

Rogue Valley Transportation District

*Five-Year Strategic Business
and Operations Plan*

2008-2015

Providing and Promoting Efficient Transportation

August 2008



Rogue Valley Transportation District
From the Desk of Julie Brown, General Manager

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To the Citizens of the Rogue Valley:

From the outset, RVT's Strategic Business and Operations Plan is designed to provide clear direction on how to sustain the present fixed-route system and implement the tiered service expansions identified in the Ten-Year Long Range Plan. In order to achieve access to employment centers, shopping, health facilities, housing, education and other existing areas, this plan identifies present funding, and the means to secure future funding so that all persons irrespective of age, income or disability have access to public transportation.

Thank you for taking the time to learn more about, and become involved with, RVT and public transportation.

Sincerely,

A handwritten signature in black ink that reads "Julie A. Brown". The signature is written in a cursive, flowing style.

Strategic Business and Operations Plan

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I. Budget Forecast and Long-Term Fiscal Challenge

The Rogue Valley Transportation District has created this strategic five-year plan as a follow-up to the 2007-2017 Long Range Plan. The Long Range Plan established District goals and policies, provided a greater understanding of the demand for public transportation and built a list of tiered service enhancements. This document strategically prepares the District for implementing the first tier of service described in the Long Range Plan while examining opportunities for fiscal resources. When surplus revenues are available, the District will have the relevant information on hand to implement new service efficiently and effectively.

This plan focuses on Tier One service implementation over the next five years, or 2008-2012. If additional resources become available to examine the second tier of service a similar study will be compiled.

The first section of the Strategic Business and Operations Plan describes the District's financial outlook assuming current resources continue on a 'flat-line' and the challenges ensued by this outlook. The second section looks at the market for public transportation in the Rogue Valley, including the District's ability to meet current demand. In the third section, the first tier of service enhancements will be described in more detail followed by the operational and capital improvements required before service would be implemented. Section five focuses on the anticipated budget RVTD would need to implement the expanded services in Tier One. Lastly, section six provides an overview of RVTD's Management and the positive changes that have occurred recently.

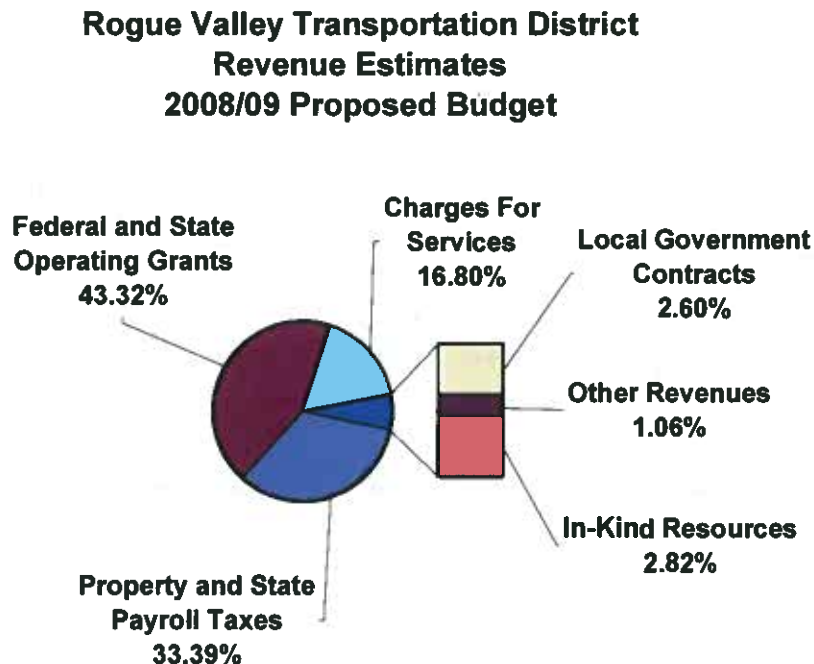
Existing Revenue Structure

RVTD revenues are distinguished between those revenues that are for specific purposes, 'non-discretionary', and those that can be used to fund any part of the operations of the District, discretionary. Examples of non-discretionary revenues would include capital acquisition, Transportation Demand Management funds, Congestion Mitigation Air Quality, Surface Transportation Fund, and to a lesser degree, capitalization of maintenance grants.

Discretionary revenues would include fares, property taxes and the annual federal operating grant.

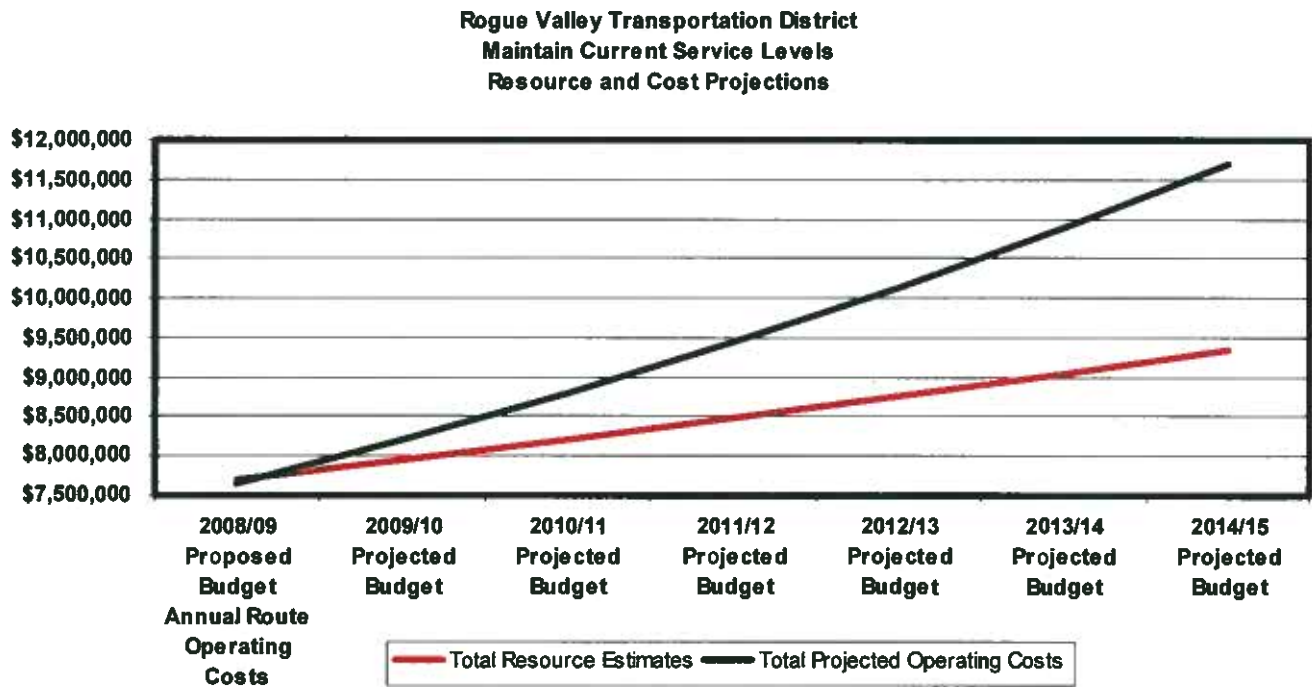
Based on the fiscal year 2008-2009 annual budget, just over 93% of anticipated revenues come from three (3) sources: federal and state grants (43.32%), taxes (33.39%) and fares (16.80%). Of the total federal and state grants only about half can be considered undesignated. Please see Figure 1.1 for a pie graph depicting RVTD's sources in the 2008-2009 adopted annual budget.

Figure 1.1



Budget Forecast

Over the past decade, total cost for transit services has been increasing much more rapidly than the locally generated revenue streams for transit. As Figure 1.2 shows, service costs will rapidly diverge from the revenue available with RVTD's current funding structure. A detailed chart of the projection is also provided in Figure 1.3. RVTD use of funds is provided in Figure 1.4.



The cost analysis used for the financial projections assumed the following:

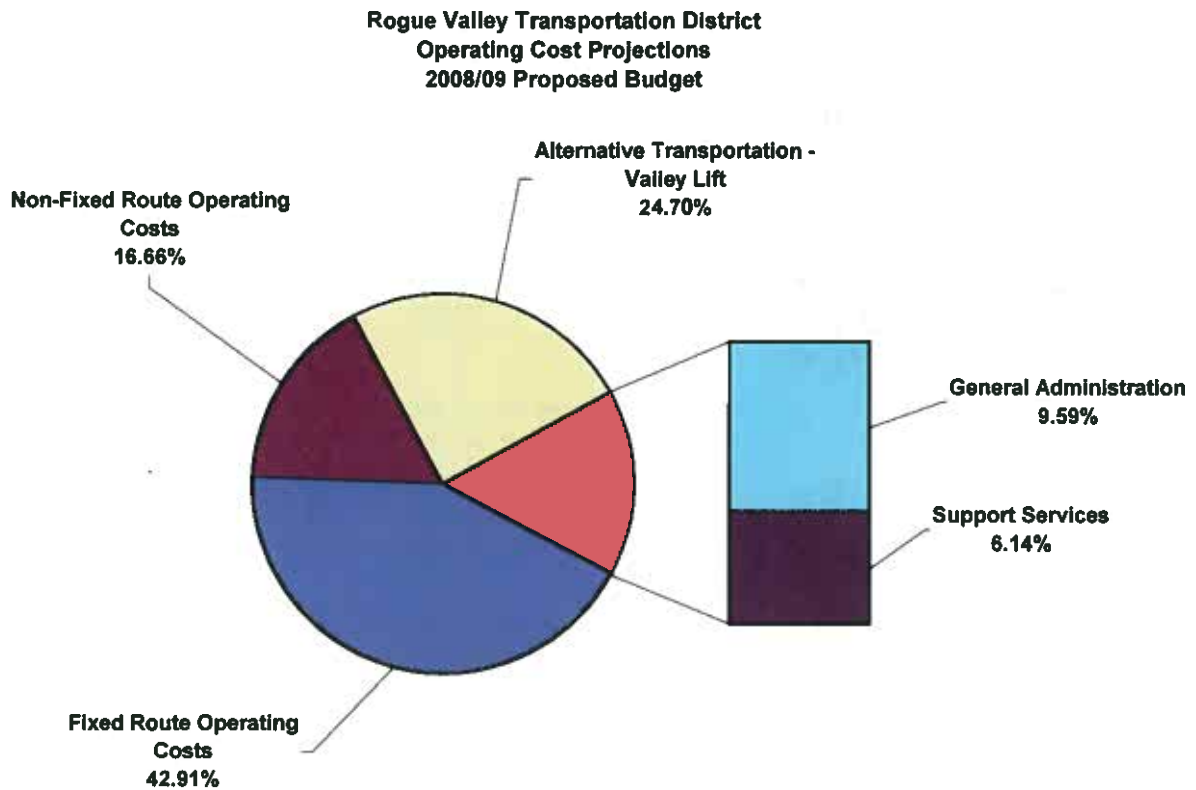
- Maintaining the current level of service only
- 5% annual inflation
- The cost per passenger trip (calculated separately for bus service and for Valley Lift) would not change drastically.
- Ridership would increase at the same average rate seen over the last decade.

