

Regional Transit Task Force Summary of Meeting

**July 1, 2010, 5:30 – 8:30 PM
Mercer Island Community Center**

Task Force members present: Fred Butler, Grant Degginger, Kevin Desmond*, Bob Drewel, Chris Eggen, David Freiboth, Chris Hoffmann, Kate Joncas, Josh Kavanagh, Jane Kuechle, Lynn Moody, Estela Ortega, Tom Pierson, Tom Rasmussen, Carla Saulter, Jared Smith, Jim Stanton, Bob Swarner, Ron Tober*, Larry Yok

Task Force members absent: Chuck Ayers, Shiv Batra, Gene Baxstrom*, Suzette Cooke, Noel Gerken, Carl Jackson, Rob Johnson, James Kelly, Steve Marshall, Ed Miller, Liz Warman

Facilitator: John Howell (Cedar River Group)

I. Welcome

The meeting was called to order at 5:40 p.m. John Howell reviewed the agenda and asked task force members and attendees to introduce themselves.

II. Review of Updated Task Force Schedule

The updated schedule shows the dates and tasks for the upcoming meetings of the two subgroups as well as for the full task force. Both subgroups hope to develop recommendations to bring to the full task force's next (July 15) meeting. In addition to discussing the subgroup recommendations, the task force's next meeting will include decisions on revised criteria for service reduction, and the start of discussion on criteria for service additions. The task force will start looking at funding options at its second August meeting, and will review and approve its report and recommendations at the September meetings. The schedule also lists the task force's charge from the County Council for reference.

A task force member asked that either the meeting on criteria for service reduction or the one on criteria for service addition also include discussion of criteria for service restoration.

III. Summary of Subgroup Meetings

Performance Measures Subgroup

At its prior meeting, this subgroup created a construct with three parts: (1) the sources and uses by service type (revenues and expenses); (2) performance measures by service type; and (3) performance measures for the system as a whole for the six design factors that the task force is charged with considering. The meeting this week took a careful look at a draft sources and uses document, and draft performance measures for the system as a whole. The subgroup agreed that this work is on the right track. The next meeting will review performance measures by service type.

Comments:

- *Appreciation:* A subgroup member commended Metro for providing a significant body of work in a short time on the performance measures.

* Non-voting member

- *Task force review:* In response to a question, Mr. Howell recommended waiting until the next round of revisions has been done to get the full task force's review of the draft performance measures.

Cost Control and Efficiency SubGroup

This subgroup's meeting explored two main topics: (1) internal service charges and county overhead charges; and (2) alternative service delivery models. A representative of the county's budget office attended the meeting and, at the subgroup's request, reviewed the internal and overhead charges line by line, and answered questions. The subgroup wanted to be sure that overhead is not included in the internal charges, to ensure that Metro isn't being charged overhead twice. The subgroup had questions about the methods for allocating overhead to be consistent with national practices and standards. Several overhead charges are based on a ratio of Metro to county operating expenses; others are calculated per full-time equivalent (FTE) staff. The subgroup wants to look further at these issues.

Regarding alternative service delivery models, the subgroup is focusing on whether it is possible to provide services in different ways that are now provided as fixed routes. They reviewed a list of alternative service delivery models that shows what they are, how they work, what they cost, what the constraints are, and how they might be used. The subgroup wants to dig deeper into the circumstances where the different models may make sense to use.

A subgroup member commented that the overhead and internal services charges account for approximately 10 percent of Metro's annual operating expenses. It was suggested that in general, a rate of 10 percent is considered good for government agencies and non-profits. Other subgroup members commented that they want to make sure that overhead charges are not built into departmental service charges, which would have the effect of Metro getting charged twice for overhead. Regarding alternative service delivery, a subgroup member cautioned that this area could be problematic if not approached carefully.

Comments:

- *Open or closed system:* In response to a task force member's question, Kevin Desmond confirmed that Metro must use county services ("closed system") for the internal services that it acquires.

Mr. Howell thanked all the subgroup members for volunteering their time and effort within a very compact time frame.

IV. Draft Statements of Emerging Direction

The Statements of Initial Policy Direction Emerging from the Regional Transit Task Force document (see meeting handouts) represents a summary of the direction that has been emerging from the task force and subgroup meetings in three areas: service allocation, performance measures and financial sustainability. The document is a start at describing policy statements that may become part of the task force's recommendations in September.

The draft statements on service allocation include the ideas that:

- Productivity needs to be a major factor in designing the transit system, and that financial stability and land use are closely linked to it.
- It is important also to serve the mobility needs of those who are transit dependent.

- While prioritizing productivity, allocation decisions also need to take into account geographic balance and equitable coverage across the region.
- Focusing on productivity would tend to focus services on the existing population and job centers. But there is also a need to provide service to areas of the county that are growing in a manner that supports high transit ridership.

