



## Recommendation

The Transit Commission recommends that the Finance Committee and Common Council approve an increase in **agency fares** from \$9.00 to \$12.00 and adult fares from \$4.00 to \$5.00.

Category	2016	2021	2023	2026
Adult	3.75	4.00	4.00	5.00
Children Accompany Adult (same destination)	1.75	2.00	2.00	2.00
Children under 18	2.75	3.00	3.00	3.00
Elderly/Disabled	2.50	2.75	3.00	3.00
2 miles outside City	8.00	8.50	10.00	10.00
Agency/MTM	9.00	9.00	9.00	12.00

Expanded Funding Calculator							
Overall Transit Budget				System Expenses			
Operating Expenses	\$	1,041,390.00		Hours	Rate	Total	
Passenger Revenue	\$	391,000.00		Contracted Service	29,000	\$ 35.91	\$ 1,041,390.00
Net Operating Deficit	\$	650,390.00		Contra Expenses (par			
						Total Expenses:	\$ 1,041,390.00
Fed+State Funding%		56.50%					
Federal Funding	\$	333,244.80					
State Funding	\$	255,140.55					
Local Share Needed	\$	62,004.65					
				System Revenue			
				Trips	Rate	Total	
				Adult Fare Revenue	31,000	\$ 5.00	\$ 155,000.00
				Senior/Disabled Fare	38,000	\$ 3.00	\$ 114,000.00
				Student/Child Fares	17,000	\$ 3.00	\$ 51,000.00
				Children Accompany	500	\$ 2.00	\$ 1,000.00
				Agency Fare Revenue	5,000	\$ 12.00	\$ 60,000.00
				Out of Town	1,000	\$ 10.00	\$ 10,000.00
				<b>TOTAL</b>	<b>92,500</b>		<b>\$ 391,000.00</b>

This increase would reduce the City's estimated local share from \$108,004.65 to approximately \$62,004.65, an amount more in line with the proposed 2026 budget. *It should be noted that an increase in adult fares could result in reduced ridership and lower revenue. Ridership statistics are reviewed by the Transit Commission on a quarterly basis*

## Next Steps

Individual fare increases require a public hearing before adoption. If the Finance Committee recommends proceeding with the adult fare increase, a public hearing will be posted and held within 21–30 days. Any comments received at the hearing will be returned to the Transit Commission for discussion. If no comments are received, a resolution adopting the increase will be presented to the Common Council.

Unlike individual fare increases, **agency fare** adjustments do not require a public hearing. If the Finance Committee recommends proceeding with the agency fare increase, the managed care organizations that use Watertown Transit will be contacted to begin discussions on implementing the new fare amount in early 2026. A resolution to adopt the increase will then be presented to the Common Council.