

Phoenix Public Transit Department
Annual Report

FY 2012-13

Public Transit ~ It's How You Get There!



A Letter from Mayor Greg Stanton and Transportation and Infrastructure Chair Thelda Williams



Greg Stanton
Mayor



Thelda Williams, District 1
Chair, Transportation
and Infrastructure
Subcommittee



Bill Gates
District 3



Bill Gates
Vice Mayor, District 2



Tom Simplot
District 4



Daniel Valenzuela
District 5



Sal DiCiccio
District 6



Michael Nowakowski
District 7



Michael Johnson
District 8

Thank you for reading the Public Transit Department's annual report for Fiscal Year 2012-13! This report provides an overview of the services and programs operated by Phoenix as part of the Valley's regional public transit system, including services supported by Transit 2000 tax revenue, federal grants, and passenger fares.

There was a great deal of positive change this past year. We achieved crucial savings by right sourcing our budget and personnel. The Reserve-A-Ride program was modernized for customer efficiency. Light rail received a boost when we reinstated the Northwest Extension and started evaluating options to add new stops to the existing line. The North Transit Facility was overhauled to keep us in line with needed infrastructure upgrades. Regional subrecipients are benefiting from improvements to our communication methods. Keep reading for details on all of these great accomplishments.

We said farewell to a few Public Transit employees who each gave more than 20 years of service to our city. Their commitment to the public is a reflection of the entire department. We are actively grooming the next generation of Transit leaders to ensure a future of outstanding service.

We thank you for your continued support of public transportation, a vital piece of our city. Please stay tuned for project announcements and service improvements!

A Letter from the Citizens Transit Commission Chair Abraham James and Director Maria Hyatt

Welcome to the Public Transit Department's annual report! We are thrilled that you share an interest in our transit system. We hope you find this report informative and feel that it gives you an inside look at the great work being done in our public transportation system.

The Citizens Transit Commission is a council-appointed body tasked with monitoring the city's transit tax revenues and expenditures, and providing recommendations on both to the City Council. Its membership is composed of 15 volunteers, one from each council district, and includes members that represent the business community, hospitality industry and people with disabilities. This mix of perspectives is intended to help the commission fulfill its role of supporting Public Transit staff in making informed decisions on service priorities.

Every commission meeting is open to the public and you are encouraged to attend. Your input on system improvements is welcome and needed. You can learn more about the commission and view meeting information at www.phoenix.gov/publictransit.



Maria Hyatt
Interim Public Transit
Director



Abraham James
CTC Chair

CITIZENS TRANSIT COMMISSIONERS

Aaron Aylsworth
Robert Cannon
Robert Dalager
Pam Davis

John Hart
Yvonne Hunter
Shelley MacDonald
Maizie Miller
Julie Rees

Mia Ricardo
Lou Snow
Fred Tallarico
Donald Wiltshire



City of Phoenix
PUBLIC TRANSIT DEPARTMENT

DEPARTMENT OVERVIEW

Under the Valley Metro brand name, the city of Phoenix Public Transit Department provides local bus, RAPID® commuter bus, neighborhood and business circulators, Phoenix Dial-a-Ride and alternative transportation services by contracting with private companies who manage day-to-day transit operations. Phoenix Public Transit staff oversee transit administration, planning, policies, federal funding, and contract compliance, while contracted transit management companies are tasked with vehicle operation, maintenance, and responding to passenger concerns.

The Phoenix Public Transit Department is also a member of the Valley Metro / Regional Public Transportation Authority and participates in oversight of the Valley Metro light rail system.

Mission

To keep Phoenix moving through reliable, innovative transit services for our community.

Vision

The recognized leader in multi-modal transit solutions connecting people to destinations.

2012-13 Operations at a Glance

- ▶ Passenger Boardings
 - Local Bus = 38.4 million
 - Dial-A-Ride = 315,561
 - Light Rail = 8.9 million
 - Passenger Boardings Per Mile = 2.8
- ▶ On-Time Performance
 - Local bus = 93%
 - Dial-A-Ride = 91%
 - Light Rail = 95%

Revenues and Cost Savings in 2012-13

- ▶ Fare Recovery = 24%
- ▶ Grants Awarded to PTD = \$7.9 million
- ▶ Service Efficiencies = \$3 million
- ▶ Regional Cost-Recovery = \$1.6 million
- ▶ Fuel and Contract Efficiencies and Salary Savings = \$2 million

CITY STAFF MEMBERS AND FTA ADMINISTRATOR

Ed Zuercher	<i>City Manager</i>
Rick Naimark	<i>Deputy City Manager</i>
Maria Hyatt	<i>Interim Public Transit Director</i>
Kini Knudson	<i>Deputy Director, Facilities</i>
Ken Kessler	<i>Deputy Director, Management Services</i>
Jesús Sapien	<i>Deputy Director, Operations</i>
Melissa Sweinhagen	<i>Deputy Director, Support Services</i>
Leslie T. Rogers	<i>Federal Transit Administration, Regional Administrator, Region IX</i>

DEPARTMENT ACCOMPLISHMENTS

Right Sourcing

The department examined its staffing needs to assure its levels were structurally and financially appropriate. As a result, positions were reallocated in the Director's Office, Support Services and Facilities divisions. These changes resulted in savings of approximately \$1 million. Additional right sourcing opportunities will be considered throughout the next year to aid the city's goals for financial efficiency.

