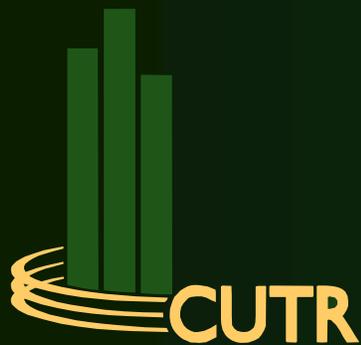


Lessons Learned in Transit Efficiencies, Cost Reductions, and Revenue Generation – FTA Region IV Meeting

**National Center for Transit Research
University of South Florida**

May 29, 2008

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Study Objective

- **Identify cost saving and revenue generation techniques that produce the least harm to passengers**
- **Share the information gained with the entire transit industry**
- **“People seldom improve when they have no other mode but themselves to copy after.”**

Methodology

- **Written survey sent to over 150 transit agencies**
- **Direct phone calls and email contacts**
- **Literature/Internet Research**

Results of Surveys

- **Information gained from over 100 agencies**
- **Over 230 unduplicated ideas were submitted**
- **Some common themes are recognizable among the hundreds of techniques**

Theme 1: Utilizing Your Assets

“You miss 100% of the shots you don’t take.”

➤ **Recognizes transit’s unique assets that have value to others:**

- **Equipment**
- **Facilities**
- **Passengers**
- **Employees**

Revenue generation from equipment

- Ads on buses, rail cars, & supervisor cars
- Sell access to brake lathe equipment
- Becoming a warranty center for vehicle repairs
- Cleaning other vehicles with bus wash equipment
- Charging the film industry for access to vehicles used during shoots
- Selling naming rights to vehicles

Revenue generation from facilities

- Shared use of transit centers
- Leasing air rights over transit centers and joint development
- Maintaining other agency vehicles at transit garages
- Renting spare office space
- Leasing ROW for telecommunications
- Advertising on buildings, in tunnels, on shelters, benches, stations, trash cans, etc.

Employees as revenue generating assets

“The real risk is doing nothing”

- **Charging others for your staff expertise (CDL training, hazmat handling, planning, bus simulator training, international consulting)**
- **Sale of ads on employee pay stubs**
- **Gainsharing incentive plans**
- **Using part-time operators to provide other public services**

Passengers as revenue generating assets

- **Paying for the right to access your passengers:**
 - **Sale of newspapers on bus/at terminals**
 - **Providing discount booklets for products**
 - **Private companies sponsor system for a day**
 - **Ads on passes, schedules, system maps**
 - **Free installation of video monitors on buses to provide information and ads on buses**

Theme 2: Partnerships

“All acts performed in the world begin in the imagination”

- **The range of partners is expanding beyond the traditional federal and state actors**
- **Partners can be public or private and help leverage limited funds**
- **They help make the transit agency more relevant in the community**
- **Transit should initiate more contact**

Examples of public agency partners

- **BCT has partnered with cities for local circulator services**
- **Many transit systems partner with universities**
- **Some transit agencies partner with local school systems**
- **DDAs, military bases, and parking authorities fund transit**

Examples of private partners

- **Business parks, hospitals, museums, hotels, and shopping districts help fund service**
- **Utility companies fund infrastructure**
- **BCT gets developer contributions through concurrency management**
- **Partnership Programs in Fredricksburg encourage employers to join for a fee and get benefits of membership.**

Theme 3: Cooperation

“If we cannot invent, we may at least improve.”

