

We'll Get You There

Moving Metro Forward

A year-one progress report on the Regional Transit Task Force recommendations

King County Executive Dow Constantine and the County Council formed the Regional Transit Task Force in early 2010. The county's public transportation system was facing competing pressures: demand for transit service was strong and expected to grow, but a steep decline in Metro's revenues from sales tax revenues was creating unprecedented financial challenges. In this context County leaders asked the task force to develop a new model for delivering transit service.

In November 2010, after numerous meetings and countless hours of intensive review, the task force issued a report and seven recommendations for making Metro a more productive, accountable, and financially sustainable organization. The recommendations are summarized at right; for the full task force report and recommendations, visit www.kingcounty.gov/transittaskforce.

In the year since the task force released its findings, Metro and King County have taken groundbreaking action on all of the task force's recommendations, launching new efforts as well as continuing reforms initiated earlier to manage the revenue shortfall. These actions are making Metro a stronger organization and will yield benefits to the public for years to come.

The following is a summary of these accomplishments.

New strategic plan, service guidelines and performance measures

Immediately after the task force completed its work, Metro began drafting a new 10-year strategic plan that conforms with the task force findings as well as the King County Strategic Plan. Metro developed the service guidelines recommended by the task force as part of the plan.

The Regional Transit Committee revised and unanimously approved the *Strategic Plan for Public Transportation 2011-2021* and Service Guidelines, and the King County Council unanimously adopted them on July 11, 2011.

The plan starts with Metro's vision for public transportation. In brief: a safe, efficient, and reliable system that people find easy to use; expanded and improved products and services that attract a growing segment of the population; an engaged public; quality employees; and financial stability. The Puget Sound region has a

The task force recommendations

1. Create a new set of performance measures and report at least annually.
2. Control all operating expenses.
3. Base service reduction and growth decisions on these priorities:
 - Productivity
 - Social equity
 - Providing value throughout the county
4. Create guidelines for allocating service.
5. Base these service guidelines on:
 - Transparency, clarity and measurability
 - Use of the system design factors (land use, social equity and environmental justice, financial sustainability, geographic equity, economic development, productivity and efficiency, and environmental sustainability)
 - Flexibility to address dynamic financial conditions
 - Integration with the regional transportation system
 - Development of thresholds for decision-making on network changes.
6. Work with a community and business coalition to pursue state legislation that creates a more sustainable revenue base for transit.
7. Revise Metro's mission statement and create a vision statement.

stronger economy, improved public health, and cleaner environment because of the public transportation system.

Reflecting the task force's guidance, the plan establishes goals, objectives and strategies for allocating service on the basis of productivity, social equity and providing value around the county; controlling costs; increasing public engagement and access to information; working toward environmental sustainability; and securing stable funding.

Included in the plan are more than 60 performance measures for tracking and reporting progress toward the goals. Most of

these measures address issues considered by the task force, and incorporate the key system design factors. For example, one measure, the percentage of the low-income population that is within a ¼-mile walk access to transit, will be used to assess how well Metro's products and services are promoting social equity.

The plan includes Metro's updated mission statement:

Provide the best possible public transportation services and improve regional mobility and quality of life in King County.

Metro incorporated a number of performance measures into the new Service Guidelines that are used to determine target service levels, evaluate performance, and design service. As an example, Metro uses two productivity measures, rides per hour from the time a bus leaves the base until it returns, and total passenger-miles per mile the bus travels, to identify routes as candidates for addition, reduction, or restructuring of service.

Metro also incorporated performance measures into its business plan, which guides near-term actions.

Metro will provide annual reports on the Service Guidelines and biennial reports on the Strategic Plan performance measures to the Regional Transit Committee. Metro also produces annual reports on route productivity and peer comparisons as well as a comprehensive Annual Management Report. The format for the 2010 route productivity report, completed in September 2011, was revised to reflect the new Service Guidelines. The 2010 Annual Management Report produced this year also was revised to place more emphasis on performance trends and to include some peer comparisons. (Peer comparison data is drawn from the FTA's National Transit Database, and typically is not available until at least a year after it is collected.)

Metro also created new webpages that display charts and data on performance. These are updated monthly or annually, as data becomes available.

Congestion reduction charge and sustainable funding

As a result of the task force's work and the County's commitment to comply with its recommendations, the Washington legislature authorized King County to adopt a temporary, \$20 Congestion Reduction Charge (CRC) to help fund transit. The County adopted the CRC in August, helping Metro sustain service for the next two years. The emergence of a broad coalition of community and business leaders who advocated for transit, as well as strong grassroots support, were key to adoption of the CRC.

