



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Public Hearing to Consider Resolution Modifying Transit Budget and Authorizing City Manager to Implement Modifications

**MEETING DATE:** October 21, 2009

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Conduct a public hearing to consider a resolution modifying the Transit budget and authorizing the City Manager to implement the modifications.

**BACKGROUND INFORMATION:** As a result of recent actions related to adoption of the California State Budget, San Joaquin County Council of Governments staff has instructed local transit operators to reduce their Fiscal Year 2009/10 Transportation Development Act (TDA) revenue estimates by 20 percent. Federal revenue levels will remain the same as in the previous fiscal year. As a result, Lodi Transit revenues are expected to be \$443,775 less than projected in the current budget.

Transit service costs overall have been operating at lower than the budgeted level for the first four months of this fiscal year. As a result, operations costs through October are on track to come in approximately \$70,000 below budget estimates. It is estimated the recommended service modifications will result in additional operation savings of approximately \$50,000. This leaves a remaining projected deficit of \$323,775 (\$443,775 - \$70,000 - \$50,000) that must be offset by service reductions over the next eight months. It is crucial that quick action be taken to implement changes by November 1, 2009, in order to minimize the severity of service reductions.

There are no undesignated reserves within the Transit Fund available for operations. An alternative to service reductions is to use General Fund revenues to cover all or part of the projected deficit. This is not a recommended alternative. Exhibit A provides the projected revenues, expenditures, and financial statistics for Fiscal Year 2009/10. The subsidy per passenger on the Fixed Route service is \$4.17 per passenger and \$21.08 per passenger on Dial-A-Ride/VineLine service.

A series of public meetings has been held to inform the public about the pending service changes. Notices for the meetings have been posted on all transit buses, bus shelters, Lodi Station, LOEL Senior Center, and Hutchins Street Square and published in the *Lodi News Sentinel* and *Stockton Record*. In addition, a public outreach effort solicited feedback from transit passengers regarding the service modifications. The results of the public meetings and public outreach will be presented to City Council at the Public Hearing.

The transit contract with MV Transportation requires that the City purchase a minimum of 40,000 revenue hours but no more than 50,000 revenue hours per year. Without any service modifications, this year's transit services are on course to operate at approximately 44,000 revenue hours. Lowering the transit

APPROVED: \_\_\_\_\_  
Blair King, City Manager

services to the minimum operating level of 40,000 revenue hours generates only another \$120,000 in additional cost savings. As a result, contract renegotiation is required to address the projected deficit.

Contract renegotiation involves the resetting of fixed cost and revenue hour payments to MV Transportation that are determined by the mix of transit services, hours of operation, and days of operation. The attached draft contract amendment (Exhibit B) resets the range of revenue hours, the fixed costs, and the price per revenue hour. All other provisions of the existing contract remain in place.

Staff diligently worked to evaluate several transit service scenarios that provide the most service to the most riders while providing a \$323,775 cost reduction over the next eight months. The primary objectives included: 1) maintaining as many of the routes as possible, 2) affecting the fewest number of riders as possible, 3) addressing passenger input, and 4) reducing costs.

Currently, the transit service operates as follows:

**Current Service**

Dial-A-Ride/VineLine Same Day Service	All Days	All Dial-A-Ride operating hours
Fixed Route (5 routes)	Monday through Friday	6:15 a.m. – 6:54 p.m.
Dial-A-Ride/VineLine	Monday through Friday	6:15 a.m. – 9:00 p.m.
Fixed Route (4 routes)	Saturday and Sunday	7:45 a.m. – 3:09 p.m.
Dial-A-Ride/VineLine	Saturday	7:45 a.m. – 6:00 p.m.
Dial-A-Ride/VineLine	Sunday	7:45 a.m. – 4:00 p.m.
Express Route (3 routes)	Monday through Friday	6:10 a.m. – 7:40 a.m. and 2:15 a.m. – 3:40 p.m.
All Transit Services	7 holidays (New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day)	No Service

**Current Fares**

Fares to ride Fixed and Express Routes are \$1.00 for general public and \$0.50 for Seniors/Disabled/Medicare. With reservations, fares on Dial-A-Ride/VineLine are \$5.00 for general public and \$1.50 for Seniors/Disabled/Medicare. Without reservations or "Same Day Service" on Dial-A-Ride, fares are \$10.00 for general public and \$3.00 for Seniors/Disabled/Medicare. It costs passengers \$1.00 more to ride outside the City limits (specifically, Woodbridge or Arbor Mobile Home Park in Acampo per contract).

