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Metropolitan Transportation Authority

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**FINANCE AND BUDGET COMMITTEE
MAY 20, 2009**

SUBJECT: UNIVERSAL FARE SYSTEM/TRANSIT ACCESS PASS/GATING

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file this report providing additional and update information for Item 12 on this agenda.

ISSUE

In addition to the data provided in Item 12, the Finance and Budget Committee requested that we report on the decline in the average fare per boarding throughout FY09.

DISCUSSION

The average fare per boarding on the fiscal year to date basis through April 2009 was \$0.69. The high average fare per boarding was \$0.75 in November and December 2008 primarily as a result of recording the full value of A TAP annual pass sales as received in those months, see Attachment A. Of note, the average fare per boarding for the month of April 2009 was \$0.64. Attachment A1 shows the year-to-date average fare per boarding.

Attachment B shows total fare revenue by month. Fare revenue for the 6 months ended December 2008 was 3.2% higher than the same period in the previous year. For the next four months through April 2009, fare revenues were down by 5.1%.

Attachment C shows total bus boardings including directly operated, contract and Orange Line. Bus accounts for approximately 80% of all boardings. For the first 6 months of FY09, bus boardings were up 4.0% while they were down 3.2% for the four months through April. Attachment D shows rail boardings increases in FY09 for those same periods. Attachment E shows total boardings up 5.0% for the first 5 months and down -1.4% for the four months through April.

Attachments F and G show bus and TVM, includes Orange Line, cash collected in bus fareboxes and ticket vending machines. Bus cash has been declining since October 2008 reaching -\$2.8 million as of April 2009, down about \$1.0 million during the month of April alone. Cumulative TVM cash through April was positive \$1.4 million including the sales of monthly and weekly passes onto TAP cards.

One reason for the apparently declining trend in fare per boarding is the recording of A TAP sales in the months of November and December when the payments were received resulting in higher averages for those months. On a generally accepted accounting principles basis, these revenues, approximately \$2 million should have been spread over the 12 months of 2009. Accordingly, the \$0.75 average for those two months would have been lower and each month of 2009 would have been higher. The prior year data shown on Attachment A is consistent with this procedure. Calendar year 2009 A TAP sales are about double the prior year.

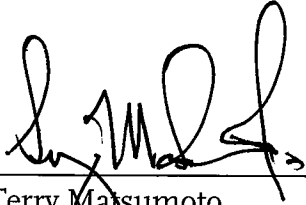
Another factor could be the decline in bus cash fares collected. The expected average fare per boarding for one ride cash is approximately \$1.21, a blend of the \$1.25 base fare and senior/disabled reduced and off peak fares. Or, stated differently, there are more discounted unlimited ride passes as a relative share of the fare media mix.

Bus ridership has also been declining; probably as a result of declining gasoline prices since October and the Los Angeles County unemployment rate that has risen from 7% last fall to about 12% as of April.

It should be noted that the declining trends in bus ridership, total revenue and adjusted average fare per boarding began roughly in October and are continuing. TAP was a fully pre-paid program, monthly and weekly passes only, until mid-March 2009, well before these trends began to appear. Based on the limited period under scrutiny, no meaningful causal conclusions should be drawn now. We will continue to monitor the factors influencing the average fare per boarding computations.

ATTACHMENTS

- A. Average Fare per Boarding
- B. Total Fare Revenue
- C. Bus Boardings
- D. Rail Boardings
- E. Total Boardings
- F. Bus Cumulative Cash Variance
- G. TVM Cumulative Cash Variance



Terry Matsumoto
Chief Financial Services Officer and Treasurer



Arthur T. Leahy
Chief Executive Officer

CEO FY09

Boardings and Fare Revenue Per Boarding

Fare Revenues Per Boarding

Data last updated: 13-MAY-2009

Analysis measure: **Fare Revenue per Boarding**
 Periodicity: **Monthly (FY09)**
 Benchmarks: **Previous Year**

2009 Fare Revenue per Boarding

	Actual	Previous Year
Jul	0.68	0.73
Aug	0.70	0.71
Sep	0.67	0.70
Oct	0.68	0.67
Nov	0.75	0.74
Dec	0.75	0.74
Jan	0.66	0.71
Feb	0.67	0.69
Mar	0.66	0.66
Apr	0.64	0.67
May		0.65
Jun		0.66

Forecast data from May to June.

