Comprehensive Operations Audit

Contents

Introduction

SouthWest Transit has long been recognized as one of the premier transit providers in the State of Minnesota (2008 Minnesota Public Transportation System of the Year), as well as throughout the entire nation (2004 American Public Transit Association System of the Year). There are a multitude of factors that have led to the success of the agency. But success does not happen because of the efforts of a few. It takes a collective team effort to realize the success that SouthWest Transit has enjoyed over the past decade.

The purpose of the SouthWest Transit Comprehensive Operations Audit (COA) is to analyze what is working that has led to the agency's success and what can be done differently to further improve SouthWest Transit now and into the future. To meet this purpose the COA will conduct several analyses. First, a peer comparison will be completed to see where SouthWest Transit stacks up against other similarly sized transit agencies around the Twin Cities metro area, as well as around the nation. Second, a statistical analysis of numerous financial, operating and efficiency measures will be conducted for each department within SouthWest. Finally, key SouthWest staff will be interviewed with the primary intent of finding out what measures can be taken to make SouthWest Transit even better than it is today.

The report that follows is essentially a summation of the above analyses grouped by department. In addition to the Peer Comparison chapter, the chapters cover SouthWest Transit's Operations, Vehicle Maintenance, Facilities Maintenance, and Administration departments. The end result of which is a comprehensive examination of what is currently working and what can be improved upon that will allow SouthWest Transit to continue to be one of the premier transit providers in the country.

Peer Comparisons

Overview

When conducting a study such as this, it is imperative to assess where SouthWest Transit is in relation to its peer systems, both locally and nationally. This report will compare SouthWest Transit against two local peers (The Minnesota Valley Transit Authority and Plymouth Metrolink) and four national peers (Loudoun County Transit in Virginia; Georgia Regional Transportation Authority in Atlanta, GA; Fairfield and Suison Transit in Fairfield, CA; and Santa Clarita Transit in California).

This group of peers was selected due to their relatively similar service characteristics. All of the service providers studied in this section of the report operate express commuter bus service that primarily services suburban areas. While some services provide significantly more rides than SouthWest Transit, their operating budgets are proportionally larger based on ridership, making them viable peers for a comparison study such as this one.

The Peers

Below is a listing of the transit agencies that will be studied in this peer comparison, along with a brief qualitative and quantitative summary of each agency. Information in this section was compiled using information provided direction from the agencies, as well as from National Transit Database (NTD) reports.

- **SouthWest Transit (Minnesota)**
    - Provides express and demand response services to the cities of Eden Prairie, Chanhassen, Chaska, and Carver
    - 2015 Operating Budget: $11.3 Million
    - Provided 1,138,147 rides in 2015
    - Operates 75 fixed route vehicles
    - Service Area Population: 114,027
- **Minnesota Valley Transit Authority (MVTA) (Minnesota)**
    - Provides local and express commuter services to the cities of Shakopee, Apple Valley, Eagan, Burnsville, Rosemount, Prior Lake, and Savage.
    - 2015 Operating Budget: $24.9 Million
    - Provided 2,965,964 rides in 2015
    - Operates 164 fixed route vehicles
    - Service Area Population: 288,219

- **Plymouth Metrolink (Minnesota)**
    - Provides dial-a-ride and express commuter service for the City of Plymouth, MN
    - 2015 Fixed Route Operating Budget: $3.0 Million
    - Provided 462,155 fixed route rides in 2015
    - Operates 30 Fixed Route Vehicles
    - Service Area Population: 71,057
- **Santa Clarita Transit (California)**
    - Provides dial-a-ride, local, and express commuter services for the City of Santa Clarita, CA
    - 2015 Operating Budget: $18.3 Million
    - Provided 3,314,511 rides in 2015 (includes dial-a-ride)
    - Operates 86 fixed route vehicles
    - Service Area Population: 176,320
- **Loudoun County Transit (Virginia)**
    - Provides express commuter services to Washington DC & Arlington, VA
    - 2016 Operating Budget: $10.1 Million
    - Provided 1,336,741 rides in 2015
    - Operates 50 fixed route vehicles
    - Service Area Population: 360,000
- **City of Fairfield – Fairfield and Suisun Transit**
    - Provides express and demand response services to the city of Fairfield, CA
    - 2015 Operating Budget: $8.4 Million
    - Provided 1,070,654 rides in 2015
    - Operates 33 fixed route vehicles
    - Service Area Population: 6,085,506
- **Georgia Regional Transportation Authority**
    - Provides express services to the city of Atlanta, Georgia
    - 2015 Operating Budget: $18.2 Million
    - Provided 1,646,519 rides in 2015
    - Operates 101 fixed route vehicles
    - Service Area Population: 4,515,419

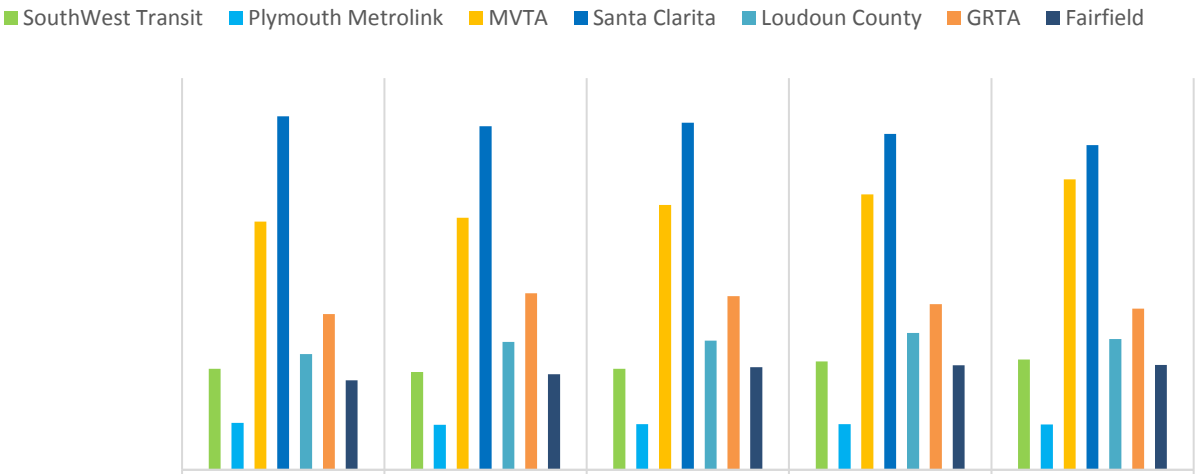
Operating Measures

This section of the peer comparison study will analyze various operating efficiency measures of the above peer group to determine whether or not SouthWest Transit is operating in a fashion that is acceptable based on the performance of its peers.

Ridership (2011-2015)

Figure 1.1 provides historical ridership data for each peer from 2011 to 2015.

Figure 1.1: Ridership Trends (2011-2015)



	2011	2012	2013	2014	2015
SouthWest Transit	1,030,018	998,979	1,032,889	1,107,850	1,125,823
Plymouth Metrolink	478,015	458,839	464,956	467,321	462,155
MVTA	2,535,309	2,575,363	2,706,304	2,812,237	2,965,964
Santa Clarita	3,611,126	3,508,308	3,545,445	3,429,966	3,314,511
Loudoun County	1,183,058	1,304,857	1,319,041	1,398,826	1,336,741
GRTA	1,589,234	1,802,443	1,773,905	1,692,523	1,646,519
Fairfield	914,632	976,219	1,049,232	1,068,994	1,070,654

Sources: SouthWest Transit Ridership Reports, Plymouth Metrolink, MVTA, Santa Clarita Transit, Loudoun County Transit, NTD Ridership reports

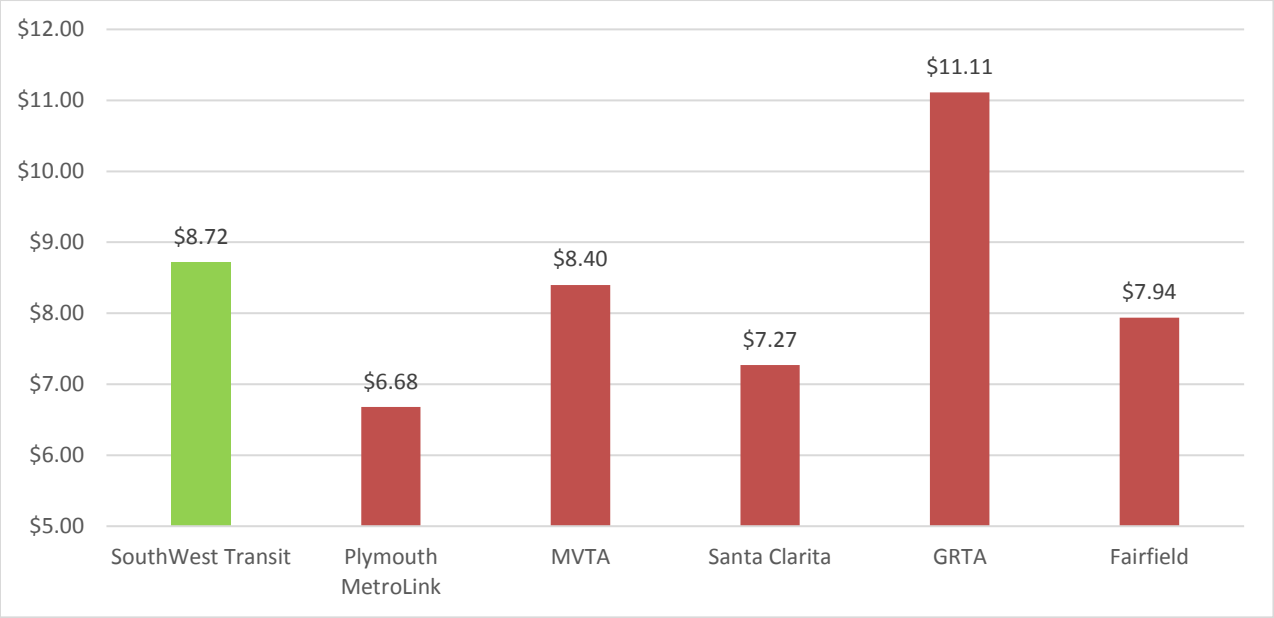
In examining Figure 1.1, it is clear from that transit ridership trends vary depending on location. The local peers (SWT, Plymouth Metrolink, MVTA) all display somewhat similar trends in that ridership has been relatively stagnant yet still tending to increase from 2011-2015. MVTA in particular showed the most upward trend in ridership, while SWT showed increases in 2014 and 2015. Plymouth Metrolink's ridership stands alone in that ridership peaked in 2011 and generally declined from that point. Out of the national peers, Loudoun County's ridership generally follows suit with the local comparisons with steady growth with exception to a loss of ridership that occurred in 2015. Fairfield and Suison Transit is alone in having generally

increasing ridership – increasing from 914,632 total passengers in 2011 to having 1,070,654 passengers in 2015. Georgia Regional Transportation Authority saw an increase in ridership in 2012 and declined in the subsequent years. Santa Clarita is the only provider out of the national and local peers to see only declining ridership since 2011.

Operating Cost per Passenger

Figure 1.2 provides the operating costs per passenger for each member of the peer group in 2015.

