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City of Tucson

# Five-Year Strategic Transit Plan

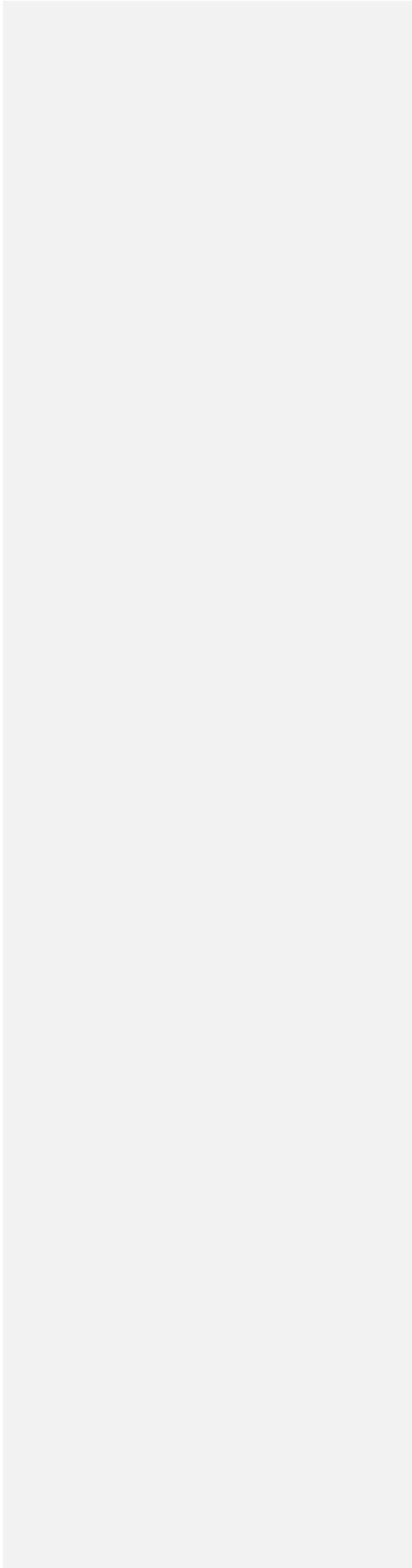
[A Guide for Enhancing Service, Increasing Efficiency, and Achieving Sustainability]

DRAFT

Transit Task Force

October 5, 2012

Revised January 28, 2013



## Five-Year Strategic Transit Plan

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### Message from Transit Task Force and Tucson Department of Transportation

Mayor and City Council Members:

We are pleased to present a first draft of a Five-Year Strategic Transit Plan and herewith submit it to you for input and review. Your comments and suggestions on the Plan will ensure that transit meets the travel and mobility needs of the Tucson area. Once you have provided your input we will make revisions and issue a final Five-Year Transit Strategic Plan. The Transit Task Force sees this plan as a working document which provides a framework for monitoring the progress of transit in our community. The Plan does not directly answer all your questions or address all of your concerns, but it does outline additional tasks needing to be completed to do so. Thus the Transit Task Force requests that it be given permanent status to ensure continuity in the transit planning and review process, and enabling it to further develop policies identified in the Plan as needing more work.

We would like to thank everyone who has participated in this process thus far – you have been instrumental in shaping the future of transit in our community. Specifically we would like to thank the members of the Transit Task Force, Tucson Department of Transportation staff, Sun Tran and Sun Van staff and transit advocates who took their time to attend meetings and provide comments.



Gene Caywood, Chair Transit Task Force



Daryl Cole, Director of Transportation

#### *Transit Task Force Members*

Mayor Michael Wall  
Ward 1 Peggy Hutchison  
Ward 2 Rob Blizzard  
Ward 3 Carolyn Campbell  
Ward 4 (Vacant)  
Ward 5 Eugene Caywood  
Ward 6 (Jeremy Papuga \*resigned effective 10/2/2012)  
CTAC Linda Dobbyn  
CTAC Sami Hamed  
CTAC Farhad Moghimi  
CTAC (Vacant)

# Five-Year Strategic Transit Plan

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## Five-Year Strategic Transit Plan

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### Executive Summary

Along with other City of Tucson core services (i.e. Police, Fire, Parks & Recreation and Streets and Traffic Maintenance), the City of Tucson's Mass Transit System serves an integral part in how the City of Tucson looks and functions today and where it will be positioned and perform in the future.

In 2008, the City's Mayor and Council approved the initiation of a Transit Task Force (TTF) whose function is to “. . . *evaluate and monitor the City transit system's finances, expenditures, ridership data and assumptions, and sources of funding.*” In 2009, the Mayor and Council amended Sections 5 of Resolution 21023 to read “*The Transit Task Force shall evaluate and monitor the City transit system's finances, expenditures, ridership data and assumptions, and sources of funding, and analyze the long term viability and control of the transit system as a regional entity.*” While acknowledging that the City's transit system serves much of the Tucson Metropolitan Area, the vast majority of riders are City of Tucson residents, and the transit system's operations are funded primarily with City of Tucson funds. It is the vision of the Transit Task Force to make public transportation, in its various forms, a viable transportation of choice.

The Transit Task Force aspires to work together with community leaders, City Staff, and transportation advocates to champion a safe, reliable, and economic public transportation within the Tucson Metropolitan Area; and lead public transportation planning and innovation by providing guidance and direction to the Tucson Metropolitan Area regarding the development of innovative transportation solutions. As part of this process, the Transit Task Force will utilize resources of Veolia Transportation, industry partners, as well as the FTA to maintain full knowledge of current trends, and best practices to overcome obstacles and challenges in meeting their mission.

To assist in the achievement of the vision and goal of the Transit Task Force, this Strategic Plan has been developed to provide a roadmap for Mayor and Council as well as City staff. This plan will provide the means to evaluate the performance of the system, determine the direction the community wants to move in the future and outline a process to achieve set objectives and to maintain a transit system that is productive, cost efficient and effective.

Along with defining goals, setting specific objectives, and establishing a policy framework for the City's transit system, the Five-Year Strategic Transit Plan incorporates the Mayor and Council's intent for the Transit Task force to, “evaluate and monitor the city transit system's finances, expenditures, ridership data and assumptions, and sources of funding”. It also incorporates the guiding principles approved by Mayor and Council at the City Council Meeting on June 5, 2012:

- Efficiencies of Vehicle Types
- Maintaining Farebox Recovery Rate at Above National Average
- Segregating operating vs. capital: including financing mechanisms
- Segregation of Modes: Fixed Route, Paratransit, Streetcar and Express
- Segregation of projected revenues for various Modes

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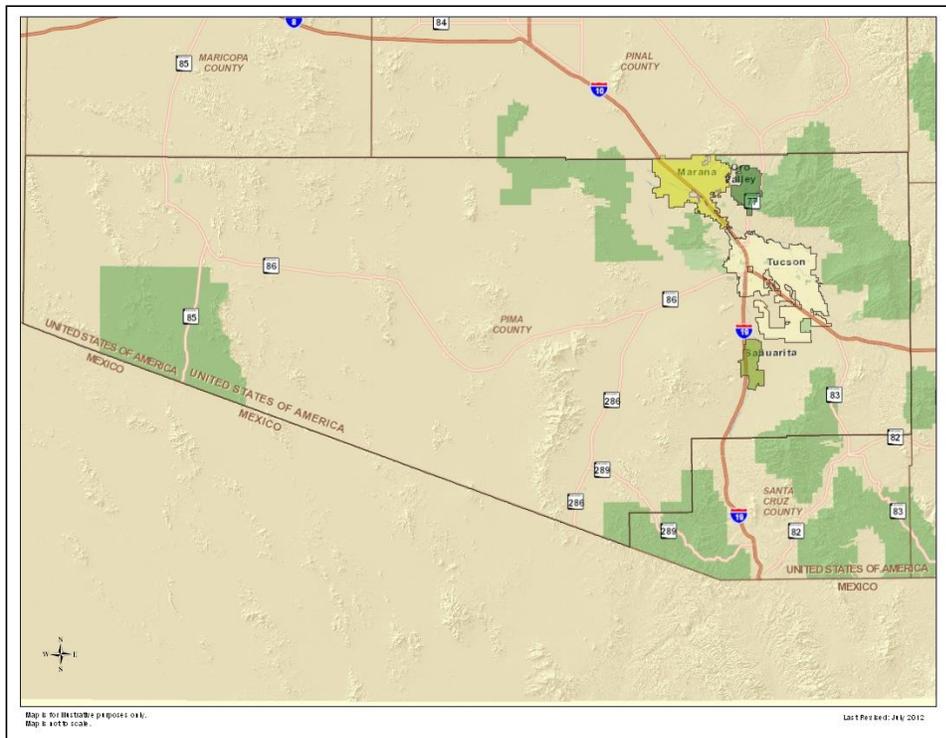
- Build Ridership: ~~Low Income, Choice Riders~~
- Conducting a Comprehensive Operational Analysis (COA) within a two year period
- Independent Audit of management company on a regular basis to ensure sound fiscal management of system within the first six months of FY 2013
- Evaluation of options for insurance and risk management, and
- Documented service analysis from areas of the City that do not have the same ridership opportunities.

As a working document, the Five-Year Strategic Transit Plan will be reviewed on an annual basis and modified as the environment and/or conditions evolve. In addition, the Five-Year Strategic Transit Plan may be used to prioritize transit projects and provide input pursuant to Pima Association of Government's Short Range Transit Program (SRTP) and Transportation Improvement Program (TIP).

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### Community Profile

Pima County, located in southern Arizona, covers an area of approximately 9,200 square miles. The April 2010 Census population count was 980,263, with 353,264 or 36 percent residing in the unincorporated area. The majority of the population lives in the eastern half of the county, which contains all five incorporated jurisdictions and two Native American tribal reservation areas. Pima County's population is projected to reach 1.45 million by 2041. Nearly 85 percent of the county's land is federal, state or Native American owned. The median age for residents is 35.7 years. The race and ethnicity breakdown in Pima County is: White 57.2%, Hispanic/Latino 32.8%; Black 3.1%; American Indian 2.5%; Asian 2.4%.



### Tucson Metropolitan Area

The 2010 Census lists a population of 520,116 for the City of Tucson, making it the 33<sup>rd</sup> largest city in the nation. Since its incorporation in 1877, Tucson has grown from two square miles to over 227 square miles in area, the center of a metropolitan area over 400 square miles. The median age for Tucson residents is 33.0 years. Race and ethnicity in Tucson include: White 47.2%; Hispanic 41.6%; Black 4.5%; Asian 2.7%; American Indian 1.7%.

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As the primary transportation alternative to the motor vehicle, our public transit system plays a vital role in the reduction of air pollution in the Tucson metropolitan area.

Information obtained by Pima Association of Governments illustrates that as an alternative to single occupancy vehicle use; convincing motorists to ride Sun Tran can positively affect air pollution levels in our area:

*“Currently, air quality in the Tucson region is good and meets all of the federal environmental health standards. However, several air pollutants (ground-level ozone, particulate matter, carbon monoxide) are of key significance in our area. Of these three, ground-level ozone is of the greatest concern since increasing levels may exceed the total concentrations recommended by the federal health standard.*

*Although air pollutants are emitted from commercial and industrial sources, the majority of air pollution in the county comes from motor vehicle use.”*



## Five-Year Strategic Transit Plan

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### Description of Existing Services and Resources

#### Sun Tran – Fixed Route Service

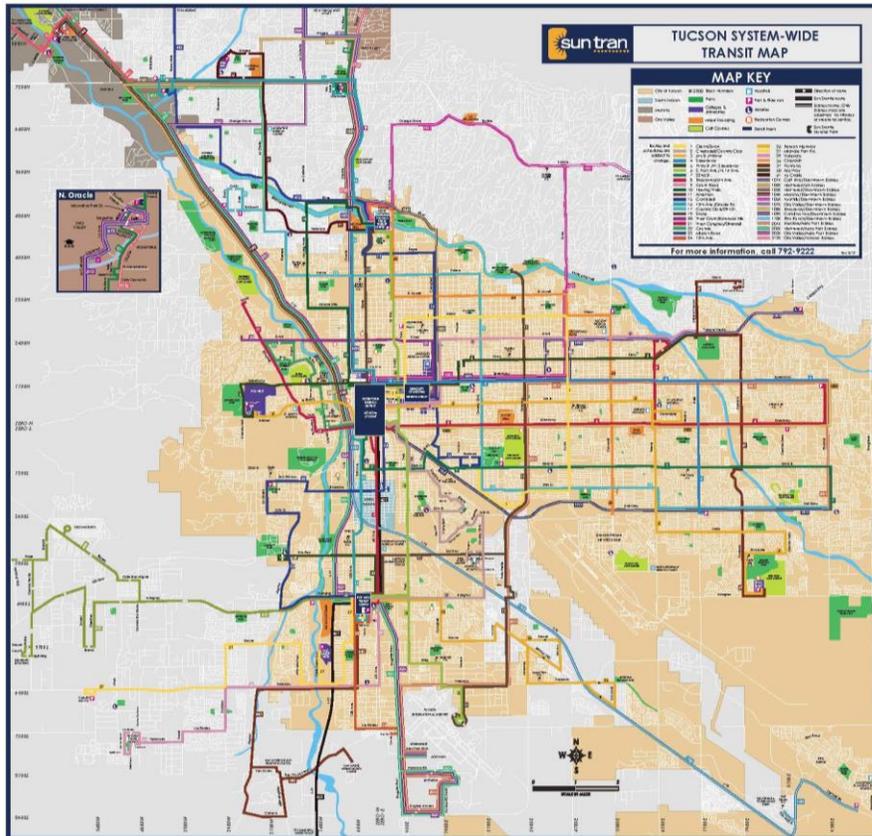
With more than 600 employees and a fleet of 243 buses, Sun Tran provides award-winning fixed route service within the City of Tucson, and through intergovernmental agreements, delivers service into Unincorporated Pima County, the City of South Tucson, the Town of Marana, the Town of Oro Valley, the Tohono O'odham Nation and the Pascua Yaqui Tribe. The system's 40 fixed routes cover 296 square miles.

Sun Tran remains committed to helping the environment through the use of alternative fuels. In 2007, Sun Tran reached a significant milestone with the entire bus fleet running on cleaner-burning fuel technologies. Currently, 173 buses run on B5 biodiesel, 69 run on Compressed Natural Gas, and one hybrid biodiesel/electric vehicle was added to the fleet in 2010. Hybrid technology helps to reduce emissions and saves on fuel by combining a conventional internal combustion engine propulsion system with an electric propulsion system. The current average age of the fleet is just over 6.6 years. Later this year, Sun Tran will accept shipment of 23 replacement vehicles and 12 additions to the fleet. Of these 35 vehicles, 25 will run on Biodiesel and 10 will be run on hybrid technology.

In FY 2009, Sun Tran's ridership peaked at 21.6 million passenger trips. Although ridership has declined since that time due to a 2010 strike and 2011 fare increase, Sun Tran provided 19.9 million passenger trips in FY 2012. Per Mayor and Council direction, Sun Tran's goal for FY 2013 is to increase ridership by 10 percent. The SunGO implementation date is scheduled for early 2013. It is anticipated that staff will be able to provide more specific ridership information beginning in FY 2014. Of particular interest is the percentage of City of Tucson residents utilizing the transit system compared to residents of surrounding jurisdictions.

In February 2012, Sun Tran assumed management of the Special Services Office downtown, which improves efficiencies, provides consistent communication to all transit passengers and reduces the number of bus passes sold at City department locations. With a focus on improving customer service, the average phone wait time is decreasing and abandoned call rates are down dramatically. The Special Services Office sells bus passes, qualifies individuals for the Economy Pass Program, and adds value to Sun Van passenger accounts.

