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.
Ad Hoc Transit Fund Committee
March 25, 2010

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

- 0.5 0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0

9. Eliminate Sunday local bus service
12. Reduce Saturday local bus service from every 30 minutes to every 60 minutes
13. Reduce peak/rush hour local bus service from every 15 minutes to every 30 minutes
11. Eliminate local bus service AFTER 10 p.m.
15. Eliminate Sunday Orbit Service
6. Reduce peak hour LT service from every 10 minutes to every 15 minutes
16. Reduce Saturday Orbit service from every 15 minutes to every 30 minutes
4. Change LRT service hours FROM 4 a.m. to 12 a.m. TO 5 a.m. to 11 p.m.
1. Eliminate Friday late night LRT service until 2 a.m. – train would stop running at 12 a.m.
17. Reduce weekday Orbit service AFTER 7 p.m. from every 15 minutes to every 30 minutes
3. Change peak LRT service hours FROM 6 a.m. to 7 p.m. TO 7 a.m. to 6 p.m.
2. Eliminate Saturday late night LRT service until 2 a.m. – train would stop running at 12 a.m.
7. Eliminate lower ridership local bus routes (e.g., 40-Apache; 108 Elliot) in Tempe
8. Eliminate lower ridership route segments (e.g., 68th Street/66-Mill/Kyrene in North Tempe)
18. Reduce ALL weekday Orbit service from every 15 minutes to every 20 minutes
10. Eliminate local bus service BEFORE 5:30 a.m.
5. Reduce peak hour LRT service from every 10 minutes to every 12 minutes
14. Eliminate lower performing Express bus service in Tempe (e.g., 511, 532, 536, 540)
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.

<table>
<thead>
<tr>
<th>#</th>
<th>Mode</th>
<th>Service Reduction Proposal</th>
<th>Annual Tempe Savings</th>
<th>No Impact on My Travel</th>
<th>Some Impact on My Travel</th>
<th>Significant Impact on My Travel</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LIGHT RAIL</td>
<td>Eliminate Friday late night service until 2 a.m. – train would stop running at 12 a.m.</td>
<td>$64,120</td>
<td></td>
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<tr>
<td>2</td>
<td>LIGHT RAIL</td>
<td>Eliminate Saturday late night service until 2 a.m. – train would stop running at 12 a.m.</td>
<td>$40,320</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>LIGHT RAIL</td>
<td>Change peak service hours FROM 6 a.m. to 7 p.m. TO 7 a.m. to 6 p.m.</td>
<td>$70,560</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>LIGHT RAIL</td>
<td>Change service hours FROM 4 a.m. to 12 a.m. TO 5 a.m. to 11 p.m.</td>
<td>$89,880</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>LIGHT RAIL</td>
<td>Reduce peak hour service from every 10 minutes to every 12 minutes</td>
<td>$112,280</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>LIGHT RAIL</td>
<td>Reduce peak hour service from every 10 minutes to every 15 minutes</td>
<td>$138,880</td>
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</tr>
<tr>
<td>7</td>
<td>LOCAL BUS</td>
<td>Eliminate lower ridership local bus routes (e.g., 40-Apache; 108 Elliot) in Tempe</td>
<td>$1.6 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>LOCAL BUS</td>
<td>Eliminate lower ridership route segments (e.g., 68th Street/66-Mill/Kyrene in North Tempe)</td>
<td>$250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>LOCAL BUS</td>
<td>Eliminate Sunday local bus service</td>
<td>$1.1 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>LOCAL BUS</td>
<td>Eliminate local bus service BEFORE 5:30 a.m.</td>
<td>$450,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>LOCAL BUS</td>
<td>Eliminate local bus service AFTER 10 p.m.</td>
<td>$1 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>LOCAL BUS</td>
<td>Reduce Saturday local bus service from every 30 minutes to every 60 minutes</td>
<td>$500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>LOCAL BUS</td>
<td>Reduce peak/rush hour local bus service from every 15 minutes to every 30 minutes</td>
<td>$1.7 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>EXPRES S BUS</td>
<td>Eliminate lower performing Express bus service in Tempe (e.g., 511, 532, 536, 540)</td>
<td>$292,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ad Hoc Transit Fund Committee
March 25, 2010

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):

<table>
<thead>
<tr>
<th>1st Highest Priority</th>
<th>2nd Highest Priority</th>
<th>3rd Highest Priority</th>
</tr>
</thead>
</table>

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.
Ad Hoc Transit Fund Committee  
March 25, 2010

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

**PART I: FINANCIAL MODEL ADJUSTMENTS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Mode</th>
<th>Description</th>
<th>Cost Savings</th>
<th>Percent</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Financial Model Update</td>
<td>$175,000</td>
<td>-5%</td>
<td>5 percent added to target as contingency.</td>
</tr>
</tbody>
</table>