**Alternatives**

At the October 6<sup>th</sup> Shirtsleeve Session, staff presented the following Alternative A. This alternative has been very slightly modified to match the times with current schedules. Also, the Dial-A-Ride/VineLine

hours have been matched to the Express Route schedules in order to meet federal requirements for ADA paratransit:

**Alternative A**

Dial-A-Ride/VineLine Same Day Service	All Days	Not Available
Fixed Route (5 routes)	Monday through Friday	7:45 a.m. – 5:20 p.m.
Express Route (3 routes)	Monday through Friday	6:10 a.m. – 7:40 a.m. and 2:15 a.m. – 3:40 pm
Fixed Route (4 routes)	Saturday and Sunday	No Service
Dial-A-Ride/VineLine	Monday through Friday	6:10 a.m. – 5:20 p.m.
Dial-A-Ride/VineLine	Saturday and Sunday	No Service
All Transit Services	10 holidays and 8 furlough days	No Service

Based on MV Transportation’s funding model, the cost savings under Alternative A for the remaining eight months is \$438,400. The total estimated revenue hours for Alternative A is 33,100 hours.

At the Shirtsleeve Session, City Council suggested operating longer hours during the weekday to accommodate commuters (8 a.m. to 6 p.m.) and providing Saturday service (9 a.m. to 4 p.m.). Again, utilizing the current bus schedule Alternative B was developed and includes the following services:

**Alternative B**

Dial-A-Ride/VineLine Same Day Service	All Days	Not Available
Fixed Route (5 routes)	Monday through Friday	7:45 a.m. – 6:10 p.m.
Express Route (3 routes)	Monday through Friday	6:10 a.m. – 7:40 a.m. and 2:15 a.m. – 3:40 p.m.
Fixed Route (4 routes)	Saturday	9:15 a.m. – 3:08 p.m.
Fixed Route (4 routes)	Sunday	No Service
Dial-A-Ride/VineLine	Monday through Friday	6:10 a.m. – 6:10 p.m.
Dial-A-Ride/VineLine	Saturday	9:15 a.m. – 3:08 p.m.
Dial-A-Ride/VineLine	Sunday	No Service
All Transit Services	9 holidays (Nov. 25 & Dec. 24 added)	No Service

Based on MV Transportation’s funding model, the cost savings under Alternative B for the remaining eight months is \$333,100. The total estimated revenue hours for Alternative B is 36,900 hours.

The primary concern with any service modification is the number of passengers affected by the change. To summarize the number of affected passengers, Exhibit C presents the passenger statistics on an annual and daily basis for specific times and services.

It is staff’s objective to have the Council provide specific direction on the level of transit service and authorize the City Manager to negotiate and execute an amended contract with MV Transportation based

on Council approved level of transit service. This allows service changes to be implemented by November 1, 2009. Delays in implementing operating cost savings measures will result in more service cuts over a shorter period of time.

At the Shirtsleeve Session, the City Manager briefly discussed utilizing American Recovery and Reinvestment Act (ARRA) funds. Based on discussions with San Joaquin Council of Governments staff, it is uncertain if we can amend the current ARRA capital transit grant prior to the end of the fiscal year. If this were possible, there might be up to \$150,000 available for transit operations.

**FISCAL IMPACT:** The transit service modifications will allow the City of Lodi to use available TDA, FTA, Measure K, transit fares, and other revenues to pay for transit operations for FY 2009/10.

**FUNDING AVAILABLE:** No General Fund revenues are needed to cover the projected deficit for proposed service modifications.

