

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Executive Board Committee Meeting Date	Open	Information	Issue Date
3	6/1/09	Open	Information	5/27/09

Subject: Service Cuts to Aid in Reducing the FY2010 Budget Shortfall

## ISSUE

Consideration of a broader approach to achieve the necessary service cuts to aid in reducing the FY 2010 budget shortfall.

## RECOMMENDED ACTION

None at this time. Staff seeks direction for the recommendation of service reductions in September 2009 and January 2010 based on the strategies described in this Issue Paper. Based on public comments, the June 8 Public Hearing, and subsequent Board direction, an Action will be recommended for the June 22, 2009 Board meeting

## DISCUSSION

The FY 2010 budget deficit requires RT to evaluate service reductions as a budget balancing strategy. This happens after a severe reduction in 2007 and at a time when demand for transit service continues to be high. And, while all service reduction recommendations are made with extreme caution, the circumstances surrounding a reduction at this time require even more deliberation and care in order to maintain a basic route network and attempt to accommodate as many trips as possible at the reduced service level.

In FY 2006 and FY 2008 RT staff made recommendations for service reductions based on guidance adopted by the RT Board of Directors on August 29, 2001. The guidance provided basic performance measures for evaluating the "efficiency and economy of service": (1) farebox recovery ratio (2) passengers per hour and (3) service characteristics. The guidelines also grouped routes in seven (7) classifications by service type and provided that using the performance measures mentioned above, a route had to meet 70% of the average performance of all of the routes in its classification. Those routes which did not meet the standard could be considered for remedial action up to and including elimination.

Using the Board adopted guidelines for reducing service was effective over the past two service reductions. Approximately 7% of service was eliminated since FY 2007 resulting in no loss in total passenger trips. In fact, events over the past year encouraged what has been the largest annual increase in transit trips taken by Sacramento area residents in RT history.

Using the 2001 Guidelines as the strategy for recommending reductions at this time would affect routes which currently maintain a relatively healthy ridership base, while preserving other routes that have low performance but are within their group averages. This could leave some areas of higher ridership without access to service. RT staff therefore, recommends consideration of a broader method of reducing service.

Approved:

  
General Manager/CEO

Presented:

  
RoseMary Covington  
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**Subject:** Service Cuts to Aid in Reducing the FY2010 Budget Shortfall

The staff recommendation suggests that service be reduced in two phases. Phase 1, to occur in September, would be targeted toward a \$2 M annual reduction (\$1.6 in 2010); and, Phase 2 to be implemented in January, would be targeted toward any budget shortfalls which are apparent at that time. The decision for a January service reduction must be made no later than September. Revenue and expenditures will be closely monitored and if no additional 2010 budget deficits are projected in September, no service reduction will take place in January.

### **September 2009 Service Reduction**

The September Service Reduction would once again target those routes with the lowest performance, but with a goal of reducing only those routes for which alternatives are available. The following describes suggested guidelines to be used for determining service reduction recommendations:

**Eliminating routes with low ridership and alternative service choices,**

**Eliminating route segments with low ridership and alternative service choices,**

**Reducing service frequency during hours of service with lower ridership, and**

**Modifying the route structure to minimize the impacts of service frequency changes or elimination.**

Before making this recommendation for a service reduction strategy, RT staff evaluated several options for service changes, including:

Option 1 (The Board Guideline): Eliminating all routes below 70% of classification average. Option 1 Yields \$1.95M in annual savings; \$1.625M for 2010\*

Option 2: Eliminating all routes below 70% of systemwide average. Option 2 yields \$2.55M in annual savings; \$2.25M for FY 2010\*

Option 3: Eliminating all poorly performing routes included in Options 1 and 2. Option 3 yields \$2.85M in annual savings; \$2.38M in FY 2010\*

Option 4: Eliminating routes using the broader criteria detailed above. Option 4 yields \$2.0M in annual savings; \$1.650M in FY 2010\*

\*estimates

Options 1, 2 and 3 cut whole routes without consideration of segments or times of day when the routes are actually productive. Also, eliminating whole routes indiscriminately would reduce network opportunities in the bus system. This could have very negative impacts on passengers

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who depend upon the eliminated routes for trip completions. Option 4 is recommended for consideration because it attempts to minimize the impact on ridership by maintaining routes and connections to the extent possible. For example, Option 1 and Option 4 both result in approximately \$1.6 million in savings in 2010 but Option 4 results in fewer weekday routes being eliminated.

Exhibit A summarizes the low performing routes.

Exhibit B summarizes recommendations for Options 1, 2 and 3.

Exhibit C summarizes recommendations for Option 4

Exhibit D, E, F and G provide graphic illustration of the effect of each option on geographic coverage.

Exhibit H provides graphic illustration of the effects of Options 1 and 4 on households by automobile ownership. (Automobile ownership is used as a proxy for transit-dependency).

**January 2010 Service Reduction**

A January Service Reduction would require looking at the elimination of various blocks of service in order to maintain the basic bus route network. The blocks of service to be considered for a January Service Reduction could include, at minimum, any one or combination of the options listed below:

- Elimination of evening and/or late night service on bus.
- Elimination of evening and/or late night service on rail.
- Elimination of either Saturday, Sunday or all weekend bus service.
- Elimination of either Saturday, Sunday or all weekend rail service.
- Elimination of one or more service category e.g. Community Bus Service, Express Routes.

Each of these options have financial and passenger impacts which will be detailed during discussion at the June 1, 2009 Executive Committee meeting.

