



Alexandria Transit Company Board of Directors Special Meeting



November 30, 2022 @ 5:30pm
Meeting Held Electronically - Livestream on ZOOM and Facebook Live

ITEM	DESCRIPTION	PAGE #	PRESENTER
#1	Call to Order, Welcome, and Public Comment	N/A	Mr. Kaplan
#2	FY24 Budget Reductions Proposal	2-3	Mr. Baker
#3	Next Meeting Date & Adjournment The next regular meeting of the Alexandria Transit Company Board of Directors is scheduled for Wednesday, December 14, 2022	4	All

ATC Board Agenda Detail

Item #: 2
Item Title: FY24 Budget Reductions Proposal
Contact: Josh Baker, General Manager
Board Action: Discussion, Consideration of Approval



Background:

The City of Alexandria has begun the annual budget process. This year the City Manager has requested that departments and outside agencies (including DASH) submit a 2% reduction scenario to the current services budget.

The DASH FY 2024 reduction target is \$535,925, which is 2% of the FY 2023 approved General Fund budget.

It has been common that reductions be requested; however, in the past it has been permissible to also identify alternative revenue or new revenue in lieu of cuts. The City Manager has not indicated such an option this year and has indicated that he will intend to take exercise reduction options to the extent he needs to and they fit his requirements.

The following instructions were provided:

Budget reductions that will not be considered for the FY 2024 budget:

- *One-time service reductions, hiring freezes, increases in vacancy savings or early retirement savings*
- *Department chargebacks or transferring costs from one department or agency to another that do not result in City-wide savings*
- *Savings resulting from rent adjustments captured in the base budget*
- *Deferring vehicle purchases*

In response to this goal, the General Manager has prepared the following three (3) possible FY 2024 Reduction Scenarios:

- **Scenario 1 (Recommended):** A split of approximately 31% administrative, and 69% service cuts. This scenario is the staff-recommended scenario as it is as balanced as possible and applies reductions in administrative budget items which will have the least adverse impact on the quality of services. One vacant position is eliminated, and training and employee recognition programs are reduced. Service cuts would be focused on two lines with the lowest ridership.
- **Scenario 2:** Focuses more on Service Cuts which are the most impactful in reaching reduction targets. This amounts to approximately 16% administrative, and 84% service cuts. This scenario most adversely affects the riding public while retaining all internal administrative line-item priorities. One vacant position is eliminated in this scenario while the rest of the cuts are made up of service reductions. This scenario is not recommended by staff.
- **Scenario 3:** Presents a most aggressive administrative reduction target, approximately 51% administrative, and 49% service cuts. These reductions would have a severe adverse effect on the quality of training, marketing and outreach, employee recognition, and rider resources produced by DASH. This scenario is not recommended by staff.

Each scenario is detailed on the next page and during the Board's discussion, additional details can be provided as to the effects of each alternative.

The Board is asked to consider each scenario and to make an approval decision during the November 30, 2022, Meeting. Should the City Manager exercise the option to take the submitted scenario, a public outreach process will be initiated by DASH and the Board will consider the final budget approval and the proposed reductions in the spring of 2023.

DASH Reduction Scenarios – FY 2024

FY 2024 DASH Reductions - Scenario 1

Service & Administrative Cuts

Reduction Type	Description	(Reduction) or Revenue Amount	Details/Impacts
Service Reduction - Line 104	Braddock Metro, Cameron Mills Rd, Parkfairfax, Pentagon. Reduce weekday peak service from every 30 minutes to every 60 minutes.	\$ (180,000.00)	Line 104 has some of the lowest ridership in the system, it is a weekday/peak driven service which has not seen a return to use because of the ongoing pandemic. This reduction results in much longer waits for Line 104 passengers in Parkfairfax; Service becomes much less useful.
Service Reduction - Line 102	King St. Metro, Janneys Lane, Seminary Road, Southern Towers, Mark Center. Reduce weekday peak service from every 30 minutes to every 60 minutes.	\$ (190,000.00)	Line 102 has continued to see low usage as was the case pre-pandemic. This reduction results in much longer waits for Line 102 passengers on Seminary Road during weekday peaks; Service becomes much less useful.
Administrative Budget Reduction	(1) Eliminates one vacant position (including all benefit costs) that had been planned for the applications for Federal Funds and for the compliance requirements associated with them. Without this position these responsibilities will be rolled up to other staff and will rely more heavily on the City to support Grant applications. (2) Employee recognition programs are reduced (3) training and travel are also reduced limiting the ability for staff to attend outside trainings (4) Legal services are reduced by 1/4 and will rely more heavily on staff to prepare for and defend arbitrations and cases involving labor disputes.	\$ (165,925.00)	
Reduction Target:		\$ 535,925.00	
Total Reductions		\$ (535,925.00)	