CEO FY09

Boardings and Fare Revenue Per Boarding

YTD Fare Revenue Per Boarding

Data last updated: 13-MAY-2009

Analysis measure: **YTD FareRev. per Boarding**
 Periodicity: **Monthly (FY09)**
 Benchmarks: **Previous Year**

2009 YTD FareRev. per Boarding

	Actual	Previous Year
Jul	0.68	0.73
Aug	0.69	0.72
Sep	0.68	0.72
Oct	0.68	0.70
Nov	0.69	0.72
Dec	0.70	0.72
Jan	0.70	0.71
Feb	0.69	0.71
Mar	0.69	0.71
Apr	0.69	0.70
May		0.70
Jun		0.69

Forecast data from May to June.

Fare Revenues (per FIS)
 Total Passenger Fare Revenues
 Data last updated: 07-MAY-2009

View by: MODE = ALL
 Sector = ALL

Measures: Total Fare Revenues

Periodicity: Monthly
 Current period: April . 2009

Calculations:

Benchmarks: Actual
 Previous Year

Table:	Year 2009	FY09 Actual	FY08 Previous Year
	Jul	\$29,459,803.50	\$29,033,455.70
	Aug	\$29,304,360.99	\$28,923,258.63
	Sep	\$28,083,081.80	\$26,817,423.11
	Oct	\$29,520,226.68	\$27,668,149.38
	Nov	\$28,480,419.48	\$28,224,952.50
	Dec	\$28,181,258.80	\$26,999,321.45
		\$173,029,151.25	\$167,666,560.77
		\$5,362,590.48	
		3.2%	
	Jan	\$25,069,678.60	\$26,278,552.78
	Feb	\$23,865,028.79	\$25,919,979.55
	Mar	\$26,939,185.87	\$26,889,312.50
	Apr	\$25,268,770.28	\$27,439,657.51
		\$101,142,663.54	\$106,527,502.34
		(\$5,384,838.80)	
		-5.1%	

Boardings and Fare Revenue Per Boarding
 Total Boardings
 Data last updated: 14-APR-2009

View by: MODE = Bus
 LINE = ALL

Measures: Total Boardings

Periodicity: Monthly
 Current period: March . 2009

Calculations:

Benchmarks: Actual
 Previous Year

Table:	Year 2009	FY09 Actual	FY08 Previous Year	
	Jul	35,068,207	32,330,634	
	Aug	33,646,970	33,151,568	
	Sep	34,299,596	31,214,422	
	Oct	35,454,829	34,223,576	
	Nov	30,786,877	31,150,642	
	Dec	30,069,265	29,651,965	
		199,325,744	191,722,807	
		7,602,937		
		4.00%		
	Jan	30,590,085	30,430,557	
	Feb	28,778,916	30,667,319	
	Mar	32,965,396	32,831,315	
	Apr	31,471,512	33,899,141	-2,427,629
		123,805,909	127,828,332	
		-4,022,423		
		-3.15%		

Boardings and Fare Revenue Per Boarding
 Total Boardings
 Data last updated: 14-APR-2009

View by: MODE = Rail
 LINE = ALL

Measures: Total Boardings

Periodicity: Monthly
 Current period: March . 2009

Calculations:

Benchmarks: Actual

Previous Year

Table:	Year 2009	FY09 Actual	FY08 Previous Year
	Jul	8,546,445	7,224,100
	Aug	8,062,868	7,410,778
	Sep	7,717,819	7,084,952
	Oct	7,882,724	7,229,737
	Nov	7,106,846	6,911,751
	Dec	7,264,775	6,626,318
		46,581,477	42,487,636
		4,093,841	
		9.60%	
	Jan	7,459,646	6,792,148
	Feb	6,814,732	6,675,759
	Mar	8,064,477	7,664,747
	Apr	7,972,878	7,358,733
		30,311,733	28,491,387
		1,820,346	
		6.39%	

