

# Memorandum



**Date:** March 3, 2009

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

Supplement to  
Agenda Item No. 11(A)1

**Subject:** SUPPLEMENT to Item 11(A) (1): Resolution Amending Exhibit 1 to the People's Transportation Plan (PTP) By Creating A Capital Expansion Reserve Fund and Allowing for Greater Flexibility In the Use of Charter County Transit Surtax (Surtax) Funds For the Operation and Maintenance of the Transit System

The subject PTP amendment is of critical significance to the future operations of Miami-Dade Transit (MDT). Its adoption would effectuate, under certain conditions, unified funding for this County's transit services. This has three important impacts to MDT and its patrons:

- Allows the assignment of Surtax funds to productive bus routes on the system as a whole, meaning that service adjustments intended to right-size our transit system can continue to be made rationally on low ridership routes.
- Increases the farebox revenue to MDT due to improved ridership ratios per revenue mile.
- Allows the use of the Surtax as a pledge to bond the infrastructure improvements that will be required as a part of MDT's Infrastructure Renewal Program (IRP). The Federal Transit Administration (FTA) has criticized the absence of a funded IRP on our transit system, and unification is necessary for the financing of these much needed infrastructure improvements.

The Board engaged in serious dialogue over the impacts to MDT of preserving a two-tiered transportation system during consideration of the fare increase last year, and the proposed Fiscal Year (FY) 2008-09 transit budget maintained this separation. Existing, pre-PTP service continues to be funded with the County's General Fund Maintenance of Effort (MOE) as well as related farebox revenue, while new and expanded service, implemented post-PTP, is funded by surtax revenues along with its portion of farebox. At the time we advised the Board that this flawed funding scheme had finally caught up with our transit system. As a result of funding constraints related to fuel, maintenance and the early aggressive expansion of bus service post-PTP, we were forced to recommend a decrease in bus revenue service miles by 4.5 million miles for FY 2008-09, which would move MDT from the current 32.6 million revenue miles to 28.1 million revenue miles of service for the June 2009 line-up. Further, this reduction in miles was to affect the existing service that was in place prior to the PTP. Unlike past recommendations for transit service adjustments, these adjustments would necessarily be on more productive routes that met service standards due to the inherent limitations in the use of Surtax funding.

As noted in the September 18, 2008 Memorandum for the Second Budget Hearing, adoption of the \$0.50 fare increase on September 2, 2008 provided sufficient revenue so that the proposed bus service adjustment for the projected June 2009 line-up would be to 30.5 million service miles rather than 28.1 million miles. However, due to the constraints of continuing a non-unified funding system, the need for route eliminations was anticipated even at the proposed 30.5 million mile service level. In contrast, it was noted that drawing the line-up on a unified system would allow MDT the flexibility to make reductions on lower ridership surtax bus routes, preserving higher ridership pre-existing service. No route eliminations would be needed under a unified lineup.

Due to lower than anticipated attrition levels at MDT, the June 2009 line-up must now be implemented in May in order for MDT to remain within budgeted revenue during this fiscal year. The implications of not unifying the transit system would have detrimental effects on this upcoming line-up. These line-up recommendations are projected to be scheduled for your consideration at the April 7, 2009 Board

meeting, and if approved, will take effect on May 17, 2009. The proposed service adjustments are currently based on a unified system where surtax funding would be applied to both new and pre-existing routes. If the system is unified, MDT will be able to implement a bus services line-up in May 2009 with route and headway modifications only – no route eliminations will be made. However, if adjustments are to be made on a non-unified system, much deeper cuts would be required, including route eliminations. MDT estimates that approximately six productive bus routes would have to be eliminated and more severe cuts and modifications to productive bus service would have to be made in order to remain within budgeted revenue under a non-unified system. Even with unification, these adjustments must be made not just to stay within the FY 2008-09 Adopted Budget but to avoid increasing the funding gap in the People's Transportation Plan (PTP).

The Surtax must be treated as an additional revenue source among the many that support our unified transit system, and we cannot have the mindset that there are two public transit systems – one that existed before the referendum and another comprised of all new and improved service occurring after the 2002 referendum. This is of critical importance to the transit dependent public so that this and future service adjustments minimize route eliminations. Metrobus boardings represent 75% of MDT's nearly 300,000 daily boardings, hence adjustments to bus service impact the largest portion of MDT's patrons. The current unified line-up proposal is estimated to significantly impact approximately 300 boardings, a number that would be significantly increased were route eliminations necessary. While service planners at MDT strive to avoid any significant impacts to patrons, this number is minimal in light of MDT's nearly 300,000 daily boardings, and is possible only under a unified system.

  
Assistant County Manager