# Low-Performing Routes

All routes were identified on 5/11/09 as candidates for service reductions and publicly noticed

WEEKDAY	Route	Name	Daily Boardings	Revenue Hours	Boardings Per Rev Hr	Farebox Recovery
	6	Land Park	606	37.8	16.0	15%
9	Carmichael - Walnut Ave	121	12.1	10.0	10%	
10	Carmichael - Dewey Dr	109	12.5	8.7	6%	
18	Del Paso Hts - Bell	136	11.9	11.4	13%	
20	Cottage	256	16.6	15.4	17%	
36	Folsom	391	24.5	16.0	15%	
37	Tahoe Park - 21st Ave	130	11.5	11.3	13%	
63	24th St -Hogan-City College	277	23.2	12.0	12%	
73	White Rock	282	20.6	13.7	17%	
75	Mather Field	183	13.6	13.5	10%	
83	14th Avenue	409	23.8	17.2	15%	
94	Citrus Heights - Auburn Blvd	76	11.7	6.5	8%	
95	Citrus Heights - Antelope Dr	102	11.8	8.6	11%	
106	Madison Express	45	2.4	19.0	27%	
107	Greenback Express	39	2.1	18.4	27%	
140	Ziggurat - Downtown	83	5.7	14.7	18%	
141	3rd/16th Streets	383	34.1	11.2	15%	
142	9th/10th Streets	251	17.5	14.3	20%	
205	Fruitridge Rd - Freeport	48	1.2	40.7	33.9%	
249	Florin Rd - 24th St	12	0.7	18.5	15.4%	
251	Freeport - Fruitridge - 24th	26	0.5	49.1	40.8%	
261	La Riviera-Rosemont-Lincoln Village	67	1.9	34.7	28.9%	

\* CBS route

SATURDAY	Route	Name	Daily Boardings	Revenue Hours	Boardings Per Rev Hr	Farebox Recovery
	6	Land Park	240	20.8	11.6	11%
16	Del Paso Hts - Norwood Ave	109	9.3	11.7	14%	
24	Madison - Greenback	75	5.3	14.2	15%	
28	Fair Oaks - Folsom Blvd	314	25.4	12.4	14%	
34	McKinley	102	9.4	11.0	10%	
47	Phoenix Park	99	8.6	11.5	13%	
54	Center Parkway	169	16.4	10.3	10%	
61	Fruitridge	390	29.6	13.2	14%	
62	Freeport	413	28.5	14.5	10%	
65	Franklin South	133	9.0	14.8	15%	
73	White Rock	99	13.0	7.6	9%	
74	International	121	18.4	6.6	8%	
75	Mather Field	140	9.8	14.3	11%	

\* CBS route

SUNDAY/HOLIDAY	Route	Name	Daily Boardings	Revenue Hours	Boardings Per Rev Hr	Farebox Recovery
	5	Meadowview - Valley Hi	162	11.7	13.8	14%
8	Power Inn - Florin Mall	175	12.4	14.2	16%	
13	Northgate	179	14.6	12.3	14%	
34	McKinley	81	9.4	8.6	8%	
75	Mather Field	110	7.8	14.2	11%	
82	Howe - 65th St	415	27.5	15.1	12%	

Non-shaded routes were identified as low-performing routes using the board-adopted method

Shaded routes were added to the list based upon a systemwide productivity standard

(16.4, 14.7, 14.2 boardings per revenue hour on Weekdays, Saturdays, and Sun/Hol respectively)

## Baseline Scenarios

### Option 1:

Eliminate all routes below 70% of group averages

Weekdays:  
6, 9, 10, 36, 63, 73, 75,  
83, 94, 95, 106, 107,  
205, 249, 251, 261

Saturdays:  
6, 28, 34, 54,  
61, 62, 65, 73, 74, 75

Sun/Hol:  
34, 82

830,000 boardings  
61,600 revenue hours  
9.4% of service  
39 drivers  
\$1,950,000 annual savings  
**\$1,625,000 savings in FY 2010**

### Option 2:

Eliminate all routes below 70% of system average

Weekdays:  
6, 9, 10, 18, 20, 36, 37, 63, 73, 75,  
94, 95, 140, 141, 142,  
205, 249, 251, 261

Saturdays:  
6, 16, 24, 28, 34, 47, 54,  
61, 62, 73, 74, 75

Sun/Hol:  
5, 8, 13, 34, 75

1,020,000 boardings  
80,700 revenue hours  
12.4% of service  
51 drivers  
\$2,550,000 annual savings  
**\$2,125,000 savings in FY 2010**

### Option 3:

Eliminate all routes on either list

Weekdays:  
6, 9, 10, 18, 20, 36, 37, 63, 73, 75,  
83, 94, 95, 106, 107, 140, 141, 142,  
205, 249, 251, 261

Saturdays:  
6, 16, 24, 28, 34, 47, 54,  
61, 62, 65, 73, 74, 75

Sun/Hol:  
5, 8, 13, 34, 75, 82

1,205,000 boardings  
90,800 revenue hours  
13.9% of service  
57 drivers  
\$2,850,000 annual savings  
**\$2,375,000 savings in FY 2010**

\* All figures annual unless otherwise stated. Number of boardings shown is current ridership. Actual impact on ridership may be different.