Subrecipient Resources

Staff noticed improvements were needed with communication from the department to regional subrecipients. Transit's phoenix.gov website was enhanced to provide documents and links related to ADA, Equal Opportunity plans, FTA Triennial, Map-21, Section 5310, Title VI and more. The information is available without need to log-in to a password enabled site. The department also started distributing a bi-weekly update for subrecipients in the region to provide information on projects, funding, trainings and special events.

Senior Center Shuttle

Two years of hard work and senior center input led to the successful transition of Reserve-A-Ride to the Senior Center Shuttle program. Reserve-A-Ride mini-bus service was first implemented more than 40 years ago to ensure seniors had transportation to and from senior centers for meals and activities. In May 2011, Public Transit staff began researching innovative and alternative methods to respond to an increasing demand for service. This led to a four-month pilot program using taxicabs during the fall of 2012 at the Desert West and Helen Drake Senior Centers. Seniors overwhelmingly preferred the cab program and the City Council unanimously approved it in June 2013. Public Transit expects to see cost savings of more than \$800,000 annually.



Fuel and Bus Procurement Strategy

Transit procured a fuel consultant in July 2012, Gladstein, Neandross & Associates (GNA), to assist with performing an analysis of alternative fuel options for its bus fleet and help with developing a long-term fuel strategy. In December 2012, GNA provided their recommendations, indicating that modern natural gas buses had the absolute lowest total cost of ownership over the life of the vehicle as compared to other alternative fuel and advanced technology vehicles. GNA further noted that compressed natural gas buses (CNG) and fuel for the transit fleet represented a clean, domestic, highly cost-effective alternative to its diesel and LNG (liquefied natural gas) counterparts. Accordingly, GNA recommended that the Public Transit Department improve its infrastructure to convert LNG to liquified compressed natural gas and that future vehicle purchases utilize compressed natural gas as a fuel source. Purchasing CNG buses and using CNG fuel will save an additional \$7 to \$10 million over a 12-year period.

Once the analysis was completed, the department began taking the necessary steps to purchase 120 new compressed natural gas buses. The purchase was approved by the Citizens Transit Commission on January 3, 2013, followed by approval from the Transportation and Infrastructure Subcommittee on January 8, 2013 and unanimous approval by the Phoenix City Council on January 30, 2013. All of the new buses are expected to be in circulation by summer of 2014. The West Transit Facility's fuel system was upgraded to accommodate the new vehicle and the North Transit Facility fuel island is currently under construction.

North Transit Facility Refurbishment



The North Transit Facility houses 120 buses which provide service for 13 routes. Critical upgrades were needed at the facility and staff were tasked with determining how the work could get completed while maintaining 24/7 operations. The department formed a seven-member team which included employees from Public Works and IT Services during the 14-month construction period. The project team devised a six-phase plan to incorporate all impacted areas. Work included roofing and underground storage tank replacements, installation of a comprehensive security and

surveillance CCTV system, new entrance and exit gates, and fuel system improvements. The refurbishment was completed on October 28, 2013. It was on-time and more than \$600,000 under budget, closing out at just over \$11M. Thanks to the hard work of the project team, Phoenix has an improved facility that can provide service for another 20 years.

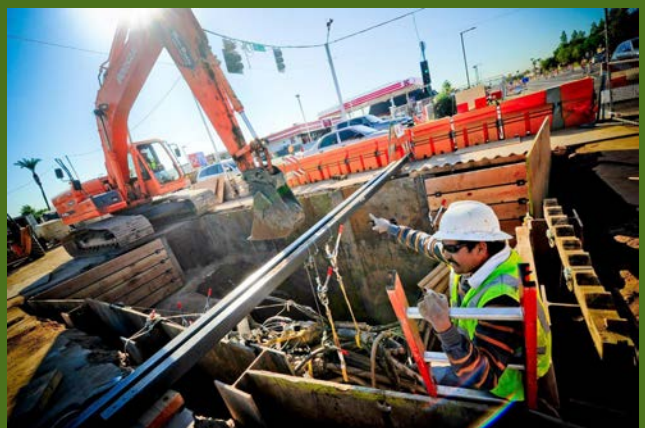
Northwest Light Rail Extension Project

The northwest segment of light rail, running from 19th Avenue and Bethany Home Road north to Dunlap Avenue, was intended to be operational by fall of 2012. The project was delayed due to declining revenue during the economic downturn. On June 20, 2012, the City Council agreed to advance \$60 million of Transit 2000 funding to Valley Metro Rail to get the first phase of the extension under way. Without this action, no light rail projects would be completed in Phoenix until 2021. Construction started in January 2013 and the extended service is expected to be operational by early 2016.