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### Sun Van – Paratransit Service

Sun Van, Tucson’s Paratransit agency since 1987, meets the standard set under the Americans with Disabilities Act (ADA) of 1990 and provides transportation service to those individuals unable to use Sun Tran’s fixed route service due to their disability. The service is available to persons with disabilities whose disability prevents them from riding the fixed route bus (Sun Tran) and who have a current ADA Paratransit Eligibility Card issued by the City of Tucson. Serving the Tucson Metropolitan area and portions of Pima County, and in accordance with the ADA, Sun Van provides service to and from points within three quarters of a mile along each Sun Tran fixed route, excluding express routes, during the days and times that Sun Tran operates. Sun Van also provides optional service, which is paratransit service that goes above and beyond the stipulations of the ADA. Sun Van’s optional service is provided in areas of the city without fixed route Sun Tran service, the largest area being southeast Tucson.

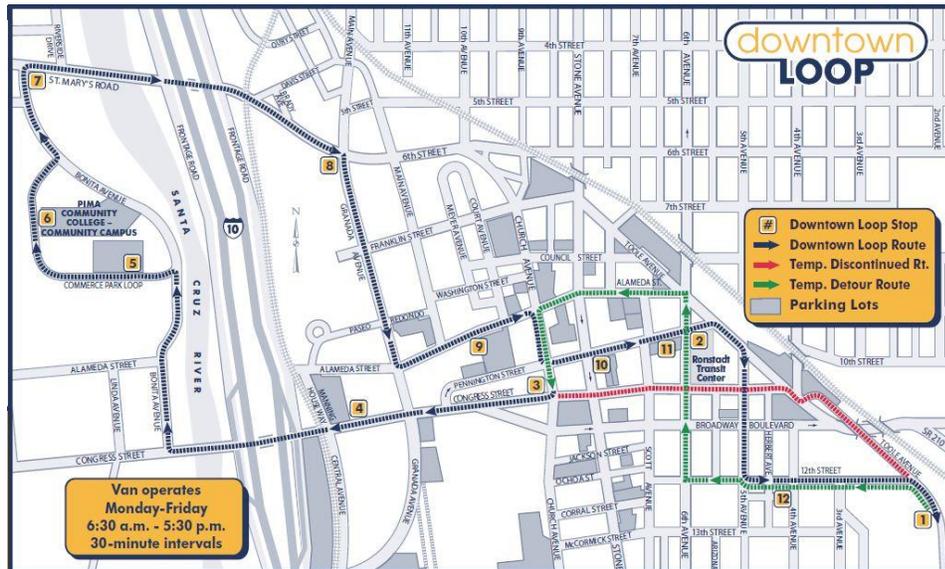
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With 238 employees and a fleet of 125 ADA accessible vehicles, Sun Van provides complementary ADA service to the Sun Tran system. During FY 2011, Sun Van recorded ridership of 484,373 passenger trips, an increase of 4.4 percent over the previous year, as well as 4 million total system miles. Total passenger ridership in FY 2012 was 520,320 an increase of 35,947 passenger trips or a 7.4% increase over FY 2011.

Sun Van	Total Sun Van ADA Passenger Trips	% Increase over Previous Year	Total Sun Van Optional Passenger Trips	% Increase Over Previous Year	Total Passenger Trips	Total % Increase Over Previous Year
FY 2011	446,398	4.80%	37,975	-.03%	484,373	4.4 %
FY 2012	475,687	6.60%	44,633	17.50%	520,320	7.4%

### Downtown Loop

The downtown-area circulator provides free transit service to improve access to community service, government offices, courts, educational facilities and area businesses. The service is partially funded by a Federal Transit Administration Job Access Reverse Commute (JARC) grant.



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### **Additional Transportation Services Provided by Jurisdictional Partners (for informational purposes only):**

A map of the fixed route services provided by jurisdictional partners connecting to Sun Tran is provided in Appendix I.

#### Sun Shuttle

Sun Shuttle is neighborhood transit service in Marana, Oro Valley, Catalina, Sahuarita, Green Valley, San Xavier, Tucson Estates and Southeast Tucson/Rita Ranch. Provided with funding from sales tax collected from the Regional Transportation Authority (RTA), Sun Shuttle is part of the regional seamless transit system. Since launching the first routes in May 2009, Sun Shuttle has added service and continued to increase ridership. Sun Shuttle exceeded 234,000 passenger trips in the period of May 2011 through April 2012. Though Sun Shuttle is an RTA service contracted through a separate private transit operator, Sun Tran staff provides integrated marketing, planning, communications and customer service functions to ensure a regional seamless system. The cost of providing these services is reimbursed to the City of Tucson through an Intergovernmental Agreement with the RTA.

#### Sun Shuttle Dial-A-Ride

Sun Shuttle provides dial-a-ride service for individuals traveling in Oro Valley. Service areas vary for seniors, persons with disabilities, or the general public. Currently this service is provided by the Town of Oro Valley.

#### Ajo Transit Service

Weekday service is provided within the Ajo community via Ajo Dial-a-Ride. Connector service from Ajo to Tucson and Ajo to Why allow persons living in the rural areas improved access to the metropolitan area. All services are currently provided by Ajo Transportation Company and funded through the Federal Transit Administration and the RTA.

#### RTA Special Needs Transit

RTA Special Needs Transit is the advance reservation door-to-door transportation service provided by the RTA to persons who have disabilities and who reside within the special needs eligibility area. The eligibility area comprises parts of Pima County including Central Tucson and portions of Marana and Oro Valley. Currently, this service is handled by Handi-Car and is funded through the Federal Transit Administration and the RTA.

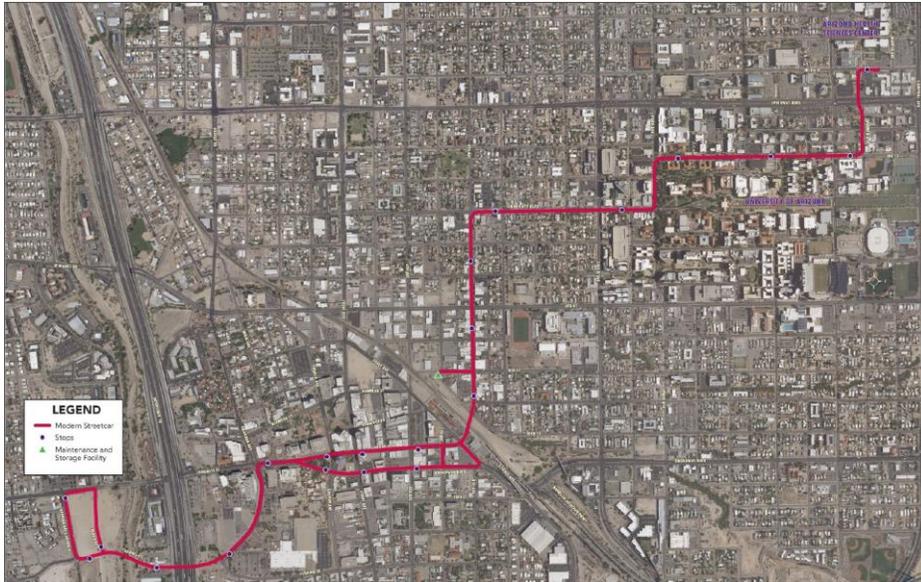
Transportation Services in Development:

#### Sun Link

Sun Link, the Tucson modern streetcar, is the product of an extensive transit study and was included in the RTA Plan approved by voters in 2006. The 3.9-mile streetcar will connect major centers of social and economic activity where more than 100,000 people live and work within a half-mile of the streetcar route, including the University of Arizona and downtown Tucson. The streetcar is part of the area transportation system, and will be integrated with other jurisdictional transit operations including Sun Tran. Sun Link is expected to be in revenue service in late 2013.

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### Transit Expansion

Over the years, Sun Tran and Sun Van's greatest challenge has been to fund service to meet the increasing demand for transit. Transit expansion became a reality in May 2006, when Pima County voters enacted a half-cent sales tax to fund transportation improvements. Through 2026, the Regional Transportation Authority Plan earmarks nearly \$533 million for transit improvements, including expanding service hours, new service areas, greater weekday frequency, more express service, fleet expansion, and the creation of the Sun Link modern streetcar.

### **Related Plans, Programs and Policies**

- PAG's Transit Improvement Program (TIP)  
A five-year schedule and budget of proposed transportation improvements within eastern Pima County.  
<http://www.pagnet.org/Programs/TransportationPlanning/PlansandPrograms/TransportationImprovementProgram/tabid/172/Default.aspx>
- PAG 2040 Regional Transportation Plan (RTP)  
<http://www.pagnet.org/Programs/TransportationPlanning/2040RegionalTransportationPlan/tabid/809/Default.aspx>
- Regional Transportation Authority Plan  
A \$2.1 billion, 20-year multi-modal transportation plan approved by Pima County voters in 2006, funded by a 1/2-cent excise tax, along with other regional and local dollars, such as developer impact fees.

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[www.rtamobility.com](http://www.rtamobility.com)

- **Clean Air Act**  
Federal law that defines the Environmental Protection Agency's responsibilities for protecting and improving the nation's air quality and the stratospheric ozone layer.  
<http://www.epa.gov/air/caa/>
- **RTA Regional Paratransit Study**  
Paratransit service evaluation conducted by the RTA Transit Working group to avoid duplication of service, improve efficiency, and standardizes fares and policies
- **Title VI of the Civil Rights Act of 1964**  
Provides for equitable distribution of public transportation resources.  
[http://www.fta.dot.gov/documents/FTA\\_Title\\_VI\\_FINAL.pdf](http://www.fta.dot.gov/documents/FTA_Title_VI_FINAL.pdf)
- **Environmental Justice**  
Provides equal protection for all environmental status and regulations without discrimination.  
[http://fta.dot.gov/documents/FTA\\_EJ\\_Circular\\_7.14-12\\_FINAL.pdf](http://fta.dot.gov/documents/FTA_EJ_Circular_7.14-12_FINAL.pdf)
- **City of Tucson Resolution 15460**  
Defines the City of Tucson's public participation process in the event of transit fare increases or services changes.

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### Transit System Goals and Objectives established by the Transit Task Force on October 4, 2012

In developing system goals and objectives the Transit Task Force has utilized the following model:

**Mode** – identify the transit mode by fixed route, express route, paratransit and streetcar;

**Program** – the goal or tactic that has been identified to be accomplished:

**Lead Responsibility** – the entity responsible for taking the lead responsibility for the identified program

**Timeline** – identifies that frequency of reporting, completion of goal or tactic and/or identifies when the goal/tactic will be fully evaluated and recommendation provided to decision making bodies.

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### Goal 1 – Improve Service Delivery and Enhance Amenities to Retain Current Customers and Attract **Choice** Riders

#### Objective 1.1 - Expansion of Service Area

Improve services such as frequencies and realignment of bus routes as necessary to provide additional service on major transportation corridors such as Broadway, Oracle, Speedway, Grant and 22<sup>nd</sup> Street, while maintaining core services. Core services include the number of days per week, minimum bus frequency, time spans, and routes that provide the majority of Sun Tran ridership.

Maintain or improve bus routes and schedule adherence through operational improvements as identified in route reviews, on-time performance reports, and/or Comprehensive Operations Analysis (COA).

City of Tucson, Department of Transportation (TDOT) is to coordinate with Pima Association of Governments (PAG)/Regional Transportation Authority (RTA) and surrounding jurisdictions to expand the existing service area and customer base, implementing transit improvements that are outlined in the RTA 20-year transit plan elements.

Mode	Program	Lead Responsibility	Timeline
Fixed & Express Route	Route Reviews	Sun Tran	Quarterly
Fixed & Express Routes	RTA Plan Expansion	Sun Tran/TDOT/ RTA Transit Working Group	Quarterly
Fixed Route	COAS	Sun Tran	FY 2015
Express Route	COA	Sun Tran	FY 2015
Fixed Route	Market Research	Sun Tran	FY 2015
Paratransit	Customer Research	Sun Tran	FY 2015
Fixed Route/Paratransit	RTA Coordination via TDOT/RTA Transit Working Group	Sun Tran	Quarterly
Paratransit	Review of ADA Paratransit Eligibility Process and Policies	TDOT	FY 2015
Streetcar	Develop Operating Plan	Rail Activation Committee	FY 2013
Sun Shuttle	Coordinate connecting RTA service with RTA	RTA/TDOT	Quarterly

#### Objective 1.2 - Enhanced Connectivity

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Enhance local and area transit connectivity by developing transit stations/park and rides where major transit corridors intersect such as Broadway at Wilmot and the Pima Community College campuses. Plans should also include the integration of transit routes and mode connections with corresponding service schedules to facilitate efficient passenger transfer transitions. Care should be taken to improve the interconnection of Sun Tran fixed-route system with the area network of transit services including Sun Van, Sun Shuttle, and Sun Link.

Mode	Program	Lead Responsibility	Timeline
Fixed Route	Identify Park and Ride/ Transit Station Needs	TDOT/Sun Tran	Annual
Paratransit	Meet ADA requirements	TDOT/Sun Tran	Quarterly
Streetcar	Identify Route Coordination between Modes	TDOT/RTA/Sun Tran/Sun Link	FY 2014

### Objective 1.3 Infrastructure Improvements

Implement transit capital improvements that support the community's land-use and development goals. Review Transportation Plans to plan and recommend facilities and infrastructures along future routings to insure success of service.

- Support collaborative land use and transportation planning efforts that ensure the community can develop in an efficient and sustainable way.
- Maintain, replace, and upgrade current facilities, infrastructure, equipment, and systems based on ongoing condition assessments, industry standards, ADA requirements and City of Tucson policies and procedures and capital resources available.
- Encourage expanded use of Park and Rides within the metropolitan area.
- Improve transit passenger facility access, shelter lighting, bus stop locations, and other amenities to enhance the waiting area and offer a safe environment.

Sun Tran staff will provide recommendations to jurisdictional staff on needed infrastructure and amenities at each bus stop. The requests and recommendations will be based on rider and community communications, and spacing bus stops at one-quarter mile increments wherever possible. As of June 30, 2012, (FY 2012) bus stops and amenities include:

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<b>Bus Stops:</b>	<b>Total 2225</b>
1615 have one or more of the amenities noted below:	
• Bus Stops with shelters	937, additional seating at 190
• Bus Stops with only benches	506
• Bus Stops with lighting	464
• Bus Stops with trash cans	1128
<b>Park and Rides, Sun Tran specific:</b>	<b>Total 25</b>

Mode	Program	Lead Responsibility	Timeline
Fixed Route	Review Bus Stop Program	TDOT/Sun Tran	Annual
Fixed Route	Review of Park and Rides, Sun Tran Contracts	TDOT/Sun Tran	Annual
Fixed Route	Passenger Amenities	TDOT/Sun Tran	Annual

### Objective 1.4 - Analyze and implement cost efficiencies

- Utilizing smaller and larger vehicles based on productivity and inter-connectedness of routes to maximize efficiencies based on vehicle types. Future replacement and expansion of bus and paratransit fleet should be consistent with service projections and operating characteristics of the system. A current Fleet Lifecycle Status Report is located in Appendix II.
- Alternative Fuel (Biodiesel/CNG/Hybrid). Achieve more efficient and energy friendly operations with features including efficient propulsion systems and non-traditional fuels.
- Paratransit efficiencies – use of smaller 8 to 12 passenger vehicles/taxi voucher program – Replace and expand paratransit vehicles to support efficient operations. – Evaluate software programs to increase paratransit efficiency.
- ADA Paratransit eligibility program – Review and revise as needed to include application process, training, and policy development and enforcement.
- Work to implement Bus Rapid Transit as called for in the Regional High Capacity Transit Plan.

