

# CURRENT ISSUES FACING METRO OPERATIONS

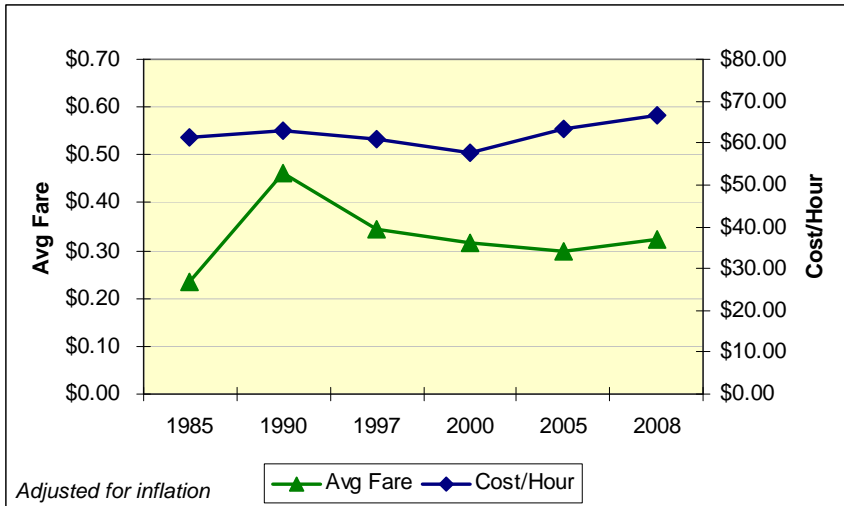
Blue Ribbon Committee

# BUDGET SHORTFALL

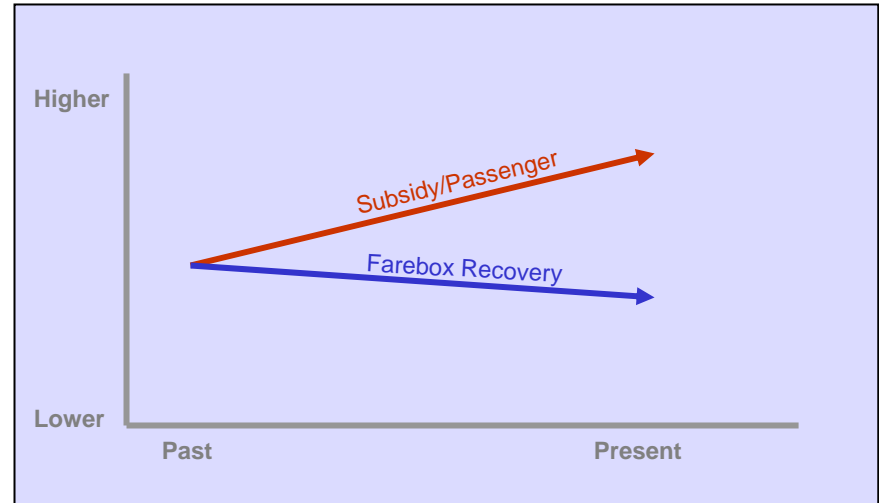
<b>Prop C 40% Discretionary FY11 Preliminary Forecast</b>		
(Amount in (000's))		
		<b>FY11 Forecast</b>
1	<b>Revenue</b>	
2	Available Fund Balance	\$30,308
3	New Revenue	232,382
4	<b>Funds Available for Appropriation</b>	<b>262,690</b>
5	<b>Expense</b>	
6	Forecast FY10 Deficit	41,667
7	Access Service for ADA Compliance	43,045
8	Metro & Municipal Bus Operations	162,130
9	Metro Rail Operations	130,704
10	Other (Debt, Regional Activities, etc.)	136,445
11	<b>Total Forecast Demands</b>	<b>513,991</b>
12	<b>Forecast PC40 Fund Balance</b>	<b>(\$251,301)</b>
	(1) Prior year reserved amounts did not include MTA reserves.	
	(2) FY10 Adopted Budget does not assume draw down of prior year allocations.	
	(3) FY10 reforecast assumes muni operators will draw down prior year allocations. FY10 Metro MOSIP provided as local match to CRDP (\$43.6 million)	
	(4) MTA prior MOSIP is reserved for bus capital in FY12.	