The draft statements on performance measures recommend creating and adopting a new set of performance measures by service type, and in a format that is clear to the public and decision-makers. It is also recommended that Metro compare performance measures with peer agencies across the country. Such comparisons would require research to understand why there are similarities and differences between Metro and other peer transit agencies.

The draft statements on financial stability urge Metro and the county to look for additional efficiencies and opportunities for cost control, to follow through on the audit recommendations, and to consider the sustainability of the current expense structure over time.

Discussion:

Service allocation. There were a number of suggested changes and additions to the initial policy statements on service allocation. These included: recognizing the need to provide service to those who work outside traditional hours in the list of mobility needs (second bulleted statement); noting the task force's suggestion to consider using alternative types of services when local fixed route service is reduced (third bullet); and clarifying the language on transit service partnerships so that it doesn't imply only payment for service but also includes policies focusing on higher density development.

Task force members confirmed that they were comfortable with the concepts in the service allocation section as revised by the above suggestions.

In response to a question about geographic balance and equitable service coverage, Mr. Howell said that the Performance Measures Subgroup is looking at expenses and revenue by subarea as a way to understand the current geographic balance.

There was a suggestion to add a new bullet encouraging Metro to explore alternative service delivery models for all forms of fixed route service (not just local services). Mr. Howell noted that the Cost Control Subgroup is looking into this idea, and will provide input to the full task force.

It was suggested that the statements should reflect the task force recommendation to add environmental sustainability as a seventh key factor. Mr. Howell said that he would add language in the next version of the document.

Performance measures. Suggestions for the performance measures statements were to: introduce the concepts of transparency and regular public reporting; develop targets and report regularly against those targets (first bullet); identify the peer transit agencies to be used for comparison and use the same ones consistently (second bullet); and clarify the wording for types of service in light of meeting materials for this meeting that refer to "families of service."

Task force members confirmed that they were comfortable with the concepts in the performance measures section as revised by the above suggestions.

Financial sustainability. There was a request that the phrase "growth curve for personnel costs" be defined. There was discussion about whether to add a timeline for acting on audit recommendations that the County Executive has accepted, as a way of ensuring that the work will be completed. A task force

member commented that he would like a way to know that Metro has carried out the recommendations. Mr. Desmond noted that not all the audit recommendations involve immediate actions. Some were to study or test certain procedures or actions to see if there is an opportunity for cost efficiencies. It was suggested that language be added to the task force policy statements about regular and transparent reporting on the progress in following up on the audit recommendations.

Task force members confirmed that they were comfortable with the concepts in the financial sustainability section as revised by the above suggestions.

There was discussion about adding a statement about how the county allocates overhead charges to Metro. Mr. Howell noted that the Cost Control Subgroup is looking at this question and will report to the full task force.

A task force member expressed concern about a focus on personnel costs. He suggested deleting the second sentence of the second bullet, which highlights wages, salaries, and benefit expenses. Given the topics still to be covered in this meeting, Mr. Howell suggested that he would consult with task force members before the next meeting about possible amendments for this statement.

V. Draft Criteria for Potential Service Reductions

Jim Jacobson of Metro introduced a white paper that Metro developed as an example of how the criteria for service reduction that the task force discussed at the last meeting might be applied to Metro's services, and the rider experiences that would be expected to result. Mr. Jacobson cautioned task force members that because the goal is reducing service, they should not expect to like everything in it. The scenario emphasizes productivity (which links to economic development, land use and financial sustainability), while acknowledging the need to address social equity and geographic balance.

Victor Obeso, Manager of Service Development at Metro, discussed the white paper. (See "Service Reduction Scenario" presentation handout.) The white paper is intended to illustrate how the reduction scenario would affect service and the transit system design factors, rather than being a specific plan for service reductions. The chart on pages 4 and 5 shows how the service design criteria and parameters effect the development of this scenario. The scenario includes Metro's services only, not Sound Transit's services. Metro assumed for the scenario a goal of reducing the current service by a total of 400,000 hours, while pursuing other cost reduction and efficiency strategies for further savings, since the equivalent of an estimated 600,000 hours of reductions are needed by 2015. The scenario uses four service types (or families) instead of the three suggested at the last task force meeting, so as to give a finer definition to the "high ridership" category. The four service types are: frequent arterial, peak commuter, local, and hourly. In essence, the proposed design would use the local network (local and hourly) to get riders to the frequent network (frequent arterial and peak commuter) and to the commuter bus and rail services Sound Transit provides.

