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

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
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

PRIORITY: Become a More Effective Organization
Change is Coming

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
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

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
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

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
PRIORITY: Expand Mobility Options for Our Customers

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
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**

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
## Fiscal Health: Where We’ve Been

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<tr>
<td>7.5% Service Reduction (includes represented layoffs)</td>
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<td>$3.3 million</td>
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<td>Administrative Layoffs</td>
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<td>Hiring and Salary Freezes</td>
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<td>Furlough Days</td>
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<td>Fare Increases</td>
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<td>Reduction in District’s Sales Tax to Caltrain</td>
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<td>$5.8 million</td>
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<td>Employee contributions to PERS/Medical Costs</td>
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<td>$930,000*</td>
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<td>ATU 1 (Bus Ops and Mechanics) Wage Freeze</td>
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<td>$1.0 million</td>
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<td>San Mateo County Measure A Funds for Paratransit</td>
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<td>$5,000,000</td>
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<td><strong>TOTAL</strong></td>
<td>$1.2 million</td>
<td>$6.5 million</td>
<td>$7.1 million</td>
<td>$13.3 million</td>
<td>$14.8 million</td>
<td>$21.2 million</td>
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* 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

Fiscal Health: Strategies

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

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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