



SouthWest Transit 2010 ANNUAL REPORT

It's my honor to present the 2010 Annual Report for SouthWest Transit which highlights major accomplishments achieved over the past year.

2010 presented SouthWest Transit with many challenges including budget reductions; heightened political tension between the suburban transit providers and the Metropolitan Council; and of course we can not leave out the record snowfall we received towards the end of the year, an event which always makes for an exciting day in the transit business.

Even with all the challenges, SouthWest Transit was able to achieve a number of operational milestones and service initiatives. Many of these are outlined throughout the body of this report.

As we move ahead we are fully aware these are trying times for everyone and that the economic recovery we are all hoping for is something that will not happen fast enough.

Complaining about the situation isn't really going to do any good, and counting on a "white knight" to swoop in and save the day isn't much of a strategy to deal with the situation.

While we will continue to push for our fair share of funding, we are also committed to a proactive approach that relies on cost effectiveness and sound management decisions. In other words, we will continue to operate a "lean" organization and strive to come up with new and innovative ways to operate that maximize system efficiencies.

We do not want to mislead anyone into thinking that this approach is going to be easy and without pain and sacrifice. Services may need to be suspended and/or consolidated, and staff levels will need to be adjusted to match the level of service operating on the street. It is an approach none of us relish, but it is one we believe is needed to help get us through these unsettled times.

As we continue forward, one thing we will not waiver on is our commitment to quality, safety, customer service and to the development of our employees. We have faced difficult situations in the past, and I'm sure we will again in the future. We believe that it's how we deal with adversity today that will define how successful we will be tomorrow.

In closing, I would like to point out that SouthWest Transit will be celebrating its 25th Anniversary in 2011. A quarter century of success is a milestone worth recognizing, and we are proud to celebrate this achievement with everyone who has helped make SouthWest Transit one of the premier transit operations in the country. Thank you to all who have played a role in our success!



Len Simich
Chief Executive Officer/General Manager
SouthWest Transit



2010 SouthWest Transit Commission Members

Tom Furlong, Chair – City of Chanhassen
Nancy Tyra-Lukens, Vice-Chair – City of Eden Prairie
Greg Boe, Secretary/Treasurer – City of Chaska

Jon Duckstad – City of Eden Prairie
Jennifer Wolff – City of Chaska
Jody Collis King – City of Chanhassen
Bjarne Henderson – Rider Representative

ACCOMPLISHMENTS



Awards

In 2010, SouthWest was recognized for its work in several areas.

The American Public Transportation Association (APTA) presented SouthWest Transit with its first ever **National Certificate of Merit for Security**, recognizing SouthWest Transit for its commitment to passenger and employee safety and for its Emergency Preparedness Plan.

The Eden Prairie Human Rights and Diversity Commission selected SouthWest Transit as a recipient of the **Human Rights Award** for its dedication to area residents, specifically for the “Feeder Bus” service it operates in Eden Prairie which provides senior citizens and other individuals transportation for grocery shopping, medical appointments and access to other much needed services.

Intermediate District 287 presented SouthWest Transit with its “**Outstanding Employer**” award for the opportunities offered to their special-needs students who receive work experience and provide SouthWest Transit capable, reliable help.

In 2010, for the fourth consecutive year, the Government Finance Officers Association presented SouthWest Transit with its Certificate of Achievement for **Excellence in Financial Reporting**. This certificate is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a governmental unit and its management.



Cost Savings/Budget Balancing

In 2010 SouthWest Transit had a second year of saving approximately a half million dollars from the previous year. These measures included the **mid-day park-out of buses** at the “Metro Dome” in downtown Minneapolis. SouthWest was also able to amend the driver contract with First Transit, Inc., implement program reductions and reduce overall cost per passenger through **better efficiencies** and generate **additional revenues** through leasing space at the Chaska Garage and wall space for advertising at its two parking ramps.



Development & Construction

In 2010, SWT broke ground on the new 400+ stall ramp and station – **Chanhassen Transit Station**.

A Letter of Intent was signed for the **SouthWest Village** development site, as well as for the **East Creek Station** development site.

Improvements began at the new **bus garage facility in Chaska** (lighting, generator, roof, heating, interior).



