

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 6, 2009**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 6, 2009, commencing at 7:01 a.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katakian, and Mayor Hansen

Absent: Council Member Mounce

Also Present: City Manager King, Deputy City Attorney Magdich, and City Clerk Johl

B. Topic(s)

B-1 Service and Route Modifications Due to State Budget Cuts for Local Transit Services (PW)

City Manager King briefly introduced the subject matter of the transit service modifications.

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the transit service modifications. Specific topics of discussion included the main issue, ridership statistics, current service, financial condition, farebox recovery, service modifications, and implementation.

In response to Mayor Hansen, Mr. Sandelin stated the \$210,000 operations savings for the entire fiscal year would be realized if service continued as is, but the proposal is to provide a new service scenario to adjust the operating number accordingly. He stated the savings could be due to lesser demand on Dial-A-Ride and ridership being down generally.

In response to Council Member Hitchcock, Mr. Sandelin stated the total cost service numbers shown for fixed route, express, Dial-A-Ride, and VineLine are based on averages of the total package of services delivered under the umbrella of transit, which includes dispatchers, managers, vehicles, etc.

In response to Council Member Hitchcock, Jay Jeeter, representing MV Transportation, stated it is difficult to say what the savings would be from reduced hours from any specific area because the fixed costs must be factored in.

In response to Mayor Hansen, Mr. Sandelin stated staff could go back and factor in the hours and overhead costs and bring those numbers back to Council if so desired.

In response to Mayor Hansen, Mr. Sandelin stated the express route system was put into place several years ago as a way to capture Measure K grants for approximately \$120,000. Mr. Sandelin stated the route was set up around the school hours; although, based on representations from the school district, the school bus service has not been reduced over the last five years. Mr. Sandelin stated the express service is no longer tied to the grant as the grant is now for general transit.

In response to Council Member Hitchcock, Mr. Sandelin stated the fixed-route service on Saturday and Sunday and after 6 p.m. on weekdays has the least ridership. Mr. Sandelin stated staff will bring back additional information at the public hearing regarding the ability to reduce hours and services and the value associated with the same.

In response to Mayor Hansen, Mr. Sandelin and Mr. King confirmed that there is no mandate to provide transit service, although if a fixed-route service is provided, a paratransit service must also be provided, which for the City of Lodi is VineLine. They confirmed there is no obligation to provide demand service or Dial-A-Ride.

In response to Mayor Hansen, Mr. Sandelin stated the farebox recovery is fairly low and generally everybody ends up paying for the service.

In response to Council Member Johnson, Mr. Sandelin stated he does not believe the 20% farebox recovery is being met for San Joaquin Council of Governments (SJCOG).

In response to Mayor Hansen, Mr. Sandelin stated the farebox recovery per passenger amounts to \$0.67 and \$1.22.

In response to Council Members Johnson and Hitchcock, Mr. Sandelin and Mr. Jeeter stated the City has about 4,000 flexible hours annually, which is based on the current run rate of 44,000. Mr. Jeeter stated the 4,000 hours does have some correlation in that a reduction of service may trigger contract negotiation provisions.

In response to Council Member Johnson, Mr. Sandelin stated there may be some changes coming from SJCOG in the future, although it is unlikely that this particular funding would be taken away.

In response to Council Member Johnson, Mr. Sandelin stated the reservation system allows better control of personnel costs as it will reduce the empty buses on the road waiting for calls.

In response to Mayor Hansen, Mr. Sandelin stated the current fixed route is 6:15 a.m. until 7:00 p.m., the proposal is for 8:00 a.m. to 5:00 p.m. with passengers utilizing the express service in the morning, 8% of passengers ride after 5:00 p.m., and the express service does not cover ridership after 5:00 p.m.

In response to Council Member Johnson, Mr. Sandelin stated the express routes cover the morning and the recommendation is to stop fixed routes by 6 p.m.

In response to Mayor Pro Tempore Katzakian, Mr. Sandelin stated the fixed routes are 45 minutes apart, the three express routes run between 6:10 a.m. to 7:10 a.m., in the afternoon there is some overlap with the fixed-route service, and the express route is primarily used by students.