# Option 4 (\$1.65 million)

Exhibit C

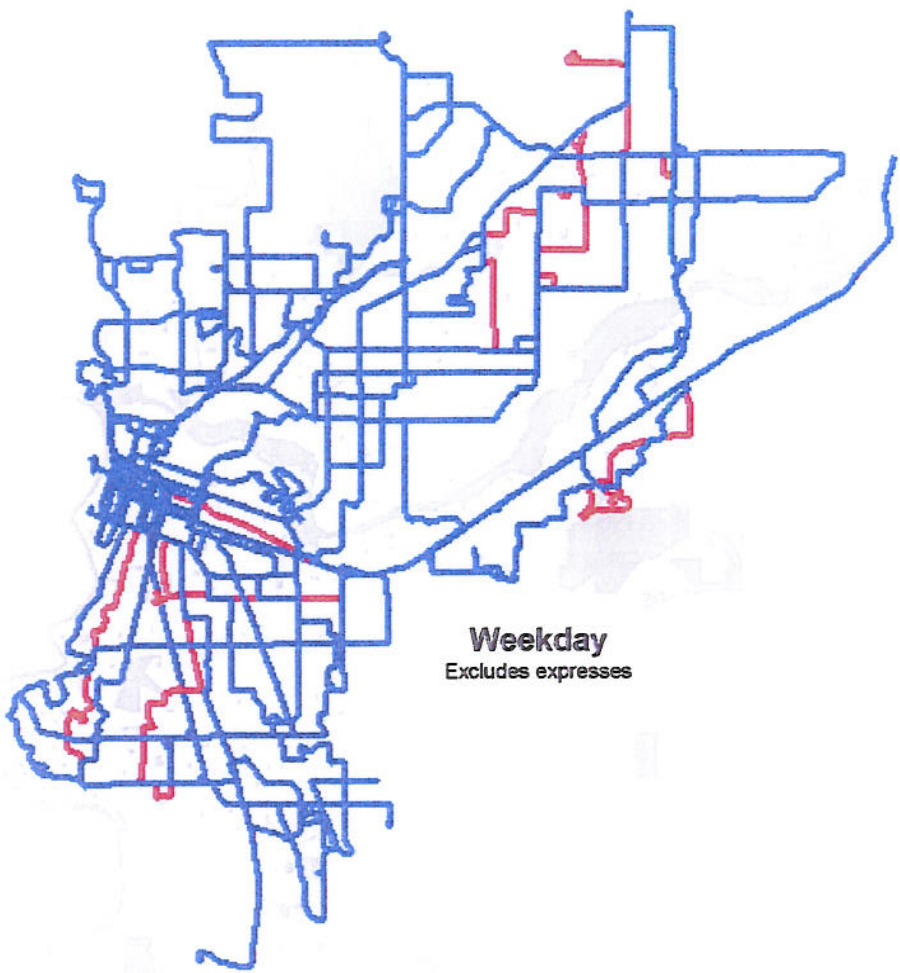
This package would save an estimated \$2.0 million annually. Assuming an effective date of September 6, 2009, the impact on the FY 2010 budget would be approximately \$1.65 million in savings. It would trim 63,532 revenue hours (approximately 9.7 percent of service) and roughly 40 drivers from the schedule. A maximum of 800,000 annual passengers would be affected. This number is based on current ridership, without taking into consideration the likelihood of people continuing to ride on an overlapping service. Dollar figures for each route are approximate and do not apply to packages smaller than \$500,000 annually.

WEEKDAY	Route	Name	Savings	Notes
	9	Carmichael - Walnut Ave	\$98,149	Eliminate, modify #82 to cover Walnut Av every other trip
	10	Carmichael - Dewey Dr	\$101,384	Eliminate, overlaps #25
	18	Del Paso Hts - Bell	\$96,531	Eliminate
	36	Folsom	\$197,915	Eliminate, parallels light rail and #30
	37	Tahoe Park - 21st Ave	\$93,295	Eliminate, covered by #8
	63	24th St. - Hogan - City College	\$187,264	Eliminate, covered by light rail, #67, #56, #81
	73	White Rock	\$166,637	Eliminate, covered by #74
	83	14th Avenue	\$192,657	Eliminate, alternatives available (#67, #68, #51, #81)
	94	Citrus Heights - Auburn Blvd	\$94,697	Eliminate, alternatives available (#93, #25)
	95	Citrus Heights - Antelope Dr	\$95,668	Eliminate, alternatives available (#93, #1)
	140	Ziggurat - Downtown	\$45,704	Eliminate, Yolobus Route #40 available as alternative
	141	3rd/16th Streets	\$225,000	Reduce to peak-only w/ 30 min headways
	142	9th/10th Streets	\$75,000	Reduce to peak-only w/ 30 min headways

SATURDAY	Route	Name	Savings	Notes
	16	Del Paso Hts - Norwood Ave	\$15,451	Eliminate, alternative available (#14)
	24	Madison - Greenback	\$8,694	Eliminate, no Bella Vista HS or Folsom Stage Line on Saturday
	28	Fair Oaks - Folsom Blvd	\$41,981	Eliminate, alternative available (#21)
	34	McKinley	\$15,484	Eliminate, alternative available (#30)
	47	Phoenix Park	\$14,219	Eliminate, alternatives available (#56, #81)
	54	Center Parkway	\$27,187	Eliminate, alternative available (#56)
	62	Freeport	\$47,197	Eliminate, Route 6 provides better coverage
	65	Franklin South	\$14,822	Eliminate, ridership too dependent on weekday commuters
	73	White Rock	\$21,501	Eliminate, ridership too dependent on weekday commuters
	74	International	\$30,499	Eliminate, ridership too dependent on weekday commuters
75	Mather Field	\$16,202	Eliminate, demand too low for weekend service	

SUN/HOL	Route	Name	Savings	Notes
	5	Meadowview - Valley Hi	\$22,047	Eliminate, ridership too dependent on Florin HS
	34	McKinley	\$17,568	Eliminate, alternative available (#30)
75	Mather Field	\$14,562	Eliminate, demand too low for weekend service	

If Route 9 were eliminated, a branch could be created on Route 82, reducing service on a lesser used segment from 30 to 60 minutes headways but covering most of Walnut Avenue. Route 36 and 63 have both been low-performing routes for many years due to passenger preference for nearby light rail service. Route 37 has failed to capture much ridership other than students going to Hiram Johnson, who can take Route 8 or 212. Route 83 has one very busy trip in the afternoon that could be covered by a tripper at minimal cost. Routes 141 and 142 are downtown parking lot shuttles. They currently have midday service, but demand for it is very low. Customers currently using these routes during the day could fairly easily use any one of several major routes that traverse the downtown area all day. Peak service could also be reduced from 15 to 30 minute headways. State workers currently using these shuttles would simply have to plan their trips accordingly. Currently, Route 16 and 47 are the only two CBS routes with weekend service. If these routes were eliminated on Saturday, the entire CBS facility could be closed all weekend, saving money on electricity, dispatchers, extra board drivers, etc. It would also put all CBS drivers into a Monday-Friday schedule, eliminating staffing complications that come with weekend (e.g., overtime). Routes 5, 34, 65, 73, and 74 perform reasonably well during the week, but tend to cater to students (#5, #34) or commuters (#65, #73, #74). Without these markets, weekend service captures minimal ridership.



