Phoenix Public Transit Department Annual Report, FY 2008-09

Public Transit ~
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City Council

A Letter from Mayor Gordon and Councilwoman Neely

Thank you for taking time to review the Public Transit Department's annual report for fiscal year 2008-09. The following pages include detailed information about Phoenix's contributions to the Valley-wide public transit system, including services supported by Transit 2000 tax revenues, federal grants, and fares paid by passengers.

Since its passage by voters, the 4/10ths of a cent sales tax that funds public transit in Phoenix has supported significant growth in travel options for residents. This year we were able to celebrate the launch of a true transit milestone: the first 20-mile line of the light rail system. After a launch with much fanfare, and thousands of attendees, light rail has consistently beaten expectations in ridership, and continues to be a successful support to development along the line.

Even so, the year behind us saw many challenges, both locally and nationally. As the recession deepened, and sales taxes declined, the Public Transit Department was forced to suspend service. Reduction in early morning and late night hours was the first difficult step in a budget-balancing process that continues to challenge our staff and passengers. Additionally, a plan for increasing fares was being developed in tandem with these reductions, with the hope of diminishing the severity of future cuts in service.

As we celebrate our successes and face further challenges, the Phoenix City Council remains dedicated to the provision of quality transit service for all its residents. We appreciate your interest, and hope you will continue to be a friend of public transit.

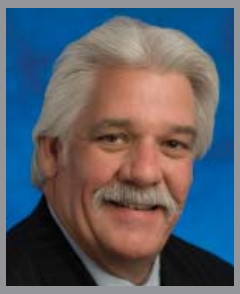
Phil Gordon
Mayor

Peggy Neely, District 2
Chair, Transportation and Infrastructure Subcommittee

Thelda Williams
District 1

Maria Baier
District 3

Tom Simplot
Vice Mayor, District 4



Claude Mattox
District 5

Sal DiCiccio
District 6

Michael Nowakowski
District 7

Michael Johnson
District 8

Citizens Transit Commission

A Letter from Chair Aaron Aylsworth and Director Debbie Cotton

Public transit is as diverse as its riders, and as complex and challenging as any city service to provide. That challenge was never more apparent as it became this past year, as the City of Phoenix faced unprecedented budget reductions. The Public Transit Department was no different, seeing a dramatic sixteen percent decline in sales tax revenues over the year.

Aaron Aylsworth
CTC Chair

This drop had significant consequences, because the majority of transit service the department provides is supported by funds from Transit 2000, the 4/10ths of a cent sales tax passed by voters. The Citizens Transit Commission, created to oversee the expenditure of these tax revenues, worked in this challenging environment to represent the best interests and needs of residents. While that challenge continues, the combination of considerable staff effort and public input has meant service reductions that reflect a genuine partnership and commitment to maintaining and providing as much service as possible.

Debbie Cotton
Public Transit Director

Light rail has been an excellent addition to the transit system, and we will continue to see it grow and change in the months ahead. Likewise, we are working to stay focused on the bus system, where the majority of transit service is provided. As we evaluate the previous year, and the further changes that were already underway, including additional service reductions and fare increases to bus, light rail and Dial-A-Ride service, we have strived to be as innovative, responsive and forward thinking as possible. It will be those efforts taken now, that pave the way for a true recovery in service when the economy improves.

We are dedicated to reaching that recovery, and the restoration of service to passengers. It is our primary mission in the months ahead, and we hope you will feel free to share your thoughts and ideas in reaching that goal.

Citizens Transit Commissioners

Aaryon Aylsworth
Chairperson, Resident of Phoenix

Rick Robinson	District 1	John Hart	Resident of Phoenix
West Kenyon	District 2	Justin Johnson	Resident of Phoenix
Terry Madeksza	District 3	Linda Pastori	Resident of Phoenix
Gerry Lusson	District 4	Marvin Rochelle	Mayor's Commission on Disability Issues
Aaron Atkinson	District 5		
Yvonne Hunter	District 6	Vacant	Business Community
Vacant	District 7	David Nance	Hospitality Industry
Phil Blair	District 8		

Key Accomplishments

Liquefied Natural Gas (LNG) Supply Contract

Staff completed an invitation for bid and the award of a contract to supply liquefied natural gas for a three (3) year period commencing on July 1, 2009 through June 30, 2012. This cooperative agreement with the City of Tempe will provide the two cities over 33 million gallons of LNG during the life of the contract. The cost savings during the first year of the agreement is approximately $6,000,000 from the previous contract.

