

Spring 2011



# Report to the Board of Directors

Citizens Advisory Committee  
on the Budget



*Tri-County Metropolitan  
Transportation District of Oregon*

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*Citizens Advisory Committee  
on the Budget*

Report to the Board of Directors

April 13, 2011

Committee

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## **1.0 INTRODUCTION**

### **1.1 The Citizens Advisory Committee on the Budget (CAC)**

The CAC provides comment and offers perspective on issues, policies and programs reflected in TriMet's Proposed Budget submitted to the TriMet Board of Directors ("Board") each Spring by the General Manager. The CAC has been assisting the Board for over 30 years.

Members of the CAC are nominated by the General Manager and appointed by the TriMet Board of Directors. Members are volunteers selected to provide diverse perspectives on operating and capital issues, with an emphasis on reviewing the budget and the financial impacts of policy alternatives being considered by the District. CAC members come from a wide range of vocations, experience and training. CAC members' diverse backgrounds also provide a business and community view to District issues. This year's CAC also includes members who are TriMet customers who ride the system daily to get to work. Members serve staggered three-year terms.

### **1.2 FY11 Focus**

This year, the CAC focused on four (4) topics:

1. TriMet's financial forecast and budget
2. Prioritization of regional investments in transit
3. TriMet Performance Measures: Using Metrics to Improve Efficiency
4. TriMet LIFT service

During each session, the CAC identified "CAC Perspectives" related to those topics. These perspectives are summarized at the end of each chapter in this report.

### **1.3 Calendar**

The CAC met between January 2011 and March 2011 and participated in sessions with TriMet staff from a variety of departments across the District. At each meeting, executive team and staff members provided materials related to the topic under consideration.

Briefings were provided by:

- Financial forecast and budget: Beth deHamel, Executive Director Finance and Administration and Claire Potter, Director Financial Analysis and Grants Administration.
- Prioritization of regional investments in transit: Neil McFarlane, General Manager; Alan Lehto, Director Project Planning and Ken Zatarain, Director Service Planning & Scheduling.
- TriMet performance measures: Neil McFarlane, General Manager; Shelly Lomax, Executive Director Operations; Dan Caufield, Director Operations Planning & Development; Ken Zatarain, Director Service Planning & Scheduling; Steve Callas, Manager Service Performance & Analysis; Mark Grove, Manager Rail Equipment

Maintenance Training & Engineering; Eric Hesse, Coordinator Strategic Planning; Kurtis McCoy, Analyst Maintenance Systems.

- LIFT service: Dan Caufield, Director Operations Planning and Development; Kathy Miller, Manager LIFT Eligibility & Community Relations Director; Susan Florentino, Manager LIFT Service Delivery.

In addition, the CAC members were given a tour of TriMet's Ruby Junction Rail Maintenance facility. The tour was conducted by the following TriMet staff: Denis Van Dyke, Interim Director Operations Support; Jay Jackson, Manager Field Operations; Don Allison, Manager Rail Operations; Mark Grove, Manager Rail Equipment Maintenance Training & Engineering; Rick Kindig, Manager Maintenance of Way Operations.

## **2.0 TRIMET'S FINANCIAL FORECAST AND BUDGET**

### **2.1 TriMet's Financial Forecast and FY12 Budget Process**

TriMet staff reviewed the financial forecast with emphasis on the forecasting and budgeting process, revenue assumptions, expenditure assumptions, financial issues and recommendations for the FY12 budget process.

The purpose of the financial forecast is to:

- Identify and address long-range financial issues
- Realize sustainable cash flows
- Maintain consistent service levels year to year given resources
- Protect and maintain assets.

Maintaining fiscal stability requires discipline and adherence to the following principles:

- One-time-only (OTO) revenues are used to support one-time-only expenditures
- Continuing revenues (CR) are used to support continuing expenditures (CE) or one-time expenditures
- When continuing revenues (CR) fall short of continuing expenditures (CE), continuing expenditures must be reduced or continuing revenues raised
- Repeatedly using one-time revenues (OTO) to offset a continuing revenue-expenditure imbalance leads to fiscal instability.

Long-term financial planning helps TriMet make realistic budget and investment decisions. In the public sector, financial goals can take many years to realize because of the need to maintain service levels and the many competing demands for resources. How to get there must be thought out in advance.

Funding a post retirement medical benefit trust, increasing cash reserves, improving the pension funding ratios, adequate capital replacement funding, desired changes to labor costs, funding service improvements, reducing costs through process improvements are all examples of goals that can be reached over time with discipline and planning. Board and General Manager leadership is critical. Financial planning with realistic revenue and expenditure assumptions provides a roadmap and assists internal coordination.