Operations

SouthWest Transit operations continued strong in 2010, despite a reduced budget. For the fourth consecutive year SWT safely provided **over one million rides** without sacrificing service quality. Decisions to reduce and re-tool the workforce to match consolidated operation levels were not easy. The ability to hire local high school and college labor has been invaluable to control cost and maintain beautiful facilities. Because of these decisions, the **subsidy per passenger was reduced for the third consecutive year**. The subsidy per passenger dropped from \$5.08 in 2009 to \$5.03 in 2010. Additional evidence of an excellent year includes:

- All scheduled routes departed 99 percent on time with arrivals being 95 percent on time.
- One road call for every 35,000 miles driven compared to the national average of one per 10,000 miles operated and up from 2009 which was one per 31,000 miles.
- Zero missed trips
- Less than one chargeable accident for every 200,000 miles operated.
- Customer satisfaction level of 99 percent who were either satisfied or very satisfied with the services provided.

ACCOMPLISHMENTS



Community Outreach

In addition to our express service to downtown Minneapolis and the U of M, SWT provided local support to its Cities. On Tuesdays throughout the year, the Eden Prairie **Feeder Bus** transported residents from several housing sites to nearby shopping areas and medical facilities. SWT continued its **“job-seeker”** program, providing “Flash Passes” for free bus rides to help people in their search for employment. New this year was the **Twins Express** bus which provided more than 10,000 rides to Target Field from our Cities. Summer service took local residents to the **Como Zoo**. More than 60,000 riders enjoyed service to the **State Fair** from Chanhassen and Eden Prairie. In December, riders and staff donated toys and food for the annual **Toys for Tots** drive and **local food shelves**. Many rode the **Holidazzle Express**. SWT, with the Lodge in Chaska, hosted an **event for local seniors**. They were entertained by a local high school choir and then transported to the Minnesota Landscape Arboretum for the afternoon.



Major Operational Initiatives

SouthWest Transit launched several significant initiatives in 2010 such as the Rider **“Shared Expectations and Responsibilities”** which was initiated by the Rider Advisory Committee. There was also the implementation of new technologies such as **Automated Vehicle Locators (AVL)** and **Automated Passenger Counters (APC)** to improve customer service, passenger safety, operational performance, service planning and overall service quality. Finally, SouthWest Transit has been able to procure five **new buses** that will arrive in 2011 to assist in service delivery.



Service Planning/Delivery

Times of a slow economy and minimal funding allow for an agency to reflect and plan for the future when the economy does turn around. SouthWest Transit has taken advantage of that and updated its **strategic/business plan** and is currently working on the agency’s **mid to long-range plan**. SouthWest Transit also reached out to businesses located in the Golden Triangle area of Eden Prairie to plan peak period high frequency **suburb to suburb** bus service.

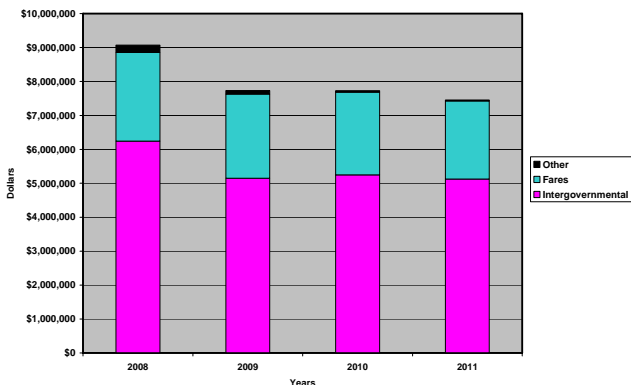
Budget and Revenue

Budget and Revenue – Revenue for the general operations of SouthWest Transit has decreased from \$9 million in 2008 to a low of \$7.7 million in 2011.

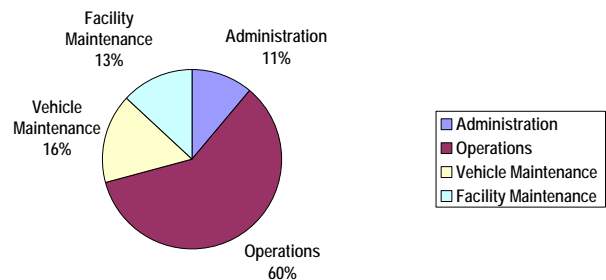
Faced with decreasing revenues in 2010 and 2011, SouthWest Transit operations continues to focus on the most efficient routes while still providing service to the transit dependent population. Current transit services in 2011 will be maintained with a use of \$574,000 from reserves.

