

**DEPARTMENTAL BUDGET INFORMATION
DEPARTMENT OF TRANSPORTATION (20)**

STATEMENT OF PURPOSE

The Detroit Department of Transportation mission is to provide public transit services that are reliable, clean, customer focused, fiscally responsible, safe and secure for metropolitan Detroit area residents.

DESCRIPTION

The Department of Transportation operates the bus system in the City of Detroit with a fleet of 500 coaches.

DDOT is the largest transit provider in the State of Michigan operating over 1,200 miles of routes and providing service to over 41 million passengers annually.

DDOT's primary facilities include the **Central Shop**, which is located at 1301 East Warren, and includes an administration building, a heavy repair facility, and plant maintenance building. DDOT also maintains three other satellite terminals with light repair garages and storage bays. During FY2010, DDOT will have a premier opening of the Rosa Park Transit Center.

DDOT's active fleet consists of 500 fixed-route coaches, which serves 48 bus routes in the City of Detroit. The department maintains approximately 6,000 bus stops and 175 bus shelters.

DDOT provides ADA (Americans with Disabilities Act) complementary paratransit services for the elderly and disabled through Detroit MetroLift. Detroit MetroLift operates approximately 47 lift-equipped paratransit vehicles and provides service to more than 650 passengers per day.

Additionally, DDOT provides administrative services to the Detroit Transportation Corporation (DTC), operator of the Detroit People Mover.

**MAJOR INITIATIVES FOR
FY 2008-09**

DDOT's priority is to provide reliable, clean, safe, and customer focused transit services. DDOT is continuing the departmental reorganization that began in 2007-08 emphasizing: scheduling, operations, and maintenance efficiencies; cost savings; customer service; and increasing ridership and revenues.

The Strategic Planning Division has drafted DDOT's first Five-Year Service Plan. This plan is a blueprint to guide DDOT's recommended service initiatives. It addresses transit issues and provides solutions to meet customer needs and expectations. The production of schedules that ensure efficient and reliable transportation service to area residents is a continuing major initiative for the division. The emphasis will be on meeting customer demand during peak service hours (e.g., rush hour). Service monitoring and Automated Vehicle Locator (AVL) technology will enable improved service planning and route design. The Strategic Planning Division has been diligently working on the implementation stage of the Woodward Light Rail Project. The line will consist of eight miles of light rail from downtown to the Michigan State Fairgrounds. The Operations Division has implemented a new Transportation Operations System (TOS) that will improve the reliability of scheduled service by monitoring check-in, pull-out, and pull-in processes for Transportation Equipment Operators (TEO). In addition, Operations efforts will be focused on increasing the number of TEOs available to meet customer demand. Vehicle Maintenance is implementing an Enterprise Asset Management System, which will enable better management of vehicle service by monitoring check-in, pull-out,

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and pull-in processes for Transportation Equipment Operators (TEO). In addition, Operations efforts will be focused on increasing the number of TEOs available to meet customer demand. Vehicle Maintenance is implementing an Enterprise Asset Management System, which will enable better management of vehicle maintenance and inventory. Training will be provided to mechanics to attain certification in transit vehicle repair. Vehicle Maintenance focus will be on ensuring vehicles are repaired timely and are available to meet customer demand for service.

Cost savings will be attained through better processes to reduce wasteful overtime in all areas of the department. Improved inventory management will reduce obsolescence costs and waste. Inventory storerooms have been consolidated to increase efficiency and reduce costs. Multifunctional equipment has been in use during this fiscal year to replace fax machines, printers and copiers to reduce maintenance and supply costs. DDOT's Risk Management will be expanded to mitigate safety risks, review claims, and work to recover damages from parties at fault (e.g., insurance subrogation). DDOT will restructure the ADA-Paratransit service to ensure better service for eligible clients, while also reducing costs.

DDOT has adding new pass sales outlets for the convenience of our customers. The riding public will be able to purchase bus passes twenty-four hours a day seven days a week. In addition, DDOT will offer longer hours of operation (9:00 am to 9:00 pm) for sales at the new Rosa Parks Transit Center. Further, products available through DDOT's on-line store will be expanded. New fare media has been introduced in 2008 such as a

five-day pass that starts when the passenger first uses the pass and the \$10 Dollar Stored Value Card which allows passengers to prepay and have the fee deducted when they actually ride. DDOT also has initiated partnerships with local colleges; increasing the pass sales available to students on their campuses. The focus of pass sales is to bring the passes to the customer, expedite transportation boarding and to improve schedule adherence.

