

Cost Savings & Cuts

SINCE START OF RECESSION IN 2008

2 Rounds of Layoffs, a **22%** total
Reduction in Management

8% Service Reductions

2 Fare Increases in 2009 & 2010

Suspension of Special Event Service

Eliminated Cost of Living & Step Wage Increase for
Non-Represented Employees

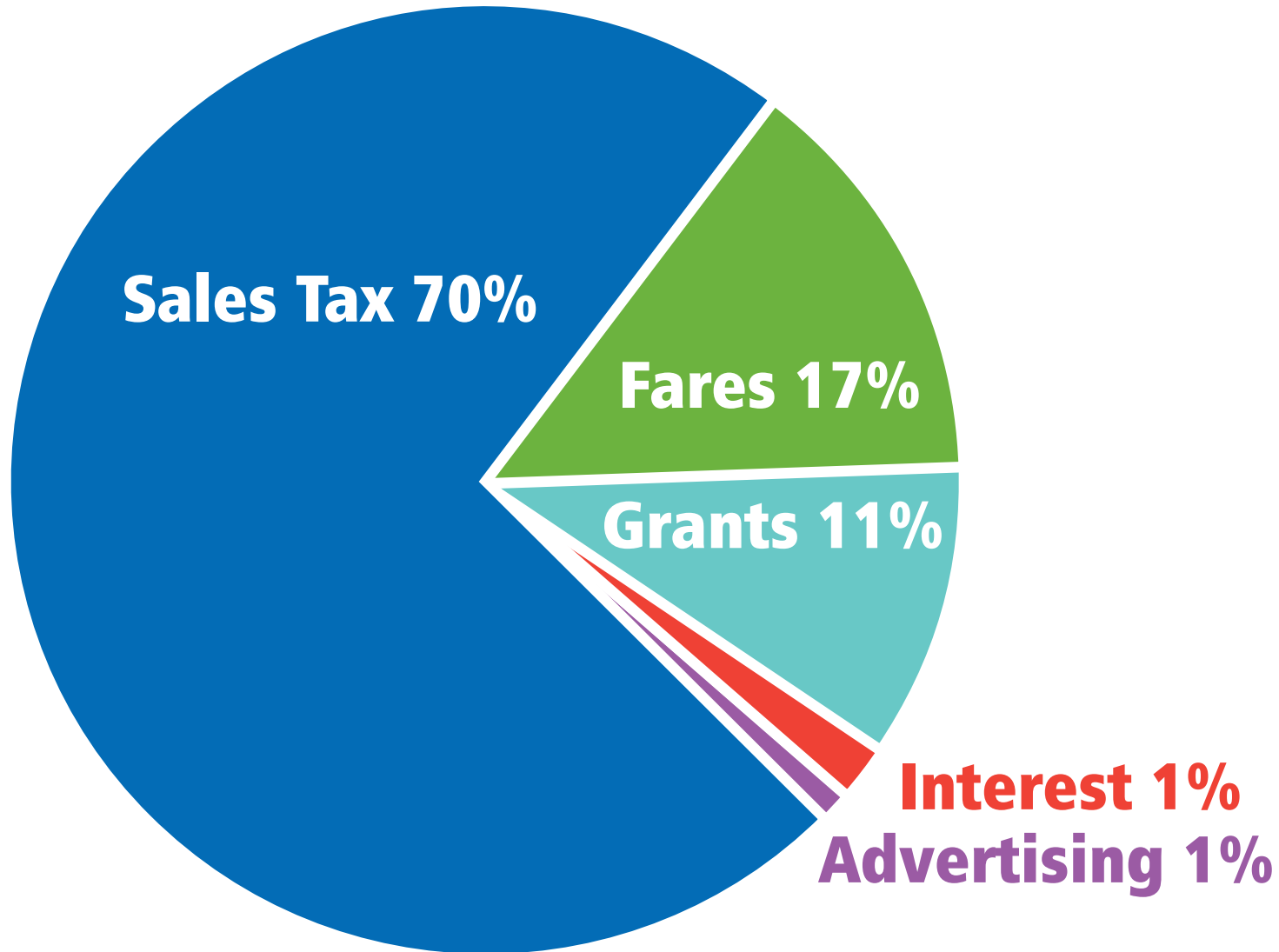
Increase in Employee Medical & Dental
Benefit Contribution

