
**Minutes
City of Tempe
Ad Hoc Transit Fund Committee
October 9, 2009**

Minutes of the City of Tempe Ad Hoc Transit Fund Committee held on Friday, October 9, 2009, 9:00 a.m., at the Transportation Center Don Cassano Community Room, Tempe, Arizona.

(MEMBERS) Present:

Don Cassano, Ben Goren, Jayson Matthews, Catherine Mayorga, Steven Saiz, David Strang

(MEMBERS) Absent:

City Staff Present:

Joe Clements, Carlos de Leon, Tom Duensing, Eric Iwersen, Ken Jones, Greg Jordan, Gregg Kent, Glenn Kephart, Tom Mikesell, RC Noderer, Bonnie Richardson, Chris Salomone, Holly Stennerson, Sue Taaffe, Shauna Warner, Robert Yabes, Shaun Yunt

Guests Present:

Judi Nelson

Jayson Matthews called the meeting to order at 9:00 a.m.

Agenda Item 1 – Public Appearances

There were no public appearances.

Agenda Item 2 – Update on Process for Identification and Evaluation of Potential Cost Reduction/Revenue Source Measures

Carlos de Leon presented the following information:

At the September 4, 2009 meeting, the Committee agreed with a four step process:

1. Categorizing the major program elements
2. Identifying and the documenting potential measures
3. Evaluating potential measures across categories
4. Determining the combined financial impact of the preferred measures

The table below provides an update on each step of the process by program category.

STEP			
1 Categories	2 Potential Measures	3 Evaluation	4 Potential Financial Impact
Transit Service	<ul style="list-style-type: none"> ▪ The Accountability and Governance Committee has identified potential service changes. ▪ Public input process on potential service changes started. 	Pending public process and identification of measures for all categories	If all changes approved, \$6.2 million in annual recurring costs by 2012-13
Other Operations <ul style="list-style-type: none"> ▪ Transit Administration ▪ Transportation Center Operations ▪ Marketing and Community Outreach ▪ Bus Stop Maintenance ▪ Landscape Maintenance ▪ Planning and Project Review 	<ul style="list-style-type: none"> ▪ To be discussed by Ad Hoc Transit Fund Committee ▪ Public Involvement/Marketing Committee has reviewed marketing budget 	Pending identification of measures for all categories	
Capital Projects	<ul style="list-style-type: none"> ▪ To be discussed by Multi-modal and Planning Project Review Committee 	Pending identification of measures for all categories	
Staffing	<ul style="list-style-type: none"> ▪ Employee salaries and benefits part of overall city wide policy ▪ After transit service, other operations, and capital projects are determined, depts. to evaluate staffing levels and report to Ad Hoc Committee 	Pending identification of measures for all categories	

Jayson Matthews recommended that staff should start evaluating and prioritizing activities to determine potential cost reduction measures and that an alternative organizational structure for transit funded positions be developed to improve efficiencies for the Transit Fund. The Committee agreed with the recommendation.

Agenda Item 3 – Intent of the 1996 Transit Funding Election

Carlos de Leon presented the following information:

The intent of the September 10, 1996 election was to dedicate sales tax revenue for transit purposes and is the primary source of funding for the Transit Fund. The voter approved increase in sales tax (Proposition 400) was for improvements and operation of Tempe’s public transit system, including:

- Bus pullouts to improve traffic flow
- Environmentally friendly, alternative fueled buses with bike racks
- Bus routes on all major streets connecting to the rest of the Valley cities, and Dial-a-Ride service for the elderly and disabled
- Improved sidewalks and bicycle facilities
- Neighborhood shuttles and improved FLASH service
- Rail studies for connections to the airport and other parts of the Valley
- Shaded waiting areas with benches for passengers
- Bus service 20 hours per day, 7 days per week, arriving every 15 minutes during commute time and every half hour the rest of the day

Agenda Item 4 – Potential Measures – Other Operations

Joe Clements presented the following information:

A reduction of nine million dollars in expenditures is necessary to balance the Transit Fund budget. Tempe’s Transit program is organized into different sections, providing different levels of support to the program’s overall purpose and functions. Since the completion of Light Rail, Bus Maintenance Facility and the Transportation Center, the Transit program has evolved from a capital intensive program to an operations focused program. The process of system restructuring and budget reduction begins with establishing criteria and performance measures to meet program goals.

The following criteria have been developed to assist in analyzing and reviewing the system structure and resources:

- Meets intent of voter approved Transit Tax
- Supports preservation of existing Transit system
- Increases efficiency of core system
- High level of cost control

The Transit Division - Budget and Expenditures (Includes Salaries/Benefits, Materials/Supplies, Fees/Services and Indirect Charges) are listed below for possible reduction or re-allocation.

FY09-10 BUDGET

EVBOM Operations	\$2,541,996
Security	\$1,533,985
Planning and Project Review	\$1,394,744
Transit Center - Operations	\$987,907
Marketing and Community Outreach	\$971,218
Transit Administration	\$899,127
LRT - Operations	\$748,092
Bus Stop and Bike Path Maintenance	\$558,263
ITS - Signal System	\$221,696
Inter-Activity Charges	\$656,275
Total	\$10,513,303
Debt Service - 140m @ 4.25%	\$8,369,000

Agenda Item 5 – Accountability and Governance Committee Update

Greg Jordan presented the following information:

The Accountability and Governance Committee met on September 4, 2009 and agreed to move forward with a two-stage public involvement process to solicit input on the proposed transit service changes and reductions. The proposed changes are estimated to achieve up to \$6.2 million in annual operating savings by FY 2012-13. The first stage of the public involvement process ended on September 30, 2009.

The Committee is meeting Wednesday, October 14, 2009 at 7:30 a.m. to review the public comments and develop revised transit service changes for the second round of public input.

Agenda Item 6 – Public Involvement and Marketing Committee Update

Sue Taaffe presented the following information:

The Public Involvement and Marketing Committee met on July 13, 2009 and September 14, 2009 at which staff presented proposed reductions to FY 2010-11 marketing and public involvement budget. A summary of the Public Involvement/Marketing budget and corresponding expenditures and proposed revenue ideas were provided to the Ad Hoc Transit Fund Committee along with a detailed description for these potential measures. The proposed recommendations total potential savings is estimated to be a 21 percent budget reduction to the Public Involvement/Marketing budget.

Agenda Item 7 – Next Steps

Staff should start evaluating and prioritizing activities to determine potential changes for cost efficiencies.

The next Ad Hoc Transit Fund Committee meetings are scheduled as follows:

Friday, October 30, 2009 at 9:00 a.m. in the Don Cassano Community Room, 200 E. Fifth Street, Tempe, Arizona

Monday, November 9, 2009 at 9:00 a.m. in the Don Cassano Community Room, 200 E. Fifth Street, Tempe, Arizona

The Ad Hoc Transit Fund Committee is to present recommendations for approval to the City of Tempe Transportation Commission on Tuesday, November 17, 2009.

Recommendations will be presented to the City of Tempe Council Transportation Committee on Tuesday, November 24, 2009.

Recommendations will be presented to the Tempe City Council at the Issue Review Session on Thursday, December 10, 2009.

Jayson Matthews adjourned the meeting at 10:45 a.m.

Prepared by:
Holly Stenner

Reviewed by:

Carlos de Leon