Sub-total $175,000

**PART II: OPERATING PERFORMANCE IMPROVEMENTS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Mode</th>
<th>Description</th>
<th>Cost Savings</th>
<th>Percent</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Fare Recovery Update</td>
<td>$176,245</td>
<td>5%</td>
<td>July 2009 fare increase &amp; Jan. 25 service change impact.</td>
</tr>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Fuel Pricing &amp; Efficiency Assumptions</td>
<td>$100,195</td>
<td>3%</td>
<td>New unleaded fuel contract &amp; fuel efficiency improvements.</td>
</tr>
</tbody>
</table>

Sub-total $276,439

**PART III: CONTRACTOR COST ADJUSTMENTS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Mode</th>
<th>Description</th>
<th>Cost Savings</th>
<th>Percent</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Lower RPTA Operating Rate</td>
<td>$169,662</td>
<td>5%</td>
<td>RPTA’s FY 2010-11 estimated costs lower than expected.</td>
</tr>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Performance Incentive Adjustment</td>
<td>$149,313</td>
<td>4%</td>
<td>Estimated pay-out revised downward based on actual performance.</td>
</tr>
<tr>
<td>N/A</td>
<td>SYSTEM</td>
<td>Veolia Cost Savings/Adjustments</td>
<td>TBD</td>
<td>TBD</td>
<td>Negotiation with Veolia underway - to be concluded by Apr 20.</td>
</tr>
</tbody>
</table>

Sub-total $319,275

**PART IV: SERVICE REDUCTIONS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Mode</th>
<th>Description</th>
<th>Cost Savings</th>
<th>Percent</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FLASH</td>
<td>Flash Reduction (or full funding by ASU)</td>
<td>$218,796</td>
<td>6%</td>
<td>Negotiation with ASU beginning.</td>
</tr>
<tr>
<td>2</td>
<td>LRT</td>
<td>Change peak service hours FROM 6 a.m. to 7 p.m. TO 7 a.m. to 6 p.m.</td>
<td>$70,550</td>
<td>2%</td>
<td>Most likely Metro Board consensus.</td>
</tr>
<tr>
<td>3</td>
<td>LRT</td>
<td>Reduce peak hour service from every 10 minutes to every 12 minutes</td>
<td>$112,280</td>
<td>3%</td>
<td>Most likely Metro Board consensus.</td>
</tr>
<tr>
<td>4</td>
<td>Local</td>
<td>Eliminate Route 40-Apache segment between downtown Tempe and Sky Harbor</td>
<td>$868,819</td>
<td>23%</td>
<td>Due to lower ridership and availability of alternatives.</td>
</tr>
<tr>
<td>5</td>
<td>Local</td>
<td>Reduce Sunday service to 60 minutes, except Route 72</td>
<td>$381,626</td>
<td>10%</td>
<td>Requires regional coordination.</td>
</tr>
<tr>
<td>6</td>
<td>Local</td>
<td>Reduce Route 108-Elliot to 60 minutes (weekdays)</td>
<td>$218,796</td>
<td>6%</td>
<td>Route 108-Elliot currently operates at 60 min. on weekends.</td>
</tr>
<tr>
<td>7</td>
<td>Local</td>
<td>Reduce 62-Hardy/Guadalupe peak service to 20 minutes</td>
<td>$158,341</td>
<td>4%</td>
<td>Additional ridership analysis needed.</td>
</tr>
<tr>
<td>8</td>
<td>Local</td>
<td>Reduce 81-McCintock peak service to 20 minutes</td>
<td>$90,898</td>
<td>2%</td>
<td>Requires regional coordination.</td>
</tr>
<tr>
<td>9</td>
<td>Local</td>
<td>Reduce Route 48-48th/52nd peak service to 20 minutes</td>
<td>$96,214</td>
<td>3%</td>
<td>Additional ridership analysis needed.</td>
</tr>
<tr>
<td>10</td>
<td>Local</td>
<td>Eliminate pre-5:30 a.m. service</td>
<td>$384,261</td>
<td>10%</td>
<td>Requires regional coordination.</td>
</tr>
<tr>
<td>11</td>
<td>Express</td>
<td>Restructure 511, Eliminate 532, 536, 540</td>
<td>$216,753</td>
<td>6%</td>
<td>Requires regional coordination.</td>
</tr>
<tr>
<td>12</td>
<td>Orbit</td>
<td>Reduce Orbit weekend freq to 30 minutes</td>
<td>$347,420</td>
<td>9%</td>
<td>Assumes boosters added for events.</td>
</tr>
<tr>
<td>13</td>
<td>Orbit</td>
<td>Reduce Orbit Sat frequency to 20 minutes</td>
<td>$118,455</td>
<td>3%</td>
<td>Assumes boosters added to high demand trips.</td>
</tr>
</tbody>
</table>

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 Stennerson
Reviewed by:

Carlos de Leon