T&E COMMITTEE #2
April 29, 2009

MEMORANDUM

April 28, 2009

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Glenn Orlin, Deputy Council Staff Director

SUBJECT: FY10 Operating Budget: wrap-up of transportation recommendations; FY09-14 CIP: State Transportation Participation

Please bring the April 27 T&E packet to this worksession.

1. General Fund and NDAs. The Committee's tentative recommendations affecting the transportation portion of the General Fund and the HOA Road Reimbursement and Rockville Parking District NDAs are shown below. This is the opportunity to confirm or revise them.

Proposed General Fund and NDA Reductions

HOA NDA: "County" Program	$29,680	
Rockville Parking District NDA	147,430	
Silver Spring PLD payback	45,000	(instead of for Silver Spring TMD)
Increase Residential Parking Permit Fee	20,000	(increased revenue)
	$242,110	

General Fund Reconciliation List

Restore second service patrol	$99,380
Restore trail maintenance at FY08 level	100,000
Restore loop detector replacement	104,170
Takoma Park bridge repairs	168,000
	$410,110

Proposed Speed Camera Funding Reductions

Reduce ped safety outreach program	$250,000
Change ped signal timing in 4 yrs, not 3	79,750
	$329,750

*2. **Parking Lot District and Mass Transit Funds.*** Two scenarios are presented here. **Option #1** would add funds to avoid the bus service cuts proposed by the Executive in FY10 (except for 38%--instead of 100%--of the buses placed strategically to fill in when other buses break down or are over-filled), restore next January the service cuts initiated earlier this month (see ©36 of the April 27 packet), and provide a deeper subsidy for two income categories in Call-'N-Ride. To implement Option #1 would require approving Council staff's proposed increases to Bethesda PLD fees:

- Raise the price of on-street short-term spaces in the Bethesda Parking Lot District (PLD) from $0.75 to $1.00 per hour. The price of off-street short-term spaces would remain at $0.75/hour.
- Raise the price of long-term spaces in the Bethesda PLD from $0.50 to $0.75 per hour.
- Raise the price of the Parking Convenience Sticker in the Bethesda PLD from $95 to $140 per month.
- Raise the price of a 2-person carpool permit in the Bethesda PLD from $70 to $100/month.
- Raise the price of a 3-4-person carpool permit in the Bethesda PLD from $40 to $60/month.
- Raise the price of a 5+-person carpool permit in the Bethesda PLD from $10 to $15/month.
- Raise the price of the Daily Parking Permit in the Bethesda PLD and for the Daily Maximum and a Lost Ticket in Garage 49 from $8.25 to $12.00 per day.

In addition, Option #1 assumes four other actions already tentatively approved by the Committee: increasing the parking fees outside PLDs (i.e., North Bethesda); reallocating $50,000 proposed for Countywide/Regional Fare Share; reallocating $65,000 proposed for North Bethesda Super Fare Share; and adjusting the Montgomery Hills PLD fine transfer. Option #1 would also necessitate the enactment of Expedited Bill 17-09.

Option #1

	Funding Generated	
Bethesda PLD fee increase	$1,682,340	(change PLD/MTF tax rates)
	759,560	(Bill 17-09)
Outside PLD fee increase	62,670	
Reduce Countywide/Regional Fare Share	50,000	
Reduce North Bethesda Super Fare Share	65,000	
Adjust Montgomery Hills PLD fine transfer	9,440	
	$2,629,010	

	Reconciliation List	
Restore FY10 planned cuts	$2,027,510	
Cut strategic buses by $205,600, not $546,153	-205,600	Cut 38%, not 100%
Restore April 2009 cuts in January 2010	675,000	
Increase subsidy for Call-'N-Ride	132,100	
	$2,629,010	

Option #2 would add funds to avoid the bus service cuts proposed by the Executive in FY10 (except to cut 72%--instead of 100%--of the buses placed strategically to fill in when other buses break down or are over-filled), restore in September 2009 the midday service on Ride On Route 6 (requested by Councilmember Floreen), and provide a deeper subsidy for two income categories in Call-'N-Ride. To do so would require approving a 25-cent/hour increase in all short-term spaces, but a smaller increase in the long-term hourly rate, monthly Parking Convenience Sticker, and other associated fees, as follows:

- Raise the price of all short-term spaces in the Bethesda Parking Lot District (PLD) from $0.75 to $1.00 per hour.
- Raise the price of long-term spaces in the Bethesda PLD from $0.50 to $0.65 per hour.
- Raise the price of the Parking Convenience Sticker in the Bethesda PLD from $95 to $120 per month.
- Raise the price of a 2-person carpool permit in the Bethesda PLD from $70 to $90/month.
- Raise the price of a 3-4-person carpool permit in the Bethesda PLD from $40 to $50/month.
- Raise the price of a 5+-person carpool permit in the Bethesda PLD from $10 to $13/month.
- Raise the price of the Daily Parking Permit in the Bethesda PLD and for the Daily Maximum and a Lost Ticket in Garage 49 from $8.25 to $10.50 per day.

Option #2

Funding Generated		
Bethesda PLD fee increase (Option #2)	$1,682,340	(changing PLD/MTF tax rates)
Outside PLD fee increase	62,670	
Reduce Countywide/Regional Fare Share	50,000	
Reduce North Bethesda Super Fare Share	65,000	
Adjust Montgomery Hills PLD fine transfer	9,440	
	$1,869,450	

Reconciliation List		
Restore FY10 planned cuts	$2,027,510	
Cut strategic buses by $391,230, not $546,153	-391,230	Cut 72%, not 100%
Restore Route 6 midday service in Sept. 2009	101,070	Requested by CM Floreen
Increase subsidy for Call-'N-Ride	132,100	
	$1,869,450	

In addition, Option #2 assumes the same four other actions already tentatively approved by the Committee: increasing the parking fees outside PLDs; reallocating $50,000 proposed for Countywide/Regional Fare Share; reallocating $65,000 proposed for North Bethesda Super Fare Share; and adjusting the Montgomery Hills PLD fine transfer.

The Committee should select one of these two options, or a variant of one of them. The Committee also made two other recommendations: to transfer neither $35,000 from the Wheaton PLD nor $9,500 from the Montgomery Hills PLD to the Mass Transit Fund for transportation demand management. These funds would remain in the PLDs' reserves.

*3. **Taxicab fees and Taxi Unit budget.*** The Executive is recommending three changes to the schedule of taxicab fees that apply to drivers, companies, and passenger vehicle license (PVL) owners. He recommends deleting the temporary Driver Identification Card fee of $15 since they are no longer issued. He proposes increasing the fee for PVL renewals from $325 to $750, and doubling the fee to transfer 1-4 PVLs, from $2,500/PVL to $5,000/PVL. The Executive's transmittal memo noted that these changes were needed to raise $368,130 to make the Taxi Unit self-supporting—only 65% of its costs have been covered by fees since 2006—and to replace the unit manager position with an additional program specialist for regulating and licensing and a third hack inspector. (Subsequently, DOT staff has pointed out that the proposed fees would increase revenue by $403,880, and that this is the amount—not $368,130—that is included in the Executive's recommended budget and is needed to fund the unit and the new net position at the 100% level.) Concurrently, the Executive is recommending a $94,870 increase in the unit's operating budget. The Executive's transmittal is on ©37-40 of the April 27 packet.

The initial response from the Coalition for a Competitive Taxicab Industry (CCTI) is on ©41-47 of the April 27 packet. Attached are DOT's response (©A-B), CCTI's follow-up response (©C-I), and a letter from Barwood (©J-N). Arguments are made and defended against regarding staffing levels, revenues, and comparisons with other neighboring jurisdictions.

After reviewing this material, Council staff believes a third hack inspector would be useful in enforcing the taxi regulations and thus improving customer service, but that the fine revenue has been underestimated. Recall last year that DOT recommended increasing enforcement levels for residential permit parking and noted that by doing so the new fine revenue would more than pay for the added cost. An additional hack inspector would not generate enough fine revenue to pay for this position, since current fine revenue is estimated to be relatively low ($27,265). But it is not unrealistic that a 50% increase in inspectors would generate 50% more in revenue. Therefore, the revenue estimate should be $14,000 higher.