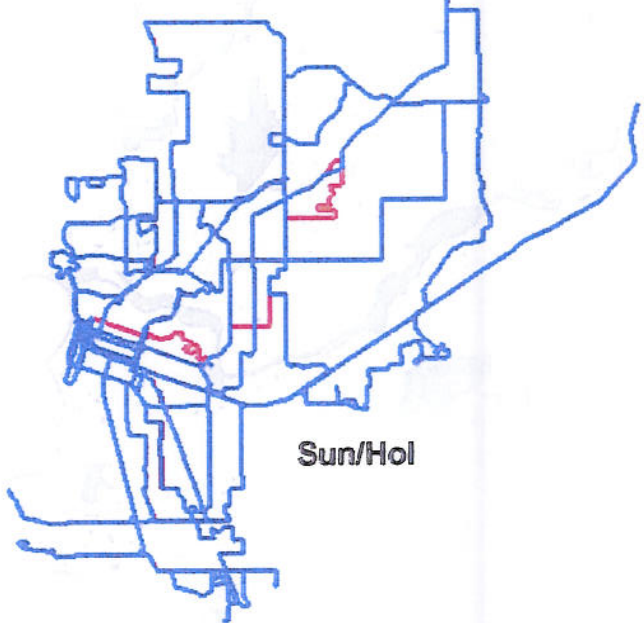
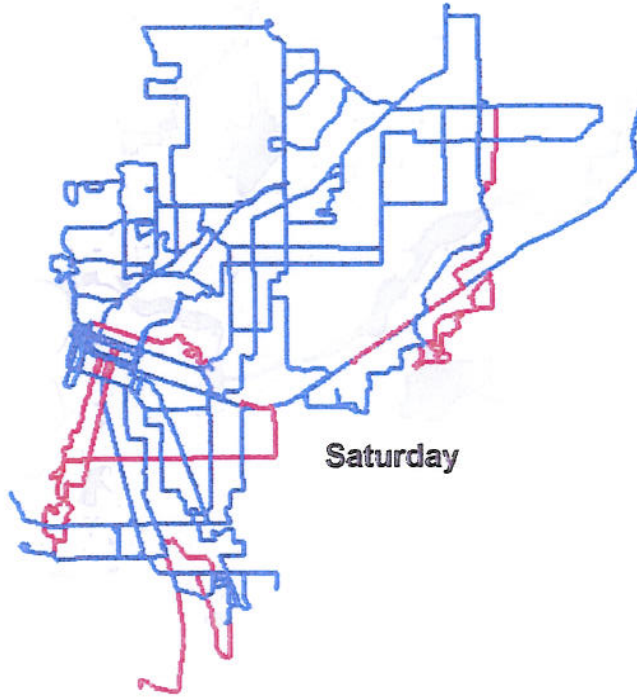
**Option 1:**  
Eliminate all routes below 70% of group averages

Weekdays:  
6, 9, 10, 36, 63, 73, 75,  
83, 94, 95, 106, 107,  
205, 249, 251, 261

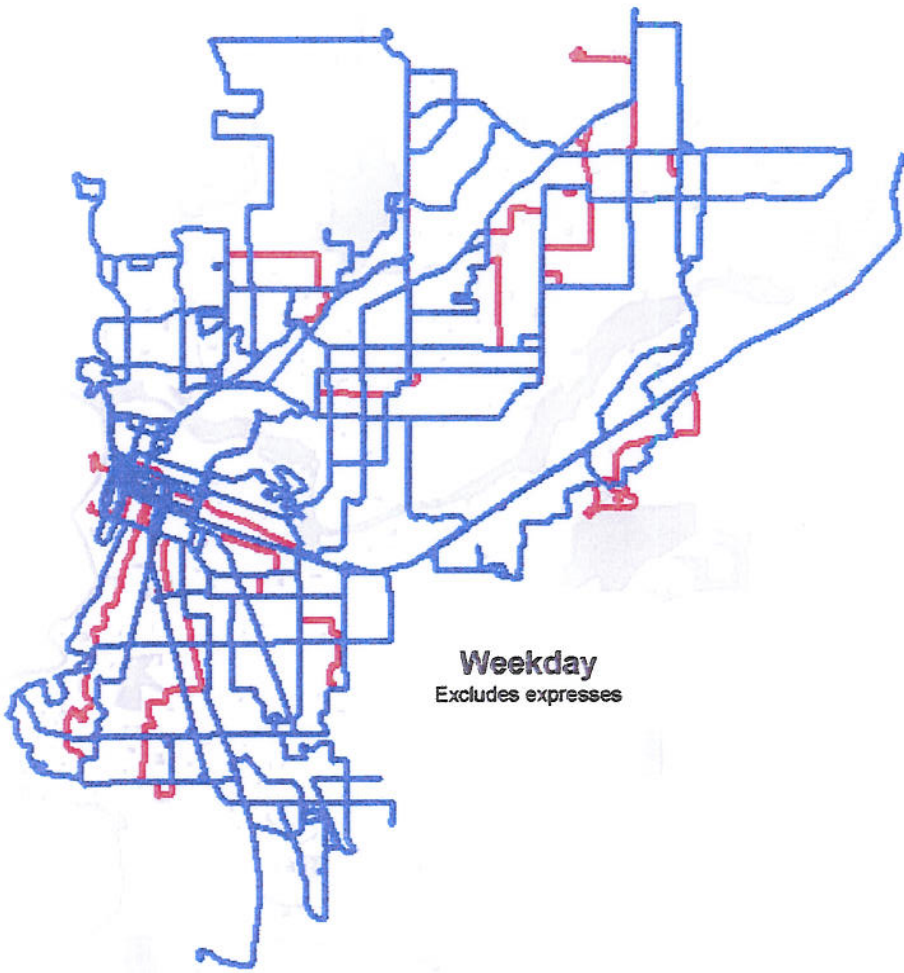
Saturdays:  
6, 28, 34, 54,  
61, 62, 65, 73, 74, 75

