

Attachment 4

SCMTD Highlights FY2005 Annual Report

Santa Cruz METRO experienced another year of continued but proportionally smaller service reductions accompanied by declining ridership and revenue. The Highway 17 Express showed significant ridership increase and productivity gains with the extension of service to Metro Center and the addition of weekend service. METRO's ADA paratransit ridership appears to be declining as METRO completes its first nine months of directly operating the service. METRO made significant progress on MetroBase in FY2005, finalizing property acquisition and awarding a construction contract. With improvements in the California budget, previously programmed capital commitments appear more viable than in the past 3 years.

METRO reduced fixed-route service in June and again in September, 2004 to meet available operating revenue. The lowest producing routes were eliminated, while individual trips on others were cut. Previous cuts had reduced the fixed-route service to what seemed to be the smallest viable network. This year's cuts removed essential links, making some destinations inaccessible. In response to public comments, a service modification in December restored some trips on the city's Westside by modifying other schedules. For the year, an 8% reduction in fixed-routes service hours eliminated the operating revenue shortfall, but ridership declined 4.1% from 5,823,607 last year to 5,596,884 by June 30, 2005.

In contrast to system-wide ridership declines, the Highway 17 Express ridership increased by 42%. When METRO assumed contract operation for the AMTRAK feeder service in April, 2004, it also extended the route to Metro Center and added weekend service for the first time. Both of these changes increased access to inter-city express service between Santa Cruz and San Jose by enabling bus passengers to transfer to the Highway 17 at Metro Center every day of the week. Ridership increased from 139,073 a year ago to 197,960 in FY2005. With the added contract revenue from AMTRAK, METRO lowered the route's operating deficit (split between Santa Clara Valley Transportation Authority and Santa Cruz METRO) while increasing productivity.

METRO performed shuttle services typical of previous years including the Santa Cruz Beach Shuttle, the Capitola Art & Wine Fest, the University of Santa Cruz Fall Frolic, the Monte Foundation fall fundraiser and the Strawberry Festival and Holiday shoppers shuttle in Watsonville. In FY2005, METRO sustained its policy that special shuttle operations be revenue neutral.

METRO began direct operation of ADA Complementary Paratransit service on November 1, 2004 under the name Para Cruz. This mandatory service had formerly been contracted through Community Bridges. In keeping with declines in fixed-route ridership, Para Cruz trips declined 1.6% year over year from 88,616 to 87,199 in the comparison period November 1 – October 31. METRO concluded its initial eligibility recertification process of all riders and began to recertify those whose eligibility expired after 3 years and continued to certify new applicants. Para Cruz accounted for 9.2% of the METRO operating budget in FY2005. With the addition of Para Cruz staff, METRO employee count grew from 294 to 329.

Progress continued on MetroBase, the replacement operating and maintenance facilities to be constructed on a cluster of proximate sites in Harvey West Business Park. METRO acquired two parcels, one for the River Street operations yard expansion and the other to accommodate the new and expanded Fleet Maintenance Facility on Golf Club Drive. The new operating and maintenance facility expansions are now scheduled to open for business in 2009.

METRO successfully secured the programming of construction funds for MetroBase in the State Transportation Improvement Plan during FY2005. Sixteen other programmed projects were deleted or funded with federal STP funds in order to liberate \$6.363 Million in STIP funds for MetroBase. The CTC approved a cash reimbursement of project costs through an AB3090 Funding Agreement. METRO will spend revenue from bond sales, if needed, for construction costs starting in FY 2007, with reimbursement from the CTC in FY 2009. The CTC also programmed \$1.137 in RSTP funds for MetroBase, nearly making up for the \$7.8 million dollars which it did not allocate to MetroBase as programmed in 2002.