Also, Council staff is persuaded by CCTI's and Barwood's arguments that the program specialist position ($96,100) is not warranted at this time. The current ratio of PVLs held by fleets is about 80%, and it should not drop significantly over the next year.

With $14,000 in added revenue and $96,100 less in spending, the revenue needed from higher taxicab fees would be reduced by $110,100, from $403,880 down to $294,280. Therefore, Council staff recommends somewhat lower fees, which would generate $110,050 less revenue: still enough for the Taxi Unit to be self-supporting. The table below shows the current rates, the Executive's proposed rates, and those recommended by Council staff:

	Current	**Executive**	**Council Staff**
PVL Renewal Fee	$325	$750	$680
License Transfer (1-4 PVLs)	$2,500/PVL	$5,000/PVL	$3,500/PVL

Council staff recommendation: Reduce expenditures by $96,100 (personnel cost) and increase revenue estimate from fines by $14,000. For the taxicab fees, approve the Executive's recommendation to delete the $15 Driver ID Card fee, set the PVL Renewal fee at $680, and set the license transfer fee for 1-4 PVLs at $3,500/PVL.

4. FY09-14 CIP: State Transportation Participation (STP) project. Late last year the Council amended this project to program several transit, highway, and intersection improvements. New information has come forward that necessitates amending the project again:

- The Council had anticipated that $4.4 million in State funding for the design of future interchanges on US 29 and the widening of MD 124 would be reallocated to improvements under STP, but this winter the Maryland Department of Transportation reallocated these funds to other needs in the FY09-14 Consolidated Transportation Program (CTP) instead.
- The intersection improvement at MD 28 (First Street) and MD 586 (Veirs Mill Road) in Rockville was to be funded equally by the County and State, but the State now will be funding it entirely in the CTP with Federal stimulus money.
- The STP project needs a FY10 appropriation of $36,948,000 to proceed with those projects already programmed to begin in FY10:
    - Design and construction of six intersection improvements ($3,225,000);
    - Land acquisition and utility relocation for the Georgia Avenue/Randolph Road interchange ($6,123,000);
    - Design of the Watkins Mill Road bridge over I-270 ($7,600,000);
    - Design of the Montrose Parkway "missing link" between the MD355/Montrose interchange, which is under construction, and the Montrose Parkway East project, which is programmed for construction ($9,000,000);
    - Preliminary engineering for the Veirs Mill Road Bus Rapid Transit (BRT) line between Wheaton and Rockville ($6,000,000);
    - Design of a pedestrian tunnel beneath Georgia Avenue from the Forest Glen Metro Station ($2,000,000); and
    - Preliminary engineering for improvements to MD 97 (Georgia Avenue) through Montgomery Hills ($3,000,000).

In anticipation of these types of revisions the Council introduced STP as a potential amendment earlier in 2009. Therefore, the Council can act on this as part of the CIP amendment package to be approved on May 21.

Council staff recommendation: Approve the revised PDF on ©O-P.

5. FY09-14 CIP: Ride On Bus Fleet project. The Executive Branch is anticipated to transmit a proposed revision to this project as a result of the availability of funding. Council staff anticipates DOT and OMB staff will bring the proposal to the worksession.

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TAXICAB FEE RESOLUTION
BULLETS

PROPOSED FEE RESOLUTION

- Eliminate the Driver Fee for Temporary IDs, because Temporary IDs are no longer issued.

- Increase the annual PVL Renewal Fee from $325 to $750. This fee produces regular and recurring revenue because it is the fee that every licensee must pay each year to operate a taxicab. This fee is the foundation of the fee revenue.

- Increase the Fee to Transfer from One to Four PVLs from $2,500/ PVL to $5,000/ PVL. This fee is recommended to capture some of the costs for the impending transfer of licenses anticipated from the Barwood case and Expedited Bill 30-08.

The Industry Has the Capability to Pay the Annual PVL Renewal Fee Increase Due to the Awards of Additional PVLs and the Barwood Court Case

- **Industry Growth**. Action Taxi, Regency Cab, and Sun Cab have received additional taxi licenses since 2006 that they can rent for about $3,538,000 each year in addition to the rent they receive yearly from all their original taxicabs.

  Since 2006, Action Taxi, Regency Cab, and Sun Cab, have received an additional 108 newly awarded PVLs which they rent to drivers at about $105 a day, $630 a week, $32,760 a year per taxicab. The additional 108 awarded PVLs can bring in up to $3,538,000 in additional revenue to these fleets each year.

  The three fleets hold a total of 208 PVLs. The proposed PVL Renewal Fee increase of $425 [from $325 to $750] will cost the three fleets a total of $88,400 more each year in renewal fees, which they certainly can pay when the additional rental income is considered.

  The three fleets will also be able to benefit by participating in the waivers under Expedited Bill 30-08 and profit by transferring their PVLs to individuals.

- **The Barwood Court Decision**. Barwood has the ability to transfer the licenses they hold to individuals.

  If they transfer 250 at $60,000 each as they plan, they will receive $15,000,000.

  The PVL Renewal Fee increase will impact each new licensee. The remaining PVL Renewal Fee increase will be more than covered by the profits Barwood has the capability to attain from the transfer of their PVLs.

There is a Need for Additional Staff

An increase from one to two Program Specialists is needed for regulating and licensing.
An increase from two to three Code Enforcement Inspectors is needed for enforcement to protect the public safety and welfare.
The current staff was established in 2004 to implement the revised Code based on the current structure of 80% of the licenses held by fleets, and 20% held by individuals.

2004	580 Taxicabs	[460 Fleet/ 120 Individual]
2006	650 Taxicabs	[516 Fleet/ 134 Individual]
2008	715 Taxicabs	[566 Fleet/ 149 Individual]
Barwood Case & Bill 30-08	715 Taxicabs	[185 Fleet/ 530 Individual]

Staff is already hard pressed to meet the increasing needs of the additional licensees. We are at capacity with the current number of taxicabs and individual licensees.
We do not know how quickly the licenses held by fleets will transfer to individuals, but we must have staff is place to accommodate the increase in transactions and responsibilities.

- **Impact of Barwood Case.**

  Tasks will increase further because the January 2009 court decision allows Barwood Cab to transfer most of their 360 taxicab licenses to individuals.

  Chapter 53 is established to regulate and enforce the code by "licensee" not by fleet. In other words, if a fleet such as Barwood is a licensee that holds 360 taxicabs licenses, it takes fewer staff to regulate the company than if those 360 licenses were held by 360 individuals (small business owners).

- **CCTI's Comments.**

  CCTI compares both fees and staffing with other jurisdictions but the comparisons are not well-founded.

  Most of the jurisdictions do not have transferable licenses with a street value.

  Most of them depend on their police to do the greatest percentage of enforcement. They also pay those police officers to do the enforcement although, unless a specific officer is assigned wholly to taxicabs, the positions do not appear on CCTI's list of "enforcement staff."

  Some jurisdictions such as Prince George's County only provide permitting and no other services.

  Some agencies, such as the Maryland Public Service Commission do not fulfill the requirements of their mission. For example, the PSC does not provide the State-wide enforcement necessary to apprehend offenders and prevent illegal operations of sedan and vans providing for-hire service.

COALITION for a
Competitive Taxicab Industry

April 28, 2009

The Honorable Nancy Floreen, Chair
Transportation & Environment Committee
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Ms. Floreen:

CCTI would like to take this opportunity to respond to the comments by DOT at the April 27th worksession on the Taxi Unit's proposed FY2010 budget and on the proposed resolution to increase taxi fees. It was disappointing to our members that DOT did not provide any meaningful explanation of why DOT requires additional staff or why certain taxi fees need to be increased by 100% to 130%. The Director did state that Montgomery County is different than our surrounding jurisdictions, but there was no explanation of how the taxi industry or the regulation requirements are different in Montgomery County. Since our County's taxi industry needs to be competitive with surrounding jurisdictions, especially for drivers and those issues that impact drivers, CCTI believes that it is important for DOT to explain why there needs to be such major differences.

