

AGENDA ITEM 3 A
Information Only

MEMORANDUM

DATE: February 24, 2010

TO: El Dorado County Transit Authority
Transit Advisory Committee

FROM: Matt Mauk, Transit Services Assistant

SUBJECT: El Dorado County Transportation Commission (EDCTC) Adoption
of Blended Farebox Ratio for Western El Dorado County

REQUESTED ACTION:

BY MOTION,

No action. Information only

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) relies heavily on funding under the Transportation Development Act (TDA) for operating expenses. In El Dorado Transit's Final Operating Budget for fiscal year (FY) 2009/10, adopted June 2009, TDA represents fifty-eight percent (58%) of the overall operating budget. To be eligible to claim TDA funding, regulations require that a transit operator maintain a minimum, system-wide farebox return ratio (FBR). FBR is expressed as a percentage and can best be explained as the ratio of fare revenue collected to overall operating costs. FBR can be used to gauge an operator's effectiveness and is reported to multiple monitoring agencies, including the State Controller's Office as part of its required annual audit. In FY 2008/09 El Dorado Transit reported a FBR of 25.67%.

Table 1 shows El Dorado Transit's FBR over the last three (3) fiscal years, by service type:

TABLE 1

	<i>Demand-Response</i>	<i>Local Routes</i>	<i>Commuter</i>	<i>*System-Wide</i>
FY 2006/07	15.79%	12.40%	46.45%	22.50%
FY 2007/08	18.67%	9.99%	47.26%	24.11%
FY 2008/09	20.05%	10.17%	49.83%	25.67%

*System-wide totals include special services not shown

As the regional planning agency for the western slope of El Dorado County, the El Dorado County Transportation Commission (EDCTC) is responsible for determining and adopting the

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minimum standard FBR for El Dorado Transit according to TDA regulation. The required minimum FBR for rural areas is set under the TDA to be 10 percent (10%), while the minimum for urbanized areas is 20 percent (20%). At present, the rural standard is used for the claims process in western El Dorado County.

DISCUSSION

In response to the results of the 2000 Census, the US Census Bureau designated a portion of western El Dorado County to be part of the Sacramento Urbanized Area. As detailed in the FY 2004-06 Triennial Performance Audit of El Dorado County Transportation Commission prepared by PMC in 2007, under TDA regulations it is appropriate to identify a “blended” value for the minimum FBR:

“If an operator serves urbanized and non-urbanized areas in the area of jurisdiction of a transportation planning agency, the transportation planning agency shall adopt rules and regulations to determine what portion of the public transportation services of the operator serves urbanized areas and what portion serves non-urbanized areas to determine its required ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, or its required ratio of the sum of fare revenues and local support to operating cost, or both. The transportation-planning agency shall submit the rules and regulations to the department for approval.”

The formula for a blended FBR is typically based upon the proportions of population within the urban versus rural areas. Based upon the most recent available US Census data, the pertinent figures are as follows:

Western El Dorado County rural area population	104,477	84.46%
Western El Dorado County urban area population	17,800	14.54%
Total Western El Dorado County population	122,257	100.00%

Factoring the population proportions by their applicable minimum FBR, the blended ratio for Western El Dorado County as a whole can be calculated as follows:

$$84.46\% \times 10\% + 14.54\% \times 20\% = \mathbf{11.5\%}$$

El Dorado Transit staff concurs with the EDCTC recommendation to adopt an 11.5% blended FBR noting that the agency has consistently exceeded the proposed minimum for the last several fiscal periods. If adopted, EDCTC will submit this recommendation to the California Department of Transportation for review and approval, and subsequently adopt the revised, blended minimum farebox return ratio.

FISCAL IMPACT

None