Figure 1.2: Operating Cost per Passenger (2015)



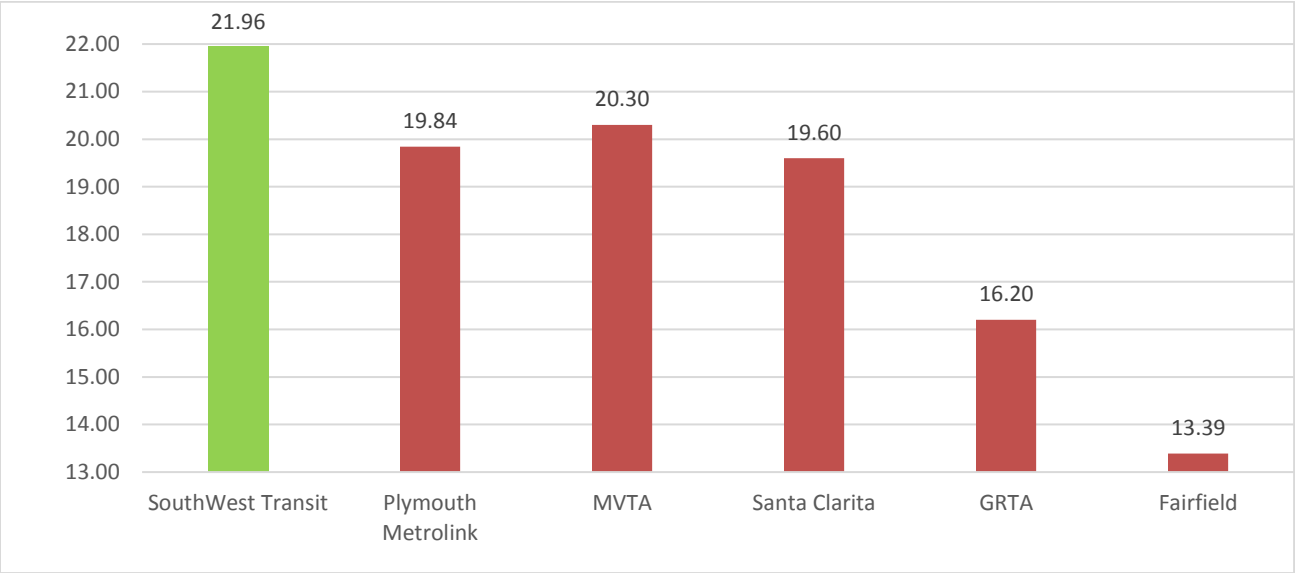
Sources: SouthWest Transit Ridership Reports, Plymouth Metrolink, MVTA, Santa Clarita Transit, NTD Operating Expense Reports

Figure 1.2 shows that when only comparing operating cost and ridership SouthWest Transit spends relatively more per passenger compared to its local and national peer systems. Based on the operating cost per passenger statistic, Plymouth Metrolink is the most efficient system at $6.68 per passenger, and Georgia Regional Transportation Authority is the most inefficient at $11.11 per passenger. However, it should be noted that SouthWest operates the longest routes mileage-wise of its local peers. Therefore, a relatively higher operating cost per passenger statistic is to be expected.

Passengers per In Service Hour

Figure 1.3 shows how many passengers each peer system averaged per in service hour in 2015.

Figure 1.3: Passengers per In Service Hour (2015)



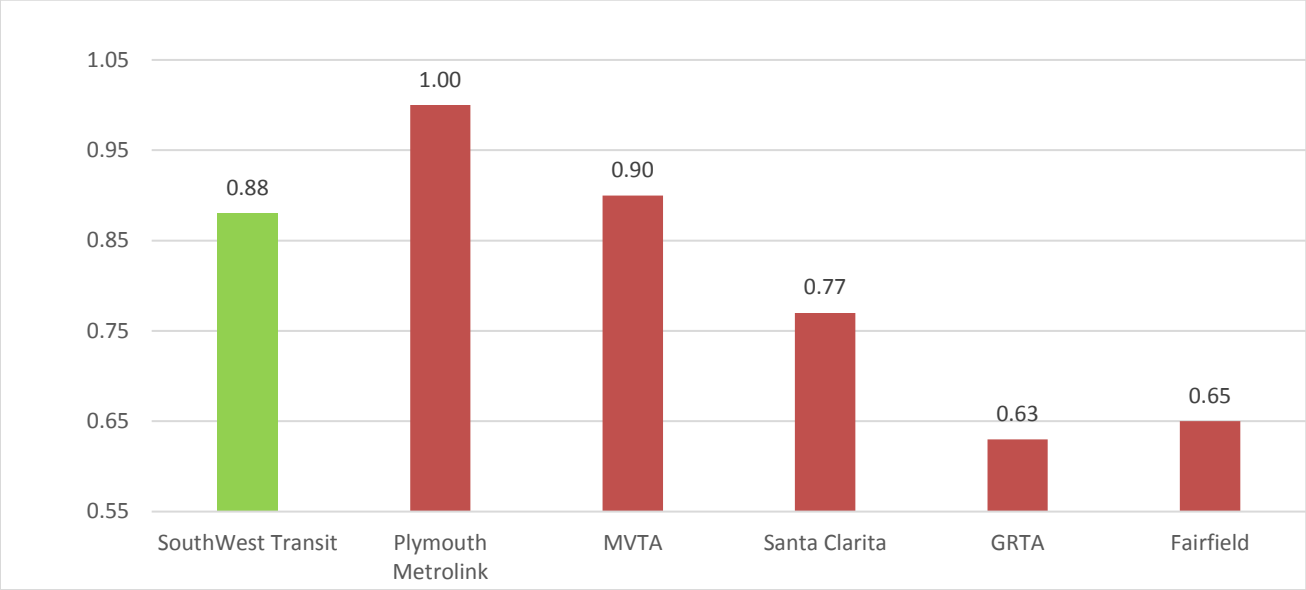
Sources: SouthWest Transit Ridership Reports, Plymouth Metrolink, MVTA, Santa Clarita Transit, Loudoun County Transit

Figure 1.3 illustrates that SouthWest Transit carries the highest number of passengers per in service hour when compared to its local and national peers. In comparison to its local peers, SouthWest transports about 2 more passengers per in service hour – a relatively small difference when comparing transit agencies. However when compared to national peers, SouthWest Transit shows roughly 2.5 more passengers per in service hour than Santa Clarita, 6 more than Georgia Regional Transportation Authority, and 9 more than Fairfield and Suison Transit.

Passengers per In Service Mile

Figure 1.4 shows how many passengers each system carried per in service mile in 2015.

Figure 1.4: Passengers per In Service Mile (2015)



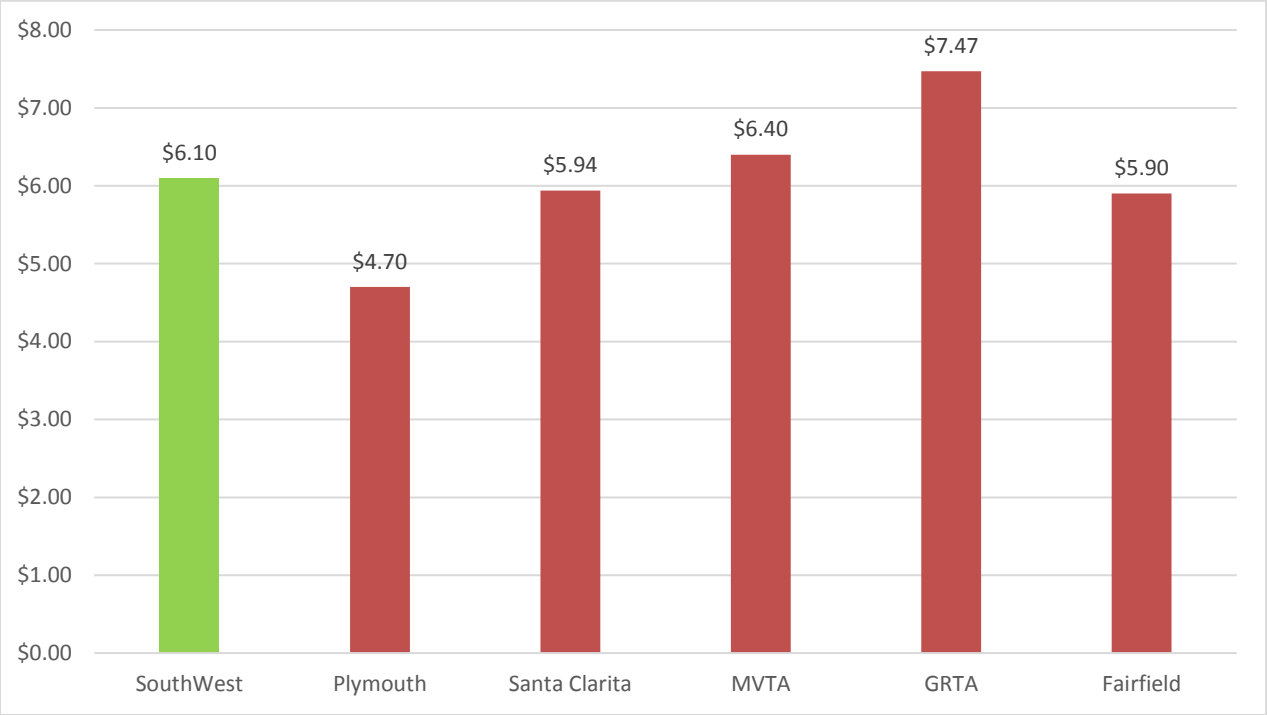
Sources: SouthWest Transit Ridership Reports, Plymouth Metrolink, MVTA, Santa Clarita Transit

Figure 1.4 illustrates that SouthWest Transit is a relatively efficient system when it is analyzed from a passengers per in service mile basis. Figure 1.4 shows that while SouthWest Transit is not the most efficient agency within the local peer group, it is certainly the most efficient when compared to national peers. Figure 1.4 is an excellent illustration of how a distance-based efficiency measure can tell a different story compared to the more commonly used temporal-based efficiency measures.

Subsidy per Passenger

Figure 1.5 shows how much government subsidy was required per passenger for each system in 2015.

Figure 1.5: Subsidy per Passenger (2015)



Sources: SouthWest Transit Ridership Reports, Plymouth Metrolink, Santa Clarita Transit, MVTA, NTD Operating Expense Reports

When examining Figure 1.5 one will notice that SouthWest Transit's subsidy per passenger measure is well within reason when compared to its Minnesota and national peers – being $1.40 higher than Plymouth Metrolink and $0.30 lower than the MVTA. When comparing SouthWest to it's out of state peers Figure 1.5 shows that the agency has relatively similar subsidies per passenger. The reason for the difference can hinge on a variety of factors such as fare set differences, funding differences, differences in the levels of service provided, differences in the amount of miles traveled, etc…. Whatever the reason, the reality is that it is difficult to do an "apples to apples" comparison with SouthWest's national peers because of these differences. Therefore, Figure 1.5 illustrates that SouthWest's subsidy per passenger is reasonable relative to its local and national peers.

On- Demand Peer Comparisons

Overview

In July of 2015, SouthWest Transit implemented a new approach to providing local service named SW Prime. For years the agency had struggled to find an effcient approach to providing local service: a Dial a Ride system was discountinued in the 1990's due to high costs and ineffciencies, route tails are still provided but have never had significant ridership, and local routes within the service area had always struggled to find the ridership to support the costs of a fixed route. SW Prime introduced a new way to provide local service and after two years of service, has proved itself not only to provide excellent service, but to do so in a cost efficient manner.

At the time the last iteration of this report was written in 2011, no service of this kind existed. For this report, a new section has been added to study the productivity and metrics of SW Prime as well as how SW Prime compares to peer services in the area.

Note: Statistics gathered from peer providers are for the year 2015. Since SouthWest Prime began opeations halfway through that year, for proper comparisons metrics for the full year 2016 are used.