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<b>Mode</b>	<b>Program</b>	<b>Lead Responsibility</b>	<b>Timeline</b>
Fixed Route	Vehicle and Fuel Analysis	Sun Tran	FY 2014
Paratransit	Analysis of Sun Van trips	Sun Van	FY 2013
Streetcar	Bus/Rail Interface	TDOT/RTA/Sun Tran/Sun Link	FY2016

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### Goal 2 - Create a plan to capture markets to increase ridership on all modes of transit open to the general public

#### Objective 2.1 - Conduct Market Research

Issue an RFP and secure funding to engage a contractor to conduct full market research study to achieve the goals of:

- Expanding TDOT and Sun Tran's staff's knowledge of existing and potential ridership market so that strategies and programs may be aligned to satisfy customer needs and increase ridership.
- Determining awareness levels and image of the transit system and its services.
- Determining public perceptions and attitudes about the role and direction of transit in the community
- Determine effective strategies to help condition-eligible paratransit customers use fixed route for some of part of their trips
- Determine ridership by Ward and Jurisdiction

Mode	Program	Lead Responsibility	Timeline
Fixed & Express	Market Research Study	Sun Tran	FY 2015
Paratransit	Customer Research	Sun Tran	FY 2015
Streetcar	Market Research Study	Sun Link	FY 2016

#### Objective 2.2 - Develop Integrated Marketing Plan

Based on market research, develop an annual integrated marketing plan that includes:

- Outreach and community events
- Advertising
- Enhanced Customer Communications
- Public relations efforts
- Building meaningful relationships with the community that result in support for future initiatives.

Mode	Program	Lead Responsibility	Timeline
Fixed Route	Customer Information	Sun Tran	Ongoing
Fixed Route	Advertising Revenues	Sun Tran	FY 2013
Paratransit	Customer Information	Sun Van	Ongoing

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### Objective 2.3 - Promote Use of New Technologies

Promote use of new technologies that enhance customer convenience:

- Smart Card
- Trip Planning
- Live Bus Tracking
- QR (quick-read) Codes, two-dimensional codes readable by QR scanners, mobile phones with a camera, and smart phone.
- Mobile Phone Applications

Mode	Program	Lead Responsibility	Timeline
Fixed Route	SunGO	Sun Tran	FY 2013
Fixed Route	Real Time	Sun Tran	FY 2013

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### Goal 3 – Identify a Sustainable Funding Strategy

#### Goal 3.1 Secure funding sources

- Identify and pursue opportunities for joint development with private sector (public-private partnerships)
- Support changes in gas tax legislation.
- Support efforts made by public agencies and jurisdictional entities to develop local funds for transit purposes.
- Determine favorability of various options for increasing local funds for transit, including options for an additional sales tax to finance transit improvements.
- Evaluate and recommend possible service improvement districts along the streetcar line, and in the central city for providing enhanced transit service.
- Develop an advertising plan to increase revenue.

Mode	Program	Lead Responsibility	Timeline
All	Identify a Dedicated Funding Source	TTF/TDOT/Sun Tran Sun Van/Sun Link	To be evaluated
All	Encourage Public/Private Partnerships	TTF/TDOT/Sun Tran Sun Van/Sun Link	FY 2013
All	Research and evaluate Service Improvement District Opportunities	TDOT/TTF/Sun Tran Sun Van/Sun Link	To be evaluated
All	Develop Advertising Plan to increase advertising revenues	Sun Tran/Sun Van Sun Link	FY 2013

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### Goal 4 – Develop a System Wide Fare Policy

The goal of a fare policy is to establish guidelines for setting a uniform, fair and equitable fare structure with revenue-producing requirements and established budgets. A fare policy needs to consider financial and Title VI impacts of a fare change upon ridership, service provisions and operating budgets.

Fare Increases will be based on Consumer Price Index, transit cost indicators and the ability to meet farebox recovery goals.

#### Objective 4.1 – Establish regular reviews of Fare Structure and Policy

Fare Structure and Policy will be reviewed annually.

All impacted jurisdictions must be included in the process.

Transit Task Force shall review and provide fare recommendations as part of the annual budget process, and if needed at other times for special circumstances.

Mayor and Council shall review and provide input on proposed changes to the fare structure and solicit public input in accordance with City Charter.

Public notice of fare changes shall be provided as legally required, including written notice on all public transit vehicles, and legal notices to newspapers. The public will be provided with an opportunity(ies) to comment on proposed fare changes in accordance with the Tucson Code of Ordinances.

Transit Agencies will continue to look for ways to make it easier for the general public to purchase fares online.

Mode	Program	Lead Responsibility	Timeline
Fixed & Express	SunGO program	Sun Tran	FY 2013
Paratransit	Voucherless Fare Payment Program	Sun Tran	FY 2014
Streetcar	SunGO program	Sun Link	FY 2014
All Modes	Develop Fare Policy	Transit Task Force/TDOT	FY 2013

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### Goal 5 - Maintenance and Monitoring of System Performance Standards

#### Objective 5.1 - Monitor and Report System Standards

Performance measures are used by transit systems for the following reasons:

1. Systems are required by local, state, and national regulatory agencies to report on various performance measures, (e.g. the National Transit Database Base, Federal Transit Administration and OSHA).
2. Systems utilize performance standards to identify how well and how efficiently service is provided. Performance standards provide the basis for self-improvement for various elements including specific financial performance, departmental performance, customer satisfaction and safety.
3. Performance measures provide decision making entities with information that help them make decisions on the level of service that needs to be provided and decisions on how to improve service. They also provide the means to inform the public of the valuable benefits transit and paratransit provides to the community.

It is important that TDOT, Sun Tran, Sun Van and Sun Link are held accountable and responsible for the financial health of the system, the service quality impact of long-term commitments as well as managed growth and environmental stewardship. To ensure accountability system performance indicators shall be maintained, reported and reviewed by the Transit Task Force committee on a quarterly basis.

**The following performance indicators are reported in Sun Tran/Sun Van's monthly operations report:**

- Ridership
- Passenger Revenue
- Passenger per Total Mile
- Passenger per Hour
- Revenue per Passenger
- Revenue per Total Mile
- Farebox Recovery Ratio
- Cost per Passenger
- Cost per Mile
- Miles between Road Calls
- Miles between Bus Inspections

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- Vehicle Accidents per 100,000 miles
- Complaints per 100,000 Passengers
- Demand
- Cancellations
- No-Shows
- Passengers per Revenue Hour
- Passengers per Service Hour
- Trip Length
- Trip Time
- Pick Ups
- Pick Ups before Significantly Late
- On-Time-Performance
- Missed Trips

Mode	Program	Lead Responsibility	Timeline
Fixed & Express Route	System Performance Standards	Sun Tran	Qrtrly Reviews
Paratransit	System Performance Standards	Sun Van	Qrtrly Reviews
Streetcar	Develop Performance Standards	Sun Link	FY 2013
Streetcar	System Performance Standards	Sun Link	Qrtrly Reviews
Fixed & Express Route	Review and Revise Goals	Sun Tran	April
Paratransit	Review and Revise Goals	Sun Van	April

### Objective 5.2 - Establish Route Performance Standards

Other tools for measuring performance and determining changes in service levels and areas include Comprehensive Operational Analysis studies and Passenger Surveys.

Performance indicators such as ridership, farebox recovery rate and comparable energy consumption are utilized to evaluate individual routes (See Appendix III Sun Tran Route Profile used for Route Evaluation Purposes).

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### Objective 5.3 - Conduct COT Independent Audit of Transit System

Sun Tran and Sun Van are reviewed by the Federal Transit Administration, the National Transit Database, and Department Of Labor. TDOT is responsible for ensuring that the operation of the systems meet all federal transit administration regulations and guidelines. Beginning with FY 2013 Sun Tran/Sun Van will participate in a review with the City of Tucson Independent Audit and Performance Commission.

#### Annual Reviews

The Transit System currently undergoes numerous regulatory reviews performed by external agencies on a periodic basis. These reviews include:

- FTA Triennial – last performed in FY 2011
- FTA Financial Management Oversight - last performed in FY 2011
- Single Audit of Grantee (per Circular A-133) – Performed Annually
- FTA Drug and Alcohol – Last performed in FY 2011
- National Transit Database Review – Performed Annually
- Parts Inventory Audit – Performed Annually

There are also additional reviews that are performed in-house and others that are performed in conjunction with the City of Tucson, (e.g., fare box collection review, annual facility inspections that address employee and public safety issues, work environments and a review of work practices and safety programs). The Transit System operation is also subject to the City’s annual independent financial audit.

The Transit Task Force recommends that the Mayor and Council’s Independent Audit and Performance Commission (IAPC) perform an independent review of the system during fiscal Year 2013 to ensure sound fiscal management, and then as often as deemed necessary. This review would include an examination of financial and system performance data in addition to external audit reports, findings, and corrective actions.

On January 9, 2013, the IAPC concluded the requested review exceeded the IAPC’s capabilities. However, the IAPC will undertake a detailed review of the Five-Year Financial Forecast at a later date and provide a report to Mayor and Council. The full text of this report is located in Appendix IX.

Mode	Program	Lead Responsibility	Timeline
Fixed Route	Independent Review	IAPC	FY 2013
Express	Independent Review	IAPC	FY 2013
Paratransit	Independent Review	IAPC	FY 2013
Fixed Route/Paratransit	FTA Triennial Review	Sun Tran/TDOT	FY 2014
Streetcar	Independent Review	IAPC	FY 2014

## Five-Year Strategic Transit Plan

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### Financial Plan

#### Overview

The City of Tucson City Council approved Sun Tran/Sun Van's FY 2013 operating budget in June 2012.

For 2013, Sun Tran's expected total operating cost is approximately \$58.7 million. Sun Van's expected total operating cost is approximately \$14.1 million. The operating budget is made up of General Fund Investment, farebox revenues, IGA revenues and operating grants. The City Council also approves funds for Mass Transit's capital expenses. For Fiscal Year 2013, the Mass Transit planned capital expenditures are approximately \$118.7 million. The CIP budget includes Federal funding, RTA funding and General Fund Investment. Of this amount \$24.1 million funds Sun Tran's replacement and expansion buses and the CNG fueling upgrade at the South Facility, \$321,000 fund Sun Van's expansion vans, \$6.6 million fund two new Park and Ride facilities and the Downtown Intermodal/RTC improvements, and \$87.6 million fund the Streetcar project.

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#### History of Sun Tran/Sun Van Funding

- 1969** City took over Sun Tran
- 1977** Fare Increase from \$ .25 to \$ .35
- 1980** Fare Increase, base to \$ .50
- 1981** Local Transportation Assistance Fund established by Arizona Legislature based on voter approval of lottery in 1980 election.
- 1985** Fare Increase, base to \$ .60
- 1987** Sun Van established in accordance with Americans with Disabilities Act
- 1992** Fare Increase, base to \$ .75
- 1994** Fare Increase, monthly pass increase only
- 1997** Fare Increase, base fare to \$ .85
- 1998** LTAF II - program was funded by Powerball earnings, due to state budget cuts program was eliminated in 2010.
- 2000** Fare Increase, base to \$1.00
- 2006** Voter approved one-half cent sales tax for RTA implemented
- 2009** Fare Increase, base to \$1.25; no economy fare increase
- 2011** LTAF II funds eliminated (averaged \$860,000/year)  
(Funds eliminated in 2010; additional funds were made available in FY11 in the amount of \$436,400)
- 2011** CNG Rebate eliminated (December 31, 2011 - Rebate averaged \$700,000/year)
- 2011** Fare Increase, base fare to \$1.50

#### Contractor/Management-Executed Efficiencies

While the largest contributing factor to the increased farebox recovery in FY 2012 was the July 1, 2011 fare increase, there were a number of efficiencies created in FY 2012 and prior years that helped the system contain costs. Currently 83.7% of Sun Tran costs consisting of labor, fuel and bus parts.

## Five-Year Strategic Transit Plan

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Though the list below illustrates the fact the Sun Tran/Sun Van organizations have implemented a broad variety of measures to contain costs.

### FY 2012

- Continued vacancy management
- Administrative employee wage freeze
- Solar Power generation at new facility reduced electrical costs
- Exempt management employees worked nights and weekends to staff UA football shuttles, saving on operational costs

### FY 2011

- Layoff of administrative employees, closure of transit center booths
- Vacancy management
- Operated with a 22 percent reduction in administrative staff compared to budgeted staffing levels for FY 10
- Increased use of part-time coach operators
- Negotiated lower rates for administrative employee health care policies, which resulted in health and welfare benefit reductions (employees bearing costs of higher co-pays, reduced pay-outs, fewer covered services)
- Exempt management employees worked nights and weekends to staff community event shuttles
- PTM/Veolia management fee held flat for previous three years
- New labor agreement negotiated resulting in additional cost savings
- Deferred purchase of capital expenditures (replacement buses)

### FY 2010

- Negotiated decrease in administrative health care premiums
- Deferred purchase of capital expenditures (replacement buses)
- Reduced the Marketing budget by 12 percent and partnered with RTA to promote regional transit use
- PTM opened a second Sun Tran transit facility, saving deadhead miles by geographically deploying buses throughout the region
- PTM decreased overtime at Sun Tran by 60,000 hours over a three-year period
- PTM researched and instituted use of new products for graffiti deterrent and abatement, saving both time and materials in our maintenance department

### **Highlights of the 2013 Budget**

The budget for FY 2013 was adopted in June 2012. The FY 2013 budget reflects Sun Tran and Sun Van's ongoing efforts to control costs and deliver the most value possible for the public's tax and fare dollars. Through discussions between Sun Tran, Sun Van and TDOT, just over \$1 million of new operating efficiencies were incorporated into the FY 2013 budget.

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## Five-Year Strategic Transit Plan

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Sun Tran included the following efficiency measures in the FY 2013 adopted budget:

- Decreased the budgeted cost per mile from \$ 0.47 to \$0.44 due to anticipated savings from the use of newer vehicles. Further decreased the budgeted cost per mile to \$0.42 in order to reduce the general fund contribution, saving a total of \$193,000
- Saved \$60,000 from the new management contract
- Coordinated between private security and TPD in regards to the hours Tucson Police Department was present at the centers, resulting in a savings of \$83,200

Sun Tran continues to seek cost-saving measures beyond those allocated in the FY 2013 budget:

- Facilitated an agreement between Gillig and Cummins to replace/repair the diesel particulate units on the 2700 and 2800 Gilligs. The project is completely funded by Gillig and Cummins, and will save Sun Tran approximately \$150,000 a year relative to out-of-service buses and labor costs

Though Sun Tran has identified further savings in FY 2013 as mentioned above, it is important to note that there may be certain unplanned costs that will attribute to the expenditures coming in over budget.

### **Sun Tran/Sun Van's Financial Situation**

Since FY 2010 Sun Tran/Sun Van has experienced a loss of funding i.e. LTAF, CNG rebate as stated prior on an annual basis this accounted for over one million dollars a year.

Sun Tran and Sun Van have managed this difficult financial situation and core service has been preserved. Steps taken to manage the financial situation include practicing vacancy management, lay-off of administrative staff, and finding efficiencies within the budget.

The City Council approved two fare increases in the past four years, for a total fifty percent increase to regular base fare. In August 2009, the base fare increased 25 percent, while there was no increase to the economy fare. In July 2011, the base fare increased 20 percent and the economy fare increased by 25 percent.

### **Budget Planning**

Sun Tran, Sun Van and Transit Services have been identified as "Program Areas" of the City of Tucson's Department of Transportation in recent annual adopted budget documents. It is anticipated that Sun Link will be identified similarly in future City budgets. Typically, administrative and financial staff members who oversee program areas are responsible for preparing their own budgets and submitting them to appropriate City departmental staff. To develop a budget, Sun Tran/Sun Van forecasts expected revenues from fares and other sources, and expected expenditures for fuel, wages and benefits, inflation, and costs for services. Based on these assumptions and established financial policies, Sun Tran/Sun Van makes and submits budget recommendations. Current funding sources include the City of

## Five-Year Strategic Transit Plan

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Tucson General Fund, Farebox Revenue, Advertising Revenue, Intergovernmental Agreements, and Capital Grants.

