

# CITY of ALBUQUERQUE

## TWENTY-FIRST COUNCIL

COUNCIL BILL NO. R-14-137 ENACTMENT NO. \_\_\_\_\_

SPONSORED BY: Isaac Benton, by request

1 RESOLUTION

2 ESTABLISHING A MINIMUM SYSTEMWIDE FAREBOX RECOVERY RATIO FOR  
3 THE TRANSIT DEPARTMENT'S FIXED-ROUTE SERVICE.

4 WHEREAS, the Transit Department seeks the establishment of a policy that  
5 provides guidance for the setting of the prices of fixed-route service fare  
6 products; and

7 WHEREAS, the Transit Department seeks a farebox recovery ratio policy  
8 that provides for equitable sharing of costs, guides the Department in the  
9 pricing of Transit fare products so that these products are reasonably priced  
10 for the public, while generating a reasonable level of operating revenue; and

11 WHEREAS, the two prime determinants of a systemwide fixed-route  
12 farebox recovery ratio are the revenue generated from the use of assets that  
13 are utilized in the providing of fixed-route transit service and the cost incurred  
14 to operate, maintain and provide this service; and

15 WHEREAS, the Transit Department seeks to establish a minimum fixed-  
16 route, systemwide, farebox recovery ratio and recognizes that it could take  
17 some years to achieve this minimum ratio.

18 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
19 ALBUQUERQUE:

20 Section 1. Definitions

21 A. Fixed-route, systemwide operating revenues are defined as revenues  
22 received from the sale of fare products and revenues received from  
23 advertising on buses, bus shelters, and/or on ABQ RIDE software  
24 applications. Revenues received by the Department from other governmental  
25 entities for the Department providing fixed-route service are excluded from  
26 this definition.

[Bracketed/Underscored Material] - New  
[Bracketed/Strikethrough Material] - Deletion

1       B. Fixed-route, systemwide operating costs are defined as in the U.S.  
2 Department of Transportation, Federal Transit Administration, National Transit  
3 Database Glossary. Operating costs incurred by the Department for providing  
4 fixed-route service to other governmental entities are excluded from this  
5 definition.

6       C. Fixed-route, systemwide farebox recovery ratio is defined as fixed-route,  
7 systemwide operating revenues divided by fixed-route, systemwide operating  
8 costs.

9       Section 2. The Transit Department by February 1 of each calendar year  
10 shall post on its Web page fixed-route performance measurements for all  
11 fixed-routes operated by the Transit Department for the previous fiscal year.

12       Section 3. Minimum Fixed-Route, Systemwide, Farebox Recovery Ratio.  
13 A minimum fixed-route, systemwide, farebox recovery ration of twenty-five  
14 percent (25%) is hereby established.

15       Section 4. Time Period For Achieving The Minimum, Fixed-Route,  
16 Systemwide Farebox Recovery Ratio  
17 The Transit Department shall achieve the minimum, fixed-route, systemwide,  
18 farebox recover ratio by June 30, 2022.

19       Section 5. The Transit Department, through the Transit Department  
20 Director, has the authority and responsibility to establish pricing of the fixed-  
21 route, fare products and to establish a fixed-route operating schedule so that  
22 the Transit Department achieves the minimum, fixed-route, systemwide,  
23 farebox recovery ratio by the date established in Section 4 above.



Mayor Richard J. Berry

# CITY OF ALBUQUERQUE


## Albuquerque, New Mexico

### Office of the Mayor

#### INTER-OFFICE MEMORANDUM

October 20, 2014

**TO:** Ken Sanchez, President, City Council



**FROM:** Richard J. Berry, Mayor 

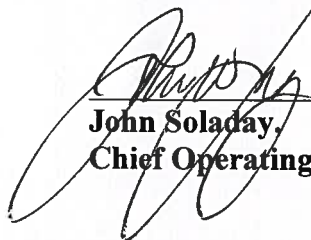
**SUBJECT:** Resolution Establishing A Minimum Systemwide, Farebox Recovery Ratio for City Funded Fixed-Route Service

Attached is a Resolution that would establish a minimum, systemwide farebox recovery ratio, give the Transit Department director the responsibility to achieve and maintain this ratio, and establish a time period for achieving this ratio.