The Peers

SW Prime

- Serves Eden Prairie, Chaska, Chanhassen, and Carver
- Service area is broken into two zones: Eden Prairie zone and the Chaska/Chanhassen/Carver zone. To travel between the zones, a transfer is required at SouthWest Village Park and Ride, located near the center of the total service area.
- As a modern local service, one may request a ride through smartphone app, website, or phone. The rider then indicates the location from which they want to be picked up and where they want to go. A shared ride will be sent to pick you up.
- SW Prime is an on-demand ride service. No rides are scheduled whatsoever
- Prime vehicles are ADA compliant – the rider is asked to indicate whether they will be taking a wheelchair, walker, or bike when requesting a ride.
- Hours of operation: Monday – Friday 6:30am– 6:30pm and Saturday 8:00am-6:00pm.
- Rides can be requested using SWPrime.org, the SW Transit Phone App, or by calling 952-SW-PRIME (952)-797-7463. A reservationist will be available to assist with phone reservations Monday-Friday: 6:30am – 6:00pm.
- Cost:
    - **$4.00** per person, per ride
    - **$3.00** for children between 6 and 12 years old accompanied by a paying adult
    - **Free** for children 5 and under if accompanied by a paying adult

    - **Free** for Disabled Veterans: Must show a Veteran's Identification Card issued by the Dept. of Veterans Affairs with the words "Service Connected" or "SC" below the photo.
    - **$1.00** Fare for seniors (60+) on Mondays
    - Prime Cards are available – buy 10 rides at a time for $40
- **2016 operating cost: $469,601**
- **2016 ridership: 53,531**

Transit-Link

- Transit Link is the Council's general public dial-a-ride bus service for trips not served by regular route transit service. Transit Link is for trips that can't be accomplished on regular transit routes alone, and may combine regular route and Transit Link service. The Council provides service to all residents of the 7-county metro area, within the seasonal walking distance, using a combination of local and express fixed routes and Transit Link. The seasonal walk distance is 1/2 mile in the summer and 1/4 mile in the winter.
- Fares are based on the distance traveled.
- A trip less than 10 miles is $2.25 each way, between 10 and 20 miles is $4.50 each way, and more than 20 miles is $6.75 each way.
- ADA-certified riders pay a maximum of $4.50 per direction. Group discounts are available.
- Transfers are free (unless transferring to Northstar or peak express service).
- **2015 operating cost: $6,972,624**
- **2015 ridership: 326,081**

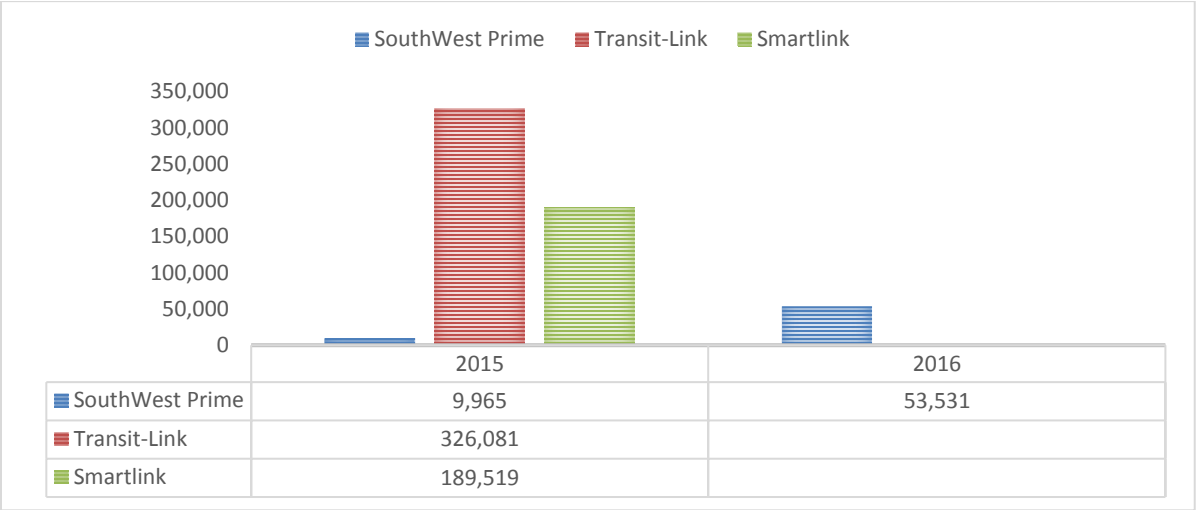
SmartLink

- SmartLink Transit is a mobility management team that includes Dial-a-Ride, Medical Assistance and Volunteer Drivers for both Scott and Carver counties. SmartLink Transit can provide riders service anywhere in the seven county metro area. In some cases, riders may need to transfer to other transportation provider.
- SmartLink Transit will consider all shared ride requests for group outings, based on availability, during regular service.
- Customer Service is available from 7 a.m. to 3:30 p.m., Monday through Friday. SmartLink Transit buses operate Monday through Friday from 6 am. to 7 pm.
- Riders need a reservation to use the Dial-a-Ride transportation system. To set up that reservation, simply call and Smart-Link will take the ride request up to 7 days in advance. The earlier one calls, the better the chance of availability.
- Fares are based on distance. The Customer Service Agent will tell the rider what the fare is when they make the reservation. Smart-Link asks that the rider pays the bus drivers when you get on the bus.
- **2015 Operating Budget: $3,020,933**
- **2015 Ridership: 189,519**

Operating Measures

This section of the peer comparison study will analyze various operating efficiency measures of the above peer group in order to determine whether or not SouthWest Transit is operating in a fashion that is acceptable based on the performance of its peers.

Figure 2.1: On-Demand/DAR Ridership Comparisons (2011-2016)



	2015	2016
SouthWest Prime	9,965	53,531
Transit-Link	326,081	
Smartlink	189,519	

As noted above SouthWest Prime first began operations in 2015, so Table 2.1 gives a suitable snapshot of Dial-A-Ride/On-Demand ridership in the region but delving in to analyze further is difficult due to a lack of data. However, from this one can see that SouthWest Prime was successfully implemented and reached 53,500 rides in the following year.

It is not suprisinging that Transit-Link by far provides the most rides as they operate a larger service area than either SouthWest Prime or Smart-Link. Smart-Link is second in both the reach of their service area and ridership. It is important to note that SouthWest Prime is being compared to regional providers of Dial-A-Ride while Prime serves specifically the SouthWest Transit service area (Eden Prairie, Chanhassen, Chaska, and Carver). The other suburban providers have similar services however comparable data was not available at the time this report was written. That being said, one should expect SouthWest Prime to see far less ridership but the fact that ridership figures are comparable in any sense is impressive for such a new service. For the following statistical comparisons, SouthWest Transit's 2016 was compared to the peer provider's 2015 data.

Figure 2.2: Operating Cost per Passenger (2015-2016)

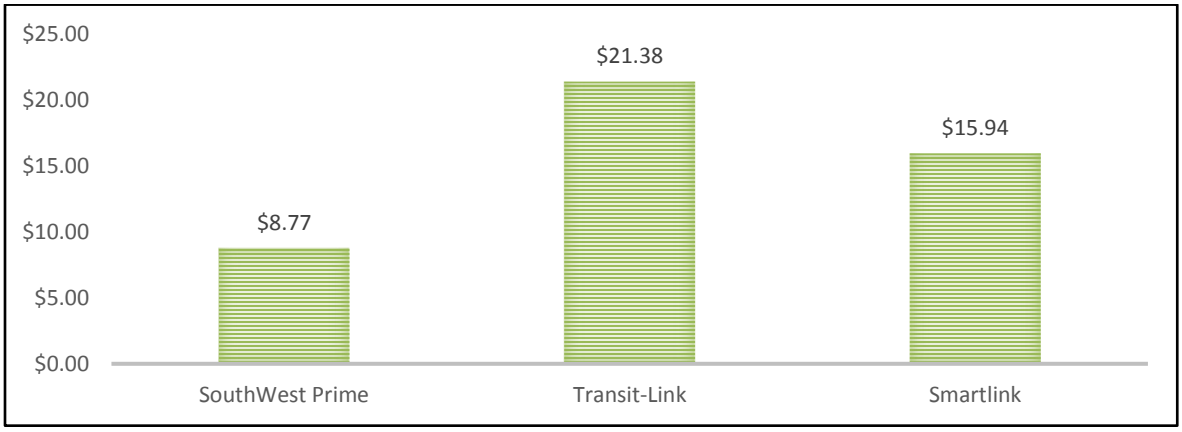


Figure 2.3: Passengers per In Service Hour Comparisons (2015-2016)

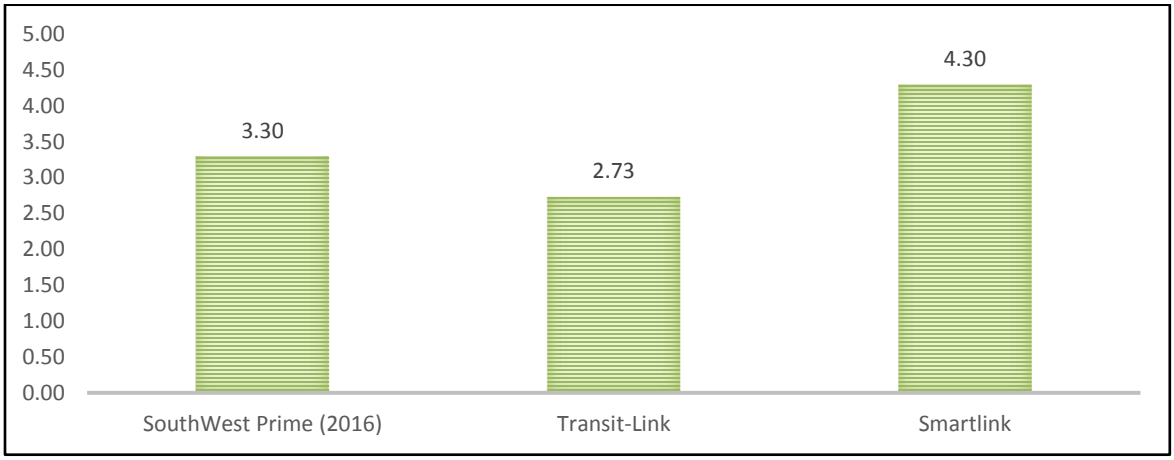
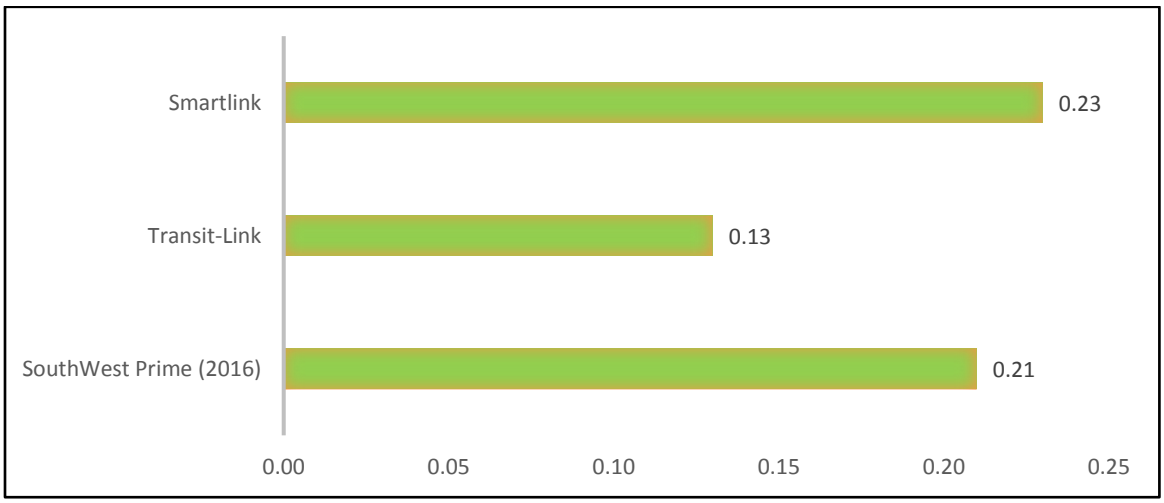


Figure 2.4: Passengers per In Service Mile Comparisons (2015-2016)



Operations

Overview

SouthWest Transit's Operations Department is the heart and soul of the agency. Essentially all functions related to the operating of revenue vehicles fall within the purview of the Operations Department. The Operations Department is comprised of several departments: Driver Operations (a contracted service through First Transit Inc.), Service Development, Dispatch Operations, Vehicle Maintenance, Facilities Maintenance, and IT. The department is headed up by the Chief Operating Officer (COO), who reports directly to the Chief Executive Officer (CEO). Within the Operations Department the Manager of Planning, the Associate Transit Planner, and the Technology, Security, Facilities Supervisor positions all fall under the COO. The COO's primary tasks are to oversee all areas throughout the Operations Department and to manage the agency's contract for driver services with First Transit Inc.

With the exception of the budget discussion below, it should be noted that the analysis in this chapter will not include the Vehicle Maintenance Department or the Facilities Maintenance Department, as they are large enough to warrant their own chapters.

Budget

The budget trends for FY2011 through FY2016 for the Operations Department are summarized in Table 6.1:

Table 6.1: Operations Budget as a Percentage of Overall Operating Budget (2011-2016)

Year	Operations Budget	Total Operating Budget	Operations/Total Operating
2011	$7,122,079	$8,023,341	88.77%
2012	$6,985,041	$7,810,340	89.43%
2013	$7,355,468	$8,715,298	84.40%
2014	$8,747,926	$9,809,974	89.17%
2015	$8,967,625	$10,079,495	88.97%
2016	$9,322,554	$10,658,316	87.40%
Average	**$7,835,627**	**$8,887,689**	**88.15%**

Source: SouthWest Transit Operations, Vehicle Maintenance, & Facilities Maintenance Budgets (2011-2015)

As Table 6.1 shows, SouthWest's Operations Department is the agency's largest department budget-wise by a substantial margin, accounting for an average of 88% of SouthWest's budget over the past five years. Additionally, Table 6.1 demonstrates that the Operations Department

is the most consistent department from a budget perspective, with only a 5% variance for the ratio of department budget over total operating budget during the period of 2011-2015.

