

A Special Meeting of the St. Cloud Metropolitan Transit Commission and a Public Hearing on the Proposed Fare Increase was held on the 21st day of October, 2009 at 6:00 p.m. at the St. Cloud City Hall Chambers. Chairman Ringsmuth presided with the following present:

Commissioners:	1. Paul Ringsmuth
	2. Carolyn Garven
	3. Mark Campbell-absent
	4. Dave Kleis
	5. Steve Hennes
Executive Director:	David W. Tripp
Director of Operations & Technology:	Tony Kellen-absent
Director of Planning & Marketing:	Tom Cruikshank
Administrative Secretary:	Libby Dykema
Transportation Supervisor:	Nicky Lahr
Others:	Gary Zimmerman
	Adam Lindeman
	Andy Virden

Additions or Changes to the Agenda. There were none. **Commissioner Kleis moved, and Commissioner Hennes seconded a motion, to approve the agenda as presented. Motion carried.**

Public Hearing on Proposed Fare Increases.

Opening Statement: “Good Evening. My name is Paul Ringsmuth, Chairman of the St. Cloud Metropolitan Transit Commission representing Waite Park. My fellow Commissioners sitting next to me are Dave Kleis, St. Cloud, Carolyn Garven, St. Cloud and Steve Hennes, Sartell. Metro Bus staff present are Dave Tripp, Executive Director, Tom Cruikshank, Director of Planning and Marketing, Libby Dykema, Administrative Secretary. We are here today to hold a public hearing for the purpose of obtaining public input on proposed fare increase. The public hearing is being held in accordance with Federal Transit Administration Guidelines and Metro Bus policy on fare changes. At the Commission’s meeting on Friday, September 4th, this day and time was set for a public hearing on the proposed fare changes for the Fixed Route and Dial-A-Ride Systems. Two notices of the public hearing were published in the St. Cloud Times, including a story on Saturday, September 12, news stories on KNSI and WJON radio stations, posters placed on all Metro Bus buses and at the Transit Center and on our website. The proposed fare increases, if approved tonight, will take effect Sunday, November 1, 2009. Interested citizens will have an opportunity to be heard tonight. If you wish to offer oral testimony, you could sign up on the sheet that was available as you came into the council chambers. If you have not yet done so, please let us know. State your name and address for the record when I call your name. Please feel free to come to the podium and speak into the microphone or you may use the portable microphone. We welcome all input about the proposed fare changes and Metro Bus staff is present to help answer any questions you may have. Mr. Cruikshank will make a brief presentation about the proposed fare changes, after which we will

take testimony from the public. After testimony is taken, the hearing will be closed and the Commission will vote on the proposed fare increase. So I will turn it over to Tom Cruikshank.”

Tom Cruikshank: “Thank you, Mr. Chair. I do have a brief presentation to go through here to talk about the proposed changes. Just a little background first for the public. We receive our financing from three primary sources—local financing, which comes from our transit tax levy. Of course, we’re here tonight to talk about fares, and revenues from the farebox and, of course, other revenues such as advertising revenues and miscellaneous contracts that we have. We also receive financing from the State. The State provides about half of our financing today and I’ll show you that in a minute. And, of course, Federal Funding for operations and capital comes from the Federal Transit Administration. This proposed fare increase, as Paul mentioned, if approved, takes effect Sunday, November 1st. But the interesting part of this proposed fare increase is that we’re spreading it out over an 18-month period. We’re breaking it up into two nine-month periods. The first fare increase takes place November 1st and the second increase will take effect on July 5th, 2010. We’ll show you how that works when we get into a couple slides from here and how that works out. The reason that we’re doing that is to break up the cost to the users who purchase our multi-ride fares. We’re actually deferring that cost out over two periods instead of having that be one large increase at one time. I know that there was one petition or letter submitted to us that asked that question. The last fare increase that we had was last January 2009. It was a \$.05 increase in the base cash fare in the fixed route and a \$.10 increase to the Dial-a-Ride fare at that time. This fare increase is a budgetary increase to help us try to maintain the Commission’s 20% ridership recovery ratio or fare recover ratio. It’s a long-standing policy/goal that the Commission has had for almost two decades—trying to maintain that 20% fare recovery. We’ve been able to maintain very close to that over the years. And that’s really what guides us on when we need to have a fare increase and how much a fare increase will need to be. On the State side of things, of course, we’re all aware on the Commission side that our budget is frozen for 2010 for the state of Minnesota and we do not know what the status of 2011 is at this time. We will certainly update you and update the public when we find out probably for our budgeting process next year. Now, of course, the Commission just recently committed to implementing a route change plan which will take effect next fall sometime—late 2010. So, of course, this investment in additional fares will help to pay for a portion of those additional services which equate to about \$10,000 or more. A couple of key points here to make, not only on fare recovery goal of 20%, but on the service hour side on the route plan implements about an approximate 10,000 hours of additional service next year. Of course, we need to have the appropriate amount of fare revenue to help off-set some of those additional costs. As mentioned on the Legislature side, we certainly don’t know what the status of our state funding is going to be through 2011. And we were probably anticipating any increase would be very small, otherwise it will probably be at a similar amount as we are today. On the fuel side of things, this was an issue last year, because we were able to take advantage of a reduction in fuel costs. Fuel prices are now going up, so we certainly aren’t going to be able to take advantage of those decreases that we experienced from 2008 to 2009. We probably will see some increases in 2010 and 2011. We already are. That’s an important thing to note as we look at our budget issue for the next couple of years. On fare recovery side, looking back to 2007 where we have been able to be with the past three fare increases, we’ve been able to hover somewhere around that 18-19% fare recovery ratio, which is very good. The last three fare increases have been nickel increases on the base cash fixed route fare and this fare increase is a \$.10 increase on the base cash fixed route which would equate to a \$.20 increase on the DAR fare. Our revenue projection for 2010