American Recovery and ReinvesTment Act (ARRA) Funding

The Public Transit Department was awarded $29.2 million to construction projects, including the Happy Valley and I-17 Park-and-Ride; the Bell Road and SR-51 bus-only crossover lane; and the 27th Avenue and Baseline Road Park-and-Ride. Additoinally, approximately 1,000 parking spaces at several of the existing light rail park-and-rides will be covered with shade canopies. The Central Station Transit Center and the 40th Street and Pecos Road Park-and-Ride will be refurbished and expanded.

The Central Station refurbishment is one of several projects funded by ARRA grants. Above, an artist's rendering of the facility's new look.

Light Rail Opening Weekend

As part of the Public Transit Department's commitment to voters in the Transit 2000 tax initiative, Phoenix implemented light rail transit beginning December 27, 2008. The department operated 87 shuttle buses to transport rail passengers back to their point of origin during opening weekend. In the single largest collective employee effort in the history of the Public Transit Department, staff assisted both the bus boarding and disembarking processes which were well received by citizens and positively acknowledged by the media.

Pilot Flu Shot Clinic for Bus Passengers

Public Transit Department, the Fire Department, and the Maricopa County Health Department worked together to create a pilot flu shot clinic at Central Station. About 250 people were vaccinated in a two hour period.

Fare Change Information

Staff coordinated the installation of fare change information on over 500 buses. This project required staff to implement farebox programming and testing before scheduled fare increases, remove and replace fare pricing signs, stickers, and car cards with new fare pricing information by morning pull-out on June 29, 2009. In response to the fare change, Public Transit Department staff worked with Valley Metro Regional Public Transportation Authority to expand the current number of Fry's retail outlets selling fare media, from 46 to 60 stores, and to begin selling at 56 Safeway outlets, thus increasing convenience for transit customers.

Environmental Protection Agency (EPA) Grant

Staff applied for and was awarded a $553,600 grant from the EPA West Coast Collaborative Diesel Emissions Reduction Grants Program. The funds will be used to replace older engines on twenty 60-foot articulated buses and will reduce diesel emissions.

Vehicle Replacement

Fourteen older 40-foot buses were replaced with new, larger capacity 60-foot buses on our highest used routes to address overcrowding conditions, benefiting the greatest number of passengers. In addition, the division replaced 25 Dial-a-Ride vehicles during the fiscal year.

Federal Transit Administration (FTA) Review

The FTA conducted a Triennial Review of the department to assess the Public Transit Department's grant management practices. The FTA reported only nine findings among approximately 240 items found in compliance.

Phoenix Dial-a-Ride Fare Options

Operations staff developed alternative fare media options for resident ADA certified City of Phoenix customers using Dial-a-Ride. The new options consist of ticket books of ten rides for $31.50 and twenty rides for $50.00. These alternate options allow passengers who use Phoenix Dial-a-Ride infrequently a more flexible and cost effective method for payment.

Terrorism Activity Recognition and Reaction Training (TARR)

Approximately 780 bus operators and first line service personnel received TARR training. The training focuses on recognizing the difference between normal, suspicious, and dangerous activity; defining their role in recognizing and reacting to suspicious activity; and describing what immediate actions should be taken when confronted with dangerous or potentially dangerous activity.

Rocki's List

Staff launched an intranet site to encourage co-workers to reuse existing office supplies. Many unused items came out from desk drawers and cabinets to be on "Rocki's List" with a picture and description. Dozens of items have been put back to use because of this effort to decrease the department's expenditures.