While there are numerous budget items that change from year to year, when looking at SouthWest's Operations budget it becomes clear which budget item is the most volatile– Fuel. Table 6.2 gives SouthWest's fuel costs and usage in gallons for 2011-2016.

Table 6.2: Fuel Usage & Costs

Year	Fuel Usage (Gallons)	Total Fuel Costs	Cost Per Gallon
2011	284,758	$849,324	$2.98
2012	285,171	$915,694	$3.21
2013	337,849	$1,068,973	$3.16
2014	419,083	$1,275,691	$3.04
2015	440,904	$1,028,796	$2.33
2016	458,953	$746,329	$1.63
Average	**371,120**	**$980,801.17**	**$2.72**

Source: SouthWest Transit Fuel Logs

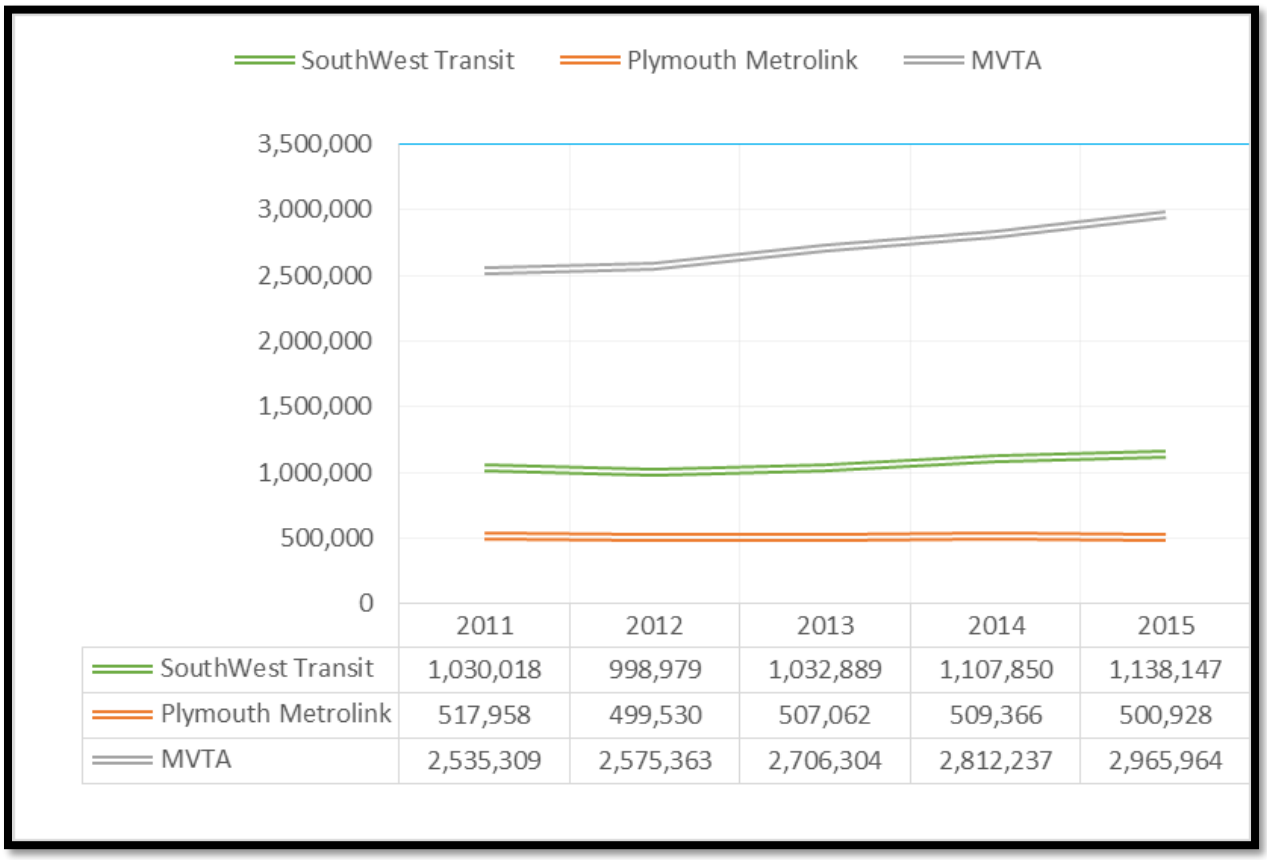
In general, when comparing Tables 6.1 and 6.2, there is a noticeable correlation between fuel usage and costs in the Operations Department budget. Not surprisingly, the general correlation is the more fuel that is used, the larger the Operations budget. While fuel prices are extremely difficult to predict, Table 6.2 suggests that SouthWest can expect fuel prices to be around $2.95 a gallon based on the average fuel costs since 2011. To date, SouthWest has amended their fuel budget halfway through the fiscal year to better reflect actual fuel prices for the first six months of the current year. This is a practice that should continue as it will produce a more accurate budget figure for fuel usage and for the Operations Department budget as a whole.

System Efficiency

While there are numerous measures to determine the efficiency of a transit system, this report will primarily look at ridership, subsidy per passenger, subsidy per passenger express mile, and passengers per gallon of fuel.

Figure 6.1 provides SouthWest Transit's and its local suburban peers' ridership levels from 2011 to 2015.

Figure 6.1: Annual Ridership (2011-2015)



	2011	2012	2013	2014	2015
SouthWest Transit	1,030,018	998,979	1,032,889	1,107,850	1,138,147
Plymouth Metrolink	517,958	499,530	507,062	509,366	500,928
MVTA	2,535,309	2,575,363	2,706,304	2,812,237	2,965,964

Sources: SouthWest Transit Ridership Reports (2011-2015), Plymouth Metrolink, Minnesota Valley Transit Authority

Figure 6.1 shows the same general trend for SouthWest as its suburban peers with ridership generally increasing from 2011 to 2015. SouthWest's transit fluctuated from 2011 to 2013 (small dip in ridership in 2012) and the significant increases in 2014 and 2015. MVTA has seen the most rides with a 14.5% increase in ridership. In comparison SouthWest saw a 9.5% increase and Plymouth Metrolink saw a 3.29% decline in ridership.

SouthWest should always continue to find ways to increase ridership where possible. Such efforts could include specific plans aimed at building ridership in targeted markets (reverse commute, suburb to suburb commuter routes, expanded local service, and service aimed at serving larger businesses) are the types of initiatives SouthWest will have to pursue in order to incrementally build ridership in the short-term.

In the long-term SouthWest and its peers will only see significant ridership increases when there are increases in demand for express commuter service to the Downtown Minneapolis/St. Paul and University of Minnesota markets.

Another distance-based statistic that can be used in determining the efficiency of a transit system is the statistic of Passengers per Gallon of Fuel. Table 6.5 provides such a statistic for SouthWest from 2011-2015

Table 6.3: Passengers per Gallon of Fuel (2011-2016)

Year	Ridership	Fuel Usage (Gallons)	Riders Per Gallon
2011	1,030,018	284,758	3.62
2012	998,979	285,171	3.5
2013	1,032,889	337,849	3.06
2014	1,107,850	419,083	2.64
2015	1,138,147	440,904	2.58
2016	1,246,090	458,953	2.72
Average	**1,092,329**	**371,120**	**3.02**

Sources: SouthWest Transit Fuel Logs (2011-2015), SouthWest Transit Ridership Reports (2011-2015)

As shown on Table 6.3, since 2011 SouthWest Transit is averaging 3.08 riders per gallon of fuel used. Also, according to Table 6.3, SouthWest's most inefficient year was 2015 at 2.58 riders per gallon of fuel, while 2011 is the agency's most efficient year at 3.62 riders per gallon of fuel used. SouthWest management should continue to implement service that improves upon this statistic, but should also be weary that too high of a number for this particular statistic may signify that not enough service is on the road to meet demand. Based on the figures in Table 6.3, an optimum figure to aim for could be around 3.50 passengers per gallon of fuel used. However, this figure could fluctuate depending on the goals of the service. For example, providing more service to areas further from the Downtown Minneapolis area will lead to more gallons of fuel being used, and a potentially lower Passengers per Gallon of Fuel used statistic.

Staffing

As noted, SouthWest Transit's Operations Department oversees numerous departments throughout the agency. Therefore, the Operations Department is primarily made up of management staff. The staff functions within the Operations Department have also changed slightly from year to year as some positions have either been eliminated, moved to a different department, or reclassified. Table 6.4 provides staff positions and the number of full time equivalent (FTE) employees performing the functions since 2011.

Table 6.4: Operations FTE Staffing Summary (2011-2015)

Position	2011	2012	2013	2014	2015
Chief Operating Officer	1	1	1	1	1
Maintenance and Facility Manager	1	1			
Maintenance and Facility Director			1	1	1
Dispatcher	1				
Lead Dispatcher/Supervisor	1	1			
Farebox Technician	1	1	1		
Technology Specialist				1	1
Manager of Planning				1	1
Senior Transit Planner			1		
Associate Transit Planner	0.5	1			
Total FTEs	**5.5**	**5**	**4**	**4**	**4**

Source: SouthWest Transit Budgets (2011-2015)

As shown on Table 6.4, since 2011 SouthWest Transit's Operations Department has had between 4.0 and 5.5 FTEs. Table 6.4 also depicts an Operations Department that has been fairly flat in terms of staffing levels. Such staffing stability is within reason given that SouthWest Transit's ridership has remained relatively flat since 2011.

Staff Interview Findings

The IT Specialist, First Transit Managers, Fixed Route Dispather, SW Prime Dispatcher, and Associate Transit Planner were interviewed as part of the COA process for the Operations Department. Note that the majority of positions at SouthWest Transit fall under the purview of the Operations Department and COO.

Procedures:

- It was noted that communication could be improved by ensuring a Vehicle Maintenance Technician is included on all operational decisions/alerts/emergencies. (*Since the interview Vehicle Maintenance has noted this has improved through more regular Garage meetings that include Vehicle Maintenance*)
- Dispatch indicated that an official Dispatch procedure book should be completed.
- A regularly scheduled Operations/Dispatch meeting that includes Vehicle Maintenance would be beneficial to ensure all operational items are being addressed and to ensure everyone is on the same page. *(This has been initiated)*
- Overall, staff feels that communication between Dispatch and Vehicle Maintenance has improved compared to the past.
- Moving SW Prime to the garage and keeping it separate from Customer Service has been an improvement due to a quieter working environment with less interruptions.

Staffing:

- Staff is generally satisfied with staffing levels. However, Dispatch could use an additional backup for peak periods in order to handle snow storms, emergencies, and vacations.
- Using utility drivers to assist in fueling, washing, and parking vehicles could help reduce accidents around the garage.

Organization Structure:

- Overall, staff is pleased with how the organization is structured.

Management Structure

- All staff interviewed indicated that they are pleased with the current Operations management structure.

Resources and Training

- Additional training for backup dispatchers is needed.

- All staff interviewed were satisfied with the level of training they receive and feel as though the agency does a good job at allowing them to receive any needed training.
- SW Prime drivers should have regular training meetings every driver pick to ensure all operators know how to operate the service effectively.
- First Transit noted that due to higher turnover their training efforts are primarily focused on new drivers, which means less time is spent on "upgrading" established drivers' skills.

Recommendations/Action Items

- Continually look for new ridership markets. Particularly, suburb-to-suburb and demand response markets.
- Look to provide services that result in a Riders Per Gallon of Fuel consumed statistic of 3.0 riders or higher.
- Maintain a minimum Operations FTE staffing level of 4.0.
- Ensure an official Dispatch procedure book for both Fixed route and SW Prime is completed.
- Determine procedures to ensure all ongoing operational activities are accounted for when Dispatch and Vehicle Maintenance undergo shift changes throughout the day.
- Look at updating service policies so that there is as little of ambiguity as possible for both drivers and passengers.
- Create one more level of backup for both Fixed Route and SW Prime Dispatchers.
- Look at implementing Driver Utility workers to fuel, wash, and park buses as they return from service. This likely will result in fewer accidents around the garage.
- Create and implement a SW Prime driver training program in order to ensure all new drivers on the service understand how to effectively operate SW Prime.

Vehicle Maintenance

Overview

From a staffing perspective, SouthWest Transit's Vehicle Maintenance Department is the largest department in the agency with 11.0 full-time equivalent (FTE) employees of the 31.10 FTE employees working for SouthWest in 2015. The Vehicle Maintenance Department is under the direction of the Vehicle Maintenance Manager, who reports to the Chief Operations Officer.

