

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	07/25/11	Open	Action	07/19/11

Subject: Setting a Public Hearing to Consider Fiscal Year 2012 Service Restoration

ISSUE

Whether or not to schedule a public hearing for August 8, 2011 to consider service restoration recommendations for Fiscal Year 2012.

RECOMMENDED ACTION

Adopt Resolution No. 11-07____, Setting a Public Hearing for August 8, 2011 to Consider Service Restoration Recommendations for Fiscal Year 2012.

FISCAL IMPACT

There is no fiscal impact from setting a public hearing. Any fiscal impact associated from restoration of service would be assessed prior to Board approval of any such restorations.

DISCUSSION

In June of 2010, RT underwent a large-scale service reduction as part of its response to a fiscal emergency that began in January 2010. RT noticed that significant and imminent revenue shortfalls would occur by the end of FY 2010. The anticipated shortfall required the official declaration of a fiscal emergency by the Board. Meeting the revenue shortfall required RT to take a number of swift actions to cut costs. Included in those actions was a service reduction that included layoffs and other administrative cost reductions. The cost containment and reduction strategies implemented in response to the fiscal crisis, allowed RT to close the funding gap and place the organization in a fiscally stable position by the end of FY 2011.

Recent financial projections for FY 2012 indicate potential increases in funding available for RT operations, that may allow for modest increases in service levels in FY 2012. Sales tax based revenues are coming in at a level that is approximately four percentage points above the one percent increase anticipated in the FY 2012 Operating Budget. If sustained over time, an increase at this level could provide support for early service additions.

However, as RT monitors potentially positive funding trends at the local level, uncertainty remains with regard to federal funding levels in FY 2012. Several bills are in play that could adversely affect all federal funding levels for the next six years. If the most severe of the bills prevails, it would result in a funding loss to RT in the magnitude of \$6.4 million to \$7.7 million.

Concurrently, RT is in the process of a comprehensive service restructuring and investment plan (TransitRenewal), which provides an in-depth look at markets and system performance to develop a cohesive service improvement strategy that could begin as early as January 2012. Preliminary data analysis from TransitRenewal and the improved budget outlook provided the basis to review

Approved:

Presented:

Final 7/20/11

General Manager/CEO

AGM of Planning and Transit System Development

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service performance for “early action” recommendations. Particularly, services which were discontinued or reduced in frequency during the 2010 reductions were evaluated for possible implementation in FY 2012. The process and results of this analysis are described below.

Data and input used in this analysis included:

- RT ridership, operating and performance data from before and after the 2010 service reductions
- Input from stakeholders and the general public

The evaluation process involved several principles and assumptions that guided the development of recommendations, including the overarching consideration that TransitRenewal will provide a set of service recommendations that work together as a cohesive network of transit mobility. Special consideration was given to not reintroducing service that might be changed as part of the TransitRenewal recommendations. Other notable themes included:

- Focusing on services reduced or eliminated during the 2010 reductions to determine whether to reinstate service
- Evaluating whether services could be reinstated in their prior form, without requiring structural changes that will be covered in TransitRenewal recommendations
- Considering retaining some of the increases in funding availability for other TransitRenewal improvements
- No major reductions in service were considered at this stage

During review, recommendations for reinstating reduced or discontinued service focused on the following criteria:

- Total passenger boardings affected by service reductions
- Performance of discontinued service (passengers per revenue hour)
- Improving service quality for customers (service availability, span, frequency, connectivity)
- Maintaining and improving RT’s long-term financial sustainability

Overall, the 2010 service reductions targeted the least productive routes, service modes, and times of day, where the cuts would impact the fewest number of passengers. Certain service reductions which involved substantial ridership losses or targeted higher-performing services may be candidates for reinstating service. It is important to note that while every attempt has been made to recommend early action service improvements that will not be changed within the TransitRenewal service plan, further adjustments may occur.

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Evaluation Process and Recommendations

The team laid out in detail each service reduction strategy and respective categories of analysis. Both light rail (LRT) and bus service were evaluated.

