

TO: James L. App, City Manager
FROM: Jim Throop, Director of Administrative Services
SUBJECT: Annual Transit Report
DATE: March 1, 2011

Needs: To present the results of annual transit operations for the fiscal year June 30, 2010.

Facts:

1. During FY 2010, the City operated two types of transit services, Demand Response service, commonly referred to as Dial-A-Ride (DAR), and three Fixed Route services, the "Paso Express" local service with routes "A" and "B" and Mid-Day Shuttle (MDS) routes 1 and 2, and, in partnership with the City of Atascadero, the North County Shuttle (NCS).
2. DAR service was initiated in September 1990, and local Fixed-Route service was initiated August 1994. The NCS service began in August 2006. The MDS began service in November, 2009, as pilot project partially funded through a federal grant.
3. A number of service changes have been implemented over the years, generally increasing the quantity of service.
4. During most of FY 2010, DAR service operated Monday through Friday from 6:00 a.m. to 7:00 p.m. and Sunday from 8:00 a.m. to 3:30 p.m. Fixed-Route service operated Monday through Saturday between the hours of 7:00 a.m. and 7:00 p.m.
5. During FY 2010, general DAR fares were changed from \$2.00 to \$3.00 for a one-way trip. DAR fares for seniors (age 65+) and the disabled were changed from \$1.00 to \$1.50. Fixed route fares were changed from \$1.00 to \$1.25 for the general public, and from \$.50 to \$.60 for senior, disabled and Medicare-qualified riders. Children under 42", when accompanied by a fare paying adult, rode free. The height criteria was adopted in favor of an age criteria at the same time the fare increase was adopted.
6. Transit operations are funded with Transit Development Act (TDA) funds, Federal Transit Administration Section 5307 funds, and fare revenues. TDA funding is derived from a ¼ of 1% of the sales tax rate and is distributed to cities and counties largely upon the basis of population.
7. The Transit system failed to meet the State's required 20% Farebox Recovery Ratio for three years, thus it was penalized by a reduction in funding of approximately \$31,000.
8. Current routes, fares, hours, services will need to be modified in order for the transit system to reach the required 20% FRR.

Analysis &
Conclusion:

For fiscal year 2010, the City received \$823,853 in TDA funds. This amount includes the \$198,200 given to SLORTA to help support regional transit services, \$38,436 in State Transit Assistance (STA) funds, \$16,344 in bikeway and pedestrian monies, and \$15,000 for the TDA Triennial audit. Additionally, the city received \$271,631 in Federal 5307 funds for transit operations, \$51,431, in 5316 funds and \$139,220 in fares. No TDA funds were allocated to Streets and Roads in FY 2010.

In Fiscal year 2010, the city spent \$1,457,585 for all transit-related services, including operations, depreciation expenses, the city's contributions to fund Regional Transit Authority operations, and transit center maintenance and operations.

The city's system-wide Farebox Recovery Ratio for FY 2010 was 15.6% as compared to the FY 09 farebox recovery ratio of 17.5%. Farebox Recovery Ratio (FRR) represents that portion of operating costs (excluding depreciation) that are covered by passenger fare revenues. The decrease in the FRR in FY 2010 from FY 2009 was due primarily to increased operating costs during the fiscal year, mainly from rising expenses for vehicle maintenance due to old buses, and also a decline in ridership levels from the historical high of FY 2009. Recipients of State TDA funds in urbanized areas are required to maintain a FRR of 20%. The FRR for the Fixed-Route service component of the City's transit system was 17.5% in FY 09, while the FRR for the Dial-A-Ride service was 7.5%. Fare and operational adjustments were implemented in September 2009 in order to improve the system's FRR. Additional changes are currently being considered.

Total ridership for FY 2010 was 185,469, compared to 204,865 in FY 2009, representing a 9.5% decrease. Fixed route services carried 177,582 riders compared to 195,385 for FY 2009, while DAR ridership was 7,887 for FY 2010, compared to 9,480 for FY 2009. Gas prices in part of FY 2009 were at an all-time high, which assisted in record transit riders.

Major efficiency measurements include cost per rider, cost per service hour and cost per in-service mile. The net cost per rider (system-wide) for FY 2010 was \$4.55 as compared to \$4.10 for Fiscal Year 2009. The net cost per service hour was \$52.54 for FY 2010 as compared to \$55.73 for FY 2009. The third efficiency measurement is cost per in-service mile; in fiscal year 2010, the cost per in-service mile was \$4.06 compared to the FY 2009 cost of \$4.20. For Fixed-Route services, the cost per rider in FY 2010 was \$3.69, the cost per service hour was \$51.67, and the cost for in-service mile was \$3.79. For Dial-A-Ride services, the cost per rider in FY 2010 was \$24.03 while the cost per service hour was \$55.76 and the cost per in-service mile was \$5.38.

Fiscal
Impact:

None.

Options:

- a. Receive and file; or
- b. Amend, modify or reject the above option