

County Transit Systems (Fund 100)



FY 2010 LOBS Presentation

November 21, 2008

County Transit Systems (Fund 100) Mission



- ◆ To provide safe, reliable, clean and effective public transportation service that complements the other elements of the multi-modal transportation system in Fairfax County; and,
- ◆ To provide a cost-saving alternative to Washington Metropolitan Area Transit Authority (WMATA) Metrobus service.

Note: Fund 100 contains the County's share of operating costs for the Virginia Railway Express (VRE) as well as funds for Fairfax Connector bus service.

County Transit Systems Growth Since FY 2001



- ◆ **Growth in Expenditures:**
 - FY 2009: \$35.87 million - FY 2001: \$15.90 million
 - an increase of \$19.97 million
 - an average annual increase of 10.7%

- ◆ **Which areas have seen the most growth?**
 - South County area
 - Dulles Corridor

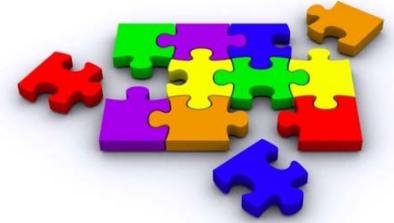
- ◆ **What factors are driving the growth?**
 - Employment and housing growth in the County
 - South County bus plan implementation and ridership
 - Dulles Corridor Express bus ridership
 - Fuel costs
 - Environmental awareness
 - Customers seeking alternatives to driving

New Programs Since FY 2001



- ◆ **What new programs has the agency added since FY 2001 that are supported by Fund 100?**
 - South County bus plan implemented in October 2004
 - South County Bus plan increased service by 50%
 - The West Ox facility will open for revenue service beginning in CY 2009:
 - Provides more optimal and effective service
 - Supports new Fairfax Connector service in Centreville/Chantilly/Oakton
 - Enables Fairfax Connector to replace non-regional Metrobus service

Agency Strategic Focus



- ◆ **Agency's overall Strategic Focus:**
 - Fund 100, County Transit Systems, is overseen by the Department of Transportation and is included as part of the Department's overall Strategic Focus, as outlined in the Department of Transportation's LOBS Presentation.
 - Fund 100 provides funding for operating and capital expenses for the Fairfax Connector bus system, comprising the Huntington, Reston-Herndon and West Ox Divisions, and also includes the County's share of the subsidy for commuter rail services operated by the Virginia Railway Express (VRE).

- ◆ **Discuss upcoming challenges and how they will impact the agency's strategic goals:**
 - Increased contract provider costs
 - Higher costs for fuel and insurance to operate the fleet
 - Increased fleet purchase costs and complexity of fleet technology associated with environmental improvement measures
 - Growing demand for alternatives to the private automobile resulting from regional congestion and rising fuel costs
 - Increasing need for more environmentally-friendly transportation solutions
 - Adverse impacts of potential service cuts on ridership and efforts to reduce congestion, improve air quality, and reduce fuel usage in the region
 - Adverse impacts of cuts on riders, particularly transit dependent populations
 - Delay in implementation of customer service and technology enhancements with reductions in available funding



LOBS Summary Table: FY 2008 Adopted Budget Plan Data

<i>Number</i>	<i>LOB Title</i>	<i>Net LOB Cost</i>	<i>LOB Number of Positions¹</i>	<i>LOB SYE</i>
100-01	County Transit System	\$36,616,913	0	0.0
TOTAL		\$36,616,913	0	0.0

¹ All positions supporting Fund 100, County Transit Systems, are funded in the General Fund, Department of Transportation.

Note: The "Net LOB Cost" figure represents only the General Fund transfer to Fund 100, County Transit Systems, in FY2008.

LOBS Highlights:

LOB 100-01: County Transit Systems

- **What We Do:** The Fairfax Connector provides safe, clean, reliable, and cost-effective public transportation service within Fairfax County and to its surrounding jurisdictions.
- **Who We Serve:** Fairfax Connector passengers represent the County's and region's diverse populations. Riders include daily commuters who prefer utilizing public transportation over private vehicles, cost-conscious individuals, ecology-minded people, and community members who are transit dependent. The Fairfax Connector provided 9.8 million passenger trips in FY2008.
- **Why We Do It:** While the Connector's primary purpose is to implement the County Vision Element of "Connecting People and Places", the system also supports all of the other Vision Elements. For instance, Fairfax Connector has been replacing its current fleet with buses that are equipped with emissions reduction equipment which comply with EPA regulations and replacing its support vehicles with hybrid vehicles in furtherance of the "Practicing Environmental Stewardship" County Vision Element. Further, the Connector system is "Exercising Corporate Stewardship" through operation of a system that provides cost-effective, safe, and reliable service with an emphasis on customer service.