Current increases in fuel will present an additional challenge above the current budget.

SouthWest Transit Revenue



SWT 2011 Operating Budget



25 YEARS OF HIGHLIGHTS IN SOUTHWEST TRANSIT HISTORY

- | | |
|--|--|
| <p>1986 Southwest Metro Transit Commission (SMTC) created by the cities of Eden Prairie, Chanhassen and Chaska.</p> | <p>2004 Minnesota Shopping Center Association presents STARR Award for the design and aesthetics of SouthWest Station.</p> |
| <p>1993 SMTC office moves to the new Eden Prairie City Hall on Mitchell Road.</p> | <p>2005 SMTC receives “Excellence in Air Quality” award from the Federal Highway Administration.</p> |
| <p>1994 Dispatch operations taken in-house.</p> | <p>2006 Name of organization officially changed to “SouthWest Transit” (SWT).</p> |
| <p>1995 SMTC purchases its first fleet: thirteen Citiliners and seven Vistas.</p> | <p>2006 14 new transit vehicles added as demand for SouthWest Transit services continues to grow.</p> |
| <p>1997 SMTC joins the Regional Guaranteed Ride Home Program.</p> | <p>2006 SouthWest Transit operates 100 percent of its scheduled routes – 47,343 to be exact – that’s 1,475,000 miles.</p> |
| <p>1998 Midday service to and from Downtown added. Service to State Fair and Holidazzle begin.</p> | <p>2007 For the first time SouthWest Transit provides more than one million rides.</p> |
| <p>1998 New bus storage garage is purchased and remodeled.</p> | <p>2007 National “Gold Safety Award” for Transit Safety & Security Reliability presented to SouthWest Transit.</p> |
| <p>1998 Last year contracting with Metro Transit for service operations. Maintenance brought in-house.</p> | <p>2008 MPTA System of the Year Award</p> |
| <p>1999 Branding – first black buses arrive. They become the standard color for SMTC buses.</p> | <p>2008 Two new Park and Ride facilities opened along Highway 212: SouthWest Village in Chanhassen and East Creek Station in Chaska.</p> |
| <p>1999 Minnesota Transportation Alliance presents agency with “Partnership Award.”</p> | <p>2008 Demonstrated first double-decker bus service in the Twin Cities.</p> |
| <p>1999 Agency receives “Environmental Quality Award” from the Eden Prairie Chamber of Commerce.</p> | <p>2009 “Gold Safety Award” is once again presented to SouthWest Transit.</p> |
| <p>1999 SouthWest Station opens.</p> | <p>2009 New bus garage and maintenance facility purchased in Chaska.</p> |
| <p>2000 SMTC becomes first metro provider to bring coach buses into their fleet.</p> | <p>2009 For only the second time ever, ridership decreases as the economy sputters.</p> |
| <p>2000 Minnesota Public Transportation Association awards SMTC Management “Innovation Award.”</p> | <p>2010 Construction of new Chanhassen Transit Station begins near Chanhassen Dinner Theater.</p> |
| <p>2001 First rubber wheeled trolley purchased.</p> | <p>2010 SWT is awarded: City of Eden Prairie’s “Human Rights” award; ISD 287 “Outstanding Employer Award” for the second straight year; Government Finance Officers Association “Excellence in Financial Reporting” for fourth straight year.</p> |
| <p>2002 Funding structure changed from local property taxes to Motor Vehicle Sales Tax.</p> | <p>2010 APTA’s inaugural National Merit Award for Bus Security awarded to SouthWest Transit.</p> |
| <p>2003 SouthWest Station completed and restaurants open.</p> | <p>2010 Suburb to suburb service begins from Burnsville to Eden Prairie.</p> |
| <p>2004 SMTC partners with Twins and Timberwolves for special event service.</p> | |
| <p>2004 Southwest Metro Transit named national “Public Transportation System of the Year” by APTA.</p> | |