



# AGENDA

## COASTAL EXPRESS POLICY ADVISORY COMMITTEE

Wednesday, March 25, 2015, 11:00 a.m.

Ventura City Hall, Second Floor Community Room

501 Poli Street, Ventura, CA 93002

- Item #1**                    **CALL TO ORDER**
- Item #2**                    **INTRODUCTIONS AND ANNOUNCEMENTS**
- Item #3**                    **PUBLIC COMMENTS**  
*Each speaker is limited to three minutes. The Committee may, either at the direction of the Chair or by majority vote, waive this three minute time limitation. Under the Brown Act, the Committee should not take action on or discuss matters raised during Public Comment portion of the agenda which are not listed on the agenda.*
- Item #4**                    **JANUARY 30, 2015 MEETING MINUTES – PG. 2**
- Approve the January 30, 2015 meeting minutes.
- Item #5**                    **AGENCY EXECUTIVE DIRECTOR’S REPORT**
- Receive and file verbal report form Agency Executive Directors.
- Item #6**                    **DRAFT COASTAL EXPRESS BUDGET FOR FY 15/16 – PG. 4**
- Approve for recommendation the Draft Budget for Fiscal Year 15/16
- Item #7**                    **VCTC COASTAL EXPRESS FARE RECOMMENDATION – PG. 6**
- To maintain current passenger fare pricing for one year, through FY15/16.
- Item #8**                    **ADJOURNMENT**

**MINUTES OF THE  
VENTURA COUNTY TRANSPORTATION COMMISSION (VCTC)  
COASTAL EXPRESS POLICY ADVISORY COMMITTEE (CEPAC)  
January 30, 2015**

**1. Call to Order**

Chairperson Salud Carbajal called the meeting to order at 1:09 p.m.

**2. Introductions and Announcements**

Self-introductions were performed and no announcements were made. The following Policy Advisory Committee Members were present (an asterisk represents voting Members):

Steve Brown	GCTD (ex-officio)	Bryan MacDonald	Oxnard*
Helene Schneider	Santa Barbara*	Janet Wolf	Santa Barbara County*
Salud Carbajal	Santa Barbara County*	Richard Weinberg	SBMTD (ex-officio)
Carl Morehouse	Ventura*	Steve Bennett	Ventura County*

The following staff and members of the public were also present:

Jim Kemp	SBCAG	Gregg Hart	SBCAG
Scott Spaulding	SBCAG	Jerry Estrada	SBMTD
Steve Offerman	Ventura County	Kathy Connell	Ventura County
Darren Kettle	VCTC	Vic Kamhi	VCTC
Aaron Bonfilio	VCTC	Amy Ahdi	VCTC
Ellen Talbo	VCTC	Kara Elam	VCTC
Fran Farina	Senator Jackson	Hillary Blackerby	Assembly member Williams

**3. Public Comment**

*(Public comment heard out of order)*

Hillary Blackerby asked about the new fare media and Staff explained that the new VCTC Intercity service fare media will be sold as of May 1, 2015 and the GoVentura Smartcard will be phased out as of July 1, 2015. Hillary Blackerby said there is only one place to purchase the reloadable card and if a rider wants to add more money to the card, they have to go to Ventura or call VCTC, further stating that the riders experience begins before they ride the bus so making fare easy to purchase is important. Hillary Blackerby also said that she pays Measure A tax as a Santa Barbara resident and feels it is important to sign the bus to note the funding source of the service.

**4. Election of Officers – Action**

Bryan MacDonald moved to nominate Steve Bennett as Chairperson and Janet Wolf as Vice-Chairperson for the 2015 calendar year. Helene Schneider seconded the motion. A voice vote was taken and passed unanimously. Steve Bennett assumed his seat as Chairperson for the duration of the meeting.

**5. September 12, 2014 Meeting Minutes – Action**

Salud Carbajal moved to approve the minutes. Janet Wolf seconded the motion. A voice vote was taken and passed unanimously.

**6. Quarterly Service Update**

Staff provided an oral report and service performance statistics to the CEPAC, which included data on fare box revenue, hours of service and passenger hours from FY 12/13 through FY 14/15. A slight decrease in ridership (estimated at 2%) and increase in fare box revenue was observed. Staff explained that multiple fare products are available to passengers and fluctuations in passengers preferred fare product could account for that scenario. Salud Carbajal moved to receive and file the Quarterly Service Update. Bryan MacDonald seconded the motion. A voice vote was taken and passed unanimously.