Sun/Hol:  
34, 82

830,000 Boardings  
61,600 Revenue Hours  
9.4% of service  
39 drivers  
\$1,950,000 annual savings  
\$1,625,000 savings in FY 2010



 Eliminated segment



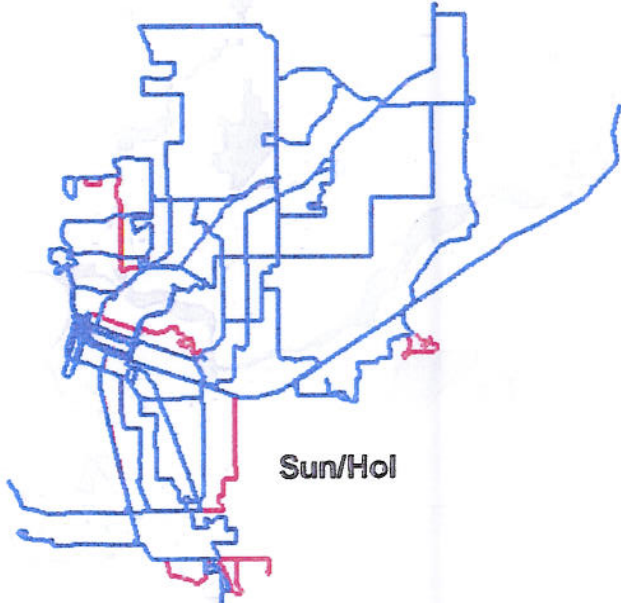
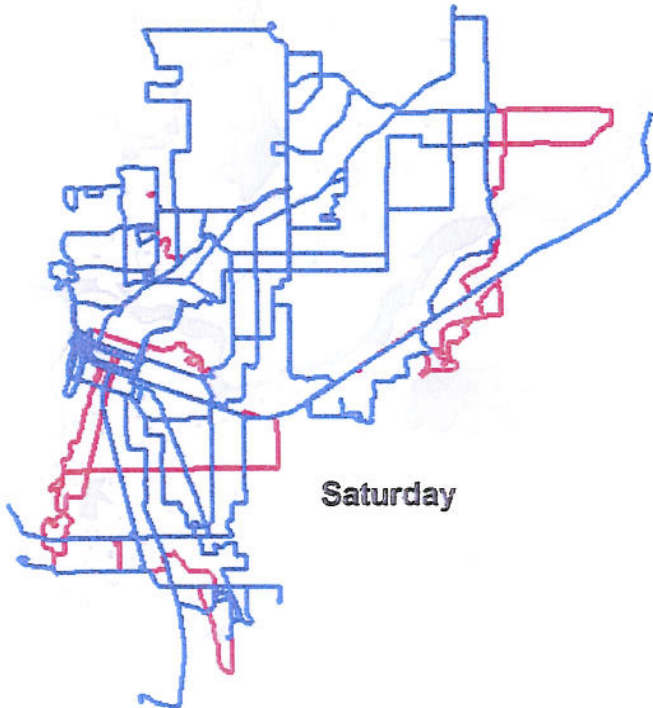
**Option 2:**  
Eliminate all routes below 70% of system average

Weekdays:  
6, 9, 10, 18, 20, 36, 37, 63,  
73, 75,  
94, 95, 140, 141, 142,  
205, 249, 251, 261

Saturdays:  
6, 16, 24, 28, 34, 47, 54,  
61, 62, 73, 74, 75

Sun/Hol:  
5, 8, 13, 34, 75

1,020,000 boardings  
80,700 revenue hours  
12.4% of service  
51 drivers  
\$2,550,000 annual savings  
\$2,125,000 savings in FY 2010