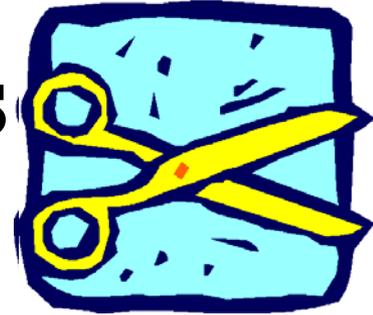
LOBS Highlights (cont.):

LOB 100-01: County Transit Systems

- **Benefits and Value of LOB:** Fairfax Connector ridership has increased each fiscal year since 2001. An increase in public transportation ridership translates into reduced single occupant vehicle trips which in turn reduces pollution and congestion. Actual performance data is strong evidence that the Fairfax Connector is succeeding in its mission of providing safe, reliable, clean, and effective service. Performance measures for the previous 5 months compared to the same time period one year ago are below:

	4/07 - 8/07	4/08 - 8/08
Ridership	4,167,894	4,516,988
Adverse Customer Comments	498	407
Average Passenger per Revenue Hour	21	23
Average Passenger per Revenue Trip	18	20

Fund 100 Reduction Priorities



Reduction Philosophy

- ◆ The General Fund transfer to Fund 100, County Transit Systems, is used to partially fund the operating costs of the Fairfax Connector bus system and also to cover the County's financial contribution for Virginia Railway Express (VRE).
- ◆ In calculating needed bus service cuts to offset a 15% reduction in the General Fund transfer to Fund 100, it was assumed that the FY2010 VRE contribution would remain constant at its FY2009 level. Following development of the FY2010 VRE Budget, the County's VRE payment will be set as stipulated in the VRE Master Agreement. A lower VRE payment in FY2010 will reduce the level of service cuts required from the Fairfax Connector system to achieve a 15% General Fund transfer reduction.
- ◆ Fare increases proposed to take place on January 4, 2009, have been assumed in the calculations on the following pages.

Reduction Calculations

SUMMARY FY 2010 and FY 2011 GENERAL FUND PROJECTION

	FY 2010	FY 2011
Projected Expenditures	\$82,300,000	\$88,500,000
General Fund Transfer	\$24,979,216	\$24,979,216
Revenue Projection	\$48,000,000	\$36,000,000 *
SHORTFALL	\$9,300,000	\$27,500,000
Revenue Hour Reduction:	86,479 ¹	243,542 ²
% Reduction in Hours	14.0%	38.6%

¹ Based on a direct revenue hour rate of \$107.54.

² Based on a direct revenue hour rate of \$112.92.

* FY 2011 revenue reductions due in part to: elimination of the Dulles Grant equal to \$6,645,000; elimination of state aid equal to \$12,000,000.

- The County provides buses, ancillary equipment, and facilities to private contractors who supply the labor and day-to-day management of the bus service. Some of the other costs include fuel, telephone information center, the Connector stores, insurance and customer information. The costs and revenues associated with these efforts are included in this LOB.

- A separate LOB entitled Transit Services in the FY 2008 Department of Transportation General Fund budget includes the County staff responsible for carrying out the County's portion of the FAIRFAX CONNECTOR's responsibilities to include bus operations, planning and marketing activities.

Reduction Calculations Cont.

PROJECTED TOTAL COSTS FOR FY 2010 & 2011
 FY 2010 BASED ON ESTIMATED SYSTEM REVENUE HOUR RATE 15% ABOVE
 FY 2009 REVISED SYTEM AVERAGE REVENUE HOUR RATE

FY 2010	REVENUE HOURS	SYSTEM RATE FY 2010	PROJECTED COSTS FY 2010 (rounded to 100,000's)	REVENUE HOURS	SYSTEM RATE FY 2011 ¹	PROJECTED COSTS FY 2011 (rounded to 100,000's)
Revenue Hours	617,875	\$120.61	\$74,500,000	630,875	\$126.64	\$79,900,000
West Ox Facility Operating Costs *			\$4,300,000			\$4,700,000
Metrobus Fuel Costs			\$3,500,000			\$3,900,000
TOTAL FY 2010	617,875		\$82,300,000	630,875		\$88,500,000

* Includes facility costs independent of Metrobus fuel cost recovery and Metrobus credits.