## **7. Limited Integration Plan**

Staff provided an oral update on the schedule and level of service associated with the integration of the Coastal Express Limited (CEL) into the Coastal Express route. The planned integration schedule begins on June 15, 2015. Discussions were had on the increase in peak hour service to accommodate the CEL route integration and the expectation that the former CEL riders will transition to ride Coastal Express regularly. Staff noted the expectation that the cost of the additional service will be balanced out by the additional revenue received by the new riders. Helene Schneider moved to receive and file the Limited Integration Plan. Carl Morehouse seconded the motion. A voice vote was taken and passed unanimously.

## **8. Financial Sustainability Plan – Action**

Staff provided an update on the progress of VCTC's Short Range Transit Plan (SRTP). Discussion was had on the draft Budget scheduled for discussion at the next CEPAC meeting, the potential for revenue via fare increases and/or an advertisement program as well as the nuances leading up to the introduction of both recommendations. Discussions continued on long term financial sustainability of the service. Suggestions were made on fare increases occurring gradually with a differential that recognizes frequent riders, advertising program partnerships or RFP processes as options to initiate an ad program, and the possibility of future service cuts or route optimization efforts. Janet Wolf moved to receive and file the draft SRTP Fare Policy Memo and to approve the following:

- That staff develop fare increase recommendations and report back to the CEPAC at its March meeting.
- That staff recommend to the VCTC Commission the consideration of implementation of an advertisement program and report back to the CEPAC no later than June on the status of the policy with the expectation that, subject to the VCTC Commission's approval of the staff recommendation, that the status report brought back to the CEPAC include the options available to begin pursuing an ideal advertisement program.

Helene Schneider seconded the motion. A voice vote was taken and passed unanimously.

## **9. Marketing and Promotion**

Discussions were had on the marketing tasks scheduled pertaining to the re-launch of the Coastal Express service in June 2015, to coincide with the elimination of the Coastal Express Limited. Staff noted the intent to synchronize marketing of the re-launch of the Coastal Express with the roll-out of the new VCTC Intercity fare media. Salud Carbajal moved to receive and file the marketing and promotion update. Carl Morehouse seconded the motion. A voice vote was taken and passed unanimously.

## **10. 2015 Meeting Schedule – Action**

The CEPAC collectively determined the 2015 meeting schedule, as follows:

- Wednesday, March 25 at 11:00 a.m. at Carpinteria City Hall (*After the meeting, staff was advised that the Carpinteria City Hall is unavailable therefore this meeting will be held at Ventura City Hall*).
- Friday, June 5, at 1:00 p.m. at Ventura City Hall.
- Friday, September 25 at 1:00 p.m. at Carpinteria City Hall.
- Friday, December 11 at 11:00 a.m. at Carpinteria City Hall.

A voice vote was taken and passed unanimously.

## **11. Adjournment**

Chair Steve Bennett moved to adjourn the meeting at 2:50 p.m. A voice vote was taken and passed unanimously.



Item #6

March 25, 2015

**MEMO TO: COASTAL EXPRESS POLICY ADVISORY COMMITTEE**  
**FROM: AARON BONFILIO, PROGRAM MANAGER**  
**SUBJECT: DRAFT BUDGET FISCAL YEAR 15/16**

**RECOMMENDATION:**

- Approve the Draft Budget for Fiscal Year 15/16.

**BACKGROUND:**

At the prior Coastal Express Policy Advisory Committee meeting staff presented on the financial sustainability projections of the Coastal Express route for next three years. The PAC reviewed the projections and directed staff return to the March meeting with a balanced annual budget for next fiscal year.

Both staffs have since come together and identified a solution that reduces recurring costs paid by SBCAG, while maintaining adherence to the MOU Agreement. Specifically SBCAG previously contributed funding toward one-time capital expenditures associated with the VCTC Intercity system. These identified expenditures, borne by VCTC were funded primarily through grant programs and represent one-time procurements, such as purchase of fleet vehicles, farebox equipment, and on-board video surveillance system, for example. While these charges are associated with the capital cost of the Coastal Express route, staff proposes revision of the prior budget arrangement such that the continued funding obligation be for contribution to recurring administrative and operational costs of the Coastal Express service only.

The proposed revision adheres to the Memorandum of Understanding and is in line with the spirit of the original intent, that is, each party would pay an equal share of the operational and administrative costs of the service. Accordingly, the attached draft budget reflects the recommended modification. Similarly, a credit equal to the prior year's Capital Expense line-item has been applied to the Draft budget. The total projected funding contribution to VCTC by SBCAG for FY15/16 is \$620,593. This represents a 36% decrease in costs for SBCAG compared to FY14/15, which was \$971,106.

