



Indianapolis Public Transportation Corporation

2012 IPTC Budget Overview

Tuesday, September 20, 2011



IndyGo is the Indianapolis Public Transportation Corporation (IPTC), our community's public transit service.

Public transportation is a vital part of our community's infrastructure such as:

- Roads and highways
- Sidewalks and traffic signals
- Schools, libraries and airports
- Police and fire departments

Sound and robust infrastructure is key to economic development, property values, youth retention, and a city's overall livability.



A principle of livability:

Provide more transportation choices to decrease household transportation costs, reduce our dependence on oil, improve air quality and promote public health.

In other words, “Livability means being able to take your kids to school, go to work, see a doctor, drop by the grocery or post office, go out to dinner and a movie, and play with your kids at the park - all without having to get in your car.”

Ray LaHood – Secretary of Transportation

The Indianapolis Public Transportation Corporation (IndyGo) and is a Municipal Corporation led by a 7-member Board of Directors:

- Three (3) members of the Board are appointed by the Mayor of Indianapolis and
- Four (4) by the City County Council





IndyGo is a 24/7 - 365 operation.

IndyGo Staff contains:

- More than 450 Employees
- Nearly 400 Employees are members of the Amalgamated Transit Union
- More than 50 Employees are non-union (Administrative, Operations and Maintenance support staff)

Staffing levels for professional coach operators and mechanics reflect the level of service on the roads.

Administrative staff is lean as it covers multiple departments (transportation, finance, human resources, procurement, IT, business development, legal, safety/training, maintenance)





Operating Efficiencies & Highlights

2012 Budget

- Capital investment (grants) used to reduce operating expenses
- Investment in technology to streamline operations
- Investment in green technology and operational practices
- Investment in a clinic and wellness program improving employee health, lowering healthcare expenses for company and employees
- Continuing partnership with Department of Homeland Security
- Indy Connect participating partner (Long Range Regional Transportation Plan)



Current Service

- 30 Fixed Routes (local service)
- ADA Paratransit Service (Open Door)
- 1 Express Route (Green Line Downtown/Airport Express) – Federally funded
- More than 140 Local Fixed Route Buses (121 for peak pull out)
- Nearly 80 ADA Paratransit Buses
- \$1.75 Single Ride Fare
- \$4.00 Day Pass
- \$60.00 31-Day Pass
- \$3.50 Open Door Single Ride
- Half fare pricing for Fixed Route and Express Services for qualified riders



About IndyGo

2012 Budget

While Indianapolis is the 12th largest American city, its transit agency is not within the top 100 (measured by size of fleet, not quality)



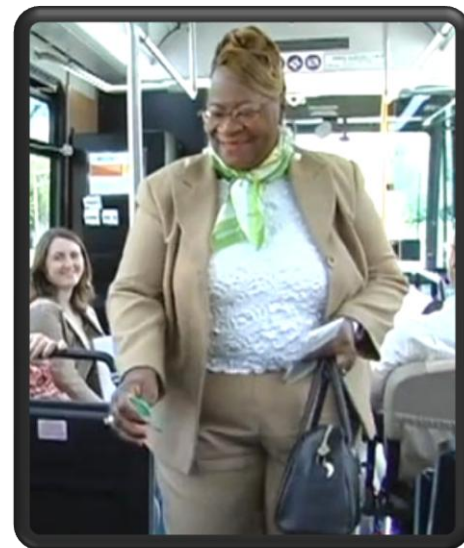


IndyGo Passengers

2012 Budget

According to the 2009 On Board Passenger survey, IndyGo's typical weekday passenger is:

“An African American female, age 39-49 who uses the bus 3 - 5 days per week to get to and from home and work. She is likely employed full-time or part-time, but earns less than \$15,000 annually. She is transit-dependent – meaning there are no working vehicles in her household. If bus service were unavailable, she would either ride with a friend or not make the trip.”





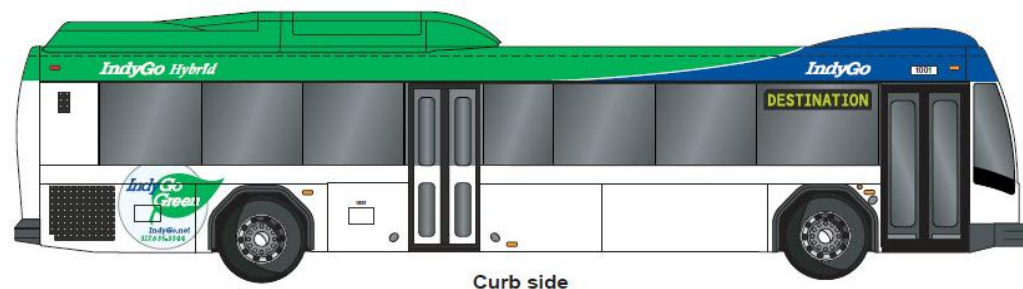
IndyGo Passengers

2012 Budget

According to the 2009 On Board Passenger survey:

“The average rider has to make at least one transfer before he/she can complete a one-way trip. Most riders access the bus by walking one to two blocks to get to the nearest stop. “

“Most IndyGo riders feel that service hours should be extended and that service frequency should be increased.”