looks like this: the pie is broken down into a little over 55% of our revenue coming from the state of Minnesota. That actually has been shrinking over the past several years. It was much higher, but because of the state not being able to finance as much of our operation as they should be, that percentage has shrunk. The blue section of the pie here, the Federal Section, is much higher than it used to be. Including 2010, it's about 23%. On transit fares and other, we're projecting to be slightly under 19% with this \$.10 fare increase taking effect November 1st. And then our tax levy is a little over 3%. So that's what our budget revenues look like for the current budget that we're in that started October 1st. The fare change plan and here's what it looks like. The current fare is based on a \$0.90 cash fare and as you follow down under the current column, that was done last January 2009, where we have a \$0.90 cash fare and a \$1.80 cash fare for DAR. And, of course, all the multi-ride fares that go along with that. Now what we're proposing here is to have this increase run out over an 18-month period, so you see two columns here: a November 2009 column and a July 2010 column. The proposal is to have the increase to a \$1.00 in the cash fare for the fixed route spread out over that entire 18-month period. We're going to stagger the increase in the multi-ride fares. So if you follow the November 2009 column down and you look at 10 tokens/10-Ride, the 1 Day pass, the 7 day pass, the 31-day pass, they are increasing anywhere from about 5-7% over the current rate. And then we'll do approximately the same percentage increase in July, spreading that out over two different periods. That way it's not such a big hit at one time based on the \$0.10 increase. Let me give you an example. The 31-day pass, which is the most popular pass that our riders purchase, if we did not stagger the increase of that pass over two periods, it would be a \$4.00 increase to that pass immediately on November 1st. By spreading that out, we're proposing to have a \$2.00 increase to take effect in November, and then a \$2.00 increase to take effect in July. So, like I said, it spreads that out over two different periods instead of one big jump at one time. And that's the answer to the letter that we received that I passed on to the Chair here before the meeting started. On the Day pass, we're proposing that that rate stay the same at \$3.00 the way it is today, but in July, it will go up \$0.50. We thought because that fare is purchased directly at the farebox, and it's purchased typically with dollar bills, we thought we would give our riders a little bit more time to be able to just not have to use coins to purchase that. When it goes to \$3.50 in July 2010, if you put \$4.00 in, you're going to get a \$0.50 change debit card back from the farebox. Of course, you can apply that to a future fare, but it's somewhat of an inconvenience to our riders. So we're going to hold off on the increase on that until July of next year. The 7-day pass we're proposing to go up \$1.00 in November and then a \$1.00 again in July 2010, so it will go from \$14 to \$15 and then from \$15 to \$16. The 31-day pass will go to \$41 in November and then \$43 in July. 31-day All Service Pass, which is the pass that allows riders to use both the DAR and Fixed Route system universally, that pass is proposed to go up \$3.00 in November to \$63.00 and then another \$3.00 in July to \$66.00. For our seniors and disabled users of the Fixed Route system, the cash fare today is at \$0.45 for those users and that's on off-peak fare, weekend fare, for them and that would go up a nickel to \$0.50 in November and would remain the same in July because that's based on what the current cash rate is, so that wouldn't change through-out this entire 18-month period. So that same thing would go with the reduced transfer—keep that at \$0.10 and then the reduced 10-ride card would remain at \$5.00. On the DAR side, the cash fare for DAR, we're following the guidelines of the FTA where we can have the DAR fare be two times the base cash fare. We would continue with that same policy which we've held for many years, so that would become a \$2.00 fare, a 10-ride pass is sold at face value so that would go to \$20 for the 10-rides, the 31-day All Service Pass, which is the same I just mentioned on the Fixed Route side, that