19th Avenue Connector – 19C

Transit learned many lessons during construction of the first 20 miles of light rail. It was that knowledge that led to the implementation of the 19th Avenue Connector service. The 19C travels through the northwest extension construction site, operating on a continuous loop between the 19th Ave/Montebello Transit Center and Metrocenter Transit Center. Circulator and standard size buses are used to carry passengers through an area where bus stops shift daily to accommodate the work being completed. The service is free and operates seven days a week. More than a half million boardings were logged in its first five months. The service will be available throughout construction.



Light Rail Station Feasibility Study

In February 2013, at the city's request, Valley Metro initiated a feasibility study to conduct an evaluation of adding stations to the original light rail line. The study will determine whether the addition of each proposed station meets basic criteria and also addresses cost, conceptual design and on-going operations and maintenance of the proposed stations. Site options were presented at two public meetings during May 2013 to gather community input on future areas. A detailed assessment will take place during the next fiscal year. Ultimately, the analysis will conclude with a findings report which will be the basis for determining the overall station feasibility of each site. The study is scheduled to be completed in the fall of 2014.

CITY OF PHOENIX PUBLIC TRANSIT DEPARTMENT
2012-13 BUDGET SUMMARY
For The Year Ended June 30, 2013

	2012-13 Budget	2012-13 Actuals	Amount Over/(Under) Budget	Percent Over/(Under) Budget
Revenues				
Dedicated Sales Tax - T2000	\$115,886,000	\$110,059,256	\$(5,826,744)	-5.0%
General Funds - Transit	16,234,586	16,479,576	244,990	1.5%
General Funds - Reserve-A-Ride	3,324,304	2,934,296	(390,008)	-11.7%
Local Transportation Assistance	2,100,000	4,251,312	2,151,312	N/A
Transit Federal Funds	112,211,074	84,703,116	(27,507,958)	-24.5% (1)
Federal ARRA Funds	105,577	1,323,972	1,218,395	1154.0% (1)
Regional Transportation Tax	13,505,642	15,217,638	1,711,996	12.7% (1)
Bus/Dial-A-Ride Fare Revenue	36,695,994	34,551,566	(2,144,428)	-5.8% (2)
Rail Fare Revenue	7,613,314	7,938,707	325,393	4.3% (2)
Advertising	2,983,952	3,991,534	1,007,582	33.8% (2)
Federal Alternative Fuel Credit	2,971,428	3,614,515	643,087	21.6% (2)
Public Transit Administration Building	1,155,231	1,053,530	(101,701)	-8.8% (3)
Interest Earnings & Other	3,278,323	4,883,669	1,605,346	49.0% (3)
Miscellaneous Grants	377,180	191,554	(185,626)	-49.2% (1)
Other Agency Purchased Service	27,449,089	23,386,129	(4,062,960)	-14.8% (3)
Total Revenues	\$345,891,694	\$314,580,370	\$(31,311,324)	-9.1%
Expenditures				
Operations:				
Fixed Route Operations	\$126,625,317	\$118,097,283	(8,528,034)	-6.7%
Dial-A-Ride Operations	16,271,529	16,538,787	267,258	1.6%
Rail Operations	28,773,239	22,941,963	(5,831,276)	-20.3% (4)
Reserve-A-Ride Operations	3,324,304	2,934,296	(390,008)	-11.7%
Administration & Support	8,835,498	7,431,236	(1,404,262)	-15.9%
Other Agency Purchased Service	27,449,089	23,386,129	(4,062,960)	-14.8%
Citywide Central Service Costs	390,000	750,000	360,000	92.3%
Total Operations	\$211,668,976	\$192,079,694	(19,589,282)	-9.3%
Debt Service	\$50,911,000	\$51,035,365	124,365	0.2%
Capital Projects:				
Bus and Dial-A-Ride Projects	\$107,909,657	\$84,452,542	(23,457,115)	-21.7%
Light Rail Projects	14,252,991	6,236,677	(8,016,314)	-56.2%
Total Capital Projects	\$122,162,648	\$90,689,219	(31,473,429)	-25.8%
Total Expenditures	\$332,026,861	\$263,577,957	(68,448,904)	(20.6%)
Fund Balance July 1, 2012		\$302,003,522		
Increase/(Decrease) in Fund Balance		(19,223,908)		
Fund Balance June 30, 2013		\$282,779,613 (5)		

(1) Capital projects were delayed, delaying the reimbursements from federal grants and the regional transportation tax. Bus/Dial-A-Ride 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/Dial-A-Ride 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 was higher than budget as a result of the credit being reinstated and retroactive to January 1, 2012.

(3) Building revenues were reduced as the result of a tenant moving out of the building. Other revenues were increased as a result of reimbursements for fare handling and operations support costs.

(4) Rail Operations cost variances were the result of additional preventive maintenance along with service refunds from Valley Metro Rail.

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

*This report is provided online at www.phoenix.gov/publictransit.
We are happy to provide it in an alternate format upon request.*

*Phoenix Public Transit Department
302 North First Avenue, Suite 900
Phoenix, AZ 85003*

*602-262-7242 / TTY: 602-261-8208
www.phoenix.gov/publictransit
Twitter: [@phoenixmetrobus](https://twitter.com/phoenixmetrobus)
Facebook: [cityofphoenixaz](https://www.facebook.com/cityofphoenixaz)*