

Phoenix Public Transit Department
Annual Report

FY 2010-11

Public Transit ~ It's How You Get There!



A Letter from the Phoenix City Council



Phil Gordon
Mayor

Welcome to the City of Phoenix Public Transit Department's annual report for 2010-11. This document provides details about a variety of funding sources which benefit the city's transit system, and support the vital role our city plays in the Valley's regional transit infrastructure.



Peggy Neely, District 2
Chair, Transportation
and Infrastructure
Subcommittee

Approximately 40 percent of revenues that support transit services in Phoenix come from the Transit 2000 local sales tax. As the Public Transit Department's accomplishments for this year show, city staff continues to pursue grant support for transit service, augmented by fare revenue paid by passengers. While the city's transit system still faces challenges, and a long-term deficit in revenues, funding has begun to stabilize. We will work to provide the most efficient and effective use of your tax dollars in the provision of transit service.



Thelda Williams
Vice Mayor, District 1

To that end, many sources of savings have been identified in transit operations and the provision of service over the past year. Ranging from a new, cost-effective style of operating contract, to expanded taxi voucher programs for Phoenix's seniors and people with disabilities, the city continues to look for ways to maintain service and find efficiencies.



Bill Gates
District 3

The city council remains committed to meeting our residents' need for transit, and will continue to advocate regionally and nationally for Phoenix's best interests.



Tom Simplot
District 4



Claude Mattox
District 5



Sal DiCiccio
District 6



Michael Nowakowski
District 7



Michael Johnson
District 8

A Letter from the Citizens Transit Commission

This year was a memorable one for public transit in Phoenix. The year saw many positives, including the opening of a re-designed and refurbished Central Station, thanks to more than \$4 million in American Recovery and Reinvestment Act funds.

The year also held significant challenges, including service reductions for commuters, as Express routes were streamlined to save more than \$290,000 annually.

In such a swiftly changing environment, the Citizens Transit Commission continues to serve as a voice for passengers, and as a steward of public funds. Public transit service in Phoenix is supported by 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, is tasked with representing the interests of residents. Those interests, both for expanded transit service, and cost-effective operations, can be difficult to balance. Through feedback from members of the public like yourself, the Citizens Transit Commission is able to plan for residents' needs now and in the future. We hope that you will take the opportunity in the coming year to learn more about the services Phoenix Public Transit provides, and share your thoughts.



Debbie Cotton
Public Transit Director



Robert Dalager
CTC Chair

CITIZENS TRANSIT COMMISSIONERS

Aaron Aylsworth
Robert Dalager
Pam Davis
John Hart
Brandi Hunt

Yvonne Hunter
Abraham James
Shelley MacDonald
Maizie Miller
David Nance

Julie Rees
Mia Ricardo
Rick Robinson
Diane Scherer
Fred Tallarico

KEY ACCOMPLISHMENTS



TRANSIT 2000 (T2000) SALES TAX REVENUES

The total Transit 2000 sales tax revenues collected reached \$101,378,740, surpassing the budgeted amount of \$100,667,000 by \$711,740. T2000 revenues were 17.2% above the prior year, and 8.1% above the prior year when backing out food tax revenues. The improved sales tax revenues will aid in balancing T2000 over the life of the tax, which is set to expire in 2020.

REGIONAL REPRIORITIZATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) FUNDING

Public Transit played a key role in emphasizing the use of regional FTA funds for preventive maintenance (PM) to help alleviate budgetary pressure on local funding sources. As a result, the total amount of additional PM received was \$11.3 million and helped minimize our tax revenue shortfall.

FTA GRANTS AWARDED

Fiscal staff prepared and submitted 11 FTA grant applications for the region totaling \$152,386,276, including \$64,035,553 for City of Phoenix projects.

FEDERAL DISCRETIONARY FUNDS

Public Transit received more than \$6.67 million in federal grants to support operations and capital projects. Projects include a taxi subsidy program for Phoenix seniors and persons with disabilities; funding service on three high-capacity routes offering regional connectivity; and a collaborative effort between Public Transit, Neighborhood Services, and Street Transportation Departments for pedestrian and transit enhancements in the historic Garfield District.



PLATINUM PASS PROGRAM

Over 90,000 platinum pass cards were produced this fiscal year with revenues totaling \$12.5 million.