Light Rail Service

During the 2010 service reductions, LRT service was discontinued in the late evening (with no outbound trips starting after 9:00 p.m.) and headways were reduced from 15 to 30 minutes on weekends. The team reviewed ridership counts from before and after the service reductions to the most detailed level possible (ridership by hour, and by individual trip if available.) LRT data was reviewed first as many stakeholder comments had been raised during discussions about evening and weekend service.

Weekday

Ridership. Since the reductions, LRT ridership dropped from 55,300 boardings on an average weekday to 43,200 – a reduction of 12,100, or 22 percent. Service hours, by comparison, dropped by less than 7 percent, showing a disproportionate effect on ridership. Even though only evening LRT service was affected, substantial amounts of ridership were lost throughout the day.

Total ridership loss on discontinued evening trips totaled 886 boarding passengers per day. The remaining 11,214 boardings that were lost came from earlier in the day. Restoring evening service should result in increased ridership both from the restored trips as well as from trips earlier in the day made by passengers needing a return trip after 9:00 p.m. In its previous configuration, the Gold Line ran slightly later than the Blue Line, with trips as late as 12:13 a.m. The very last round trip on the Gold Line showed very low ridership, with only 25 total passengers.

Productivity. Since the service changes, weekday LRT service dropped from almost 240 passengers per revenue train hour to just under 200, showing that despite the reduction in service hours, weekday LRT service now carries fewer passengers per hour of service provided. By comparison, the RT system as whole experienced a net gain in productivity since the service reductions.

Weekend

Ridership. Following the reductions, Saturday LRT ridership dropped from 21,500 boardings to 16,200 (5,300 or 25 percent), and Sunday dropped from 16,900 to 11,300 (5,600 or 33 percent). Meanwhile, service hours were reduced by 41 percent on Saturday and 39 percent on Sunday, showing a more proportionate ridership response than on weekdays.

Productivity. Overall productivity increased on weekend LRT service. Saturday LRT productivity increased from approximately 100 passengers per revenue train hour to over 125, while Sunday increased from 87 to 91.

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Summary and Recommendation

Based on this analysis, weekday LRT service suffered large reductions in both ridership and productivity, placing it in a priority position for service renewal. The recommendation is to restore evening service on LRT at its previous schedule on the Blue Line and all but the last round trip on the Gold Line. Restoration of Saturday evening service is recommended in order to facilitate later-night weekend travel. LRT weekend frequency restoration is not recommended for early action but will be considered as part of the full TransitRenewal recommendations.

Table 1. Light Rail Recommendations.

Service	Route	Day	Recommendation
LRT	Blue Line	Weekday	Restore all 4 evening round trips
LRT	Gold Line	Weekday	Restore 4 evening round trips; do not restore last round trip due to low ridership
LRT	Both	Saturday	Restore 4 evening round trips; discontinue first morning trip due to low ridership
LRT	Both	Sun/Hol	Discontinue first morning trip due to low ridership and to match Saturday service

Bus Service

Bus service reductions took several forms during the 2010 service reductions: all-week discontinuation of service, weekend discontinuation, and service span and frequency reduction. To correspond with LRT, all bus trips starting after 9:00 p.m. were discontinued. The team is currently reviewing each reduction strategy as part of the TransitRenewal process for its potential for reinstated or reconfigured service. As part of the early action recommendations, the team focused first on weekday evening bus service in order to complement the recommended extended service span on LRT.

Service Span

Twenty-two RT bus routes saw weekday trips discontinued after 9:00 p.m. Ridership patterns were carefully reviewed on these trips. By and large, later-evening trips included much lower ridership than their daytime counterparts; these trips included estimated 738 daily boardings, or 1.5 percent of total weekday pre-reduction bus ridership. However, evening bus-to-rail connections are highly important to those who depend on the service, and important in building a network of services to serve markets with evening ridership demand. Routes which serve destinations with evening activity (universities, retail centers) are important candidates for later-evening service.

