

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

Frequently Asked Questions (FAQs)

- Q: Why not rationalize all bus routes by productivity and eliminate service starting with the worst performers?
 - A: The interpretation of productivity varies depending on how the route is classified. Productivity on a rural route is judged differently than it would be for an urban or commuter route. We would devastate rural routes if we focused our service reductions on only the lower productivity routes. Doing so would also damage the network connectivity and likely result in a severe reduction in geographic coverage. METRO has instead chosen a more surgical approach to service reductions by focusing on trip thinning, span of service and the frequency of service.
- Q: I often see empty buses and why is METRO running the service during the hours in which there is low ridership?
 - A: This is a common question. Knowing a little more about the logic of the service may help to answer the question. Bus service in general is structured around the morning and evening peak weekday hours in which most customers are using the service to get to and from work (core business). Each peak hour typically has a peak direction. Therefore, if customers are riding the system to go north to work, the northerly commute buses will have more customers on the bus than the southerly commute during the same peak hours. Keep in mind that we don't run buses in one direction and park them. The northerly bus trip that delivers people to their work locations must then turn and service stops in the opposite direction where there are fewer riders during the same peak hours. That is to say, the bus may look like its running empty. The same occurs in the opposite direction during the evening peak hour commute home.

During the mid-day, when there are fewer riders on the system, we provide service that often targets customers needing to get to the grocery store or doctor's appointments. During this "off-peak" part of the day, we tend to run fewer buses and we stretch the bus headways out to provide less frequent service.

During the later evening off-peak hours, we tend to provide more of a lifeline level of service in which, similar to the mid-day off-peak hours, we run fewer buses and stretch the headways out to provide less frequent service.

In summary, depending on the time of day, and the direction of travel, one might see either a bus with many customers aboard or a bus with fewer customers aboard.

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- Q: Why run these big buses when there are fewer customers, and instead, why not purchase smaller vehicles that carry fewer customers?
 - A: This is a very common question. The answer is complicated and multifaceted. In part, our core business is to provide service for the peak commutes, primarily people headed to and from work. In the peak hours, driving one bus that carries 40 customers is more cost-efficient than driving two or three smaller vehicles carrying 15 people each (one bus driver versus the cost of two or three bus drivers).

Sometimes the question is expanded to ask why we don't park the larger buses in the off-peak hours and drive less expensive smaller vehicles. The answer is that it is not cost-efficient to own two fleets of buses that would operate on the same routes during different times of the day. Not only would it be a challenge to store two fleets of buses overnight, but the maintenance costs associated with two fleets of buses would be cost prohibitive.

Sometimes people will ask why we don't own smaller buses and run them only on routes that don't have high peak-hour requirements. The answer is that we run the service with an approach called "interlining." A simple version of interlining goes like this. We run buses on a particular route with a higher frequency of service during the morning peak-hours, but after the peak-hours, we drop the service level on that route to less frequent service and move (interline) the extra buses to other routes where we maintain a higher frequency of service. If we ran smaller buses, they may work in areas with lower capacity needs, but they may be capacity constrained when they are interlined over to another route later that morning.

In yet another observation, sometimes people will suggest that we just park buses in the off-peak hours when there is less demand. In fact, we do as much of this as makes good business sense, and that the Union collective bargaining agreement will allow. For example, if the bus route requires four buses in the peak-hours to provide ½ hour frequency of service, in the off-peak we might park two of the buses and reduce the frequency of service to one-hour. However, the Union collective bargaining agreement restricts METRO's use of this to not less than 60% of all weekday assignments must be "straight assignments." Straight assignments are assignments where the bus operator drives without parking the bus for eight or more hours straight. In contrast, a split-shift assignment is one where the bus operator drives for say four or more hours, parks the bus for between 3 - 5 hours, depending on the assignment, and then drives again for another four or more hours (never exceeding ten-hours of driving seat time). In this example, the bus operator does not receive pay for the 3 - 5 hours of break or split-time between driving events, but does receive an additional ½ time pay for all hours worked over a ten-hour spread. Spread-time is the total time from sign-on to sign-off,

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including the unpaid break/split-time between driving events. These examples are provided in an effort to show a small example of the many complexities of providing the service. Some of these complexities are directed in law, such as the ten-hour seat time rule, and some by the Union collective bargaining agreement.

Finally, the most immediate fiscal problem we are trying to solve is the operating budget. Bus purchases are paid for with capital dollars (explained in the next question). Regardless of whether we operate a large bus or a small bus, the bus requires a bus operator. Therefore, the labor costs of driving a smaller bus versus a larger bus are similar. In addition, smaller buses are not built to take the same beating as larger buses, and therefore result in higher maintenance costs. Maintenance costs impact the operating budget.

Q: Why did METRO just spend millions of dollars on the new operations facility on River Street when they knew they had a structural deficit?

- A: METRO is funded with a variety of sources. Some State and Federal funding sources and grants are restricted for capital use only and others are more flexible and can be used for capital or operating expenses. The new operation's building was programmed and funded in better times and is funded in-part with one-time sources that can only be used for capital expenses. METRO is not proposing to fund any future capital projects from recurring revenue sources that can be used to fund operations. However, as discussed earlier, there are recurring flexible funding sources such as State STA and Federal STIC that are traditionally used to fund capital projects. Given the need to fund over \$200 million in capital projects over the next ten years, it is crucial that METRO redirect these two funding sources (STIC & STA) from their current use in operations to the capital fund, and soon.

Q: What is METRO doing to offset deficiencies in funding?

- A: In addition to proposing service reductions, METRO also has a duty to review all business functions in search of cost savings. Over the past two years, department managers have diligently reduced expenditures within their respective departments; our Unions and management have forgone pay increases for a few years; and, METRO is holding numerous funded positions vacant, operating the business with fewer personnel, who in turn are performing more duties. Organizationally, METRO is a very matrix (flat) organization (please review METRO's Organizational Chart at www.scmttd.com).
- METRO participated in a program available through the Association of Monterey Bay Area Governments (AMBAG) that provides a loan with which to modify various METRO

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facilities to energy efficiency lighting. This short-term loan is paid back through our utility bills, and once paid back, will result in lower utility expenses.

- Some vehicle maintenance that was historically contracted-out is being performed in-house at a savings.
- METRO continues to aggressively pursue State and Federal grant opportunities.

Q: What is METRO doing to grow ridership, and doesn't doing so conflict with service reductions?

- A: As mentioned earlier in this document, Metro is conducting a “surgical” approach to reducing service. METRO is doing so in such a manner as to preserve a network.
- METRO will continue to offer discounts to seniors, disabled and youth and to offer to larger entities the opportunity to take advantage of the bulk pass program.
- METRO will continue to participate in community events throughout the county, such as parades, the Santa Cruz County Fair and First Friday, to market the service and grow brand awareness.
- METRO will establish a marketing effort to attract new riders to routes that have the capacity to absorb more riders.