As the result of numerous favorable trends, such as lower-than-expected expenses and stronger fare revenue as ridership

rebounds, Metro's 2012-2013 budget shows a positive trend. However, after the Congestion Reduction Charge expires in mid-2014, Metro will still face a sizeable structural deficit that threatens current service and prevents the expansion of service to meet the county's growing needs. Other risks exist as well, such as potential cuts in federal funding.

Responding to the task force recommendation to seek sustainable funding, Metro and the County are monitoring and participating in the Connecting Washington Task Force that was formed by Gov. Chris Gregoire to recommend a 10-year investment and funding plan for the state's transportation system. Deputy Executive Fred Jarrett represents King County.

Elimination of the Ride Free Area

The CRC legislation also calls for elimination of the Ride Free Area in downtown Seattle—prompted in part by the task force's questions about its costs. Metro is in the process of planning this major change, and will provide its plan to the County Council in May 2012. Metro estimates that elimination of the Ride Free Area could generate as much as \$3 million annually in new fare revenue. It will also make riding Metro simpler as passengers will always pay as they enter. Metro is working with county and city health and human service agencies to identify ways to reduce the impact on people in downtown Seattle who have very limited means.

Transit incentive program

Metro is also developing a transit incentive program, another requirement of the CRC legislation. This program will offer people eight free bus tickets per household annually when they renew a vehicle license. They may either use the tickets or donate them to Metro's human services ticket program.

Making the transit system more productive

Adoption of the CRC gave Metro an opportunity to use its new strategic plan and service guidelines to revise the transit system over the next two years to get more people where they want to go, more comfortably and reliably.

The adopted CRC legislation provides direction for this effort. It requires Metro to reduce at least 100,000 annual service hours from bus routes with relatively low productivity and reinvest those hours to meet more pressing transit needs, consistent with Metro's newly adopted service guidelines. Although the reduction or elimination of routes will create inconveniences for some riders, the guidelines will lead to reinvestments that benefit more riders and improve key performance metrics such as on-time performance and number of passengers carried per hour the bus operates.

Priority for reinvestment will be given to improving service quality on corridors that have heavy demand. The hours will be reinvested

to relieve overcrowding, improve on-time performance, or address transit needs on currently underserved corridors. The legislation also specifies that routes which see ridership increases as a result of highway tolling will be candidates for added service.

Consistent with the task force's advice that Metro explore alternative service delivery models, the legislation also directs Metro to shift at least 5,000 and up to 20,000 hours of service to alternatives that meet local needs at lower operating cost (also referred to as "right-sized services"). These alternatives are to be focused in east and south King County communities along the urban growth boundary, next to rural areas. The alternatives might include flexible Dial-a-Ride Transit (DART), community vans, and contracted service.

Metro plans to make service improvements following this guidance at each of its three scheduled service change periods in 2012:

- In February, Metro will convert three whole or partial routes to DART service.
- For June, the County Executive has proposed an ordinance for County Council action by January 2012 that would delete or reduce approximately 40,000 hours from routes that do not meet the productivity standards in the new service guidelines. These hours would be reinvested in heavily used routes to relieve overcrowding or improve on-time performance and to address transit needs in underserved areas of the county.
- For September, Metro has begun an extensive, two-part outreach process to involve the public in developing proposals for restructuring service in several areas in conjunction with the start of the RapidRide C and D lines. Metro's planners are proposing to reduce low-performing routes and reinvest the hours in higher performing routes, in many cases to better integrate with the higher frequency RapidRide corridors as well as to improve the transit network. The Executive will be forwarding final proposals to the County Council in early spring 2012.

Reporting

Metro will be reporting on all of these legislated programs over the next three years, creating opportunities for public scrutiny. Reports and the dates they are due to the Regional Transit Committee in 2012 are:

- Baseline annual service guidelines report – March 31
- Potential proposed changes to the strategic plan and guidelines – April 30
- Ride Free Area elimination plan – May
- Five-year implementation plan for alternative services, including a report on alternative service best practices, costs and benefits, constraints to implementation, and timeline – June 15
- Report on preliminary results of the methodology for adding service – October 31

Controlling costs and increasing revenue

Metro has taken numerous actions to control costs and increase revenue, building on the nine-point plan adopted with the 2010-2011 budget and cost-cutting labor agreements negotiated in 2010. Metro has acted on recommendations of a performance audit of conducted in 2009, adjusted fares and achieved an all-time high farebox recovery rate, and incorporated efficiency reductions into its 2012-2013 budget.

Performance audit

By the end of this year, Metro will have substantially completed its two-year program of follow-up work related to the recommendations of the 2009 Performance Audit of Transit. Changes resulting from the audit have resulted in \$100 million in one-time reductions of reserves and have yielded approximately \$20 million in ongoing annual savings.