Staffing Levels: New Program Specialist

DOT continues to assert that more staff is necessary because of the "Barwood situation," which implies that the fleet to individual ratio will almost immediately be flipped **from** 80%/20% fleet to individual **to** 20%/80% fleet to individual. At the same time, DOT only forecasted 40 total transfers of PVLs for FY2010. Assuming all these transfers were from fleets to individuals, the ratio would be **73.8% fleet to 26.2% individual.** Assuming a more realistic number of 50 transfers per year, the ratio in **FY2012 would be about 60% fleet to 40% individual.**

Some of the jurisdictions in the Washington Metro area, which average half or less of a taxi staff ratio than Montgomery County, currently have much higher individual to fleet ratios. Baltimore City currently has a ratio of **29% fleet to 71% individual.** (see Attachment 1, last column) They are regulated by the PSC which has a staff ratio of **1 to 362, compared to Montgomery County's request for a staff ratio of 1 to 102.**

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Responsibilities of DOT Regulating Fleets vs. Individuals

While it would appear that DOT needs to spend significantly more time regulating individual PVL owners as compared to regulating the fleets, this is simply not the case. **Section 53-219 requires fleets to monitor and ensure compliance with Chapter 53 of both their affiliated and their rental drivers.** DOT currently requires the fleets to ensure that affiliates show up for annual meter and cosmetic inspections. DOT currently requires fleets to investigate any complaints in regards to affiliates. There is no reason that CCTI is aware that DOT could not require fleets to provide on behalf of their affiliates, other information such as PVL renewals, insurance certificates and semi-annual vehicle inspection reports if that would lessen the need for additional staffing.

Staffing Levels: New Taxicab Inspector

DOT has requested, in the 2010 Budget, for a third taxicab inspector to be added. Early in this decade, Montgomery County did not have any taxicab inspector. Around 2002, the first inspector was hired; at which time there were 580 taxis. In 2005 an additional inspector was added, which brought the ratio of inspectors to taxicabs to 1 **inspector per 290 taxis**. With the addition of new PVLs the **current ratio is 1 per 358** taxis. **The ratio with an additional inspector is 1 per 238 taxis.** Please note that this is vehicle to inspector ratio, not the staff to vehicle ratio discussed in this letter.

The vast majority of the citations issued by inspectors are for non-safety violations, such as failure by a driver to maintain a complete manifest. Other common violations are for (i) parking to solicit business in a public parking space as opposed to a taxi stand and (ii) smoking in a taxi.

The FY2008 and projected FY2009 and FY2010 revenue from fines based on tickets written by the inspectors and police was provided to CCTI by DOT. In FY2008 the citation revenue was $28,952. DOT has forecasted for both FY2009 and FY2010 citation revenue of $27,265. However, there is no explanation of why revenue is anticipated to decrease, except perhaps that drivers are doing a better job. If there is a need for an additional inspector, one would expect that DOT's estimate of citation revenue would increase, not decrease.

Based on the amount of citation revenue, we estimate that 300 to 500 citations are issued annually. DOT has stated that some of the surrounding jurisdictions use police officers to enforce their taxi rules. DOT has not attempted to either show the number of citations, the fine revenue from these jurisdictions, or the significance of the police officer assistance in those jurisdictions, to show that Montgomery County does not have sufficient inspectors.

DOT'S "Justification" for Higher Fees

The Director of DOT made two interesting comments on Monday morning to justify a higher fee structure for the industry. First, new PVLs on the street have created additional taxicab fare revenues, and second, the sales price of PVLs of $50,000 to $55,000 justify a much higher PVL renewal fee. Neither of these justifications have any relationship to an annual operating fee, that is levied on both fleets and individual owners.

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On the first point, no data was provided that actual fare revenue has increased. A new PVL does not create new passengers. DOT is aware of the severe recession, which translates into decreased trips for drivers. While there has been a slight fare increase in the past year, with the addition of new PVLs on the streets, drivers are finding it harder than ever to make a reasonable living. The fare revenue has minimal to no relationship to the amount that Fleet PVL owners can afford to pay in operating costs. There is still intense competition for drivers and the fleets are not in a position to raise the daily rent charged to drivers.

On the second point, the sales price of a PVL has no relation to the income that a PVL can generate. Operating expenses, such as PVL renewal fees comes from operating revenue, not a sale of the underlying asset. The value of the PVL has not risen over the past 10 years. A fair argument could be made that the value will actually decrease when the Barwood transfers start. A "tax" of 10% or more on these transfers is unjustified and unreasonable.

Proposed Fees Will Generate Excess Revenues in Violation of Chapter 53 (Attachment 2)

Attachment 2 shows the FY2010 and FY2011 fee structure using DOT's and CCTI's proposed fees. FY2011 includes the bi-annual issuance of new PVLs. Using **DOT's fee increases**, DOT will raise a combined **$2,112,030** over the two year period. Their estimated budget for FY2010 is $826,510 and assuming a 3% rate of increase, which is much higher than the current inflation rate, its FY2011 budget would be approximately $851,305. The combined two years would be $1,677,815. These fees **would exceed revenue by $434,215 even with a higher staffing level.** Section 53-107(b) states "Except as provided in Section 53-206," (reference to initial license fee) "the **Council must not set fees that in the aggregate exceed the cost of administering this Chapter**."

CCTI's proposed fees would generate $1,421,380. These fees would fund DOT at FY2009 levels. That budget includes the cost for the part-time time Taxi Unit manager, who is retiring and not being replaced. CCTI believes its fee structure would cover the necessary costs of running the Taxi Unit, and even generate a small surplus.

Conclusion

CCTI requests that the proposed staff increase for the Taxi Unit be denied and that the proposed resolution by the County Executive and DOT be rejected. If the County Council believes that it is necessary in the current budget environment to increase taxi fees, we respectfully ask that CCTI's proposed fee increases be adopted.

Sincerely,

<via e-mail>

Reza Raoofi
President, CCTI and Action Taxi

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cc: The Honorable George Leventhal
The Honorable Roger Berliner
Arthur Holmes, Director, Department of Transportation
Lawrence A. Shulman, Esq.
Retha Arens, Esq.
CCTI Members: Lee Barnes, Matthew Mohebbi, and Dwight Kines

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ATTACHMENT 1

TAXI REGULATOR STAFF RATIOS AND FLEET/AFFILIATE RATIOS
WASHINGTON METRO AREA

JURISDICTION	STAFF	REGULATION RESPONSIBILITIES	# VEHICLES	RATIO STAFF: VEHICLES	FLEET MIX
MONTGOMERY COUNTY PROPOSED FY2010	7 full time	Taxis **Only**	715	1 per **102**	**26% Affiliate**
MONTGOMERY COUNTY CURRENT FY2009	5.4 Full time	Taxis **Only**	715	1 per **132**	**20% Affiliate**
MD PSC: BALTIMORE CITY CURRENT	2 dedicated to taxis, 19 total	Taxis plus sedans, limos and buses	6,873	1 per **362**	**70% Affiliate**
PRINCE GEORGE'S COUNTY CURRENT	2 not all taxi	Taxis plus ice cream trucks, tow trucks, vending machines	775	1 per **388**	**25% Affiliate**
DISTRICT OF COLUMBIA CURRENT	19 full time	Taxis plus limos	5044	1 per **265**	**95% Affiliate 5%**
ARLINGTON COUNTY CURRENT	2 staff, 1 inspector	Taxis **Only**	765	1 per **255**	**55% Affiliate**
CITY OF ALEXANDRIA CURRENT	3 full time	Taxis **Only**	730	1 per **243**	**95% Affiliate 5%**
FAIRFAX COUNTY CURRENT	3 not all taxi	Taxis plus pawnbrokers, massage therapists	576	1 per **192**	**55% Affiliate**
ANNE ARUNDEL COUNTY CURRENT	4 not all taxi	Taxis plus other licenses	520	1 per **130**	**57% Affiliate**
FREDERICK COUNTY CURRENT	1 part time	Taxis **Only**	61	1 per **122**	Unknown
AVERAGE RATIO WITHOUT MONTGOMERY COUNTY				1 per **245**	

* Baltimore City ratio

* 7.8 work years proposed in FY2010 budget. Budget only has 7 full-time staff members. The discrepancy is not explained by DOT.