Boardings and Fare Revenue Per Boarding

Total Boardings

Data last updated: 14-APR-2009

View by: MODE = ALL
LINE = ALL

Measures: Total Boardings

Periodicity: Monthly
Current period: March . 2009

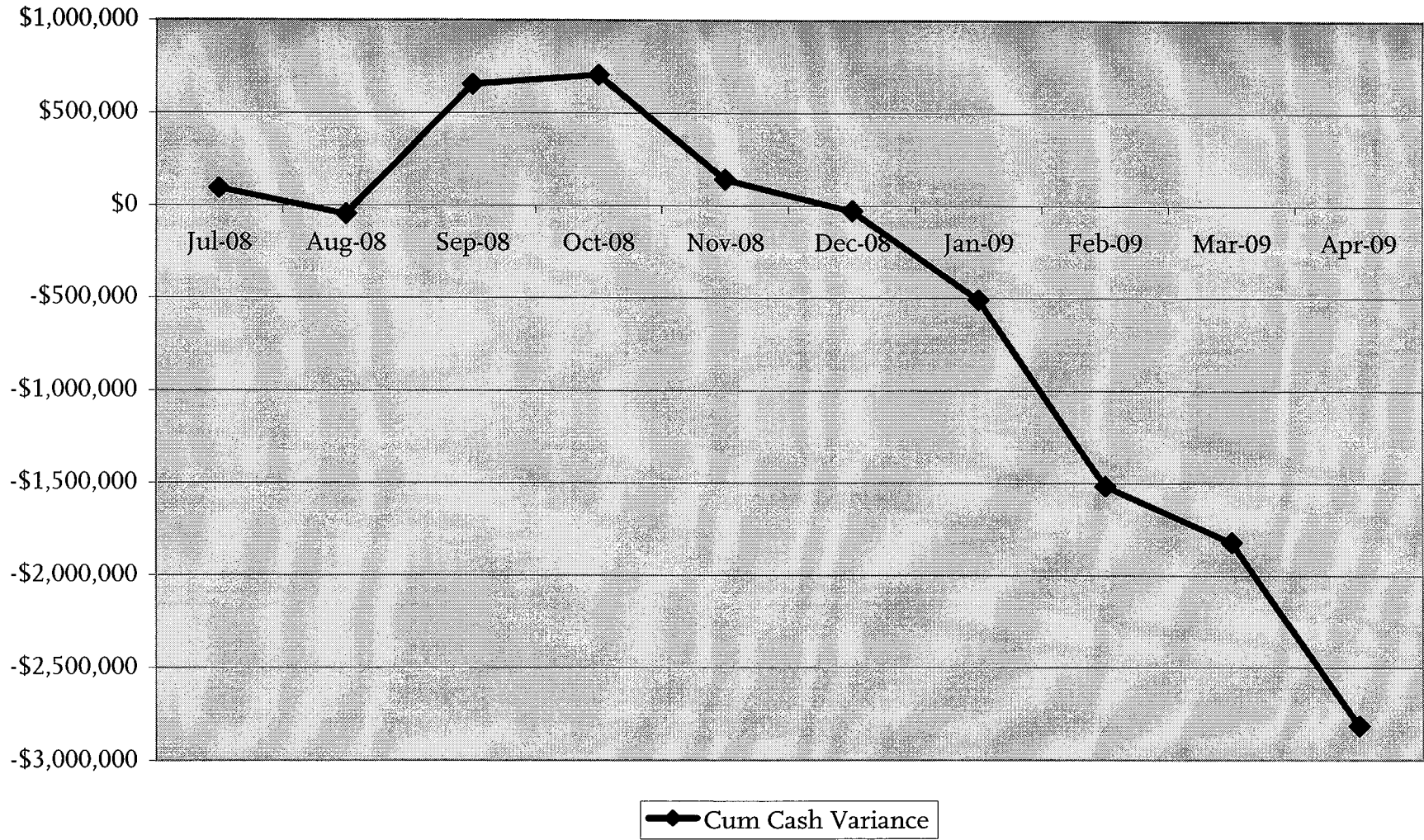
Calculations:

Benchmarks: Actual

Previous Year

Table:	Year 2009	FY09 Actual	FY08 Previous Year	
	Jul	43,614,652	39,554,734	
	Aug	41,709,838	40,562,346	
	Sep	42,017,415	38,299,374	
	Oct	43,337,553	41,453,313	
	Nov	37,893,723	38,062,393	
	Dec	37,334,040	36,278,283	
		245,907,221	234,210,443	
		11,696,778		
		5.00%		
	Jan	38,049,731	37,222,705	
	Feb	35,593,648	37,343,078	
	Mar	41,029,873	40,496,062	
	Apr	39,444,390	41,257,874	-1,813,484
		154,117,642	156,319,719	
		-2,202,077		
		-1.41%		

Bus Cumulative Cash Variance



Cumulative TVM Cash Variance