Under the current set up, Vehicle Maintenance almost solely deals with maintaining and repairing the agency's fleet of 75 revenue vehicles (large and small buses), ten non-revenue vehicles (supervisor vans, facilities maintenance vehicles, and bus maintenance vehicles), and utility vehicles (motorized grounds equipment). The department also employs a full-time parts inventory specialist to ensure timely and cost effective parts ordering procedures are regularly adhered to.

While every department plays a vital role in ensuring SouthWest lives up to its "Expect the Best" motto, an argument could easily be made that the Vehicle Maintenance Department is ground zero when it comes to providing the "backbone" of what SouthWest is all about – great reliable bus transit services.

Budget

The budget trends for FY2011 through FY2015 for the Vehicle Maintenance Department are summarized in Table 7.1:

Table 7.1: Vehicle Maintenance Budget as a Percentage of Overall Operations Budget (2011-2016)

Year	Vehicle Maintenance Budget	Total Operations Budget	Vehicle Maintenance/ Total Operations
2011	$1,284,372	$8,023,341	16%
2012	$1,293,259	$7,810,340	17%
2013	$1,290,675	$8,315,298	16%
2014	$1,584,948	$9,809,974	16%
2015	$1,701,309	$10,079,495	17%
2016	$2,008,499.00	$10,658,316.00	19%
Average	**$1,527,177**	**$9,116,127**	**16.81%**

Source: SouthWest Transit Budgets (2011-2016)

As the data on Table 7.1 suggests, the overall cost of Vehicle Maintenance activities has remained relatively stagnant as a percentage of the total operating budget for the entire agency, demonstrated by only a 2% variance over a five-year period. The costs of the Vehicle Maintenance Department have increased by 24.51% over a five-year period, while the number of total miles driven by revenue vehicles has increased from 1.4 million to 2.2 million miles a year during the same time period.

Vehicle Maintenance Costs

Table 7.2 measures the Vehicle Maintenance spending against the number of revenue vehicles over a five-year period.

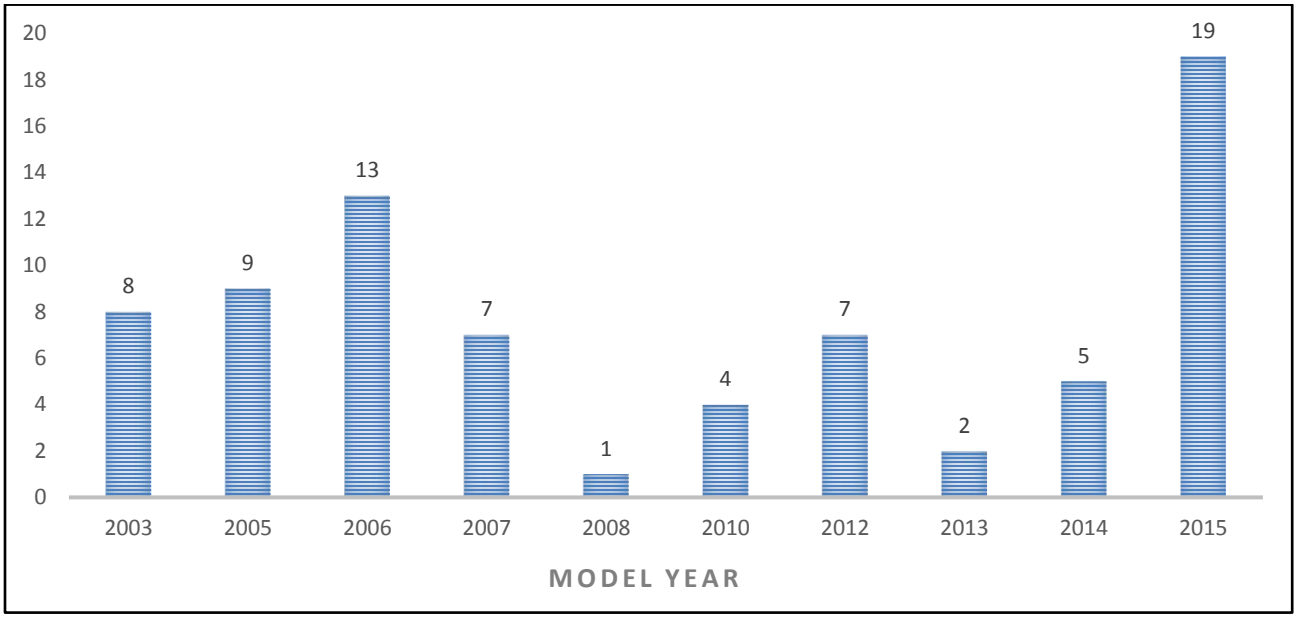
Table 7.2: Total Vehicle Maintenance Budget per Revenue Vehicle

Year	Vehicle Maintenance Budget	Number of Revenue Vehicles	Budget/Revenue Vehicles
2011	$1,284,372	60	$21,406
2012	$1,293,259	60	$21,554
2013	$1,290,675	61	$21,159
2014	$1,584,948	65	$24,384
2015	$1,701,309	75	$22,684
2016	$2,008,499.00	82	$24,493
Average	$1,527,177	67.17	$22,613

Source: SouthWest Transit Vehicle Maintenance Department

As clearly illustrated on Table 7.2, costs have raised significantly from 2011 to 2015 (24.5%) and this is in part due to the fact the number of revenue vehicles has increased from 60 in 2011 to 75 in 2015. SouthWest Transit has seen a growth in service as well as the implementation of a new local on-demand service, SW Prime in 2015 which led to the acquisition of 6 new vehicles. It is not surprising that additional vehicles and service has led to an increased vehicle maintenance cost. However, when viewing the ratio of vehicle maintenance budget per revenue vehicle, the costs have been relatively stagnant between 2011 and 2015. In summary, it appears that the budgeting for the Vehicle Maintenance Department is appropriate when comparing the number of vehicles year to year.

Figure 7.1: Revenue Vehicle Fleet by Model Year



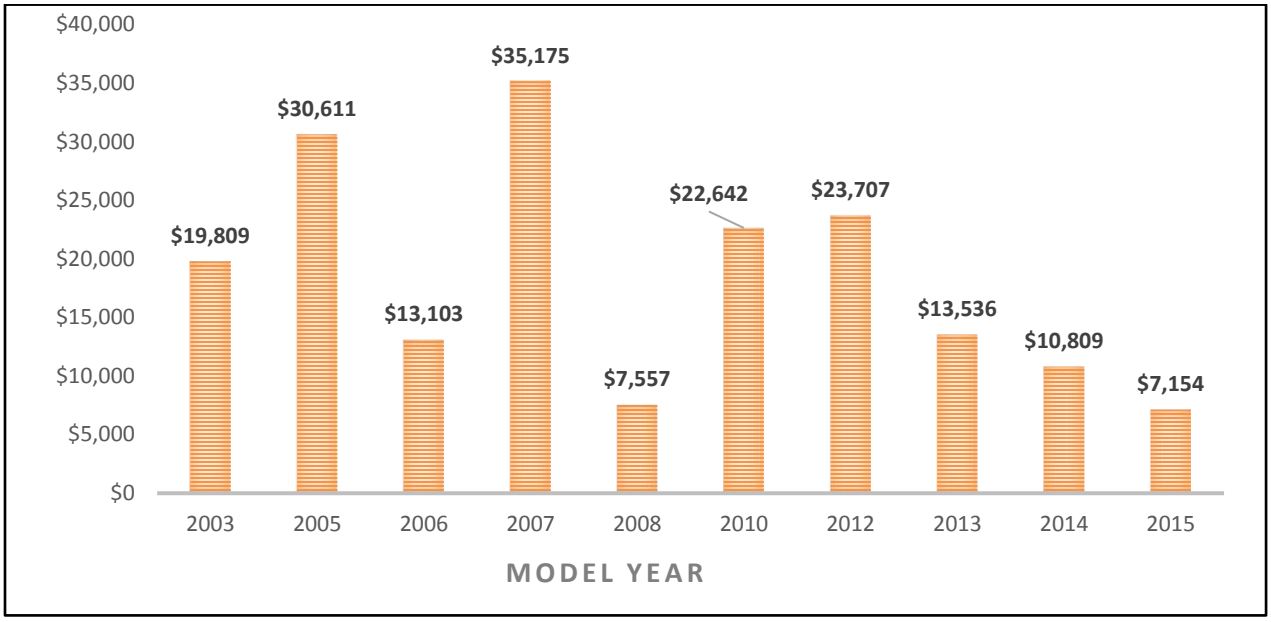
Source: SouthWest Transit Vehicle Maintenance Department

As illustrated in Figure 7.1, SouthWest operates a fleet of varied ages.

It should be noted that SouthWest received 6 new replacement vehicles from the Metropolitan Council in 2012. These vehicles replaced the six 2000 model year revenue vehicles. Since then new buses were procured in every year since then including a significant amount in 2015. There are a couple reasons to explain this high 2015 figure. First, the implementation of SW Prime (which began service began July of 2015) spurred the purchase of 5 cut-away vehicles and two 30 foot Trolleys. Twelve new MCI's were purchased as well to update the fleet as per Met Council guidelines on vehicle age and miles traveled. The new replacement vehicles will help improve the average age of SouthWest's fleet, which will in turn present SouthWest an opportunity to reduce its vehicle maintenance budget (adjusted to inflation) in the future assuming the amount of revenue vehicles and miles driven remains relatively stagnant.

To further illustrate the impact an aging fleet has on vehicle maintenance costs, Figure 7.2 illustrates the average amount by vehicle model year SouthWest spent maintaining its fleet in 2015.

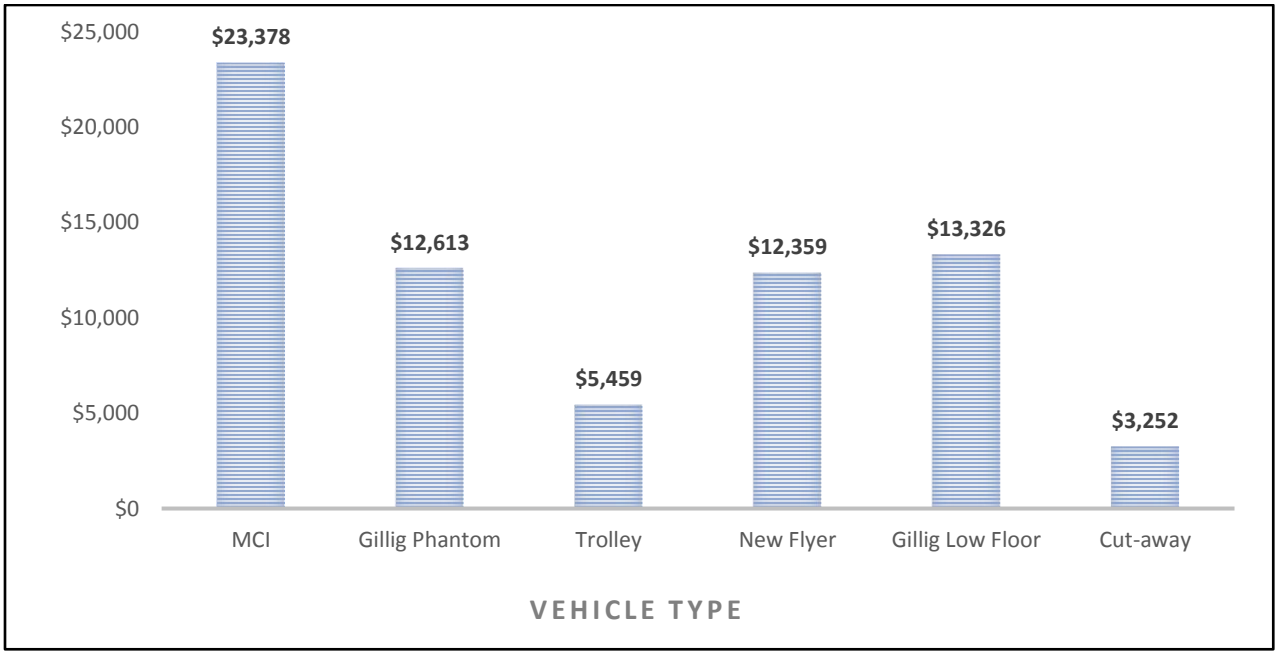
Figure 7.2: 2015 Average Maintenance Cost per Bus by Vehicle Year (Parts & Labor)



Source: SouthWest Transit Vehicle Maintenance Department

Finally, Figure 7.3 illustrates the average amount by vehicle type SouthWest spent maintaining its fleet in 2015.