ATTACHMENT 2

FEE COMPARISONS
WASHINGTON METRO AREA

JURISDICTION	PVL RENEWAL FEE	TRANSFER FEE
MONTGOMERY COUNTY PROPOSED FY2010	$750	$5,000
MONTGOMERY COUNTY CURRENT FY2009	$325	$2,500
DISTRICT OF COLUMBIA PROPOSED	$475	$475
DISTRICT OF COLUMBIA CURRENT	$350	$350
MD PSC: BALTIMORE CITY CURRENT	$145	None
CITY OF ALEXANDRIA CURRENT	150*	None
FAIRFAX COUNTY CURRENT	$150	None
PRINCE GEORGE'S COUNTY CURRENT	$100	$1,000
ANNE ARUNDEL COUNTY CURRENT	$100	$100
ARLINGTON COUNTY CURRENT	$10	None

* City of Alexandria charges a $4,000 annual fee to each fleet. For a Fleet of 100 taxis the equivalent PVL renewal fee is $190.

ATTACHMENT 2

PROPOSED TAXI FEE REVENUE COMPARISONS
FY2010 and FY2011

	PROPOSED FY2010						ESTIMATED FY2011		
	DOT Fee	DOT Estimated Number	DOT Total Revenue	CCTI Fee	CCTI Estimated Number	CCTI Total Revenue	CCTI Estimated Number	Estimated Total Revenue DOT Fees	CCTI Total Revenue
DRIVER ID FEES									
Application	$ 20	425	$ 8,500	$ 20	425	$ 8,500	425	$8,500	$ 8,500
Temporary ID	NA	0		N/A	0				
New ID one year	$ 50	385	$ 19,250	$ 50	385	$ 19,250	385	$19,250	$ 19,250
One year ID	$ 75	185	$ 13,875	***$ 80***	185	$ 14,800	185	$13,875	$ 14,800
Renew ID two year	$ 150	300	$ 45,000	***$ 160***	300	$ 48,000	300	$45,000	$ 48,000
Duplicate ID	$ 25	35	$ 875	$ 25	35	$ 875	35	$875	$ 875
Test Fee	$ 20	410	$ 8,200	$ 20	410	$ 8,200	410	$8,200	$ 8,200
TOTAL DRIVER FEES			$ 95,700			$ 99,625		$95,700	$ 99,625
PVL FEES									
PVL Renewal	**$ 750**	715	**$ 536,250**	***$ 400***	715	**$ 286,000**	715	$536,250	$ 286,000
Vehicle Replacement	$ 75	180	$ 13,500	***$ 150***	180	**$ 27,000**	180	$13,500	$ 27,000
PVL affiliate co. transfer	$ 150	10	$ 1,500	$ 150	10	$ 1,500	10	$1,500	$ 1,500
Individual PVL request*	$ 500	0	$ -	$ 500	0	$ -	60	$30,000	$ 30,000
Fleet PVL application*	$ 1,000	0	$ -	$ 1,000	0	$ -	3	$3,000	$ 3,000
New PVL in serv. - Indiv*	$ 5,000	0	$ -	$ 5,000	0	$ -	14	$70,000	$ 70,000
New PVL in serv. - Fleet*	$ 2,500	0	$ -	$ 2,500	0	$ -	56	$140,000	$ 140,000
PVL owner transfer/indiv	**$ 5,000**	40	**$ 200,000**	$ 2,500	***50***	**$ 125,000**	60	$300,000	$ 150,000
Complete Company sale		0							
Sliding flat fee (See Memo)									
Vehicle reinspect/ 1st	$ 25	112	$ 2,800	$ 25	112	$ 2,800	112	$2,800	$ 2,800
Vehicle reinspect/ 2nd	$ 75	60	$ 4,500	$ 75	60	$ 4,500	60	$4,500	$ 4,500
Vehicle reinspect/ 3rd	$ 150	20	$ 3,000	$ 150	20	$ 3,000	20	$3,000	$ 3,000
Total PVL Fees			$ 761,550			$ 449,800		$ 1,104,550	$ 717,800
Total Driver Fees			$ 95,700			$ 99,625		$ 95,700	$ 99,625
Estimated Fines			$ 27,265			$ 27,265		$ 27,265	$ 27,265
TOTAL REVENUE			**$ 884,515**			**$ 576,690**		**$1,227,515**	**$ 844,690**

Basis of Data: Minimal data furnished by DOT; the estimated driver numbers are based on DOT partial FY09 data; DOT PVL transfer numbers are based on DOT estimates; other numbers are CCTI estimates.

BARWOOD

Barwood Inc., Barwood Taxi, Executive Coach Ltd. and Barwood Delivery Service Inc.

April 28, 2009

The Honorable Nancy Floreen
Chair, Transportation, Infrastructure, Energy & Environment Committee
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

RE: Proposed Revised Taxicab Fees

Dear Councilmember Floreen:

During the Committee work session on April 27, representatives of the Department of Transportation attempted to justify their request for additional staffing of the taxicab unit by referring to the "Barwood issue." The "Barwood issue" is apparently a shorthand reference to the Department's unjustified fears that an increased number of passenger vehicle license ("PVL") transfers and/or a higher number of individual operators affiliated with one of the County's taxicab fleets will require a dramatic increase in regulatory attention from the Department of Transportation. We respectfully suggest that with proper planning, communication and cooperation between the Department and the taxicab industry, neither of the Department's fears will be realized.

I. The Fear of an Increased Number of Individual Owner Affiliates.

From the first day that Barwood announced its intention to seek the Bankruptcy Court's Order to transfer licenses to willing taxi operators, the Department has insisted that the integrity of its regulatory scheme would be destroyed. This was the centerpiece of their objection to Barwood's reorganization plan, which led to a two-day trial before the Bankruptcy Court in January of 2009. Yet, when asked to articulate specific concerns as to how Barwood's requested reorganization plan would negatively impact the regulatory scheme, the Department had no answer.

The reason for this silence is that Barwood's reorganization plan sought only to pre-empt the single narrow provision of § 53-204, which previously restricted a fleet to selling only two (2) PVLs per year. Barwood's reorganization plan did not request a pre-emption of any other aspect of the taxicab code, and that fact was critical in the Court's final ruling approving Barwood's plan. With the entire code structure intact, Barwood, as well as the other taxicab fleets, will remain primarily responsible for the enforcement of the Code and meeting customer service standards , regardless of the number of individual owners affiliated with the respective fleets. For Barwood specifically it will mean that Barwood's affiliate fleet is likely to grow from its current level of approximately 105 affiliates, to a larger number. In all other respects, the operation of Barwood's business will be identical.

Barwood Inc.
4900 Nicholson Court Kensington, MD 20895
(301) 984-8294 (800) 521-9077

In its submission to the Council, the Department has also mischaracterized the scope of Barwood's reorganization plan. The plan calls for the transfer of PVLs over a five year period, with the average number of transfers to be fifty (50) per year. The plan is constructed with the hope that the transfer price can be maintained, in which case fewer PVLs may need to be sold in the last year. In the event that the transfer price falls, due to soft demand, additional supply, or excessive transfer fees, the number of PVLs that Barwood will need to sell will, of necessity, increase in order to accomplish the goal of paying Barwood's creditors.

In any event, it is difficult to imagine how an increased number of affiliated owners will create a heavier regulatory burden on the Department.. The Department has been asked to provide any statistical basis to show that individual owner operators are more likely to violate the law or to provide poor customer service. To date, no such evidence has been produced. Rather, it has been the experience of Barwood that the owner operators are far more likely to provide excellent customer service, are far less likely to receive complaints, and are far less likely to violate the Code. This is no phenomenon; rather it is simply because they are financially invested in the taxicab system and cannot afford to take risks. It is also true that owner operators tend to be more experienced operators and drivers who have built up a personal business founded upon customer service. It is the less experienced drivers that tend to cut corners, give up short runs for the opportunity to make a bigger return on a longer run, or get involved in more accidents.

Given that the number of actual operators will not increase, the Department has not put forth any credible evidence that a different ratio of fleet owned vehicles to individual owned vehicles will create a heavier regulatory burden on the Department. Indeed, it is Barwood's belief that that regulatory burden will become lighter as the number of individual owner operators increases.

II. The Fear of Processing Transfer Applications.

On April 1, 2009, Barwood's counsel met with representatives of the Department of Transportation, including the Director and the County Attorney. The purpose of this meeting was to provide the County with a preview of all of the documents that Barwood may employ in the transfer a PVL to a new buyer. Barwood provided these documents of its own volition and with the desire to seek comment and to discuss issues in preparation of smoothing the transfer process.