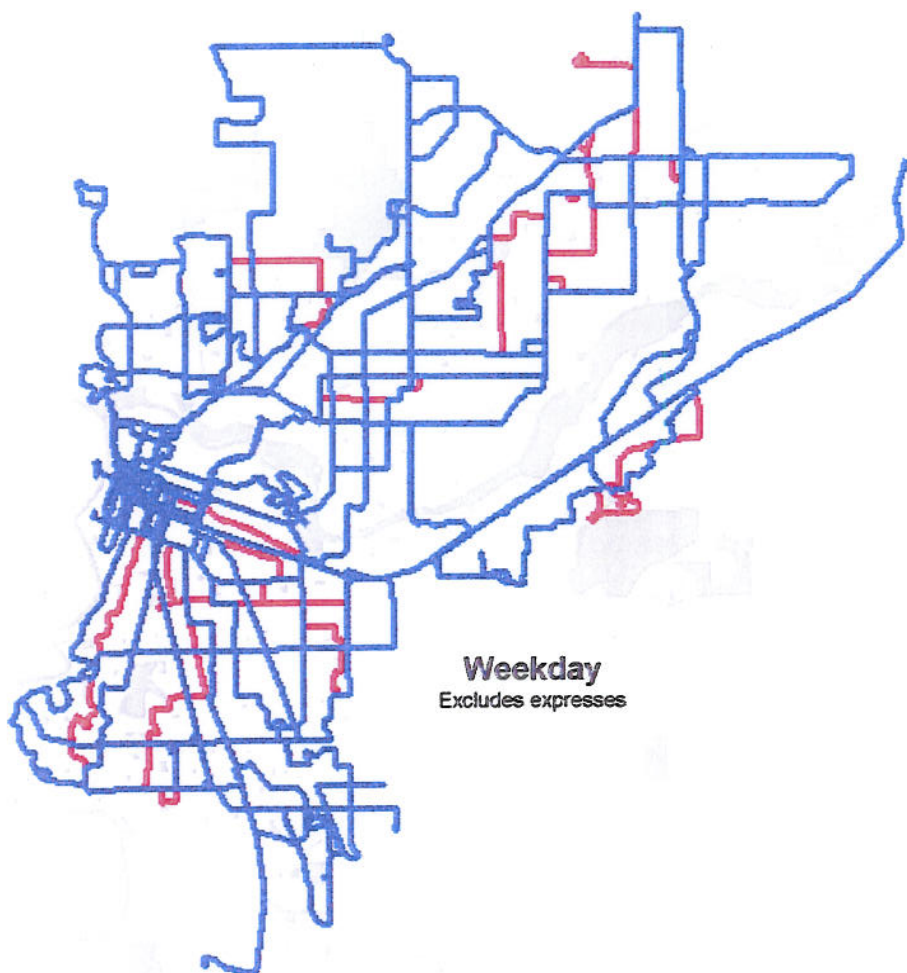


 Eliminated segment



**Option 3:**

Eliminate all routes below 70% of group averages or system average



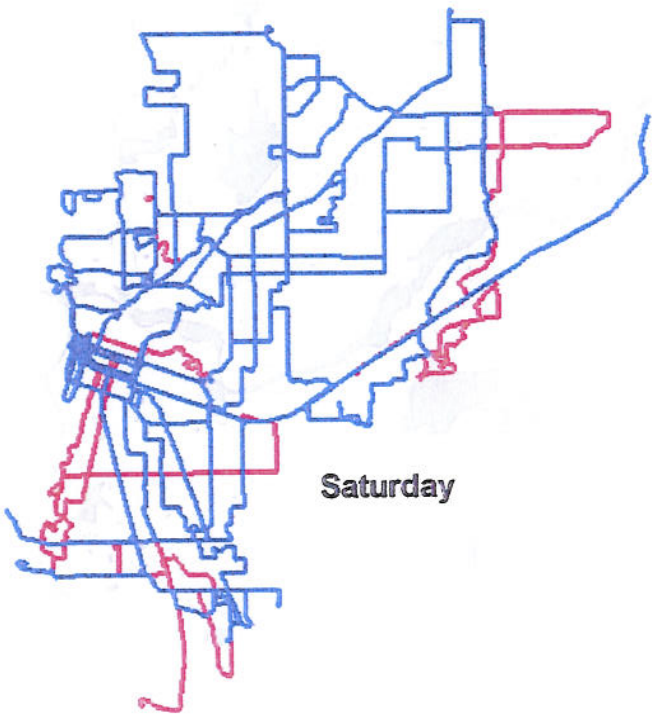
**Weekday**  
Excludes expresses

Weekdays:  
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73, 75, 83, 94, 95,  
106, 107, 140, 141, 142,  
205, 249, 251, 261

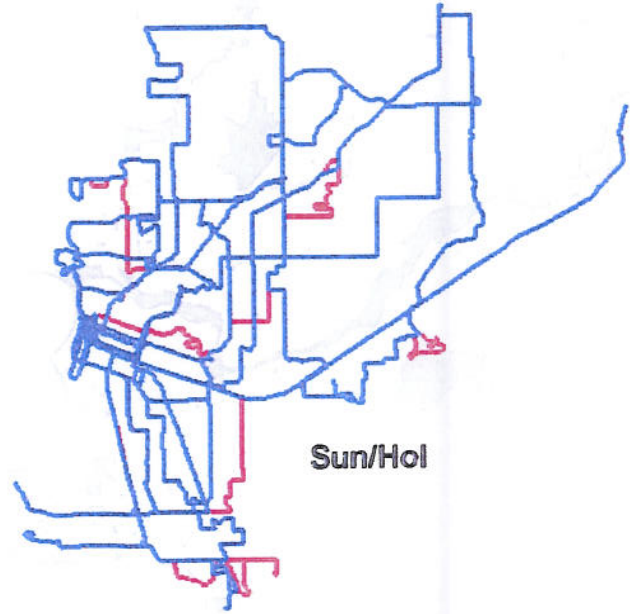
Saturdays:  
6, 16, 24, 28, 34, 47, 54,  
61, 62, 65, 73, 74, 75

Sun/Hol:  
5, 8, 13, 34, 75, 82

1,205,000 Boardings  
90,800 Revenue Hours  
13.9% of service  
57 drivers  
\$2,850,000 annual savings  
\$2,375,000 savings in FY 2010