¹ System rate reflects a 5% estimated increase over FY 2010.

GENERAL FUND TRANSFER AND ASSOCIATED FY 2010 & FY 2011 REDUCTIONS

	FY 2009	15% REDUCTION	FY 2010	FY 2011
General Fund Transfer: Connector	\$30,359,278		\$24,979,216	\$24,979,216
General Fund Transfer: VRE**	\$5,507,805		\$5,507,805	\$5,507,805
TOTAL	35,867,083	\$5,380,062	\$30,487,021	\$30,487,021

** Assumes VRE contribution will remain flat.

PROJECTED COSTS NOT FUNDED THROUGH GENERAL FUND TRANSFER FY 2010 & FY 2011

FY 2010	EXPENDITURE
FY 2010 net costs	\$82,300,000
General Fund Transfer ***	\$24,979,216
NEED OUTSIDE FUNDING	\$57,300,000

FY 2011	EXPENDITURE
FY 2011 net costs	\$88,500,000
General Fund Transfer ***	\$24,979,216
NEED OUTSIDE FUNDING	\$63,500,000

*** Reflects 15% reduction from FY 2009 level in General Fund transfer.

Reduction Calculations Cont.

ESTIMATED NET REDUCTION IN REVENUE FY 2010 & FY 2011

REDUCTIONS	FY 2010
General Fund	(\$5,380,062)
Revenue Loss from Route Reductions	(\$1,582,816)
Richmond Highway Grant	(\$800,000)
TOTAL	(\$7,800,000)

REDUCTIONS	FY 2011
General Fund	(\$5,380,062)
Dulles Grant	(\$6,600,000)
State Aid	(\$12,000,000)
TOTAL	(\$24,000,000)

PROJECTED REVENUE INCREASE (subject to BOS concurrence)

INCREASES	FY 2010
Fare Increase Connector	\$2,675,000*
TOTAL	\$2,675,000

* Fare Increase is included in FY2010 revenue estimate per DMB.

Service Reduction Approach

In identifying service reductions, staff has attempted to identify the routes which would have the least effect on overall ridership while also trying to minimize the impacts on at-risk populations.

- ◆ Discontinue service on selected routes on minor holidays.
- ◆ “Thin” service frequencies on non-core routes.
- ◆ Identify duplicative service with Metrorail, Metrobus, and/or Connector.
 - Is there another option available for these passengers?
- ◆ Apply Performance Criteria to Identify Weakest Performers
 - Use total passenger standard for all services (weekday, Saturday, and Sunday/Holiday)
 - Performance Measures
 - Average ridership per type of day
 - Average ridership per trip
 - Average ridership per revenue hour
- ◆ Consider Impacts on At-Risk Populations
 - Service reductions would adversely impact at risk populations
 - Low 0% to 25%
 - Medium 26% to 50%
 - High Greater than 50%
- ◆ Other Actions
 - Apply Performance Criteria to Non-Regional Metrobus Routes
 - Separately, Metro is reviewing Regional

Agency Reduction Priorities

Reduction Summary

Priority Ranking	Reduction Description	Positions	SYE	Net Reduction *
1	Reduction in Fairfax Connector Service	0	0.0	\$7,717,184
TOTAL REDUCTION		0	0.0	\$7,717,184

* Net reduction is equal to revenue shortfall minus fare revenue loss from service reductions.

Note: Due to projected increases in Fairfax Connector Service's operating costs (such as the rate increases anticipated with a new service provider contract) over FY2009 levels, a net reduction of \$7,717,184 in bus service (or 86,479 service hours) is needed in FY2010 to achieve a \$5,380,062 (15%) reduction in the General Fund transfer to Fund 100 unless other (non-General Fund) revenues are identified. An additional reduction of approximately 25,000 service hours would have been needed had bus fare increases, proposed to go into effect on January 4, 2009, not already been included in the calculations.