# FISCAL SUSTAINABILITY



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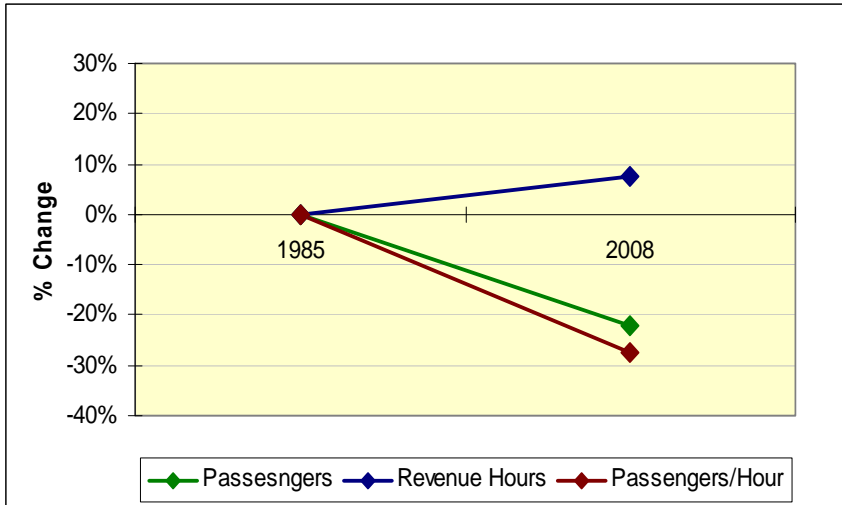
## Trend

- Operating costs have kept up with inflation
- Average fares (revenues/passenger) have declined

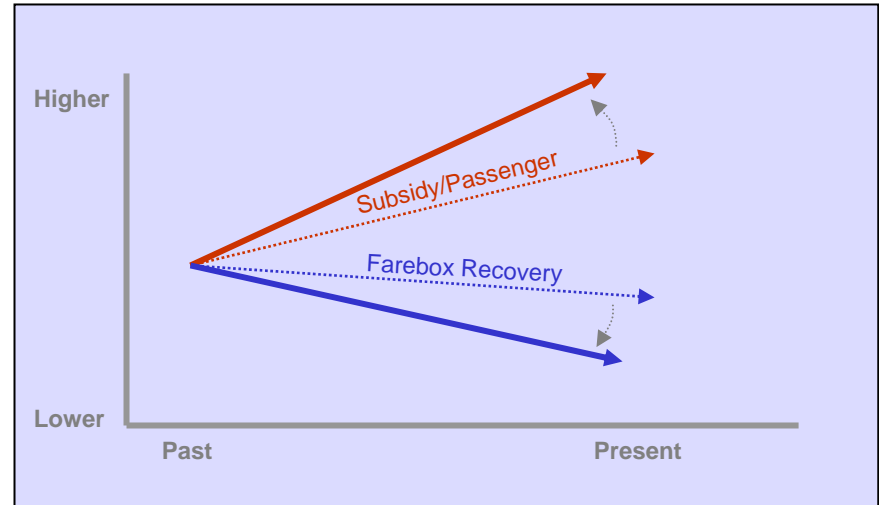
## Result

Even if service levels and ridership remain unchanged, subsidy per passenger would increase and farebox recovery would decrease

# FISCAL SUSTAINABILITY



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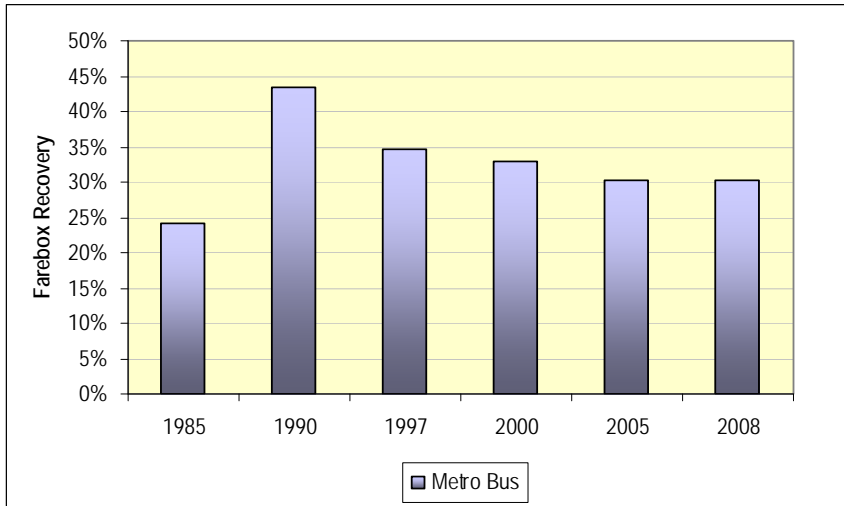
## Trend