City staff reviews Sun Tran/Sun Van' proposed budget and may modify it before compiling it into the whole TDOT budget. City staff submits the proposed TDOT budget to the Budget Office within the scheduled budget submission time frame. Per City Charter, the City Manager submits the Recommended Budget to the Mayor and Council on or before the first Monday in May of each year, or on such date in each year as fixed by the Mayor and Council. The Mayor and Council reviews and amends the budget before adopting it on or before June 30<sup>th</sup> for the fiscal year beginning July 1<sup>st</sup>.

### Five Year Operating Plan

Beginning in 2011, Sun Tran/Sun Van has been required to annually prepare a five-year operating plan.

A draft Five Year Operating Plan for FYs 2014-2018 is included as Appendix IV; it is important to note that these projections are provided in a working document. Staff will continue revising these Operating Plan projections as updated information becomes available during development of the Recommended FY 2014 operating budget and the FYs 2014-2018 Capital Improvement Program budget.

Per Mayor and Council direction, this Operating Plan working document segregates the following summary and detail information:

1. System Modes: Fixed Route (Sun Tran), Paratransit (Sun Van), Express (Sun Tran) and Sun Link (Streetcar)
  - Revenues
  - Expenditures
2. Operating vs. Capital Budgets, including funding mechanisms

Mode	Program	Lead Responsibility	Timeline
Fixed Route	Budget Development	COT/TDOT/Sun Tran	FY 2013
Paratransit	Budget Development	COT/TDOT/Sun Van	FY 2013
Express	Budget Development	COT/TDOT/Sun Tran	FY 2013
Sun Link	Budget Development	COT/TDOT/Sun Link	FY 2013

The Five Year Operating Plan projections currently include the following assumptions for FY 2014:

- Passenger revenues increase 3%
- Advertising revenues increase 5%
- Raytheon revenues increase slightly based on FY 2012 actuals
- Other (miscellaneous) revenues decrease up to \$500,000 each year due to no longer receiving federal fuel tax credits.

## Five-Year Strategic Transit Plan

- Sun Link operations will start in latter FY 2014
- PTM/Veolia will work with TDOT on an alternate liability reserve structure

### Federal Transit Administration (FTA) Funding:

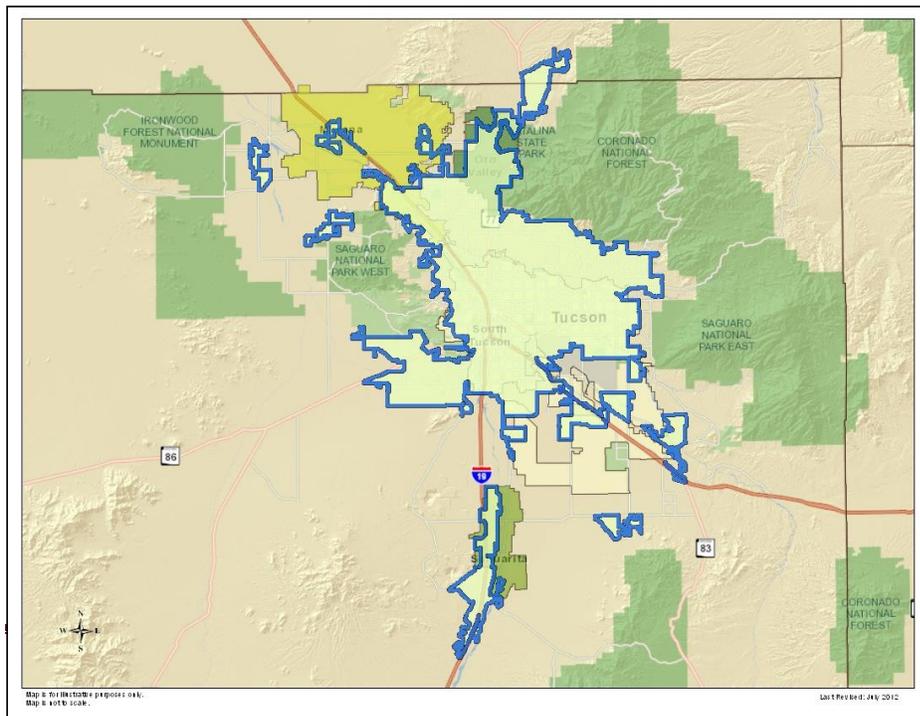
Majority comes from Section 5307 – Urbanized Area Formula Funds. The Formula is based on the following:

- 50% Bus revenue vehicle miles
- 25% Population
- 25% Population X Population Density

### 2010 Census Map of Urbanized Area (UA)

The Federal Register dated August 24, 2011 provides detailed criteria relative to the 2010 Census urbanized areas, and defines urbanized area as “A statistical geographic entity consisting of a densely settled core created from census tracts or blocks and contiguous qualifying territory that together have a minimum population of at least 50,000 persons.”

According to the March 27, 2012 Federal Register, as a result of the 2010 Census, there are 497 urbanized areas in the United States. Within this same Federal Register, the Tucson urbanized area is defined as having an Urbanized Area population of 843,168 and is ranked 52nd in U.S. population.



## Five-Year Strategic Transit Plan

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### Service Plan

Current service provided can be found under Description of Existing Service and Resources of this document. Sun Tran currently operates 40 routes throughout the Tucson metropolitan area. Appendix V lists Sun Tran routes and the Wards that are serviced and provides a current system map. Also found in Appendix VI is a map of the Sun Van service area.

Service Studies recommended to be performed:

#### Comprehensive Operations Analysis (COA)

Purpose:

- Evaluate the performance of individual routes and system wide operations
- Evaluate schedule adherence of individual routes
- Provide information on boarding's and alighting's by route and stop
- Provides recommendations on operational improvements

### Route Reviews

Staff has committed to complete a review of all routes, starting with routes that have been identified as underperforming, as documented in the Sun Tran Route Profile (Appendix III), or identified to have service issues. The profile focuses on four areas: Ridership (passengers per hour), financial (farebox recovery) and energy (pounds of CO2 per passenger). These measures and their standards were suggested by staff and approved by the Transit Task Force. Underperforming routes are those routes not meeting the standard on two out of the three categories. Staff will review a minimum of one route per month. The entire system will be completed within a three-year period. Specific routes may be reviewed more than once if need be. Changes to the Sun Tran system may have an effect on other modes. The following opportunities for efficiency will be reviewed:

#### Fixed/Express Service

- Routing changes
- Frequency adjustments
- Running time
- Infrastructure improvements to bus stops, pedestrian access routes, shelters, etc.

#### Paratransit

Implement changes to service areas and hours due to adjustment and upgrades to the fixed/express system and review ADA optional service, e.g. taxi voucher system.

Investigate expanding the use of *Conditional Eligibility* for Sun Van ADA eligible clients when possible and appropriate. Encourage use of Sun Tran for trips that an individual is not

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## Five-Year Strategic Transit Plan

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conditionally eligible. Identify and address conditions that are determined to be environmental barriers that prohibit passengers with disabilities from riding Sun Tran.

### **Streetcar**

Opportunities to become more efficient/cost effective by integrating other modes with the streetcar via transfers or shifting of service area to the streetcar line

### **Neighborhood Circulators**

Replacing 40-foot bus service from neighborhood streets and replacing with smaller buses which would feed fixed route service on main arterials. Advantages include:

- Smaller buses traverse narrower side streets better than larger buses and are general more acceptable by neighborhoods than larger vehicles
- Main street routes operate at a higher rate of speed and become more cost efficient
- Circulator routes can be operated in many different fashions such as fixed, flex or dial a ride service
- Service can be implemented in new areas with potential ridership. As need increases the expanded area would be moved to larger buses

Cost savings realized in the review process will be reallocated to service areas in need or to provide new or upgraded service.

### **RTA Plan and Expansion**

As the RTA Plan was developed prior to 2006, it should be reviewed annually to determine current needs of the community. Staff will prepare recommendations for updates to the plan as well as a reprioritization of the plans projects.

The RTA has for six years funded new and improved upon transit service to the Tucson area. The table in Appendix VII identifies the service frequency and route expansions that have been identified for each fiscal year. These improvements may be reviewed each year to reevaluate the priorities and resources available in coordination with the Pima Association of Governments (PAG) Regional Transportation Planning Committee (TPC) and Transit Working Group (TWG). Additionally these improvements may enhance the core services and increase capabilities for Sun Tran to provide additional services throughout the metropolitan area.

See Appendix VII for Proposed RTA Transit Improvements.

## Five-Year Strategic Transit Plan

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Mode	Program	Lead Responsibility	Timeline
Fixed Route	Review of Current Routes	Sun Tran	Ongoing/all routes by FY 2015
Fixed Route	Recommendations for Efficiencies	Sun Tran	Annually
Paratransit	Review of current operating Policies and procedures	Sun Van	FY 2014
Paratransit	Recommendations for Efficiencies	Sun Van	Annually
Fixed Route	COA		FY 2014
Fixed Route	Review of RTA Transit Plan	Sun Tran	Annually

## Five-Year Strategic Transit Plan

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### Marketing Plan

The purpose of a marketing plan is to develop a road map that assists the system grow. The plan identifies objectives and marketing strategies. Marketing ensures that current and potential customers are aware of the services available and how to use them.

These objectives will steer the annual development of all marketing activities, including communications, public relations, promotions, and advertising campaigns.

#### Objectives:

##### 1. Increase awareness of integrated seamless area transit options to increase ridership

###### Background

Though ridership on Sun Tran has fluctuated in the past five years, it increased 14.9% between FY 2006 and FY 2009. In FY 2009, with the help of later weeknight and weekend service additional express routes and rising gas prices, the system peaked with ridership of 21.6 million passenger trips. In FY 2010 and FY 2011, the national recession, two fare increases, and a labor strike negatively affected ridership. In FY 2012 ridership loss was predicted to fall as much as 10 percent due to a July 1, 2011 fare increase. Surprisingly, ridership slipped only 2.5 percent to 19,971,230 passenger trips.

Though no RTA-funded services are scheduled for implementation in FY 2013, the system expects to attract new riders and expand its discretionary rider base with the launch of the new SunGO SmartCard fare payment system.

Sun Van ridership grew by 11% between FY 2006 and FY 2012, peaking at more than one-half million rides, an all-time high for the paratransit system. Approximately four of five passengers qualify for the economy fare, and economy ridership growth is outpacing regular fare ridership growth.

Due to the high cost of providing paratransit trips, Sun Van does not actively market to increase ridership on the system. However, efforts can be made to encourage paratransit riders with conditional eligibility to use Sun Tran when possible.

###### Strategies

- Promote Get On Board program and expand employer outreach
- Promote U-Pass college program and expand campus outreach
- Communicate benefits that Sun Tran provides to individuals and families
- Encourage Sun Van riders with conditional eligibility to ride Sun Tran, when possible
- Communicate the availability of new transit services
- Conduct community outreach

## Five-Year Strategic Transit Plan

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- Coordinate with City of Tucson and RTA to develop marketing plan for launch and ongoing promotion of Sun Link

### Timelines

- Ridership goals should be determined by mode on an annual basis, considering a variety of factors including but not limited to: historical ridership, anticipated changes in service levels and fares, status of labor negotiations, the state of the general economy and consumer fuel trends.
- Based on the available human and financial resources, the annual marketing plan shall determine the activities best designed to meet the annual ridership goal.

Mode	Program	Lead Responsibility	Timeline
Fixed Route, Express, Streetcar	Get On Board	Sun Tran	Annually
Fixed Route, Express, Streetcar	U-Pass	Sun Tran	Annually
Paratransit	Promote START program to Sun Van riders	Sun Tran/Sun Van	Annually
Fixed Route, Express, Streetcar	New service promotions	Sun Tran/Sun Link	As new service is implemented
Fixed Route, Express, Streetcar, Paratransit	Community outreach	Sun Tran	Annually

## 2. Attract and retain riders by boosting confidence, enhancing convenience and building relationships with customers

### Strategies

- Promote SunGO fare payment system
- Capitalize on improved communications and information technologies such as a mobile website, real time information, online fare payment system, etc.
- Support internal programs to foster customer-focused service
- Enhance internal communications to inform employees of company priorities, goals and initiatives

### Timelines

- The SunGO fare system is scheduled to launch in early 2013
- Sun Tran's mobile version of the website is scheduled to be completed in the fall of 2012.

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- If sufficient funding is available, an update of Sun Tran’s current website should occur in FY 2014.
- Customer-focused internal programs and communications efforts should be assessed and adjusted on an annual basis.
- Communication technologies change very quickly. At minimum, an annual assessment should be made to determine priorities and available resources to implement programs.

Mode	Program	Lead Responsibility	Timeline
Fixed Route, Express	SunGO	Sun Tran	Early 2013
Fixed Route, Express	Mobile website	Sun Tran	Fall 2012
Fixed Route, Express	Open Data Feed/Google Transit (static data)	Sun Tran/Sun Van	Early 2013
Fixed Route, Express, Paratransit	Internal communication enhancement	Sun Tran	FY 2013, updated annually
Fixed Route, Express, Streetcar, Paratransit	Website upgrade	Sun Tran	FY 2014
Streetcar	Incorporate streetcar info into Sun Tran website, trip planning, Web Tracker and other collateral pieces	Sun Tran	FY 2014

### 3. Improve public perception and support of Sun Tran’s family of transit services

#### Strategies

- Promote organization’s focus on customer service and reliability
- Communicate transit’s benefits to the city and surrounding area residents
- Communicate organization’s financial and operational efficiencies
- When communicating to the public about transit improvements, emphasize how they are delivered in relation to city or jurisdictional initiatives, voter-approved plans, timelines and/or budgets
- Build relationships with key stakeholders
- Position Sun Tran as a mid-size transit industry leader

#### Timeline

- Specific tactics to meet these objectives should be included in the annual marketing plan.

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Mode	Program	Lead Responsibility	Timeline
All	Public and Media Relations	Sun Tran	Evaluated and updated annually
All	Outreach	Sun Tran	Evaluated and updated annually
All	Monthly Compliance Reports, Monthly Operational Reports, Annual Reports	Sun Tran/Sun Van	Monthly and annually

#### 4. Obtain current demographics, attitudes and awareness measurements for riders and non-riders to effectively implement and market transit services

##### Strategies

- Conduct market-wide research
- Conduct customer satisfaction studies

##### Timeline

- Major market studies should be undertaken every three to five years, depending on funding availability. The RFP for the next major market study will be written in FY 2013, anticipating a contractor will be engaged to conduct the study in FY 2014.
- Customer satisfaction studies should be conducted by mode, and gauge perception of the current rider base. Optimally, customer satisfaction surveys for Sun Tran should be conducted every one to two years, based on available funding. Sun Van should conduct customer satisfaction surveys every two to three years.

Mode	Program	Lead Responsibility	Timeline
Fixed, Express, Streetcar	Market Research	Sun Tran	FY 2014
All	Customer Satisfaction Studies	Sun Tran	FY 2014-2015

#### 5. Increase advertising revenues

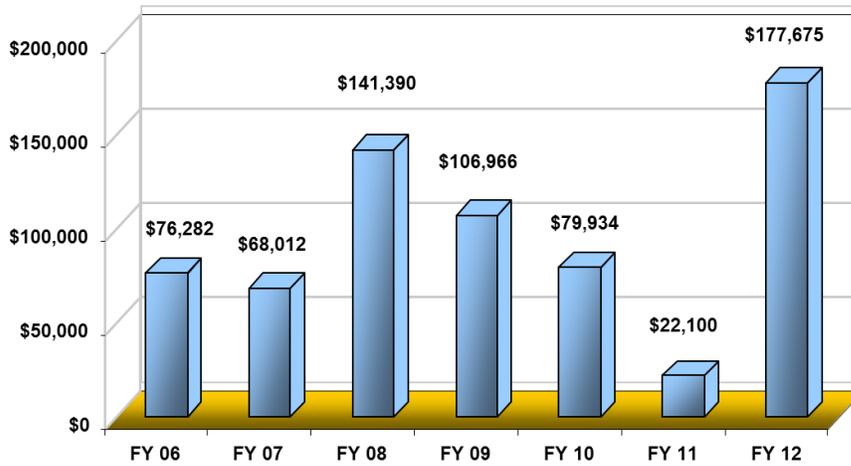
##### Background

Sun Tran currently has four buses with full bus wraps. The chart below provides information regarding advertising revenue over the past seven years.