Figure 7.3: **2015 Average Maintenance Cost per Bus by Vehicle Type (Parts & Labor)**



Source: SouthWest Transit Vehicle Maintenance Department

Figures 7.2 and 7.3 show a couple distinct trends. Figure 7.2 clearly shows a correlation in that the older a vehicle is, the more expensive it is to maintain. However, Figure 7.3 shows a different kind of trend in that certain vehicle types cost more to maintain than others. The most expensive to maintain vehicle type in SouthWest's fleet are its MCI (Motor Coach Industries) coach buses. SouthWest was the first transit agency in the region to use MCI's. Therefore, they became an integral part of SouthWest's brand, which has led to their extensive use relative to other vehicle types that SouthWest operates. Most SouthWest's fleet consists of MCI's, making them the workhorses of SouthWest's fleet. Furthermore, MCI's carry the most riders of any of SouthWest vehicle (57 passengers). This relatively higher utilization rate of MCIs is certainly a contributing factor to MCI's relatively higher cost of maintenance.

With the coach buses becoming a trademark of sorts for the SouthWest Transit brand, there is internal direction to use as many coach vehicles as possible when operating day-to-day service. Further adding to the extensive use of coach vehicles is that in 2011 SouthWest started leasing advertising space on the vehicles. Finally, SouthWest's Vehicle Maintenance staff also reported to this study that MCI's have a tendency to break down more often than most of the vehicle types SouthWest operates, which is likely due to their extensive use. The Vehicle Maintenance staff also added that they are more cumbersome than other vehicles in the SouthWest fleet, resulting in longer labor hours/expense to repair and maintain them.

The above reasons help explain why SouthWest is spending more on repairing and maintaining coach vehicles relative to other vehicle types, but ultimately Figures 7.2 and 7.3 show the not so surprising trends that the older a bus is and the more it is used, the more it is going to cost to repair and maintain.

Given the above information, SouthWest should look into ways to reduce the stress put on its older and more widely used vehicles by implementing procedures where newer vehicles are used more frequently when possible. SouthWest should also look at procedures that will mitigate coach vehicle usage in a fashion that will minimally impact SouthWest's overall branding. Finally, SouthWest should look to replace its older non-MCI vehicles with new coach vehicles if the agency continues to utilize its vehicle fleet in the fashion it is today. These measures will help to bring vehicle maintenance costs down and increase overall system efficiency, ultimately saving the agency money through a decreased Vehicle Maintenance budget.

Staffing

Table 7.3 provides Vehicle Maintenance staffing data compared to the number of buses in the SouthWest fleet since 2011.

Table 7.3: Buses per Vehicle Maintenance Employee

Year	FTE Vehicle Maintenance Employees	Number of Revenue Vehicles	Revenue Vehicles/FTE Employees
2011	10.5	60	5.71
2012	10	60	6
2013	9	61	6.78
2014	10	65	6.5
2015	11	75	6.82
2016	11	82	7.45

Source: SouthWest Transit Vehicle Maintenance Department

According to a study conducted in 2011 by the National Center for Transit Research (NCTR) at the University of South Florida, the optimum number of revenue vehicles per mechanic is 7.62 vehicles. Table 7.3 illustrates that SouthWest's Vehicle Maintenance staffing level through the years is lower than the level suggested by the National Center for Transit Research.

However, comparing FTE employees to the number of revenue vehicles is not the only measure that should be looked at when examining vehicle maintenance staffing levels. There are several factors to consider such as the age of the fleet, how many miles the fleet is traveling, the type of service the fleet is providing, the varying skill levels of the mechanics, the type of technologies deployed in buses, etc…

As already discussed in this section, SouthWest's fleet is aging, which is requiring more labor hours per bus. The result is that more mechanics may be needed in order to maintain a larger fleet, suggesting that the staffing level of one maintenance technician per 6.82 buses is within reason or even a little low.

The fact that SouthWest operates primarily express commuter service also needs to be taken into account when looking at Vehicle Maintenance staffing levels. Table 7.4 provides the number of total miles traveled by SouthWest's fleet per vehicle maintenance technician.

Table 7.4: Total Miles per Vehicle Maintenance Employee

Year	FTE Vehicle Maintenance Employees	Total Miles Traveled by Fleet	Total Miles/FTE Employees
2011	10.5	1,428,690	136,066
2012	10	1,460,108	146,011
2013	9	1,652,382	183,598
2014	10	2,070,680	207,068
2015	11	2,205,813	200,528
2016	11	2,451,105	222,828

Source: SouthWest Transit Vehicle Maintenance Department

According to the same 2011 National Center for Transit Research study, the optimum number of vehicle maintenance technicians to have in a primarily suburban express operation is one technician per 150,000 to 175,000 miles. Table 7.4 suggests that SouthWest's Vehicle Maintenance staffing levels may be too low in 2014 and 2015 based on the NCTR's 2011 study.

Finally, the skill level/rank of the technicians needs to be examined. If a vehicle maintenance workforce is comprised mostly of skilled/higher ranked technicians, then it stands to reason that such a workforce may require fewer FTEs. Although, it is difficult to say there is a direct correlation between the experience/rank of a vehicle maintenance workforce and the number of mechanics that should be added or subtracted due to the cumulative experience/rank of that workforce. Table 7.5 breaks down SouthWest's Vehicle Maintenance workforce by rank.

Table 7.5: Workforce by Rank (2015)

Rank	FTE
"A" Technician	**3.0**
"B" Technician	**3.5**
"C" Technician	**3.0**
Apprentice Technician	**1.0**
Utility Worker	**0.5**
Inventory Control Specialist	**1.0**

Source: SouthWest Transit Vehicle Maintenance Department

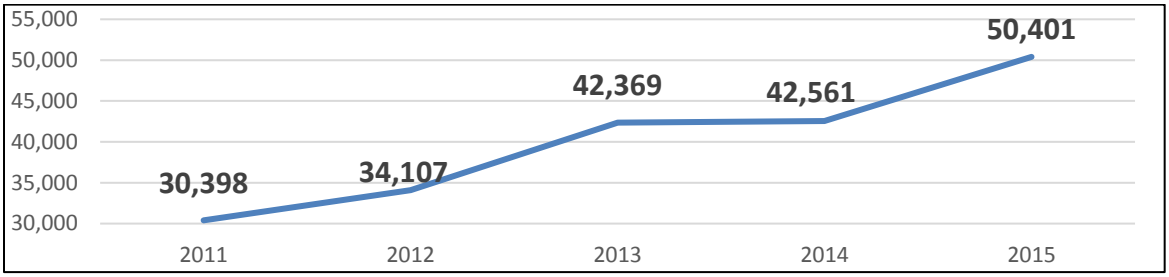
When factoring in all the above information, SouthWest Transit's Vehicle Maintenance staffing levels are at an appropriate level when compared to NCTR standards. Furthermore, based on interviews with SouthWest's Vehicle Maintenance technicians, this report learned that the

technicians feel as though the staffing levels are appropriate for work they are expected to complete on a day-to-day basis. Based on the above information, this report recommends that SouthWest Transit does its best to maintain its current staffing levels of 7.06 vehicle maintenance technicians per bus. If staffing levels drop below the recommended amount, it would be prudent for SouthWest to maintain the majority of its technicians are "A-Level" or "B-Level" technicians

Roadcalls

While a roadcall can be defined in many ways, SouthWest uses the National Transit Database's (NTD) definition of "'a failure' of a mechanical element of the revenue vehicle that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip because actual movement is limited or because of safety concerns." Clearly, the more miles between roadcalls, the more reliable a system operates.

Figure 7.5: SouthWest Transit Miles per Roadcall (2011-2015)



Source: SouthWest Transit Vehicle Maintenance Department

Given the discussion in this section regarding the aging of SouthWest's fleet, the trend seen on Figure 7.5 is surprising. As vehicles age, they are more prone to breakdowns, but the steady increases in the miles per roadcall statistic from 2011 to 2015 bear out the opposite pattern. There are several factors that could explain the trend, such as better manufactured vehicles, less miles being driven by the fleet relative to previous years, and better upkeep and maintenance of the buses by the vehicle maintenance staff. Whatever the case may be, the trend shown above suggests that the Vehicle Maintenance Department is finding ways to keep the SouthWest fleet on the road longer with fewer breakdowns. Clearly, the department's vehicle maintenance preventative maintenance schedules, practices, and procedures are working in a positive fashion.

Staff Interview Findings

Procedures

- Paperwork generated by drivers and dispatch need to be clearer so Vehicle Maintenance can better address mechanical issues.
- Vehicle Maintenance staff needs to become more accurate on the paperwork involved with charging parts out when repair orders are filled out.

Parts Room

- There is not a procedure in place for determining the proper shipping that should be used for a part as some parts are more urgent than others.

Communication with Dispatch

- It was noted that clearer communication is needed between Dispatch and Vehicle Maintenance staff when midday staff changes occur within both areas.

Facilities Maintenance Communication

- Vehicle Maintenance and Facilities Maintenance communicate well and work well together.

Staffing

- The day shift is adequately staffed.
- The night shift is adequately staffed.

Resources & Training

- Vehicle Maintenance staff has improved its efforts in seeking and acquiring ASE certifications.

Recommendations/Action Items

- Look at ways to minimize the usage of older vehicles as a means to keep maintenance costs lower.
- Replace older vehicles with coach vehicles when appropriate in order to maintain SouthWest Transit's strong brand.
- Increase Vehicle Maintenance staffing levels should the amount of revenue vehicles per technician exceed 7.0.

- In general, paperwork related to Vehicle Maintenance procedures (roadcalls, accidents, parts requests, etc…) can be improved upon. Look at ways to make these processes more streamlined and understandable.

Facilities Maintenance

Overview

SouthWest Transit's Facilities Maintenance Department is tasked with maintaining the agency's facilities, which currently include four parking ramps (SouthWest Station, SouthWest Village, East Creek Transit Station, and Chanhassen Transit Station), three park and ride lots (Walnut Park and Ride,Clover Field Park and Ride, and Carver Station), and one garage (Eden Prairie). The tasks the Facilities Maintenance Department is charged with range from day-to-day cleaning activities, planting, and mowing, to major projects such as busway repair, interior renovations, large painting jobs, and erosion control.

The Facilities Maintenance Department is the second largest department at SouthWest from a staffing perspective, employing 9.80 FTE employees throughout the year. The department is primarily managed by the Facilities Maintenance Supervisor, who reports to the COO. The Facilities Maintenance Supervisor oversees a staff ranging from 2-5 full-time and part-time employees during non-summer months to 28 seasonal employees during the summer.

As SouthWest's physical assets continue to grow, more work and area coverage is required from the Facilities Maintenance Department. To deal with these increased workloads and coverage requirements, SouthWest management has had to get creative. Like most places in Minnesota, most of SouthWest's facilities maintenance activities occur in the spring and summer months when weather in conducive to outdoor work. In order to deal with the seasonal workload increase, in 2010 SouthWest began hiring high school and college students during their summer breaks to assist in completing the increased workloads – a win-win strategy that has saved the agency from having to hire more expensive outside contractors, while at the same time providing the students valuable work experience.

Budget

The budget trends for FY2011 through FY2015 for the Facilities Maintenance Department are summarized in Table 8.1:

Table 8.1: Facilities Maintenance Budget as a Percentage of Overall Operations Budget (2011-2016)

Year	Facilities Maintenance Budget	Total Operations Budget	Facilities Maintenance/Total Operations
2011	$1,065,175	$8,023,341	13.28%
2012	$1,138,569	$7,810,340	14.58%
2013	$1,117,111	$8,315,298	13.43%
2014	$1,417,543	$9,809,974	14.45%
2015	$1,100,920	$10,079,495	10.92%
2016	$1,238,797	$10,658,316	11.62%
Average	**$1,179,686**	**$9,116,127**	**13.05%**

Source: SouthWest Transit Budgets (2011-2015)

As the data on Table 8.1 illustrates, the budgeted costs of Facilities Maintenance activities has remained relatively stagnant as a percentage of the total operating budget for the entire agency. The Facilities Maintenance/Total Operations variance between 2011 and 2015 is merely 4%. This suggests that SouthWest's facilities are holding up well and have not required a significant amount of major maintenance activities. The budgeted costs of the Facilities Maintenance Department have remained relatively flate over a five year period (2011-2015) with 2014 being the one outlier.