During that meeting, considerable time was spent in discussing the current transfer process. Over the past several years, there has been an average of only eight to ten transfers per year, all of which occur among individual owners. No fleet has transferred a license to an individual in recent memory. At the meeting, the Department described the transfer process as being relatively informal. Typically, the buyer and seller would make an appointment and appear together and present the transfer documents, including the transfer form prescribed by the Department. Typically, the

transfer would be approved on the same day, although there are instances where additional information was needed in order to meet Code requirements.

Although no specific numbers were discussed, it was clear that the time involved for review of these documents and approval of a transfer was more on the order of an hour, than many hours. Certainly, if one measured the transfer fee of $2500.00 against the time invested by the County to review and approve a transfer, the fee would be viewed as generous indeed.

Recognizing that the historic number of transfers is going to substantially increase over the next few years, Barwood has articulated its commitment to streamline the transfer process so that the review time by a County employee is brought to an absolute minimum. It continues to await any suggestions from the Department that might make the process more efficient. The Department recently revised its transfer form and sought comment from the fleets. On April 22, 2009, Barwood provided those comments, a copy of which is attached hereto. Barwood also recommended creating the transfer form in such a way that it could be filled out and submitted electronically, providing the Department with the template to do so.. In any event, future transfers involving Barwood PVLs will be managed carefully by Barwood employees in order to assure a smooth process. This will mean that all applications will be reviewed prior to submission to the Department to determine that all aspects of the Department's approval criteria are met prior to submission.

As such, should the number of transfers rise to 40 to 50 per year, the impact on the Department will be, and should be, minimal. Certainly, it is in the transferor's interest to make this desire a reality and there is no reason why the industry and the Department, working together, cannot create a process that would take little of the Department's time.

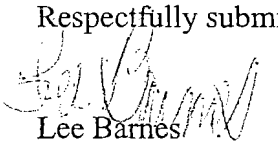
III. The "Barwood Issue" is a Misnomer.

In October of 2008, the Counsel enacted Expedited Bill 30-08. This bill was passed to provide the taxi fleets the right to seek a waiver of the prohibition against transferring more than two (2) licenses to individuals during a calendar year. As a result of this bill, Barwood applied for a waiver which, unfortunately, was not approved. The prohibition, however, was pre-empted by the United States Bankruptcy Court. Nevertheless, Barwood has been advised that one, possibly two, of the remaining three fleets in the County have filed waiver requests which are currently pending. As such, the number of PVLs to be transferred over the course of the next few years is not simply due to transfers sought by Barwood alone. Rather, it is likely that there will be transfers from each of the fleets, thereby making this an "industry issue."

In any event, we believe that the fears articulated by the Department as a result of the approval of Barwood's reorganization plan are without rational basis. They are simply fears of change. There has been no credible evidence offered to suggest that the

impending changes to the industry will increase the regulatory burden of the Department, or that customer service will be negatively impacted.

Respectfully submitted,



Lee Barnes

CC: Hon. Roger Berliner
Hon. George Leventhal

Curtin, Vanessa

From: Barnes, Lee
Sent: Wednesday, April 22, 2009 4:40 PM
To: 'Kutz, Nancy'; 'James.Ryan@montgomerycountymd.gov'
Subject: New Transfer Application Feedback

Thank you for requesting feedback from the taxi fleets. We are happy to provide you with our observations. After reviewing the new transfer application Barwood's overall opinion is that the DOT should have two applications; one for individuals and one for corporations. Feedback on specific sections of the revised transfer application is listed below.

Pg.3. Financial Information

#2. **"If the transferee is not a licensed taxicab driver he or she must obtain a criminal background check."** This question seems to be specific to an individual. How would you require a corporation to submit fingerprints for a background check? It seems more appropriate to have this section not apply to corporations at all or, as stated above, to have a separate transfer application for corporations who are interested in purchasing PVLs.

#3. **'If the transferee is not a license driver they must obtain a driving record for the past three years from the Motor Vehicle Administration."** We suggest moving this question to #7 under Terms and Conditions and have listed additional comments in that section below.

#4. This question asks about the model year vehicle being placed in service. In our experience at the time an individual files this application they do not yet know what model year vehicle they are going to purchase. This language can easily be modified to "I plan to place" instead of I am placing a model year _____ vehicle into service. Neither individuals or corporations typically purchase vehicles until the transfer is approved, our concern here is that they won't be penalized if another model year is purchased instead.

Pg.4 Terms and conditions

#5. Security Interest. Chapter 53 Section 204 (f) – states **" lien holder must notify at least 30 days prior to Security Interest Filing creation"** We believe the section quoted applies to security interest filings that are created on an already owned PVL not one that is being transferred. The security interest can't be created until the transfer is approved.

#7. **"Will the applicant be personally driving the taxicab"** ? If the applicant answers yes then the driving record requirement would apply here, but if the applicant answers no, then no driving record should be required. Why would someone who wants to own a PVL but NOT operate a vehicle have to provide a driving record? Part 2 of the question then states if the answer was "no" to provide the name of the person who will be driving their vehicle at the time the application is filed.

Pg. 5 Criteria

It is unclear who is required to sign and date this section.

Pg. 6. Criteria continued

#8 **"Have you been convicted of fraud, misrepresentation, or false statement in the course of doing business?"** It should read in the course of 'doing ***taxi*** business?' This is how it is phrased in Chapter 53-214.

General Question

As stated we feel there should be two applications, one for an individual and one for a corporation. Are there any additional changes you foresee that would need to be made for Corporations purchasing more than one PVL or for corporate who are based outside of Maryland?

Lee Barnes

N

State Transportation Participation -- No. 500722

Category	Transportation	Date Last Modified	April 16, 2009
Subcategory	Roads	Required Adequate Public Facility	Yes
Administering Agency	Transportation	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	1	1	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	104,493	0	35,805	68,688	29,225	2,000	4,759	22,149	4,555	6,000	0
Total	104,494	1	35,805	68,688	29,225	2,000	4,759	22,149	4,555	6,000	0

FUNDING SCHEDULE ($000)

G.O. Bonds	2,810	0	0	2,810	0	1,900	910	0	0	0	0
Impact Tax	22,190	0	0	22,190	0	100	353	11,182	4,555	6,000	0
Revenue Bonds: Liquor Fund	65,031	1	35,805	29,225	29,225	0	0	0	0	0	0
State Aid	14,463	0	0	14,463	0	0	3,496	10,967	0	0	0
Total	104,494	1	35,805	68,688	29,225	2,000	4,759	22,149	4,555	6,000	0

DESCRIPTION

This project provides for the County's participation for the funding of State and WMATA transportation projects that will add transportation capacity to the County's network, reduce traffic congestion in different areas of the County, and provide overall benefits to the public at large. Major projects to be funded will be selected from the most recent Joint priority letter signed by the County Executive and the President of the County Council and submitted to the County's Delegation in Annapolis, Maryland.

COST CHANGE

$60,000,000 for the Bethesda Metro Station Entrance project is transferred from this project, including the $5,000,000 appropriated for its design in FY07.

JUSTIFICATION

Montgomery County, as part of the Washington Region, has the third highest level of traffic congestion in the nation. State roads carry the heaviest traffic volumes in the County; and the State has made it clear that the Transportation Trust Fund has not been growing at a rate that will allow them to complete major projects in the near future. Therefore, in order to directly address the congestion problems in Montgomery County, the County will participate in the construction of State projects; to improve the quality of life for our residents, eliminate or reduce delays at major bottlenecks in our transportation system, improve safety, and improve air quality in the immediate vicinity of the projects.

OTHER

The appropriation in FY07 was: $5,000,000 for design of the southern entrance to the Bethesda Metrorail Station; $8,239,000 for land acquisition and utility relocation for the Georgia Avenue/Randolph Road Interchange; and $2,400,000 for the I-270 Watkins Mill Road Interchange.