- Metro Bus service hours have increased 7% despite a 22% decrease in passengers
- Results in a 27% decrease in productivity (passengers/hour)

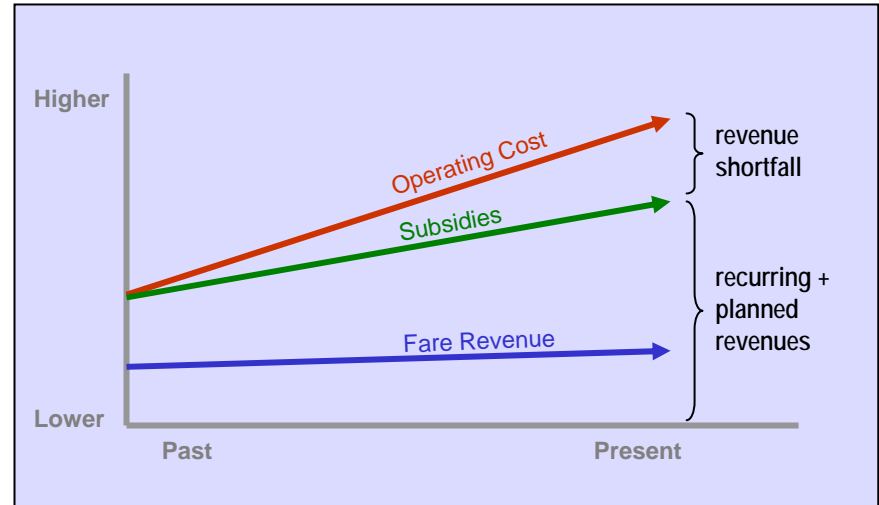
## Result

The decrease in productivity widens the division between cost and revenue, resulting in a higher subsidy/passenger and lower farebox recovery

