

REQUEST TO DIRECTOR OF DTS  
FOR BRIEFING AND INFORMATION  
AT THE NOVEMBER RATE COMMISSION MEETING

1. Revenues received by category for the past year
  - a. Did we meet the goal of 27-33% revenue recovery?

No – FY18 = 26.8%
  - b. Farebox recovery realized for TheHandi-Van.

FY18 = 4.3%
  - c. Number of users of the daily pass. How does this compare to the number of transfers in the previous year?

Number of daily passes in FY18 = 5,323,095  
Number of transfers in FY17 = 4,665,357
  - d. Number of daily passes purchased after 6 PM. This is related to the issue of day passes expiring at 2 AM rather than being 24 hours.

This is not something that is tracked by OTS; OTS has not received any complaints about this issue. Issuing 24 hour passes would be operationally difficult for OTS at this time. (Correction: expires at 2:59 am)

2. Revenue projections for 2019 if Bill 77 passes by category.

See "Figure 1", which shows projections if Bill 77 passes, based on implementation dates of January 1, 2019 and July 1, 2019. A start date of January 1, 2019 allows for insufficient time to notify the public. As part of our Title VI requirements, the City, in coordination with our contractor, Oahu Transit Services, Inc., must provide the public with ample notice of changes to the public transit service.

However, additional time is needed to address the newly-created low-income fare categories. The appropriate implementation date would be July 1, 2021. This is because of the need for an additional staff position to process the applications. Due to the timing of the budget cycle, when this bill is passed, the FY20 operating budget will have been submitted for DTS, so any additional staffing needs and other resources would need to be requested in the following year.

3. Projected cost of operations for TheBus and for TheHandi-Van in the FY 2020.
  - a. Would the 27-33% fare box recovery goal for TheBus be met if Bill 77 raises are in effect?

Yes, but we estimate just barely at 27.7% if Bill 77 goes into effect on July 1, 2019.

b. What would be the fare box recovery for TheHandi-Van?

The farebox ratio is estimated at 4.4%, but may change if additional funding is needed to meet increased demand. While the farebox ratio is one measure, we feel it is more important to analyze the growth rate of TheHandi-Van service and if that added demand can be accommodated while remaining in compliance with the Americans with Disabilities Act (ADA).

The Department's "Paratransit Growth Management Study" completed in 2017 confirms that paratransit operations are on an unsustainable path due to increasing demand. In the absence of the fare increases recommended by the Study, the need for additional vehicles, staffing, and support infrastructure will continue to grow at an unsustainable rate. Right now the current maintenance facility and reservations center are close to capacity and we believe the fare increase recommended by the Study is the most prudent action to make sure that TheHandi-Van remains in compliance with the ADA.

During FY'18 ridership grew by 5.3% over the year before. We believe the implementation of the low-income fare will accelerate this unsustainable growth, as our estimates show that revenues will decrease and demand will increase from the current \$2 fare.

4. Other items the department would like the Rate Commission to consider as we conduct the annual review of fares.

Given that we feel the recent fare increase proposal should not be implemented until July 1, 2019, we would not recommend another fare increase in calendar year 2019. However, for any future increase we suggest the following items be considered:

- The operational effects of any rate recommendation
- Creating a rate structure that is as simple as possible, with the lowest number of different rates
- Using standardized relationships, such as youth fares at half the adult fares and annual passes at eleven times the monthly pass
- The sustainability of TheHandi-Van service