Figure 1.3

TOTAL OPERATING COST AND REVENUE PROJECTIONS, FISCAL YEARS 2008 - 2015

	<u>2008/09</u> <u>Proposed</u> <u>Budget Annual</u> <u>Route Operating</u> <u>Costs</u>	<u>2010/10</u>		<u>2011/11</u>		<u>2012/12</u>		<u>2013/13</u>		<u>2014/14</u>		<u>2015/15</u>	
		<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>	<u>Projected</u> <u>Budget</u>
<u>Existing Service</u>													
<u>Revenue Estimates</u>													
Property and State Payroll Taxes	\$ 2,180,000	\$ 2,245,400	\$ 2,312,762	\$ 2,382,145	\$ 2,453,609	\$ 2,527,217	\$ 2,603,034						
Federal and State Operating Grants	\$ 2,827,671	\$ 2,912,501	\$ 2,999,876	\$ 3,089,872	\$ 3,182,569	\$ 3,278,046	\$ 3,376,387						
Local Government Contracts	\$ 170,000	\$ 175,100	\$ 180,353	\$ 185,764	\$ 191,336	\$ 197,077	\$ 202,989						
Charges For Services	\$ 1,097,004	\$ 1,129,914	\$ 1,163,812	\$ 1,198,726	\$ 1,234,688	\$ 1,271,728	\$ 1,309,880						
Other Revenues	\$ 69,000	\$ 71,070	\$ 73,202	\$ 75,398	\$ 77,660	\$ 79,990	\$ 82,390						
In-Kind Resources	\$ 184,349	\$ 189,879	\$ 195,576	\$ 201,443	\$ 207,486	\$ 213,711	\$ 220,122						
Internal Charges	\$ 1,163,026	\$ 1,221,177	\$ 1,282,236	\$ 1,346,348	\$ 1,413,665	\$ 1,484,349	\$ 1,558,566						
Total Estimated Revenues	\$ 7,691,050	\$ 7,945,042	\$ 8,207,817	\$ 8,479,696	\$ 8,761,014	\$ 9,052,118	\$ 9,353,368						
<u>Operating Cost Estimates</u>													
Fixed Route Operating Costs	\$ 3,283,977	\$ 3,542,067	\$ 3,822,451	\$ 4,127,184	\$ 4,458,514	\$ 4,818,908	\$ 5,211,069						
Non-Fixed Route Operating Costs	\$ 1,274,710	\$ 1,374,892	\$ 1,483,728	\$ 1,602,012	\$ 1,730,622	\$ 1,870,512	\$ 2,022,732						
Alternative Transp. - Valley Lift	\$ 1,890,327	\$ 1,998,142	\$ 2,112,679	\$ 2,234,404	\$ 2,363,826	\$ 2,501,488	\$ 2,647,981						
General Administration	\$ 733,922	\$ 784,496	\$ 838,987	\$ 897,729	\$ 961,087	\$ 1,029,461	\$ 1,103,284						
Support Services	\$ 470,267	\$ 503,293	\$ 538,922	\$ 577,379	\$ 618,910	\$ 663,783	\$ 712,293						
Total Estimated Costs	\$ 7,653,203	\$ 8,202,891	\$ 8,796,767	\$ 9,438,709	\$ 10,132,958	\$ 10,884,152	\$ 11,697,360						
PROJECTED DEFICITS	\$ 37,847	\$ (257,849)	\$ (588,950)	\$ (959,013)	\$ (1,371,945)	\$ (1,832,034)	\$ (2,343,992)						

Figure 1.4 RVTD Use of Funds

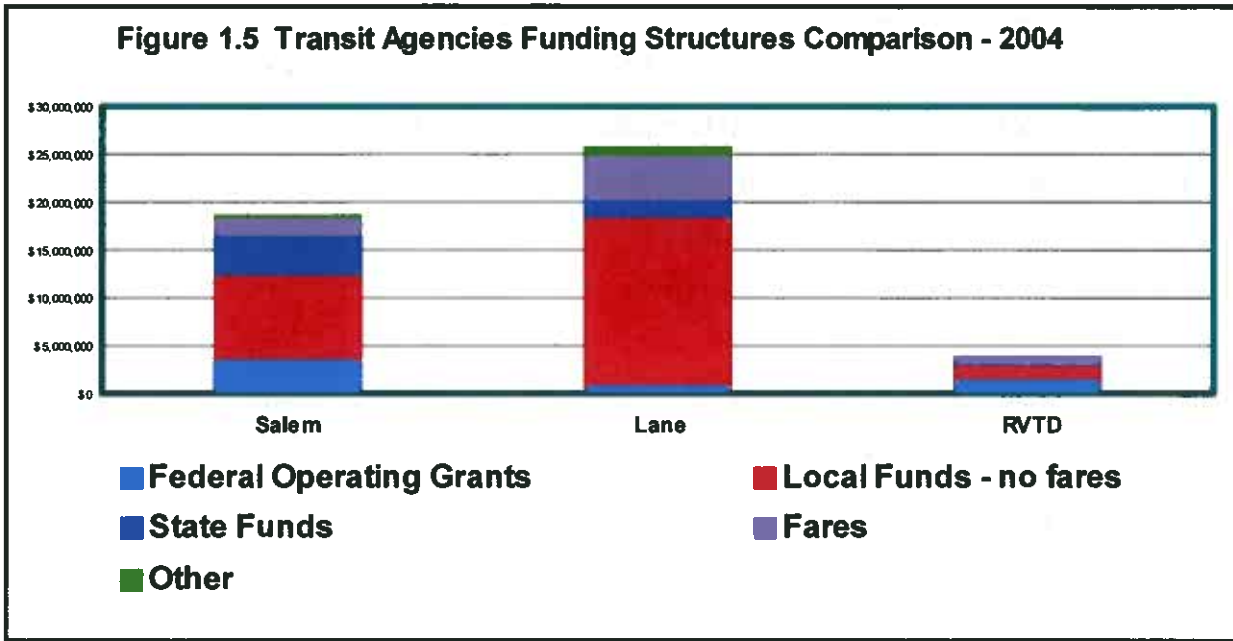


Projections for Primary Funding Resources

It is reasonable to expect that state and federal grants will remain near current levels or in the case of federal funding, decrease steadily over time. By way of comparison, Figure 1.5 depicts the 2004 revenue breakdown for the Salem-Keizer Cherriots system, and for the Lane Transit District (LTD) compared to RVTD (excluding federal capital grants).

The budget for Salem’s system “Cherriots” is more than 4½ times that of RVTD, and LTD’s budget is almost 6 ½ times that of RVTD. For these agencies, federal assistance is about 20% and 3.5% of the overall budget respectively, and locally generated funds account for 55.9% and 84.9% of

the budget. Cherriots receives about 2 ½ times the level of federal funding as RVTD because federal funding for both agencies is based on population; LTD's is based primarily on system performance. In 2004 RVTD received more than 30% of its revenue from federal grants, whereas local support, including fares, accounted for 55.5% in 2004.



Federal Funding Forecast

Based on the experience of other transit systems, rural areas are typically heavily supported by federal grants, but that funding diminishes in importance as the area becomes more urbanized. RVTD is considered a Small-Urbanized Area based on its population size of approximately 150,000 people. Once the population within the District exceeds 200,000 [likely to occur at the 2020 US Census] the District will be considered a Midsize-Urbanized Area. RVTD receives federal funding that is appropriated and re-assessed annually by the size of the population. When RVTD becomes a Mid-Size Urbanized area, the federal funding shifts tremendously. Most significantly, the federal operating grant diminishes to \$0, with decreases phased in over a number of years.

LTD is currently at the later phases of this shift, which is why they receive only 3.5% of their total budget as federal funds.

In general, however, federal funds are to be used toward capital improvements such as building transfer stations, stops and terminals, purchasing rolling stock and for preventative maintenance activities. Federal operating funds are available for starting new transit service, appropriately called “New Starts Funding”. This, like many federal funding programs (CMAQ), is only for initiating transit service *not* for maintaining the service long-term¹. Operating funds are also available for rural and Small-Urbanized Areas.

RVTD receives approximately \$1.7 Million in operating funds from the Federal Transit Administration each year. Figure 1.6 shows a comparison of the Federal funding distributed in 2005 and 2008 to the state of Oregon.