- **Cooperation can help reduce costs for numerous activities and demonstrate good stewardship of public funds**
- **Transit agencies can cooperate with other transit agencies or with other public entities**

Cooperation with other transit agencies

“Opportunities multiply as they are seized”

- **Joint purchase of fuel, fareboxes, buses, drug and alcohol testing, insurance, etc.**
- **Piggyback on other agencies' purchases**
- **Florida Public Transportation Association's Finance Corporation**

Cooperation with other entities

- **Joint purchasing of electricity and prescription drugs through consortium of public agencies**
- **Votran shared school board operations center to reduce deadhead costs**
- **Agreements with sheriff to have community service employees clean transit facilities and jail inmates clean buses**

Cooperation with other entities

- **Tri-Met's bus stops are maintained by community groups, saving \$658,000 annually**
- **Miami-Dade Transit uses Goodwill Industries to clean the interior of their buses**
- **The "Illinois Funds" provides investment alternatives for competitive rates of return with full liquidity**
- **Volunteer "Transit Ambassadors" in Napa Valley work one on one with new riders and help in the office and at events**

Cooperation with labor

- **CDTA established a weekend part-time workforce, guaranteeing full time operators weekends off and saving \$600,000 per year**
- **DART changed PTO to allow up to 29 total PTO days a year; all unused time is bought at the end of each year, saving over \$1 million dollars**
- **Lynx's Mentor program reduced turnover for first-year drivers from 50% to 8% at no cost**
- **GCRTA incentive program pays bonuses every 6 months based on 8 criteria. Reliability rose 3-fold, and 5 of 8 criteria were met.**

Theme 4: Service Planning, Marketing, or Delivery Methods

“Human salvation lies in the hands of the creatively maladjusted.”

- **Transit systems must become more disciplined and creative**
- **One size doesn't fit all. Find the right niche, and be bold**
- **Competition is good**
- **Fares and passes matter**

Careful Resource Allocation Decisions

- Review of deadhead from 4 divisions saved Maryland \$500,000 annually
- San Diego carefully reviewed scheduling and runcutting practices to remove runs based on “folklore” rather than contract
- Tri-Met has Board-adopted Service Standards that examines boarding rides per vehicle hour that helps shift resources from low ridership routes to high ridership routes

Modified Service Delivery Methods

- **Fort Worth replaced express buses with vanpools and reduced expenses from \$9 per passenger to \$1.25**
- **RTD modified fixed route to Call & Ride with small vehicles. Passengers call operators directly by phone. Productivity increased from one passenger an hour to four per hour.**

Competitive Procurement of Service

- **Indianapolis retains 25% of Metro's funding and uses it to bid out routes. The process forced negotiations with the union resulting in 15% savings**
- **Snohomish has saved \$9.4 million over five years through contracting out all commuter bus service**

Mainstreaming Paratransit Users

- **Sunline Transit combined 3 paratransit subscription routes into one community route and saved \$40,000 per year.**
- **MDT allowed STS certified passengers to use fixed route for free, decreasing STS trips by 10% and saving \$884,000**
- **ECCTA requires all paratransit applicants who submit incomplete applications to come to the office for functional testing. 80% of these applicants are found to be ineligible for ADA**

Marketing and Fares

- **All-Day passes at PSTA increased ridership 6% and farebox revenues by 16%.**
- **Livermore implemented a deep discount pass program after raising base fares, increasing ridership 15% and farebox revenues 16%**
- **Community Transit in York, PA changed their name to "Rabbit Transit" with all themes consistent with it. Ridership increased 17%.**



Theme 5: Maximizing Capital Budgets

**“In great straits, and when hope is small,
the boldest counsels are the safest”**

- **Strategic use of capital reduces costs**
- **Increasing cases of high tech solutions,
but low tech counts, too**
- **Right size the fleet and facilities**

Use of New Technology

- **PAT claims new computer scheduling systems saves \$4 million a year**
- **WMATA's new call center with audio text interactive voice response provides 24 hour service and handles an additional 1.4 million calls, a 50% increase at no additional cost**
- **Automated Passenger Counters helped JTA achieve 5% efficiencies in service hours**
- **Ann Arbor's GIF Trim farebox units reduce costs of printing transfers and eases bus operators' stress by reducing arguments and saving time on issuing transfers**



Low-Tech Techniques

- **RTC replaced existing concrete and wood benches with low-maintenance metal grate benches**
- **MUNI and MDT have reduced injuries due to assaults on bus operators through installing clear operator enclosure gates**
- **Tri-Met installs sandblasted glass panels in transit shelters to minimize scratchiti, saving \$100,000 annually**