pass is universal between both systems, would go to \$63.00 in November and \$66.00 in July, and the Agency Fare, which is the fare that is charged to the agencies that schedule trips on behalf of their clients, and that's a negotiated rate that we've established with the agencies such as Wacosa and REM, VA, primary users of this agency rate, we're proposing to take that up \$0.25 in November to \$3.50 and then again another \$0.25 increase in July to \$3.75. That's the fare structure that we have here today. I did add a column on the end here just to give you kind of a heads up that the next fare increase, if we follow the 18-month period here, will be in May 2011 would be our next scheduled increase and if it was based on a nickel increase for the cash fare for fixed route, you can see the values here of what we'd be proposing at that time. Again, it all depends on what our budget situation is at that time, but just as a note to the public and present to you, the Board, that we'll be coming back in May 2011. We also do a comparison of our peers in the state of Minnesota here in comparable urban systems would be the city of Duluth, Mankato, the Fargo-Moorhead system, and Rochester. You can see that we have always been able to brag that we had the lowest fares of all our peers and we're starting to get more equalized especially if you go to the \$1.00 fare on the fixed route side and the \$0.25 transfer so for that rider who needs to make a connection across town, it's \$1.25. If you look at Duluth's peak fare, currently it's \$1.25. They used to offer an off-peak \$0.60 fare peak weekdays and weekends which is very unique. None of the other systems in the state offer that. Mankato is at \$1.50, Moorhead's at \$1.25 and Rochester is at \$2.00. All of those systems do not charge for their transfer, they have a free transfer system, so we have to look at our combined cash rate and then the transfer which equates to \$1.25. On the multi-ride side of things, we are very competitive. We offer some nice discounts to our regular riders who buy the 10-ride pass and the 31-day pass. We are very competitive there. But again, you can see by our numbers, we're starting to get it up there a little compared with our peers especially with the 31-day pass which is currently at \$39, kind of in the middle, and in November here, if it goes to \$41, now we're starting to get near the top with those other systems. Just a note here for the record, too, last system to have an across the board fare increase was Moorhead and that was this past January also. The other systems haven't had fare increases now for over a year and I anticipate that probably going into the New Year here in 2010, you'll probably see these other systems have some increases, so they'll probably be bumping up their fare rates. So that's the summary of the other peer systems and that's the end of my presentation."

Paul Ringsmuth: "Thank you very much, Tom. Alright, we will open up our Public Hearing. I have three people on the list who wish to speak. The first one is Andy Virden."

Andy Virden: "I'm not going to oppose the fare. I think it's actually fair. If we want to improve the system, we have to keep in mind that it will finance itself as much as possible. But I am concerned because of outside circumstances are creating problems. And that is for seniors, there will be no social security increase this year. In fact, they are going to lose some. The latest figure I heard was \$16 will be taken more off for Medicare. And the same thing with banks... (couldn't understand end of sentence). And of course we have an unemployment problem. All I'm going to say is where is it going to end? Maybe you could have saved paperwork by just changing the prices just once. You'd get a little more money, but, ah... 20-25% of our business day in this country is done by paper and if you cut back, this would mean a lot. I think we have to consider this economic situation because how far can we go? And the bus company is not the only one involved. So many other public services or charities have come. It's only a dollar, but there's

only so many dollars available. But I know this increase is needed and we do support it. Thank you.”

Paul Ringsmuth: “Thank you, Andy. The next person on the list is Gary Zimmerman.”

Gary Zimmerman: “Good evening to the Council People. I live at 224-3rd St. S., Waite Park, MN. My question is we have a great system, great drivers and great staff, but I would like to know with the transfers, why don’t we have an all day transfer? It’s only good for (I have a pass for the record), but someone asked me today, why don’t we have an all day transfer, you know, you pay an amount and it’s good for maybe all day or four hours. Could someone clarify that for me, please?”

