Regional Transit Task Force
Summary of Meeting

May 13, 2010, 5:30 – 8:30 PM
Mercer Island Community Center

Task Force members present: Chuck Ayers, Gene Baxstrom*, Fred Butler, Suzette Cooke, Grant Degginger, Kevin Desmond*, Chris Eggen, Noel Gerken, Chris Hoffmann, Carl Jackson, Rob Johnson, Kate Joncas, Josh Kavanagh, James Kelly, Jane Kuechle, Steve Marshall, Ed Miller, Lynn Moody, Estela Ortega, Carla Saulter, Jared Smith, Jim Stanton, Ron Tober*, Larry Yok

Task Force members absent: Shiv Batra, Sue Blazak, Bob Drewel, David Freiboth, Tom Pierson, Tom Rasmussen, Liz Warman

Facilitator: John Howell (Cedar River Group)

I. Welcome

The meeting was called to order at 5:30 p.m. John Howell reviewed the agenda and asked the task force members and attendees to introduce themselves.

II. Follow-up on Information Requests

Mr. Howell noted that task force members should have received by e-mail a document with Metro's responses to many of the information requests that task force members made last month. Work is still in progress on a few items; some will be addressed in future presentations. One additional document handed out at this meeting was a table and map of King County Neighborhood Population and Household Density. The table shows population, number of households, acreage, persons per acre (Pop/Ac) and households per acre (HH/Ac) for each neighborhood.

There was general agreement among task force members that the materials received so far have been responsive to the information requests. In response to a question, Mr. Howell said that task force members may still request information that seems useful to the task force's charge. But the focus of the discussions will soon need to shift to the policy issues the task force has been asked to address.

Suggestions for additional information that might be helpful included the following:

- Materials based on experts outside of Metro, such as university researchers. Carl Jackson offered to send a list of possible sources to Mr. Howell.
- Information that shows how Metro as a whole and how each subarea is doing as a business.
- Comparative analysis of Metro with several other transit agencies (Mr. Howell pointed out that there was material in the packet sent to task force members.)
- A "10 slides in 10 minutes" summary of what Metro's business looks like.

III. Continued Background Briefings

A. Metro's Performance Audit (John Resha, Kymber Waltmunson, Jim Jacobson)

John Resha of the King County Council staff explained the background context for the audit. For the 2008 budget process (before the recession), the Council approved a fare increase in light of the steep rise in

* Non-voting member

fuel prices. But the Council also requested the King County Auditor to conduct a performance audit to look for maximum efficiencies (Phase 1 of the audit) and review procurement/capital investments (Phase 2). At the time of the 2009 budget, the recession had led to a steep decline in sales tax revenues, and the Auditor's Office had completed Phase 1 of the audit, identifying possible savings in a number of areas. The Council asked Metro to follow up to implement as many of the savings as possible.

Kymber Waltmunson, Principal Management Auditor in the King County Auditor's Office, explained that Phase 1 of the audit, which focused on efficiencies, was completed in September 2009. The Phase 2 audit on procurement is expected to be complete in September 2010. She reviewed the Phase 1 general audit findings; the findings and recommendations in the areas of service development, trolley replacement cost alternatives, and fare policy and revenue; and the possible fiscal impacts. (See the presentation slides in the meeting materials.)

Generally the audit found that Metro Transit's services have emphasized quality, high ridership, regional mobility and operator working conditions. There has been less focus on cost efficiency. Ms. Waltmunson summarized the recommendations in three areas. (1) Service development: The audit recommended using scheduling efficiency tools. An example is round-trip cycle-time analysis, to ensure that there is no extra wait time in the schedule. (2) Trolley replacement: For Metro's goal of replacing the fleet in 2014, the audit recommended considering a variety of factors, such as life-cycle cost, and looking at different options for the fleet. (3) Fare policy and revenue: The audit recommended making sure that the fare structure furthers Metro's goals, using fare policy to generate revenue for operations, and reconsidering discounts to be in line with peers and base fares. The audit also recognized that every fare increase also results in some rider decrease. In total, the audit identified potential annual cost savings of $30.2 to $37.2 million, up to $53.8 million in opportunities for increased annual revenue, and a one-time available fund balance of $105 million. The audit noted that the recommendations would take time and resources to implement, with the savings realized over time.