The appropriation in FY08 was: $14,463,000 for the MD 355 and Montrose Parkway Interchange; the State will reimburse the funds in FY11 and FY12, shown in those years as State Aid funding. Other projects to be funded under this project include: design of the Watkins Mill Road bridge over I-270 ($7,600,000); design of the Montrose Parkway connection between the MD355/Montrose Interchange and Montrose Parkway East ($9,000,000); preliminary engineering for the Viers Mill Road Bus Rapid Transit (BRT) line between Wheaton and Rockville ($6,000,000); design of a pedestrian tunnel beneath Georgia Avenue from the Forest Glen Metro Station ($2,000,000); preliminary engineering for improvements to MD 97 (Georgia Avenue) through Montgomery Hills ($3,000,000); preliminary engineering for the Georgia Avenue Busway between Glenmont and Olney ($5,000,00); design and land acquisition for the Brookville Bypass ($10,000,000); design, right-of-way acquisition and utility relocation of MD 124 (Woodfield Road) between Midcounty and Airpark Road ($5,000,000); and $8,000,000 for half of the cost to construct intersection improvements or sidewalks at ~~18~~ 18 locations on State Roads.

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

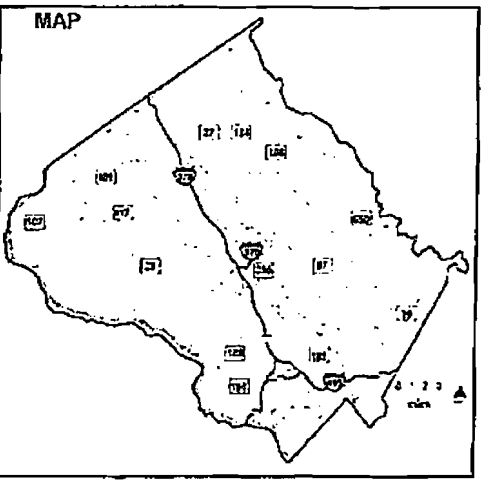
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY07	($000)
First Cost Estimate Current Scope	FY09	104,494
Last FY's Cost Estimate		164,494
Appropriation Request	FY09	0
Appropriation Request Est.	FY10	~~0~~ 36,948
Supplemental Appropriation Request		0
Transfer		-5,000
Cumulative Appropriation		30,102
Expenditures / Encumbrances		1
Unencumbered Balance		30,101
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

Maryland State Highway Administration
Developers
Maryland-National Capital Park and Planning Commission
Montgomery County Fire and Rescue Service
Washington Metropolitan Area Transit Authority

MAP



- *design of the Watkins Mill Road bridge over I-270 ($7,600,000)*
- *design of the Montrose Parkway connection between the MD355/Montrose interchange,, and Montrose Parkway East ($9,000,000)*
- *preliminary engineering for the Veirs Mill Road Bus Rapid Transit (BRT) line between Wheaton and Rockville ($6,000,000)*
- *design of a pedestrian tunnel beneath Georgia Avenue from the Forest Glen Metro Station ($2,000,000)*
- *preliminary engineering for improvements to MD 97 (Georgia Avenue) through Montgomery Hills ($3,000,000)*
- *preliminary engineering for the Georgia Avenue Busway between Glenmont and Olney ($5,000,000)*
- *design and land acquisition of the Brookeville Bypass ($10,000,000)*
- *design, right-of-way acquisition and utility relocation for MD 124 (Woodfield Road) between Midcounty and Airpark Road ($5,000,000)*
- *$8,000,000 for half the cost to construct intersection improvements or sidewalks at ~~19~~ 18 locations on State roads*

T&E COMMITTEE #2
April 29, 2009
Addendum

MEMORANDUM

April 28, 2009

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Glenn Orlin, Deputy Council Staff Director

SUBJECT: **Addendum**—FY09-14 CIP: Ride On Bus Fleet

This project funds the replacement of Ride On buses. The project description form in the Approved CIP is on ©Q. In January the Executive recommended an amendment to reflect several changes (©R):

Funding

- Reduction of $5,000,000 in State aid in FY09
- Mitigation funding from Parc Potomac $475,000 for one bus in FY09
- Increased short term financing for buses by $1,491,000 (from 17 to 20 hybrids) in FY09
- Increased Federal aid, based on recent grant awards in FY09 of $1,142,000 - this includes $485,000 for Glenmont buses to enhance service while new garage is under construction
- Increased Federal aid, based on recent grant award, by $758,000 in FY10
- Decreased Mass Transit Funds by $96,000 in FY09 and $2,346,000 in FY10
- Net decrease of $1,988,000 in FY09 and $1,588,000 in FY10: -$3,576,000 total

Cost

- Delay FY10 purchase of 12 gas cut-away buses: -$2,280,000 (anticipate FY 12 purchase)
- Reduce FY09 order by 4 hybrids (from 39 to 35): -$1,988,000
- Adjust FY10 price per diesel bus from $331,000 to $350,000: +$342,000 (no change in the number of buses to be purchased)
- Increase FY10 order by 1 diesel bus: +$350,000
- Net decrease of $1,988,000 in FY09 and $1,588,000 in FY10: -$3,576,000 total

Now the Executive is recommending some further changes (©S):

Funding

- Lower State grant from $2,740,000 in FY10 to $2,000,000: -$740,000
- Increase in Federal grant by $40,000 in FY10
- Increase in Economic Stimulus funds of $6,550,000 in FY10
- Net increase of $5,850,000 in FY10

Cost

- Reduce FY10 diesel order by 2 buses ($700,000) due to lower State Grant
- Purchase 12 hybrids and 1 diesel bus with Economic Stimulus funds in FY10: +$6,550,000
- Net increase of $5,850,000 in FY10

Council staff recommendation: Approve the revised PDF on ©S.

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Ride On Bus Fleet -- No. 500821

Category	**Transportation**	Date Last Modified	**June 23, 2008**
Subcategory	**Mass Transit**	Required Adequate Public Facility	**No**
Administering Agency	**Transportation**	Relocation Impact	**None.**
Planning Area	**Countywide**	Status	**On-going**
Service Area	**Countywide**		

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	82,301	0	12,742	69,559	19,383	8,238	5,780	7,678	6,086	22,394	0
Total	**82,301**	**0**	**12,742**	**69,559**	**19,383**	**8,238**	**5,780**	**7,678**	**6,086**	**22,394**	*

FUNDING SCHEDULE ($000)

Federal Aid	12,701	0	0	12,701	2,201	2,100	2,100	2,100	2,100	2,100	0
Mass Transit Fund	26,969	0	0	26,969	993	3,398	940	2,838	1,246	17,554	0
Short-Term Financing	21,191	0	12,742	8,449	8,449	0	0	0	0	0	0
State Aid	21,440	0	0	21,440	7,740	2,740	2,740	2,740	2,740	2,740	0
Total	**82,301**	**0**	**12,742**	**69,559**	**19,383**	**8,238**	**5,780**	**7,678**	**6,086**	**22,394**	**0**

DESCRIPTION

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan.

JUSTIFICATION

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of three to five years.

The FY08-12 plan calls for the following:

FY08: 42 full-size diesel
FY09: 39 full-size hybrid disesel/electric
FY10: 18 full-size; 12 small
FY11: 17 full-size
FY12: 22 full-size
FY13: 17 full-size
FY14: 52 full-size; 20 small

FISCAL NOTE

42 buses in FY08 and 17 buses in FY09 to be financed over five years with short-term financing.
Federal and State Aid estimates are based on historical receipts.
Federal funds require a 20 percent County match.
An additional $5 million in State Aid is assumed in FY09.

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- * Expenditures will continue indefinitely.

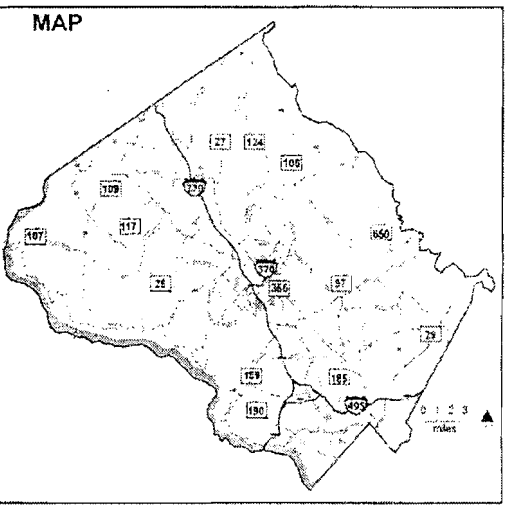
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY09	47,035
Last FY's Cost Estimate		0
Appropriation Request	FY09	19,383
Appropriation Request Est.	FY10	8,238
Supplemental Appropriation Request		12,742
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

Department of General Services

MAP



Ride On Bus Fleet -- No. 500821

Category	Transportation	Date Last Modified	January 07, 2009
Subcategory	Mass Transit	Required Adequate Public Facility	No
Administering Agency	Transportation	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	0
Total	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	*

FUNDING SCHEDULE ($000)

Contributions	475	0	0	475	475	0	0	0	0	0	0
Federal Aid	14,601	0	0	14,601	3,343	2,858	2,100	2,100	2,100	2,100	0
Mass Transit Fund	24,527	0	0	24,527	897	1,052	940	2,838	1,246	17,554	0
Short-Term Financing	22,682	0	12,742	9,940	9,940	0	0	0	0	0	0
State Aid	16,440	0	0	16,440	2,740	2,740	2,740	2,740	2,740	2,740	0
Total	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	0

DESCRIPTION

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan.