In 2008-09 DDOT's farebox revenue accuracy has improved since the installation of the new fareboxes. That trend is expected to continue in 2009-10. The addition of transit police to make transportation safer and more reliable service, are contributing to more passengers and increased revenues. DDOT projects annual farebox revenues to increase to \$30 million in 2008-09 with a 3% increase for 2009-10.

The new Rosa Parks Transit Center will provide a central transit location for passenger convenience that will include passenger information, and the sales of passes. During 2008-09 bus stops will have new signage and supplemental route information that will better serve customers. DDOT will expand its marketing and customer service activities to bring transit information and services to the customer. DDOT will conduct quarterly operational audits to address passenger complaints and ensure optimal customer service. Passengers will continue see more reliable bus service in 2009-10.

DDOT is utilizing grant funding for capital projects such as the Rosa Parks Transit Center and facility improvements that will improve the work environment, productivity, and service reliability. In

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2008-09, DDOT will use grant funds to purchase 50 new buses.

Revenue initiatives include the following:

- Application for \$46 million in grants for 2008-2009.
- Enhance on-line (Internet) store for pass sales.
- Increase ridership by meeting customer demand and providing more reliable service.
- Increase ridership and revenue by providing express and limited stop routes.
- Develop new fare media (e.g., stored value cards) to increase farebox revenue and customer convenience.
- Increase pass and fare media sales outlets to include locations open 24 hours per day and seven days a week.
- Promote and advertise transportation services and programs.
- Lease/Concession/Advertising revenue from retail space at the Rosa Parks Transit Center.

Costs saving initiatives include the following:

- Reduce planned schedule changes to improve customer reliability
- Reduce maintenance downtime costs by adding a production planner and schedulers to coordinate the simultaneous availability of coaches, parts, and materials.
- Restructure inventory to include consolidation of the storerooms to reduce costs and ensure parts and material availability for maintenance when needed.
- Expansion of DDOT's risk management to mitigate safety risks and review

workers compensation and long-term disability claims.

- Pursue claims against those causing damage to DDOT buses and property to include insurance subrogation.
- Perform midlife overhauls of older buses to improve service reliability.
- Increase preventative maintenance efforts to reduce equipment failures.
- Facility improvements such as new HVAC equipment, which will reduce maintenance, heating and electricity costs.
- Fuel savings from new Posi Lock system and HVAC equipment that will reduce fuel spillage and bus warm up time.
- Increased and improved safety training for TEOs to reduce accidents.
- Increased and improved mechanic training to attain certification and improve maintenance productivity.
- Continue to improve work processes to reduce waste and inefficiencies.
- Continuation of pre-employment screening program to upgrade entry level requirements and improve employee retention.
- Restructure ADA-Paratransit Program to improve service and reduce costs.
- Revise the Budget monitoring process to breakdown the Budget by units/cost centers and hold managers accountable for meeting budgeted labor hours and other budgeted parameters (e.g., X number of brake jobs).