In response to Mayor Hansen and Council Member Hitchcock, Mr. Sandelin confirmed that it did not appear that many people rode the bus for work, an 8 a.m. to 6 p.m. fixed route may accommodate, and staff will conduct a customer survey to obtain additional information once the service is set.

In response to Mayor Pro Tempore Katzakian, Mr. Sandelin stated the farebox recovery and revenue is dropping in general.

In response to Mayor Hansen, Mr. Sandelin stated the City would have to renegotiate the contract with MV Transportation if all recommendations are followed, the language would generally stay the same but there would be a new range of operating hours, and the recommendations do translate into less buses on the road.

In response to Mayor Hansen, Mr. Sandelin stated the City does have some of the smaller buses now, there will be more coming in 2012, and staff will forward Council information regarding the

difference in operational costs for smaller buses versus larger buses.

In response to Council Member Johnson, Mr. Sandelin stated staff will need to survey for the least utilized routes.

In response to Council Member Hitchcock, Mr. Sandelin and Mr. Jeeter stated the City is the only service provider in the region that offers same-day service, the VineLine needs to match the fixed-route service, ridership is low for Dial-A-Ride in the early morning and evening, and doctors appointments are the primary reason for Dial-A-Ride.

In response to Mayor Hansen, Mr. Sandelin stated the recommendation is to have no transit service on Saturday and Sunday and the primary use for the weekend is shopping and church.

In response to Mayor Hansen, Mr. Jeeter stated a few cities in the region provide only Saturday service, while a few provide service both Saturday and Sunday. Mr. King stated it is a zero sum game and if service is retained on the weekend, then it will have to be eliminated elsewhere during the week at an equal cost savings.

In response to Mayor Hansen, Mr. Sandelin stated the annual Saturday ridership is 11,000 per year, Sunday is 8,700 per year, with an average of 211 on the weekends.

In response to Council Member Johnson, Mr. Sandelin stated staff will look at adjusting the MV Transportation contract for bracket hours to consider service adjustments with varying hours of service.

Virginia Snyder asked the City Council to consider factors such as employment needs, ridership from the east side of town, and overall affect on residents when considering reductions in transit services. She stated the Roseville system appears to be the most preferential.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:21 a.m.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Service and Route Modifications Due to State Budget Cuts for Local Transit Services

MEETING DATE: October 6, 2009 (Shirtsleeve Session)

PREPARED BY Public Works Director

RECOMMENDED ACTION: Receive presentation on service and route modifications due to State budget cuts for local transit services.

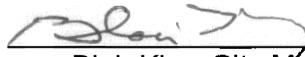
BACKGROUND INFORMATION: As a result of recent actions related to adoption of the California State Budget, San Joaquin County Council of Governments staff has instructed local transit operators to reduce their Fiscal Year 2009/10 Transportation Development Act (TDA) revenue estimates by 20 percent. Federal revenue levels will remain the same as in the previous fiscal year. As a result, Lodi Transit revenues are expected to be \$443,000 less than projected in the current budget.

Transit service cost overall have been operating at lower than the budgeted level for the first four months of this fiscal year. As a result, operations costs through October are on track to come in approximately \$70,000 below budget estimates. This leaves a remaining projected deficit of \$373,000 (\$443,000 - \$70,000) that must be offset by service reductions over the next eight months. There are no undesignated reserves within the Transit Fund that could be used for operations. An alternative to service reductions is to use General Fund revenues to cover all or part of the projected deficit. This is not a recommended alternative. It is crucial that quick action be taken to implement changes by November 1, 2009 in order to minimize the severity of service reductions.

A series of public meetings have been scheduled to inform the public about the pending service changes. These include meetings to be held at LOEL Center on October 8 at 10:00 a.m. and with the Senior Commission at Hutchins Street Square Senior Center on October 15 at 8:00 a.m. The City Council Public Hearing will be held on October 21 at 7:30 p.m.

