



2015-2019 Strategic Plan Overview

Board of Directors
October 1, 2014



Update to 5-year Plan

- **Foundation for SamTrans policy, investment, service decisions**
- **Strategic Plan tells a story**
 - Where have we been?
 - Where are we going?
- **Sets targets**
- **How can we improve service to our customers?**

Process

- Staff input/feedback
 - In-reach to Central, North Base & South Base
- Public review/comment
- Board direction March 2014
- Focus on problem solving, defining success, building consensus



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Themes

- Manage change
 - SamTrans: Bus service planning, fare changes
 - Caltrain: CalMod, CBOSS-PTC, configuration management
 - TA: Strategic Plan update
 - District-wide: BOP, Cap-and-Trade, changing workforce
- Prioritize, simplify, move the needle
- Focus on implementation

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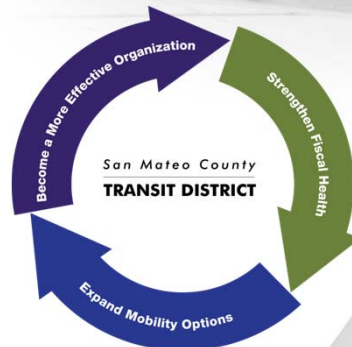
Vision Statement

“The District is a mobility leader, providing safe transportation choices and a sustainable future that meets the needs of our customers and diverse communities.”



Priorities

1. Expand mobility options for our customers
2. Promote fiscal health
3. Become a more effective organization



5 Goals in 5 Years

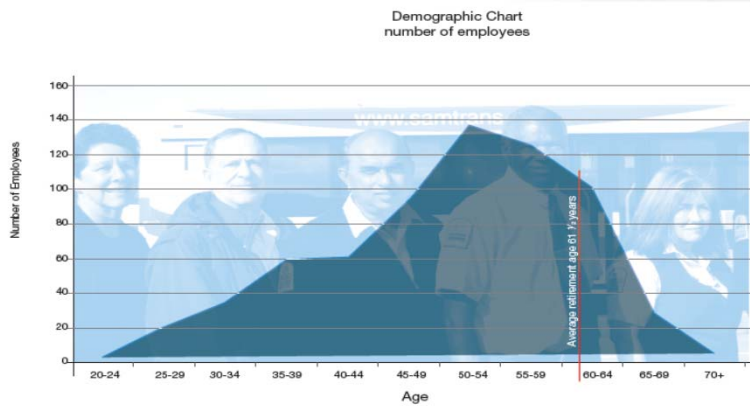
1. Increase fixed-route bus ridership 15%
2. Increase fixed-route passenger fare revenue 20%
3. Reduce annual debt service \$1.5 million
4. Improve organizational performance
5. Manage workforce change

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**PRIORITY: Become a More
Effective Organization**

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Change is Coming

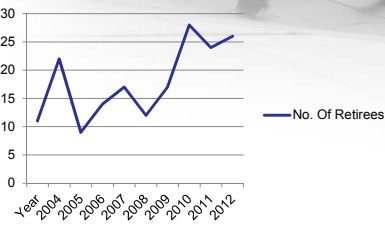


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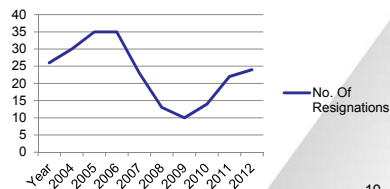
How We Leave the District

- **Retirements (2004-2013)**
 - Average 18 per year
 - Average age 61.2
 - 70% from bases
- **Resignations (2004-2013)**
 - Average 23 per year
 - Average age 61.2
 - 33% from bases

Retirees Since 2004



Resignations Since 2004



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Organization: Where We've Been

- Pride in delivering quality transit service, strong sense of camaraderie
- Implemented cost-saving measures
- Previous Strategic Plan lacked budget or process for implementation

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Organization: The Challenge

- Aging workforce
 - Average age 50.7
 - 31% eligible for retirement in 5 years
 - Including resignations, 52% could leave by 2019
- Everyone's busy
- Risk to institutional knowledge and expertise

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Organization: Top Challenges

