

## UPDATED RESPONSE TO TREASURER'S REPORT ON A COUNTY WIDE TRANSPORTATION SYSTEM

- I. AATA currently receives \$9,700,000 per year from the City of Ann Arbor based upon 2.06 mills (\$4,700,000 per mill). The Treasurer's report advocates reducing the City's transportation tax to 1.0 mill. This would mean:
  - AATA's revenues available for providing services to the residents of Ann Arbor would immediately **decrease by \$7,600,000** because:
    - The City's millage revenues for public transit would decrease by 1.06 mills or \$5,000,000.
    - AATA's State operating assistance would decrease by \$1,200,000 (State operating assistance is a function of expenses and with fewer revenues to cover expenses, expenses would have to decrease and state funding would decrease as a result.)
    - AATA's passenger revenues would decrease by \$1,100,000 (due to required cutbacks in service as the result of revenue decreases)
  - AATA's budget for providing services to the City of Ann Arbor would be reduced from the current \$25.46 million to approximately \$16.46 million. Service cuts of up to 35% would be required to close this \$9.00 million gap.
- II. The Treasurer anticipated fare revenues would increase from \$4.33 million to \$7.00 million as the result of county-wide service. More realistic estimates anticipate that County revenues will not exceed 50% of City revenues. In addition, City generated fare revenues will be decreased by service cutbacks due to lost revenues (see above). As a result:
  - AATA can expect to receive **\$2.17 million less** in fare revenues from County sources than the Treasurer anticipated.
- III. The Treasurer's report anticipated AATA could operate at \$84 per revenue service hour.
  - Even if \$84 per hour could be reached, there would still be a **\$5.24 million shortfall** between revenues and expenses, resulting from the loss of tax collections, State operating assistance, and passenger revenues. Substantial service reductions would be required to address this funding gap. In addition:
    - AATA has been successful in reducing its costs over the past several years, even in the face of inflationary pressures (like rising fuel and health care costs). Its costs now stand at \$102 per service hour (three years ago its cost were \$108 per hour).

- Operating at \$84 per hour would require reducing costs by an additional 18%. The quantity and quality of AATA's services would have to be drastically reduced to get to \$84. Additional cuts would have to be made to address the shortfall.
- The Treasurer advocates \$84 per hour, citing Bay City, Michigan, which operates a transit system for \$85 per hour. At \$84 per hour, AATA's system may look similar to Bay City which:
  - Operates 45—50 minute headways between buses on most routes on weekdays, while a few selected routes have as much as three hour headways. ***(AATA provides 15 minute service during rush hours on major routes and 30 minute service on all routes the remainder of the day.)***
  - Operates only from 6:40 am until 5:35 pm on weekdays. ***(AATA operates from 6:00 am until 10:30 pm or 11:00 pm on weekdays. In addition, AATA subsidizes taxicab service in Ann Arbor between midnight and 6:00 am to provide 24 hour public transit service.)***
  - Operates 11 weekday routes. ***(AATA operates 25 mainline routes plus 2 commuter routes on weekdays.)***
  - Operates a community-wide demand-response service for seniors and the disabled with 24 hours reservation. Others may ride if they are going at the same time and there is room. ***(AATA currently does not provide service outside the urbanized area, however, within the urbanized area, AATA provides demand-response service to seniors and the disabled with as little as 2 hours notice.)***
  - Operates "flex-route" service to and from educational institutions, sheltered workshops, and child care centers. ***(AATA services all educational institutions, sheltered workshops, and most child care centers within the urbanized area with regularly scheduled service.)***
  - Operates 60 minute headways on 9 Saturday routes from 9:00 am until 6:00 pm. ***(AATA operates 60 minute headways from 8:00 am until noon on 14 routes on Saturdays; services are every 30 minutes from noon till 7:00 pm. After hours, AATA subsidizes taxicab service to provide 24 hour public transit service.)***
  - Operates no Sunday service. ***(AATA operates 60 minutes service on 10 routes on Sundays from 8:00 am until 6:30 pm. After hours, AATA subsidizes taxicab service to provide 24 hour public transit service.)***
  - Has no holiday service. ***(AATA subsidizes taxi service on holidays within Ann Arbor to provide 24 hour public transit service.)***
  - Has no bus shelters, but does have a downtown transit center. ***(AATA has countless bus shelters throughout its service area with more coming all the time. AATA operates transit centers in downtown Ann Arbor and***

**downtown Ypsilanti with several other transfer centers located throughout its service area.)**

- Does not provide bus service within ¼ mile of 90% of its population. **(One of AATA's service parameters is to provide regularly scheduled bus service within ¼ mile of 90% of the residents of Ann Arbor.)**
- Does not provide special event service. **(AATA provides rides to tens of thousands every year to the Art Fair and to U of M Football Games.)**
- Has no park and ride service. **(AATA serves numerous park and ride lots throughout the City and is getting even more.)**
- Has no carpool-vanpool matching service. **(AATA teams with SEMCOG to offer online carpool-vanpool matching.)**
- Provides service to 600,000 passengers per year at a cost of \$8.51 per passenger. **(AATA provides service to 6,000,000 passengers per year at a cost of \$3.53 per passenger.)**
- Carries an average of 9.6 passengers per hour on each bus. **(AATA carries an average of 30 passengers per hour on each bus.)**
- Provides connections with Greyhound and Saginaw Transit. **(AATA provides connections with Greyhound, The WAVE, the Ann Arbor-to-Chicago MegaBus, and the Detroit Airport Michigan Flyer. Being considered are connections with the future East/West Commuter Train.)**
- Provides schedule information only in print, via computer, and by telephone. **(AATA provides printed, computerized, and telephone schedule information, and also provides real-time "Bus Tracking" information via computers and web-enabled mobile phones and PDA's.)**

IV. The Treasurer's report ignores the Ann Arbor Transportation Plan Update (AATPU) adopted by the City in May 2009. The AATPU calls for:

- Substantial future increases in public transit services in the City of Ann Arbor.
- The study and implementation of "flagship" service on heavily used corridors.
- The construction of additional park and ride lots.
- The support and expansion of Ann Arbor to Detroit Commuter Rail.

The AATA Board adopted a resolution in support of the City's Transportation Plan Update in April 2009.