

## **Transit Operations Making Progress in Reducing Hourly Operating Costs**

(March 17) Transit Operations has made substantial progress in reducing per-hour operating costs and expects to achieve a reduction this fiscal year from \$105.54 per hour to \$102.14.

A further reduction to \$90 per hour in 2001, as voted in a recent Board action, would require significant changes in the way the MTA operates.

### **Compared with peer agencies**

In a joint report to the Board's Operations Committee, March 15, Transit Operations Chief Tom Conner and Chief Financial Officer Dick Brumbaugh discussed factors affecting operating costs. Conner said a recent study comparing MTA operations with nine other transit agencies indicates MTA bus service, including contracted services, is seven percent higher than peer agencies.

"From the benchmarking information," he said, "it looked to us that if we could reach \$98 per hour, we would be equal to our peer group."

Achieving a level of \$90 per revenue service hour "would require significant changes in the way we do business," Conner told the committee. This would include re-evaluating the cost of labor agreements, contracted transportation, the MTA's alternate fuels policy, workers compensation and transit security.

### **Save \$20 million this year**

Brumbaugh said the MTA will save some \$20 million this fiscal year by reducing its hourly operating costs. The average hourly cost for bus operators has declined as new employees are hired to replace retiring bus operators. Currently, 30 percent of Metro Bus operators have less than two years' experience.

Maintenance costs are expected to be \$9 million lower than originally budgeted, Brumbaugh said, while savings from staff vacancies and reductions will reach \$11 million this fiscal year.

However, diesel fuel costs are expected to increase operating costs by 42 cents an hour and workers compensation costs will rise by about 19 cents an hour above budget.

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