

# **Transit Performance Audit Report Briefing**

**King County Auditor's Office**

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May 13, 2010

Regional Transit Task Force

# Transit Audit General Findings

- Transit has put a strong emphasis on service quality, high ridership, regional mobility, and operator working conditions. Although Transit considers cost efficiency, there is less focus in this area.
- Transit's economic environment has shifted resulting in less revenue.
- We found many opportunities to increase Transit efficiency, generate revenues, and improve effectiveness.
- Our recommendations will take time and resources to implement and savings will be realized over time.

# Audit Areas

1. Service Development
2. Trolley Replacement Cost Alternatives
3. Fare Policy and Revenue
4. Transit Police Staffing
5. Operator Staffing
6. Access Paratransit
7. Financial Planning
8. Capital Planning
9. Vehicle Maintenance
10. Emergency Communication

# Performance Audit Fiscal Impacts

	Annual Cost Savings (includes policy choices)	Opportunities for Increased Annual Revenue	One Time Fund Balance Available
Service Development	\$16 to \$23 million		
Trolley Replacement	\$8.7 million		
Fare Strategies		Up to \$51 million	
Capital Planning	Unquantified		
Financial Planning	Unquantified		\$105 million
Access Paratransit	\$5.8 million +	Up to \$2.8 million	
Vehicle Maintenance	Unquantified		
Em. Communication	Unquantified		
Staffing	Partially quantified		
<b>SUMMARY</b>	<b>\$30.2 - \$37.2 million</b>	<b>Up to \$53.8 million</b>	<b>\$105 million</b>

# 1. Service Development

## Key Findings:

- Transit has put a strong emphasis on dependable, timely service, and operator working conditions.
- Efficiencies could save \$16 to \$23 million per year.
  - Savings would be realized incrementally with full savings one year after full implementation of recommended tools.

## Recommendations:

- Develop a plan to implement recommended scheduling efficiency tools.
- The plan should identify targets and propose a timeline.
  - Two years is an aggressive but reasonable implementation timeline.

## 2. Trolley Replacement Cost Alternatives

### **Key Findings:**

- Hybrids may cost less, but there are environmental and social factors to consider

### **Recommendation:**

- Transit and Council should consider all relevant factors, including costs, when determining an appropriate fleet replacement for the trolley buses.

# 3. Fare Policy and Revenue

Depending on policy decisions, up to \$51 million could be generated in fare revenues.

## **Key Findings:**

- Transit has not adopted fare policy goals.
- Opportunities exist to increase revenues and achieve other fare objectives through changes to fare policies.
- In comparison to peers, Transit's fare discounts are unusually generous.

## **Recommendations:**

- Develop, propose, and use fare policy goals.
- Consider using fare policy to generate revenue for operations.
- Consider discounts in line with peers, peg discounts to base fares.

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# 2009 Transit Performance Audit Implementation

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# More Efficient Scheduling

## (\$16-23M)

- More effectively utilize automated scheduling system capabilities
- Scheduling staff training a key element
- \$12.5M annual savings target by the end of 2011
- First new schedules were implemented in February
- Monitor service impacts

# Trolley Replacement

(\$8.7M)

- Auditor recommended full study is needed
- Scope for study due to Council in September
- Replacement decision in Fall 2011 as part of 2012-13 budget

# Fare Increases

## (\$51M)

- Establish fare goals
- Identify sources for increased fare revenue
  - Increase adult bus fares to \$2.25 (\$10.8M) : approved for 2011
  - Increase the monthly pass price to the equivalent of 40 trips, rather than 36 (\$6.6M): would require regional action
  - Eliminate the adult off-peak fare discount (\$6.2M) : 2011 fares would be \$2.50-3.00 at all times
  - Eliminate free transfers (\$16.5M)
  - Increase paratransit fares to the federal maximum: (\$0.8-2.8M)
- Fare Policy recommendations by July

# Access Paratransit

(\$5.8M)

- Only provide service that meets minimum ADA requirements (\$1M)
  - Curb to curb
  - Coverage & time of day restrictions
- Improve productivity (\$2.8M)
  - sixteen specific elements being pursued
- Expand CAT program (\$2M)

# Revenue Fleet Replacement Fund

(\$105M)

- \$100 Million in one-time savings has been built into Metro's financial plan
- Savings spread over the 2010-2013 time period

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