The consistent budget trends shown in Table 8.1 are likely due to the fact that the majority of SouthWest's facilities are relatively new, with the oldest major transit station being SouthWest Station (completed in 2000). Table 8.2 provides a snapshot of the agency's facilities by age and park and ride stall count if applicable.

Table 8.2 SouthWest Facilities Snapshot

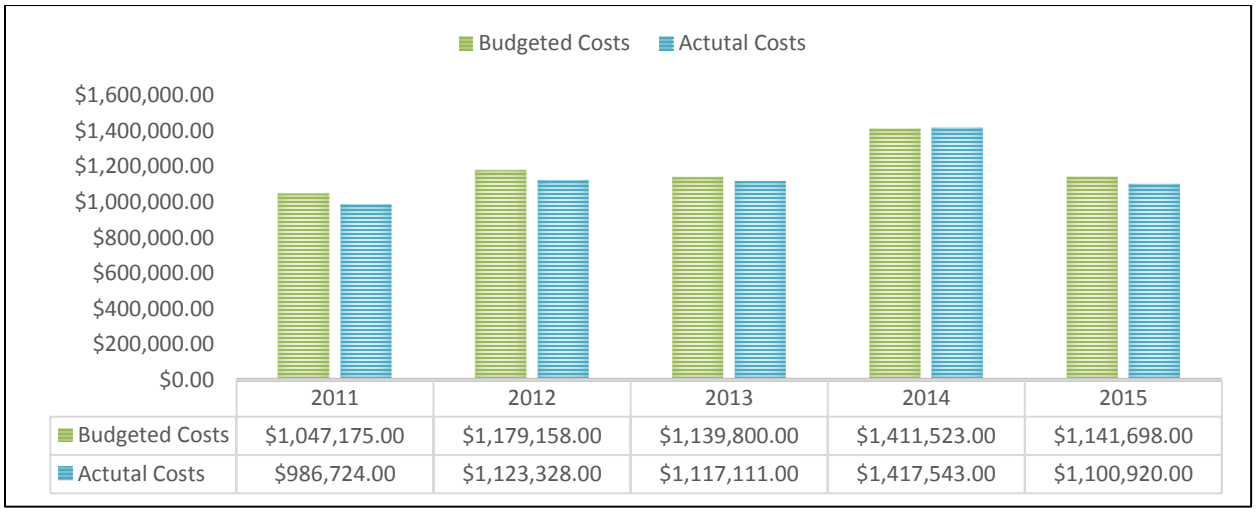
Facility	Year Completed	Park and Ride Stalls
Eden Prairie Garage	1984	N/A
Shady Oak P & R	1988	71
SouthWest Station	2000	940
Clover Field P & R	2004	36
SouthWest Village	2008	513
Chanhassen Station	2011	420
East Creek Transit Station	2013	700
Carver Station	2015	400

Source: SouthWest Transit Finance Department

Given the relatively low age of most of SouthWest's facilities, especially the major park and ride facilities (SouthWest Station, SouthWest Village, Chanhassen Transit Station, and East Creek Transit Station) [1], the agency should not expect significant increases in the facilities maintenance costs associated with the buildings.

Another important observation to be made is how accurate the Facilities Maintenance Department in setting their departmental budget. Figure 8.1 illustrates the variance between actual costs and budgeted costs for the Facilities Maintenance Department from 2011-2015.

Figure 8.1: Facilities Maintenance Budgeted Costs vs. Actual Costs (2011-2015)



	2011	2012	2013	2014	2015
Budgeted Costs	$1,047,175.00	$1,179,158.00	$1,139,800.00	$1,411,523.00	$1,141,698.00
Actutal Costs	$986,724.00	$1,123,328.00	$1,117,111.00	$1,417,543.00	$1,100,920.00

SouthWest Transit Budgets (2011-2015)

Figure 8.1 depicts a general trend of the Facilities Maintenance coming in under budget for the fiscal year with exception to 2014. It should be said however, that in the one year that Facilities Maintenance spent over its budget, the difference was merely $6,020. When looking at 2011-2015 there is a clear pattern of the Facilities Maintenance Department coming in under budget, with expenses being under budget by $60,451, $55,830, $22,689, and $40,778 for the years 2011, 2012, 2013, and 2015 respectively. On average, for the years 2011-2015 the department has come in under budget by $34,745,

Based on Figure 8.1, the Facilities Maintenance Department should continue its current budgeting procedures as they appear to lead to effective budget management.

Staffing

As already noted, SouthWest Transit's Facilities Maintenance staffing needs have increased, and will continue to increase as the agency adds facilities. Table 8.3 provides the Facilities Maintenance Department's staffing levels by full-time equivalent employees for the past five years.

Table 8.3: Facilities Maintenance Staffing Levels by FTE (2011-2016)

Year	FTE
2011	7.1
2012	11
2013	10.8
2014	10.8
2015	9.8
2016	9.5

SouthWest Transit Budgets (2011-2016)

As illustrated on Table 8.3, the Facilities Maintenance Department had a significant increase in staffing levels between 2011 and 2012. This is due to the addition of a Temporary Facility Maintenance worker and an increase of Part-time Facility Maintenance hours from 5.1 to 8.0. The following year there was a decrease in part time hours which accounted for a 0.20 hour change. These levels maintained throughout 2014 and decreased another hour in 2015 with the loss of one full-time Facility Maintenance Worker.

In interviewing SouthWest's Facilities Maintenance staff, the report learned that most staff feels as though the Facilities Maintenance Department is overstaffed in the summer and slightly understaffed the rest of the year. A physical observation of SouthWest's facilities by this report found them to be in excellent condition, with only minor cleaning and maintenance issues needing to be addressed.

While there is no quantifiable way to determine if the agency's seasonal staffing levels are sufficient throughout the year, the quality of the facilities suggests current staffing levels are enough. However, according to staff, in the non-summer months there are tasks that simply are not completed due to a lack of time. It is this reports recommendation that SouthWest management talk with the Facilities Maintenance staff as a team and determine what, if anything, would be a better course of action for the department to take in terms of staffing levels.

Staff Interview Findings

Note: Staff interviews were conducted with full time Facilities Maintenance employees.

Procedures

- With the new asset management requirements of the FTA, a procedure for updating the agency's Transit Asset Management Plan is needed.

Staffing

- Turnover within the Facilities Maintenance area is anticipated as youth workers plan to graduate. Management understands this turnover will need to be addressed.
- There is a lack of HVAC and electrical skills backup among the Facilities Maintenance team.
- Generally, staffing is adequate, but there is minimal backup and minimal Winter staff.
- Staff has been overtaxed during snow storms due to our snow plow contractor not performing as promised.

Management Structure

- The Team Lead management structure of Facilities Maintenance during the summer months has improved as the leads have gained more experience and have been given more clearly defined responsibilities.

Departmental Culture

- The Facilities Maintenance staff averages the youngest staff members of any department at SWT. Thus, relatively more supervision is required of staff. Staff indicated that a shift to a more skills-building/coaching culture could be put into place to ensure staff is better following directions/doing their job properly.

Resources and Training

- Full time Facilities Maintenance staff is capable of troubleshooting, but needs more formal training. Yet they do not take advantage of training resources available to them. Staff did indicate that SWT is great at encouraging/requiring training and skills development. Specific training needs identified include electrical and HVAC.

Recommendations/Action Items

- Look at average workloads and staffing levels by season and determine where staffing levels are too heavy and too lite.
- Update Facilities Maintenance procedures to include new FTA regulations related to Transit Asset Management. In particular, condition assessment rating and data entry procedures.
- Create better backup in the Facilities Maintenance Department in the areas of HVAC and electrical.
- Continue the Summer Team Lead management structure, but look at ways to further develop management skills of Team Leads.
- Look at implementing new training/coaching methods to better build up the skills of inexperienced Facilities Maintenance workers.
- Put together a more detailed career development training plan for full time Facilities Maintenance staff ensuring that employees can attend classes when they are scheduled.

Administration

Overview

SouthWest Transit's Administration Department encompasses a variety of tasks and disciplines. The functions of Finance, Business Outreach, Customer Service, Marketing, and Human Resources (HR) all fall under the umbrella of the Administration Department, and the individual areas are directed the CEO. On top of their primary duties, each employee in the Administration Department at times may double as a Customer Service Representative. Additionally, Administration also employs a small number of part time Customer Service Representatives that are used to staff Customer Service areas when full time employees' primary job duties make them unable to perform Customer Service functions.

Budget

The budget trends for FY2011 through FY2015 for the Administration Department are summarized in Table 9.1:

Table 9.1: Administration Budget as a Percentage of Overall Operating Budget (2011-2016)

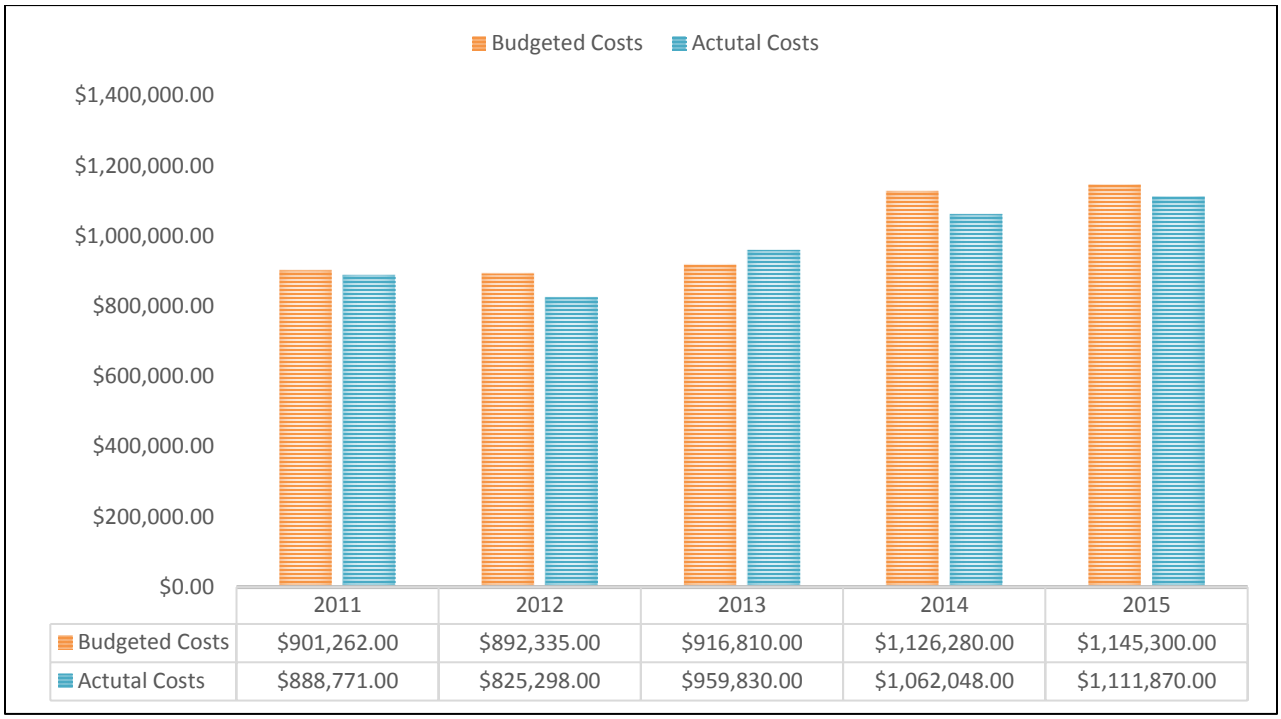
Year	Admin Budget	Total Operating Budget	Admin/Total Operating
2011	$901,262	$8,023,341	11.23%
2012	$825,299	$7,810,340	10.57%
2013	$959,830	$8,315,298	11.54%
2014	$1,062,048	$9,809,974	10.83%
2015	$1,111,870	$10,079,495	11.03%
2016	$1,335,762	$10,658,316	12.53%
Average	**$1,032,679**	**$9,116,127**	**11.29%**

Source: SouthWest Transit Budgets (2011-2016)

Looking at Table 9.1 it is evident that SouthWest's Administration Department is budgeted to account for 11% of the total agency operating budget. Since 2011, the Administration budget has averaged $972,062 with the highest budget amount coming in 2015 and the lowest in the 2012. In examining SouthWest's budgets it is clear that the Administration Department is able to adjust spending relative to the agency's overall operating budget. This stands to reason as the Administration Department controls more discretionary budget items than other departments throughout the agency. In summary, Table 9.1 demonstrates that SouthWest management has been doing an excellent job of ensuring that the Administration budget reflects the overall state of the agency from year to year.