Figure 1.6 Federal Funding Distribution	FY 2005	FY 2008
	<i>in Millions</i>	
Total FY 05-08 FTA Funding for Oregon	\$ 124.6	\$ 187.5
Rural Formula to ODOT	\$ 4.1	\$ 9.4
Elderly/Disabled to ODOT	\$ 1.2	\$ 1.4
Capital Investment (Bus)	\$ 8.7	\$ 4.2
Urban Area Formula >200k population	\$ 7.4	\$ 8.4
Urban Area Formula <200k population	\$ 2.7	\$ 3.1

¹ RVTD is researching how to become eligible for New Starts Funding, which is a rigorous application process often requiring consultants.

The table shows modest increases in federal funding over the course of three years, with a 15% increase in funding to Small Urbanized Areas. A unique factor to keep in mind is Bend Area Transit's (BAT) formation in Central Oregon (September 2006). Bend is also a small-urbanized area and a portion of the 15% increase could be attributed to this new District receiving an operations apportionment.

Oregon and the National Average

FTA and the National Cooperative Highway Research Program collect and analyze several transit characteristics. In Figure 1.7, Oregon's peer group is shown with the associated funding levels for each state within the peer group (peer groups are defined by population and state). Oregon receives an average of \$44.08 in per capita Federal funding compared to the peer group average of \$14.60 per capita.

For our peer group, Oregon's \$44.08 per capita in Federal funding is high. The all states average across all five peer groups, shown in Figure 1.7, is \$28.26. This analysis highlights how Oregon receives a higher per capita Federal subsidy than most other states in the nation.

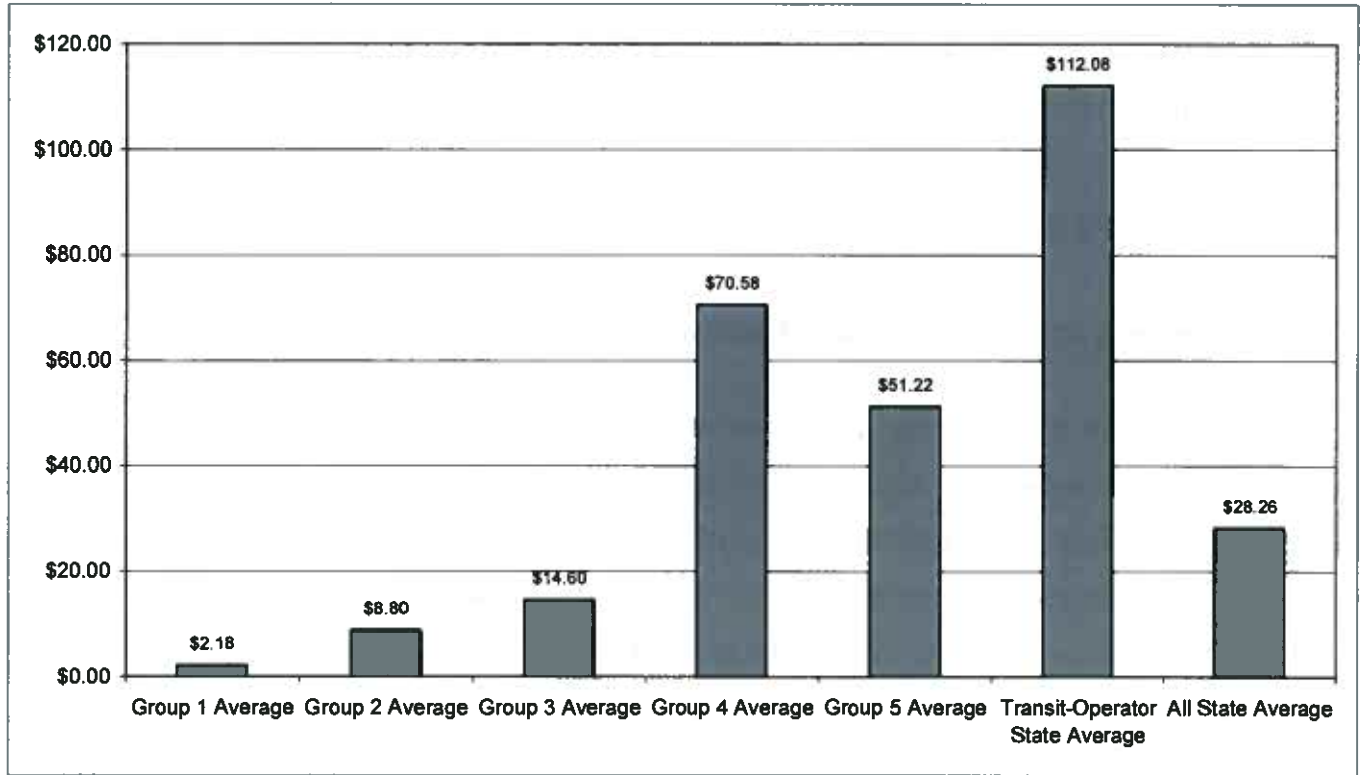
Figure 1.7 Peer Group 3 Comparison

State	Peer Group Ranking	State Funding (Thousands)	Per Capita State Funding	FTA Funding (Thousands)	Per Capita FTA Funding
Minnesota	1.50	\$214,255	\$42.00	\$161,613	\$31.68
Wisconsin	1.50	\$109,078	\$19.80	\$65,885	\$11.96
Alabama	1.58	\$0	\$0.00	\$19,978	\$4.41
Colorado	1.58	\$0	\$0.00	\$122,712	\$26.67
Oklahoma	1.58	\$2,750	\$0.78	\$28,461	\$8.08
Rhode Island*	1.58	\$36,840	\$34.09	\$13,259	\$12.27
Indiana	1.67	\$36,201	\$5.80	\$65,326	\$10.47
Missouri	1.67	\$6,600	\$1.15	\$95,664	\$16.62
Nevada	1.67	\$125	\$0.05	\$52,256	\$22.38
Oregon	1.67	\$31,445	\$8.75	\$158,439	\$44.08
South Carolina	1.75	\$5,864	\$1.40	\$28,051	\$6.68
Connecticut	1.92	\$200,167	\$57.13	\$67,759	\$19.34
Virginia	1.92	\$140,100	\$18.78	\$123,435	\$16.55
Group 3 Average	1.66	\$60,263	\$14.60	\$77,141	18.68**

*Operates a statewide transit system

** The average per capita federal funding represents a weighted average by population

Figure 1.8 All Peer Group Comparison



Comparative Review and Analysis of State Transit Funding Programs (NCHRP Report 569)

Rick Krochalis, the Federal Transit Administration’s Region 10 Executive Administrator, presented to our community the federal perspective of Oregon’s subsidy in comparison to other states. Due to citizens within Oregon receiving a higher per capita subsidy than the majority of other states, the potential for our state to receive additional [long-term] federal funding is extremely low. The annual adjustment to the District’s operating grant is the only foreseeable federal funding increase and this has historically not met the rising costs of providing service.

Figure 1.9 RVTD Federal Operating Grant History and Projection

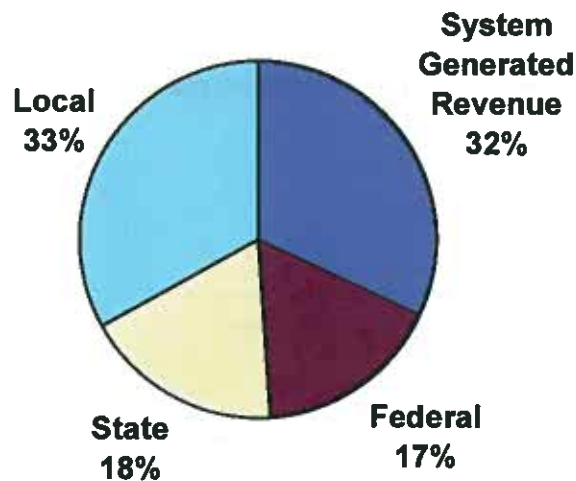
FY	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Federal 5307	\$1.5M	\$1.58M	\$1.72M	\$1.75M	\$1.85M	\$2.0M	\$2.25M	\$2.5M	\$2.75M

A table with the District's currently known (2006-2009) and projected (2009-2015) Federal Operating Subsidy is shown in Figure 1.9. Projections are based on an increase of approximately \$250,000 each year. RVTD is required to match the subsidy 50% or 1:1.

Transit Investments and Sources:

The pie graph in Figure 1.10 shows the total funding for public transportation in the United States in 2002. The pie graph depicts the average federal share of 17% compared to the state share of 18% and showing that the largest share of all comes from local sources at 33%. System Generated Revenue is derived through the farebox (usually between 10-20%) combined with advertising and leasing revenue for a total of 32%.

Figure 1.10 Transit Revenue Sources



US Transit Revenue
Sources: US DOT 2002 Conditions & Performance Report

State Funding Forecast

RVTD receives approximately \$1 Million in State resources each year. These funds are primarily competitive and non-discretionary for the purpose of providing Special Transportation and capital replacement. The 07-09 Public Transit Division budget is comprised of \$63 million,

Figure 1.11 depicts the sources of these funds followed by Figure 1.12 showing the uses of these funds.

Figure 1.11 ODOT Public Transit Division Sources of Funds



ODOT's Investments in Public Transportation:

- Rural operations
- Rural intercity connections
- Transit Bus replacements
- Increased access for low income to jobs
- Planning and research
- Marketing efforts Ridematch/Vanpool/Rideshare
- Travel options information
- Economic vitality projects

Local Partners Investments:

- Partners match operations projects with 50%
- Partners match capital projects with 10.27%
- Partners match planning projects with 20%
- STF formula requires no match

ODOT does not expect to increase public transportation or special transportation funds. RVTD relies on state resources primarily to offset costs incurred by the Valley Lift service and for capital replacement of vehicles. All funds are competitive statewide with other transportation providers and the amount of funding requested during grant cycles are typically not fully granted. For example, in the 2007-2009 Biennium RVTD requested funding for vehicle replacement and preventative maintenance totaling \$2,533,528; RVTD was awarded \$586,836 or 23% of the amount requested. When a project is not fully funded the District must decide between delaying the project or covering the balance out of the discretionary funds from the general budget.