City Staff Members and FTA Administrator

Frank Fairbanks,	*City Manager*
Thomas E. Callow, P.E.	*Deputy City Manager*
Debbie Cotton	*Public Transit Director*
Lauri Wingenroth	*Assistant Director*
Reed Caldwell	*Deputy Director, Facilities*
Jeff Dolfini	*Deputy Director, Fare Systems & Services*
Maria Hyatt	*Assistant to the City Manager*
Nancy Steptoe	*Deputy Director, Regional Information Technology Services*
Melissa Sweinhagen	*Management Assistant III, Administrative Support Services*
Al Villaverde	*Deputy Director, Operations*
Leslie Rogers	*Federal Transit Administration Regional Administrator, Region IX*

Revenue Summary

For The Period Ending June 30, 2009

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget
Revenues:					
Grants and Tax Funds					
Dedicated Sales Tax - T2000	$115,914,251	$131,444,763	$97,324,515	($34,120,248)	-26%
Federal Highway Transfer Funds	-	2,683,200	4,194,934	1,511,734	56%
Transit Federal Funds	78,237,038	67,783,887	75,543,001	7,759,114	11%
Federal ARRA Funds	-	1,129,462	3,090,951	1,961,489	174%
T2000 Bond	150,691,655	43,712,455	41,536,886	(2,175,569)	-5%
General Funds	26,762,843	23,199,869	23,199,869	-	N/A
Local Transportation Assistance	9,334,343	11,538,513	11,325,024	(213,489)	-2%
Misc Grants	57,195	293,751	355,460	61,709	21%
Interest Earnings & Other	6,299,532	2,976,218	3,992,380	1,016,162	34%
Other Agency Revenue	15,872,522	16,937,422	17,107,217	169,795	1%
Regional Transportation Tax	30,363,932	69,564,942	27,785,277	(41,779,665)	-60%
Federal Alternative Fuel Credit	-	11,016,904	10,796,755	(220,150)	-2%
Program Income					
Advertising - Bus	$2,019,551	$2,000,000	$2,040,717	$40,717	2%
Advertising - Bench/Shelter	698,519	2,000,000	1,346,984	(653,016)	-33%
Fare Revenue - Bus	29,986,086	34,313,732	31,344,698	(2,969,034)	-9%
Fare Revenue - DAR	609,796	785,500	656,958	(128,542)	-16%
Fare Revenue - Light Rail	-	3,015,221	2,079,000	(936,221)	-31%
Disposal of Assets	217,983	199,948	199,487	(461)	-0%
Interest	6,299,532	2,981,194	3,992,380	1,011,186	34%
Other	55,000	55,000	38,778	(16,222)	-29%
Total Revenues	$473,419,778	$427,631,981	$357,951,270	($69,680,711)	-16%
Other Resources:					
Beginning Balance	209,621,909	361,769,219	226,080,047	(135,689,173)	-38%
Recoveries	3,693,263	3,019,517	2,993,532	(25,985)	-1%
Total Available Resources	$686,734,950	$792,420,717	$587,024,849	($205,395,868)	-26%

Operations Budget Summary

For The Period Ending June 30, 2009

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget
Revenues:					
Dedicated Sales Tax - T2000	$73,301,552	$78,400,250	$65,635,956	($12,764,294)	-16%
Local Transportation Assistance	6,807,896	11,292,506	11,324,113	31,607	0%
Transit Federal Funds	8,513,180	5,706,566	5,931,351	224,785	4%
Federal ARRA Funds	-	-	2,031,744	2,031,744	N/A
General Funds	26,762,843	23,199,869	23,199,869	-	N/A
Fare Revenue: Bus/DAR	30,595,882	35,099,232	32,001,966	(3,097,266)	-9%
Advertising Revenue	2,718,069	4,000,000	3,387,701	(612,299)	-15%
Federal Alternative Fuel Credit	-	11,016,904	10,796,755	(220,150)	-2%
Interest Earnings & Other	6,299,532	2,976,218	3,992,380	1,016,162	34%
Misc Grants	-	-	71,876	71,876	N/A
Other Agency Revenue	15,872,522	16,937,422	17,107,217	169,795	1%
Total Revenues	$170,871,476	$188,628,967	$175,480,927	($13,148,040)	-7%