- Safety and security culture
- Improve communication
- Retain institutional knowledge
- Standardize procedures/processes to increase efficiency
- Clean/safe work environment that allows for creativity/peak-performance
- Transparent decision-making process
- Cross-department understanding/cooperation
- Increase cross-department accountability
- Encourage new ideas at all levels, vetting process
- Use technology to enhance processes and stay current
- Support sustainability/corporate responsibility

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Organization: Strategies

- Develop communication plan
 - Focus on conveying organizational issues/priorities
 - Survey to evaluate continuous improvement
- Develop department workforce change plans
 - Retain institutional knowledge, promote employee professional development
- Formalize critical processes and procedures
 - Increase efficiencies, retain institutional knowledge

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PRIORITY: Expand Mobility Options for Our Customers

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Ridership: Where We've Been

- Ridership down 14% in last 5 years
- Ridership up 3% since SSP (2013)
 - 13% increase on Route ECR
 - 12% increase on Route 120 (Daly City)
 - 27% increase on Route 281 (East Palo Alto)
- Try new things
 - FLX services
 - Frequency

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Ridership: The Challenges

- **Low Income**
 - Highest growth of very low income
- **Seniors**
 - Population up 72% in 20 years
 - #1 concern: Proximity to bus stops
- **Youth**
 - Different travel patterns
 - VMT down 23% to 7,900 miles/year
 - \$70k+ households doubled transit
- **The economy**

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Ridership: Strategies

1. **Focus conventional fixed-route on core markets**
 - SamTrans Service Plan
 - Consider select El Camino BRT enhancements
 - Enhance service in strategic markets
2. **Refine service models in smaller markets**
 - Implement pilot projects
3. **Develop senior strategy**
 - Enhance senior mobility programs
4. **Develop youth strategy**
 - Conduct research on youth markets
5. **Continual enhancement**
 - Evaluate continuation of discount Day Pass
 - Operational efficiencies

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PRIORITY: Promote Fiscal Health

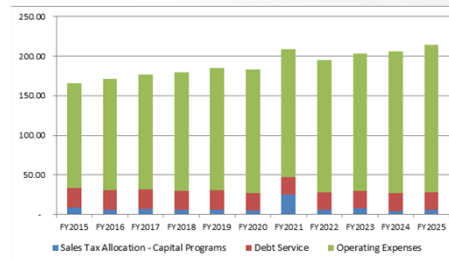
Fiscal Health: Where We've Been

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
7.5% Service Reduction (Includes resrepresented layoffs)	-	\$3.3 million	-	-	-	-
Administrative Layoffs	-	\$500,000	-	-	-	-
Hiring and Salary Freezes	\$325,000	\$1.0 million	\$800,000	-	-	-
Furlough Days	\$200,000	\$350,000	\$350,000	\$360,000	\$370,000	\$380,000
Fare Increases	\$625,000	\$1.3 million	-	-		
Reduction in District's Sales Tax to Caltrain	-	-	\$5.8 million	\$11.0 million	\$11.3 million	\$11.3 million
Employee contributions to PERS/Medical Costs				\$930,000*	\$2.2 million**	\$3.5 million
ATU 1 (Bus Ops and Mechanics) Wage Freeze				\$1.0 million	\$975,000	\$975,000
San Mateo County Measure A Funds for Paratransit						\$5,000,000
TOTAL	\$1.2 million	\$6.5 million	\$7.1 million	\$13.3 million	\$14.8 million	\$21.2 million

* The reduction to Caltrain as compared to the FY2010 sales tax amount the District contributed in years past.
** Effective January 1, 2012 (Half year savings)

Fiscal Health: The Challenges

- Funding uncertainty, benefits and pension costs
- Debt service 15% of budget liabilities
- Contributions to Caltrain



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Fiscal Health: Strategies

- Increased efficiencies, sustainable practices
- Restructure outstanding debt
- Regular fare policy review
- Develop a reserve policy

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Implementation

- Directors Working Group responsible for development, implementation and monitoring
- Subcommittees formed to address goals
- Executive Team members involved in subcommittees
- Regular report to Board, Executive Team, staff
- Annual report to Board, sets budget priorities for next fiscal year

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Next Steps

- Public review/comment – Oct. 1-31
- Public meetings:
 - Pacifica, Menlo Park, San Carlos, Half Moon Bay, South San Francisco
 - City Councils and others upon request
- Board adoption proposed Dec. 3

Comments?

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