

Date: August 31, 2006Committee Meeting Date: October 12, 2006Board Meeting Date: October 5, 2006**BOARD MEMORANDUM**ACTION DISCUSSION INFO

TO: Policy Advisory Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael Burns
General Manager

FROM: Donald A. Smith, Jr.
Chief Operating Officer

SUBJECT: FY 2006 Preliminary Annual Transit Operations Performance Report
(July 1, 2005 – June 30, 2006)

FOR INFORMATION ONLY**BACKGROUND:**

This report summarizes the FY 2006 preliminary annual performance of VTA Transit Operations. The report becomes finalized later in 2006 with the completion of the annual audit of the financial information contained in this report. A detailed summary of the FY 2006 performance follows.

DISCUSSION:**Ridership**

Total system ridership (bus and rail) in FY 2006 increased by 5.8%. Average weekday ridership increased 6.4%, and average Saturday and Sunday ridership increased by 4.2% and 4.6%, respectively. This is the first year-over-year ridership increase since FY 2001.

Bus ridership for FY 2006 totaled 30.9 million, a 2.1% increase compared to the previous fiscal year. Average weekday ridership increased by 2.9% from 97,117 in FY 2005 to 99,966 in 2006. Average Saturday ridership increased by 0.2%, while average Sunday ridership decreased by 0.3% in FY 2006.

Light rail ridership continues to be strong, showing a 22.1% improvement in total boardings in FY 2006. To put this number in better context, 1,499,376 more trips were taken in FY 2006 when compared to FY 2005. Approximately 550,000 of the 1.5 million additional trips can be attributed to the new Vasona line segment between San Fernando and Winchester stations. Light rail would still have increased by 14% for FY 2006 without the Vasona line extension.

Operating Expense and Revenue (unaudited)

The preliminary total transit operating expense for FY 2006 increased 6.8% to \$245.1 million, but was \$1.7 million lower than the 2006 fiscal year budget.

Preliminary expenses for supplies and services, which constitute 20.8% of the total FY 2006 operating expenses, increased 16.9% compared to the same period last year. Supplies and services consist primarily of diesel fuel, parts, professional services, security services, utilities, and other operating expenses, totaling \$50.9 million in FY 2006. Fuel costs increased approximately \$2.8 million and parts usage increased approximately \$2.7 million as a result of the warranty expiration for most of the Kinkisharyo light rail vehicle fleet. These two elements were 74% of the 16.9% increase.

In FY 2006, wages increased 3.6%, while benefits increased 5.6% compared to the same period last year. Overall, the cost of labor in FY 2006 was up 4.6% compared to FY 2005, primarily due to wage increase contractual obligations.

System total operating hours in FY 2006 were 2.8% more than FY 2005. The 4.6% increase in operating expenses outpaced the 2.8% increase in total operating hours resulting in an increase in system cost per total hour of 3.9% from \$158.79 to \$165.02. The same is true for bus. The estimated bus operating expenses increased 6.8%, outpacing the increase in total hours of 1.2% in FY 2006, resulting in an increase in bus operating cost per total hour of 5.5% from \$137.98 to \$145.58. In contrast, the estimated increase in light rail operating costs of 6.8% was outpaced by the 20.7% increase in total light rail operating hours, resulting in an 11.5% decrease in light rail cost per total hour, from \$400.33 to \$354.30.

Estimated fare revenue collected was \$34.3 million, up 7.1% compared to FY 2005. The increase was primarily due to increased ridership and increased average fare revenue. The FY 2006 farebox recovery ratio of 14.0% stayed the same as FY 2005.

Key Performance Indicators

Bus operator unscheduled absenteeism (or personal time-off) in FY 2006 improved by 7.2% (from 8.3% last year to 7.7% this year). Bus maintenance personnel unscheduled absenteeism improved by 17% (from 9.4% last year to 7.8% this year). Light rail operator unscheduled absenteeism improved by 9.3% (from 7.5% last year to 6.8% this year). Light rail maintenance personnel unscheduled absenteeism remained the same at 7.2%. Light rail Way, Power, & Signal maintenance personnel unscheduled absenteeism went up 26.6%.

Combined bus and light rail miles between chargeable accidents increased in FY 2006 when compared to FY 2005, and exceeded the established goals for FY 2006. Miles between chargeable accidents were 210,502 compared to the established goal of 175,000. The daily service reliability performance in FY 2006 was 99.38%, exceeding the established goal of 99.30%.

In FY 2006, bus and light rail miles between major mechanical schedule losses decreased 12.3% compared to FY 2005. The number of major mechanical road calls for bus and light rail that resulted in a service loss increased by 17.4% over the same period last year. Engine problems topped the list of reasons for major mechanical road calls, with an increase of 8.3% in FY 2006. Light rail reliability has been negatively affected as vehicle warranties approach expiration.

FY 2006 light rail on-time performance declined by 4.9% compared to FY 2005. The primary cause of the decline was the single-track operation between Convention Center and Virginia light rail stations required to support the Highway 87 HOV lanes project. Bus on-time performance was 90.3% in FY 2006, down from last year's 94.0%. FY 2006 marks the first time VTA is utilizing the ACS (Advanced Communication System) data to determine on-time performance for bus service. The use of ACS technology is more accurate and will significantly increase the quantity and quality of data collected.

Paratransit

Ridership increased by 7.5% from 912,668 in FY 2005 to 981,098 in FY 2006. FY 2006 was the first complete year that VTA provided free transportation for eligibility interviews and appeals. The VTA Eligibility Ride Program recorded 8,854 one-way trips, which was 7,620 more than FY 2005.

The FY 2006 net operating cost for paratransit was \$25,042,639, 7.0% higher than the net operating cost recorded during FY 2005. The increase is due to increased ridership, the 3% increase in the contractual rate paid to service providers, and the cost of fuel. However, the net operating cost was approximately \$2 million less than the budget. This was achieved by providing 11% more shared trips and collecting 12% more in fare revenue.

The FY 2006 net cost per Paratransit passenger trip was \$25.53. This was 0.5% less than the \$25.65 net cost per trip recorded in FY 2005, despite the net operating cost increase of 7.0%. In addition, the FY 2006 net cost per trip of \$25.53 is down \$5.84 per trip compared to FY 2002.

Contracted and Inter-Agency Services

VTA is a partner in various ventures that expand the transportation options for our customers. These relationships include commuter rail (ACE, Caltrain), inter-county express bus lines (Dumbarton Express and Highway 17 Express), and rail feeder services (ACE shuttles and Light Rail shuttles). Ridership in FY 2006 for these services compared to FY 2005 are as follows:

- Caltrain ridership was 10,148,616, up 7.5%. An estimated 4.3 million of these were Santa Clara County boardings.
- ACE ridership was 641,963, up 0.3%. An estimated 270,000 of these were Santa Clara County boardings.

- Dumbarton Express ridership was 212,495, up 10.3%. An estimated 96,000 of these were Santa Clara County boardings.
- Highway 17 Express* ridership was 187,404, down 5%. An estimated 96,000 of these were Santa Clara County boardings.
- ACE shuttle ridership was 186,801, up 6.6% (operates entirely in Santa Clara County).
- Light Rail shuttle ridership was 549,225, up 76.2% (operates entirely in Santa Clara County).

* No service in October 2005 due to labor strike.