Tom Cruikshank: “Mr. Chair, I’ll try to answer Gary’s question on transfers. Transfers actually started as, we had 3 different transfers: 20 minute, 40 minute and 60 minute. We found that it was just so complicated because riders didn’t know exactly what transfer to ask for. So we decided to go with just a 60 minute transfer. Again, the purpose for transfers is not so you can use it for your return trip back home, it’s so you can make a connection to continue your trip to your final destination. So we do have to limit the time on it, because if we made it much longer, people would take one bus to their destination, shop or work or whatever they’re doing, and then 2 or 3 or 4 hours later, use the \$0.25 ride for their return ride back which is counter-productive to how our transit system fare structure is set up. So that’s why you put the time limits on it. Now we do, and we’ll bring it back to you at a later time, but now that we’re going to routes that have 80 minute headways, it might be of interest to us to consider a 90 minute transfer. We’re going to look into that further as we explore how the new schedules work out with the routing plan. We would certainly recommend that we stay for the time being with the 60 minute transfer. It works very well. We did take the restrictions off so the transfer can be used anywhere in the system; it just has that 60 minute time limit to it. We will be looking at maybe the possibility of extending it to as much as 90 minutes and we’ll certainly bring that back to you at a later time.”

Gary Zimmerman: “My other question is now I’m just curious to know, in the bus shelters, some of the bus shelters have a symbol “do not smoke”, but some do not have it, and it’s very frustrating for me as a non-smoker. I try to tell people it’s like a restaurant, you know, you can’t smoke in a restaurant. I know the shelter at Cub Foods/Walmart doesn’t have it, but the Crossroads they have it at their shelter. I’d like to see, I know that money is tight, but I’d like to see where it’s posted where no one can smoke in the bus shelters. And my other concern is someone who pays house taxes, property taxes, how much of an increase will that be for the people who live in St. Cloud, Sartell, Sauk Rapids, and Waite Park? That has been my question and I appreciate your time. And again, you have done an outstanding job. We appreciate what you guys do, the Commission and the staff at both Transit Centers. You do a good job. Thank you.”

Paul Ringsmuth. “Alright, just to respond to you a little bit, Gary. I, too, agree that we need to add No Smoking posters in all of the bus shelters. And as to the property tax increases, the preliminary increase was set at 20% higher local share less than a month ago. We’ll have a final vote on it later in the year. We’re planning ahead for saving our money for our share of a new bus fleet possibly starting as early as 2012. So that and the changing route system, which will add service hours, are a couple of reasons why we had to increase the local share if you want to

add more service hours. Tom do you have any further comment on that? Alright. The next person is Adam Lindeman.”

Adam Lindeman: “I live at 1314-15th St. N. I just wanted to make a little comment that I think I would like to look at both ways of the fare increase but I think it’s fairly reasonable—a ten-cent increase. I’m trying to think of the people that are, well like Andy, who are on low income and for myself that ten cents is not a big deal. So I guess I just wanted to pass that on. But I’m for the increase considering all these gas prices and taxis starting at \$3.75. One dollar isn’t going to hurt anything, but it’s...well, it’s not going to hurt me, but it’s going to affect others who are low income and I don’t think, like Andy said, he’s like “well, it’s a dollar and that’s not going to be much.” And I see that you guys are very competitive and I like that idea and that fact. Like Gary mentioned about the transfer how it’s only for an hour, I would like to see it more like the Twin Cities where it’s good for the whole entire day, I think. I was out in Tempe, Arizona with my Aunt and we would pay \$1.75 and we would get a transfer and it would be good for the whole day and you didn’t have to mess around with it anymore. I understand where you guys are coming from, though, that everybody would just shop and they’d take advantage of it and everything. Other than that, I guess, that’s all I have to say.”

Paul Ringsmuth: “Adam, it might be good for you to look at some of the reduced fare passes that we have that could accomplish the same thing on those transfers if you bought a monthly bus pass, if that makes sense for you. Then you don’t have to worry about transfers at all. You could talk to Metro Bus staff and they could help you figure out what the best deal is for you. Ok, is there anybody else who would like to say something? Yes, Gary?”

Gary Zimmerman: “With the new system that’s starting next year, are we going to have more meetings that are going to be, because right now I’ve got the information in front of me and it looks very confusing, you know, to not have a Westside or Waite Park, we’re going to have a number system. Can Tom or Dave please explain to me about...I know we’re talking about fare, but I’d like to know if we’re going to have more down the road about that and about the number system, please.”