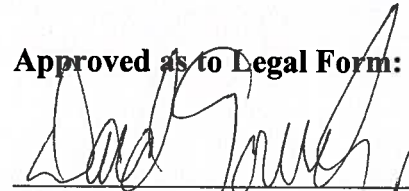
**Legislation Title: Establishing Fixed-Route Minimum Systemwide Farebox  
Recovery Ratio**

**Recommended:**


  11/3/14  
Robert J. Perry Date  
Chief Administrative Officer

 11/3/14  
John Soladay Date  
Chief Operating Officer

**Approved as to Legal Form:**

 10/29/14  
David J. Tourek Date  
City Attorney  
DD

**Recommended:**

 10-20-14  
Bruce Rizzieri, Director Date  
ABQ Ride – Transit Department



# City of Albuquerque

## Transit Department


Richard J. Berry, Mayor

### Interoffice Memorandum

October 22, 2014

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**To:** David Tourek, City Attorney

**From:** Bruce Rizzieri, Director, Transit Department 

**Subject:** Signature for Legal Form for Resolution

Attached are the Cover Analysis, Fiscal Impact Analysis, and the Resolution for establishing a minimum systemwide farebox recovery ratio for city funded fixed-route service. I am requesting your review and signing of the Signature Page.

## **Cover Analysis**

### **1. What is it?**

A resolution to establish a minimum systemwide farebox recovery ratio for city of Albuquerque funded fixed-routes, giving the Transit Department director the responsibility to achieve and maintain the minimum systemwide farebox recovery ratio, and establishes a time period to achieve the minimum farebox recovery ratio.

### **2. What will this piece of legislation do?**

This resolution establishes a 25% minimum system-wide farebox recovery ratio for fixed-routes that are funded by the city of Albuquerque, and gives the Transit Department director the responsibility to make fixed-route structure changes and/or fare product prices changes to obtain and maintain the 25% farebox recovery ratio, and establishes a time period to achieve the 25% farebox recovery ratio.

### **3. Why is this project needed?**

The city needs to determine the "fair share" percentage of operating costs transit riders need to contribute toward funding the operations of city funded fixed-route transit service. The determination of this fair share percentage will guide the establishment of fixed-route fare product prices and will guide when increases in these prices are necessary to maintain the fair share percentage.

### **4. How much will it cost and what is the funding source?**

There is no cost to the city with the establishment of this policy.

### **5. Is there a revenue source associated with this contract? If so, what level of income is projected?**

There is no revenue associated with this proposed resolution. Revenue impacts would be associated with any future changes in the Transit Department Fare Ordinance.

*Danayra Crawford*  
724-3184 414-3438

## FISCAL IMPACT ANALYSIS

**TITLE: Establishing Minimum Fixed-Route Systemwide Farebox Recovery Ratio**

Fed ID: N/A  
CN: N/A TIP ID: N/A

R: O:  
FUND: N/A  
DEPT: Transit

☒ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.

(If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2015	2016	2017	Total
Base Salary/Wages		-		-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses				-
Property			-	-
Indirect Costs	1.11%	-	-	-
	1.25%	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
[ ] Estimated revenues not affected				
[x] Estimated revenue impact				
Amount of Grant			-	-
City Cash Match	-	-		-
City Inkind Match				-
City IDOH*			-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

\*The IDOH is part of the overall budget and will be billed by grant based on cost share ratio.

Number of Positions created: 0

**COMMENTS: There is no fiscal impact from this Resolution.**

**COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:**

PREPARED BY:

N/A [Signature]  
FISCAL ANALYST

APPROVED:

[Signature] 10.20.14  
DIRECTOR (date)

REVIEWED BY:

[Signature]  
EXECUTIVE BUDGET ANALYST

[Signature]  
BUDGET OFFICER (date)

[Signature]  
CITY ECONOMIST

10-22-14