# FISCAL SUSTAINABILITY



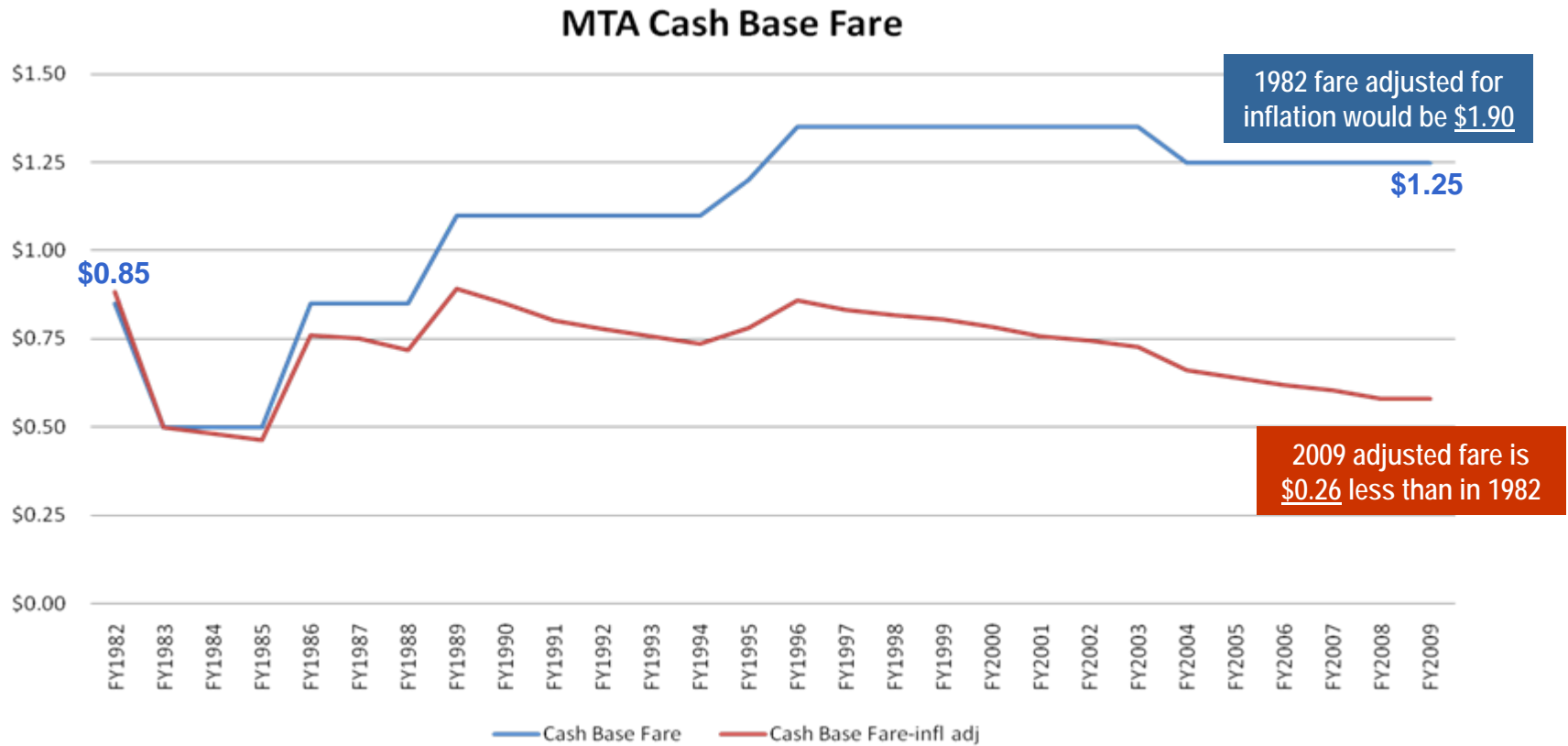
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## Trend

- Lower farebox recovery results in greater reliance on diminishing public subsidies