The transit contract with MV Transportation requires that the City purchase a minimum of 40,000 revenue hour but no more than 50,000 revenue hours per year. This year's transit services are on course to operate at approximately 44,000 revenue hours which is less than budgeted, as mentioned above. Lowering the transit services to the minimum operating level 40,000 revenue hours could be implemented but it would only generate \$120,000 in additional cost savings. As a result, renegotiation of the MV Transportation contract will be required to address the projected deficit.

Renegotiating the MV Transportation contract involves the development of alternatives for the mix of transit services that could be provided under the new constrained funding model. Staff has diligently worked to evaluate several alternative transit service scenarios that would provide the most service to the

APPROVED: 
Blair King, City Manager

most riders and still provide a \$373,000 cost reduction over the next 8 months. Objectives of the recommendation provided below include; 1) maintaining as many of the routes as possible, 2) affecting the fewest number of riders as possible, and 3) reducing costs by \$373,000. The final changes need to be in effect by November 1, 2009. The recommended transit services would include the following changes:

- A. Eliminate “Same Day Service” option on the Dial-A-Ride/VineLine.** Currently, additional buses and drivers are maintained on duty to provide same-day service seven days a week. Operating the Dial-A-Ride/VineLine service on a reservation-only basis would save approximately \$60,000 over the next eight months. Eliminating the “Same Day” option would not eliminate rides for passengers but it would require a re-education of passengers to reserve a day in advance. Approximately 30 percent of the 53,000 passengers annually using this service are “Same Day.” Even though we would not formally offer “Same Day Service,” we might accommodate a “Same Day Request” if an already established service run could service that request. For Fiscal Year 2009/10, the annual operating cost for the Dial-A-Ride/VineLine service is projected to be \$1,405,000 and the subsidy per passenger is projected to be \$21.28 (Short Range Transit Plan). Fares on Dial-A-Ride/VineLine are \$5.00 for the general public and \$1.50 for seniors/disabled/Medicare. Approximately 13 percent of the passengers are general public. The fare box recovery is projected to be 6.8 percent for Fiscal Year 2009/10.
- B. Reduce Fixed Route Service Monday through Friday to 8:00 a.m. until 5:00 p.m.** Reducing operating times of the Fixed Route service would save approximately \$70,000 over the next eight months. The existing hours of operation are 6:15 a.m. until 6:54 p.m. Approximately 78% of the 254,000 passengers annually using the Fixed Route Service do so between 8:00 a.m. and 5:00 p.m. Approximately 13 percent of riders use the service between 6:15 a.m. and 7:45 a.m. (eliminated morning service) and 9.3 percent of riders use the service between 5:00 p.m. and 6:54 p.m. (eliminated afternoon service). Morning riders affected by this change have the option to use the three Express Routes that operate between 6:10 a.m. and 7:30 a.m. It is uncertain how many affected riders would adjust their travel times to fit the new schedule. The subsidy per passenger on the Fixed Route service is \$4.17 per passenger. Fares to ride the Fixed Route are \$1.00 for the general public and \$.50 for Seniors/Disabled/Medicare. The fare box recovery for Fiscal Year 2009/10 is projected to be 13.8 percent.
- C. Reduce Dial-A-Ride/VineLine service Monday through Friday to 8:00 a.m. until 5:00 p.m.** Federal regulations require that the VineLine Service at least match the operating times of the Fixed Route Service. It can be greater but cannot be less. Currently, about 88 percent of Dial-A-Ride/VineLine weekday riders travel during these hours.
- D. Eliminate Saturday and Sunday service on the Fixed Route and Dial-A-Ride/VineLine service.** This service reduction would save about \$110,000 in operating costs. Approximately 8.2 percent of the total ridership on the Fixed Route system occurs on Saturday and Sunday, which breaks down to 4.6 percent on Saturday and 3.6 percent on Sunday. Approximately 14.8 percent of the total ridership on the Dial-A-Ride/VineLine service occurs on Saturday and Sunday, which breaks down to 8.1 percent on Saturday and 6.7 percent on Sunday.
- E. Eliminate Transit services on three additional holidays and eight furlough Fridays.** This service reduction will produce an operations savings of approximately \$27,000. This would cancel 11 days of service through the end of the year. The holiday dates are: 1) Veteran’s Day, 2) Friday after Thanksgiving, and 3) Martin Luther King, Jr. Day.