Jim Jacobson of Metro reviewed Metro's response to the recommendations in the audit (see the presentation slides in the meeting materials). He focused on the policy decisions and major steps for implementation in five areas that account for the largest potential savings. (1) More efficient scheduling ($16 million - $23 million): A key element is training staff to more effectively utilize the automated scheduling system. The first new schedules were implemented on one route in Seattle and one in South King County. Metro will analyze the impacts of these test routes. The agency expects $12.5 million in annual savings. (2) Trolley replacement ($8.7 million): Metro will present to the Council in September a scope for a full study of the options, including a public process. The City of Seattle is cooperating since they have a strong interest in the decision. (3) Fare increases ($51 million): Metro is establishing goals for fares and working with Sound Transit to create a coordinated fare structure. Fare policy recommendations will go to the Council in July. (4) Access paratransit ($5.8 million): Metro is looking at the changes needed to meet only the minimum ADA requirements, ways to improve productivity, and ways to expand the volunteer-operated transportation program. (5) Revenue fleet replacement fund ($105 million): One-time savings have been built into Metro's financial plan and spread over the next four years.

Answers to Task Force members' questions:

- *Staffing and labor costs:* The Auditor's Phase 1 study looked at operator staffing and how Metro is using labor within the current contract, and identified ways to use staff more efficiently in scheduling. Metro is now looking at the Auditor's suggestion to reduce the number of back-up operators that Metro has available on a daily basis. The Auditor's analysis did not include review of the labor wages and benefit packages or comparing Metro's labor rates with peer agencies. (Mr. Howell noted that there is an outstanding information request to compare labor rates at peer

agencies and growth over the last five years. This information should be available for the next meeting.)

- *Audit detail:* The Auditor's full report includes some additional analysis on fares and assumptions on trolleys. The Auditor's Office also performed some life-cycle cost analyses. These were not included in the report but could be made available to the task force.
- *Transfers:* The elimination of free transfers that Metro has already implemented was for transfers between Metro and Sound Transit. The Auditor's report also looked at the impact of eliminating free transfers within Metro's services. This will be part of a menu of options that Metro will take to policy-makers.
- *Fare increase:* Metro has followed through on a fare increase as a result of the audit report. This increase was approved by the County Council and will go into effect in January 2011.
- *Paratransit service:* The Auditor's report identified potential savings if Metro were to meet the minimum requirements of the Americans with Disabilities Act (ADA), but not exceed them as Metro currently does. For example, the federal requirement is to offer paratransit service during the same hours as bus service operates. But in some cases, Metro has offered Access service later in the evening than the regular bus route operates.
- *Six criteria:* The Auditor's report did not look specifically at the six planning criteria that the task force has been asked to consider.
- *Policy-level recommendations:* The Auditor's report provides factual information so that policymakers have information on which to base decisions. But it does not analyze policies. The recommendations are more at the level of business practices than of policy. The most relevant policies in terms of having an effect on Metro's bottom line are the percentage of operating costs that fares should cover (the current target is 25 percent), and using the service standards of quality and efficiency as guiding principles.
- *Status of the recommendations:* Metro is reviewing the recommendations to determine how to implement each one. They are bringing options to elected officials for decision-making. Metro will monitor the actions, then assess the results. The packet of materials sent to task force members' in advance of the meeting includes a detailed timeline.

Information requests:

- The life-cycle cost analyses that the Auditor's Office performed.

B. Growth Projections and Assumptions (Charlie Howard)

Charlie Howard of the Puget Sound Regional Council (PSRC) presented information about regional population and employment trends, the long-range planning framework PSRC is using, and the PSRC's *Transportation 2040* plan. (See the presentation slides in the meeting materials.)