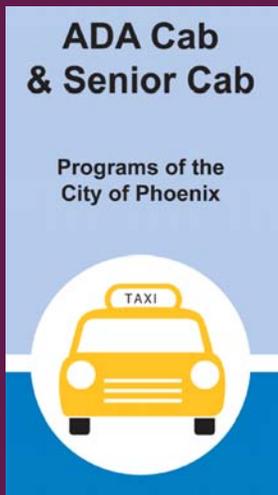
INNOVATIVE COST SAVINGS

Conducting its own preventative maintenance on the Platinum Pass production equipment, saving the City over \$60,000 annually. Staff also recycled approximately 30,000 rejected fare media cards, returning them to production resulting in a savings of \$18,000.



OPERATIONS CONTRACT SAVINGS

Public Transit transitioned fixed route contract at the North and South facilities from a cost reimbursement contract in place since 1971 to a fixed cost contract effective July 1, 2010. The five year fixed route service contract was entered into with Veolia Transportation Services (VTS) for an estimated annual savings of approximately \$500,000. Reductions in fixed route contractual costs with First Transit were achieved through modifications to certain non-critical operations and procedures for a total annualized savings of \$62,800.



SENIOR CAB

The adoption of this cab voucher program for seniors as a permanent alternative service program that makes available subsidized coupons to Phoenix seniors age 65 and older.

ADA CAB

A second taxi subsidy program was established for Phoenix residents who are certified under the Americans with Disabilities Act (ADA) for complementary paratransit. The ADA program offers an alternative to persons with disabilities for same-day transportation in addition to reservations based next day transportation with program parameters similar to Senior Cab.

HAPPY VALLEY ROAD/I-17 PARK-AND-RIDE

The ARRA-funded Happy Valley Road/I-17 Park and- Ride opened for service on January 24, 2011. This park-and-ride serves RAPID I-17 bus riders from North Phoenix to downtown Phoenix and is already nearing 50% capacity. The park-and-ride was developed to alleviate overcrowding at the Bell Road/I-17 Park-and-Ride and expand service to the north.



CENTRAL STATION REFURBISHMENTS

The ARRA-funded refurbishment of the Central Station Transit Center was completed and reopened to buses and passengers. The refurbished facility includes many sustainable features, which resulted in a more efficient facility operated at lower costs.



JANUARY 2011 SERVICE CHANGES

Express/RAPID Assessment (Routes 570, 581, 582, 590) Phoenix Express routes and the I-17 RAPID route were studied for efficiencies and restructuring in order to eliminate redundancies and provide better service. Service changes were implemented at an annual savings of \$295,000.

TRANSIT SERVICE PLANNING AND SCHEDULING EFFICIENCIES

Regional transit scheduling services have historically been provided by a third-party contractor. Through staff analysis, it was determined that having City staff assume the lead role in providing regional transit service scheduling would result in a significant contract reduction. Through this right-sourcing effort, Public Transit identified approximately \$290,000 in annual savings.

ADA BUS STOP IMPROVEMENTS

This ARRA-funded project is focused on providing ADA-related improvements to more than 450 existing bus stop locations throughout Phoenix. Through the end of June 2011, more than 350 bus stop locations have been improved under the project, which includes new shaded furniture and concrete improvements.



METRO LIGHT RAIL

Reduced number of collisions by 52 percent in 2010 vs. 2009; Generated \$371,238 in system advertising revenue; and opened first solar-cooled light rail station in downtown Phoenix with support from NRG and City of Phoenix.

CITY STAFF MEMBERS AND FTA ADMINISTRATOR

David Cavazos	<i>City Manager</i>	Nancy Steptoe	<i>Deputy Director, Regional Information Technology Services</i>
Ed Zuercher	<i>Assistant City Manager</i>		
Jane Morris	<i>Assistant to the City Manager</i>	Melissa Sweinhagen	<i>Management Assistant III, Administrative Support Services</i>
Debbie Cotton	<i>Public Transit Director</i>		
Lauri Wingenroth	<i>Assistant Director</i>	Reed Caldwell	<i>Deputy Director, Operations</i>
Kini Knudson	<i>Deputy Director, Facilities</i>	Leslie Rogers	<i>Federal Transit Administration Regional Administrator, Region IX</i>
Karl Matzinger	<i>Deputy Director, Management Services</i>		