- F. Maintain Express Route services Monday through Friday. Three Express Routes operate in the morning and afternoon on Monday through Friday. Ridership on this service is primarily students but it is available to all passengers. Total ridership on the three Express Routes was 40,061 for FY 2008/09 and it was evenly distributed across the three routes. Fare subsidy and fare box return information for this special service is not available. The cost to operate the Express Routes is approximately \$50,000.
- G. Reduced operations cost savings including fuel, cleaning, and maintenance costs. The total estimated cost savings in these categories could reach as high as \$50,000. For example, the annual budget for vehicle maintenance (excluding fuel) is more than \$400,000 and we are reducing the budgeted revenue hours and have reduced the fleet this year by four buses.

A Public Hearing to consider transit service reductions is scheduled for October 21, 2009. After the Public Hearing, it is staffs objective to have the Council vote to approve a revised contract with MV Transportation or to provide specific direction on the content of a revised contract with MV Transportation that would be brought back to the City Council at a meeting prior to November 1, 2009. Delays in implementing operating cost savings measures will result in more service cuts over a shorter period of time.

Attached are service level decreases implemented by other agencies in response to reduced funds.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable



F. Wally Sandelin
Public Works Director

FWS/pmf

CARRIER	CITY	NATURE OF SERVICE REDUCTIONS	WHEN IMPLEMENTED	DATE OF ARTICLE
SJ RTD	Stockton	<ul style="list-style-type: none"> • \$38 million budget cut to \$30 million • 11-14 drivers to be laid off • Reduction in hours by 7.1% • Possible additional reduction in hours by another 6.6% • Replace most Dial-a-Ride service in Stockton w/a modified Fixed Route service (Hopper) 	October 4,2009	9/17/09 & 7/17/09 (Stockton Record)
Modesto Area Express (MAX)	Modesto	<ul style="list-style-type: none"> • Reduce early morning and late evening routes • Initial plan was to lay off 10 of 90 bus drivers • Eliminate some Saturday routes 	August 15,2009	June 1,2009 (Modesto Bee)
Livermore Amador Valley Transit Authority	Dublin, Livermore, Pleasanton	<ul style="list-style-type: none"> • Raised fares • Cut services by 25% 	March 2009	* June 1,2009 (Modesto Bee) * Website www.lavta.org
Riverbank Oakdale Transit Authority	Riverbank and Oakdale	<ul style="list-style-type: none"> • Eliminate trolleys 	July 1,2009	June 1,2009 (Modesto Bee)
Bus Line Service of Turlock (BLAST)	Turlock	<ul style="list-style-type: none"> • Raised bus fares from \$.75 to \$1.25 • Reduced Saturday buses by 1/2 		June 1,2009 (Modesto Bee)
Roseville Transit	Roseville	<ul style="list-style-type: none"> • Eliminate or realign underperforming local routes and reinvest in high performing routes (\$438,224) • Suspend under utilized first and last runs of local routes (\$167,265) • Extend local route changes to and operate w/minimal service on Saturdays (\$325,329) • Consolidate or eliminate underperforming routes and add buses to high performing commuter routes, start Hwy. 50 commuter route (\$111,352) • Increase Dial-A-Ride fare \$0.25 (\$2.25 to \$2.50) • Total Cost Savings: \$819,466 • 	<p>Jan. 4,2010</p> <p>Jan. 4,2010</p> <p>Jan. 4,2010</p> <p>Nov. 30,2009</p> <p>Jan. 4,2010</p>	City Website
E-Tran & E-Van	Elk Grove	<ul style="list-style-type: none"> • (3) Supplemental routes would be moved into mainline fixed route service • (4) commuter routes and (2) local fixed routes would implement service reductions • (8) routes would be discontinued • No service provided on the 8 major holidays • 	September 1,2009	July 22,2009 City Council Meeting

