

**MINUTES**  
**STARTRAN ADVISORY BOARD MEETING**  
**StarTran Conference Room 2**  
**December 6, 2011**

Members Present: Kim Phelps, Beatty Brasch, Debby Brehm, Steve Speicher, Mike DeKalb

Members Absent: John Baylor

Staff Present: Larry Worth, Mike Weston, Kitty Elliott, Scott Tharnish, Brian Praeuner, Glenn Knust, Connie Thoreson

**I. REGULAR BOARD MEETING**

Chairman Kim Phelps, noted the Open Meetings Law, and Patron Conduct Notice posted on the north wall.

Chairman Phelps introduced new Advisory Board Member, Mike DeKalb. Mr. DeKalb gave a brief summary of his background, noting that he has been a bus patron for 35 ½ years.

**A. Patrons to be Heard**

No patrons requested to speak.

**B. SRF Consulting Group - StarTran Audit Initial Observations Presentation**

Mr. Joe Kern, Team Leader for the SRF Consulting Group and the other members introduced themselves: Marita Reiley, Bob Bourne, and Jack Doolittle. Mr. Kern presented a summary of the initial observations (distributed) from the financial and operational review of StarTran.

Observations by SRF Consulting Group are as follows:

- StarTran staff struggles with direction as guidance is received from several sources, i.e. City Council, Mayor's Office, PW/U Director and the Advisory Board. It is unclear to StarTran if they are to control the deficit (i.e., maximize user revenues) or maximize ridership, which often conflict with each other. The chain of reporting is complicated with policy decisions and guidance differing between the different sources.
- The Advisory Board's charge according to the Lincoln Municipal Code (LMC) is route planning, fares, schedules, and rates, as well as an annual evaluation of StarTran services. The Advisory Board does not exhibit a clear understanding of its role and responsibilities and sometimes gets into areas that are not their charge. The Mayor and City Council should decide the StarTran Advisory Board direction and what is expected from them, i.e. primarily advocate for patrons, advocates for transit in the City, or possibly taking a more full overview of all aspects of StarTran including budget.
- High quality planning and financial data is produced by StarTran staff, however it is not clear as to where it is made available and appears to not be utilized by other sources when planning or investing in StarTran. There will be a recommendation to tighten up this reporting process to enable it to be utilized by key stakeholders and policy makers.

- The overall StarTran system is well run. StarTran administration staff levels are not unusual and are appropriate when compared to others in the industry. Some administrative support services are provided by other city departments, therefore if privatization were considered, those expenses would need to be covered. Mr. Bob Bourne noted his agreement that StarTran staffing levels are appropriate, and thought that some minor shifting of particular duties, could make operations somewhat more efficient.
- The Federal Transit Administration (FTA) Triennial Review procurement deficiencies have been addressed with a new procurement process in place. There should be no further issues in this area.
- The City of Lincoln negotiates labor contract wage increases. The current labor contract wage concessions are not excessive and are comparable to similar-sized cities.
- The opportunity for a Transit Authority is not realistic for StarTran as the intent of an authority is for cost sharing. The City, with 85% of the population of the county, is the primary provider and recipient of StarTran services, and there are few partners for sharing costs. The SRF Consultants do not believe making StarTran a transit authority would result in a financial relief for the City. Also, current State law does not allow the formation of a transit authority in Lincoln.
- Mr. Doolittle stated that privatization of transit services is a thing of the past and is not practical. A private company would have to take over a 9.5 million dollar system and would need to increase rates, cut services, and dispose of federal assets, to make it profitable. There may be some potential for privatization in the para-transit area. There could be improved scheduling between StarTran and Transport Plus to make services as productive as possible. If complete privatization of all para-transit services were implemented it would not eliminate the StarTran dispatch position, which would need to oversee the scheduling, take reservations, and oversee the private contractor.

It was noted that while Transport Plus per trip cost is somewhat less than StarTran's cost, all of StarTran's patrons with disabilities cannot be accommodated by the type of vehicle used by Transport Plus.