LOBS Reduction Impact



Reduction 1: Reduced Fairfax Connector Service

LOB #: 100-01

- ◆ Provide total net reduction and position reduction of **LOB Reduction: \$7,717,184**
- ◆ To achieve the requested General Fund transfer reduction, the Fairfax Connector has to cut revenue hours, thereby reducing bus service in the County.
- ◆ This reduction would reduce the number of passenger trips provided by the Fairfax Connector system with a resulting reduction in passenger revenues.
- ◆ Passenger complaints per 100,000 riders would likely increase as a result of the service reductions.

LOBS Reduction Impact



In the table below, 6 categories of potential bus service cuts have been identified for the Board's consideration. To achieve a 15% reduction in the General Fund transfer to Fund 100 in FY2010, an estimated 86,479 hours would need to be cut. Additional hours have been shown in the table to provide the Board with some options for making cuts to minimize the impacts across the County.

FY2010 Service Reductions

Category /Priority		Annual Passenger Trips	Annual Hours	Direct Cost	Revenue Loss
1	Less than Major Holidays	412	331	\$35,547	\$445
2	"Thin" Frequencies on Non-Core Routes	522,215	11,748	\$1,263,432	\$286,229
3	Duplicative Service	241,178	13,606	\$1,463,178	\$535,369
4	Performance Criteria - Low Impact to At-Risk Population	359,197	30,801	\$3,312,340	\$228,449
5	Performance Criteria - Medium Impact to At-Risk Population	684,610	47,178	\$5,073,492	\$433,517
6	Performance Criteria - High Impact to At-Risk Population	139,820	26,088	\$2,805,504	\$98,806
Annual Estimate		.	129,752	\$13,953,492	\$1,582,816

- 1: Less than major holidays include Martin Luther King Day, President's Day, Columbus Day, Veteran's Day and Day after Thanksgiving.
- 2: Routes that run more service than required by ridership.
- 3: A bus route that runs parallel to an alternative in public transportation. Service is provided in some other mode comparable in service level.
- 4, 5 and 6: Criteria is based on: % of income less than \$30,000/year, % of riders with no automobile, % of riders with no other means for making trip. A weighted average is calculated and the following percentages are applied:
 - Low Impact: 0% to 25%
 - Medium Impact: 26% - 50%
 - High Impact: greater than 50%

Questions and Answers



COUNTY TRANSIT SYSTEM FUND 100
FY 2010 LOBS PROPOSED SERVICE REDUCTIONS FOR FAIRFAX CONNECTOR
NOVEMBER 21, 2008

Category 1	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
Less than Major Holidays	380	Lee	Weekday	30	Yes	Metrorail	0.6	1.3		112	30	112	
	585	Hunter Mill	Weekday	80	Yes	553, 557, RIBS	3.5	3.5		115	80	227	
	980	Hunter Mill	Weekday	754	Yes	950	9.1	14.5		104	302	331	40% reduction
TOTAL										331	412		

Category 2	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
"Thin" Frequencies on Non-Core Routes	RIBS 1, 2, 3, 4	Hunter Mill	Saturday	1,480	N/A		12.0	12.0	65%	2,534	345,113	2,865	40% reduction
	505	Hunter Mill	Weekday	1,115	N/A		11.0	22.5	34%	2,500	56,850	5,365	reduce service by 10 hrs/day
	RIBS 1, 2, 3, 4	Hunter Mill	Weekday	2,358	N/A		17.5	17.8	65%	6,714	120,253	12,079	20% reduction
TOTAL										11,748	522,215		

Category 3	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
Duplicative Service	425	Providence	Sunday	86	Yes	28 A/B, 2T	5.2	9.5	39%	856	4,902	12,935	eliminate
	425	Providence	Saturday	142	Yes	28 A/B, 2T, 3T	4.6	8.1	39%	790	7,526	13,725	eliminate
	597	Hunter Mill	Weekday	252	Yes	Metrorail	31.6	31.7	7%	2,910	63,000	16,635	eliminate
	595	Hunter Mill	Weekday	270	Yes	Metrorail	25.3	32.8	4%	3,450	67,500	20,085	eliminate
	380	Lee	Weekday	393	Yes	Metrorail	11.0	23.7	6%	5,600	98,250	25,685	eliminate
TOTAL										13,606	241,178		