IndyGo Passengers

2012 Budget

- While 65% of IndyGo riders are employed (and 44% hold full-time jobs), nearly 70% of riders report a household income of less than \$25,000 a year
- Approximately 75% of IndyGo riders are between the ages of 25-64
- More than 50% of riders are transit-dependent (i.e., they are from households that do not own a vehicle)
- 78% do not have a vehicle available to them for travel even if their household has a vehicle, and 60% of IndyGo riders do not have a driver's license



IndyGo Passengers

2012 Budget



In 2009, IndyGo introduced a discounted 31-Day pass for local university/college students.

The passes were created to provide **affordable access to higher education** while reducing campus needs for additional parking and congestion mitigation.

The chart on the next slide shows monthly ridership with the S-Pass.



31-Day S Pass

2012 Budget

	2009	2010	2011
January	6,177	26,235	37,566
February	13,604	26,323	35,390
March	16,844	30,045	38,529
April	17,016	29,384	36,111
May	15,635	25,700	34,543
June	16,722	26,510	30,178
July	17,607	24,121	28,594
August	18,619	30,325	45,726



Even with IndyGo's minimalist system, demand is increasing!

- For the month of **August 2011**, ridership totaled **864,427** and increased 16.3% from the month of August 2010.
- IndyGo ridership has increased 8.5% year to date.
- The average ridership for one day is currently **33,000 rides a day**. The 2010 average in 2010 was around the mid 20,000.



Transit Corridor Ridership

2012 Budget

A highlight of the IndyGo's top three routes:

- **Route 39 – East 38th Street/Meridian Corridor – 120,462 rides in August 2011**
 - Serves Downtown, Central Library, Ivy Tech Downtown, Children's Museum, Indiana State Fairgrounds, John Marshall Community School, Monon Trail ,and Fall Creek Trail
- **Route 8 (Crosstown) – Washington Street – 114,343 rides in August 2011**
 - Serves Downtown, Indianapolis Airport, Indianapolis Zoo, Washington Square Mall, White River State Park, Victory Field, Harrison College, and Cultural Trail
- **Route 10 (Crosstown) – 10th Street – 98,353 rides in August 2011**
 - Serves Ben Davis High School, Speedway Shopping Center, Veteran's Hospital, Riley Hospital, Wishard Hospital, IU Hospital, IUPUI, Community Hospital East, and Washington Square Mall

Through the Indy Connect initiative, we have learned many citizens within our community/region would like:

- Increased frequency
- More crosstown routes/better connectivity
- New buses
- More shelters and benches
- Expanded hours of daily operation
- More express service



INDY CONNECT
CENTRAL INDIANA'S
TRANSPORTATION INITIATIVE



Sustaining current service is the immediate issue, but with more:

- Increased ridership, especially by choice riders (folks who can decide to leave car at home)
- Improved access to jobs
- Economic development along transit corridors
- Reduced demand for parking structures
- Reduced traffic congestion for commuters and special events
- Creation of more jobs – transit employees, transit contractors and suppliers



IndyGo is a Municipal Corporation and receives funding from the following sources:

- Federal Assistance (Federal Transit Administration)
- State Funds (Public Mass Transit funds)
- Local Funds (Marion County Property Tax)
- Passenger Farebox Revenue

As noted on the next chart, IndyGo already converts its capital funds to subsidize its operating budget.



Funding Comparisons

2012 Budget

City	Population	Operating Fixed Route	Operating Paratransit	Federal	State	Local	Fare	Other
Indianapolis	1,218,919	\$47,207,129	\$8,337,893	29%	21%	31%	18%	2%
Charlotte	758,927	\$75,981,640	\$7,566,447	0%	11%	70%	19%	0%
Columbus	1,133,193	\$73,250,602	\$7,790,536	0%	2%	80%	17%	1%
Denver	1,984,889	\$295,516,466	\$37,128,022	15%	0%	54%	22%	8%
St. Louis	2,077,662	\$121,838,777	\$18,846,428	14%	1%	66%	21%	0%

2009 NTD Data



Stat Comparisons

2012 Budget

Stat Comparisons	IndyGo	Columbus
Urban Population	1,218,919	1,133,193
Operating Bus	\$47,207,129	\$73,250,602
Operating Paratransit	\$8,337,893	\$7,790,536
Number of Fixed Route buses	147	298
Number of paratransit buses	75	58
Number of Fixed Routes	30	40
Number of Express Services	0	38
Number of stops	4,000	4,300
Number of amenities (shelters, benches, etc.)	254	380
Transit Centers/Transfer Hubs	0	5
Ridership - annual	8,378,478	16,600,000
Ridership - weekday average	28,534	56,186
Ridership - Saturday average	14,049	26,903
Ridership - Sunday average	6,021	13,777
Number of operators Fixed Route	305	468
Number of operators Paratransit	120	106
Number of mechanics	60	123
Number of administrative staff	60	208
Number of Board members and how appointed	7	13
Single Trip Local Bus	\$1.75	1.75
Day Pass Local Bus	\$4.00	\$4.00

Greater frequency and hours of service contribute to Columbus's larger operational budget and ridership.