The total cost per rider of the scenario would be \$3.52, compared to Metro's Fall 2009 cost per rider of \$3.95. Of the total service reductions, 29 percent would be from the East subarea, 20 percent from the South, and 51 percent from the West. In comparison to current service, the scenario would reduce service in the East by 19 percent, in the South by 11 percent, and in the West by 10 percent. Overall, there would be an 11 percent decrease in hours, a 2 percent decrease in riders, a 1 percent decrease in access (defined as population within one-quarter mile of a fixed transit route), but an 11 percent increase in productivity.

Answers to Task Force members' questions:

- *Equipment:* The scenario doesn't get to the level of detail of what equipment would be used for each type of service.
- *Transit access and lost riders:* The changes in access are primarily that transit access would be less convenient. Metro did not try to determine how much of the estimated decrease in ridership represents riders who switch to Sound Transit. Metro's experience with Link light rail has been that there has been a net gain in ridership: some people lose service but other corridors attract new riders. In terms of proximity to a transit stop or a park and ride lot, there is only a 1 percent decrease. However, there is also a loss in access through reduced hours of operation. Any location where Metro currently has a transit line would still have a line, but there may be less coverage.
- *Impact on Access bus service:* Metro has not yet analyzed this impact. The Americans with Disabilities Act (ADA) requires service where there is a fixed route with full-day service. Metro's Access service might decrease in the scenario because of having some commuter-only routes.
- *Land use:* The current Metro network services population and job centers. The proposed scenario does the same but uses Sound Transit's services to leverage Metro's.
- *Route reductions:* Most of the reductions in the scenario were accomplished through consolidating routes, reducing the "neighborhood tails" of some routes, and reducing hours.
- *Ridership lost by subarea:* The highest ridership loss is in the West subarea.
- *Impact on subareas:* The Metro planners did not start with the subareas but with current routes and hours, and grouped them into the four categories. Then they looked at the categories for opportunities to consolidate parallel routes and streamline services to be more productive.

Discussion:

A task force member said he would like to see how the scenario would work if Metro first cut the less productive routes, starting with the least productive and cutting routes until a total of 400,000 hours had been cut, and then looked at the impact by subarea and added back routes to provide equity. The task force member said he was uncomfortable with the process since Metro made judgments based on factors that are not spelled out.

Mr. Obeso noted that the bubble chart in the handout "Metro Fixed Route Service Families and Productivity Measures by Area of King County" (see meeting handout) shows the productivity of the four service types applied to current routes by subarea. In each service type, the least productive area of the county is the East subarea. For each service type, the handout also provides a map showing frequent Metro routes, transit centers, park and ride sites, Commute Trip Reduction (CTR) sites, Sound Transit Link and Sounder routes, urban centers, manufacturing centers, minority census tracts, and low-income census tracts.

A task force member commented that this is the most productive conversation the task force has had so far and that the map and information about costs are critical to understanding the system. He recommended that all task force members review two reports from the Spokane transit system. One provides their performance standards; the other reports on their performance for a year against those standards. Adopting an approach such as this would add transparency in decisions about which routes to cut and which to keep.

Mr. Desmond noted that once the task force proposes policy guidelines, Metro can put together the performance standards and suggest the reductions in service based on those guidelines. The scenario presented at this meeting is an illustration based on the task force's discussion so far.

One task force member said he would like to see the construct for how Metro arrived at the scenario, including cost, ridership, and two standard deviations. Mr. Obeso directed attention to the chart on page 5 in the white paper, which shows that any route that fell below a productivity threshold of 10 rides per platform hour or 50 passenger miles per platform hour was eliminated, reduced or redesigned. The only exceptions were to provide a minimal level of service to a rural area and for routes established by partnerships.

Next Steps:

Mr. Howell asked task force members to send him any further questions that arise as they continue to think about the scenario and materials presented. A task force member suggested that members focus on pages 4 and 5 in the white paper on how the criteria shape the system design. The proposal itself is not as important to understand as how the criteria the task force identified would play out.

Mr. Howell will distribute to the full task force the Spokane reports that were mentioned in this meeting and have been used in one of the subgroups.

VI. Public Comment

Lynne Domingo

Ms. Domingo is a community organizer in Rainier Valley. She spoke about the impacts on community members of the service reductions Metro made in 2009. She said that although the percentage of cuts looks small, they had a huge impact on the community, which currently has one of the highest levels of unemployment and the highest foreclosure rates in the county. The cuts included 30 bus stops on Route 7, including stops at schools and services. Many community members do not have cars. They have no other option than transit; and Sound Transit is too expensive for many low-income and unemployed residents. She proposed that transit should be viewed as a utility that is available to all. Social equity for communities of color and low-income communities should be part of the criteria for transit service. She suggested that the task force look at the impacts of the 2009 cuts when creating transit criteria.

VII. Next Steps

The two subgroups will meet the week of July 12th. The next full task force meeting is Thursday, July 15th at the Mercer Island Community Center.

The meeting adjourned at 8:30 p.m.