Vision 2040 is the region's growth strategy. By 2040, the region's population is expected to increase by 36 percent to 5 million, about the population size of the San Francisco Bay Area now. *Vision 2040* anticipates a change in the growth pattern so that the "core" cities and metropolitan areas (which combined represent 17 designated Regional Growth Centers in King County) are where the majority of growth will take place. Of the four counties in the Puget Sound region, King County is expected to have the largest share of the growth in population (42 percent) and of the employment growth (57 percent). In the *Transportation 2040 plan,* 60 percent of the planned investments ($100+ billion) will be targeted to forms of transportation other than automobiles. Transit will be of three types: a core network in cities, with all-day, two-way, frequent service; specialized, peak period commuter service; and "community

connector" service that is less frequent for lower density neighborhoods. ADA service will also need to grow.

Answers to Task Force members' questions:

- *Non-transit investments:* The other 40 percent of transportation investments in the plan are for roads, highways and high-occupancy vehicle (HOV) lanes.
- *Funding strategy for transit investments:* The estimate of $100 billion needed came from the transit agencies of the four counties: King, Kitsap, Pierce and Snohomish.
- *Connection to Growth Management Act (GMA):* Regional policies/plans and local plans need to be consistent. *Transportation 2040* aims to coordinate transit service connected with growth management.
- *Commuting to King County:* The projections are that the largest job growth will be in King County, but not all the workers will reside in King County. This is also true now—for example, close to 30 percent of workers living in Pierce County work in King County, as do 10 percent of workers living in Kittitas County. King County also draws workers from other adjacent and outlying counties, including Snohomish, Skagit, Island and Mason counties.
- *Coordination among transit agencies:* There is a regional transit committee that meets monthly and reviews policies with the goal of consistency across the region. However, each transit agency is set up by local voters and the county council. The Sound Transit Board recently voted to bring its fares more in line with those of other transit agencies in the region.

Information requests:

- The number of lane miles in highway/road/HOV investments in the *Transportation 2040* plan.
- The scenarios for funding the transit services (the $100 billion estimate).

IV. Six Key Factors Affecting Metro Transit System Design

Part of the County Council's charge to the task force was to consider six transit design factors when making recommendations. These factors are:

- Land use
- Social equity and environmental justice
- Financial sustainability
- Geographic equity
- Economic development
- Productivity and efficiency

Mr. Howell led the task force in a discussion of two questions: (1) How do you define each of these factors; and (2) How is Metro's existing system influenced by these factors? See the attached.

At the end of this discussion, one task force member suggested that it might be useful in the future to have small group discussion on topics such as this.

V. Public Comment

John Niles:

Mr. Niles said he is a 25-year resident of Seattle and a 50-year bus rider. He summarized work he has done to analyze data from the National Transit Database, which is a compilation of data from transit systems across the nation that the federal government publishes annually. He reviewed bus expenditures

by the 76 largest bus transit systems in the country, with the exception of New York City. Based on this review, he developed the following formula for bus operations expenditures:

> 1 year operations expenditures = (46% x # of passengers) + (50 x # of full-time operations employees) + (204 x # of vehicles) – (54 x # of part-time operations employees) – 11,263

He said that for 20 agencies, this formula estimates their expenditures higher than actual, and for 12, it estimates lower. For all the transit agencies in Washington, expenditures were higher than the formula would predict. King County Metro's expenses were 19 percent higher than the formula predicts. Mr. Niles suggested probing the factors that go into costs to look for ways to get more value from the funds expended.

VI. Meeting Schedule

The task force will meet twice a month starting in June, on the first and third Thursdays. Also, the meeting time will change to 5:30 to 9:00 p.m., instead of ending at 8:30 p.m. There may also be a need for some follow up discussions or small meetings on particular topics between the full task force meetings. For example, there will be a follow-up discussion on performance measures. Task force members will be notified when that meeting will occur.