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**Sun Tran Advertising Revenue History**



Advertising products available to the public are being reviewed and expanded on in order to increase the amount of advertising revenue. FY 2013 goal is to increase advertising revenue by 77 percent over FY 2012 revenues.

Strategies

- Evaluate product mix
- Contact new and existing clients on a regular basis
- Develop sales tools to provide information to clients
- Provide valid research on impact of bus advertising
- Conduct market research

Timelines

- Revenue targets should be analyzed on an annual basis.

Mode	Program	Lead Responsibility	Timeline
Fixed	Bus Advertising exteriors, interiors and collateral materials	Sun Tran	FY 2013
Paratransit	Evaluate revenue potential and level of community support	Sun Tran/Sun Van	FY 2014

## Five-Year Strategic Transit Plan

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### In Conclusion:

This Five-Year Strategic Transit Plan is the product of months of research, analysis, development and numerous meetings and discussions. It is the desire of the Transit Task Force that this is a continuation of a successful partnership between Transit Advocates, Community members, City Staff and transit providers working together to improve the community's quality of life by providing safe, efficient, reliable, customer-focused public transportation.

## APPENDICES

- I. Regional Service Interconnectivity Map
- II. Sun Tran/Sun Van Current Fleet Lifecycle Plan
- III. Recommended Fixed Route Performance Standards
- IV. Five Year Financial Plan
- V. Sun Tran Routes by Wards Served
- VI. Sun Van Service Area Map
- VII. Proposed RTA Transit Improvements
- VIII. Sun Tran and Sun Van Five Year Performance Trends
- ~~VIII~~IX. IAPC Report 1/9/13

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## APPENDIX II

### Sun Tran Current Fleet Lifecycle Plan

Sun Tran Active Fleet as of August 2012:

# of Buses	Model Year	Average Age	Average Miles
2	1994	17.84	624,093
24	1997	14.80	649,051
45	2001	10.90	459,241
38	2005	6.95	378,271
12	2007	5.51	285,251
65	2008	4.20	122,978
25	2009	2.57	80,121
20	2011	0.91	44,517
12	2012	0.08	2,802
243	Total	6.34 Years	272,285

Sun Tran Expected Active Fleet as of January 2013:

# of Buses	Model Year	Average Age	Average Miles
45	2001	11.22	
38	2005	7.32	
12	2007	5.37	
65	2008	4.93	
25	2009	3.62	
20	2011	0.99	
12	2012	0.08	
35	2012	0.00	
252	Total		

\*Includes 12 expansion buses purchased in 2012.

Sun Tran Expected Active Fleet as of June 2014:

# of Buses	Model Year	Average Age	Average Miles
18	2001	12.72	
38	2005	8.82	
12	2007	6.87	
65	2008	6.43	
25	2009	5.12	
20	2011	2.49	
47	2012	1.58	
27	2014	0.00	
252	Total		

Sun Tran Expected Active Fleet as of June 2015:

# of Buses	Model Year	Average Age	Average Miles
38	2005	10.32	
12	2007	8.37	
65	2008	7.93	
25	2009	6.62	
20	2011	3.99	
47	2012	3.32	
27	2014	1.50	
43	2015	0.00	
277	Total		

\*Includes 25 expansion buses to be purchased in 2015.

## Five-Year Strategic Transit Plan

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### Sun Van Current Fleet Lifecycle Plan

Sun Van Active Fleet as of July 1, 2012:

# of Buses	Model Year	Average Age	Average Miles
1	2007	5.03	148,448
77	2009	2.98	108,644
47	2011	0.63	23,741
125	Total	2.12 Years	77,039

Sun Van Expected Active Fleet as of June 30, 2013:

# of Buses	Model Year	Average Age	Average Miles
1	2007	6.03	
77	2009	3.98	
47	2011	1.63	
2	2013	0.00	
127	Total		

\*Includes 2 expansion vans to be purchased in 2013.

Sun Van Expected Active Fleet as of June 30, 2014:

# of Buses	Model Year	Average Age	Average Miles
36	2009	3.62	
47	2011	2.63	
2	2013	1.00	
42	2013	0.00	
2	2013	0.00	
129	Total		

\*Includes 2 expansion vans to be purchased in 2014.

Sun Van Expected Active Fleet as of June 30, 2015:

# of Buses	Model Year	Average Age	Average Miles
47	2011	3.63	
2	2013	2.00	
44	2013	1.00	
2	2014	0.00	
36	2014	0.00	
131	Total		

\*Includes 2 expansion vans to be purchased in 2015.

Sun Van Expected Active Fleet as of June 30, 2016:

# of Buses	Model Year	Average Age	Average Miles
19	2011	4.21	
2	2013	3.00	
44	2013	2.00	
38	2014	1.00	
28	2015	0.00	
2	2015	0.00	
133	Total		

\*Includes 2 expansion vans to be purchased in 2016.

Sun Van Expected Active Fleet as of June 30, 2017:

# of Buses	Model Year	Average Age	Average Miles
2	2013	4.00	
44	2013	3.00	
38	2014	2.00	
30	2015	1.00	
19	2016	0.00	
133	Total		

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## APPENDIX III



### Recommended Fixed-Route Performance Standards

Standards imply accountability, comparison, and remediation in the event of non-compliance. Standards should be straight-forward and derived from a rational, transparent basis. The performance standards recommended below are related to the effectiveness and sustainability of Sun Tran's fixed-route system. These performance standards reflect an approach that seeks to improve the system's performance as it relates to its riders, the environment, and taxpayers.

#### Performance Standard 1: Ridership

Ridership is a basic indication of a transit route's effectiveness in serving the community. There may be a dialogue about serving a particular facility, geography, or community, but if the result is a route that has little or no ridership, clearly this goal is not met. It may be that the service is designed poorly or that densities do not justify fixed-route bus service. Only by having a minimum performance standard can these routes be fairly evaluated and remediated.

Productivity is a measure of riders per revenue hour and is used as the framework for the ridership standard.

#### Regular Routes Ridership Standard

The annual performance standard is produced based on the most up-to-date actual annual riders per revenue miles. For regular Fixed-Route Service in Tucson the best indicator of potential performance is a route's relation to downtown, referred to as the Central Business District (CBD). A route that ties into downtown has more connectivity than other routes and is expected to meet a higher standard. This type of route is referred to as a Radial Route under the existing Sun Tran performance monitoring program.

#### Current considerations:

For routes traveling into the CBD, the current performance standard is 75% of the system average considered as meeting the standard. For all other routes, the current standard is based upon different percentages of the system average, differing between feeder and connective routes. There has been confusion about the classification of routes, using this standard.

#### Recommendation:

To simplify this process, it is recommended that the standard for Radial Routes be 18 passengers per hour. The recommended standard for Non-Radial Routes is 16 passengers per hour.

Sun Tran Fixed-Route Performance Standards  
8/16/11  
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## Five-Year Strategic Transit Plan

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### Express Ridership Standard

From a performance evaluation perspective, the Express Routes have the benefit of not being in operation in off-peak times when travel demand is lighter. Express Routes typically have longer route miles, with a higher percentage of the miles (both revenue and non-revenue) being non-productive since they generally pick up passengers in the outer areas of service and travel without stopping through the service area to the CBD. For this reason the productivity expectation for Express Routes should be based upon ridership per trip.

#### Current considerations:

The existing standard is that a route would carry 20 – 24 passengers per trip to be considered as meeting the standard. This is an extremely high standard, especially for fairly newly implemented service.

#### Recommendation:

It is recommended that an Express Route is considered as meeting the standard when carrying a range of an average 14 to 18 passengers per trip. It is also recommended that the Express Routes which include Reverse Commutes be noted, as while these types of trips are useful, they tend to bring down the route's average.

### Performance Standard 2: Comparable Energy Consumption

Since the 1970's, there has been recognition of the value of mass transit as it pertains to environmental sustainability and energy conservation. Often missing from this recognition are any measurable outcomes other than trips avoided. Because they are larger and heavier, transit vehicles actually consume more energy per vehicle mile traveled than private automobiles. In order to reap any benefit as it pertains to energy consumption, looking at energy consumed per passenger mile is the easiest to obtain and likely the most effective in measuring outcomes. A common measure of energy usage is miles per gallon, (MPG)..

A minimum standard for MPG's per passenger mile is useful in evaluating the performance of routes in a different way than the previous standard. MPG's per passenger miles speak to energy consumed or saved for a particular vehicle type given a particular trip pattern.

At the very minimum, a bus route should perform equally to the private automobile in terms of energy consumed per mile traveled for each passenger. The average passenger vehicle averages 21.7 miles per gallon. While routes will have trips that fall under this standard, no route should be worse than an automobile when judged from the cumulative service provided.

In utilizing this performance standard the average load factor, or passenger miles would be divided by platform (vehicle) miles, thus providing information on how many people are served for every mile of travel. Sun Tran's National Transit Database report for its fiscal year 2010 indicates 76,200,599 passenger miles and 7,940,148 miles operated. It will be important to re-evaluate this standard as new propulsion sources come on line. The established standards would need to be amended to reflect those sources. Carbon-based fuel

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## Five-Year Strategic Transit Plan

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sources have different concentrations of energy. Electrified systems use generally less energy and therefore may have different ratio which would be a minimum standard in the event such vehicles are added to Sun Tran's fleet.

**Current considerations:**

Comparable Energy Consumption is not a current performance consideration.

**Recommendation:**

If a Comparable Energy Consumption route performance indicator is of interest to the sub-committee; it is recommended that we analyze the fuel cost of transporting passengers on public transit vehicles versus individual operating private vehicles. In other words what is the fuel cost savings realized by the community by providing public transportation alternatives.

### **Performance Standard 3: Fares**

As a minimum standard of performance, routes shall have a farebox recovery no less than one-half the system average.

An important performance indicator for medium- to large-sized transit systems is fare revenues. While small agencies often find that the cost of collecting fares is equal to or exceeds the fares potentially collected, Sun Tran collects millions of dollars annually from its riders for services rendered. Farebox recovery for the performance standard is the total fixed-route revenue collected as a percentage of the total fixed-route operating cost. It is valuable as a metric since both fares per passenger and cost per hour are not equal for every route. Two routes may have exactly the same ridership but have different farebox recoveries, due to the type of riders/fare media on a particular route. One route may have more full fare riders or monthly pass riders than another that carries more economy passengers. This would affect the farebox recovery on routes with the same ridership.

The current average YTD farebox recovery rate is 20%.

**Current considerations:**

The current farebox standard for Express Routes is 25%. The current farebox system does not provide actual route revenue information; instead this information has been calculated based upon system wide calculations.

**Recommendation:**

It is recommended that Sun Tran pursue a Route Farebox Recovery rate only after the Smartcard system is implemented and at least 6 months data has been gathered for evaluation.

### **Performance Reporting**

Sun Tran recommends that by December 30 of each year, the Service and Scheduling Department report on both the performance of each route for the previous two years and the standards that applied for those years. Sun Tran recommends that new service be

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## Five-Year Strategic Transit Plan

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evaluated following its development period, typically 18 to 24 months. Further more any route that falls below the minimum standard for any one of the two performance standards for two consecutive years will be considered out of compliance with the standards. A partial year of operation will not be counted against a route's compliance with these standards. This provides for at least two and not more than three years for a route to mature before any corrective action is required.

The annual report will offer reasons why the route may be below standard and offer preliminary concepts for remediation.

### **Remediation**

Remediation is not simply about eliminating poor performing routes, but instead considering both the route's relationship to the system and other possible system changes that could ultimately improve the entire system. Remediation does not necessarily mean elimination of the route, as there can be other reasons to maintain a route other than its individual performance.

Non-compliance of routes with respect to performance standards is typically an indication of a route being designed inconsistent with the design principles or adopted service design policies. There may also be changes in land use or changes in the system which unintentionally deteriorated service or demand. Remedial efforts should identify how proposed improvements will better align with design principles and adopted policy and provide a rough projection of the relationship to performance standards.

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# Five-Year Strategic Transit Plan

City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast Summary  
Executive Summary

The Five Year Financial Forecast provides a snapshot of projected increases based on the current adopted FY 2013 adopted budget. Staff has segregated the various modes, Fixed Route, Express, Paratransit, Sun Link and Transit Services, in addition to segregating the Liability Reserve and Liability Insurance line items.

#### FY 2014

Total operating expenditures for Fiscal Year 2014 increase by \$7,508,230, or 10.2%, from Fiscal Year 2013 adopted budget. The primary factors for the increase are:

- Sun Van paratransit demand (+15.1%; \$2,132,680)
- Liability insurance premium increase, which accounts for one third (+147%; \$527,520) of the Sun Tran increases (+3.1%; \$1,756,000). Sunk Link costs (\$2,509,360) are incorporated for the first time, beginning November 2013. The increases to the liability reserve (+102%; \$1,200,000 ) are due to the addition of Sun Link to the 2014 budget and the requirement to replenish Sun Van's reserve.
- Total capital expenditures for Fiscal Year 2014 decrease by \$91,696,100 or 76.8%. This is primarily due to the completion of Sun Link system as well as the change in number of Sun Tran replacement buses from year to year.
- Total revenues for Fiscal Year 2014 decrease by \$7,267,230, or 18% from Fiscal Year 2013 adopted budget. The primary factor for the decrease is due to the completion of the capital projections.

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## APPENDIX IV Five Year Financial Plan

**Comment [MJ1]:** Revised Financial Plan inserted on December 17, 2012.

## Five-Year Strategic Transit Plan

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- The General Fund revenue for Fiscal Year 2014 increase by \$7,267,230, or 18% from Fiscal Year 2013 adopted budget. This is primarily due to the shift in FTA funding from preventive maintenance to replacement buses and vans, the increase in Sun Van operating costs and the addition of the Sun Link operating costs.

Moving forward into the five year forecast, labor, fuel and parts costs will continue to be approximately 84% of the Mass Transit budget. Increases to the General Fund investment are primarily due to Federal dollars being utilized for capital expenditures, i.e. transit buses, and the growth of paratransit service.

Mass Transit receives approximately 12 million dollars in federal 5307 funds on an annual basis. This funding is for capital purchases. Agencies are able to capitalize a certain portion of maintenance expenses which is what has been done for the past five budget cycles. Future use of these funds has been programmed for the purchase of capital equipment, primarily buses and vans.

In addition, over the past five years, the Mass Transit budget has lost approximately \$3,000,000 in revenue previously received through LTAF, LTAF II and another \$600,000 for the loss of the CNG rebate. This loss in revenue source in addition to the shift in capitalized maintenance increases the amount of the General Fund Investment in the outlying years.

As stated above, this five forecast is built on the assumptions under which the system is operating today. The Transit Task Force and staff will work on measures, as outline in the Five Year Strategic Transit Plan to reduce the General Fund investment required by the Mass Transit budget.

