

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 6, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 77 : FY 2010 DASH BOARD APPROVED BUDGET
DETAIL

This memorandum is in response to Councilman Krupicka, Councilman Smedberg, Councilman Wilson, and Mayor Euille's request for additional information on the FY 2010 DASH operating budget as approved by the DASH Board.

FY 2010 DASH Board Approved Budget Breakdown

The FY 2010 DASH budget, as approved by the DASH Board in February 2009, totals \$11,695,000 in operating expenditures and an additional \$220,000 in operating capital outlay.

Projected FY 2010 personnel costs are \$8,812,000. The largest single category for personnel costs is Transportation at \$5,924,800 (67.3%). Maintenance personnel costs are \$1,482,200 (16.8%), while Administrative costs are \$421,000 (4.8%). Personnel costs make up 75% of the total operating budget. The personnel costs for most transit agencies make up 80% or more of total operating budget.

According to the National Transit Database, systems that operate 40 to 49 peak buses (DASH comparators) have the following number of employees in each of these service areas per 100,000 service miles:

Transportation Personnel per 100,000 Service Miles	# of Employees
Average System	64.3
DASH	60.9

Maintenance Personnel per 100,000 Service Miles	# of Employees
Average System	14.6
DASH	11.6

Administration Personnel per 100,000 Service Miles	# of Employees
Average System	9.9
DASH	4.0

Projected FY 2010 DASH non-personnel costs are \$2,883,000. The largest line item of the non-personnel budget is fuel and lubricants, which total \$1,062,000. This budget is based on an assumed per gallon cost for diesel fuel of \$2.60 (the March 2009 cost of ultra low-sulphur diesel for the City/DASH was \$1.34 per gallon) and an average consumption rate of 3.95 miles per gallon. Other major non-personnel line items include repair parts at \$360,000 (based on industry standard of 23¢ per vehicle mile); \$140,000 for operating supplies and materials; \$70,000 for vehicle maintenance services; \$121,000 for marketing and public literature/timetables; \$329,000 for liability insurance; \$155,000 for utilities and building maintenance costs; and \$296,000 for the management contract with First Transit, Inc.

Significant Budget Items for Consideration

DASH Fare Increase: The DASH Board has opted to not consider a fare increase for FY 2010. The Board raised the peak fare for DASH service to \$1.25 in July 2008. This past January, the Board raised off-peak fares to \$1.25 as well, in order to have a uniform DASH fare and to help provide additional revenues to support DASH operations. Increases to the current fare would put DASH rates higher than Metrobus (\$1.25 SmarTrip; \$1.35 cash) and other local bus systems.

Employee Merit Increase: The FY 2010 Proposed Budget for the City does not include merit or step increases for City employees. The FY 2010 DASH Board Approved Budget includes funding for a merit increase for DASH employees. The cost of this merit increase is \$142,000 in FY 2010. The DASH pay scales are not the same as City pay scales, with a different number of steps and different percent increases between steps.

Additional Vacation Day: The FY 2010 Proposed Budget for the City includes the addition of one extra day of annual leave for each employee. The City's budget did not include any additional funding for this action as it is anticipated to add limited, if any, costs to Departments in FY 2010. DASH staff provided the following language addressing the possibility of applying the same change to their leave policies:

The cost to add one vacation day would be approximately \$30,000. ATC's preference is to not add a vacation day. For the first two years of service, DASH operators and mechanics have to take their vacation by week. They cannot take a day here or a day there, so adding one day becomes an administrative nightmare. However, it is worth noting that DASH employees have less weeks than the City overall. 1 week for the first year; 2 weeks from 2-5 years; 3 weeks from 6-10 weeks; 4 weeks from 11-15 years and 5 weeks from 16+ years. Now that we have passed our 25th year milestone, [Staff] will probably be proposing to add an additional week next year for those who have 25 years or more of service. [Staff] believe[s] the City's vacation benefit is much more generous and another reason we cannot compare City and DASH benefit plans.