Accomplishments include:

- Systematically adjusted bus schedules to be tighter and more efficient, resulting in annual savings of approximately \$12 million. Metro's scheduling-efficiency measure now meets the auditor's recommended target. Unfortunately, tightening of schedules has caused on-time performance to decline by 4 to 5 percent. In 2012, Metro will reinvest service hours from relatively unproductive routes to improve on-time performance on routes that are running late beyond the thresholds in the new service guidelines.
- Eliminated 125 "back-up" operator positions and began using part-time or overtime drivers to fill more absences, saving approximately \$1.45 million annually.
- Improved the productivity of the Access paratransit service, resulting in ongoing savings estimated at \$1.5 million per year.
- Expanded the Community Access Transportation (CAT) program by 25 percent in 2009, yielding \$3.6 million in savings.
- Extended the vehicle maintenance inspection interval for buses, saving \$450,000 per year, and established systemwide productivity standards and performance measures.
- Enhanced and expanded the use of planning to increase efficiency and revenue generation. Metro completed an updated financial planning model, an economic model for vehicle replacement decisions, a trolley-replacement study, a strategic plan for Access, and a plan to adjust paratransit service and fares to match ADA minimums. Metro also incorporated facility master planning into the planning process and developed tools to monitor vehicle maintenance work.
- Adjusted fares and fare policies to increase revenue, including increasing the base fare by \$.25 in January 2011 and adjusting senior/disabled fares in 2010 and the youth fare in 2011. Metro included fare policy goals in the new strategic plan, updated the Council-approved financial policies, reduced the Revenue

Fleet Replacement Fund balance, and did an extensive analysis of the cost of the downtown Seattle Ride Free Area.

Farebox recovery rate

The January 2011 fare increase was the fourth adjustment in four years—a total \$1 increase (80 percent). Metro's farebox recovery rate for 2011 will be 28 percent and the ratio of operating revenue to operating expense (OR/OE) will be 30 percent for 2011—both all-time highs.

2012-2013 budget efficiencies

Metro incorporated efficiency reductions into its 2012-2013 budget that will save more than \$5 million. New efficiency measures include reorganizing workgroups and reclassifying positions (eliminating 21 staff positions, including several management positions); making efficiency improvements in vehicle maintenance and in the processing of work orders at bases; planned closure in 2013 of the Westlake Pass Sales office; and a new suite of customer information products that will result in operating efficiencies.

Lower-than-expected employee health care costs will save Metro about \$24 million in the 2012-2013 biennium.

Public transparency and accountability

A theme in the task force report is that Metro must be a transparent, accountable organization. In 2010 and 2011, Metro created or enhanced the following webpages on Metro Online that provide information about performance, finances, and plans:

- Monthly reporting measures: <http://metro.kingcounty.gov/am/reports/monthly-measures/>
- Annual reporting measures: <http://metro.kingcounty.gov/am/reports/annual-measures/>
- Budget: <http://metro.kingcounty.gov/am/budget/>
- Strategic plan and service guidelines: <http://metro.kingcounty.gov/planning/>

- General manager's newsletter: <http://metro.kingcounty.gov/am/generalmanager.html>
- Reports: <http://metro.kingcounty.gov/am/reports/reports.html>
- Financial stability and sustainability: <http://metro.kingcounty.gov/am/future/>
- Proposed service changes: <http://metro.kingcounty.gov/up/sc/planning.html>
- Have a say (opportunities for public comment on suggested service changes and other matters): www.kingcounty.gov/metro/haveasay

A new "Accountability Center," with a prominent link on the Metro Online home page, will make these pages easier to find. It will be launched in December 2011.

Metro also has been using its Transit Alerts e-mail notification system to provide information about Metro issues and plans. This system currently has more than 40,000 subscribers who choose to receive information about the bus routes they use as well as other topics. Nearly 10,000 people have signed up for a topic called "Metro Matters," which covers Metro plans, policies and service developments. The Transit Alerts system has been particularly useful during public outreach around potential service changes that Metro is developing to make the transit system more productive. Metro has sent information about suggested changes—and the guidelines they are based on—directly to people whose bus routes would be affected.

Another new communication channel is General Manager Kevin Desmond's e-newsletter, started in October 2010. Newsletters are sent once or twice a month, as topics arise, to community leaders. The newsletter is posted on Metro Online, where readers are invited to subscribe. Topics addressed in 2010 and 2011 included the Regional Transit Task Force, Metro's budget, cost-cutting and other efforts to attain financial sustainability, the new strategic plan, and preparations for adverse weather operations.



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