Figure 9.1 provides a comparison of the Administration Department's budgeted costs and actual costs from 2011-2015.

Figure 9.1: Administration Budgeted Costs vs. Actual Costs (2011-2015)



	2011	2012	2013	2014	2015
Budgeted Costs	$901,262.00	$892,335.00	$916,810.00	$1,126,280.00	$1,145,300.00
Actutal Costs	$888,771.00	$825,298.00	$959,830.00	$1,062,048.00	$1,111,870.00

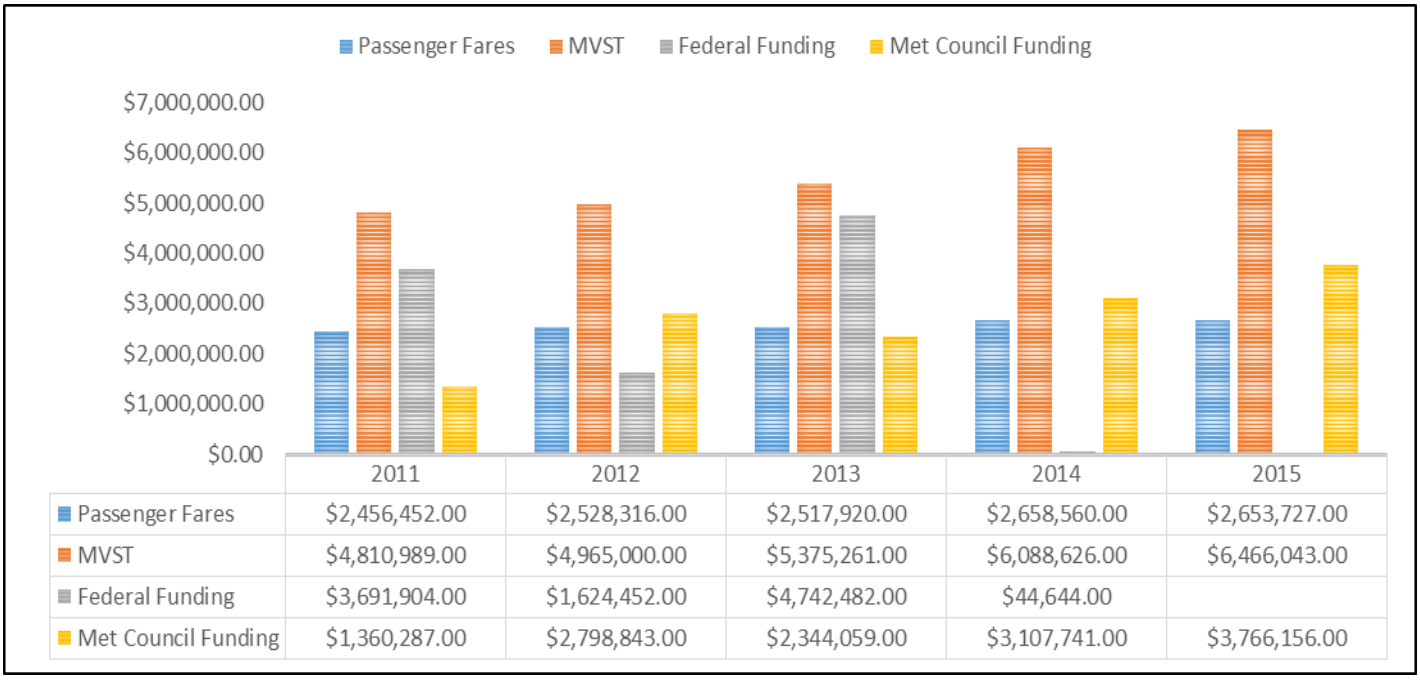
SouthWest Transit Budgets (2011-2015)

Figure 9.1 illustrates that the Administration Department generally comes in under-budgeting with its annual expenses. In 2011, 2012, 2014, and 2015 the department's expenses were under budgeted by about $12,000, $67,000, $64,000 and $33,000 respectively. While in 2013 the Administration department came in over budget by $43,000. However, it should be noted that from 2011-2015 the department averaged a budget of $996,397 and actual costs of $969,563 – a difference of $26,834. This demonstrates that despite some volatility in spending from year to year, the Administration Department is certainly budget conscious when it comes to its spending.

Finance

One of the key areas the Administration Department oversees is the agency's accounting. While there are many areas within accounting that could be covered, this report will primarily focus on SouthWest's revenue sources and its fund balance. Figure 9.2 provides a snapshot of SouthWest's revenue sources from 2011-2015.

Figure 9.2: SouthWest Transit Operating Revenue Source Summary (2011-2015)



	2011	2012	2013	2014	2015
Passenger Fares	$2,456,452.00	$2,528,316.00	$2,517,920.00	$2,658,560.00	$2,653,727.00
MVST	$4,810,989.00	$4,965,000.00	$5,375,261.00	$6,088,626.00	$6,466,043.00
Federal Funding	$3,691,904.00	$1,624,452.00	$4,742,482.00	$44,644.00	
Met Council Funding	$1,360,287.00	$2,798,843.00	$2,344,059.00	$3,107,741.00	$3,766,156.00

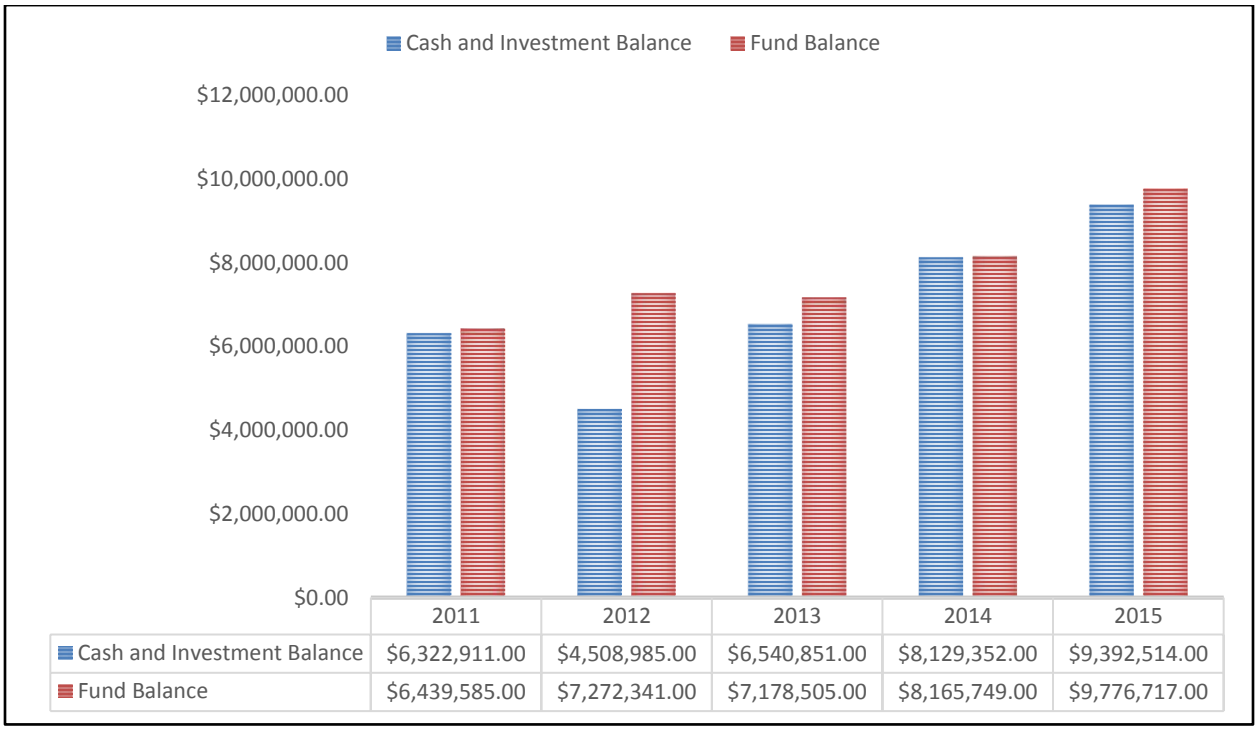
Source: SouthWest Transit Budgets 2011-2015

Figure 9.2 depicts a couple noteworthy trends. First, it shows that from 2011-2015 the amount of operating revenue sources has decreased from four sources in 2011 to three in 2015. SouthWest Transit management, along with the SouthWest Transit Commission, should continue to work with decision-makers at the regional, State, and Federal levels to ensure that SouthWest Transit receives adequate funding that will guarantee the agency's successful operation both now and into the future.

Second, Figure 9.2 clearly illustrates that SouthWest Transit's major source of revenue is its portion of the Motor Vehicle Sales Tax (MVST) – a revenue source that was believed to be reliable when SouthWest's primary funding source was switched from local property taxes to MVST. As Figure 9.2 depicts, the economic upswing since 2011 has steadily increased the amount of MVST being collected. As car sales are reliant on the overall economy, it is uncertain if this trend will continue.

Figure 9.3 shows SouthWest's cash and investment balance, as well as its overall fund balance for the 2011-2015 time period.

Figure 9.3: SouthWest Transit Financial Analysis (2011-2015)



	2011	2012	2013	2014	2015
Cash and Investment Balance	$6,322,911.00	$4,508,985.00	$6,540,851.00	$8,129,352.00	$9,392,514.00
Fund Balance	$6,439,585.00	$7,272,341.00	$7,178,505.00	$8,165,749.00	$9,776,717.00

Source: SouthWest Transit Financial Audit (2015)

With exception to FY2012, Figure 9.3 clearly shows that SouthWest Transit's cash and fund balances are on a steady incline. Since 2007 SouthWest's cash and investment balance has increased 32.68%, an increase of $3,069,603. During the same time period the agency's overall fund balance has increased 34.13%, an overall growth of $3,337,132.

Staffing

Table 9.2 provides SouthWest's budgeted staffing levels for Full Time Equivalent (FTE) employees in the Administration Department from 2011-2016.

Table 9.2: Administration Department FTEs (2011-2016)

Year	FTEs	% of Total Staff
2011	7.25	24%
2012	5	18%
2013	5.7	19%
2014	5.3	18%
2015	6.3	20%
2016	8.4	24.78%

Source: SouthWest Transit Budgets (2011-2016)

When examining Table 9.2 there are two distinct decreases in Administration staffing. The first significant decrease in Administration staffing occurred in 2012 when, due to budget cuts, a full time Customer Service Representative position was eliminated along with the Customer Service/Training Manager position. In 2013 there was another decrease when the Administrative Services Director position was eliminated. 2015 saw an increase in full time employment hours with the creation of a full time marketing position. Table 9.2 suggests that the Administration Department is the most volatile department in terms of staffing levels, but still well within reason as different staffing needs are identified and addressed.

Staff Interview Findings

Procedures

- The Accounts Payable procedure is working well. It was noted that having Facilities Maintenance and Finance under the same roof has helped.
- An effort to have bills that are approved by managers stationed at the Eden Prairie Garage addressed to the garage would make the Accounts Payable process work more efficiently.
- More detailed marketing plans and realistic timelines to complete marketing plans are needed within the Marketing Department.
- All postings regardless of department should be approved by Marketing to ensure brand consistency.

Staffing

- Staffing levels for the Finance Department are good. It was noted that two people are needed for day-to-day activities in Finance.
- One more individual needs to be trained in on the SW Prime cash reconciliation procedure.
- No backup is identified for the Regional Fare Billing Process.

Communication with Other Departments

- In general, the Administration staff said that communication with other departments is good.

Resources and Training

- The consensus is that SWT does a great job and providing employees with the tools and resources they need to complete their job effectively.

Recommendations/Action Items

- Continue to work with decision-makers at the regional, State, and Federal levels to ensure that SouthWest Transit receives adequate funding that will guarantee the agency's successful operation both now and into the future.
- Make sure bills are addressed to the facility where the approving manager is stationed to ensure quicker processes of expenses.
- Have all public-facing postings be approved by Marketing regardless of which department generates the posting. This would be to ensure brand consistency.
- Ensure there is added backup for FTA NTD and Safety and Security reporting.