COST CHANGE

Due to reduction of $5 million in State Aid in FY09, revise plan as follows: delay purchase of 12 small gas buses; purchase four fewer Hybrid buses in FY09; purchase one additional Diesel bus in FY10.

JUSTIFICATION

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of five to seven years.

The FY08-14 plan calls for the following:

FY08: 42 full-size diesel
FY09: 35 full-size hybrid diesel/electric
FY10: 19 full-size diesel
FY11: 18 full-size
FY12: 22 full-size
FY13: 17 full-size
FY14: 52 full-size; 20 small

FISCAL NOTE

42 buses in FY08 and 20 buses in FY09 to be financed over five years with short-term financing
Federal funding higher than budgeted due to receipt of additional grants
State Aid estimates are based on FY09 grants
Federal funds require a 20 percent County match
Contributions of $475K in FY09 from Traffic Mitigation Agreement

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- * Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY10	78,725
Last FY's Cost Estimate		82,301

Appropriation Request	FY10	4,662
Supplemental Appropriation Request		0
Transfer		0

Cumulative Appropriation	32,125
Expenditures / Encumbrances	31,091
Unencumbered Balance	1,034

Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

Department of General Services

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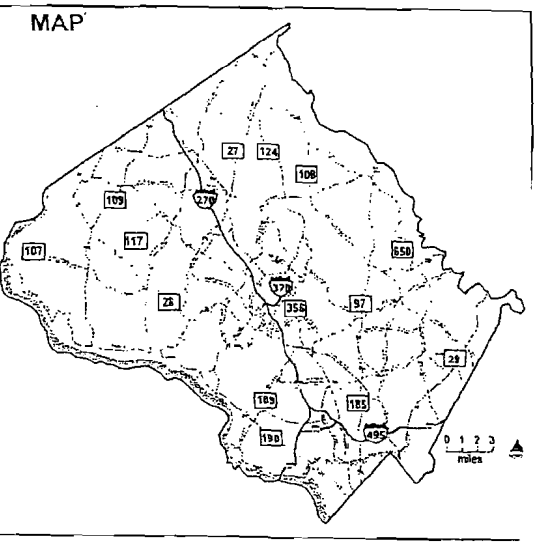
MAP



Ride On Bus Fleet -- No. 500821

Category	Transportation	Date Last Modified	April 28, 2009
Subcategory	Mass Transit	Required Adequate Public Facility	No
Administering Agency	Transportation	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	0
Total	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	*

FUNDING SCHEDULE ($000)

Contributions	475	0	0	475	475	0	0	0	0	0	0
Fed Stimulus (State Allocation)	6,550	0	0	6,550	0	6,550	0	0	0	0	0
Federal Aid	14,641	0	0	14,641	3,343	2,898	2,100	2,100	2,100	2,100	0
Mass Transit Fund	24,527	0	0	24,527	897	1,052	940	2,838	1,246	17,554	0
Short-Term Financing	22,682	0	12,742	9,940	9,940	0	0	0	0	0	0
State Aid	15,700	0	0	15,700	2,740	2,000	2,740	2,740	2,740	2,740	0
Total	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	0

DESCRIPTION

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan.

COST CHANGE

Due to reduction of $5 million in State Aid in FY09, revise plan as follows: delay purchase of 12 small gas buses; purchase four fewer Hybrid buses in FY09; Due to reduction of $740K in State Aid in FY10, revise plan to purchase 2 fewer Diesel buses in FY10 Federal Stimulus funds of $6.55M in FY10; purchase 12 full-size Hybrid buses and 1 Diesel bus

JUSTIFICATION

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of five to seven years.

The FY08-14 plan calls for the following:

FY08: 42 full-size diesel
FY09: 35 full-size hybrid diesel/electric
FY10: 18 full-size diesel; 12 full-size hybrid
FY11: 18 full-size
FY12: 22 full-size
FY13: 17 full-size
FY14: 52 full-size; 20 small

FISCAL NOTE

42 buses in FY08 and 20 buses in FY09 to be financed over five years with short-term financing
Federal funding in FY09 and FY10 higher due to receipt of additional grants
State Aid estimates are based on FY09 grants (except for known FY10 reduction)
Federal funds (excluding Federal Stimulus funds) require a 20 percent County match
Contributions of $475K in FY09 from Traffic Mitigation Agreement

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- * Expenditures will continue indefinitely.

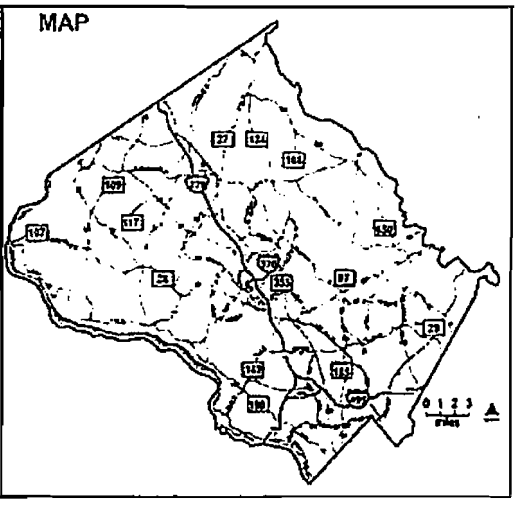
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY10	84,575
Last FY's Cost Estimate		82,301
Appropriation Request	FY10	10,512
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		32,125
Expenditures / Encumbrances		31,091
Unencumbered Balance		1,034
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

Department of General Services

MAP



T&E COMMITTEE #2
April 29, 2009
Addendum

MEMORANDUM

April 28, 2009

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Glenn Orlin, Deputy Council Staff Director

SUBJECT: **Addendum**—FY09-14 CIP: Ride On Bus Fleet

This project funds the replacement of Ride On buses. The project description form in the Approved CIP is on ©Q. In January the Executive recommended an amendment to reflect several changes (©R):

Funding

- Reduction of $5,000,000 in State aid in FY09
- Mitigation funding from Parc Potomac $475,000 for one bus in FY09
- Increased short term financing for buses by $1,491,000 (from 17 to 20 hybrids) in FY09
- Increased Federal aid, based on recent grant awards in FY09 of $1,142,000 - this includes $485,000 for Glenmont buses to enhance service while new garage is under construction
- Increased Federal aid, based on recent grant award, by $758,000 in FY10
- Decreased Mass Transit Funds by $96,000 in FY09 and $2,346,000 in FY10
- Net decrease of $1,988,000 in FY09 and $1,588,000 in FY10: -$3,576,000 total

Cost

- Delay FY10 purchase of 12 gas cut-away buses: -$2,280,000 (anticipate FY 12 purchase)
- Reduce FY09 order by 4 hybrids (from 39 to 35): -$1,988,000
- Adjust FY10 price per diesel bus from $331,000 to $350,000: +$342,000 (no change in the number of buses to be purchased)
- Increase FY10 order by 1 diesel bus: +$350,000
- Net decrease of $1,988,000 in FY09 and $1,588,000 in FY10: -$3,576,000 total

Now the Executive is recommending some further changes (©S):

Funding

- Lower State grant from $2,740,000 in FY10 to $2,000,000: -$740,000
- Increase in Federal grant by $40,000 in FY10
- Increase in Economic Stimulus funds of $6,550,000 in FY10
- Net increase of $5,850,000 in FY10

Cost

- Reduce FY10 diesel order by 2 buses ($700,000) due to lower State Grant
- Purchase 12 hybrids and 1 diesel bus with Economic Stimulus funds in FY10: +$6,550,000
- Net increase of $5,850,000 in FY10

Council staff recommendation: Approve the revised PDF on ©S.