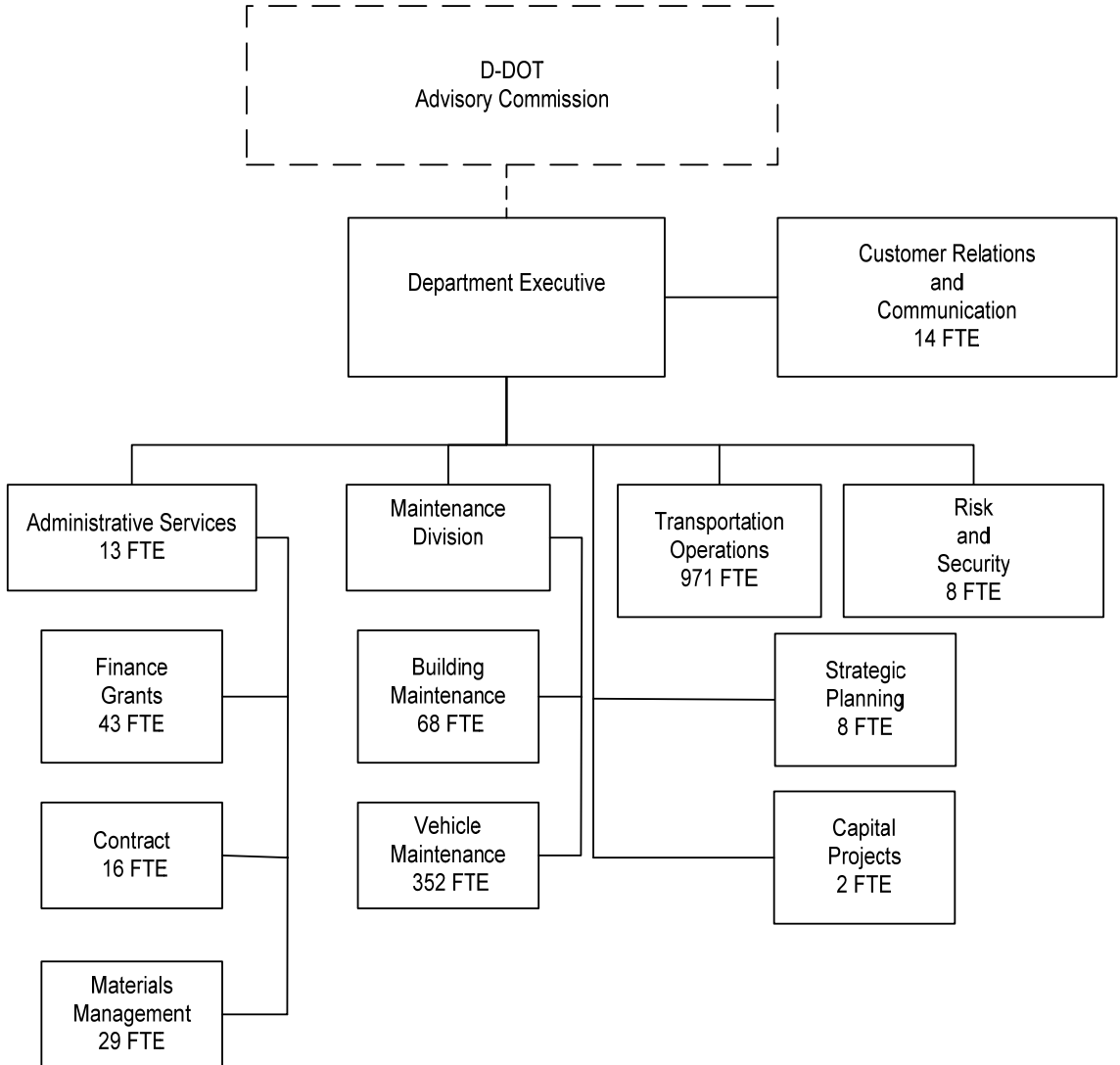
PLANNING FOR THE FUTURE FOR FY 2009-10, FY 2010-11 and BEYOND

DDOT buses will operate out of the new Rosa Parks Transit Center located at the corner of Michigan and Cass in 2008-2009. DDOT will improve its strategic planning to include long term operating and capital plans. The plans will focus on clean,

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reliable, safe, and customer-focused transit services for DDOT's service area. DDOT will be working on improving transit options to include rapid transit and express service linking Downtown, New Center, neighborhoods and points beyond. DDOT in support of its mission to provide safe and secure transit services throughout the city will take proactive measures that will improve the overall safety and security of DDOT's operations and services.

