DASH Efficiency Study
Council Work Session

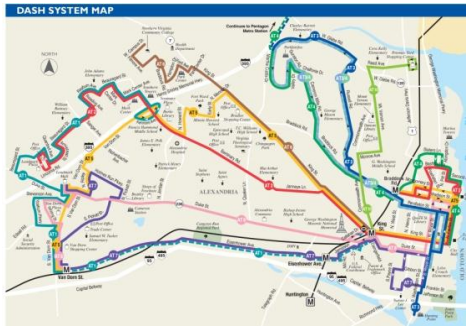
February 26, 2013

DASH Overview

- Service began March 1984
  - Since then, routes have doubled and ridership has increase fourfold
- Operates 9 routes, 66 vehicles
- Headways between 20-30 min (peak) and 30-60 min (off-peak)
- Began operating King St Trolley in Spring 2012
- Current budget:
  - 2013 operating expenses: $15M
  - 2013 capital expenses: $4.3M
  - 2013 capital/operating subsidy: $14.5M
- Significant expansion plan adopted in 2008
  - Assumes doubling of fleet size by 2015 or 2020
  - Operating/capital expenses expected to increase to over $23M a year by FY19

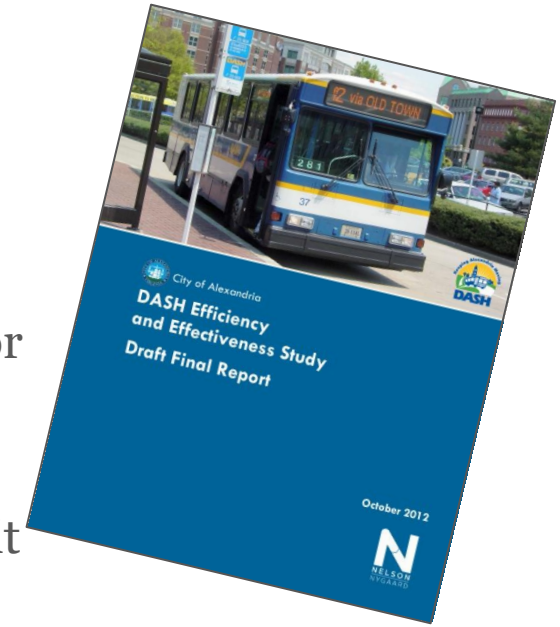
Study Purpose

- DASH has matured from a local circulator into an urban transit system
- City is studying what organizational and management structure will best support the system's continued growth and development citywide
- Consultant team retained to conduct a study and develop recommendations for the governance, management and staffing structure



Overview

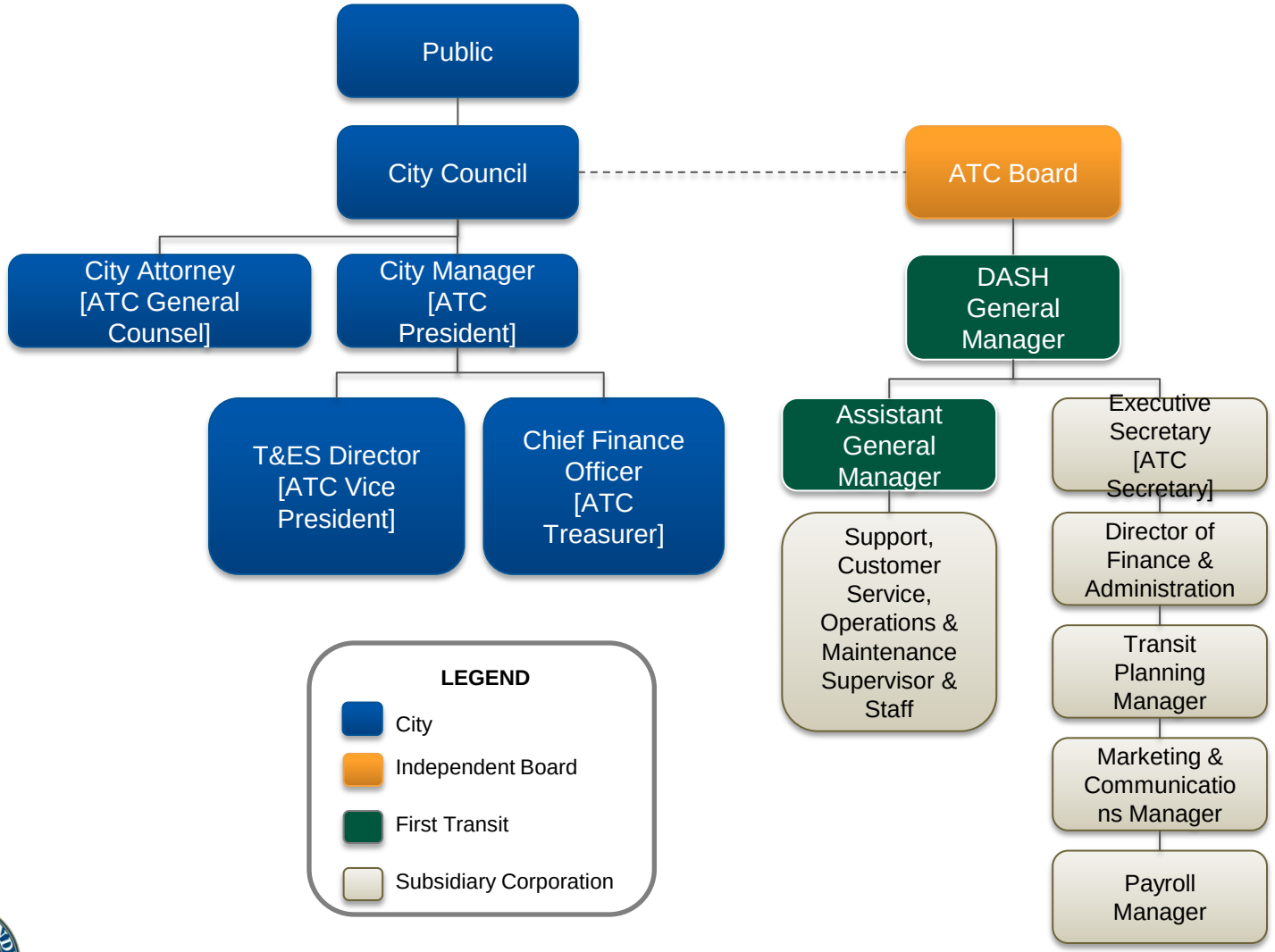
- Organization
  - Review of current management and governance structure
- Strengths/challenges
  - Stakeholder interviews about perceptions of the service, organizational structure, and priorities for growth of the organization and the service
- Peer agency models
  - Peer review to examine experiences of peer transit agencies and identify best management practices
- Best practices
  - Development of performance measures and standards based on the review of peer agencies performance measures
  - Conclusions and recommendations regarding organizational structure, management and governance recommendations