CARRIER	CITY	NATURE OF SERVICE REDUCTIONS	WHEN IMPLEMENTED	DATE OF ARTICLE
Calaveras Transit Services	Calaveras County	<ul style="list-style-type: none"> • Elimination of Charter Services • Eliminate various non-performing routes • Reduction, elimination or realignment of various routes within the county • On-time Performance schedule adjustments • Fare increases for One-way regular \$1.50 to \$2.00; One-way discounted \$0.75 to \$1.00; Ticket book (15) regular \$20.00 to \$26.00; Monthly Pass (regular) \$45.00 to \$60.00; Monthly pass (student) \$0 to \$40.00 • Funding shortfall in excess of \$420,000 	July 1, 2009	<p>* June 2, 2009 Calaveras Co. Board of Supervisors Agenda</p> <p>* Calaveras Co. PW Dept. press release</p>

The City of Lodi
Public Works
Transportation Division



Transit Service Modifications

Shirtsleeve



- Issue
- Ridership Statistics
- Current Service
- Financial
- Service Modifications
- Implementation

Issue



Revenues	\$3,034,170
Expenditures	<u>- 3,477,945</u>
Funding Shortfall	\$443,775
Operations Savings (4 mos)	<u>- 70,000</u>
Projected Deficit (post Nov 1)	\$373,775



Ridership Statistics

Total Ridership (FY 08/09)

		Passengers		Subsidy
Weekday	Fixed Route/Express	222,262	75%	\$4.17
Weekday	DAR/VineLine	45,072	15%	\$21.08
Sat	Fixed Route	11,143	4%	\$4.17
Sun	Fixed Route	8,686	3%	\$4.17
Sat	DAR/VineLine	4,298	2%	\$21.08
Sun	DAR/VineLine	3,551	1%	\$21.08
Total		295,012	100%	

Current Service



Service	Period	Route	Time
Fixed Route	Mon - Fri	1, 2, 3, 4, 5	6:15 AM - 6:54 PM
Fixed Route	Sat	30, 31, 32, 33	7:45 AM - 3:09 PM
Fixed Route	Sun	30, 31, 32, 33	7:45 AM - 3:09 PM
Express	Mon - Fri	1	6:10 AM - 7:40 AM 2:25 PM - 3:40 PM
Express	Mon - Fri	2	6:10 AM - 7:30 AM 2:15 PM - 3:40 PM
Express	Mon - Fri	6	6:10 AM - 7:30 AM 2:15 PM - 3:40 PM
DAR/ML	Mon - Fri	N/A	6:15 AM - 9:00 PM
DAR/ML	Sat	N/A	7:45 AM - 6:00 PM
DAR/ML	Sun	N/A	7:45 AM - 4:00 PM

Farebox Recovery



- 20% for Urbanized Area
- SJCOG Performance Objectives
 1. Cost per Hour (\$75.45 - \$79.23)
 2. Passengers per Hour (6.7 - 7.1)
 3. Subsidy per Passenger (\$6.38 - \$6.69)

Financial Statistics



- Operating cost per passenger
 - Fixed Route = \$4.84 per passenger
 - DAR/VineLine = \$22.65 per passenger
- Farebox Recovery
 - Fixed Route = 13.8%
 - DAR/VineLine = 6.9%
- Subsidy per passenger
 - Fixed Route = \$4.17
 - DAR/VineLine = \$21.08

Service Modifications



- DAR/VineLine Reservation Only \$ 60,000 +/-
- Fixed Route 8 AM to 5 PM Mon - Fri \$ 70,000 +/-
- DAR/VineLine 8 AM to 5 PM Mon - Fri \$ 50,000 +/-
- No Saturday and Sunday Service \$110,000 +/-
- 3 Holidays and 8 Furlough Days \$ 27,000 +/-
- Reduce Operations Costs \$ 50,000 +/-

Approximate Total \$ 367,000 +/-

Implementation

- 
- Contract Amendment
 - Public Meeting
 - October 8th at 10 AM at LOEL Senior Center
 - October 15th at 8 AM at Hutchins Street Square
 - Public Outreach
 - Public Hearing – October 21st
 - Start up – November 1, 2009



Questions?