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Summary**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Revenue Sources:</b>						
Farebox	15,195,300	15,589,110	16,597,900	17,573,750	18,607,380	19,702,120
Regional Transportation Authority	54,398,200	23,933,390	23,678,740	15,553,240	20,848,370	16,646,700
General Fund	40,470,390	46,737,620	50,856,870	52,975,950	54,900,840	61,627,400
Federal Funding	81,739,200	20,167,400	17,392,400	7,155,000	8,307,000	20,083,100
Other Funding Sources	923,300	1,111,000	1,331,100	1,351,990	1,373,810	1,396,490
<b>Total</b>	<b>192,726,390</b>	<b>107,538,520</b>	<b>109,857,010</b>	<b>94,609,930</b>	<b>104,037,400</b>	<b>119,455,810</b>
<b>Expenditures by Mode:</b>						
Sun Tran Fixed Routes	85,588,190	70,840,620	78,297,430	60,574,280	70,130,950	84,121,330
Sun Express Routes	2,619,610	2,676,110	2,759,730	2,892,180	3,002,910	3,116,730
Sun Van Paratransit	14,232,630	20,109,990	21,094,580	22,320,610	22,104,580	22,122,600
Sun Link Streetcar	87,597,600	10,366,030	3,542,250	3,711,780	4,108,650	4,390,240
Transit Services	1,090,380	1,000,570	1,032,580	1,066,560	1,102,650	1,140,990
Liability Insurance & Liability Reserve	1,597,980	3,545,200	3,130,440	4,044,520	3,587,660	4,563,920
<b>Total</b>	<b>192,726,390</b>	<b>108,538,520</b>	<b>109,857,010</b>	<b>94,609,930</b>	<b>104,037,400</b>	<b>119,455,810</b>
<b>Expenditures by Type:</b>						
System Total Operating Expenditures	73,338,790	80,847,020	84,976,010	91,007,930	94,058,400	99,423,810
System Total Capital Expenditures	119,387,600	27,691,500	24,881,000	3,602,000	9,979,000	20,032,000
<b>Total</b>	<b>192,726,390</b>	<b>108,538,520</b>	<b>109,857,010</b>	<b>94,609,930</b>	<b>104,037,400</b>	<b>119,455,810</b>

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## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Revenue Sources by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Operating Revenue Sources:</b>						
<b>Sun Tran Fixed Routes:</b>						
Farebox	13,829,550	13,914,260	14,749,120	15,634,070	16,572,120	17,566,440
Regional Transportation Authority	5,168,050	6,009,250	6,244,120	6,453,460	6,699,820	6,963,810
Regional Transportation Authority: 1. Pass-thru funding from Other Jurisdictions	2,856,580	4,399,690	4,550,390	4,725,720	4,909,670	5,102,050
General Fund	24,963,750	27,567,860	28,340,270	29,514,330	30,524,100	31,644,160
FTA Grant Funding Preventive Maintenance	5,794,600	2,701,730	2,701,730	2,701,730	2,701,730	2,701,730
Advertising	300,800	286,200	300,510	315,540	331,310	347,880
Other Federal Funding	919,660	316,730	41,980	328,180	228,960	0
Other Funding Sources	286,200	95,400	97,310	99,250	101,240	103,260
<b>Sun Tran Fixed Routes Total Revenues</b>	<b>54,119,190</b>	<b>55,291,120</b>	<b>57,025,430</b>	<b>59,772,280</b>	<b>62,068,950</b>	<b>64,429,330</b>
<b>Sun Express Routes:</b>						
Farebox	651,650	655,650	694,980	736,680	780,890	827,740
Regional Transportation Authority	1,086,250	1,208,510	1,238,960	1,294,280	1,327,760	1,384,870
Regional Transportation Authority: 1. Pass-thru funding from Other Jurisdictions	308,420	412,150	438,330	439,440	442,050	463,740
General Fund	71,250	82,860	79,890	96,490	127,640	122,760
FTA Grant Funding Preventive Maintenance	279,400	130,270	130,270	130,270	130,270	130,270
Advertising	14,500	13,800	14,490	15,210	15,980	16,770
Raytheon Subsidy	150,000	153,000	156,100	159,200	162,400	165,600
Other Federal Funding	44,340	15,270	2,020	15,820	11,040	0
Other Funding Sources	13,800	4,600	4,690	4,790	4,880	4,980
<b>Sun Express Routes Total Revenues</b>	<b>2,619,610</b>	<b>2,676,110</b>	<b>2,759,730</b>	<b>2,892,180</b>	<b>3,002,910</b>	<b>3,116,730</b>
<b>Sun Tran Total Revenues</b>	<b>56,738,800</b>	<b>57,967,230</b>	<b>59,785,160</b>	<b>62,664,460</b>	<b>65,071,860</b>	<b>67,546,060</b>

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Revenue Sources by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Sun Van Paratransit:</b>						
Farebox	714,100	815,200	847,800	881,700	917,000	953,700
Regional Transportation Authority	311,700	317,820	330,530	343,750	357,500	371,800
Regional Transportation Authority:						
1 Pass-thru funding from Other Jurisdictions	988,400	1,085,970	1,129,410	1,174,590	1,221,570	1,270,430
General Fund	11,159,430	13,261,000	14,682,840	16,328,570	17,303,510	18,798,670
FTA Grant Funding Preventive Maintenance	500,000	500,000	500,000	500,000	500,000	500,000
Other Federal Funding	200,000	0	32,000	264,000	0	0
Other Funding Sources	38,000	38,000	38,000	38,000	38,000	38,000
<b>Sun Van Total Revenues</b>	<b>13,911,630</b>	<b>16,017,990</b>	<b>17,560,580</b>	<b>19,530,610</b>	<b>20,337,580</b>	<b>21,932,600</b>
<b>Sun Link Streetcar:</b>						
Farebox	0	204,000	306,000	321,300	337,370	354,240
Regional Transportation Authority	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General Fund	0	712,030	1,561,250	1,780,480	2,021,280	2,286,000
Federal Funding	0	0	0	0	0	0
University of Arizona	0	400,000	600,000	600,000	600,000	600,000
Other Funding Sources	0	0	0	0	0	0
<b>Sun Link Total Revenues</b>	<b>0</b>	<b>2,316,030</b>	<b>3,467,250</b>	<b>3,701,780</b>	<b>3,958,650</b>	<b>4,240,240</b>
<b>Transit Services:</b>						
General Fund	496,380	532,570	564,580	598,560	634,650	672,990
Regional Transportation Authority	90,000	90,000	90,000	90,000	90,000	90,000
Other Federal Funding	384,000	258,000	258,000	258,000	258,000	258,000
Other Funding Sources	120,000	120,000	120,000	120,000	120,000	120,000
<b>Transit Services Total Revenues</b>	<b>1,090,380</b>	<b>1,000,570</b>	<b>1,032,580</b>	<b>1,066,560</b>	<b>1,102,650</b>	<b>1,140,990</b>

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Revenue Sources by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Liability Insurance &amp; Reserve Contribution Revenue</b>						
General Fund	1,597,980	2,545,200	3,130,440	4,044,520	3,587,660	4,563,920
Regional Transportation Authority		1,000,000				
<b>Liability Insurance &amp; Reserve Total Revenues</b>	<b>1,597,980</b>	<b>3,545,200</b>	<b>3,130,440</b>	<b>4,044,520</b>	<b>3,587,660</b>	<b>4,563,920</b>
<b>System Total Operating Revenues</b>	<b>73,338,790</b>	<b>80,847,020</b>	<b>84,976,010</b>	<b>91,007,930</b>	<b>94,058,400</b>	<b>99,423,810</b>

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Revenue Sources by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Capital Revenue Sources:</b>						
<b>Sun Tran:</b>						
Regional Transportation Authority	5,556,800	378,000	8,625,000	0	4,800,000	0
General Fund	2,154,600	2,322,100	1,853,600	160,000	252,000	3,356,600
Other Federal Funding	23,757,600	12,849,400	10,793,400	642,000	3,010,000	16,335,400
<b>Sun Tran Total Capital Revenues</b>	<b>31,469,000</b>	<b>15,549,500</b>	<b>21,272,000</b>	<b>802,000</b>	<b>8,062,000</b>	<b>19,692,000</b>
<b>Sun Van:</b>						
Regional Transportation Authority	32,000	32,000	32,000	32,000	0	0
General Fund	27,000	664,000	569,000	443,000	300,000	32,300
Other Federal Funding	262,000	3,396,000	2,933,000	2,315,000	1,467,000	157,700
<b>Sun Van Total Capital Revenues</b>	<b>321,000</b>	<b>4,092,000</b>	<b>3,534,000</b>	<b>2,790,000</b>	<b>1,767,000</b>	<b>190,000</b>
<b>Sun Link Streetcar:</b>						
Regional Transportation Authority	38,000,000	8,000,000	0	0	0	0
General Fund	0	50,000	75,000	10,000	150,000	150,000
Other Federal Funding	49,597,600	0	0	0	0	0
<b>Sun Link Total Capital Revenues</b>	<b>87,597,600</b>	<b>8,050,000</b>	<b>75,000</b>	<b>10,000</b>	<b>150,000</b>	<b>150,000</b>
<b>System Total Capital Revenues</b>	<b>119,387,600</b>	<b>27,691,500</b>	<b>24,881,000</b>	<b>3,602,000</b>	<b>9,979,000</b>	<b>20,032,000</b>
<b>System Total Operating &amp; Capital Revenues</b>	<b>192,726,390</b>	<b>108,538,520</b>	<b>109,857,010</b>	<b>94,609,930</b>	<b>104,037,400</b>	<b>119,455,810</b>

# Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Revenue Sources by Mode**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Adopted						
Projection						
Projection						

Note: Sun Link Service anticipated to begin November 2013. Operating expense budget and passenger revenue are programmed accordingly.

Note: The Sun Link budget is extremely preliminary, with several key project milestones expected in February, 2013, at which time the Rail Activation and Operations Committee can more fully recommend a budget. The budgetary numbers presented represent service initiating at the end of October, 2013, and is based upon numerous rail service contracts and minimum employee counts based upon projected hours of service and experience of other systems. The Rail Activation and Operations Committee is made up of TDOT, transit technical and RTA representatives. Activities undertaken are mandated by Federal regulations and monitored by the FTA's Project Management Oversight Contractor (PМОC).

<sup>1</sup> Pima County, South Tucson and Marana Transit Service IGA's

<sup>2</sup> RTA contribution assumes \$1,000,000 per year plus an additional \$1,000,000 in FY 2014 for the initial loading of liability reserves (from total \$12.5 m contribution expected toward operations).

<sup>3</sup> The General Fund amount for Sun Link service is the balance of funding needed to cover the operating expenditure budget. It is anticipated that actual funding will eventually come from other sources (i.e. naming stations, business improvement districts, etc.)

<sup>4</sup> There may be minimal fixed guideway federal funding toward rail operations, effective in FY 2015. The funding amount would be calculated using a national formula based upon statistics of other rail systems. We are unable to determine an estimate at this time. Efforts are underway to develop alternative funding sources to replace or reduce the need for General Fund investment. The Rail Activation and Operations Committee continues working on developing ideas. Revisions to the plan will be made as more information is available.

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Operating & Capital Expenditures by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Operating Expenditures:</b>						
<b>Sun Tran Fixed Routes:</b>						
Personnel Services:						
Salaries	20,557,860	21,056,590	21,481,900	21,915,720	22,358,220	22,809,580
Benefits	14,260,300	14,660,960	15,525,220	16,475,300	17,521,110	18,673,760
Services:						
Management Contract (Veolia)	349,560	349,560	367,040	385,400	404,670	424,900
Advertising	102,270	102,270	112,500	123,750	136,120	149,730
Other Services	4,474,490	4,831,580	5,119,080	5,425,520	5,752,360	6,101,090
Supplies:						
Fuel	7,907,800	8,213,940	8,359,900	8,681,400	8,885,560	9,152,120
Vehicle Maintenance	4,591,150	4,820,710	5,061,750	5,314,840	5,580,580	5,859,600
Other Supplies	837,810	859,600	945,570	1,040,130	1,144,130	1,258,550
Equipment:						
Security Equipment/Transit Security Training	667,800	0	0	0	0	0
Other Equipment/Facilities Improvement/MIS	370,150	395,910	52,470	410,220	286,200	0
<b>Sun Tran Fixed Routes Total Operating Expenditures</b>	<b>54,119,190</b>	<b>55,291,120</b>	<b>57,025,430</b>	<b>59,772,280</b>	<b>62,068,950</b>	<b>64,429,330</b>
<b>Sun Express Routes:</b>						
Personnel Services:						
Salaries	1,001,340	1,025,380	1,045,890	1,066,810	1,088,150	1,109,910
Benefits	687,600	706,920	748,600	794,410	844,830	900,410

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Operating & Capital Expenditures by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Sun Express Routes (Cont.):</b>						
Services:						
Management Contract (Veolia)	16,860	16,860	17,700	18,580	19,510	20,490
Advertising	4,930	4,930	5,420	5,970	6,560	7,220
Other Services	215,750	232,970	246,830	261,610	277,370	294,180
Supplies:						
Fuel	381,300	396,060	403,100	418,600	428,440	441,300
Vehicle Maintenance	221,380	232,450	244,070	256,270	269,080	282,540
Other Supplies	40,400	41,450	45,590	50,150	55,170	60,680
Equipment:						
Security Equipment/Transit Security Training	32,200	0	0	0	0	0
Other Equipment/Facilities Improvement/MIS	17,850	19,090	2,530	19,780	13,800	0
<b>Sun Express Routes Total Operating Expenditures</b>	<b>2,619,610</b>	<b>2,676,110</b>	<b>2,759,730</b>	<b>2,892,180</b>	<b>3,002,910</b>	<b>3,116,730</b>
<b>Total Sun Tran Operating Expenditures</b>	<b>56,738,800</b>	<b>57,967,230</b>	<b>59,785,160</b>	<b>62,664,460</b>	<b>65,071,860</b>	<b>67,546,060</b>
<b>Sun Van Paratransit:</b>						
Personnel Services:						
Salaries	6,243,110	7,010,370	7,402,110	7,816,200	8,253,940	8,716,690
Benefits	2,883,720	3,271,810	3,627,290	4,022,830	4,463,050	4,953,120
Services:						
Management Contract (Veolia)	183,420	186,480	205,130	225,640	248,200	273,020
Other Services	484,440	529,620	582,580	970,840	704,920	775,410

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Operating & Capital Expenditures by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Sun Van Paratransit (Cont.):</b>						
Supplies:						
Fuel	1,964,150	2,623,640	3,235,330	3,558,860	3,914,750	4,306,230
Vehicle Maintenance	1,660,390	2,128,880	2,174,230	2,282,940	2,397,090	2,516,940
Other Supplies	242,400	267,190	293,910	323,300	355,630	391,190
Other Equipment	250,000	0	40,000	330,000	0	0
<b>Sun Van Paratransit Total Operating Expenditures</b>	<b>13,911,630</b>	<b>16,017,990</b>	<b>17,560,580</b>	<b>19,530,610</b>	<b>20,337,580</b>	<b>21,932,600</b>
<b>Sun Link Streetcar:</b>						
<sup>5</sup> Personnel Services:						
Salaries	0	989,030	1,483,550	1,553,360	1,629,380	1,712,310
Benefits	0	423,870	635,800	665,720	698,300	733,850
<sup>5</sup> Services:						
Management Contract (Provider TBD)						
Facilities Utilities	0	75,730	113,600	124,960	137,460	151,210
Other Services	0	547,320	778,090	855,900	941,490	1,035,640
Supplies:						
Operating Utilities and Fuel	0	102,980	154,460	169,910	186,900	205,590
Vehicle Maintenance	0	104,000	150,000	165,000	181,500	199,650
Systems Maintenance	0	50,000	81,000	89,100	98,010	107,810
Other Supplies	0	23,100	35,750	39,330	43,260	47,590
Other Equipment	0	0	35,000	38,500	42,350	46,590
<b>Sun Link Total Operating Expenditures</b>	<b>0</b>	<b>2,316,030</b>	<b>3,467,250</b>	<b>3,704,780</b>	<b>3,958,650</b>	<b>4,240,240</b>

# Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Operating & Capital Expenditures by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Transit Services:</b>						
Personnel Services:						
Salaries	148,460	151,430	154,460	157,550	160,700	163,910
Benefits	82,380	90,620	99,680	109,650	120,620	132,680
Services	641,750	539,840	558,830	578,770	599,710	621,700
Supplies	17,790	18,680	19,610	20,590	21,620	22,700
Grant Project Administration	200,000	200,000	200,000	200,000	200,000	200,000
<b>Transit Services Total Operating Expenditures</b>	<b>1,090,380</b>	<b>1,000,570</b>	<b>1,032,580</b>	<b>1,066,560</b>	<b>1,102,650</b>	<b>1,140,990</b>
<b>Liability Insurance</b>						
Sun Tran Regular Fixed Route	343,440	846,740	973,760	1,119,820	1,287,800	1,480,960
Sun Tran Express Route	16,560	40,830	46,950	54,000	62,090	71,410
Sun Van Paratransit	237,980	264,300	290,730	319,800	351,780	386,960
Sun Link Streetcar	0	193,330	319,000	350,900	385,990	424,590
<b>Liability Insurance Total Operating Expenditures</b>	<b>597,980</b>	<b>1,345,200</b>	<b>1,630,440</b>	<b>1,844,520</b>	<b>2,087,660</b>	<b>2,363,920</b>
<b>Liability Reserve Contribution:</b>						
Sun Tran Regular Fixed Route	954,000	954,000	954,000	954,000	954,000	954,000
Sun Tran Express Route	46,000	46,000	46,000	46,000	46,000	46,000
Sun Van Paratransit	0	200,000	0	200,000	0	200,000
<sup>6</sup> Sun Link Streetcar	0	1,000,000	500,000	1,000,000	500,000	1,000,000
<b>Liability Reserve Contribution Total Expenditures</b>	<b>1,000,000</b>	<b>2,200,000</b>	<b>1,500,000</b>	<b>2,200,000</b>	<b>1,500,000</b>	<b>2,200,000</b>
<b>System Total Operating Expenditures</b>	<b>73,338,790</b>	<b>80,847,020</b>	<b>84,976,010</b>	<b>91,007,930</b>	<b>94,058,400</b>	<b>99,423,810</b>

## Five-Year Strategic Transit Plan

**City of Tucson  
Department of Transportation  
Mass Transit System  
Five Year Financial Forecast  
Operating & Capital Expenditures by Mode**

	FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
<b>Capital Expenditures:</b>						
<b>Sun Tran:</b>						
Capital Equipment:						
Replacement Buses	16,497,700	13,635,000	9,180,000	0	0	19,380,000
Expansion Buses	5,100,000	0	10,625,000	0	6,800,000	0
Non-Revenue Vehicles/MIS	670,000	1,085,000	1,155,000	0	950,000	0
Security	156,000	156,000	156,000	156,000	156,000	156,000
Construction	8,889,300	517,500	0	490,000	0	0
ADA Enhancements	156,000	156,000	156,000	156,000	156,000	156,000
<b>Sun Tran Total Capital Expenditures</b>	<b>31,469,000</b>	<b>15,549,500</b>	<b>21,272,000</b>	<b>802,000</b>	<b>8,062,000</b>	<b>19,692,000</b>
<b>Sun Van:</b>						
Capital Equipment:						
Replacement Vans	135,000	3,906,000	3,348,000	2,604,000	1,767,000	190,000
Expansion Vans	186,000	186,000	186,000	186,000	0	0
<b>Sun Van Total Capital Expenditures</b>	<b>321,000</b>	<b>4,092,000</b>	<b>3,534,000</b>	<b>2,790,000</b>	<b>1,767,000</b>	<b>190,000</b>
<b>Sun Link Streetcar:</b>						
Construction	87,597,600	8,000,000	0	0	0	0
Capital Equipment		50,000	75,000	10,000	150,000	150,000
<b>Sun Link Total Capital Expenditures</b>	<b>87,597,600</b>	<b>8,050,000</b>	<b>75,000</b>	<b>10,000</b>	<b>150,000</b>	<b>150,000</b>
<b>System Total Capital Expenditures</b>	<b>119,387,600</b>	<b>27,691,500</b>	<b>24,881,000</b>	<b>3,602,000</b>	<b>9,979,000</b>	<b>20,032,000</b>
<b>System Total Operating &amp; Capital Expenditures</b>	<b>192,726,390</b>	<b>108,538,520</b>	<b>109,857,010</b>	<b>94,609,930</b>	<b>104,037,400</b>	<b>119,455,810</b>

# Five-Year Strategic Transit Plan

**City of Tucson**  
**Department of Transportation**  
**Mass Transit System**  
**Five Year Financial Forecast**  
**Operating & Capital Expenditures by Mode**

FY 2013 Adopted	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
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Note: Sun Link Service anticipated to begin November 2013. Operating expense budget and passenger revenue are programmed accordingly.

Note: The Sun Link budget is extremely preliminary, with several key project milestones expected in February, 2013, at which time the Rail Activation and Operations Committee can more fully recommend a budget. The budgetary numbers presented represent service initiating at the end of October, 2013, and is based upon numerous rail service contracts and minimum employee counts based upon projected hours of service and experience of other systems. The Rail Activation and Operations Committee is made up of TDOT, transit technical and RTA representatives. Activities undertaken are mandated by Federal regulations and monitored by the FTA's Project Management Oversight Contractor (PMOC).

<sup>5</sup> The amounts are estimates. The projections will be revised when management and maintenance contracts are awarded.

<sup>6</sup> FY 2014 is budgeted at \$1,000,000 for initial loading of liability reserves. The amounts in FY 2015 through FY 2018 are estimates. The projections will be revised after Sun Link has been in service. The liability reserve amounts are based on operational history and insurance policy requirements.

## Five-Year Strategic Transit Plan

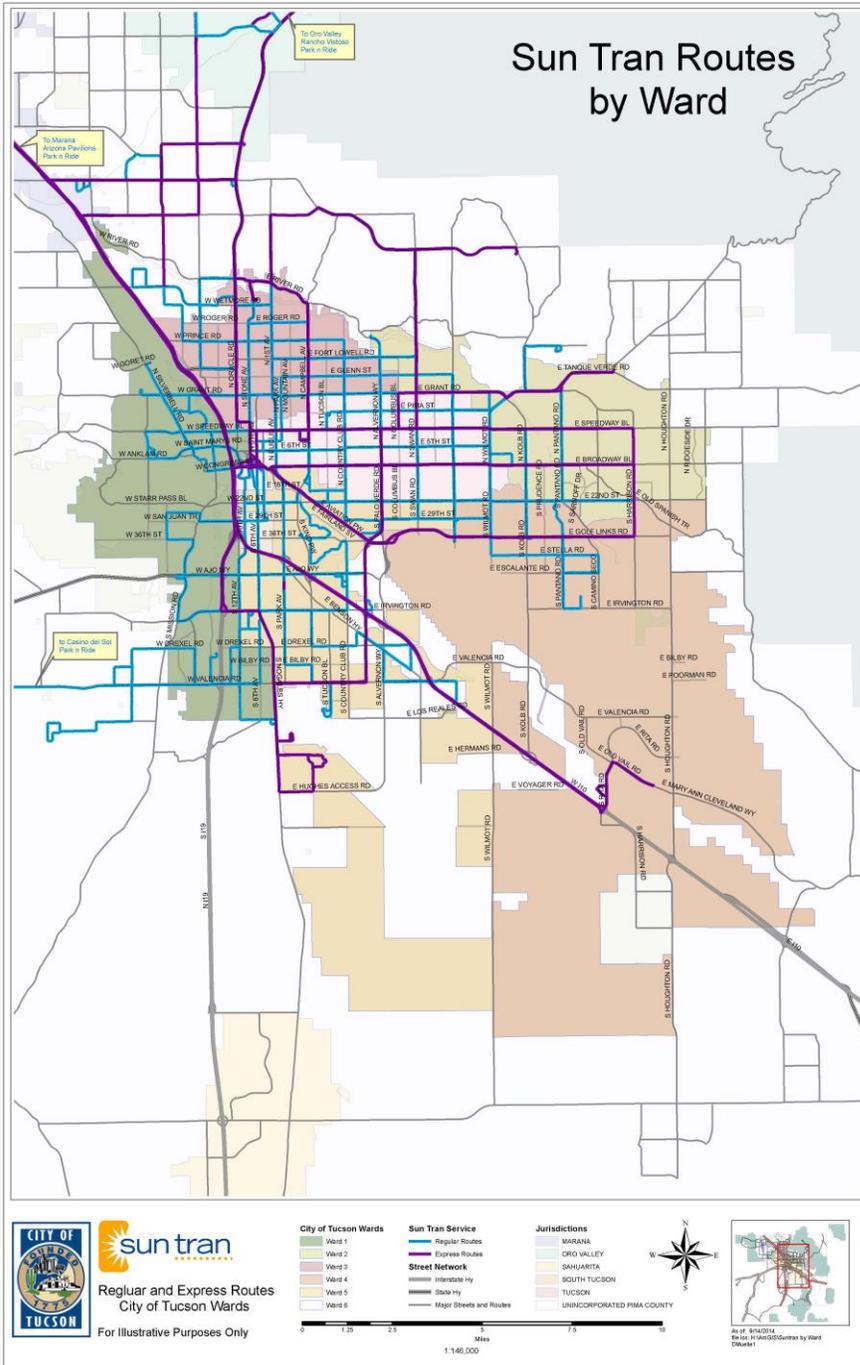
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### APPENDIX V Sun Tran Routes by Ward

Routes	Name	Wards					
		1	2	3	4	5	6
1	Glenn/Swan	X	X	X		X	X
2	Pueblo Gardens					X	X
3	6th St./Wilmot	X	X		X		X
4	Speedway	X	X		X		X
5	Pima/W. Speedway	X	X	X			X
6	S. Park Ave./N. 1st Ave.			X		X	X
7	22nd St.		X		X	X	X
8	Broadway/S. 6th Ave.	X	X			X	X
9	Grant	X	X	X			X
10	Flowing Wells	X		X			X
11	Alvernon		X	X		X	X
15	Campbell			X		X	X
16	12th Ave./Oracle	X		X		X	X
17	Country Club/29th St.			X	X	X	X
19	Stone	X		X			X
20	W. Grant/Ironwood Hills	X		X			X
21	W. Congress/Silverbell	X					X
22	Grande	X					X
23	Mission	X				X	X
24	12th Avenue	X				X	
26	Benson Highway					X	
27	Midvale Park	X				X	
29	Valencia	X				X	
34	Craycroft/Ft. Lowell		X	X	X	X	X
37	Pantano		X		X		
50	Ajo Way	X				X	
61	La Cholla			X			
101	Golf Links-Downtown Express	X			X	X	X
102	Northwest-UA Express	X		X			X
103	Northwest-Downtown Express	X		X			X
104	Marana-Downtown Express	X		X			X
105	Foothills-Downtown Express	X	X	X			X
107	Oro Valley-Downtown Express	X		X			X
108	Broadway-Downtown Express	X	X			X	X
109	Catalina Hwy-Downtown Express	X	X				X
110	Rita Ranch-Downtown Express	X			X	X	X
201	Eastside-Aero Park Express	X	X		X	X	X
202	Northwest-Aero Park Express	X		X		X	X
203	Oro Valley-Aero Park Express	X		X		X	X
312	Oro Valley-Tohono Express			X			

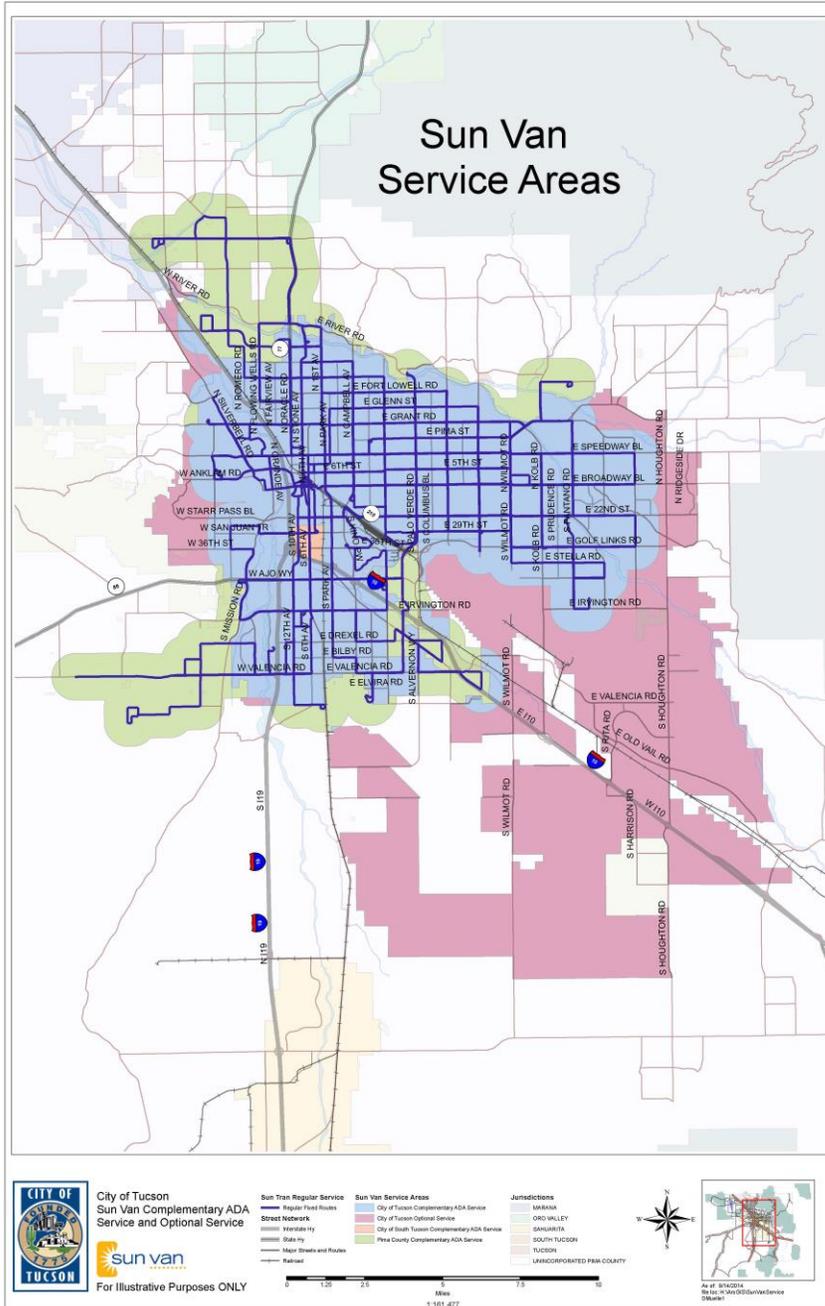
*As of 9/17/2012*

# Five-Year Strategic Transit Plan



# Five-Year Strategic Transit Plan

## APPENDIX VI



## Five-Year Strategic Transit Plan

### APPENDIX VII

#### Proposed RTA Transit Improvements

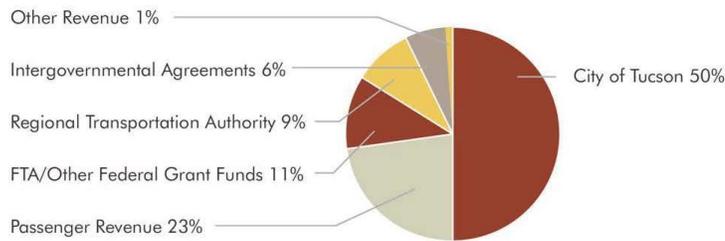
Year 7 Budget 12 -13				
P48 - Weekday Frequency and Service Area Enhancements - Feb 2013 (Phase I)				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
8-Broadway (Improvements/Extension Tanque Verde)	3	15,515	187,294	8
4-Speedway - Frequency	-	8,925	120,309	5
P50 - 4-Kolb/PCE & Speedway/Houghton	3	5,667	74,419	6
<b>Total Annual Core Service</b>	<b>6</b>	<b>30,107</b>	<b>382,022</b>	<b>19</b>
P48 - Weekday Frequency and Service Area Enhancements- May 2013 (Phase II)				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
3-6th Street/Wilmot - Frequency	3	6,375	87,529	4
7-22nd Street - Frequency	4	7,650	105,035	8
P50 - 39-Houghton	4	16,230	253,581	8
<b>Total Annual Core Service</b>	<b>11</b>	<b>30,255</b>	<b>446,144</b>	<b>20</b>
Year 8 Budget 13-14				
P48 - Weekday Frequency and Service Area Enhancements - August 2013 (Phase III)				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
16-Oracle/12th Frequency	5	13,338	171,793	7
6-Park/1st - Frequency	-	12,113	153,351	2
312X - Frequency	5	9,550	110,685	5
<b>Total Annual Core Service</b>	<b>10</b>	<b>35,001</b>	<b>435,829</b>	<b>14</b>
P48 - Weekday Frequency and Service Area Enhancements - February 2014 (Phase IV)				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
11-Alvernon - Expansion to TTC	3	7,650	98,532	4
9-Grant - Frequency	2	6,034	86,201	2
11-Alvernon - Frequency	3	11,392	115,412	6
<b>Total Annual Core Service</b>	<b>8</b>	<b>25,076</b>	<b>300,145</b>	<b>12</b>
P49 - Weekday Frequency and Service Area Enhancements - May 2014				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
10-Flowing Wells - Frequency	3	7,013	91,590	4
15-Campbell - Frequency	2	4,463	56,903	3
19-Stone - Frequency	2	6,375	64,579	4
15-Campbell - Extension to TIA along Campbell	5	6,375	64,579	7
<b>Total Annual Essential Service</b>	<b>12</b>	<b>24,226</b>	<b>277,651</b>	<b>18</b>
Year 9 Fiscal Year 14-15 NoTransit Service Improvements Implemented				
Year 10 Fiscal Year 15-16 NoTransit Service Improvements Implemented				
Year 11 Budget 16-17				
P50 - Service Area Enhancements - August 2016				
Route Number-Name	Vehicles	Annual Hours	Annual Miles	Operators
P50 - 40-S. Kolb (10 years of Service)	4	12,690	173,571	7

