

Rate Commission  
City and County of Honolulu

**Meeting Minutes**

Tuesday, January 28, 2020

**Commission members present:**

Cheryl Soon, Chair  
Dexter Kubota  
Ann Bouslog  
Gary Gill  
Barbra Armentrout  
James Burke

**City Staff present:**

Wes Frysztacki, Director, Department of Transportation Services (DTS)  
Erica Osterkamp, Deputy Corporation Counsel (COR)  
Lori McCarney (DTS)  
Eric Stoetzer (DTS)  
Traci Toguchi (HART)  
Howard "Puni" Chee (DTS)

**Guests present:**

Rose Pou  
Stephen Nakasone  
Gordon Pang (Honolulu StarAdvertiser)  
Bryan Mick (DCAB)

**1. Call to order**

Chair Soon called the meeting to order at 2:36 p.m.

**2. Roll call**

Commissioners Bouslog, Gill, Kubota, Armentrout, Burke (call in) and Chair Soon present. Vice Chair Hui excused.

**3. Approval of minutes for December 10, and December 16, 2019 and January 7, 2020 meetings**

Approval of minutes was deferred to afford Commissioners ample time to review and comment.

The Chair brought to Commissioners' attention a HART Train Community Day event scheduled for Saturday, February 8, 2020. Chair obtained guidance from Corporation Counsel that it is essentially a social event (Open House Style). It is likely that no more than three Commissioners would be present at the same time and, should that occur, Commission business cannot be discussed. Two members present at the same time is acceptable, three members at the same time is not.

**4. Correspondence and public input received in advance of meeting**

One piece of testimony was received. Concerned with proposed senior pass increase from \$35 to \$540.

**6. Public testimony**

No public testimony was offered at that time.

**5. Information from the Department of Transportation Services on results on fare schedule scenarios**

Eric Stoetzer (DTS) distributed a fare scenario analysis handout entitled “Proposed Changes in Transit Fares – Option #6” based on parameters provided by the Chair. Discussion by Commissioners ensued with clarifications and explanations provided by Mr. Stoetzer including capping rates, monthly fare for seniors (status quo), provision of a generous pass discount, senior rider data.

**7. Discussion, deliberation and decision-making on recommendations for policies and new rate schedule**

Chair shared proposed amendments to the distributed “Draft Report of the Honolulu Rate Commission with Recommendations for New Fare Schedule” including factual corrections, editorial and substantive comments. Discussion ensued.

**ADULT BASE FARE**

Commissioner Burke moved to look at the option of an adult base fare for \$2.50 for a single ride; a youth/senior fare at 50% of the base fare at \$1.25; similarly for extremely low income. Percentage ratio for capping remains the same: 3 (daily) and 30 (monthly). Motion failed for lack of a second.

Commissioner Bouslog moved to maintain the proposed new base rates for adult and youth single rides and apply a per-day cap of 2.5 and a per-month cap of 27. Commissioner Gill seconded the motion for discussion. Discussion included: still providing significant revenue increases but not as drastic as they were; consistent with policies; will draw regular riders to HOLO; discount still a good deal; not sure of fare box revenue recovery; adjust impacts on regular riders through fare cap makes sense; capping is confusing; not comfortable with HOLO v. cash; keeping \$3.00 proposal; changing caps to 2.5 and 27; increase is closer to current rate. Chair called for the vote: All in favor of daily cap at 2.5 and monthly cap at 27? (5) AYES; (1) ABSTAIN.

**SENIOR FARE**

Discussion on senior fares ensued. Commissioner Bouslog moved to consider a single ride for senior/disabled at \$1.25 with a daily multiplier of 2.5; a monthly cap at 10 rides - \$150 per year v. \$35 per year; want to include statement that it is the Commission’s intent to bring senior rates more in alignment with youth rates over time. Commissioner Kubota seconded the motion. Discussion included: seniors want their life simple; major change is no annual pass and a monthly rate of \$12.50; biggest issue: loss of an annual rate; not opposed to \$45 a year; uncertainty should be clarified in next few weeks; seniors want to pay something – they don’t want it free; that’s senior’s only transportation; if annual pass was in the form of HOLO card, seniors would do that.

Clarification of the motion was requested: Make a single fare ride at \$1.25 for seniors and Medicaid? Commissioner Bouslog agreed. Discussion continued: Will fare discount, as proposed, get anywhere near the fare box revenue ratios that the commission is attempting to meet? Will support for discussion but would like to look at the numbers.

Suggest a slight modification of numbers from 2.5 to 2.4 multiplier with monthly cap at 10 to simplify the math; seniors group will have biggest impact and probably the biggest resistance; should run model with modified numbers. Chair asked if proposer would accept as friendly amendment. Amendment not accepted.