The current fiscal year budget (14/15), the draft budget for next fiscal year (15/16), and the projected expenses for the following two fiscal years are reflected below. It should be noted that while projections for FY16/17 and FY17/18 reflect a modest increase in costs, staff will continue to review and implement cost-savings measures such as ongoing service optimization (including reduction of unproductive routes), as well as, consider additional revenue sources, such as from advertising, and potential farebox adjustments. As mentioned previously to the CEPAC, VCTC is exploring establishing an advertising

program for potential revenues, and as part of its Short-Range Transit Plan, the Commission will consider recommendations regarding establishing fare policy in the near-future. It is anticipated that both items will be reviewed by the Commission during the current fiscal year.

**COASTAL EXPRESS BUDGET**

*Projected*

<u>REVENUES</u>	<u>FY14/15</u>	<u>(Draft) FY15/16</u>	<u>FY16/17</u>	<u>FY17/18</u>
Farebox	\$708,710	\$804,000	\$804,000	\$804,000
FTA 5307 Attributable	\$413,941	\$413,941	\$413,941	\$413,941
FTA 5339 Attributable	\$54,350	\$54,350	\$54,350	\$54,350
<b>Total Revenue</b>	<b>\$1,177,001</b>	<b>\$1,272,291</b>	<b>\$1,272,291</b>	<b>\$1,272,291</b>
<u>EXPENSES</u>				
<b>Contract Cost</b>	\$2,521,539	2,572,178	2,606,609	2,633,527
<b>Capital Cost</b>	\$352,661	(\$352,661)	\$0	\$0
<b>VCTC Admin Cost</b>	\$245,013	\$293,960	\$299,839	\$305,836
<b>SBCAG Admin Cost</b>	\$50,000	\$50,000	\$50,000	\$50,000
<b>SBCAG CE Limited</b>	\$50,000	\$0	\$0	\$0
<b>Total Coastal Express</b>	\$3,219,213	\$2,563,477	\$2,956,448	\$2,989,363
<b>Total Revenue</b>	\$1,177,001	\$1,272,291	\$1,272,291	\$1,272,291
<b>Net Cost – Coastal Exp.</b>	<b>\$2,042,212</b>	<b>\$1,291,186</b>	<b>\$1,684,157</b>	<b>\$1,717,072</b>

Agency Share

<b>VCTC</b>	<b>\$1,021,106</b>	<b>\$645,593</b>	<b>\$842,079</b>	<b>\$858,536</b>
<b>SBCAG</b>	<b>\$1,021,106</b>	<b>\$645,593</b>	<b>\$842,079</b>	<b>\$858,536</b>

Less SBCAG (50%)	(\$50,000)	(\$25,000)	(\$25,000)	(\$25,000)
<b>SBCAG (Net due VCTC)</b>	<b>\$971,106</b>	<b>\$620,593</b>	<b>\$817,079</b>	<b>\$833,536</b>

<u>Projected Ridership</u>	<b>265,000</b>	<b>305,000*</b>	<b>305,000</b>	<b>305,000</b>
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\* = Assumes 90% of current Coastal Limited Ridership (~44k) transition to VCTC Coastal



Item #7

March 25, 2015

**MEMO TO: COASTAL EXPRESS POLICY ADVISORY COMMITTEE**

**FROM: VIC KAMHI, DIRECTOR OF BUS TRANSIT  
AARON BONFILIO, PROGRAM MANAGER**

**SUBJECT: FARE PRICE ADJUSTMENT**

**RECOMMENDATION:**

- To maintain current passenger fare pricing for one year, through FY15/16.

**BACKGROUND:**

At the prior Coastal Express Policy Advisory Committee meeting staff presented a report to the PAC regarding financial projections of the Coastal Express route, which included statistical information regarding fares, ridership and service levels. Following the meeting, staff continued its review of potential fare adjustments, as well as, agreed on a budget for the next fiscal year.

Staff has developed a route budget and corresponding recommendation regarding fare pricing for FY 15/16. Included within the recommendation is sufficient time for the Commission to approve and develop implementation strategies for the proposed Short-range Transit Plan (which includes recommendations regarding VCTC Fare Policy), and to develop a FY15/16 route budget that addresses SBCAG budgetary constraints. Staff will return to the Committee with a fare recommendation at the upcoming Winter-quarter meeting.

In addition, the recommended action is supported by, and made in consideration of such external factors, including: declining ridership and improving farebox trends<sup>1</sup>, the goal by both agencies to incentivize utilization and market the integrated service for growth; the fare pricing review of industry peers; and uncertainty of consumer fuel price projections for the near future.

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1	<u>FY 11/12</u>	<u>FY 12/13</u>	<u>FY 13/14</u>	<u>FY 14/15*</u>
Ridership	311,815	272,913	266,507	265,000
Farebox Recovery	\$753,031	\$643,297	\$688,538	\$706,000

\* Based on current trends