Other Capital Cost Savings

- An additional PalmTran operations center has reduced deadhead costs by \$800,000 a year
- ECAT saves tens of thousands of dollars in deadhead and in driver relief by having their operations center near main terminal
- Energy saving features in their new facility saved Metro Minnesota \$90,000 in rebates due to efficient boilers, natural day-lighting, and sensor-operated light fixtures

Other Capital Cost Savings

- **Hampton Roads Transit's aluminum wheels on 39 buses provide \$70,000 in savings due to increased brake life and fuel economy, less heat-related tire damage, & zero painting costs**
- **Community Transit claims synthetic transmission fluid doubles intervals between fluid changes, and transmission retarders have doubled brake life.**

Theme 6: Improved Management of Internal Resources

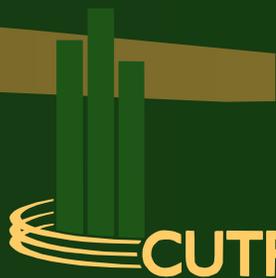
- **MARTA offered early retirement to 206 people and is netting \$3 million in annual savings even though some have been retained on a contract basis (no benefits paid)**
- **Hampton Roads Transit was formed by merging TRT and Peninsula Transit, saving over \$500,000 in staff and other duplicative contracts. Gained more political clout.**

Outsourcing or Retaining Functions

- **Tri-Met eliminated a \$25,000 contracted fire inspection fee by paying for one of its own mechanics to be trained and certified by insurance company to perform this function**
- **SCAT contracts fleet maintenance to free it from hiring, training, and supervising a staff of mechanics, as well as bidding and purchasing parts**

Improved Methods of Procurement

- **Connecticut Transit used a broker who analyzed benefits, bidding coverages, and negotiated rates with various providers to save \$700,000 annually with no less benefits**
- **Pierce Transit scans the Internet when buying new computer equipment, purchasing hardware at auction from failed dot.coms that is still new and under warranty**



Managing Large Expenses

- **ECCTA pays no postage for mail sent to people with disabilities**
- **Citifare gives bonuses to people who do not cancel or no-show (one free trip for every 50 taken); and they suspend those with 6 no-shows in a 90 day period, who are invoiced for trips missed. No shows decreased from 4.9% of all trips to 2.1% and cancelled trips decreased 9%.**
- **PACE transferred the liability for all workers compensation and auto liability claims to an insurance company through a competitive proposal process saving \$1.9 million**



Reengineering Internal Processes

- **Houston METROLINK is an Internet subscription service that provides route and schedule information via email. The agency saved \$90,000 a year in printing costs by reducing the number of schedules from 17 million to 13 million**
- **RTD established a “One-Stop-Job –Shop” for hiring new operators and mechanics. They now review motor vehicle record, complete the application, test, interview, administer drug screen, authorize criminal background check, and send for DOT physical all in one day.**

For the full report go to:

www.nctr.usf.edu

Rare Sources of Financial Support

- Broward County has pioneered Transit Oriented Concurrency Management
 - No more road impact fees
 - Districts
 - Level of Service Standards
 - Proportionate Share Payments
 - Assess developers at building permit stage
 - \$3.8 million annually for transit operations

Rare Sources of Financial Support

➤ Parking Revenues to support Transit

- Chattanooga supports 70% of transit operations through downtown parking revenue
- The Mass Transit agency and Parking Authority in Cedar Rapids were combined, saving \$1.2 million in local taxes. Parking revenues are used for transit, and parking and transit are planned strategically.
- Miami Beach and Santa Barbara have supported local circulators with parking revenue

Rare Sources of Financial Support

➤ Vehicle Registration Fees

Transit Authorities in Triangle Park, NC collect between \$5 and \$20 per annual vehicle registration to provide the bulk of their operating funds

Questions?

➤ For more information, contact Joel Volinski at:

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