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F. Wally Sandelin  
Public Works Director

Prepared by Paula J. Fernandez, Transit Manager/Senior Traffic Engineer

FWS/PJF/pmf

Attachments

## Exhibit A

### Budget Information:

Revenues	\$3,034,170
Expenditures	<u>- 3,477,945</u>
Funding Shortfall	\$443,775
Operations Savings (4 mos)	<u>- 70,000</u>
Operations Savings (Nov – June)	<u>- 50,000</u>
<b>Projected Deficit</b>	<b>\$343,775</b>

### Financial Statistics:

#### Operating Cost per Passenger

Fixed Route = \$4.84 per passenger

DAR/VineLine = \$22.65 per passenger

#### Farebox Recovery per Passenger

Fixed Route = \$0.67 per passenger

DAR/VineLine = \$1.57 per passenger

#### Subsidy per passenger

Fixed Route = \$4.17 per passenger

DAR/VineLine = \$21.08 per passenger

## **Exhibit B**

The Draft MV Transportation Contract Amendment will be presented to City Council as a Blue Sheet at the Public Hearing.

# PASSENGER USAGE OF TRANSIT SERVICE

Service	TIME	ANNUAL	AVERAGE DAILY
Dial-A-Ride/VineLine Same Day Service:	NA	14,818	48 (M-F) 22 (Sat) 20 (Sun)
Fixed Route: Monday-Friday	6:10 am – 7:45 am	53,081	251
Fixed Route: Monday-Friday	7:45 am – 6:10 pm	168,124	795
Fixed Route: Monday-Friday	6:10 pm – 6:54 pm	1,057	5
<b>Current (Fixed Route/Express) Weekday Service:</b>	<b>6:10 am – 6:54 pm</b>	<b>222,262</b>	<b>1,051</b>
Fixed Route: Saturday	7:45 am – 9:15 am	2,000	35
Fixed Route: Saturday	9:15 am – 3:09 pm	9,143	160
<b>Current (Fixed Route/Express) Saturday Service:</b>	<b>7:45 am – 3:09 pm</b>	<b>11,143</b>	<b>195</b>
Fixed Route: Sunday	7:45 am – 9:15 am	864	17
Fixed Route: Sunday	9:15 am – 3:09 pm	7,822	154
<b>Current (Fixed Route/Express) Sunday Service:</b>	<b>7:45 am – 3:09 pm</b>	<b>8,686</b>	<b>171</b>
Alternative A			
DAR/VineLine: Monday-Friday	6:15 am – 5:20 pm	42,173	160
DAR/VineLine: Monday-Friday	5:20 pm – 9:00 pm	2,899	11
<b>Current (DAR/VineLine) Weekday Service:</b>	<b>6:15 am – 9:00 pm</b>	<b>45,072</b>	<b>171</b>
Alternative B			
DAR/VineLine: Monday-Friday	6:15 am – 6:10 pm	42,436	161
DAR/VineLine: Monday-Friday	6:10 pm – 9:00 pm	2,636	10
<b>Current (DAR/VineLine) Weekday Service:</b>	<b>6:15 am – 9:00 pm</b>	<b>45,072</b>	<b>171</b>
Alternative B			
DAR/VineLine: Saturday	7:45 am – 9:15 am	1,128	21
DAR/VineLine: Saturday	9:15 am – 3:09 pm	2,686	50
DAR/VineLine: Saturday	3:09 pm – 6:00 pm	484	9
<b>Current (DAR/VL) Saturday Service:</b>	<b>7:45 am – 6:00 pm</b>	<b>4,298</b>	<b>80</b>
DAR/VineLine: Sunday	7:45 am – 9:15 am	710	14
DAR/VineLine: Sunday	9:15 am – 3:09 pm	2,739	54
DAR/VineLine: Sunday	3:09 pm – 4:00 pm	102	2
<b>Current (DAR/VL) Sunday Service:</b>	<b>7:45 am – 4:00 pm</b>	<b>3,551</b>	<b>70</b>
All Services: Holiday – Friday after Thanksgiving Day (2008 data)	NA	NA	302
All Services: Holiday – Christmas Eve (2008 data)	NA	NA	190



*Please immediately confirm receipt of this fax by calling 333-6702*

CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-1910

**ADVERTISING INSTRUCTIONS**

**SUBJECT: PUBLIC HEARING TO CONSIDER SERVICE AND ROUTE MODIFICATIONS DUE TO STATE BUDGET CUTS FOR LOCAL TRANSIT SERVICES**