COUNTY TRANSIT SYSTEM FUND 100
FY 2010 LOBS PROPOSED SERVICE REDUCTIONS FOR FAIRFAX CONNECTOR
NOVEMBER 21, 2008

Category 4	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
Performance Criteria - Low Impact to At-Risk Population	VRE EZ												
	BUS	Braddock	Weekday	40			3.4	5.3	N/A	3,700	10,000	29,385	eliminate
	556	Hunter Mill	Weekday	71			3.6	7.0	13%	2,619	18,105	32,004	eliminate
	304	Mt. Vernon	Weekday	157			9.2	11.6	24%	3,455	40,035	35,459	eliminate
	305	Mt. Vernon	Weekday	185			11.6	21.5	9%	2,197	47,175	37,656	eliminate
	303	Lee	Weekday	205			4.8	12.2	25%	4,297	52,275	41,953	eliminate
	922	Dranesville	Weekday	207			7.4	9.6	25%	5,511	52,785	47,464	eliminate
	553	Hunter Mill	Weekday	227			14.2	17.9	10%	1,537	23,154	49,001	40% reduction
	557	Hunter Mill	Weekday	298			19.9	23.6	8%	1,367	30,396	50,368	40% reduction
585	Hunter Mill	Weekday	400			14.3	23.4	7%	2,340	40,800	52,708	40% reduction	
301	Lee	Weekday	436			9.5	11.7	24%	3,778	44,472	56,486	40% reduction	
TOTAL										30,801	359,197		

Category 5	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
Performance Criteria - Medium Impact to At-Risk Population	307	Mt. Vernon	Weekday	29			0.7	1.6	43%	4,832	7,395	61,318	eliminate
	952	Hunter Mill	Weekday	170			9.4	13.6	30%	3,170	43,350	64,488	eliminate
	929	Hunter Mill	Weekday	179			10.0	10.9	35%	4,182	45,645	68,670	eliminate
	306	Mason	Weekday	200			16.7	16.4	46%	3,100	51,000	71,770	eliminate
	402/403	Hunter Mill	Weekday	213			11.8	20.2	30%	2,692	54,315	74,462	eliminate
	951	Hunter Mill	Weekday	261			13.7	22.2	30%	3,004	66,555	77,466	eliminate
	109	Lee	Saturday	274			8.3	16.7	45%	853	14,248	78,319	eliminate
	924/926	Dranesville	Weekday	275			6.9	17.0	37%	4,131	28,050	82,450	eliminate
	927	Hunter Mill	Weekday	280			9.3	18.3	33%	3,900	71,400	86,350	eliminate
	101	Mt. Vernon	Weekend	387			13.0	26.0	37%	1,639	20,124	87,989	eliminate
	505	Hunter Mill	Weekend	396			6.2	12.4	34%	3,556	20,592	91,545	eliminate
	231/232	Lee	Weekday	551			12.0	12.6	30%	4,449	56,202	95,994	40% reduction
	109	Lee	Weekday	790			13.9	27.0	45%	4,211	80,580	100,205	40% reduction
101	Mt. Vernon	Weekday	1,227			23.2	31.1	37%	3,459	125,154	103,664	40% reduction	
TOTAL										47,178	684,610		

Category 6	Route	Principal Magisterial District	Type of Service	Average Number of Passengers by Type of Service	Alternative Service Available	Option Available	Riders per Trip	Riders per RH	At Risk Population Impact	Annual Revenue Hours Realized	Annual Passenger Impact	Cumulative Revenue Hours	Specific Service Reduction
Performance Criteria - High Impact to At-Risk Population	574	Hunter Mill	Weekend	282			9.6	9.6	58%	3,163	14,664	106,827	eliminate
	RIBS 4	Hunter Mill	Sunday	344	RIBS 1, 2, 3		22.9	22.9	67%	854	19,952	107,681	eliminate
	605	Hunter Mill	Weekend	369			14.4	15.8	58%	2,742	7,675	110,423	40% reduction
	161/162	Lee	Weekend	424	151/152		12.5	13.0	53%	3,588	22,048	114,011	eliminate
	331/332	Lee	Weekday	563			11.5	9.2	56%	6,500	57,426	120,511	40% reduction
	310	Lee	Weekend	868			23.2	16.8	58%	2,270	18,054	122,781	40% reduction
	321/322	Lee	weekend	986			28.5	16.9	56%	6,971	20,509	129,752	40% reduction
TOTAL										26,088	139,820		