# Five-Year Strategic Transit Plan

## APPENDIX VIII Five Year Operating Trend Charts

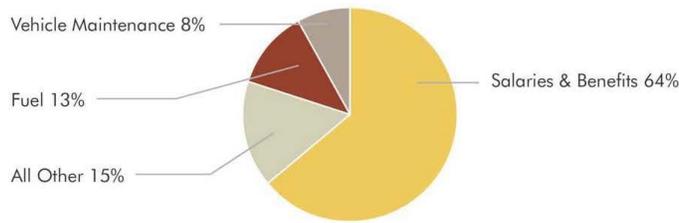
### FY 2012 Sun Tran Statistics

#### Operating Revenue Sources



TOTAL OPERATING REVENUE: \$55,059,556

#### Operating Expenditures

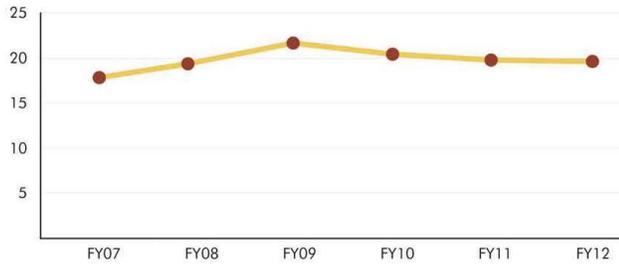


TOTAL OPERATING EXPENDITURES: \$55,059,556

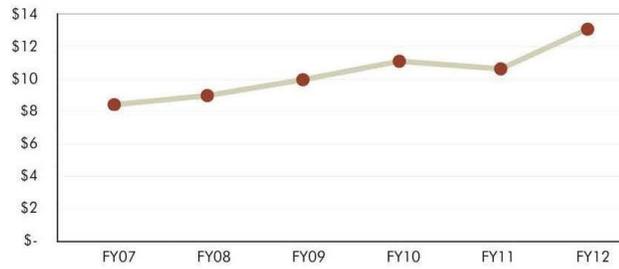
## Five-Year Strategic Transit Plan

### FY 2012 Sun Tran Statistics

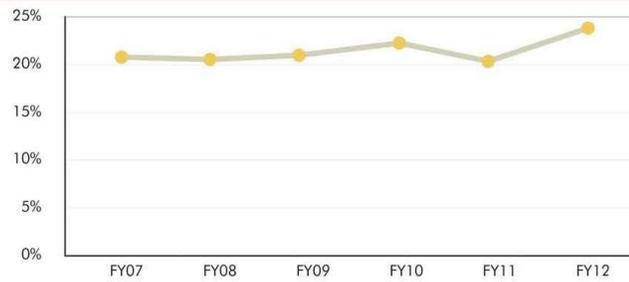
Ridership (in millions)



Passenger Revenue (in millions)



Farebox Recovery



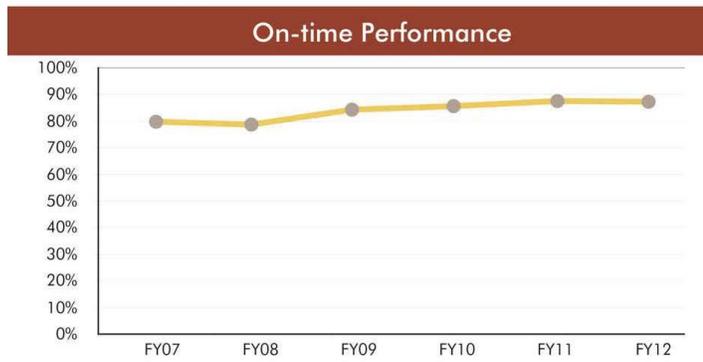
## Five-Year Strategic Transit Plan

### FY 2012 Sun Tran Statistics



## Five-Year Strategic Transit Plan

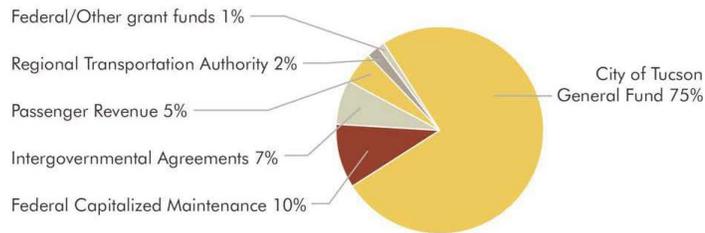
### FY 2012 Sun Tran Statistics



## Five-Year Strategic Transit Plan

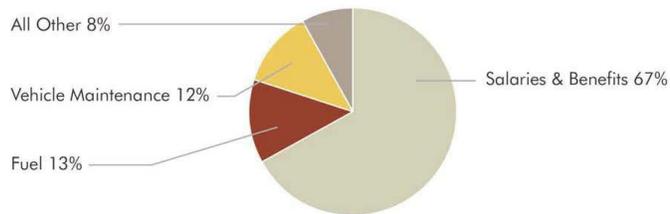
### FY 2012 Sun Van Statistics

#### Operating Revenue Sources



TOTAL OPERATING REVENUE: \$13,606,230

#### Operating Expenditures



TOTAL OPERATING EXPENDITURES: \$13,606,230

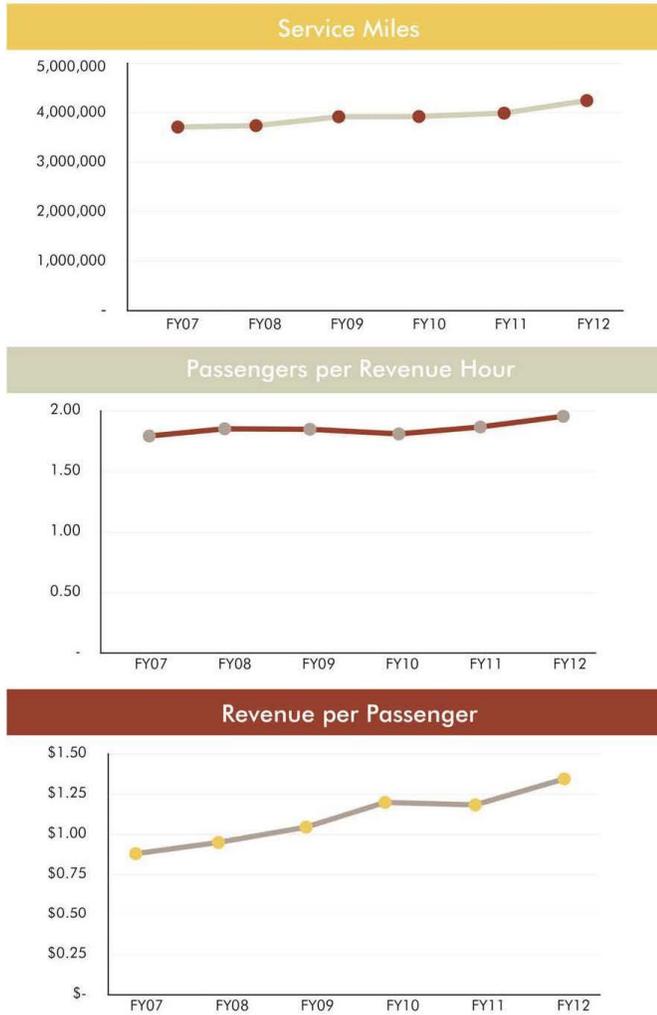
## Five-Year Strategic Transit Plan

### FY 2012 Sun Van Statistics



## Five-Year Strategic Transit Plan

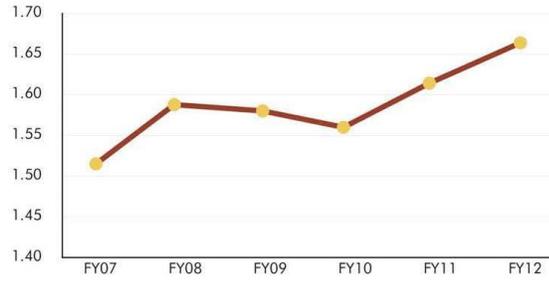
### FY 2012 Sun Van Statistics



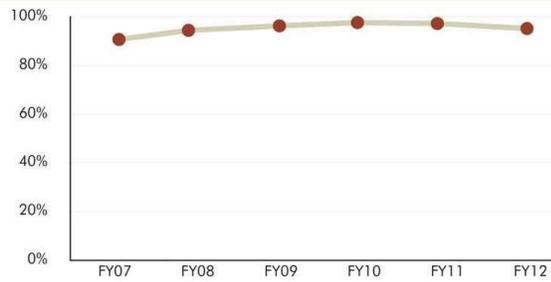
## Five-Year Strategic Transit Plan

### FY 2012 Sun Van Statistics

Passengers per Service Hour



On-time Performance



# Five-Year Strategic Transit Plan

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## APPENDIX IX

### *City of Tucson Independent Audit and Performance Commission*

January 9, 2013

Subject: Report to Mayor and Council - Independent Audit and Performance Commission Review of the Sun Tran/Sun Van Transit System

Honorable Mayor and Council:

In the draft Five Year Strategic Transit Plan document (dated October 5, 2012), the Transit Task Force (TTF) recommends to Mayor and Council that the Independent Audit and Performance Commission (IAPC) "perform an independent review of the system during fiscal year 2013 to ensure sound fiscal management, and then as often as deemed necessary. This review would include an examination of financial and system performance data in addition to external audit reports, findings, and corrective actions." The TTF recommendation also lists IAPC with the lead responsibility for the review of fixed route, express, paratransit and streetcar modes.

The IAPC identified three potential areas of interest relative to an independent review of the transit system which could add value to its operation, financial management and planning, and ensure compliance with guidelines and regulations. Therefore, on November 27, 2012 an IAPC subcommittee met to discuss what audit/review processes are currently in place (by whom and how), the formulation of the transit system's annual budgets, and information included in the Five Year Financial Forecast ("working document") as included in the draft *Five Year Strategic Transit Plan* dated October 5, 2012. The following subcommittees' findings and observations were reported to the full IAPC on December 5, 2012.

#### **1. Audits and Reviews**

The City's mass transit system is already subject to a large and extensive number of regularly recurring audits/reviews conducted by external auditors for the Federal Transit Administration (FTA) and internal audits/reviews conducted by Sun Tran/Van Tran staff and City Internal Audit staff.

The IAPC Subcommittee conducted a cursory review of the following significant audits/reviews conducted in fiscal year 2011 by FTA contracted auditors: Financial Management Oversight Review, Procurement System Review, and a Triennial Review. The Subcommittee also reviewed the City's responses for corrective action. The Transportation Department monitors the implementation of the City's corrective action and provides progress reports to the FTA. Accordingly, the IAPC does not believe that it could add value to what has already been performed by those professional auditors.

#### **2. Annual Budgets (Operating and Capital)**

The budget development process is a collaborative effort between Sun Tran/Sun Van, the Department of Transportation (TDOT), and City staff. Sun Tran/Sun Van staff develop the budget following the City of Tucson's budget process. Staff develops and recommends a budget based on anticipated service levels, ridership, and operating and capital costs and revenues. This information is presented and discussed in detail with TDOT management before it is included as a component of the overall TDOT budget for consideration by the City Manager, Budget Office, and Mayor and Council prior to budget adoption.

It appears that the Sun Tran/Sun Van budget is subject to appropriate scrutiny before submission for final approval and the IAPC has no recommendations at this time for strengthening the process.

## Five-Year Strategic Transit Plan

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### 3. Five Year Financial Forecast

The IAPC Subcommittee reviewed the *Five Year Strategic Transit Plan* document which contained the Five Year Financial Forecast (Appendix IV). After discussions with City and Veolia staff, the Subcommittee identified several important aspects of the Forecast:

- The Five Year Financial Forecast "working document" included in the *Five Year Strategic Transit Plan* basically reflects status quo transit operations, with the exception of the addition of projected financials for the Sun Link Streetcar. Operational services are maintained at current levels over the years of the Forecast with varying yearly assumptions generating changes to revenues and expenses. While the *Five Year Strategic Transit Plan* identifies *Goals and Objectives*, such as expansion of the service area, details as to how they will be met and the resulting additional costs (or savings) have yet to be determined and therefore are not reflected in the Five Year Financial Forecast.
- City staff considers the Five Year Financial Forecast to be a draft and an on-going working document. Staff anticipates continuing to revise the projections as updated information becomes available over the next 4-6 months. Information related to the streetcar operation, both revenues and expenses, is expected to become more solid in the coming months.
- Discussion and agreement between Veolia and City staff regarding the recommended budget of potential annual General Fund investment in transit operations (which is projected in the Five Year Financial Forecast as increasing from \$40.5 million in FY 2013 to \$61.6 million in FY 2018) had not yet occurred prior to issuing the Five Year Financial Forecast (dated October 5, 2012).
- To date, it is our understanding that a *detailed* review of the Five Year Financial Forecast by the Transit Task Force has not taken place.

The IAPC recommends that it will undertake a detailed review of the Five Year Financial Forecast, and its underlying assumptions and projections, once the City and Veolia have generated a more solid forecast that clearly indicates its relationship to short-term goals and objectives established in the *Five Year Strategic Transit Plan*. The IAPC believes that to begin a review at this time, while that forecast is still under development, would be more disruptive than beneficial.

#### Conclusion

The IAPC would like to inform the Mayor and Council that, after due consideration, the IAPC believes that the TTF recommendation exceeds the IAPC's capabilities. IAPC members are all volunteers with limited time available for projects of this magnitude, and while their diverse backgrounds include various types of financial expertise they do not include professional audit experience. The IAPC will, however, undertake a detailed review of the Five Year Financial Forecast (i.e., projected revenues and expenditures) at a later date and provide a report to Mayor and Council of its findings and recommendations.

Respectfully Submitted,



Michael McDonald  
IAPC Chair

c: Richard Miranda, City Manager  
Kelly Gottschalk, Assistant City Manager  
Albert Elias, Assistant City Manager  
Daryl Cole, Transportation Director  
Carlos de Leon, Deputy Transportation Director  
George Caria, Transportation Transit Administrator  
Kate Riley, Sun Tran and Sun Van General Manager