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PERFORMANCE GOALS, MEASURES AND TARGETS

ADMINISTRATION MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2006-07 Actual	2007-08 Actual	2008-09 Projection	2009-10 Target
Inputs: Resources Allocated or Service Demands Made				
Firms certified DBE	89	119	119	130
Outputs: Units of Activity directed towards goals				
Workers' Comp (WC) cases	89	84	80	75
Outcomes: Results or Impacts of Program Activities				
Number wheelchair bound passengers served	9,013	11,756	12,180	13,740
Efficiency: Program Costs related to Units of Activity				
Service efficiency: operating expense per revenue mile	\$12.22	\$11.78	\$11.85	\$11.33
Cost effectiveness: operating expense per passenger trip	\$4.83	\$4.87	\$4.14	\$3.95
Ratio of WC, LTD, S&A/total employees	15.26%	15.00%	15.00%	14.70%
Administration overtime	\$327,026	\$204,586	\$134,064	\$122,064
Farebox recovery percent of budgeted revenue	13.67%	16.41%	16.47%	17.01%
Other non-governmental sources of revenue	\$1,216,598	\$1,910,317	\$1,535,000	\$1,765,000

PLANT MAINTENANCE AND CONSTRUCTION'S MEASURES AND TARGETS

Type of Performance Measure List of Measures	2006-07 Actual	2007-08 Actual	2008-09 Projection	2009-10 Target
Outputs: Units of Activity directed toward Goals				
Number service calls per month	625	650	625	700
Plant Maintenance overtime	\$1,343,785	\$ 2,134,130	\$ 1,500,000	\$ 792,000

VEHICLE MAINTENANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2006-07 Actual	2007-08 Actual	2008-09 Projection	2009-10 Target
Outputs: Units of Activity directed towards Goals				
Vehicle maintenance overtime (wages)	\$5,145,995	\$5,234,120	\$3,900,000	\$3,500,000
Outcomes: Results or Impacts of Program Activities				
Number miles between road calls	3,958	4,200	4,600	5,060
Efficiency: Program Costs related to Units of Activity				
Maintenance cost per passenger	\$1.68	\$1.78	\$1.46	\$1.43

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TRANSPORTATION MEASURES AND TARGETS

Type of Performance Measure:	2006-07	2007-08	2008-09	2009-10
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed towards Goals				
Miles operated	18,018,154	18,198,916	18,000,000	18,000,000
Number of passengers	35,204,863	35,204,877	41,075,000	43,000,000
Actual vehicle revenue miles	14,918,836	15,152,461	15,000,000	15,000,000
Actual vehicle revenue hours	1,167,230	1,191,017	1,167,230	1,200,000
Number of miles between accidents (collisions)	29,212	31,984	32,727	30,000
Efficiency: Program Costs related to Units of Activity				
TEO (driver) overtime	\$6,556,890	\$8,129,923	\$6,800,000	\$6,000,000
Operations Division cost per passenger trip	\$ 2.69	\$ 2.13	\$ 1.80	\$ 1.71
Passengers per revenue mile	2.36	2.32	2.74	2.87
Passengers per revenue hour	30.16	29.56	34.23	39.09

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EXPENDITURES

	2007-08 Actual Expense	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 67,858,904	\$ 67,798,367	\$ 66,422,440	\$ (1,375,927)	-2%
Employee Benefits	40,974,209	48,221,929	45,086,011	(3,135,918)	-7%
Prof/Contractual	22,789,217	10,834,865	8,011,999	(2,822,866)	-26%
Operating Supplies	34,512,919	22,060,103	20,570,722	(1,489,381)	-7%
Operating Services	18,744,452	26,308,181	26,934,270	626,089	2%
Capital Equipment	1,813,471	-	-	-	0%
Capital Outlays	20,423,165	-	-	-	0%
Fixed Charges	7,077,329	2,207,173	6,634,828	4,427,655	201%
Other Expenses	6,703,519	6,537,976	6,537,976	-	0%
TOTAL	\$ 220,897,185	\$ 183,968,594	\$ 180,198,246	\$ (3,770,348)	-2%
POSITIONS	1,498	1,523	1,524	1	0%

REVENUES

	2007-08 Actual Revenue	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Rev from Use of Assets	\$ 1,703,691	\$ 1,435,000	\$ 1,765,000	\$ 330,000	23%
Grants/Shared Taxes	48,233,276	11,285,500	12,000,000	714,500	6%
Sales & Charges	82,554,722	82,302,628	82,037,130	(265,498)	0%
Contrib/Transfers	85,405,271	88,885,466	84,296,116	(4,589,350)	-5%
Miscellaneous	6,443,603	60,000	100,000	40,000	67%
TOTAL	\$ 224,340,563	\$ 183,968,594	\$ 180,198,246	\$ (3,770,348)	-2%