2009 Oregon Legislative Session

The upcoming legislative session is touted to be the “Year of Transportation” with funds being dedicated to preserving roads and meeting the needs of a growing transportation disadvantaged population. RVTD is working with officials at the local and state level advocating for increased public transportation funding. RVTD invited southern Oregon delegates to speak on the topic of public transportation at the May 8th Summit. Each legislator acknowledged the benefits to the economy and quality of life that public transportation brings, but could not identify a specific solution to funding; it would be irresponsible to place all hope into this opportunity.

Summary

The transit community realizes that as resources become increasingly scarce across the nation to fund traditional programs and services, so too will public transportation funding. The partnership between Federal, State and local resources has been researched and the District has identified local sources of revenue as being the primary opportunity for expanding transit services in the Rogue Valley.

II. Market Analysis

The market demand for transit is not unlike predicting the market for a new business. One must consider demand for products and services, accessibility to the site and providing adequate space in the business to make customers comfortable, etc. This chapter will briefly review key demographic data from the Ten-Year Long Range Plan and then examine the accessibility to the system. Lastly, this chapter will look at system performance and passenger demand compared to the capacity available within the system to meet the demand.

Demographics of Transit Demand

Successful transit system design begins not with operational plans, but with consideration of the overall goals of the communities the system serves and the needs of the citizens, workers, and business interests.

The reasons that passengers use transit vary widely, and an understanding of patron needs is vital in prioritizing the characteristics of the service offered. Public transportation is essential for those who are income-constrained to connect with employment and job-training opportunities, health and medical services, educational services, and the community at large.

Even transit systems offering the lowest levels of service can expect regular ridership from passengers who have few other transportation options. These “dependent” riders may include youth and the aged and people who cannot afford private transportation. This is a very diverse group, with diverse needs. These riders are less likely to benefit from a park-and-ride, and more likely to benefit from bike racks and

connections to pedestrian-oriented activity centers, such as schools, health centers, and social services. Figure 2.1 shows a comparison between the 2008 Passenger Survey and 2000 Census data for Jackson County.

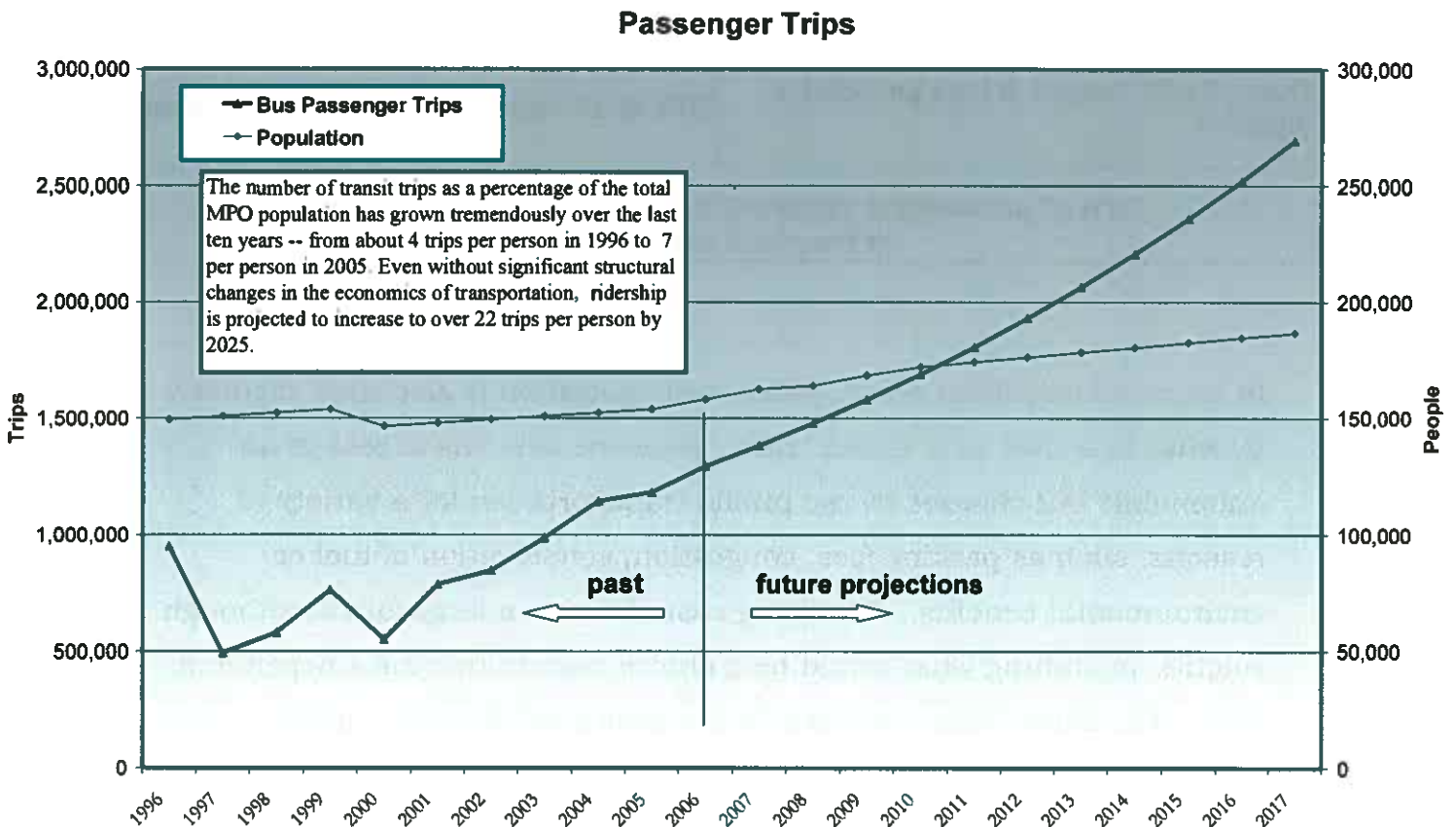
Figure 2.1 RVTD Passengers Compared to JC at Large

2008 RVTD Passenger Survey	Jackson County Census 2000
22% are between the ages of 10-18 and 64 and older	By 2015 ~ 41,000 people 65 + By 2025 ~ 57,000 people 65 +
29% are using the bus for work reasons	~ 15% of HH have one or no vehicle available
36% have incomes of less than \$15,000	HH with less than \$25,000 comprise 33.2% of Jackson County population
Over 50,000 Valley Lift trips provided in 2006 FY	20% of JC residents report having a disability
34% of passengers reported they would not have made the trip, if they had not taken the bus.	

In larger metropolitan areas, public transportation is also used regularly by what is known as a ‘choice’ rider, someone who has access to an automobile but chooses to use public transportation for a variety of reasons, such as parking fees, congestion, conservation of fuel or environmental benefits. The rising cost of fuel is a large factor, although volatile, in shifting what would be a choice rider to become a dependent rider. The choice rider has historically been considered a stable population, often falling within the middle and upper classes. Recently, the middle class has also felt the impacts of increasing fuel costs and its direct impact on household budgets. Fuel costs are only expected to increase pushing more households to become dependent on public and non-auto transportation.

The viability of transit service could also shift someone from using an automobile to public transit. Reliability, convenience, cleanliness, safety and user knowledge are a few of the primary reasons people view transit as viable. RVTD seeks to increase the 'choice' ridership because this population has the largest impact on per capita Vehicle Miles Traveled (VMT), congestion and air quality. If commercial and housing developments in the Rogue Valley become more accessible to transit and if using an automobile continues to be less convenient, we can expect to see both dependent and choice ridership grow.

Figure 2.2 Ridership Projections



System Performance and Capacity

Access to Transit

In 2006, Rogue Valley Council of Governments analyzed the distance between jobs and residents to an existing RVTD transit route [analysis included Route 4 to east Medford]. Spatial analysis of job locations in the District showed that 74.5% of all jobs are located within ¼ mile of a fixed transit route², and that 50.7% of the region's population lives within ¼ mile of a bus route. (See the job and population density maps in the 2007-2017 Ten-Year Long Range Plan). This represents an extraordinarily high concentration of development around bus routes and provides opportunities to address employer issues without necessitating expensive route extensions.

Additionally, the proximity to a route does not necessitate the ability to use a bus due to shift hours, type of work and/or family schedules, etc. Building more convenience into the system will assist in bridging this gap.

System Performance

The following factors are typically used to indicate passenger demand and system performance:

- Passengers Per Revenue Hour
- Passenger Load Occupancy
- Farebox Recovery
- Cost per Passenger
- Average Passenger Trip Length (*indicator not available at this time*)

² Source: Oregon Employment Department, 2005 job location database for Jackson County.

Passengers Per Revenue Hour

Passengers Per Revenue Hour (PPRH) is a measurement of productivity, or rather how effective the service (time on the route) is being provided. Total passengers as a measurement by itself, is not a good indicator without knowing what it took to get that many people to board. Likewise, revenue hours by itself doesn't accurately portray the level of efficiency in service design. When combined, the resulting statistic shows how well service is being provided in terms of structuring the routes where people want to go.

<u>Year</u>	<u>PPRH</u>
2004-2005	29.64
2005-2006	27.94
2006-2007*	27.44
July 2007- Dec. 2007	27.93

**Service modifications went into effect discontinuing Route 4, Route 5 and increasing the fare from \$1 to \$2.*

Last fiscal year, RVTD carried 948,690 passengers, down from 1,316,379 the previous year. The reduction in passengers can be attributed to reductions in service. Although the aggregate number of passengers using the system has reduced, productivity of the overall service is holding steady. This is seen through a modest reduction of 27.44 PPRH last fiscal year from the 27.94 PPRH seen the year prior.

