



**Minutes
City of Tempe
Ad Hoc Transit Fund Committee
March 25, 2010**

Minutes of the City of Tempe Ad Hoc Transit Fund Committee held on Thursday, March 25, 2010, 7:30 a.m., at the Transportation Center Don Cassano Community Room, Tempe, Arizona.

(MEMBERS) Present:

Ben Goren, Charles Huellmantel, Jayson Matthews, Catherine Mayorga, David Strang

(MEMBERS) Absent:

William Haas, Steven Saiz

City Staff Present:

Joe Clements, Dawn Coomer, Carlos de Leon, Tom Duensing, Shelley Hearn, Karen Huffman, Ken Jones, Greg Jordan, Bonnie Richardson, Holly Stennerson, Sue Taaffe, Robert Yabes

Guests Present:

Don Cassano, Judi Nelson, Jack Pisano, Gary Roberts

Jayson Matthews called the meeting to order at 7:30 a.m.

Agenda Item 1 – Public Appearances

There were no public appearances.

Agenda Item 2 – January 2010 Service Changes Ridership Update

Greg Jordan presented the following information:

The Accountability and Governance Committee met on Monday, March 22, 2010 and were provided with information regarding the impact of the service changes. These changes were approved by City Council in December and went into effect on January 25, 2010. The service changes are estimated to save the City \$3.2 million annually. There was a 25 percent increase in system productivity and a minimal ridership impact.

Agenda Item 3 – Transit Service Reductions Public Involvement Process Update

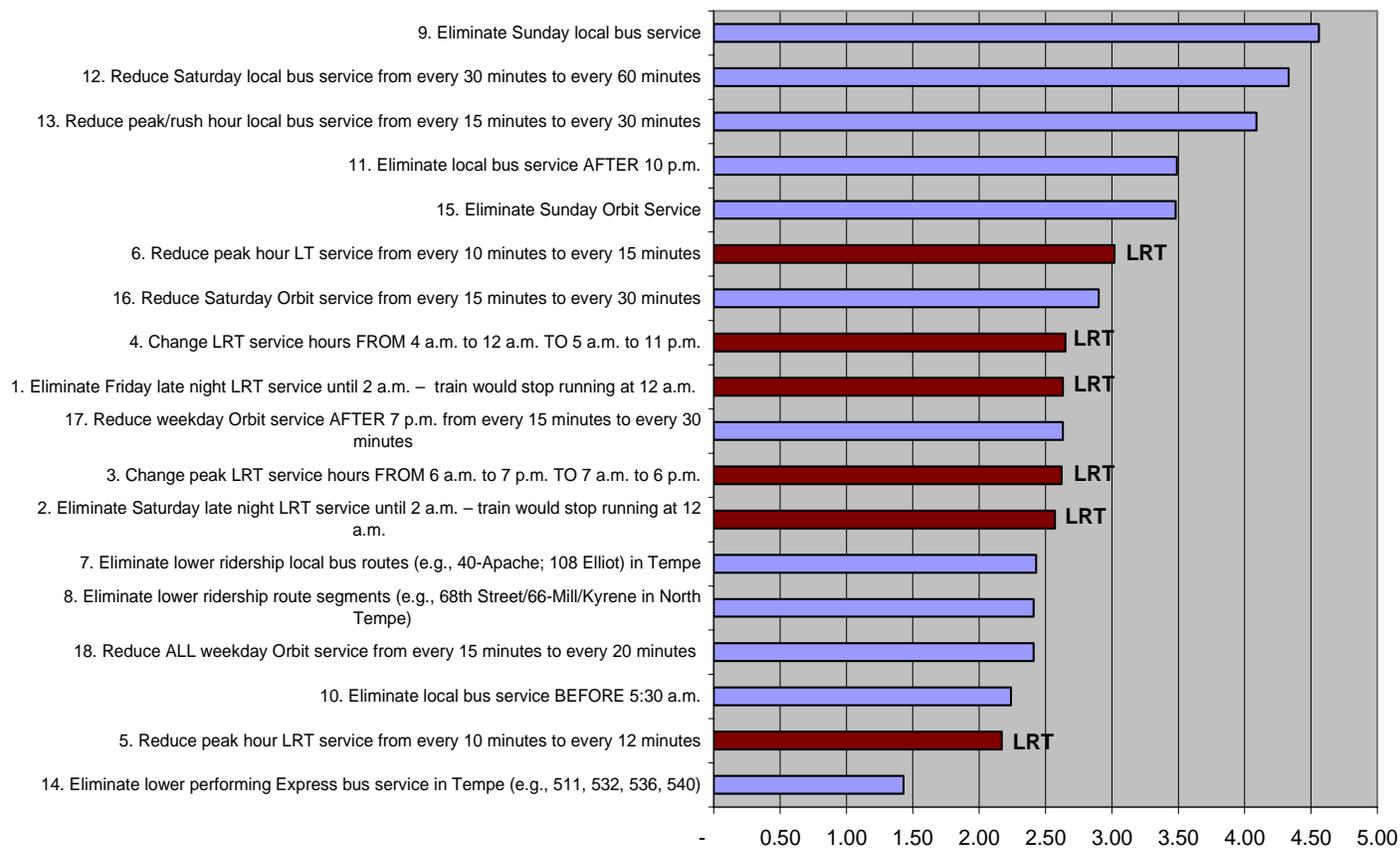
Greg Jordan presented the following information:

During round one of the public process of service reductions and changes, the Accountability and Governance Committee approved eighteen options to eliminate approximately \$10.8 million in service reductions for public input during the February – March timeframe. Tempe staff received three hundred and ninety three completed surveys. The primary focus of the survey asked passengers to indicate the level of impact each service reduction option would have on their travel.

Attachment 1 provides a composite ranking of the responses and indicates which services passengers were the most opposed to reducing.

Attachment 1: Public Response to Service Reduction Options

A higher rank is associated with greater opposition to the service reduction option



Attachment 2 provides a copy of the actual survey instrument.

ATTACHMENT 2: Tempe Transit Funding Priority Survey – Spring 2010

Below is a list of transit service cuts proposed by Tempe in order to address an \$18 million deficit. Please indicate how these proposed service reductions would affect your travel habits. For example, if Sunday bus service is very important to you, you would select "Significant Impact on My Travel" for proposal #9. This information will help staff identify and prioritize proposed service reductions that will be presented to the public for consideration in late March.

Put an "X" in one box per row only. Only complete surveys will be accepted.

#	Mode	Service Reduction Proposal	Annual Tempe Savings	No Impact on My Travel	Some Impact on My Travel	Significant Impact on My Travel	No Opinion
1	LIGHT RAIL	Eliminate Friday late night service until 2 a.m. – train would stop running at 12 a.m.	\$64,120				
2	LIGHT RAIL	Eliminate Saturday late night service until 2 a.m. – train would stop running at 12 a.m.	\$40,320				
3	LIGHT RAIL	Change peak service hours FROM 6 a.m. to 7 p.m. TO 7 a.m. to 6 p.m.	\$70,560				
4	LIGHT RAIL	Change service hours FROM 4 a.m. to 12 a.m. TO 5 a.m. to 11 p.m.	\$89,880				
5	LIGHT RAIL	Reduce peak hour service from every 10 minutes to every 12 minutes	\$112,280				
6	LIGHT RAIL	Reduce peak hour service from every 10 minutes to every 15 minutes	\$138,880				
7	LOCAL BUS	Eliminate lower ridership local bus routes (e.g., 40-Apache; 108 Elliot) in Tempe	\$1.6 million				
8	LOCAL BUS	Eliminate lower ridership route segments (e.g., 68th Street/66-Mill/Kyrene in North Tempe)	\$250,000				
9	LOCAL BUS	Eliminate Sunday local bus service	\$1.1 million				
10	LOCAL BUS	Eliminate local bus service BEFORE 5:30 a.m.	\$450,000				
11	LOCAL BUS	Eliminate local bus service AFTER 10 p.m.	\$1 million				
12	LOCAL BUS	Reduce Saturday local bus service from every 30 minutes to every 60 minutes	\$500,000				
13	LOCAL BUS	Reduce peak/rush hour local bus service from every 15 minutes to every 30 minutes	\$1.7 million				
14	EXPRESS BUS	Eliminate lower performing Express bus service in Tempe (e.g., 511, 532, 536, 540)	\$292,000				

15	ORBIT	Eliminate Sunday Orbit Service	\$450,000				
16	ORBIT	Reduce Saturday Orbit service from every 15 minutes to every 30 minutes	\$475,000				
17	ORBIT	Reduce weekday Orbit service AFTER 7 p.m. from every 15 minutes to every 30 minutes	\$600,000				
18	ORBIT	Reduce ALL weekday Orbit service from every 15 minutes to every 20 minutes	\$1.9 million				