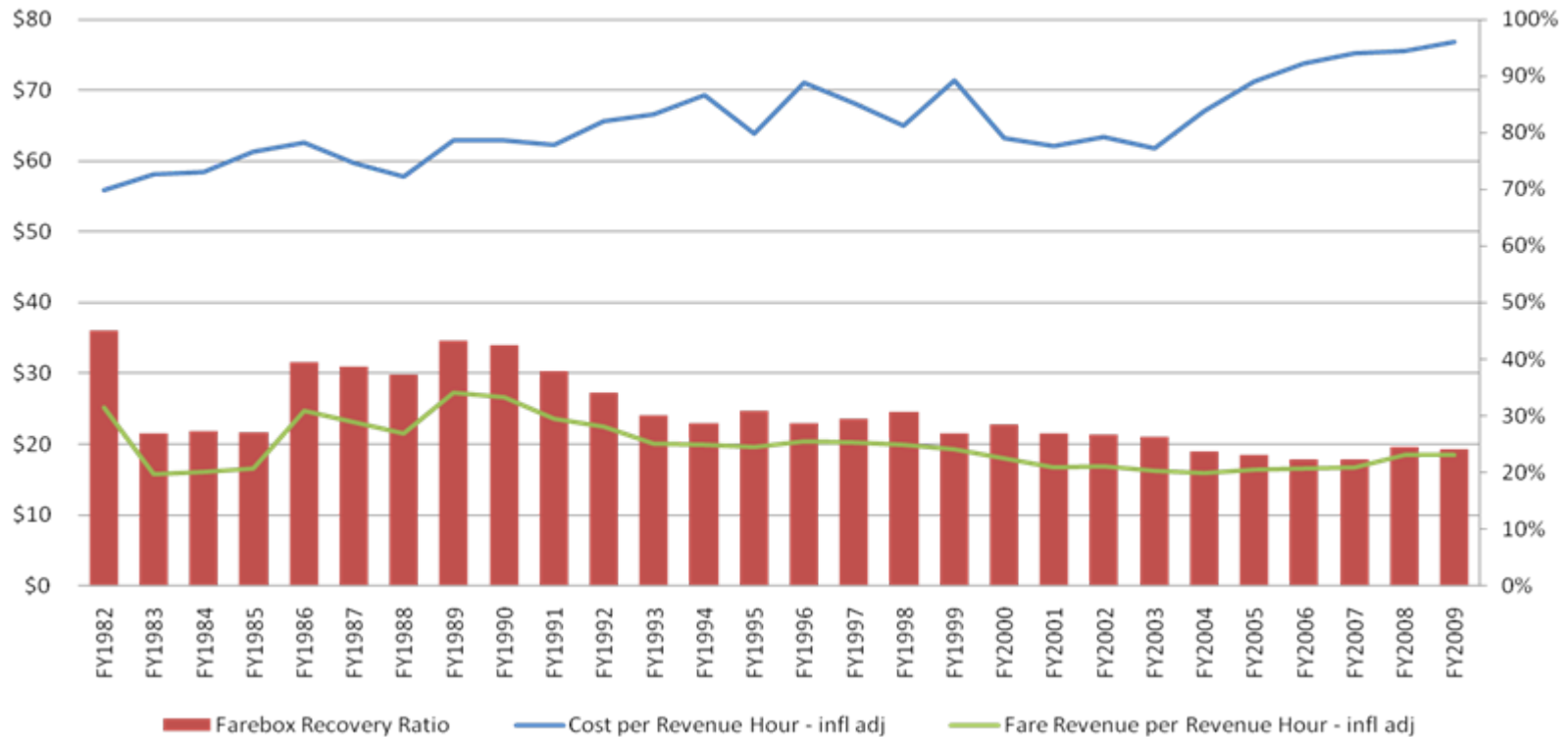
# METRO'S FARE HISTORY



- Despite rising costs, Metro's cash base fare has not kept pace with inflation.