Passenger Load Occupancy

Passenger Load Occupancy indicates the number of available seats for passengers to fill. If there are limited or no seats available, service is in

high demand. If seats are readily available, service has lower demand. This analysis is difficult to specify for a particular time of day, say at exactly 5:30pm, due to the collection procedure. The data is collected and categorized by four major time periods, Pre-AM (5:30am-8:00am), AM Peak (8:00am-10:00am), Off-Peak (10:00am-3:00pm), PM Peak (3:00pm-8:00pm). RVTD has the ability to slightly modify the collection procedure and will strongly consider this to better analyze data in the future.

To reach this indicator, a route's ridership is divided by the average number of seats available during an operating period. However, the large time periods are skewing the occupancy rates. Route 10, for example, is known to have all seats occupied with standees, off and on from 3:00pm-5:00pm. When looking at the table below, the occupancy is only 55% for Route 10 but this is due to the averaging over a long time period.

2.3 Passenger Load Occupancy FY 2007-2008

Average Load Occupancy						
ROUTE:	1	2	10	30	40	60
Pre AM		0.08	0.08		0.13	0.05
AM Peak	0.08	0.17	0.44	0.08	0.15	0.22
Off-Peak	0.12	0.23	0.41	0.07	0.19	0.28
PM Peak	0.10	0.27	0.55	0.06	0.21	0.30

If RVTD were to create a standard for occupancy loads this would assist in determining whether service should be enhanced or modified. For passenger comfort, long routes such as Route 10 and Route 60 should mitigate the need for passengers to stand for long periods of time. Shorter routes may be held to a different standard where it is more acceptable to have passengers standing if for only a short amount of time.

The following table indicates each route's ridership, estimated farebox recovery and operating costs for FY 2007-2008.

Figure 2.3 Farebox Recovery and Cost Per Passenger

	1	2	10	30	40	60
Ridership	33,929	91,716	457,663	16,443	136,366	238,071
Route Operating Costs	\$180,741	\$196,230	\$1,230,872	\$141,812	\$426,886	\$904,617
Farebox Recovery*	\$33,969	\$91,824	\$458,203	\$16,462	\$136,527	\$238,352
% of Operating Costs covered by fare	19%	47%	37%	12%	32%	26%
Route Cost per Passenger after fare contribution	\$4.33	\$1.14	\$1.69	\$7.62	\$2.13	\$2.80

* Assuming \$1.0018 fare return per passenger based on \$975,339 total token, pass, Bus Pass programs and Ashland fare subsidy revenue (assuming 90% use of token and non-expiring passes are used within same year of purchase) divided by the total ridership of 974,188.

The Affects of Service Changes

RVTD will likely continue to see indicators that do not fluctuate drastically unless the district adds additional routes, increases frequencies or hours of service. Additional routes require time for inducing passenger demand, typically seen over the course of six months to a year. Increasing frequencies or service hours for current routes would impact indicators due to the additional revenue hours and miles in the equation. Although adding service is a primary goal for RVTD, the service will temporarily affect the indicators negatively until the new service attracts passengers.

III. Ten-Year Long Range Plan Service Tier 1

RVTD staff held community workshops, agency meetings and a Board goal setting session to culminate a list of service priorities for the region. Everyone involved agreed that the current level of service is inadequate and both extended hours and new service areas need to be implemented. Common threads of expressed needs were reviewed after the meetings were complete. With RVTD staff guidance and reference to the community discussions, a tiered list of service priorities was created. The first of three tiers, "Tier One Extended Hours and Minor Service Expansion" is the focus of this strategic plan and is presented below in Figure 3.1

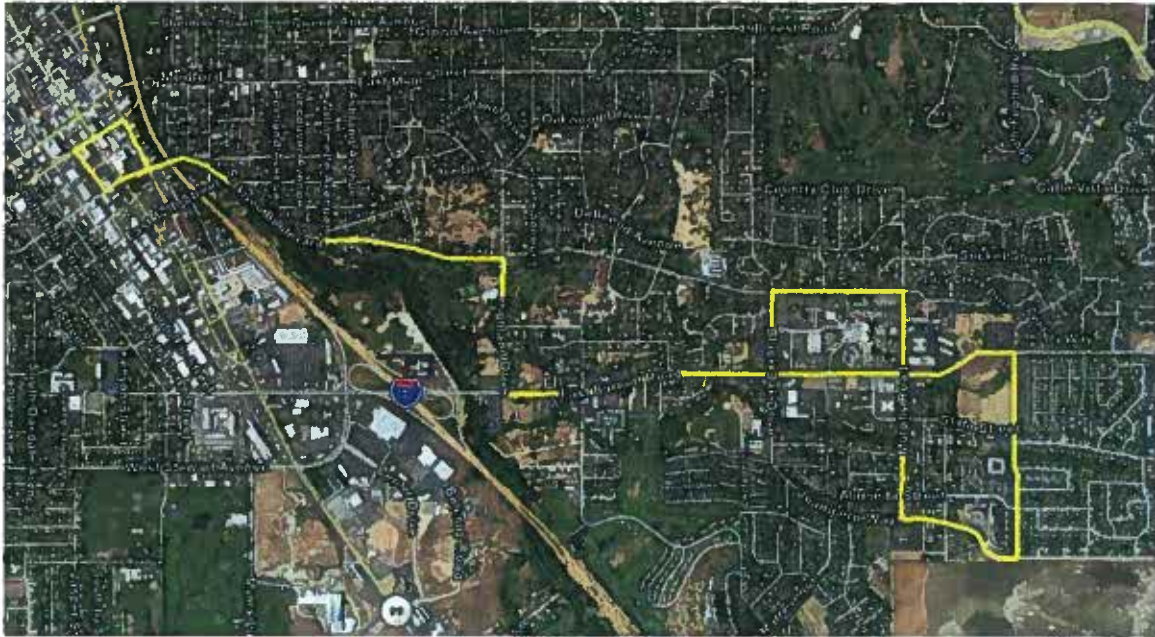
Figure 3.1 Ten-Year Plan Tier One

Tier One. Extended Hours and Minor Service Expansion	
Region	Major Destination
Southeast Medford	Barnett Rd. x N. Phoenix Rd./ RVMC
Expand service hours~4am to 10 pm	All Routes except low productivity routes
West White City	Table Rock Rd. x Antelope Rd.
Saturday Service	Base service from 8am to 6pm

Each of the service enhancements are described below. Maps are included for the Southeast Medford and West White City routes. Service hours expansions are shown in tables to described the enhancements to each route within the system.

Tier One, Service Expansion 1

Southeast Medford



Description

Route Tree:

Navigating 10th/Siskiyou to Highland.

From Highland to Barnett then heading east.

Left from Barnett on to Black Oak Dr. to Siskiyou Blvd.

Right on Murphy Rd. from Siskiyou Blvd.

Left on Barnett to head east to Golf View Dr.

South on Golf View Dr. to Juanipero Way.

Right on Murphy Rd. from Juanipero Way heading north

Left on Barnett heading Inbound

The Southeast Medford route will be similar to the Route 4 that was in service through 2006. Additions are Golf View and Juanipero Way.

Operating hours are from 6:00 AM – 6:30 PM Monday – Friday with 30-minute frequencies (service twice each hour).

Purpose and Need

The east Medford area is not currently part of the public transportation network, causing limited mobility and decreased options for accessing destinations other than by automobile. During the RVTD Ten-Year Long Range Planning process, the Rogue Valley community came to a consensus that establishing service in the east Medford area was critical and a region-wide priority. East Medford would support transit due to a major area employer with more than 4,000 employees, a growing high-density commercial development and several neighborhood residential areas.

With the addition of an east Medford route, RVTD estimates ridership will grow by 75,000 fixed-route transit trips per year. Once service hours are expanded (see below), ridership is then expected to double on this route to 150,000 trips due to the Asante workforce being more accommodated.

It would be short-sighted to not discuss paratransit service, especially to east Medford where Asante is a major destination for medical-related trips. RVTD's Valley Lift service is more expensive on a per trip basis than the fixed-route service but the District cannot discriminate against implementing a particular route based on the perceived paratransit costs. There are differences between the previous east Medford route and the one planned for future service. The fare has increased from \$2 to \$4 one-way causing a decline in the number of Valley Lift trips provided in the 2006-2008 Fiscal years. Also, a new area will be served including a high-density residential and youth destinations.

Tier One, Service Expansion 2

Expand Service Hours to 4:00am to 10:00pm

System-wide operating hours will be from 4:00AM to 10:00PM Monday – Friday with varied frequencies for each route. It is necessary to have each route operate at close to full hours to allow for transfers.

The following table lists the new frequencies for each route.

Route	Time Period	Frequency
Route 1 Airport		
	5:00am-10:00pm	1 hour
Route 2 West Medford		
	5:00am-6:00am	1 hour
	6:00am - 7:00pm	30 min.
	7:00pm-10:00pm	1 hour
Route East Medford		
	4:00am-6:00am	1 hour
	6:00am - 7:00pm	30 min.
	7:00pm-10:00pm	1 hour
Route 10 Ashland		
	4:00am-6:00am	1 hour
	6:00am - 7:00pm	30 min.
	7:00pm-10:00pm	1 hour
Route 30 Jacksonville		
	5:00am-6:00am	1 hour
	6:00am-7:00pm	30 min.
	7:00pm-10:30pm June-Sept only	1.5 hour
Route 40 Central Point		
	4:00am-6:00am	1 hour
	6:00am - 7:00pm	30 min.
	7:00pm-10:00pm	1 hour
Route 60 White City		
	4:00am - 7:00pm	30 min.
	7:00pm-10:00pm	1 hour

Description

RVTD currently has limited hours of operation. Most routes begin at 5:30 AM and end at 6:30 PM. Workforce and other trips are not easily accommodated with a 13-hour service day. The typical 8-5 working day would be accommodated with good planning but only a small portion of employment throughout the Rogue Valley thrives with this type of schedule. The reality is that the majority of workforce schedules are not accommodated by the current RVTD hours of operation. Non-workforce trips such as recreation or shopping would also be better accommodated and thereby increasing the area's quality of life.