The next meeting will be on Thursday, June 3, at 5:30 p.m. **The location for this meeting will be the offices of the Puget Sound Regional Council in Seattle**, because the Mercer Island Community Center was not available.

The meeting adjourned at 8:25 p.m.

ATTACHMENT

Summary of May 13 Regional Transit Task Force Discussion

Defining the Six Key Factors Affecting the Design of the Regional Transit System

The work plan for the task force adopted by the King County Council describes the scope of the task force responsibilities, including the following: "the task force is charged with exploring the following key factors for transit system design: land use; social equity and environmental justice; financial stability; economic development; and productivity and efficiency. The task force should make recommendations on how and to what extent these considerations should be reflected in the design of King County's transit system."

Task force members spent time at their May 13 meeting defining each of the six factors, and describing how they believe these factors currently influence the current transit system. The following provides a summary of that discussion.

Factor: Land Use

How Is It Defined?

- Appropriate transportation systems serving different densities
- Physical land needed to run the transit system
- Activities permitted on property – zoning vs. use. How do we realize opportunities/plan?
- Residential and employment – current and potential uses
- Where human activity occurs – residents, jobs and services. Transportation system is integral to connecting those uses. Connecting people and jobs. The infrastructure that supports people and jobs

How Does It Influence the Design of the Current Transit System?

- Land use patterns are not encouraging sufficient population density. Too much sprawl is occurring. It is difficult to get public acceptance of densities needed to support transit.
- Building system around current facilities
- Future land use affects potential for transit
- Existing transit system trails current and planned land use patterns
- Transit is used to replace freeway lanes/miles
- There are some direct connections between current and planned densities and transit services, particularly in Seattle and the west sub area.
- The current system is connecting people with jobs to some degree, but could do better
- The current system does a reasonable job connecting population with employment centers and higher density communities, but it gets stressed serving low density areas
- The system is based on centers, not corridors
- There is a disconnect between the State Growth Management Act, the creation of urban centers, and transit service. Local governments make land use decisions and set

standards for the level of services and infrastructure needed to support their population and employment, but local governments do not set transit service standards.

Factor: Social Equity and Environmental Justice

How Is It Defined?

- Ability to fully participate in social, economic and cultural life of the region.
- Equal access for everyone, including provision of service that accounts for affordability (those who cannot afford other transportation), disability, all hours (for those who need late night and early morning service), and to those who choose to use transit services.
- Fair treatment and meaningful involvement of all people. Everyone treated fairly; everyone's voice is heard.
- How transit is funded. Who is impacted by fares and other revenue structure (i.e. sales tax). Fares affect populations differently.
- Consider the effects of service decisions on different and varied populations, e.g., time of day of service, routing.
- Environmental justice – potential negative environmental consequences are not spread disproportionately to particular populations.

How Does It Influence the Design of the Current Transit System?

- Varies by geography. Some areas are served better than others.
- Not all social groups are served equally. Transit does not now serve everyone.
- More and more affordable housing is located outside of areas with high transit service.
- Doing an adequate job but could do better – e.g., Metro services used in lieu of school bus services are not meeting needs of school children.
- Changes in service can have significant effect on communities dependent on transit – currently insufficient communication about those service changes.

Factor: Financial Stability

How Is It Defined?

- Establish funding sources that are not as volatile as current revenue sources.
- Creation of financial policies that account for fluctuations in revenues
- The proportion of farebox revenue to other revenue sources
- Attempt to find long-term, structural solutions – not one-time fixes
- Revenue and cost structure that remains relatively in balance over the long-term
- Some degree of local control over revenue decisions – ability to make decisions within the service area
- Establish strategic direction and have ability to maintain that direction
- Finding a solution for maintaining the current system and accommodating anticipated growth
- Have to consider other demands for the transit service dollar – i.e., Sound Transit and others.

How Does It Influence the Design of the Current Transit System?

- The current system is supported by volatile funding sources
- For a decade Metro has not been able to "stay the course" as the result of unstable funding sources
- A significant amount of federal and state transportation funds support the highway system. Federal and state funding for transit varies.
- Transit sustainability has to be viewed in the context of all transportation funding.