19. In your opinion, list the TOP 3 service reduction proposals that are most important to **AVOID**. In other words, what are the top 3 services that should be maintained (**INPUT THE NUMBER OF THE PROPOSAL FROM FRONT PAGE**):

1 st Highest Priority	2 nd Highest Priority	3 rd Highest Priority

Name _____

Address _____ City _____ State _____ Zip _____

Please circle your answer:

- A. Do you work, shop, or go to school in Tempe? Yes No
- B. Do you use transit services in Tempe? Yes No
- C. If you use transit, what transit mode do you primarily use? Light Rail Bus Express Orbit
- D. If you use transit, on average, how many days a week do you ride light rail, local bus, express bus, or Orbit?
- 1 to 2 days a week 3 to 5 days a week 6 to 7 days a week No answer
- E. What is your employment status? Full-time Part-time Retired Stay at home spouse
- Student Unemployed No answer
- F. If employed, would approval of any of the service reduction proposals impact your ability to get to work?
- Yes No

If YES, list which option(s): _____

G. If in school/college, would approval of any of the service reduction proposals impact your ability to get to school?

Yes No

If YES, list which option(s) _____

H. What is your ethnicity? Caucasian/White Hispanic Asian African American Native American
No answer

I. What was your annual household income before taxes last year?
Less than \$20,000 \$20,000 to \$39,999 \$40,000 to \$59,999 \$60,000 to \$79,999
\$80,000 to \$99,999 More than \$100,000 No answer

J. Would you be willing to pay 50 cents per trip for Orbit service? Yes No Unsure No answer

K. Comments _____

Agenda Item 4 – Proposed Transit Service Reductions for Additional Public Input

Greg Jordan presented the following information:

Based on all the feedback received, internal analysis, and the most recent analysis of updated ridership information, a list of proposed service reduction options have been established that total approximately \$3.3 million annually.

Attachment 1 outlines \$3.9 million in budget reduction measures which includes \$3.3 million in potential service reductions and \$600,000 in additional revenue and operating efficiencies.

FY 2010-11 BUDGET REDUCTION TARGET (TRANSIT SERVICES) \$ 3,500,000

PART I: FINANCIAL MODEL ADJUSTMENTS					
Rank	Mode	Description	Cost Savings	Percent	Notes
N/A	SYSTEM	Financial Model Update	TBD.	TBD.	Mileage and operating assumption updates.
N/A	SYSTEM	General Contingency Assessment	\$ (175,000)	-5%	5 percent added to target as contingency.
Sub-total			\$ (175,000)		

PART II: OPERATING PERFORMANCE IMPROVEMENTS					
Rank	Mode	Description	Cost Savings	Percent	Notes
N/A	SYSTEM	Fare Recovery Update	\$ 176,245	5%	July 2009 fare increase & Jan. 25 service change impact.
N/A	SYSTEM	Fuel Pricing & Efficiency Assumptions	\$ 100,195	3%	New unleaded fuel contract & fuel efficiency improvements.
Sub-total			\$ 276,439		

PART III: CONTRACTOR COST ADJUSTMENTS					
Rank	Mode	Description	Cost Savings	Percent	Notes
N/A	SYSTEM	Lower RPTA Operating Rate	\$ 169,962	5%	RPTA's FY 2010-11 estimated costs lower than expected.
N/A	SYSTEM	Performance Incentive Adjustment	\$ 149,313	4%	Estimated pay-out revised downward based on actual performance.
N/A	SYSTEM	Veolia Cost Savings/Adjustments	TBD.	TBD.	Negotiation with Veolia underway - to be concluded by Apr 20.
Sub-total			\$ 319,275		

