUDGETARY/FISCAL IMPACT:

The changes proposed would not have a fiscal impact.

BACKGROUND/RATIONALE:

On October 26, 2022, staff presented an overview of fare policy to the Board as a prelude to updating Board Policy (BP) 333. Staff has also done several reports on aspects of fares and fare policy over the past couple years including updates on the regional fare integration program. The region is also far into the large effort to move from the existing to the next generation Clipper system. With all of these changes happening, staff at this time is proposing minor amendments to BP 333 that update the language and clarify goals and definitions but do not change the current structure of the policy.

The rollout of Clipper 2 and the fare integration pilot for regional low and no cost transfers will necessitate changes in District fare policy, but since the rollout is not expected to happen until Summer of 2024, staff feels it is premature to make any policy changes at this time. The Clipper 2 and fare integration changes will also likely require a full public hearing and Title VI process. The amendments currently proposed clean up the policy language to make expected future policy changes simpler.

Specifically, one minor change throughout the policy is to replace “passenger” with “rider” to match current District terminology usage. The other revisions are as follows:

Section III - Definitions

- Various wording changes in the definitions.
- The definition of an “accumulator” is clarified.

Section IV.A -Goals

- In Goal 3 “Equity” the word fair is replaced with equitable.
- Goal 4 “Transparency” is renamed to “Fiscal Responsibility” and encompasses the aims of both transparency and fiscal responsibility. Both goals previously dealt with the financial aspects of fares. Goal 4 no longer specifically mentions cost or revenue increases but does recognize that fare revenue provides support for service.
- Goal 7 is renamed to “Increase Ridership” to include increasing ridership as a goal of the fare policy. This goal no longer references increasing costs with inflation.

Section IV.B - Fare Structure

- A significant change here and through the rest of the policy is the combining of the Clipper and mobile app methods into a “Contactless Electronic” group. Since the last policy update, the Clipper mobile app went live, and there will be changes with the transition to Clipper 2 from the payment methods the AC Transit Mobile App integrates with, so staff is making the terminology more generic. While various electronic payment methods have differing implementation details, for the sake of this policy, it is simpler to treat them as a group.
- Item 5 on accumulators is expanded with more detail.

Section V - Authority

- Authority is added for the General Manager to implement the annual New Year’s Eve free fare promotion as has been done for many years.

ADVANTAGES/DISADVANTAGES:

The advantages to the amendments to the policy are that they clarify certain details and update to current District terminology usage. No disadvantages have been identified for these changes.

ALTERNATIVES ANALYSIS:

The possible alternatives to the changes proposed would be more extensive policy changes which were discussed in Staff Report 22-187a (November 2022) and other prior reports. The extended timeline for Clipper 2 and the regional fare integration pilot for low or no cost transfers means that policy changes to match those programs are best handled closer to their rollout dates.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 20-409 - Adoption of Resolution 20-061 approving amendments to Board Policy 333, Fare Policy Goals and Methodology, incorporating the provision of free transfers on All-Nighter service, eliminating the paper

version of the BART-to-Bus transfer, including an accumulator function in the District's mobile ticketing application, codifying changes previously approved and reorganizing the policy

SR 22-187 - Transfers Overview

SR 22-187a - Free Transfers on Clipper and Mobile Application

SR 22-543 - Report on the Board Policy 333 - Fare Policy Goals and Methodology

Board Policy 333 - Fare Policy Goals and Methodology

ATTACHMENTS:

1. Board Policy 333 Revised

Prepared by:

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Approved/Reviewed by:

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