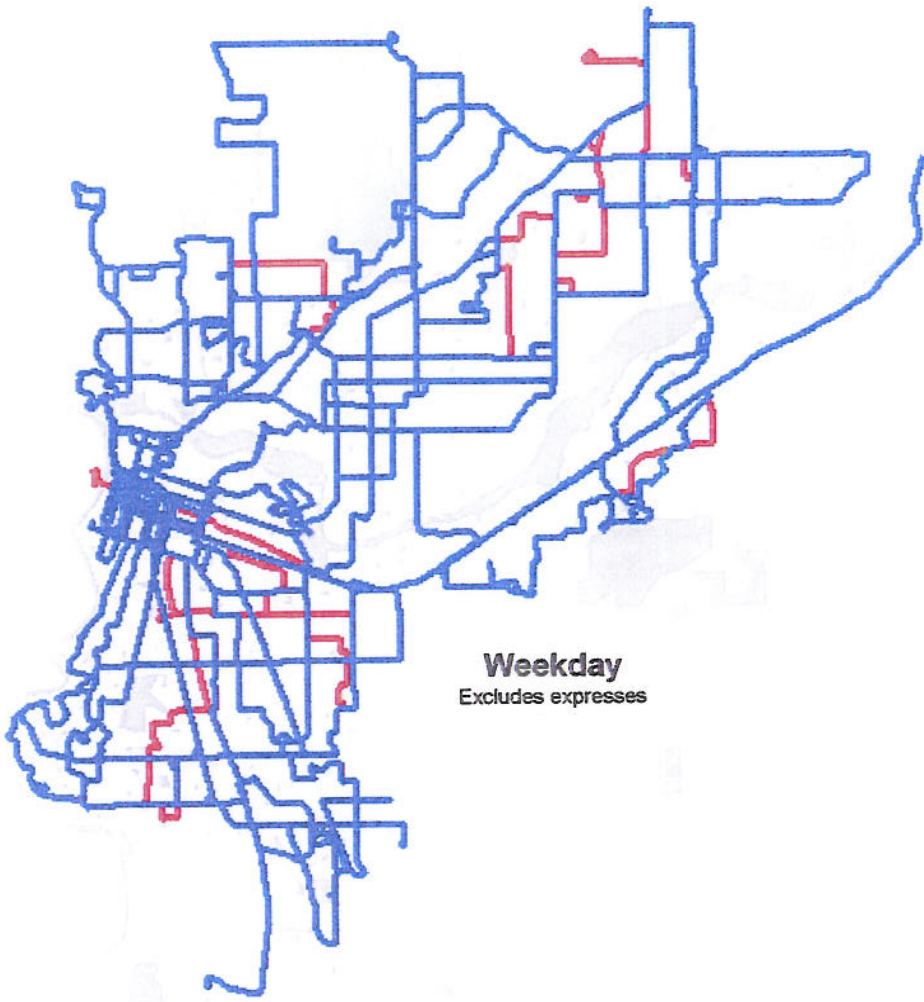


**Saturday**



**Sun/Hol**

 Eliminated segment



**Weekday**  
Excludes expresses

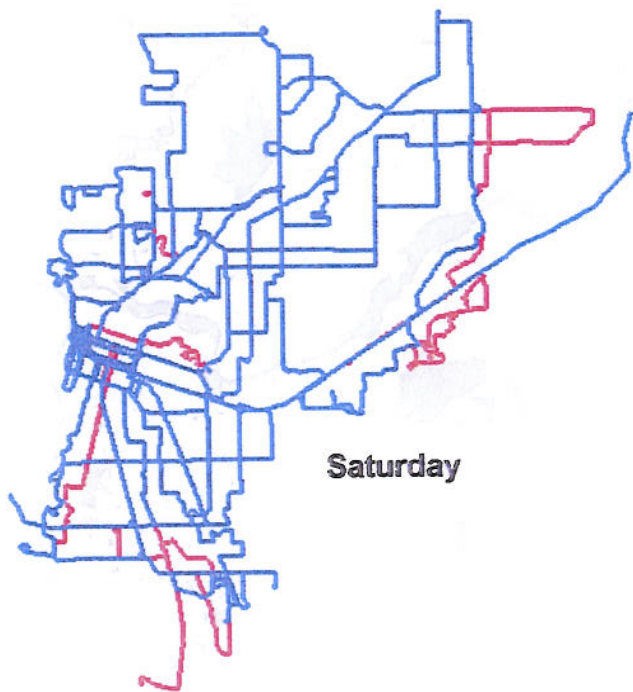
**Option 4:**  
Eliminate the following routes

Weekdays:  
9, 10, 18, 36, 37, 63, 73,  
83, 94, 95, 140, 141\*, 142\*  
\* 141 and 142 would still run at peak

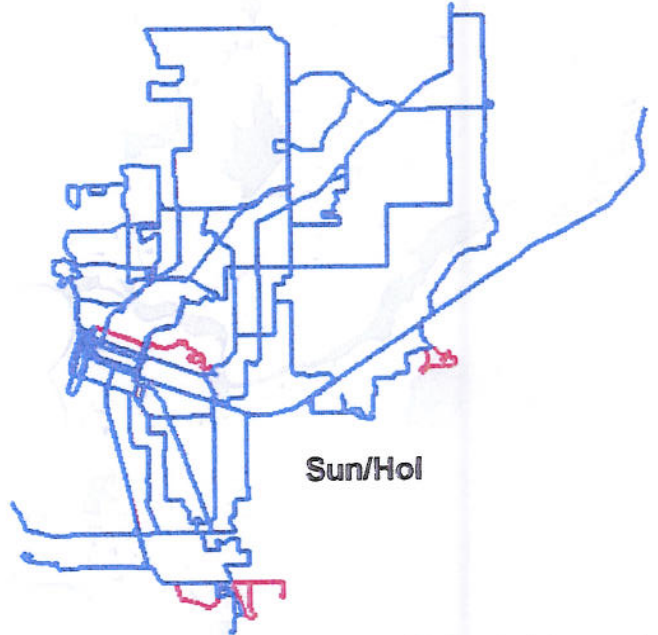
Saturdays:  
16, 24, 28, 34, 47, 54,  
62, 65, 73, 74, 75

Sun/Hol:  
5, 34, 75

800,000 Boardings  
63,500 Revenue Hours  
9.7% of service  
40 drivers  
\$2,000,000 annual savings  
\$1,650,000 savings in FY 2010