Purpose and Need

RVTD will expand operating hours to an 18-hour service day, adding five hours. With the new operating hours, the first bus will leave Front St. Station at 4:00 AM and the last bus will leave at 10:00 PM. Each route will vary in frequencies during the expanded service window but the majority of routes will have one-hour frequencies before 6:00 AM and after 7:00 PM.

With the expanded service hours, RVTD expects to increase ridership to 1.5 Million per year, or an increase of approximately 400,000 passengers. RVTD currently serves approximately 30 passengers per revenue hour (per trip). Operating hours would be increased by approximately 14,000 revenue hours per year. $14,000 \times 30 = 400,000$ new passengers.

RVTD considers this project as the tipping point for making transit a more viable alternative to the majority of Rogue Valley citizens.

Hwy 62 to Ave. R at V.A. Dom, turning left into VA DOM.
Loop around VA DOM and back to Hwy 62.
From VA DOM head south on Hwy 62 to Ave. H.
Ave. H to Division Rd and left on Ave. G heading east.
Ave. G to Atlantic Ave, turning right to head south.
Atlantic Ave heading south to Antelope Rd., turn right
Antelope Rd heading west to Hwy 62, turn left to Cascade Shopping Ctr.

The White City Loop is proposed for implementation after the service hours are expanded from 4:00am to 10:00pm with more limited frequencies from 7:00pm to 10:00pm.

Route 60, which currently serves the White City area to the east, would be duplicative and thus will be shortened. When entering White City, Route 60 will loop around the Antelope Rd., Agate Rd. and Hwy 62 block servicing the Cascade Shopping Center and then head back to Medford. Route 60 will make transfers with the White City loop at the Cascade Shopping Center.

Purpose and Need

The White City area has experienced industrial growth in recent years causing an increase in 'blue-collar' commuting to this area. In addition, Rogue Community College established a campus focused on technical industry drawing nearly 1,200 students to the campus each day. RVTD estimates that approximately 5,000 trips are being made to the intersection of Antelope Rd. and Table Rock Rd. with RCC, Amy's Kitchen, Jackson County and others existing destinations. Transit is not within convenient walking or cycling distance to this area and therefore it is assumed that the majority of the trips are made by automobile.

Route 60 to White City sees the second highest ridership in the District. It is estimated that the ridership along the Hwy 62 Corridor and in White City will increase by 50% with the addition of this new link, or to 350,000 trips per year.

Tier One, Service Expansion 4

Saturday Service

Saturday service will receive limited service compared to Monday through Friday. All routes will stay the same with the exception of White City. On Saturdays the White City Loop will not be in service and Route 60 will service the normal route and the loop. All routes will receive 1-hour frequencies between 7:00am – 8:00pm. Route 10 and Route 60 will operate from 7:00am – 10:00pm providing a basic trunk route system for late hour travel.

The table below shows the frequencies and operating hours for each route, excluding the White City loop.

Route	Time Period	Frequency
Route 1 Airport		
	7:00am-8:00pm	1 hour
Route 2 West Medford		
	7:00am-8:00pm	1 hour
Route East Medford		
	7:00am-8:00pm	1 hour
Route 10 Ashland		
	7:00am-10:00pm	1 hour
Route 30 Jacksonville		
	7:00am-8:00pm	1 hour
Route 40 Central Point		
	7:00am-8:00pm	1 hour
Route 60 White City		
	7:00am-10:00pm	1 hour

Description

All routes would receive 1-hour frequencies to provide a base service. Route 10 to Ashland and Route 60 to White City would run later in the evening with the last bus departing Front St. Station at 10:00PM. This will provide a trunk system for *inter-city* transportation with the expectation that passengers can reach their final *intra-city* destination by other means. This was configured to keep costs as low as possible but still provide a link between cities until nearly midnight.

Purpose and Need

RVTD provided a Saturday service in the mid-90's that was very successful. The service was discontinued after the community could not demonstrate financial support. Inadequate financial support does not equate to a lack of need however and weekend service has been one of RVTD's most popular requests. Weekends are for many a time for relaxing, spending time with family and accomplishing errands all of which could be done by transit if it were available.

Interestingly though, the majority of weekend service requests are from the area's workforce. In recent years, more businesses in the Rogue Valley have seen a benefit to staying open on Saturdays. Employees of these businesses do not currently have a way of getting to work by transit. By providing limited service on Saturdays, RVTD will make a 6-day work-week more feasible for employers and provide flexibility for employees.

Summary

RVTD is confident that with the proposed service enhancements described in this chapter, the transit system will become a more convenient system for current passengers and a more realistic option for would-be passengers.

RVTD staff is excited about the potential to offer these services in a relatively short time frame once resources are identified and secured. What follows is the Capital and Operations plan detailing the steps to implementing new services.

IV. Capital and Operations Plan

RVTD is a Special District under ORS that is governed by stricter standards than a typical private sector business. This section describes the opportunities and constraints that the District works within for acquiring vehicles and hiring employees. This is essential for the strategic plan since these two steps are necessary to implement any of the services in Tier One of the Long Range Plan. Table 4.1 summarizes the contents of this chapter.

Figure 4.1 Capital and Operations Summary Table

Tier One Service Enhancement					
	CAPITAL	OPERATIONS			
		Union Employees		Non-Union Employees	
	Additional Buses	Additional Staff	Time to Hire & Train	Additional Staff	Time to Hire & Train
Southwest Medford	0	6 Drivers	14 Weeks		
Expanded Service Hours	2	11 Drivers	14 Weeks	1 Field Supervisor	8 Weeks
		1 Dispatcher	8 Weeks	1 Fueler	8 Weeks
				1 Service Technician	8 Weeks
				1 Mechanic	8 Weeks
West White City Loop	1	4 Drivers	8 Weeks		
Saturday Service	0	1 Driver	8 Weeks	1 Field Supervisor	8 Weeks
		1 Dispatcher	8 Weeks		
TOTAL	3	24		5 Non-Union Employees	

Capital Needs to Fulfill Tier One

In order to implement the Tier One Service Enhancements, RVTD would need to acquire three buses. RVTD has two primary ways to add rolling stock to the fleet: purchase vehicles or lease vehicles. Opportunities and problems are present with each option.

Purchasing new buses allows the agency to specify the technologies and features of the vehicle. This could include the number of seats, type of seats and dashboard features for operator convenience. It also includes the latest technologies such as automatic passenger counting, automatic stop announcements and more. The downside to purchasing a new bus is the waiting time, typically requiring 18 months of manufacture.

Although the agency might have the adequate number of operators to provide a new service, a lack of buses could deter a route from being implemented. Often buses are leased until new buses are available.

Other transit agencies have buses available for sale from time to time. This is another opportunity for acquiring a vehicle. However, the reason they are often sold is due to vehicle age, surpassing the recommended FTA life span of twelve years. Thus, acquiring used vehicles brings with it possible maintenance issues. If an agency has additional vehicles, RVTD could temporarily lease them until new vehicles are in place. This too has its own problems but mainly for the lessor agency. FTA requires a maximum of 10% of a fleet to be in contingency. A contingency fleet is primarily for replacing an out-of-service vehicle due to repairs or fueling. RVTD has 23 vehicles in its fleet with 21 vehicles in regular service. Other agencies of RVTD's size would find it difficult to temporarily release a portion of their contingency fleet for lease. RVTD would have better luck partnering with a large agency such as Tri-Met in Portland to lease vehicles.

Funding for buses is available in various forms, such as the FTA 5309 grant, Congestion Mitigation Air Quality grant and Federal Earmarks. All funding sources have grant processes that delays the actual purchase of vehicles often from 9-18 months. Advance planning is essential in making sure service enhancements can occur in a timely manner. RVTD however, does not have a secure revenue source to purchase vehicles at this time. If revenue sources are secured to purchase rolling stock the resulting vehicles would not be in service for approximately 2 years afterward (9 months for the funds to be activated + 18 months for the vehicles manufacture). Consequently, leasing temporarily is the best interim option for implementing the Tier One service enhancements.

Operational Needs to Fulfill Tier One

In order to implement the Tier One Service Enhancements, RVTD would need to hire 22 new drivers.

The RVTD Operations Department manages the drivers, field supervisor, dispatchers and the scheduling of buses and routes to drivers. The agency created a Tier One “Run Board” for the purposes of knowing the number of new staff that would need to be hired. A Run Board is the process of organizing all scheduled trips operated by a transit agency into runs for the assignment of drivers. A Run is the drivers scheduled trips for a given day often rotating between several routes.

RVTD’s drivers and dispatchers are unionized. The agency has constraints to work within when managing this labor pool. The constraints can be negotiated as part of the union contract and minor changes could help facilitate the Tier One services.

