

## Vision Update 2008-9 - Chapter Five - Operational Plan

The operational plan as developed in Chapter Four basically restores the service cuts that were made as far back as 2003 and expands the service to meet the levels in the State Plan as well as meeting the DTA's own Goals and Objectives. This is a significant increase in service over the current level. It requires the peak fleet to increase by five vehicles.

The major areas of improvements would be listed as Mall and Airport services, West mainline headway improvements, arrival and departure improvements. Also, studies are needed.

The charts below show the fiscal impacts of these service changes. In future years the service is held constant as are the fares. The tables shows the impact of State funding which was to increase starting in State FY 2009. However, with the budget shortfall the DTA does not expect that State revenues will be able keep pace with this ambitious schedule.

The first table depicts the current level of service with some fare increases  
The tables below depict the current approved budget for 2009 as well as for the improved service levels starting in the fall of 2010.

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	<b>Budget</b>	<b>Revised</b>		
	<b>2007</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
		Fall Service Added	Expanded Fall Service	
<b>OPERATING REVENUES</b>				
PASSENGER REVENUE	1,838,353	1,862,353	1,910,054	1,962,054
CHARTER REVENUE	15,000	15,000	15,000	15,000
OTHER REVENUE	1,253,216	1,251,141	1,325,516	1,351,983
STRIDE	39,780	39,780	39,780	39,780
<b>TOTAL REVENUE</b>	<b>3,146,349</b>	<b>3,168,275</b>	<b>3,290,350</b>	<b>3,368,817</b>
<b>OPERATING EXPENSES</b>				
OPERATIONS EXPENSE	6,849,261	7,003,168	7,337,184	7,593,985
MAINTENANCE EXPENSE	1,776,803	1,791,039	1,835,815	1,881,710
GENERAL ADMINISTRATION EXPENSE	2,162,137	2,162,137	2,216,190	2,271,595
STRIDE	623,856	623,856	723,526	766,937
<b>TOTAL EXPENSES</b>	<b>11,412,057</b>	<b>11,580,200</b>	<b>12,112,715</b>	<b>12,514,228</b>
<b>OPERATING DEFICIT (LOSS)</b>	<b>8,265,708</b>	<b>8,411,925</b>	<b>8,822,365</b>	<b>9,145,412</b>
<b>SUBSIDY SHARES</b>				
Federal 5307 - STATE	627,970	627,970	627,970	627,970
Federal 5307 - Local Plus JARC/New Freedoms	477,030	527,030	627,030	627,030
STATE OF MN SUBSIDY	6,439,109	6,439,109	6,839,109	7,239,109
CITY OF DULUTH SUBSIDY	721,599	817,816	728,256	651,303
<b>TOTAL SUBSIDY SHARES</b>	<b>8,265,708</b>	<b>8,411,925</b>	<b>8,744,387</b>	<b>8,923,918</b>
<b>REGULAR ROUTE STATISTICS</b>				
SYSTEM MILES	1,892,628	1,930,068	2,021,748	2,072,292
COST PER MILE	6.03	6.00	5.99	6.04
REVENUE TO COST RATIO	27.6%	27.4%	27.2%	26.9%

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	2010	2011	2012
<b>OPERATING REVENUES</b>			
PASSENGER REVENUE	2,170,054	2,378,054	2,378,054
CHARTER REVENUE	15,000	15,000	15,000
OTHER REVENUE	1,377,198	1,404,279	1,404,279
STRIDE	39,780	39,780	39,780
<b>TOTAL REVENUE</b>	<b>3,602,032</b>	<b>3,837,113</b>	<b>3,837,113</b>
<b>OPERATING EXPENSES</b>			
OPERATIONS EXPENSE	7,859,775	8,134,867	8,419,587
MAINTENANCE EXPENSE	1,928,753	1,976,972	2,026,396
GENERAL ADMINISTRATION EXPENSE	2,328,385	2,386,595	2,446,260
STRIDE	812,954	861,731	913,435
<b>TOTAL EXPENSES</b>	<b>12,929,867</b>	<b>13,360,164</b>	<b>13,805,678</b>
<b>OPERATING DEFICIT (LOSS)</b>	<b>9,327,835</b>	<b>9,523,052</b>	<b>9,968,565</b>
<b>SUBSIDY SHARES</b>			
Federal 5307 - STATE	627,970	627,970	627,970
Federal 5307 - Local Plus JARC/New Freedoms	627,030	627,030	627,030
STATE OF MN SUBSIDY	7,639,109	8,039,109	8,439,109
CITY OF DULUTH SUBSIDY	433,726	228,943	274,456
<b>TOTAL SUBSIDY SHARES</b>	<b>8,936,497</b>	<b>8,965,397</b>	<b>8,965,397</b>
<b>REGULAR ROUTE STATISTICS</b>			
SYSTEM MILES	2,124,099	2,177,202	2,231,632
COST PER MILE	6.09	6.14	6.19
REVENUE TO COST RATIO	27.9%	28.7%	27.8%