Capital Facilities Projects **Delayed**

\$89 Million
IN SAVINGS

2010 Funding

REVENUES





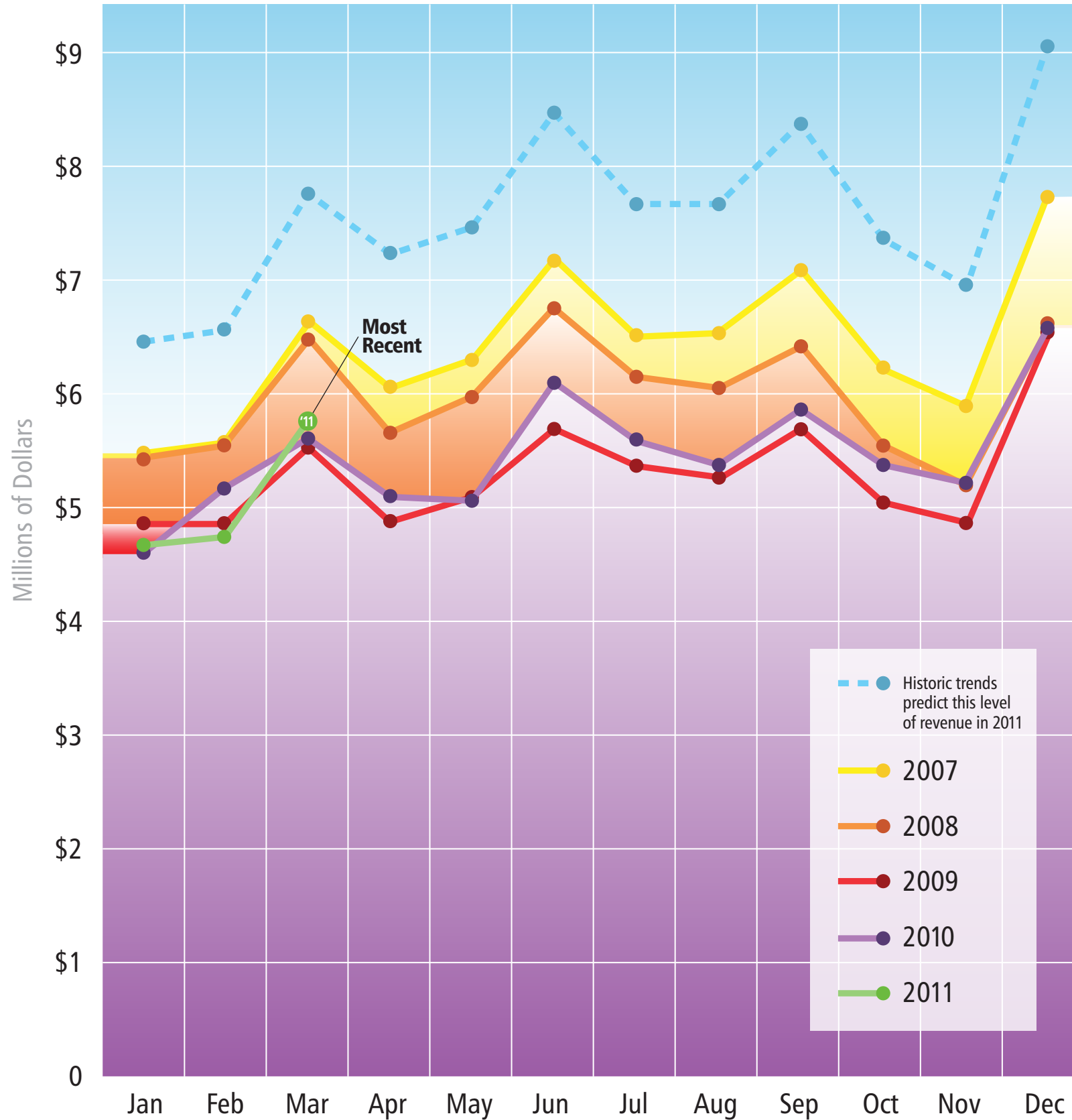
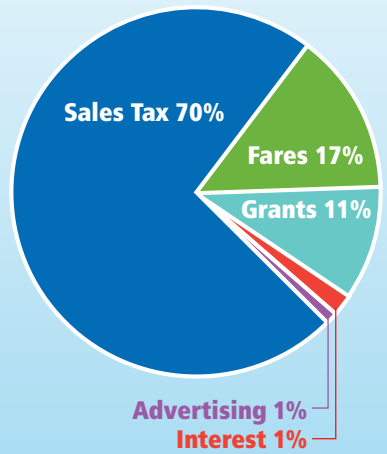
Sales Tax Collections in Dollars and by Month

Fixed Route Bus Service Reductions

2009	-5.8%
2010	-1.9%
2011	-20.0%
TOTAL	-27.7%

2011 Funding

REVENUES



Budget Reduction Actions

11/07 Board Study Session: Projected 2008 sales tax growth revised down to 3.5%. 2007 sales tax growth is 4.6% through August.

3/08 Executive staff begin strategic cost cuts. As of 3/31/08, \$4.1 million in expenditures identified and reduced in 2008 Budget/ \$6.5 million for 2009-2013. No labor impact.

4/08 Executive staff meet to restrict hiring, 4/2/08. Board meeting to discuss sales tax concern, 4/14/08.

7/08 Hiring freeze begins, 7/8/08.

8/08 Fourth wave of cost containment efforts. Wage freeze for non-bargaining employees.

10/08 Staff reductions announced, 10/27/08.

1/09 Sales tax forecast modified.

1/09 Adult fare increase.

3/09 \$11.4 million from stimulus fund

8/10 Reduction in management and consolidation of programs. Benefit reductions.

11/10 Adult fare increase.

1/11 Wage-step increase elimination, increased health care costs for non-bargaining employees.

2/11 Proposition 1 is defeated by the voters. On 2/28/11, Pierce Transit Board of Commissioners directs staff to create a plan that reduces service by 35% by October 2011.

4/11 Public hearings in five communities collect testimony regarding the October service change.

5/11 Board approves a 20% permanent service reduction scheduled for June 12, 2011 but rejects the proposed plan for the final 15% reduction scheduled for October. Directs staff to develop a modified plan that focuses on maximizing ridership.

6/11 Public hearing regarding the October service reduction. Board approves an additional 15% service reduction to be implemented in October, which focuses on efficiency and ridership.