Table 1 shows the pre-reduction ridership on each RT route with discontinued evening trips. The

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routes with the highest amount of pre-reduction evening ridership include Routes 1, 51, 56 and 81, which also connect to LRT. Together, these routes accounted for roughly 330 of the 738 evening boardings and are priorities for reinstated evening service.

Table 2.
Boardings on Discontinued Evening Trips.

Route	Boardings	Route	Boardings
51	95	82	23
1	89	88	23
81	72	62	21
56	71	87	20
23	45	14	18
67	44	86	17
15	38	68	16
80	36	72	16
21	26	13	9
93	25	61	6
30	24	38	4

Route 1 - Greenback. This route serves American River College and Sunrise Mall, two centers of evening activity, and connects with Blue Line LRT. Prior evening ridership on this route suggests consistent use of the service.

Route 51 - Broadway/Stockton. This route serves downtown Sacramento and Florin Mall, and is also the highest-ridership bus route in the RT system.

Route 81 - Florin/65th Street. This route serves both Blue and Gold Line LRT stations and Florin Mall. It is among the highest-ridership routes in the RT system, with consistently strong evening ridership.

Route 56 - Pocket/CRC. This route provides a well-used link between the Meadowview LRT station and Kaiser Hospital, Methodist Hospital, and Cosumnes River College.

These four routes posted the highest total ridership for discontinued evening service; however, other routes were also considered for restoration based on strong ridership on individual discontinued trips.

Route 23 - El Camino. This route serves Arden Fair Mall, a major retail center, and connects with Blue Line LRT service. The two trips which were discontinued carried 46 total passengers, and were among the strongest individual discontinued trips.

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Route 80 - Watt/Elkhorn. This route connects to both the Blue Line and Gold Line and provides service along Watt Avenue, one of the highest-ridership corridors in the RT system. The final discontinued northbound trip was one of the strongest individual discontinued trips.

Frequency

During the service reduction process, several bus routes underwent weekday frequency reductions in order to reduce the amount of discontinued services and maintain bus coverage, including Routes 1, 2, 6, 34, 38 and 61. Most frequency reductions mainly involved changing routes from 30 to 60-minute service.

Route 1 was the highest-frequency route to undergo reduction, from 15 to 20 minutes in peak periods. This route had fairly strong pre-reduction productivity at 31 passengers per hour, and many other RT services in its geographic area were discontinued, such as Routes 9 and 10, as well as multiple express routes which connected to LRT at Watt/I-80 Station. Weekday LRT service runs at 15-minute frequencies, making it harder to connect to a 20-minute bus route. Based on on-board survey data gathered just prior to service reductions, Route 1 showed a high percentage of transfers to LRT, at 28 percent. As discussed above, this route serves American River College and Sunrise Mall.

Following the service reductions, Route 1 ridership remained strong, likely due to strong student usage and the reduction of other service coverage in the area. Service productivity now stands at over 41 passengers per hour, or over 150 percent of RT system average. This high level of productivity confirms the need for investment in this route.

Summary and Recommendation

Restore 15-minute peak frequency on Route 1 to enable more convenient connections to LRT and to provide improved quality of service on a strong route. Restore evening trips on Routes 1, 23, 51, 56, 80, and 81 in order to provide a network of evening service which responds to areas of highest demand.

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Table 3. Bus Recommendations.

Service	Route	Day	Recommendation
Bus	1	Weekday	Restore to previous 15-minute peak frequency.
Bus	1	Weekday	Restore 4 inbound evening trips and 3 outbound evening trips.
Bus	23	Weekday	Restore last inbound and last outbound trips.
Bus	51	Weekday	Restore 2 inbound evening trips and 3 outbound evening trips.
Bus	56	Weekday	Restore 3 inbound evening trips and 2 outbound evening trips. These evening trips will only operate from CRC to Meadowview LRT station. Coordinate schedules to allow for convenient connections with LRT service at Meadowview LRT station.
Bus	80	Weekday	Restore last inbound evening trip. Coordinate schedules to allow for convenient connections with LRT service at Manlove LRT station.
Bus	81	Weekday	Discontinue first outbound morning trip (5:28 a.m.); Restore two outbound evening trips after 9:00 p.m.