**CITY OF PHOENIX PUBLIC TRANSIT DEPARTMENT
2010-11 BUDGET SUMMARY
For The Year Ended June 30, 2011**

	2010-11 Budget	2010-11 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget
Revenues				
Dedicated Sales Tax - T2000	\$100,667,000	\$101,378,740	\$711,740	0.7%
General Funds - Transit	15,860,004	15,860,004	0	0.0%
General Funds - Reserve-a-Ride	3,500,000	3,187,787	(312,213)	(8.9%)
Local Transportation Assistance	1,300,000	1,285,879	(14,121)	(1.1%)
Transit Federal Funds	43,368,927	24,452,839	(18,916,088)	(43.6%) (1)
Federal ARRA Funds	10,991,734	7,344,313	(3,647,421)	(33.2%) (1)
Regional Transportation Tax	35,745,109	29,618,472	(6,126,637)	(17.1%) (1)
Bus/DAR Fare Revenue	39,097,667	34,040,874	(5,056,793)	(12.9%) (2)
Rail Fare Revenue	4,895,691	6,385,517	1,489,826	30.4% (2)
Advertising	2,483,248	3,082,031	598,783	24.1% (2)
Federal Alternative Fuel Credit	3,905,968	3,287,954	(618,014)	(15.8%) (2)
Public Transit Administration Building	1,796,252	1,345,461	(450,791)	(25.1%) (3)
Interest Earnings & Other	3,317,875	9,236,778	5,918,903	178.4% (3)
Miscellaneous Grants	1,708,531	204,017	(1,504,514)	(88.1%) (1)
Other Agency Purchased Service	20,256,597	17,882,380	(2,374,217)	(11.7%) (3)
Total Revenues	\$288,894,603	\$258,593,046	\$(30,301,557)	(10.5%)
Expenditures				
Operations:				
Fixed Route Operations	\$125,209,099	\$101,353,736	(23,855,363)	(19.1%) (4)
Dial-a-Ride Operations	16,165,721	15,519,920	(645,801)	(4.0%)
Rail Operations	24,714,925	24,534,909	(180,016)	(0.7%)
Reserve-a-Ride Operations	3,500,000	3,187,787	(312,213)	(8.9%)
Administration & Support	21,662,977	19,634,450	(2,028,527)	(9.4%)
Other Agency Purchased Service	20,229,094	19,968,637	(260,457)	(1.3%)
Total Operations	\$211,481,816	\$184,199,440	(27,282,376)	(12.9%)
Debt Service	\$46,122,252	\$46,121,109	(1,143)	0.0%
Capital Projects:				
Bus and Dial-A-Ride Projects	\$58,751,424	\$15,124,902	(43,626,522)	(74.3%) (1)
Light Rail Projects	15,671,369	18,132,506	2,461,137	15.7% (1)
Total Capital Projects	\$74,422,793	\$33,257,408	(41,165,385)	(55.3%)
Total Expenditures	\$332,026,861	\$263,577,957	(68,448,904)	(20.6%)
Fund Balance July 1, 2009		\$303,902,565		
Increase/(Decrease) in Fund Balance		(4,984,910)		
Fund Balance June 30, 2010		\$298,917,655 (5)		

(1) Capital projects were delayed, delaying the reimbursements from federal grants and the regional transportation tax. Bus/DAR projects delayed were bus purchases, maintenance facilities upgrades, VMS Upgrades, and 700/800 MHz Radio Upgrades. Light Rail capital projects exceeded the budget as a result of greater than expected trailing costs for the initial segment project.

(2) Bus/DAR fare revenue variance was due to decreased ridership, rail fare revenue variance was due to increased ridership, and advertising revenue variance was due to higher than anticipated bus shelter advertising revenue. Federal alternative fuel credit revenue lower than budgeted as a result of service reductions and corresponding reduced fuel consumption.

(3) Building revenues were reduced as the result of a tenant moving out of the building. Other revenues were increased as a result of greater proceeds from the sale of assets and increased property rental revenue for properties acquired for light rail extension and prior year cost recoveries. Reimbursements for transit service sold to other agencies was reduced as a result of credits for prior year service.

(4) Operations cost variances were the result of service reductions for the elimination of the LTAF programs by the state, reduced transit service contracts and fuel costs.

(5) Fund balance is comprised of T2000 sales tax revenues, light rail bond proceeds, and net operating proceeds for the Public Transit Administration Building.

Public Transit: It's How You Get There!

*Provided online, at www.phoenix.gov/publictransit
This information can be provided in an alternate format upon request.*

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