

February 22, 2023

MEMORANDUM TO: Honorable Mayor and City Council

THRU: Charles P. Potucek  
City Manager

FROM: David J. Felix, CPA  
Chief Financial Officer

SUBJECT: REQUEST FOR AGENDA ITEM PLACEMENT  
RESOLUTION 2023-011, Six-month suspension of transit fares

RECOMMENDATION

The City Manager recommends approval

INITIATED BY

David J. Felix, CPA, Chief Financial Officer

BACKGROUND

For the past four years transit ridership and fare revenues have seen a significant decrease. This is due to multiple reasons, including the COVID pandemic and staffing shortages forcing changes in routes and schedules. Ridership is very important as that is a major factor the FTA uses in determining the grant funding the City receives to operate the system.

In Fiscal Year 2018, the system received approximately \$103.2k fare revenue, which approximately \$97k was farebox and ticket revenue and the remainder paratransit. For Fiscal Year 2022, the fare revenue had dropped to \$56.7k, of which approximately \$50.6K was farebox and ticket revenue. Based on year-to-date revenues, the City is on track to get \$49.6k in farebox and ticket revenues this fiscal year. Public Works has done a study and estimates that it costs the City at least \$57k per year to handle and process the farebox and ticket revenues. This translates to the City spending \$57k to get \$50k.

To save money, extend goodwill to the riders for the changes that have happened, and to try to increase ridership, staff is recommending suspending transit fare from March 1, 2023 thru August 31, 2023. The net savings to the City would be an estimated \$3,500. Hopefully this will also increase ridership and therefore increase the grant funding the City will receive.

RESOLUTION 2023-011

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE SUSPENDING TRANSIT FARES FOR SIX MONTHS AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, the City of Sierra Vista operates a transit system for the benefit of the community; and

WHEREAS, the system has seen a significant decrease in ridership and far revenues over the past five years; and

WHEREAS, the City Council has been fiscally responsible as a fundamental principal;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA AS FOLLOWS:

SECTION 1

The City is suspending transit fares from March 1, 2023 thru August 31, 2023.

SECTION 2

The City Manager, City Clerk, City Attorney, or their duly authorized officers and agents are hereby authorized and directed to take all steps necessary to carry out the purposes and intent of this resolution.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA, THIS 23<sup>rd</sup> DAY OF FEBRUARY, 2023.

---

Clea McCaa II  
Mayor

ATTEST:

---

JILL ADAMS  
City Clerk

APPROVED AS TO FORM:

---

NATHAN J. WILLIAMS  
City Attorney

PREPARED BY:  
DAVID J. FELIX, CPA  
Chief Financial Officer