TriMet begins its budget process each year with a multi-year forecast (10 to 20 years) of revenues and expenditures to ensure that budget decisions are made in the context of the long-term financial picture of the District. Forecast revenue and expenditure assumptions, major financial issues and recommendations are presented to the General Manager. The General Manager decides what expenditure levels will be and which revenue and expenditure actions to take to maintain fiscal stability. The first year of the forecast sets expenditure levels for the upcoming budget year.

The main components of the revenue forecast are payroll tax revenues and passenger revenues, which comprise about 75% of TriMet's revenues. ECONorthwest, a local economic consulting firm, provides a short-term payroll tax revenue forecast (current year, plus two additional years).

This forecast is an input early in the budget process. Subsequently, staff monitors trends in employment and payrolls and revises the forecast throughout the year as appropriate based on new economic data.

Long-term payroll tax forecast growth rates are based on Metro employment projections and inflation and wage increase trends. Fare increase and ridership projections are used to forecast passenger revenue. Long-term payroll tax growth rates, passenger revenue and all other revenues are forecast by TriMet staff. Trends are continually monitored and the forecast is revised as needed.

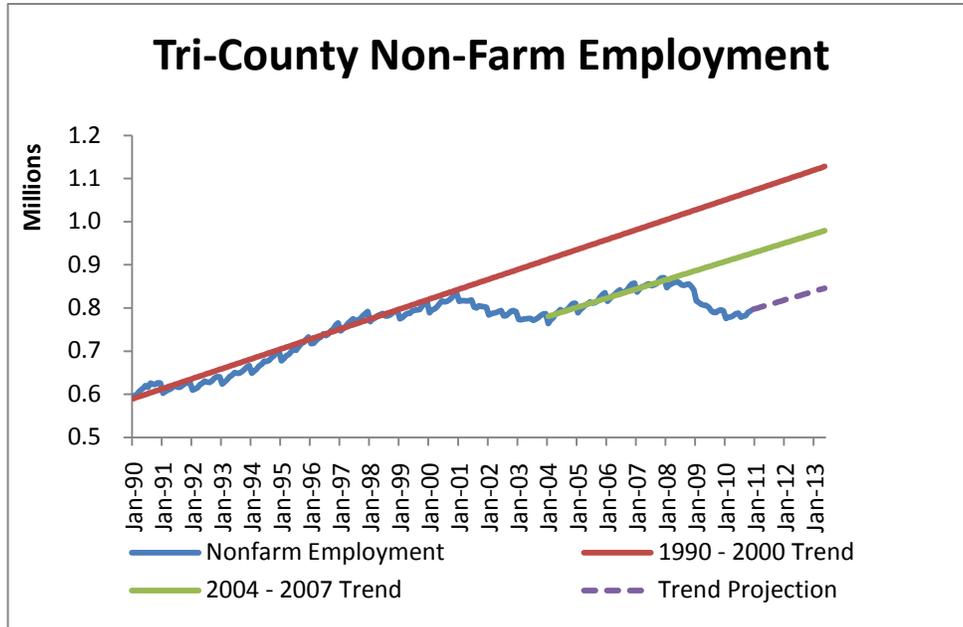
The expenditure forecast includes:

- Cost of operating and maintaining the existing transit system
- Projected increases in those costs
- Projected increases in fixed route bus and rail service to maintain headways and capacity as the region grows
- Projected increases in ADA complementary paratransit service (LIFT)
- Operating cost of service expansions such as Portland-Milwaukie Light Rail and other service increases
- Capital expenditures from the 5-year Capital Improvement Plan, from the Bus and Rail Fleet Management Plans and Rail Systems Capital Maintenance and Replacement Plan
- Debt service expense and projected increases
- TriMet's contribution to construction projects like Portland-Milwaukie Light Rail.

## **2.2 The Economy and Its Impact on TriMet's Forecast**

Employment levels and wages are the two factors that determine underlying growth in payroll tax revenues (underlying growth excludes increases in the payroll tax rate). The last 10 years encompass two prolonged employment recessions. Six years of employment gains were lost in the 2007 recession. Today, regional tri-county non-farm employment is the same as it was in 1998. Current projections for FY12 employer payroll tax revenues are nearly \$60 million lower than the Fall 2007 pre-recession projection.

The following chart shows historical and current trends in regional non-farm employment. As shown, the current projections of employment growth are at significantly lower levels than previously forecast as a result of the recessions.



### 2.3 Actions Taken to Maintain Fiscal Stability Last 10 Years

To keep revenues and expenditures in balance during last 10 years, TriMet has taken the following actions in order to produce a balanced budget each year:

*TriMet increased the payroll tax rate.* Revenues from the increase in the payroll tax rate and fare revenues from new services pay for the operating costs of WES, Green Line MAX, LIFT and Streetcar extensions and TriMet’s share of the capital costs of WES and Green Line. New revenues also pay for TriMet’s share of Portland-Milwaukie Light Rail operations and debt service.

