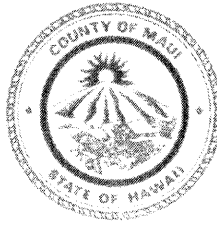


MICHAEL P. VICTORINO
Mayor

MARC I. TAKAMORI
Director

MICHAEL B. DU PONT
Deputy Director



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OFFICE OF THE
COUNTY COUNCIL

DEPARTMENT OF TRANSPORTATION
COUNTY OF MAUI
200 SOUTH HIGH STREET
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April 3, 2019

Ms. Michele M. Yoshimura *MWJ*
Budget Director, County of Maui
200 South High Street
Wailuku, HI 96793

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino

Mayor Date 4/5/19

For Transmittal to:

Honorable Keani Rawlins-Fernandez
Chair, Economic Development & Budget Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez:

SUBJECT: FISCAL YEAR ("FY") 2020 BUDGET (TD-4) (EDB-1)

The Department of Transportation (DOT) hereby transmit the following responses:

Question: Explain the rationale for creating a Senior/Disabled/Medicare fee for All Fixed Routes for public transit service.

Response: Due to the 2010 United States Census, the Wailuku, Kahului, and Paia area was found to have a population of 50,000 or more and thus, designated as an urban zone area. With this designation and the formation of the Maui Metropolitan Planning Organization, additional urban Federal Transit Administration (FTA) funds are now available to the County of Maui. The department has accessed the urbanized area 5307 funds to purchase replacement buses. As required by the program, for fixed route service supported with section 5307 funds, fares charged to seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be charged more than one half of the peak hour fares.

Question: How will creating the new fee affect estimated revenues derived from ridership? Please explain.

Response: The department believes there may be a slight reduction in revenues due to this program requirement by the FTA. However, since many seniors and persons with disabilities already purchase monthly passes (for convenience and affordability), unless they decide to pay as they go, there wouldn't be a big decrease in revenues. Please note that this requirement is only for the fixed route program and not for ADA paratransit or the commuter service.

Question: Explain how the estimated revenues generated for transportation services compare to the cost of providing the service. How much does the County subsidize public transit? How much does the County subsidize paratransit services?

Response: Please see the chart below. It details FY18 and FY19 (1st and 2nd quarter) costs, revenues generated and the farebox recovery rate. The farebox recovery rate relating to transit calculates the percentage of transit operating expenses that are covered by revenues from transit fares.

Fiscal Year 2018	Fixed Route	ADA Paratransit	Commuter	Human Service Transportation
Cost	\$7,499,944	\$2,060,515	\$1,047,375	\$6,180,013
Revenues Generated	\$2,094,483	\$80,564	\$199,038	\$0
Farebox Recovery Rate	28%	4%	19%	0%

Fiscal Year 2019 (1st & 2nd Quarter)	Fixed Route	ADA Paratransit	Commuter	Human Service Transportation
Cost (1/2 year)	\$3,868,266	\$1,541,000	\$682,733	\$3,190,258
Revenues Generated (1/2 year)	\$998,993	\$51,568	\$93,881	\$0
Farebox Recovery Rate	26%	3%	14%	0%

Question: Has the Department evaluated whether any other fare adjustments are warranted for FY 2020, and if so, what were the Department’s findings?

Response: There have been past studies done with regards to proposed changes in rates and fees. Those proposed rates and fee changes have been documented in the Maui County Short Range Transit Plan dated April 2016 and in the Maui County Council’s Performance and Fiscal Audits of the Department of Transportation dated March 2018. With the recent urbanized designation, another program requirement set forth by receiving 5307 funds is that the department needs to solicit and consider public comments prior to proposing any fare increases. Since the department hasn’t had any community meetings to discuss any potential fare related increases, the department has no fare adjustment recommendations at this time. The department has started doing community outreach with our first “pop-up” event at the Queen Kaahumanu Center transit hub area on Monday, April 1st. The department plans to hold public meetings within the Central, South, Upcountry and West Maui areas to discuss future expansion along with fare discussions. However, while the department doesn’t have any recommendations at this time, the Maui County Council has the ability to make changes to fares as they see fit.

Sincerely,



Marc I. Takamori
Director, Department of Transportation