**PUBLISH DATE: SATURDAY, SEPTEMBER 19, 2009**

**LEGAL AD**

**TEAR SHEETS WANTED: One (1) please**

**SEND AFFIDAVIT AND BILL TO:** RANDI JOHL, CITY CLERK  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED: THURSDAY, SEPTEMBER 17, 2009**

**ORDERED BY: RANDI JOHL  
CITY CLERK**

*Jennifer M. Robison*  
JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MARIA BECERRA  
ADMINISTRATIVE CLERK

**Verify Appearance of this Legal in the Newspaper – Copy to File**

LNS Faxed to the Sentinel at 369-1084 at \_\_\_\_\_ (time) on \_\_\_\_\_ (date) \_\_\_\_\_ (pages)  
Phoned to confirm receipt of all pages at \_\_\_\_\_ (time) \_\_\_\_\_ CF \_\_\_\_\_ MB \_\_\_\_\_ JMR (initials)



## DECLARATION OF POSTING

### **PUBLIC HEARING TO CONSIDER SERVICE AND ROUTE MODIFICATIONS DUE TO STATE BUDGET CUTS FOR LOCAL TRANSIT SERVICES**

On Friday, September 18, 2009, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider service and route modifications due to State budget cuts for local transit services (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library  
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 18, 2009, at Lodi, California.

ORDERED BY:

**RANDI JOHL  
CITY CLERK**

  
JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MARIA BECERRA  
ADMINISTRATIVE CLERK



**CITY OF LODI**  
Carnegie Forum  
305 West Pine Street, Lodi

**NOTICE OF PUBLIC HEARING**

Date: October 21, 2009

Time: 7:00 p.m.

For information regarding this notice please contact:

**Randi Johl,**  
City Clerk  
Telephone: (209) 333-6702

**EXHIBIT A**

**NOTICE OF PUBLIC HEARING**

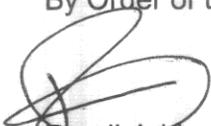
**NOTICE IS HEREBY GIVEN** that on **Wednesday, October 21, 2009**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Service and route modifications due to State budget cuts for local transit services.**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2<sup>nd</sup> Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

  
Randi Johl  
City Clerk

Dated: September 16, 2009

Approved as to form:



D. Stephen Schwabauer  
City Attorney

RESOLUTION NO. 2009-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
MODIFYING THE TRANSIT BUDGET AND  
AUTHORIZING THE CITY MANAGER TO IMPLEMENT  
THE MODIFICATIONS

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WHEREAS, as a result of recent actions related to adoption of the California State Budget, San Joaquin County Council of Governments staff has instructed local transit operators to reduce their Fiscal Year 2009/10 Transportation Development Act (TDA) revenue estimates by 20 percent. Lodi Transit revenues are expected to be \$443,000 less than projected in the current budget; and

WHEREAS, Transit service costs overall have been operating at lower than the budgeted level for the first four months of this fiscal year, and as a result, operations costs through October are on track to come in approximately \$70,000 below budget estimates. Recommended service modifications will result in additional operation savings of approximately \$50,000, leaving a remaining projected deficit of \$323,000 that must be offset by service reductions over the next eight months; and

WHEREAS, a public hearing was set at the September 16, 2009, City Council meeting and a series of public meetings have been held to inform the public about the pending service changes; and

WHEREAS, the transit contract with MV Transportation requires that the City purchase a minimum of 40,000 revenue hours but no more than 50,000 revenue hours per year. A contract renegotiation is required to address the projected deficit; and

WHEREAS, contract renegotiation involves the resetting of fixed cost and revenue hour payments to MV Transportation that are determined by the mix of transit services, hours of operation, and days of operation; all other provisions of the existing contract remain in place; and

WHEREAS, staff evaluated several transit service scenarios that provide the most service to the most riders while providing a \$323,000 cost reduction over the next eight months. The primary objectives included: 1) maintaining as many of the routes as possible, 2) affecting the fewest number of riders as possible, 3) addressing passenger input, and 4) reducing costs; and

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to enter into a revised agreement with MV Transportation to reduce costs by the following measures:

- 1.
- 2.
- 3.
- 4.

Dated: October 21, 2009

=====

I hereby certify that Resolution No. 2009-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 21, 2009, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

2009-\_\_\_\_\_