DASH Organization

- Alexandria Transit Company (ATC)
  - Nonprofit public service corporation wholly owned by City
  - City Council are sole stockholders
  - 7-member Board of Directors elected annually by Council
- ATC contracts with First Transit, Inc. to provide management services
  - GM and AGM are employees of First Transit
- First Transit formed subsidiary corporation that employs all other employees (Transit Management of Alexandria)

DASH Organization



Strengths

- **Productivity**
  - 25 passengers/hr
- **Maintenance**
  - Vehicles and facilities are clean and well-maintained
- **Flexibility**
  - As a separate entity, DASH is more nimble
- **Efficiency**
  - Farebox recovery ratio of 27%; higher than majority of peer bus systems
- **Morale**
  - Dedicated and committed staff
- **Liability**
  - Offers City distance from potential liability issues

Challenges

- City contributes $14M a year to the system and needs to see improvements in:
  - **Accountability**
    - Additional transit and finance expertise needed on Board
    - City accountable for DASH performance; better oversight and coordination needed
    - DRPT 2011 audit found several instances of non-compliance
      - City responsible for repaying funds to DRPT
  - **Finance/accounting**
    - ATC and City use different financial systems
    - Requires cumbersome, time-consuming reconciliation every year
    - DRPT audit noted inconsistencies between City finance statements and DASH Transit Development Plan
  - **Procurement**
    - Roles and responsibilities unclear; progress slowly being made
    - City staff responsible for DASH grant administration
      - City accountable for funds ultimately spent by DASH
      - DRPT audit cited City for funds spent on ineligible items by DASH
  - **Transparency**
    - Board materials not posted in advance of meetings
    - Monthly reports not publicly available
    - Reports should include performance trends over time

Peer Agency Models: Municipal

- **Municipal model**
  - Policy: City
  - Administration/management: City
  - Day-to-day operations: City
  - Examples: Big Blue Bus (Santa Monica, CA), Ride On (Montgomery County, MD)

Advantages	Disadvantages
Improved City oversight	Burden on Council to take over Board responsibilities
Streamlines administrative activities	Requires increased City staffing capacity
Clarifies roles/responsibilities	Costs typically higher under publicly operated transit service
	Long lead time for implementation

Peer Agency Models: Municipal/Contract

- **Municipal/contract model**
  - Policy: City
  - Administration/management: City
  - Day-to-day operations: Contract
  - Examples: ART (Arlington County), DC Circulator

Advantages	Disadvantages
Improved City oversight	Burden on Council to take over Board responsibilities
Streamlines administrative activities	Requires increased City staffing capacity
Eliminates need to reconcile financial numbers	
Contracted service tends to be lower cost	
Contract operators can be held to performance standards	

Peer Agency Models: Independent Entity

- **Independent entity**
  - Policy: Independent board
  - Administration/management: Transit agency
  - Day-to-day operations: Transit agency
  - E.g., Greater Richmond Transit Company, WMATA

Advantages	Disadvantages
Streamlines administrative efficiency	Decreased oversight, but continued role as primary funder
Eliminates need to reconcile financial numbers	Requires increased staffing capacity by transit agency
City staff capacity would increase for other projects	
Model is most effective for entities funded by multiple jurisdictions	