Fiscal Impact

The service proposal as described in this Issue Paper assumes a service change as early as January, 2012. However, because of the uncertainties of RT's fiscal situation, it is more likely that any service expansion will not take place until at least April. It is expected that by April, RT will have a strong indication of the future revenue picture.

The annualized net cost after fare revenues for the proposal as described is estimated at \$1.28 million. It is assumed that ridership will take one year to return to its previous levels. It is also assumed that fare revenue will increase gradually. This is based on the expectation that existing monthly and unlimited pass users (over 60 percent of RT ridership) will make more trips on their existing passes, without an increase in fare revenue to RT. It is also based on the observation that when service was cut in 2010, ridership decreased significantly, but total fare revenue did not decline by the same percentage.

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Table 4. Annual Fiscal Impact.

	Revenue Hours	Ridership	Gross Cost	Fare Revenue	Net Cost
Light Rail	3,617	123,355	\$764,427	\$61,600	\$702,827
Bus	8,228	80,500	\$616,489	\$40,300	\$576,189
Total	-	203,855	\$1,380,916	\$101,900	\$1,279,016

While light rail is projected to carry more passengers per revenue hour, it will also cost more per hour to restore due to greater security and complementary ADA paratransit requirements, which effectively balances the two modes in terms of efficiency. Assuming implementation in January 2012, the financial impact would be approximately \$639,500 for FY 2012.

Next Steps

A public hearing is proposed for the Monday, August 8th, 2011 Board meeting.

- If the Board approves the attached resolution to set a public hearing, staff will complete a Title VI equity analysis of the proposed changes.
- Also, pending Board authorization of a public hearing, outreach activities will be conducted during the week of August 1-5 at major bus and light rail activity centers.
- Customers will also be encouraged to provide comment via phone, mail, email, or testimony at the public hearing.
- A public hearing will be held at the August 8, 2011 Board meeting to hear public comments.
- On August 22, 2011, the RT Board will consider public comments and make a decision on service changes.
- In October 2011, RT staff will update the Board on the financial feasibility of service restoration.

RESOLUTION NO. 11-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 25, 2011

**SETTING A PUBLIC HEARING FOR AUGUST 8, 2011
TO CONSIDER SERVICE RESTORATION RECOMMENDATIONS
FOR FISCAL YEAR 2012**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, a public hearing is set for Monday, August 8, 2011 at 6:00 p.m. to receive public testimony regarding service restoration proposed to bus routes 1, 23, 51, 56, 80, and 81 and the light rail system.

THAT, the General Manager/CEO, or his designee, is hereby authorized to publish a notice in substantially the form set out in Exhibit A pertaining to the service changes that could be implemented as soon as January 2012, pending a positive revenue outlook.

DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Public Notice
RT to Hold Public Hearing
On Proposed Service Changes for Fiscal Year 2012

NOTICE IS HEREBY GIVEN that the Sacramento Regional Transit District (RT) will hold a public meeting on Monday, August 8, 2011 at 6:00 p.m. to receive comments regarding proposed transit service changes to bus routes 1, 23, 51, 56, 80, and 81 and the light rail system.

The proposed service changes are scheduled for adoption by the RT Board of Directors on August 22, 2011 and could take effect as early as January 1, 2012, depending on revenue impacts.

The public hearing will be held at 6:00 p.m. in the RT Auditorium at 1400 29th Street (at N Street). This location is served by Routes 38, 67, 68, and light rail at the 29th Street light rail station.

Comments may be submitted in writing to the Planning Department (P.O. Box 2110, Sacramento, CA 95812-2110) or by email to servicechanges@sacrt.com and must be received by 5:00 p.m. on Monday, August 8, 2011.