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount (Over)/Under Budget	Percent Over/(Under) Budget
Expenditures:					
Fixed Route Operations	$123,885,853	$136,156,425	$123,535,999	$12,620,426	9%
Dial-a-Ride Operations	11,053,117	16,916,527	16,136,742	779,785	5%
Administration	8,288,963	6,940,681	6,671,104	269,577	4%
Regional Services	775,798	1,591,382	1,445,260	146,122	9%
Facility Planning	1,246,403	1,272,209	1,872,159	(599,950)	-47%
Passenger Services	5,248,217	8,386,389	7,986,411	399,978	5%
Small Capital Purchases	132,633	96,152	73,436	22,716	24%
Other Agency Service	15,061,924	16,980,422	17,107,217	(126,795)	-1%
Debt Service	5,178,568	288,781	652,601	(363,820)	-126%
Total Expenditures	$170,871,476	$188,628,967	$175,480,927	$13,148,040	7%

Capital Budget Summary

For The Period Ending June 30, 2009

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget
Revenues:					
Dedicated Sales Tax - T2000	$9,534,936	$14,458,619	$8,965,708	($5,492,911)	-38%
Local Transportation Assistance	2,526,447	246,007	911	(245,096)	-100%
Transit Federal Funds	11,024,310	2,912,761	5,558,295	2,645,534	91%
Federal ARRA Funds	-	1,129,462	1,059,207	(70,255)	-6%
Misc Grants	57,195	293,751	283,584	(10,167)	-3%
Regional Transportation Tax	3,325,902	898,622	1,127,961	229,339	26%
Total Revenues	$26,468,790	$19,939,222	$16,995,666	($2,943,556)	-15%

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount (Over)/Under Budget	Percent Over/(Under) Budget
Expenditures:					
Bus Acquisition	$13,119,481	$1,576,592	$1,570,605	$5,987	0%
Passenger Facilities	6,207,810	11,102,330	10,115,488	986,842	9%
Maintenance Facilities	1,751,218	2,144,208	1,497,407	646,801	30%
Technology and Communications	2,610,424	2,324,461	1,649,521	674,940	29%
Planning Projects	275,779	150,000	35,641	114,359	76%
Other Transit Projects	116,168	223,351	160,488	62,863	28%
Bus Bays	2,322,755	1,992,547	1,890,062	102,485	5%
Bike Lanes	14,779	373,160	23,882	349,278	94%
Support Services	50,376	52,573	52,572	1	0%
Total Expenditures	$26,468,790	$19,939,222	$16,995,666	$2,943,556	15%

Light Rail Budget Summary

For The Period Ending June 30, 2009

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget	
Revenues:						
Transit Federal Funds	$58,699,548	$59,164,560	$64,053,355	$4,888,795	8%	
Federal Highway Transfer Funds-CMAQ	-	2,683,200	4,194,934	1,511,734	56%	
Dedicated Sales Tax - T2000	4,261,974	7,425,814	38,082,862	30,657,048	413%	
T2000 Bond	150,691,655	43,712,455	41,536,886	(2,175,569)	-5%	
Regional Transportation Tax	27,038,030	68,666,320	26,657,316	(42,009,004)	-61%	
Fare Revenue	-	3,015,221	2,079,000	(936,221)	-31%	(1)
Interest	57,600	-	18,000	18,000	N/A	
Total Revenues	$240,748,807	$184,667,570	$176,622,353	($8,045,217)	-4%	

	2007-08 Actuals	2008-09 Budget	2008-09 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget	
Expenditures:						
Operating Costs						
Rail Operations	-	$10,507,358	$11,371,000	$863,642	8%	(1)
Debt Service	16,811,178	18,702,248	23,995,788	5,293,540	28%	
Capital Costs						
CPEV	206,217,973	121,943,813	101,769,862	(20,173,951)	-17%	
NWE	17,719,656	33,394,151	39,333,630	5,939,479	18%	
Phoenix West (I-10 Corridor)	-	120,000	152,073	32,073	27%	
Total Expenditures	$240,748,807	$184,667,570	$176,622,353	($8,045,217)	-4%	

(1) Rail Operations commenced December 2008

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