Union Constraints

- Normal Full Time Runs: 5 - 8 Hr Days, or 4 - 10 Hour Days
- Part Time: Full Time ratio - 30% + 2 (includes spare drivers)
- Must allow for 3 drivers & 1 Dispatcher off per day
- Split Shifts – cannot exceed 40% of all Bid Runs
- Only 1 Full Time run can be 6 days
- No more than 2 Full Time runs can be less than 40 hours

Other Human Resource Considerations

- Offering a variety of routes in each Run
- Avoiding 2 high passenger load routes back-to-back
- Offering long routes paired with short routes
- Contiguous days on/off
- Limiting time off between Split shifts
- Less desirable shifts are paired with more hours per week
- Make all runs desirable to bid on

Hiring a competent driver is only one of several factors that RVTD looks for in a Coach Operator. The driver must operate passenger vehicles in accordance with established safety standards and traffic laws within Oregon. They must accurately and consistently record information required by the Federal Transit Administration such as passenger boardings, regulate passenger comfort and respond to the public in an appropriate manner. Above all else RVTD is most concerned with passenger safety. Rigorous safety and customer service training is provided over a course of three weeks followed by 2 weeks of in-the-field training. Often not all new hires complete the training. Consequently, hiring drivers in great numbers such as for the expanded service hours, could take a considerable amount of time.

In addition to drivers, the agency would need to hire other staff that are not unionized. These positions include two Field Supervisors, one Service Technician, one Vehicle Fueler and one Mechanic. Additional staff are primarily needed when the expanded service hours are implemented. Essentially, RVTD would become a 24-hour operation. Once buses returned to the yard at approximately 11:00pm, the fueler and cleaners would stay on until approximately 1:30am. The following day's operations would begin again at approximately 2:00am to be prepared for service to start at 4am. Due to this 24-hour operation, several shifts would need to be staggered and overlapped.

RVTD is not expecting to increase staff within the Administration Department. This will allow costs to be kept at a minimum. As expressed in the Ten-Year Long Range Plan however, the Administration Department has a need for a Human Resources person and additional Planning staff. These additions will be delayed until appropriate funding levels are secured.

V. Anticipated Revenue and Operating Costs

Costs and Resources

All cost projections and the estimated resources that either are available or will have to be provided to fund the various levels of existing, and proposed expanded, services levels are based on the fiscal year 2008-2009 budget. Future cost projections and estimated resources are determined based on anticipated inflation and other factors, and therefore are best estimates based on available information.

The information, which follows is detailed in the schedule shown on pages 37 and 38 of this section.

Existing Services

As part of the long-range strategic plan the first emphasis must be on maintaining the existing levels of service to the community. The exist service levels include six fixed routes with service to the following areas; Medford Airport, west Medford, Ashland, Jacksonville, Central Point and White City.

These existing routes compose a daily mileage total of 2,477 miles and an annual total of 631,534 miles. The projected average aggregate cost of operating the fixed route system as it currently exists is \$5.61 per mile for the 2009-2010 fiscal year and grows to \$8.25 per mile for the 2014-2015 fiscal year.

The projected costs of operating the fixed route system during the 2009-2010 fiscal year is \$3,542,067. With other operating costs, including the alternative transportation program costs, non-fixed route

operating costs, and administration and support services costs the total projected RVTD budget totals \$8,202,891. By the 2014-2015 fiscal year the projected total operating cost for RVTD as it exists today totals \$11,697,360.

For the fiscal year 2009-2010 the total resources available to fund these services are estimated at \$7,945,042. The difference between projected costs and estimated resources creates an anticipated shortfall for the 2009-2010 fiscal year of \$257,849. For the 2014-2015 fiscal year this shortfall is expected to grow to \$2,343,992.

Expanded Services

Four new service expansion proposals are included in this plan. They include restoring service to southeast Medford, expanding service hours, a west White City loop and Saturday service to most areas. The costs associated with each of these expansions will be discussed below. Again these cost projections are detailed in the schedule shown on pages 37 and 38. It is anticipated that with each of the expanded services there will be increases in the alternative transportation program costs, non-fixed route operating costs, and administration and support services costs. The direct costs associated with each of these service expansions are represented in the schedule referred to but these additional costs are presented in the aggregate.

Southeast Medford

The proposed southeast Medford service will add an additional 49,878 annual miles to the operations of the District. The direct cost of this expansion in fiscal year 2009-2010 is projected to total \$397,567 and will grow to \$584,899 by the 2014-2015 fiscal year. This increase in

service level will require the hiring of 6 additional drivers. The estimated operating costs per mile for this service is \$7.97 for the 2009-2010 fiscal year and will be \$11.73 for 2014-2015. The aggregate system wide operating costs per mile will be \$5.78 for 2009-2010 and \$8.51 for 2014-2015.

With this additional service the total RVTB budget for fiscal year 2009-2010 will amount to \$8,600,458 and result in a need for \$943,754 in additional resources. By fiscal year 2014-2015 the total budget will be \$12,282,259 and additional resource requirements will total \$3,347,734.

Expanded Service Hours

The proposed expanded service hours will add an additional 194,209 annual miles to the operations of the District. The direct cost of this expansion in fiscal year 2009-2010 is projected to total \$1,336,432 and will grow to \$1,966,149 by the 2014-2015 fiscal year. This increase in service level will require the hiring of 11 additional drivers, 5 support personnel and the addition of 2 buses to the fleet. The estimated operating costs per mile for this service is \$6.88 for the 2009-2010 fiscal year and will be \$10.12 for 2014-2015. The aggregate system wide operating costs per mile will be \$6.03 for 2009-2010 and \$8.86 for 2014-2015.

With this additional service the total RVTB budget for fiscal year 2009-2010 will amount to \$9,936,890 and result in a need for \$3,088,402 in additional resources. By fiscal year 2014-2015 the total budget will be \$14,248,408 and additional resource requirements will total \$6,296,957.

West White City Loop

The proposed White City Loop service will add an additional 104,142 annual miles to the operations of the District. The direct cost of this expansion in fiscal year 2009-2010 is projected to total \$394,267 and will grow to \$580,045 by the 2014-2015 fiscal year. This increase in service level will require the hiring of 4 additional drivers and the addition of 1 bus to the existing fleet. The estimated operating costs per mile for this service is \$3.79 for the 2009-2010 fiscal year and will be \$5.57 for 2014-2015. The aggregate system wide operating costs per mile will be \$6.19 for 2009-2010 and \$9.11 for 2014-2015.

With this additional service the total RVTB budget for fiscal year 2009-2010 will amount to \$10,331,157 and result in a need for \$3,749,803 in additional resources. By fiscal year 2014-2015 the total budget will be \$14,828,453 and additional resource requirements will total \$7,167,024.

Saturday Service

The proposed Saturday service will add an additional 430,695 annual miles to the operations of the District. The direct cost of this expansion in fiscal year 2009-2010 is projected to total \$785,080 and will grow to \$1,155,008 by the 2014-2015 fiscal year. This increase in service level will require the hiring of 3 additional drivers and 1 support person. The estimated operating costs per mile for this service is \$1.82 for the 2009-2010 fiscal year and will be \$2.68 for 2014-2015. The aggregate system wide operating costs per mile will be \$4.58 for 2009-2010 and \$6.73 for 2014-2015.

With this additional service the total RVTB budget for fiscal year 2009-2010 will total \$12,872,465 and result in a need for \$4,927,423 in

additional resources. By fiscal year 2014-2015 the total budget will be \$18,252,905 and additional resource requirements will total \$8,899,537.

Resources Estimates

The estimated increases in existing resources are included in the projections on the schedule on page 42. As indicated above the existing sources of revenue available to the District are insufficient to even meet the anticipated costs of maintaining existing service levels, let alone to provide for expanding services to meet the ever growing needs of the citizens of the Rogue Valley.

There are only 2 new sources of revenue available to the District, property taxes and payroll taxes.

The schedule on page 42 details the estimated revenues that could be generated by the various levels of these taxes. For fiscal year 2009-2010 the estimated revenues generated by a 1-cent per thousand of assessed value on real property within the District would generate approximately \$108,115. Thus a property tax levy of approximately 2 ½-cents per thousand would be necessary to generate the \$257,849 needed to cover the anticipated resource short-fall for the fiscal year. The following year a tax of 5-cents per thousand would be needed.

As is readily apparent from the schedule on page 42 a property tax of 10-cents per thousand of assessed value would not provide the resources necessary to fund even the existing operations of the District by fiscal year 2014-2015.

The schedule on page 42 for payroll taxes is color coded to indicate the various levels of taxes necessary to provide for the maintaining of

existing services and the costs associated with each of the service expansions. As can be seen there is no one tax rate that can maintain any of the service levels over the entire six-year period, however a tax rate in the approximate middle of the range for each level of service could possibly provide the necessary resources to maintain that level by carrying resources collected in the early years over to the later years.

A combination of both an increase in the property tax and the implementation of a payroll tax should be one of the alternatives to be considered to meet the funding requirements of the District's operations.