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Ride On Bus Fleet -- No. 500821

Category	**Transportation**	Date Last Modified	**June 23, 2008**
Subcategory	**Mass Transit**	Required Adequate Public Facility	**No**
Administering Agency	**Transportation**	Relocation Impact	**None.**
Planning Area	**Countywide**	Status	**On-going**
Service Area	**Countywide**		

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	82,301	0	12,742	69,559	19,383	8,238	5,780	7,678	6,086	22,394	0
Total	**82,301**	**0**	**12,742**	**69,559**	**19,383**	**8,238**	**5,780**	**7,678**	**6,086**	**22,394**	*

FUNDING SCHEDULE ($000)

Federal Aid	12,701	0	0	12,701	2,201	2,100	2,100	2,100	2,100	2,100	0
Mass Transit Fund	26,969	0	0	26,969	993	3,398	940	2,838	1,246	17,554	0
Short-Term Financing	21,191	0	12,742	8,449	8,449	0	0	0	0	0	0
State Aid	21,440	0	0	21,440	7,740	2,740	2,740	2,740	2,740	2,740	0
Total	**82,301**	**0**	**12,742**	**69,559**	**19,383**	**8,238**	**5,780**	**7,678**	**6,086**	**22,394**	**0**

DESCRIPTION

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan.

JUSTIFICATION

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of three to five years.

The FY08-12 plan calls for the following:

FY08: 42 full-size diesel
FY09: 39 full-size hybrid disesel/electric
FY10: 18 full-size; 12 small
FY11: 17 full-size
FY12: 22 full-size
FY13: 17 full-size
FY14: 52 full-size; 20 small

FISCAL NOTE

42 buses in FY08 and 17 buses in FY09 to be financed over five years with short-term financing.
Federal and State Aid estimates are based on historical receipts.
Federal funds require a 20 percent County match.
An additional $5 million in State Aid is assumed in FY09.

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- * Expenditures will continue indefinitely.

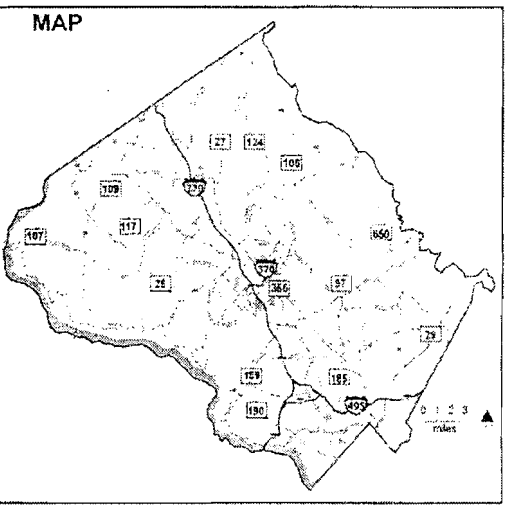
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY09	47,035
Last FY's Cost Estimate		0
Appropriation Request	FY09	19,383
Appropriation Request Est.	FY10	8,238
Supplemental Appropriation Request		12,742
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

Department of General Services

MAP



Ride On Bus Fleet -- No. 500821

Category	Transportation	Date Last Modified	January 07, 2009
Subcategory	Mass Transit	Required Adequate Public Facility	No
Administering Agency	Transportation	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	0
Total	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	*

FUNDING SCHEDULE ($000)

Contributions	475	0	0	475	475	0	0	0	0	0	0
Federal Aid	14,601	0	0	14,601	3,343	2,858	2,100	2,100	2,100	2,100	0
Mass Transit Fund	24,527	0	0	24,527	897	1,052	940	2,838	1,246	17,554	0
Short-Term Financing	22,682	0	12,742	9,940	9,940	0	0	0	0	0	0
State Aid	16,440	0	0	16,440	2,740	2,740	2,740	2,740	2,740	2,740	0
Total	78,725	0	12,742	65,983	17,395	6,650	5,780	7,678	6,086	22,394	0

DESCRIPTION

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan.

COST CHANGE

Due to reduction of $5 million in State Aid in FY09, revise plan as follows: delay purchase of 12 small gas buses; purchase four fewer Hybrid buses in FY09; purchase one additional Diesel bus in FY10.

JUSTIFICATION

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of five to seven years.

The FY08-14 plan calls for the following:

FY08: 42 full-size diesel
FY09: 35 full-size hybrid diesel/electric
FY10: 19 full-size diesel
FY11: 18 full-size
FY12: 22 full-size
FY13: 17 full-size
FY14: 52 full-size; 20 small

FISCAL NOTE

42 buses in FY08 and 20 buses in FY09 to be financed over five years with short-term financing
Federal funding higher than budgeted due to receipt of additional grants
State Aid estimates are based on FY09 grants
Federal funds require a 20 percent County match
Contributions of $475K in FY09 from Traffic Mitigation Agreement

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- * Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY10	78,725
Last FY's Cost Estimate		82,301

Appropriation Request	FY10	4,662
Supplemental Appropriation Request		0
Transfer		0

Cumulative Appropriation	32,125
Expenditures / Encumbrances	31,091
Unencumbered Balance	1,034

Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

Department of General Services

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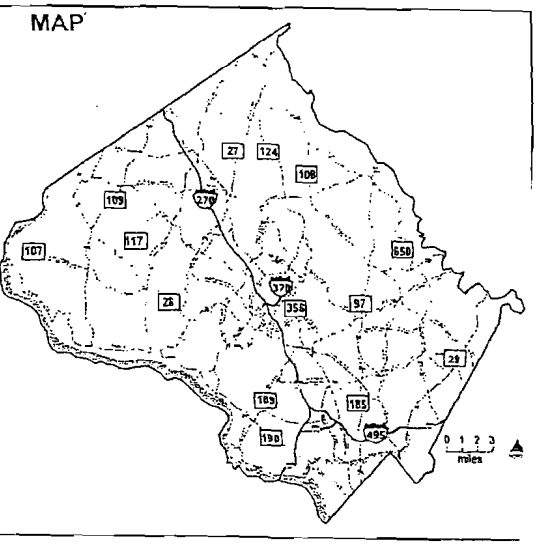
MAP



Ride On Bus Fleet -- No. 500821

Category	Transportation	Date Last Modified	April 28, 2009
Subcategory	Mass Transit	Required Adequate Public Facility	No
Administering Agency	Transportation	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	0
Total	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	*

FUNDING SCHEDULE ($000)

Contributions	475	0	0	475	475	0	0	0	0	0	0
Fed Stimulus (State Allocation)	6,550	0	0	6,550	0	6,550	0	0	0	0	0
Federal Aid	14,641	0	0	14,641	3,343	2,898	2,100	2,100	2,100	2,100	0
Mass Transit Fund	24,527	0	0	24,527	897	1,052	940	2,838	1,246	17,554	0
Short-Term Financing	22,682	0	12,742	9,940	9,940	0	0	0	0	0	0
State Aid	15,700	0	0	15,700	2,740	2,000	2,740	2,740	2,740	2,740	0
Total	84,575	0	12,742	71,833	17,395	12,500	5,780	7,678	6,086	22,394	0

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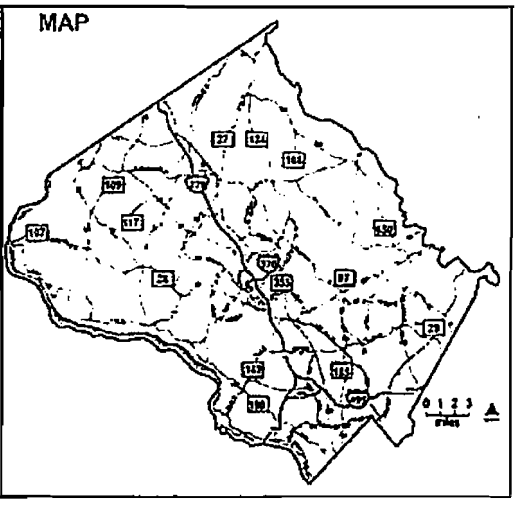
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

Department of General Services

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