FY 2024 DASH Reductions - Scenario 2

Majority Service Cuts

Reduction Type	Description	(Reduction) or Revenue Amount	Details/Impacts
Service Reduction - Line 104	Braddock Metro, Cameron Mills Rd, Parkfairfax, Pentagon. Reduce weekday peak service from every 30 minutes to every 60 minutes.	\$ (180,000.00)	Line 104 has some of the lowest ridership in the system, it is a weekday/peak driven service which has not seen a return to use because of the ongoing pandemic. This reduction results in much longer waits for Line 104 passengers in Parkfairfax; Service becomes much less useful.
Service Reduction - Line 102	King St. Metro, Janneys Lane, Seminary Road, Southern Towers, Mark Center. Reduce weekday peak service from every 30 minutes to every 60 minutes.	\$ (190,000.00)	Line 102 has continued to see low usage as was the case pre-pandemic. This reduction results in much longer waits for Line 102 passengers on Seminary Road during weekday peaks; Service becomes much less useful.
Minor Trip Reductions - Lines 32, 33, 34 or 103	Various Areas. DASH to shorten to selected low-ridership trips on Lines 32, 33, 34 and/or 103 on both weekdays and weekends.	\$ (58,200.00)	Reductions would mostly occur during off-peak periods such as evenings and weekends and would result in longer wait times for passengers that are impacted.
Administrative Budget Reduction	Eliminates one vacant position (including all benefit costs) that had been planned for the applications for Federal Funds and for the compliance requirements associated with them. Without this position these responsibilities will be rolled up to other staff and will rely more heavily on the City to support Grant applications.	\$ (107,725.00)	
Reduction Target:		\$ 535,925.00	
Total Reductions		\$ (535,925.00)	

FY 2024 DASH Reductions - Scenario 3

Majority Administrative Cuts

Reduction Type	Description	(Reduction) or Revenue Amount	Details/Impacts
Service Reduction - Line 104	Braddock Metro, Cameron Mills Rd, Parkfairfax, Pentagon. Reduce weekday peak service from every 30 minutes to every 60 minutes.	\$ (180,000.00)	Line 104 has some of the lowest ridership in the system, it is a weekday/peak driven service which has not seen a return to use because of the ongoing pandemic. This reduction results in much longer waits for Line 104 passengers in Parkfairfax; Service becomes much less useful.
Minor Trip Reductions - Lines 32, 33, 34 or 103	Various Areas. DASH to shorten to selected low-ridership trips on Lines 32, 33, 34 and/or 103 on both weekdays and weekends.	\$ (80,000.00)	Reductions would mostly occur during off-peak periods such as evenings and weekends and would result in longer wait times for passengers that are impacted.
Administrative Budget Reduction	Implements drastic cuts to administrative and support programs: (1) Eliminates one vacant position (including all benefit costs) that had been planned for the applications for Federal Funds and for the compliance requirements associated with them (2) eliminates rider guide printing and production, moving to a QR code based rider guide program (3) reduces legal (4) eliminates employee training, professional development, travel and events (except for basic bus operator training) (5) severely reduces employee recognition programs (6) cuts Advertising funding by half (7) severely reduces marketing and professional services budgets (8) trims office supplies to minimum (9) significantly reduces meeting/training lunch budget	\$ (275,925.00)	
Reduction Target:		\$ 535,925.00	
Total Reductions		\$ (535,925.00)	

ATC Board Agenda Detail

Item #: 3
Item Title: Next Meeting Date & Adjournment
Board Action: Discussion/Consideration of Approval



The next regular meeting of the Alexandria Transit Company Board of Directors is scheduled for Wednesday, December 14, 2022, at 5:30pm

Consider Adjournment