

General Manager's Report June 14, 2010

GOVERNMENT AFFAIRS UPDATE

FEDERAL

On June 7, Congress returned from the week long Memorial Day recess. Prior to their departure, the House of Representatives passed the "tax extenders" conference measure on May 28. The American Jobs and Tax Extenders conference bill (*H.R. 4213 – American Jobs and Closing Tax Loopholes Act of 2010*) will now be considered by the Senate. Provisions in the conference measure include an extension to the Clean Natural Gas Tax (CNG) tax credit rebate for public transit systems of 50 cents per gallon of natural gas and RT can anticipate a \$1.5 million rebate from this tax benefit.

PARATRANSIT MEETING UPDATE - ADA COMPLEMENTARY PARATRANSIT FISCAL YEAR (FY) 2010-2011 SERVICE PROJECTION AND BUDGET

In an effort to contain costs and enhance the productivity of RT's ADA complementary paratransit services, RT is re-negotiating its current agreement with Paratransit, Inc. for the provision of these services. RT has facilitated several negotiating sessions with Paratransit, Inc., and with their input, RT staff has developed a budget and service projection for FY 10-11.

Service demand in FY 09-10 is approximately 5% below original projections. It is anticipated that 259,389 trips will be provided to ADA-eligible individuals and 37,056 trips will be provided to Age-eligible individuals in FY 09-10 within the service area mandated by federal regulations for ADA complementary paratransit service. This is also known as the "Type I" service area. Due to the June 20, 2010 service reductions, trips required in the ADA complementary paratransit service area will decrease by approximately 9.5% in FY 10-11. This represents a 14.5% total reduction in Type I trips provided between FY 09-10 and FY 10-11. 234,747 ADA trips and 33,537 Age trips are projected for FY 10-11.

As stated in the adopted ADA Paratransit Plan, service for Age-eligible individuals is not considered ADA paratransit. In prior years, RT has funded a portion of the Type I service to Age-eligible individuals. RT's ADA Plan indicates that: 1) RT will either fund these trips; or, 2) support the collaborative funding of these trips through Consolidated Transportation Service Agency (CTSA) funding sources. In order to focus RT's limited resources on paratransit services required under the ADA, RT will begin implementing an outreach program for qualified Age-eligible riders to become ADA-eligible over the coming fiscal year. It is recommended that RT continues to fund a portion of the service to these individuals during the transition period, but, if approved by the Board, RT will only fund service to ADA-eligible individuals by the end of the fiscal year. After assuring that any Age-eligible individuals who are interested in becoming ADA-eligible are provided with an opportunity to do so, the objective is to transition the Age-based eligibility program and any services provided to these individuals to the CTSA, Paratransit, Inc. This transition should be completed by the end of FY 10-11. Anticipating the

changeover of a portion of Age-eligible riders to ADA, the total projected ADA complementary service increases to 250,963 trips provided in FY 10-11. This represents approximately 16,216 of the 33,537 Age Type I trips projected, which is comparable to the current fiscal year.

Taking into account the reduced number of eligible paratransit trips projected, and by applying a reasonable cost that assumes a 13% savings in cost per trip due to additional efficiencies, RT expects Paratransit, Inc. to reduce RT's cost per trip from the \$42.76 budgeted in the current year to \$37.31 per passenger trip in FY 10-11. At \$37.31 per trip, the projected budget for ADA complementary service is \$8,388,000, plus \$976,248 in passenger fare revenue, for a total cost of \$9,364,248. This budget target is actually \$700,000 higher than what was projected in the preliminary RT budget. Although staff believes this is a reasonable target for next fiscal year, it is still 9% above average for the cost of a paratransit trip for a large urban area.*

Over time, additional service efficiencies will achieve further cost containment. Performance targets for the next three years, including the number of trips provided per hour and subscription service levels, are under discussion. It appears that a three year target of a 12% improvement in trips per hour is reasonable and achievable; this would provide for at least 2.15 passenger trips per hour by FY 12-13, with a 6% improvement by the end of FY 10-11. As indicated in the Mundle review of ADA paratransit services, this level of productivity has the potential to provide considerable savings. Other issues under consideration are the refinement of the passenger no-show and late cancellation policy and the implementation of trip-by-trip eligibility for conditionally eligible riders. Staff expects to present the Board with an update on these two strategies to manage paratransit demand, as well as the transition of Age-eligible riders to ADA service, in the coming months.

RT will continue to include in its contract with Paratransit, Inc., \$12,000 in additional annual funding for the transportation of ADA paratransit applicants to the RT offices, increasing the total recommended preliminary budget to \$8,400,000. The current agreement with Paratransit, Inc., for the provision of ADA complementary paratransit services continues indefinitely until terminated by either party; however, the financial contributions of each party may be readjusted annually by means of a new Exhibit A to the agreement. Staff anticipates requesting Board approval to execute a new Exhibit A at the June 28, 2010 meeting to establish the budget and service levels, with amendments to the body of the agreement submitted for approval at a subsequent meeting later in the summer.

* Koffman, Weiner, Pfeiffer, Chapman, *Funding the Public Transportation Needs of an Aging Population*, American Public Transit Association, March 2010, p 19.

JUNE SERVICE CHANGES OUTREACH

RT staff has been working to update route and schedule information and educate riders about the major service changes effective on June 20, 2010. Information has been posted on RT's website, in all bus and light rail vehicles, at all light rail stations and key bus stops, and distributed at key locations throughout the Sacramento region. Updated pocket timetables have been delivered, and the online trip planner reflects new schedule information when dates from June 20 and beyond are entered. RT's bus and light rail timetable book and system map, effective June 20, 2010, has been modified to reflect the service changes and will be available for purchase beginning on June 15. New bus shelter and station signage will be installed during the week of June 14.

In addition, RT Marketing and Customer Service representatives have been out in the community educating customers about the service changes. RT staff has distributed information at various meetings, community events, major employment sites and state agencies, and will continue outreach efforts beyond the June implementation date.

RT MEETING CALENDAR

Regional Transit Board Meeting

June 28, 2010
RT Auditorium
6:00 P.M

July 26, 2010
RT Auditorium
6:00 P.M

August 9, 2010
RT Auditorium
6:00 P.M

Executive Committee Meetings for 2010

Will be approved and scheduled by the Chair
on an as needed basis.

Mobility Advisory Council

July 8, 2010
RT Auditorium
2:30-4:30 P.M.

August 5, 2010
RT Auditorium
2:30-4:30 P.M.

September 2, 2010
RT Auditorium
2:30-4:30 P.M.

Quarterly Retirement Board Meeting

September 14, 2010
RT Auditorium
9:00 A.M. – Noon

December 6, 2010
RT Auditorium
9:00 A.M. – Noon