Commissioner Kubota offered an amendment to the multiplier from 2.5 to 2.4 for a daily rate of \$3.00. Commissioner Bouslog seconded the motion for discussion. Discussion included: HOLO card doesn’t

matter if operating at tenths of cents or pennies, if there are going to be cash payments will be rounded down \$0.25; only applying caps to HOLO card and not cash; trying to keep it simple. Chair restated amendment to original motion: proposing a daily multiplier rate of 2.4 which is a daily equivalent of \$3.00 versus 2.5 which is a daily equivalent of \$3.12. All in favor: (4) AYES; (2) NO. Motion passes.

Chair offered a motion to continue the annual pass for seniors at \$45.00 (possibly \$50) which allows adjustment to HOLO card use and allows for understanding of how to get and use a card. Commissioner Bouslog seconded for discussion. Clarification: motion is to have an annual rate cap of HOLO pass for seniors at \$45.00 and Medicaid. Question: How would the commission explain allowing seniors to maintain an annual rate while not allowing annual rates for youth or adults? Because of the historic use by seniors; it acts as an ID card for them; they are comfortable with the annual pass; use of passes by seniors are higher than youth. Do you put in your \$45.00 and are good for the year or is it a cap? In effect it's the same thing. HOLO card algorithms can figure that out. Trying to help develop the rationale. Seniors have enjoyed a major benefit. Need senior support to get through City Council. Want to get more people on the bus and more people riding.

Commissioner Gill stated his concern that the Commission started out trying to simplify things and today we are making them more complicated. Should be providing discounted fares to those that need them. Have received testimony that most of the seniors that are currently riding the bus would qualify for extremely low income discounted fares. Should adhere to the policy prerogatives that the commission has laid out. Sensitive to the concern that change happens slowly and that dramatic recommendations for change will potentially be met with dramatic opposition. The current fare structure is dramatically unfair and ought to be dealt with dramatically. Supportive of providing people with safe, easy, dependable and affordable public transportation and the commission should charge people in accordance with their ability to support the system. We have a proposal before us to do that with a steeply discounted extremely low income fare. Could support the proposal for an annual cap for extremely low income fare but can't support the motion for senior and Medicare single rides.

Chair responded that oftentimes things are a matter of timing. We are in a time of declining ridership and we are tasked with converting people over to HOLO card. Was looking to making the transition less traumatic in this proposal. Looking to achieve the goals of simplicity but also in growing ridership. Lacking a senior annual pass we will be lose seniors in droves. Commissioner Armentrout commented that as time goes on people will get more comfortable with the HOLO card but at the beginning they are going to be confused. Commissioner Kubota clarified that the motion is just adding the annual pass for seniors.

Commissioner Bouslog offered an amendment to the amendment to maintain an annual cap at \$60.00 for seniors and disabled. Second by Commissioner Gill. All in favor of capping at \$60.00? (5) AYES; (1) NO. Amendment passes.

Chair: Going to motion of having an annual pass at \$60.00. All in favor of amendment to original motion? (6) AYES; (0) NO. Amendment passes.

Chair restated original motion, as amended: Senior rate of \$1.25 for a single ride; a daily cap equivalent to \$3.00; a monthly cap equivalent to \$12.50; and an annual pass of \$60.00. All in favor? (6) AYES; (0) NO. Motion passes.

#### LOW INCOME

Commissioner Gill recommended, to be consistent with the current draft proposal and the senior/Medicaid recommendation, there also be an annual cap at \$60.00 as suggested by the Chair. Moved

to: Add to the commission's recommendation an annual cap of \$60.00 charged on HOLO card would be applied to disabled and extremely low income fare rider. Commissioner Bouslog seconded the motion. Commissioner Gill restated the motion: Move that the commission recommend for the disabled and extremely low income category of riders a rate of \$0.75 per single ride; a daily cap of a HOLO card charge per day of \$2.00; a monthly fare cap of \$7.50; an annual fare cap of \$60.00. All in favor? (6) AYES; (0) NO. Motion passes.

Chair asked Eric Stoetzer if he was comfortable writing a new scenario for the next meeting on March 11<sup>th</sup>? Mr. Stoetzer explained that the latest analysis for proposed Option #6 was more liberal and resulted in a reduction in revenue. Commissioners disagreed stating that they had raised rates in all categories. Commissioner Bouslog asked if all the data could be summarized in one spreadsheet. Chair stated that she was not inclined to ask Eric to do that and that the Commission is very close to the final recommendation and they did not need to revisit all the scenarios.

**6. Public testimony**

Rose Pou stated that if the commission raises the rates for seniors and disability, people like herself will ride the Handi-Van and make it more crowded because they pay less right now.

**9. Adjournment**

Chair entertained a motion to adjourn. Commissioner Armentrout moved to adjourn. Second by Commissioner Kubota. Meeting adjourned.

APPROVED:

  
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Cheryl D. Soon, Chair

  
\_\_\_\_\_  
Date