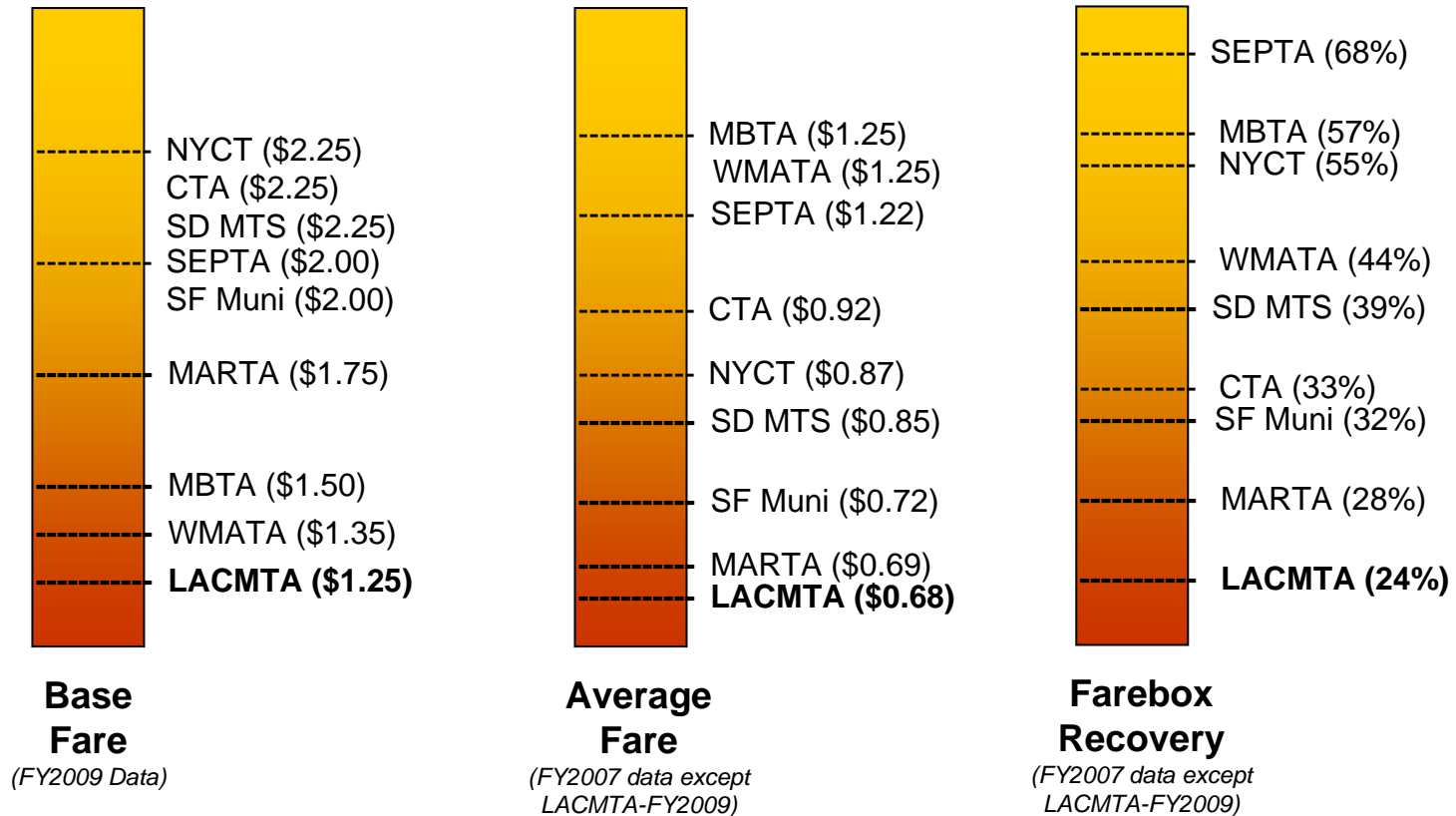
# METRO'S COST AND REVENUE TRENDS

## MTA Cost and Fare Revenue per Revenue Hour



- Adjusted cost per revenue hour has maintained/increase over inflation.
- Adjusted fare revenues per revenue hour have declined since 1989.
- Current farebox recovery (24%) is lower than during the 1980's Proposition A 50¢ fare program (27%).

# FARE REVENUE COLLECTION



- Metro's low cash base fare plus significant discounts for elderly, disabled and student riders results in the lowest average revenues per boarding among large properties.
- Metro's Farebox Recovery is one of the lowest among large properties.



# SERVICE QUALITY

**“Push”** – Riders are pushed into using transit due to external factors

**“Pull”** – Riders are attracted to transit due to competitiveness with other modes

## External Factors

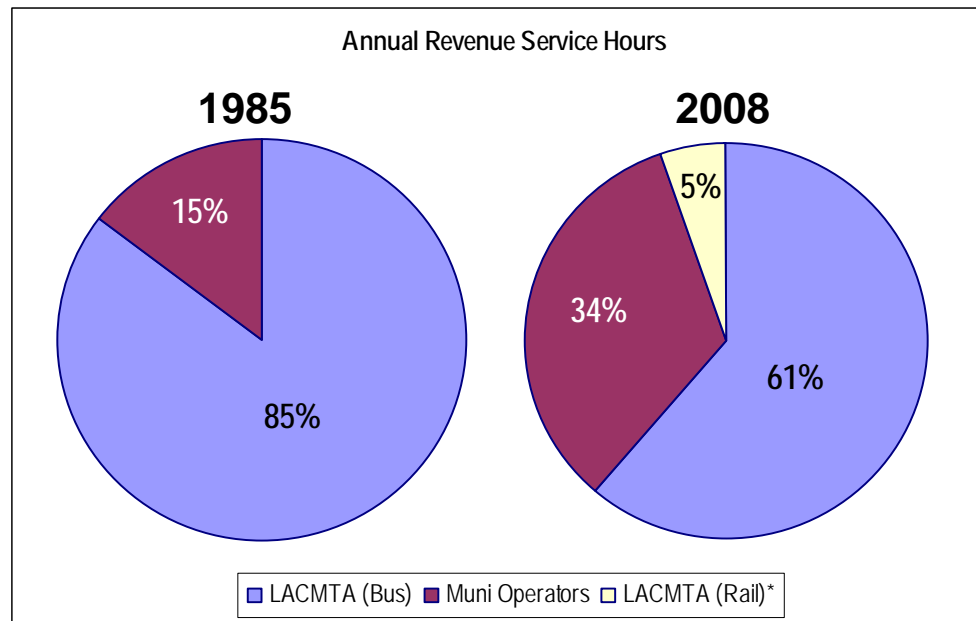
- Fuel Prices
- Traffic Congestion
- Parking Fees/Restrictions
- Auto Ownership Costs
- Transit Oriented Land Use
- No access to other travel options
- Other?