Peer Agency Models: Independent/Contract

- **Independent entity**
  - Policy: Independent board
  - Administration/management: Transit agency
  - Day-to-day operations: Contract
  - Examples: Foothill Transit (Southern California)

Advantages	Disadvantages
Streamlines administrative efficiency	Decreased City oversight, but continued role as primary funder
Eliminates need to reconcile financial numbers	Requires increased staffing capacity by transit agency
Contracted service may reduce costs	
Contract operators can be held to performance standards	
City staff capacity would increase for other projects	
Model is most effective for entities funded by multiple jurisdictions	

Best Practices

- Governance models are not one size fits all
- ATC established as independent entity
  - Relies on City for key administrative functions
- Recommendations focus on 3 key areas:
  - Transparency
  - Efficiency
  - Accountability
- Emphasis on maintaining current high levels of service

Best Practices: Transparency

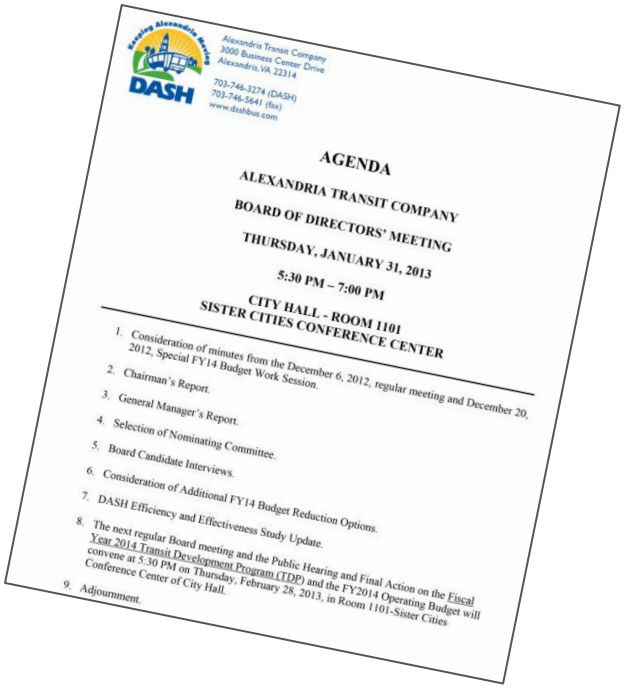
- Monthly materials to be posted in advance of Board meetings
- Additional performance data included in monthly reports:
  - Cost/revenue hour
  - Farebox recovery
    - Fare revenue/operating expenses
  - Customer complaints
- Provide data trends over time for key indicators:
  - Passengers/revenue mile
  - On-time performance
  - Cost/revenue hour
  - Farebox recovery
  - Complaints
  - Preventable accidents/100,000 miles

Best Practices: Efficiency

- City and DASH to develop plan for moving toward a single accounting system
- Quarterly finance reconciliation
- Consolidation of DASH/City finance and planning functions
  - Continue to provide support to DASH
  - Assumes responsibility for grant administration, reporting, planning

Best Practices: Accountability

- Subsidiary corporation to remain in place
  - Ensures limited/no disruption to service
- Align expertise and functions
  - Subject matter experts to manage contract, conduct GM performance review
    - Improves connectivity to City and enhances accountability
  - Mix of residents, riders, and technical experts continue to provide policy direction
- Transit Commission
  - To oversee paratransit, WMATA coordination, transitway implementation, and DASH
    - Continue to set fare and route policy
- Regular meetings between DASH and City
  - Includes follow up items and minutes



Alexandria Transit Company
3000 Business Center Drive
Alexandria, VA 22314
703-746-3274 (DASH)
703-746-5641 (fax)
www.dashbus.com

AGENDA

ALEXANDRIA TRANSIT COMPANY

BOARD OF DIRECTORS' MEETING

THURSDAY, JANUARY 31, 2013

5:30 PM – 7:00 PM

CITY HALL - ROOM 1101
SISTER CITIES CONFERENCE CENTER

1. Consideration of minutes from the December 6, 2012, regular meeting and December 20, 2012, Special FY14 Budget Work Session.
2. Chairman's Report.
3. General Manager's Report.
4. Selection of Nominating Committee.
5. Board Candidate Interviews.
6. Consideration of Additional FY14 Budget Reduction Options.
7. DASH Efficiency and Effectiveness Study Update.
8. The next regular Board meeting and the Public Hearing and Final Action on the Fiscal Year 2014 Transit Development Program (TDP) and the FY2014 Operating Budget will convene at 5:30 PM on Thursday, February 28, 2013, in Room 1101-Sister Cities Conference Center of City Hall.
9. Adjournment.

Proposed Functional Responsibilities

- ATC Board
  - Composed City staff, subject matter experts
  - Responsibilities include:
    - Legal
    - Financial
    - Budget oversight
    - Contract management
      - Delegated to T&ES staff

- Transit Commission
  - Composed of riders, residents
  - Representation from Transportation and Planning Commission
  - 1-2 slots identified for transit expert
  - Responsibilities include:
    - Approval of new or modified routes
    - Fare structure
    - System integration with other transit agencies and elements

Proposed DASH Governance