PART IV: SERVICE REDUCTIONS					
Rank	Mode	Description	Cost Savings	Percent	Notes
1	FLASH	Flash Reduction (or full funding by ASU)	\$ 218,786	6%	Negotiation with ASU beginning.
2	LRT	Change peak service hours FROM 6 a.m. to 7 p.m. TO 7 a.m. to 6 p.m.	\$ 70,560	2%	Most likely Metro Board consensus.
3	LRT	Reduce peak hour service from every 10 minutes to every 12 minutes	\$ 112,280	3%	Most likely Metro Board consensus.
4	Local	Eliminate Route 40-Apache segment between downtown Tempe and Sky Harbor	\$ 868,819	23%	Due to lower ridership and availability of alternatives.
5	Local	Reduce Sunday service to 60 minutes, except Route 72	\$ 381,626	10%	Requires regional coordination.
6	Local	Reduce Route 108-Elliott to 60 minutes (weekdays)	\$ 218,764	6%	Route 108-Elliott currently operates at 60 min. on weekends.
7	Local	Reduce 62-Hardy/Guadalupe peak service to 20 minutes	\$ 158,341	4%	Additional ridership analysis needed.
8	Local	Reduce 81-McClintock peak service to 20 minutes	\$ 90,898	2%	Requires regional coordination.
9	Local	Reduce Route 48-48th/52nd peak service to 20 minutes	\$ 96,214	3%	Additional ridership analysis needed.
10	Local	Eliminate pre-5:30 a.m. service	\$ 384,261	10%	Requires regional coordination.
11	Express	Restructure 511; Eliminate 532, 536, 540	\$ 216,753	6%	Requires regional coordination.
12	Orbit	Reduce Orbit weeknight freq to 30 minutes	\$ 347,420	9%	Assumes boosters added for events.
13	Orbit	Reduce Orbit Sat frequency to 20 minutes	\$ 118,455	3%	Assumes boosters added to high demand trips.
Sub-total			\$ 3,283,176		

TOTAL \$ 3,703,890

Commissioner Jayson Matthews asked if there was consensus from the Committee to advance Transit Service Budget Reduction Measures to the second round of public involvement. The Committee came to a consensus and agreed to move forward.

Agenda Item 5 – Local Transportation Assistance Fund (LTAF) Update

Carlos de Leon presented the following information:

Local Transportation Assistance Fund (LTAF) is a statewide fund of \$23 million that provides lottery proceeds to cities and towns throughout the state of Arizona to help fund local transportation, primarily transit services. The State Legislature has eliminated the LTAF fund to cities and towns as part of the budget balancing program this year. Tempe's share of these funds totals approximately \$1 million annually, which typically gets dispersed between the traffic operations fund and the transit fund which will create an unexpected funding gap for transportation related projects.

A significant operational consideration is the fact that several cities bordering Tempe rely heavily, and in some cases 100%, on LTAF funding for their public transportation systems. Valley jurisdictions are meeting to discuss how the elimination of this revenue will impact their transportation services and will

work towards coordinating transit services between the municipalities. This may have an impact upon the final budget reduction route proposals.

Agenda Item 6 – Proposed Staffing Plan

Carlos de Leon presented the following information:

The staffing plan is a major component in terms of balancing the financial plan and correcting the structural deficit. A staff management working group from five departments, which have transit funded positions, was formed in February to evaluate Transit Fund staff resources and to develop a staffing plan to reduce personnel costs as part of the overall plan to balance the Transit Fund. The staff management working group meetings were facilitated by Ken Jones, Internal Audit Manager.

The working group identified annual recurring personnel cost reductions of approximately \$1.7 million over the next two fiscal years. The reductions represent a 36% decrease from the projected \$4.6 million in personnel costs for FY2010-11. The position reduction eliminations are not contingent on the transit service reductions.

The group's plan was recently forwarded to the City Manager for review and approval in consultation with the City Council. The personnel cost reductions for FY2010-11 were recently provided to Mayor and Council. The transit funded positions included in the current layoff notification process amount to \$1.3 million and include the following positions:

- Elimination of 4 currently-filled positions (2 Management Assistants, 1 Principal Planner and one .5 FTE Financial Services Tech). [NOTE: A vacant Senior Management Assistant Position will be filled]
- Elimination of 3 vacant positions (2 Transportation Workers – Bus Shelter Maintenance, 1 ITS Network Engineer)
- Termination of a contract for a LRT Security Liaison
- Reduction of the allocation of 2 Deputy Managers' salaries from the Transit Fund following department reorganizations
- Assumption of an across-the-board 5% reduction to salaries (the current budget assumes a 2.5% increase)
- Transfer 1 Custodial Supervisor position to the General Fund
- Fund 50% of a TCA Maintenance Supervisor position, currently 100% funded by the Performing Arts Fund

There is an additional list of personnel cost reductions for FY2011-12 which won't be approved until next year.

Agenda Item 7 – Future Agenda Items/Next Steps

The following items will be discussed:

- Transit Staff Plan, current and proposed
- LTAF Update
- Second round of public process information
- Update Transportation Commission

The Committee's next regular meeting will be held Tuesday, April 20, 2010 at 7:30 a.m. in the Don Cassano Community Room, 200 E. Fifth Street, Tempe, Arizona.

Jayson Matthews adjourned the meeting at 8:30 a.m.

Prepared by:
Holly Stenner

Reviewed by:

Carlos de Leon