## Service Quality

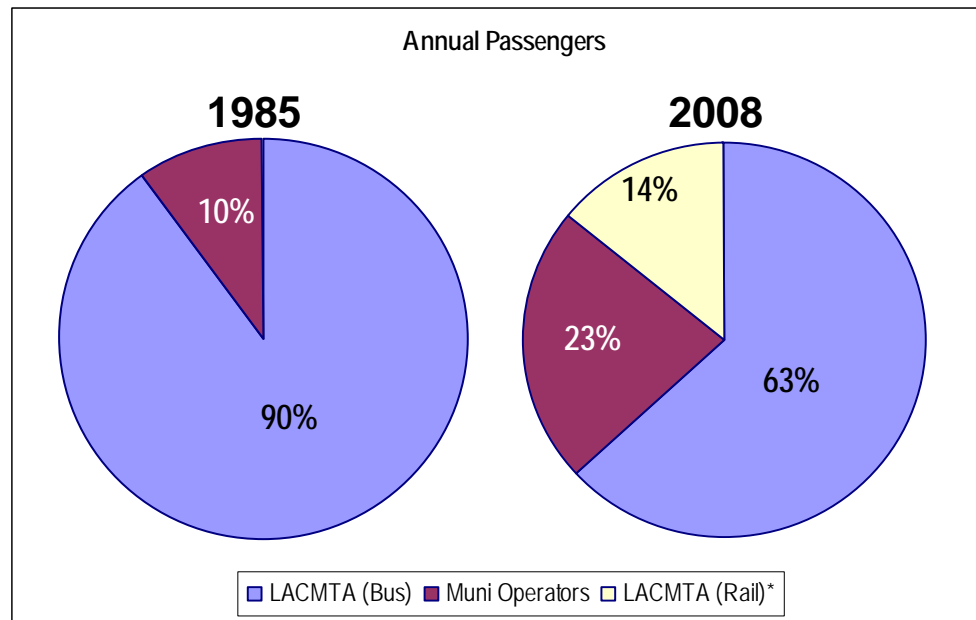
- Speed
- On Time/Reliable
- Courteous
- Clean/Safe Buses
- Clean/Safe Wait Environs
- Not too Crowded
- Ease of Use
- Other?

# REGIONAL SHIFT IN SERVICE GROWTH



- **Growth in bus service largely by municipal operators while Metro bus expanded slightly.**
- **Metro rail has expanded service and capacity significantly throughout the region.**
- **The increase in multiple operators and modes requires that the regional transit system be coordinated and developed as an integrated/transparent network.**
- **Uncoordinated services results in a loss of transit access and usability.**