Tom Cruikshank: “I can respond, Mr. Chair. Last week we had eight open house meetings in all four cities. The attendance was varied. Actually some of the best attendance was at the Transit Center where we could capture the passengers as they were transferring buses between routes. We think we will probably come back later on this winter and spring and hold some more of those open house type sessions. Really, the Transit Center is our number one focus area so that we can actually talk to drivers directly. We’ll be able to explain that. Another thing to mention is that we’ll have guide booklets with all of the proposed time tables and all of the maps in it. We’re in the process of proofing it right now. They’ll be printed this next week and available on our buses, hopefully in about 10 days. So all of the information that we had at the open house meeting, we’re assembling that into a booklet and it will be available on all the buses. All riders will have it. That will help answer a lot of the questions I think people have. They’ll be able to actually match the map to the schedule of what’s being proposed and they’ll be able to actually look at what their trip changes will be, if any. That will be helpful and that’s coming.”

Paul Ringsmuth: “I have two written comments here. What is the desire of the staff as to whether I should read these things, or summarize them, or enter them into the record?”

Tom Cruikshank: “Mr. Chair, we already talked about the one that pertained to the split over the 18-month period. The other one I don’t recall.”

Paul Ringsmuth: “Yeah, the other one has 50 signatures on it.”

Tom Cruikshank: “Yeah, that was the one we already commented on. That was the one their comment was why aren’t we just doing a single increase in the fares right away? So like the 31-day pass taken up \$4.00 right away instead of splitting it over two periods.”

Andy Virden: “I would agree with that. I can see that myself. Do it all at one time. I know your reason is logical, but we’re going to have to get used to it anyway and do it all at one time. Otherwise, I think the whole thing is pretty reasonable.”

Paul Ringsmuth: “It will save you money if we do it the way it’s proposed, Andy.”

Andy Virden: “Well yeah, you’ll save a few bucks, yeah.”

Paul Ringsmuth: “Alright, we’ll just enter these into the record. With that I will close the public hearing at 6:30 p.m.”

Written Comment #1: From Janet Schleper, comment contains 52 signatures wondering why there are two increases in 18 months instead of one big one. Also written: “The bus pass are going up and the income is going down. Tell me that wrong with this picture.”

Written Comment #2: From Travis Ernst, “Rather than the tokens and 7-day pass, you may want to consider going to “stored value cards” as Minneapolis Transit uses. They have \$16.50 and \$22.00 cash cards that can be debited per ride. The card is credited with a transfer, or the driver can print out a transfer. I used that for method in Minneapolis for quite some time rather than buying a monthly card to save money and found a \$16.50 card would last me more than a month, compared to buying the \$21 monthly card. This is of course 9 years ago, so prices are not today’s rates. Transfers would last 90 minutes in the Cities if I recalled. So you may consider extending the length of transfers. If I was issued my transfer near the end of my ride going to the Mall of America, I could use that returning to the Cities on the same dime. Transfers were also automatic in the Cities, you didn’t have to pay extra for them. They were encoded on you card if you had a monthly card. If you paid cash they printed out one for you. Increases sound reasonable. Best of luck.”

6.) Discussion and consideration of Fare Increase. Commissioner Hennes thanked people for their testimony and commented that it is difficult to make rate increases during these economic times, but it is necessary to keep up with the cost of transportation. Commissioner Kleis said it’s important to try to meet the fare recovery goal of 20% as it’s a balancing act between Federal, State and Local funding. **Commissioner Kleis moved and Commissioner Garven seconded a motion to approve the proposed fare increase effective on November 1st, 2009 and July 5th, 2010. Motion carried.**

7.) Consideration of Resolution #2009-14, Establishing the FY2010 DBE Program and Procurement Goals. Mr. Tripp explained that in 1985 the Department of Transportation established a policy that disadvantaged businesses would have maximum opportunity to participate in the performance of contracts/purchases financed with Federal funds. Because Metro Bus receives Federal Funds, it is required to enforce this policy and submit an annual DBE Program with procurement goals. **Commissioner Kleis moved and Commissioner Hennes seconded a motion to approve Resolution #2009-14, Establishing the FY2010 DBE Program and Goals. Motion carried.**

Adjournment. Commissioner Ringsmuth adjourned the meeting at 6:40 p.m.