Federal formula dollars are intended to be used for transit's capital investments such as:

- New buses
- Bus facility(s)
- Bus and passenger technology and amenities

In fact, 38 of IndyGo's current fleet are 1997 and 1998 buses with more than 700,000 miles.

If IndyGo could use its federal dollars for the intended use, the agency could replace approximately 15 buses each year.



While IndyGo converts its annual federal dollars for operating expenses, it relies on the submission and awards of federal grant applications for bus replacement and upgrades.

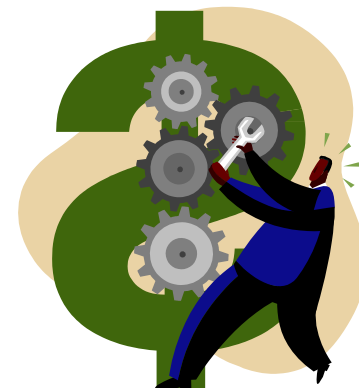
The following upgrades were made possible by federal grants – either 100% funded or 80% (20% local match from capital match fund)

- 22 new fixed route buses (11 hybrid technology)
- Facility upgrades (HVAC, lighting, roof)
- Technology (GPS tracking, radio control, passenger announcements)
- Security (cameras and audio on buses; facility CCTV)
- Airport Express Route
- Transit Outreach (marketing & customer service)

On August 4, the IPTC Board of Directors was presented with a budget including an estimated \$6.4 million gap.

2012 Expenditure Assumptions

- Increase in employee health benefits
- Increase in cost for fuels
- Maintaining current service levels for fixed route and paratransit





2012 Revenue Assumptions

Funding sources affecting projected revenue shortfall (2011 vs. 2012)

- One-time shortfall appeal (\$1M)
- One-time transfer from capital match fund (\$2.2M)
- Anticipated Local Option Income Tax (LOIT) shortfall (\$760k)
- Reduction in State Funding (\$352k)
- Reduction in special route guarantees (IUPUI) (\$200k)
- Reduction in Federal Formula Grant Award (\$352k)
- Fares remain at current levels



The IPTC Board of Directors has a limited menu of expenditure/revenue options. Unlike some government entities (state, townships), IndyGo does not have reserves or rainy day funds.

Revenue Options:

- Fare Increase
- Capital Match Funds (reductions would affect federal grant opportunities)
- Excess Tax Levy – IC 36-9-4-49 (insufficient funds)

Expenditure Options:

- Reduction and/or elimination of Fixed Route Service
- Reduction of paratransit service to federal mandate of $\frac{3}{4}$ mile



On August 18, IndyGo held a public hearing on the budget with more than 50 in attendance. Comments included:

“Transit means jobs. IndyGo riders are using the service to get to work and they pay income taxes with these jobs. If IndyGo service is cut, the city will collect less income tax. Please use every possible option to maintain service. IndyGo needs local dedicated funding now.”

“I am a member of the Mobility Advisory Committee (MAC) and am completely dependent on Open Door service. Without the service, I would have no way to get to work and would miss out on other life opportunities. Please find a solution to the shortfall and don’t punish the riders.”



Board Considerations

2012 Budget

The IPTC board considered all its options and the implications of service reductions, fare increases or operationalizing other funds:

- Service reductions could include the elimination of up to 10 local fixed routes
- Reduction of paratransit service area to $\frac{3}{4}$ mile of IndyGo's existing local fixed routes
- Fare increases; current fares are comparable or high for the region
- Use of capital match funds could impact federal support opportunities
- Use of insurance reserves would leave the corporation fiscally/legally vulnerable
- Reductions in service would impact jobs for IndyGo, its vendors and passengers



Adopted 2012 Budget

2012 Budget

On August 29, the IPTC Board of Directors adopted a balanced budget of **\$56,899,829**.

- Maintains current service levels
- Maintains current fare structure
- Includes an excess property tax levy of \$0.023/\$100 assessed valuation which will net \$6.4 million





- At a time when demand is increasing, IndyGo is facing yet another challenging year. As local news coverage has stated time and time again “budget woes are not new to IndyGo.”
- IndyGo’s board and management team continue to operate efficiently, within budget. With an encouraging public dialogue about increased transit within the region (Indy Connect), the foundation of a larger system will be IndyGo and its assets.
- Reductions in service levels or erosion of non-operating fiscal resources will weaken any such foundation, requiring additional dollars in the future for the rebuilding of the base.



2012 Budget

Thank you for the opportunity to present.