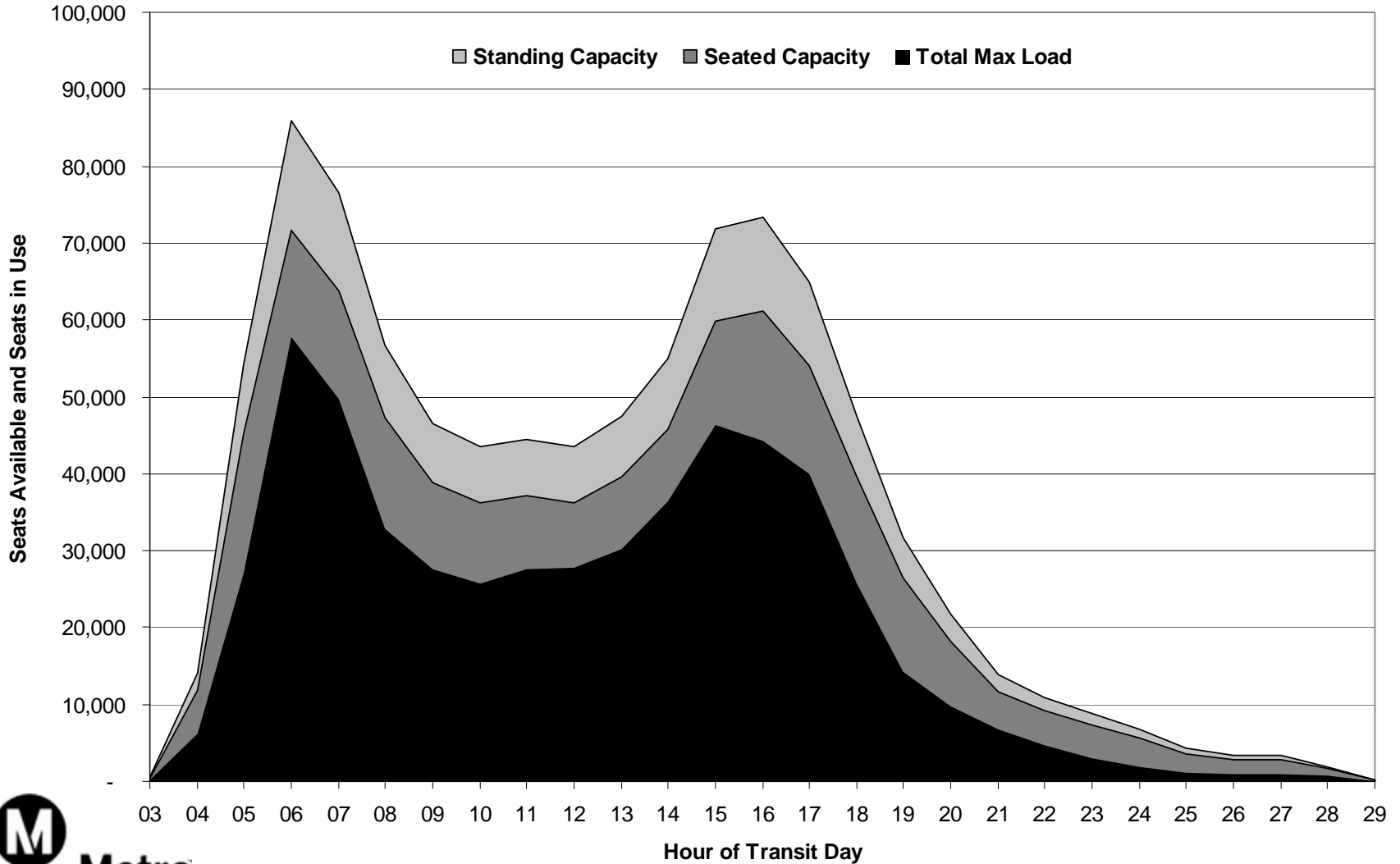
# REGIONAL SHIFT IN DEMAND



- **Shift in transit mode split with a greater percentage of riders on municipal operations and Metro Rail.**
- **While bus patronage decreased, bus service hours increased 42% from 1985, resulting in a decrease in bus productivity of 33% (passengers/rev hour).**
- **Increase in bus service hours as ridership growth shifts to rail results in excess bus system capacity and service duplication.**

# REDUCE EXCESS CAPACITY

Utilization of Directly Operated Bus Service at Peak Load Point



Metro

# BRC Meeting Topics

March

- **Transit Markets**
- **Types of Service**
- **Transit Network Components**
- **Policy choices**
  - Define providers roles/responsibilities
  - Prioritize markets served & system integration

April

- **Network Design Components**
  - Coverage
  - Density
  - Form
- **Trade offs**

May

## Service Quality Elements

- OTP
- Cleanliness
- Speed
- Access
- Transferability
- Operator Courtesy
- Safety and security
- Crowding
- Travel Time
- Bus Stops
- Info avail.

June

**Workshop**  
**Develop specific guidelines & policy choices**

July

**Draft Recommendation of BRC**

**Wrap up!**



**Metro**