- StarTran service covers about 80% of the city and is designed well in covering high density areas and other areas of potential ridership. There is not excess coverage. Reduction of the service area to a "core", or 60% of the city, would eliminate service to Southeast Community College, two high schools, a middle school, a WalMart, and a hospital.
- StarTran service would be considered to be average to below average compared to peer cities due to lack of evening or Sunday service for entry level workers to utilize to/from places of employment outside of core 8:00 a.m. to 5:00 p.m. hours. It is felt that StarTran is missing growth opportunities because of this lack of service. The cost per trip for evening service would be the same as current, however the Sunday service would be higher. All routes, however, would not need to run in the evening or on Sunday. Mr. Kern suggested that a Guaranteed Ride Home Program be explored, where employers and businesses help fund additional service after regular service hours which would benefit their customers/employees.

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- StarTran fixed route service is mediocre in terms of ridership compared to peers. Such is directly related to the low frequency of trips and the low span of service availability. Consultants stated that the biggest “bang for your buck” would be increased frequency of service in a core service area. The riders are there, but not on the buses since StarTran service availability is so limited.
- StarTran service is productive with nearly all trips having more than a couple of passengers on them. Mr. Doolittle noted it is logical that buses will be less than full on half of the route as they are traveling to the area where passenger will board. A comparison was made to, for instance, the UNL stadium, or roads which are empty a major portion of time, realizing that transit services as well as stadiums, roads, etc need to be built for peak capacity.
- There is nothing alarming about StarTran’s performance. It was emphasized that if the StarTran system would be reduced by cutting back to a core area or eliminating Saturday service, it would be catastrophic to the system.
- StarTran operating costs are not out of line. About ½ of the operation costs are in wages and benefits. Allocation of expenses is very comparable to peer systems. Over the prior years, federal revenues have grown the most and StarTran fare revenues have grown the least. The average fare has remained unchanged due to the Low Income Pass Program. The Low Income Pass Program is a deeply discounted program in comparison to other similar programs around the country. 40% of StarTran patrons utilize the low income bus pass. It was noted that a lower price fare or free fare does generate much more ridership, however the costs still need to be met. Low income pass users take 32 trips per month compared to 40 trips per month by regular fare riders, resulting in the low income average fare per ride being 25¢. An opportunity for increasing revenue could be to increase cost sharing with UNL.
- There is no federal or state increased funding expected, and there are no untapped revenue sources available at this time.
- StarTran customer service and marketing suggestions are minor. Some potential improvements in answering information calls and complaint handling will be suggested.

The type of current advertising contract utilized by StarTran is common throughout the region, with the current contract holder having a great reputation, and has been a good performer for StarTran.

The consultants felt the current StarTran marketing plan could possibly be more effective with fewer activities and a more focused direction to certain markets to gain ridership. Also noted that for the limited service StarTran provides, the marketing works well and there is nothing more that could be done without increases in services.

- Smaller capacity bus sizes to minimize empty seats is not appropriate during most of the service period as there are many time of heavy patronage. Costs for maintenance would be increased because of lower service life, more parts inventory, and training. Buying smaller buses while marketing to increase ridership is counterproductive.

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Ms. Reiley commented that she feels that StarTran's para-transit system is run very well.

- Mr. Speicher stated his understanding is that in order to increase revenue StarTran would need more service, which would require more revenue, so this is a continuing loop. Mr. Doolittle noted that some cities include the Transit Manager as a member of the Planning Commission, in order to maximize transit's relationship with development. The consultant group stated the StarTran services provided are average and that apparently is appropriate and acceptable. If there is a mutual stakeholders focus to increase services, additional revenue would be necessary to increase the services.
- Ms. Brasch suggested that a free fare policy would increase ridership but was reminded by the consultant that the service would still need to be paid for.
- Mr. DeKalb summed up the information, as follows: "The goal needs to be made clear as to what is expected of StarTran transit services; increased ridership or increased revenues." All those in attendance agreed.

Mr. Kern indicated that a draft report would be prepared by February 1<sup>st</sup> and a final report would be compiled and presented in late February, 2012.

Chairman Phelps thanked the SRF Consulting Group for their presentation and insights.

### C. Patrons to be Heard

No patrons requested to speak.

### D. Adjournment

The next StarTran Advisory Board Meeting is scheduled for December 15, 2011, 8:00 a.m. in the StarTran Conference Room..