Factor: Geographic Equity

How Is It Defined?

- Geographic balance between taxes that support the transit system and the benefits delivered by that system. Service in a sub area in proportion to the tax revenues the sub area generates.
- Reasonable and rationale distribution of services that recognizes: population centers and job centers, and where revenues to support the system are generated
- Should consider the cost of service to an area
- Benefits include more than transit service delivery – should also consider access to goods, jobs and ability to move goods and services out of the Port of Seattle
- Access to transit in all communities of King County

How Does It Influence the Design of the Current Transit System?

- The 40/40/20 policy is aimed at improving the balance between the generation of tax revenues to support the system and delivery of transit services
- Geographic equity has not changed much in the past ten years
- Some sub areas are subsidizing others
- The 40/40/20 policy is more about political equity than service equity – it doesn't account for all origins and destinations

Factor: Economic Development

How Is It Defined?

- There is a major policy issue in terms of how this is defined: how much of the transit system should serve and help shape future growth in population and jobs, and how much of the system should focus on service to current population and job densities? Should we respond to or help drive economic development?
- Use the transit system to achieve growth management goals
- The extent to which the public transportation system supports economic development in the region – moving people to and from jobs. Is it helping the economy thrive, or is it a drag on the economy?

- Relieve congestion for a more efficient flow of goods and services and improved productivity
- Help attract new businesses to this region
- The transit system should be part of the regional economic development engine. Transit oriented development (TOD) is key to making this happen.
- The ability for everyone in the community to improve their economic position – i.e., providing access to education, training, and jobs. Provide support for human capital.

How Does It Influence the Design of the Current Transit System?

- Transit is set up as a trailing service, reactive
- Ninth worst region in the country in terms of congestion
- Not doing a very good job of encouraging TOD
- Not doing a very good job of thinking about ways to incorporate transit into new development. Should consider shifting some of the burden for creating new transit service and infrastructure for that service to developers; and create incentives for developers.

Factor: Productivity and Efficiency

How Is It Defined?

- Consider the number of people a transit route carries. How cheaply and effectively does that happen?
- Design and report on how effectively services are being delivered system wide.
- How the system is managed – understandable metrics. Metrics should inspire confidence in how transit system decisions are made.

How Does It Influence the Design of the Current Transit System

- Need measurements that are clear, consistent and report on different types of service.
- Need to improve accountability and level of confidence in decisions made about transit service.

Facilitator's Observations and Questions

The discussion of definitions raises a number of policy issues and questions that the task force will need to discuss. The following is a list of some of those issues suggested after reviewing the summary of the initial task force discussion about the six factors.

- (*Based on the discussion about the land use and economic development factors*) How much of the transit system should be designed to serve growing communities (where population and jobs may not currently reach optimal transit densities) vs. service to existing population and employment centers?

- (*Based on the comments about sprawl, growth management, and acceptance of higher densities)* Can/should the level of transit services be tied to the willingness of local communities to establish zoning for certain densities or development/design standards for optimal transit use?

- *(Based on the discussion about social equity, geographic equity, and productivity and efficiency)* What is the right balance between providing "access to everyone" and creating a system that is highly productive and efficient? There is a tension between these objectives, particularly during periods of reduced revenues. This creates important policy choices regarding the extent to which the transit system can achieve full social equity, geographic equity, and productivity and efficiency.

- (*Based on the discussion about productivity and efficiency)* It was suggested that one way to inspire confidence among the public and decision makers is to establish a system of measurements/indicators. In addition, stating clearly the rationale for policy choices (and the resulting trade-offs – i.e., what the transit system will and will not be able to do) seems integral to building the kind of transparency that builds confidence.

- *(Based on the discussion about land use, social equity, economic development and geographic equity)* In designing the transit system, what is the right balance between getting people to and from work (and reducing traffic congestion) and providing broad coverage to all parts of the county and to all populations?