**ROGUE VALLEY TRANSPORTATION DISTRICT
TOTAL OPERATING COST AND REVENUE PROJECTIONS**

	2008/09 Proposed	2010/11 Projected	2011/12 Projected	2012/13 Projected	2013/14 Projected	2014/15 Projected
	Budget	Budget	Budget	Budget	Budget	Budget
	Costs	Costs	Costs	Costs	Costs	Costs
Revenue Estimates						
Property and State Payroll Taxes	\$ 2,180,000	\$ 2,245,400	\$ 2,312,762	\$ 2,453,609	\$ 2,527,217	\$ 2,603,034
Federal and State Operating Grants	\$ 2,827,871	\$ 2,812,501	\$ 2,999,876	\$ 3,089,872	\$ 3,182,569	\$ 3,276,046
Local Government Contracts	\$ 170,000	\$ 175,100	\$ 180,353	\$ 185,764	\$ 191,077	\$ 197,077
Charges For Services	\$ 1,097,004	\$ 1,129,814	\$ 1,163,912	\$ 1,198,726	\$ 1,234,688	\$ 1,271,728
Other Revenues	\$ 88,000	\$ 71,070	\$ 73,202	\$ 75,398	\$ 77,660	\$ 79,980
In-Kind Resources	\$ 184,348	\$ 189,879	\$ 195,576	\$ 201,443	\$ 207,486	\$ 213,711
Internal Charges	\$ 37,898	\$ 39,583	\$ 41,562	\$ 43,840	\$ 45,822	\$ 48,113
Total Estimated Revenues	\$ 8,565,722	\$ 8,763,448	\$ 9,067,143	\$ 9,393,171	\$ 9,745,882	\$ 10,089,321
Operating Cost Estimates						
Fixed Route Operating Costs	\$ 3,283,877	\$ 3,542,067	\$ 3,822,451	\$ 4,127,184	\$ 4,458,514	\$ 4,818,908
Non-Fixed Route Operating Costs	\$ 148,382	\$ 193,298	\$ 243,054	\$ 299,305	\$ 362,779	\$ 434,277
Alternative Transportation - Valley Lift	\$ 1,890,327	\$ 1,898,142	\$ 2,112,879	\$ 2,234,404	\$ 2,363,826	\$ 2,501,466
General Administration	\$ 733,822	\$ 784,496	\$ 838,987	\$ 897,729	\$ 961,087	\$ 1,028,461
Support Services	\$ 470,267	\$ 503,293	\$ 538,922	\$ 577,378	\$ 619,810	\$ 663,783
Total Estimated Costs	\$ 8,527,875	\$ 9,021,297	\$ 9,558,092	\$ 10,136,001	\$ 10,765,115	\$ 11,447,817
MAINTAINING EXISTING SERVICES - PROJECTED DEFICITS						
	\$ 37,847	\$ (287,849)	\$ (889,013)	\$ (1,371,945)	\$ (1,832,034)	\$ (2,343,892)
Expanded Services						
East Route Operating Costs						
Southeast Medford	\$ 368,569	\$ 397,567	\$ 429,038	\$ 463,241	\$ 500,430	\$ 540,882
Expanded Service Hours	\$ 1,239,053	\$ 1,338,432	\$ 1,442,221	\$ 1,557,197	\$ 1,682,209	\$ 1,818,186
West Valley City Loop	\$ 365,538	\$ 394,267	\$ 425,877	\$ 459,397	\$ 496,278	\$ 536,384
Southwest Services	\$ 227,875	\$ 245,090	\$ 262,727	\$ 281,769	\$ 303,206	\$ 326,097
Total Expanded Services Fixed Route Operating Costs	\$ 2,813,346	\$ 3,143,863	\$ 3,394,804	\$ 3,697,125	\$ 3,983,549	\$ 4,298,101
Other Costs Related to Expanded Services						
(10% Increase based on Expanded Service)						
(40% of Fixed Route Costs)						
(5% Increase)						
(10% Increase)						
Support Services	\$ 50,329	\$ 53,882	\$ 57,738	\$ 61,891	\$ 66,379	\$ 71,229
Capital Outlay Costs - Fleet	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Costs Related to Expanded Services	\$ 1,756,228	\$ 1,667,823	\$ 1,799,926	\$ 1,943,508	\$ 2,099,626	\$ 2,289,444
Total Costs of Expanded Services	\$ 4,869,574	\$ 4,811,788	\$ 5,194,530	\$ 5,610,833	\$ 6,063,176	\$ 6,658,645
Total Operating Costs	\$ 9,534,643	\$ 10,700,065	\$ 11,630,805	\$ 12,432,240	\$ 13,411,466	\$ 14,476,414
NET FUNDING REQUIREMENTS TO MAINTAIN EXISTING SERVICES AND EXPAND TIER 1 SERVICES						
	\$ 37,847	\$ (4,927,423)	\$ (5,490,735)	\$ (6,153,643)	\$ (6,982,578)	\$ (7,895,205)
						\$ (8,899,537)

VI. Management and Organization

RVTD History

RVTD has experienced growing pains over the last eight years, which has brought about periods of financial hardship and opportunities for change. During fiscal year 2000 through 2003 there was a period of discord among the community, the Board of Directors and staff. When conflict arises, restructuring a system can cause hardship and discontent. The subsequent rebuilding of RVTD has been a monumental task but has successfully achieved a redefining of the District to become a leader of transportation options.

The following highlights the District's recent successes:

- In September 2003, the Board of Directors hired Peter Jacobsen as the General Manager. At the time, the financial stability of the District was in doubt and there was no clear solution on how to get the District back on track. Mr. Jacobsen immediately proposed staffing cuts and hired a Financial Manager to work on a plan. This was the beginning of the recovery period for RVTD.
- In FY 2004-05, the District continued moving forward in their plans to rebuild the District's desperately needed fleet replacement. Ten (10) new compressed natural gas (CNG) buses and seven (7) new Valley Lift paratransit vehicles were purchased. In addition, a completed labor negotiation and agreement were finalized. The greatest achievement was the "Certificate of Achievement for Excellence in Financial Reporting" award from the Government Finance Officers Association; a first for RVTD.
- In FY 2005-2006, the District made a decision to contract the Valley Lift Paratransit Program to a sole-source contractor. Again this was a difficult and controversial decision. The new service began in December of 2005 ultimately providing better service while reducing costs.

In July of 2005 the District had a change in the structure of the Board of Directors. This change brought a new level of enthusiasm and commitment. The change in leadership helped direct the District in planning the future of public transportation in the Rogue Valley.

A new financial plan, included obtaining a line of credit based on real property, replaced the tax anticipation notes previously required for RVTD to meet it's obligations at year end, which were causing some of the financial hardship. Stringent controls on spending and attention to detail brought fiscal control and independence to the District. This was the second year the District was awarded the "Certificate of Excellence in Financial Reporting" from the Government Finance Officers Association.

- In FY 2006-2007, flat-line revenues combined with increases in the costs of operations meant service cuts were the only option available to the District in order to balance the budget.

For the third consecutive year, the District was awarded the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association.

- In FY 2007-2008, Peter Jacobsen retired and Julie Brown was named General Manager. The Board of Directors and staff worked together to plan the future of the District and produced a 10-year Long-Range Plan. This planning effort brought a new level of enthusiasm to the District and community.

In the spring of 2008, the Board of Directors, RVTD Budget Committee and management staff were able to balance the budget proposed for FY 2008-2009. This balanced budget was achieved by adhering to the

financial plan developed in FY 2004-2005; and the outcome put RVTD in good financial standing for the next fiscal year.

This brings us to the present day. The Board of Directors and management have reached a consensus on developing strategies to implement our Strategic Business and Long-Range plans. Leadership issues were addressed early and clear direction was given to management staff on addressing future social, organizational, economic and environmental goals. RVTD believes that through partnerships, both public and private, the goals of the District can and will be achieved.

Stakeholders have questioned past management of RVTD and perceptions of dysfunction still arise, but the present Board of Directors and management have shown that the core values of the District are the key components for the District's existence and success. RVTD is committed to improving the transportation system, quality of life, and building of partnerships through dynamic, innovative, and visionary, action-oriented leadership.

Through honest, open discussions, and coordinated planning with other agencies, the District will be able to incorporate the projects identified in our short and long-range plans.

Both funding strategies identified in this plan are controversial and the Board of Directors will need to come to a consensus on the best, most logical plan for the District. This decision will stimulate discussion and debate among relevant stakeholders, but eventually a new and/or different funding mechanism will be proposed by Rogue Valley Transportation District to ensure the future of public transportation in Southern Oregon.

In 1975, RVTD was established as a state-chartered, "Transportation District" under ORS 267.510. As such, it has a limited range of authority to access certain taxes as well as fees for services rendered. During the last thirty years, the District has provided various fixed-route and alternative services to the people of the Rogue Valley.

The Rogue Valley Transportation District is governed by a seven-member Board of Directors elected at large to four-year terms:

Connie Skillman, Chair, Ashland
Term Expires: 06/30/2011

Joel Marks, Vice Chair, Medford
Term Expires: 06/30/2009

David R. Carr
Term Expires: 06/30/2013

Rick Dyer
Term Expires: 06/30/2013

Stan Littrell, Medford
Term Expires: 06/30/2009

Bill Mansfield, Medford
Term Expires: 06/30/2011

Rick Schreffler, Medford
Term Expires: 06/30/2011

The Board of Directors holds monthly public meetings on the 4th Wednesday of each month in the Jackson County Courthouse Auditorium, 10 S. Oakdale Ave., Medford, Oregon.

RVTD currently employs 68 employees. The organizational chart by department is shown below.

Operations Department

29.5 Full-time Equivalents in the Operations Department consisting of:

- 1 Transportation Manager
- 1 Field Supervisor
- 21 Coach Operators
- 9 Part-time Coach Operators
- 2 Dispatchers

Maintenance Department

10 Full-time Equivalents in the Maintenance Department consisting of:

- 1 Operation/Maintenance Manager
(Dept. Manager, both departments)
- 1 Procurement Specialist
- 4 Mechanics
- 1 Vehicle Fueler
- 1 General Service Technician
- 1 Facilities Maintenance Worker
- 1 Vehicle Custodian

Support Services Department

4.75 Full-time Equivalents in the Support Services Department consisting of:

- 1 Senior Planner (Dept. Manager)
- 1 Planner
- .75 TDM Event/Education Coordinator
- 1 TDM Planner
- 1 Marketing Manager

Administration Department

4.25 Full-time Equivalents in the Administrative Department consisting of:

- 1 General Manager
- 1 Administrative Manager/Executive Assistant
(Dept. Manager)
- 2 Accounting Specialist
- .25 Information Specialist

Alternative Transportation Department

18.75 full-time equivalents in the Alternative Transportation Department consisting of:

- 1 Brokerage Manager
- .5 Contract Specialist for Valley Lift
- 1 Customer Service Representative
- .75 Information Specialist
- 1 Team Leader for TransLink
- 8 Customer Service Representative
- 2 Quality Assurance Clerk
- 1 Accounting Clerk
- 3 Schedulers
- .5 Contract Specialist