**Saturday**



**Sun/Hol**

 Eliminated segment

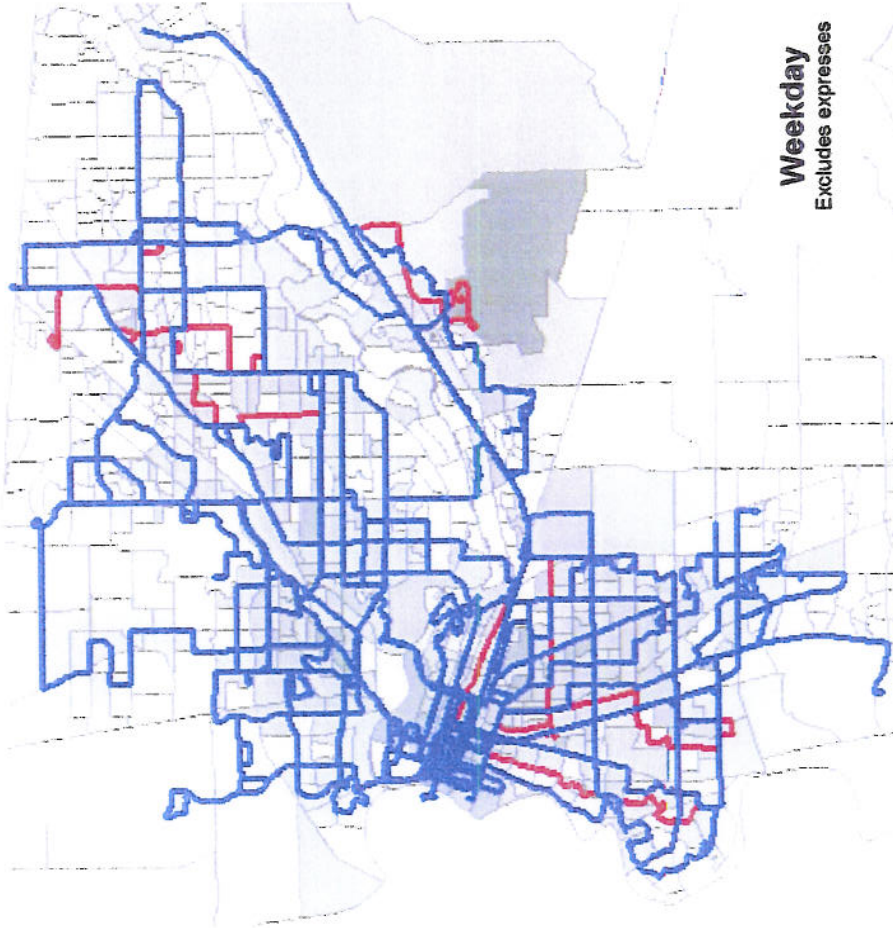
# Impact on Transit-Dependent Patrons

**Option 1**

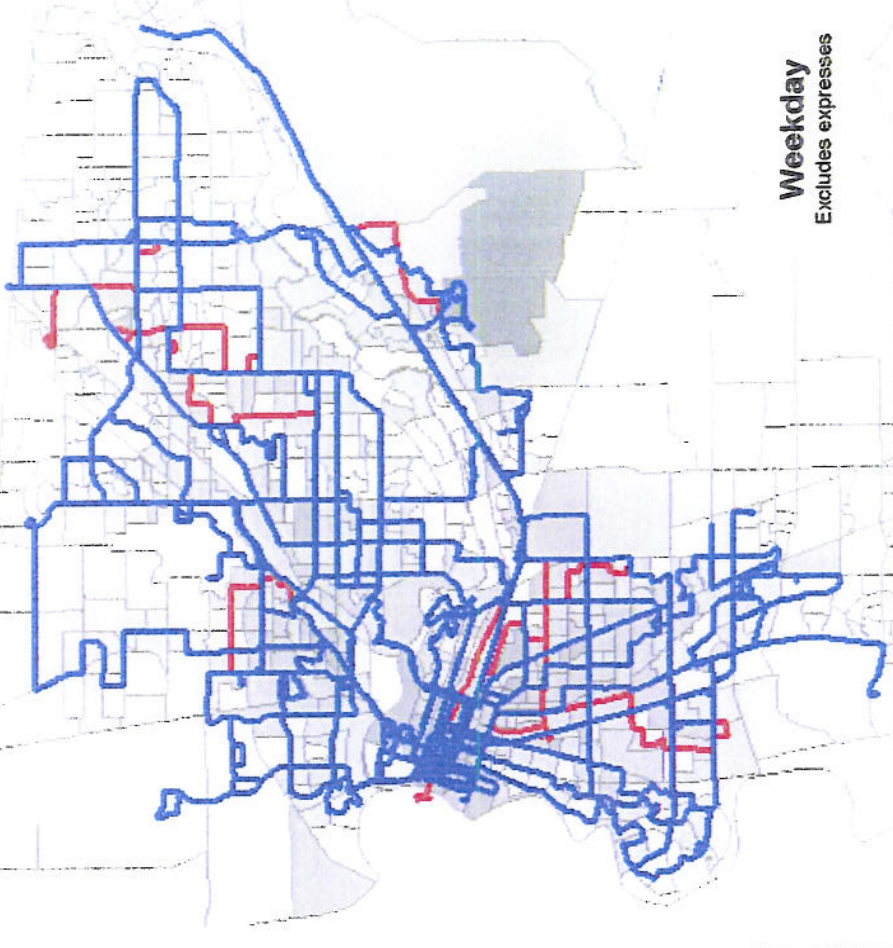
\$1,625,000 in FY 2010

**Option 4**

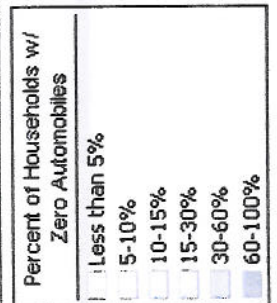
\$1,650,000 in FY 2010



**Weekday**  
Excludes expresses



**Weekday**  
Excludes expresses



Areas that are darker gray have greater transit dependency. Data is from Census 2000.