*TriMet reduced non-union benefits and non-union staff.* Beginning in FY03, non-union employees in the PPO health plan pay an annual deductible, 10% co-insurance, with higher contributions for prescription drugs and premium cost sharing to cover dependents.

Non-union staff was reduced 13% (47 FTE) between FY01 and FY11 and union staff was reduced 8% (168).

In FY03, the non-union defined benefit pension plan was closed to new employees. New employees participate in a defined contribution plan, and TriMet contributes 8% of salary to the plan. The vesting period for management’s retiree medical plan was extended from 5 to 10 years.

Since FY09, all newly-hired non-union employees with 10 years of service are eligible for retiree benefits but must pay the full cost.

In FY10 and FY11, non-union employees did not receive wage increases.

TriMet has also *reduced capital expenditures*.

- Bus spare ratio reduced from 20% to 15% saving \$9 million (one-time-only)
- Peak bus requirements were reduced saving another \$8 million (one-time-only)
- The replacement cycle of LIFT vehicles was increased from 350,000 to 400,000 miles after 10 years of service
- TriMet began to issue debt to fund bus replacement over the life of the vehicle.
- The replacement cycle of buses was increased from 12 to 15 years, reducing debt issuance by \$4 million (continuing savings)
- As the financial situation continued to deteriorate, TriMet began to defer bus replacements
- Investments in computer technology kept to a minimum
- Investments in facilities upkeep reduced
- Non-revenue vehicles are not replaced until they have 160,000 or more miles
- Fare system replacement was deferred
- Communication system deferred; however, its replacement became a FCC mandate and is now underway.

TriMet has *increased fares*. TriMet’s customers have seen their fares increase 35% to 42% more than inflation last 10 years. In 1990, TriMet implemented a policy of increasing fares with inflation. In addition, TriMet has occasionally increased fares to offset high fuel costs or to increase service. Passenger fares represent 22-24% of operating revenues.

The following table shows the history of fare increases since 1999.

**TriMet Fare Increases**

Year	Passenger Revenue 000s	Reason for Fare Increase		
		Regularly Scheduled	Special Service	Diesel Fuel
<b>FY99</b>	\$40,991	\$0.05		
<b>FY00</b>	\$46,373		\$0.05	
<b>FY01</b>	\$51,702	\$0.05		
<b>FY02</b>	\$53,191		\$0.05	
<b>FY03</b>	\$52,746			
<b>FY04</b>	\$55,664	\$0.05		
<b>FY05</b>	\$59,487	\$0.05		\$0.05
<b>FY06</b>	\$68,484	\$0.05		\$0.05, \$.15
<b>FY07</b>	\$75,931	\$0.05		
<b>FY08</b>	\$80,861	\$0.05		
<b>FY09</b>	\$91,172	\$0.05		\$0.20
<b>FY10</b>	\$92,574	\$0.00		
<b>FY11</b>	\$97,086	\$0.05		

*Service was reduced* in September 2009, December 2009, June 2010 and September 2010 to balance the budget. 13% of TriMet’s bus service hours have been eliminated. Service on MAX

Blue, Red and Yellow Line service has been reduced by 10%. Originally planned service levels on the Green Line were cut by 33%.

## **2.4 The FY12 Budget Process and Priorities**

The General Manager's FY12 Budget priorities and recommendations are:

- Bring labor costs in line with a sustainable financial future
- Fund safety initiatives
- Re-start annual bus replacement
- Review management positions and re-focus to better support safety and customer service recommendations
- Sign Portland-Milwaukie Light Rail Project Full Funding Grant Agreement by June 30, 2012
- Watch revenue and expenditures carefully and be ready with service reductions if needed as a result of slower than expected economic recovery.

The assumptions underlying the FY12 budget are described below.

## **2.5 December 2010 Revenue Forecast Assumptions**

Positive regional employment growth has begun, but employment is not expected to reach pre-recession levels until 2014 or later. Underlying growth in payroll tax revenues (the rate of growth excluding increases in the tax rate) is expected to be about 3% in FY11, 4% in FY12, 6% in FY13 and 4.7% thereafter. The components of long-term payroll tax growth rate of 4.7% are: 1.3% annual employment growth in the region, 2.1% annual inflation and 1.2% annual productivity increase.

Passenger revenue assumptions include:

- Fares will increase with inflation
- Bus ridership will decline in FY11, then return to annual growth of 2% to 3% in subsequent years
- MAX ridership is expected to grow 8% in FY11, then 3.5% per year thereafter. Portland-Milwaukie Light Rail service begins in FY16 and is expected to generate 13,000 daily boardings. Of these, 4,500 weekday bus rides will shift to the new rail line.

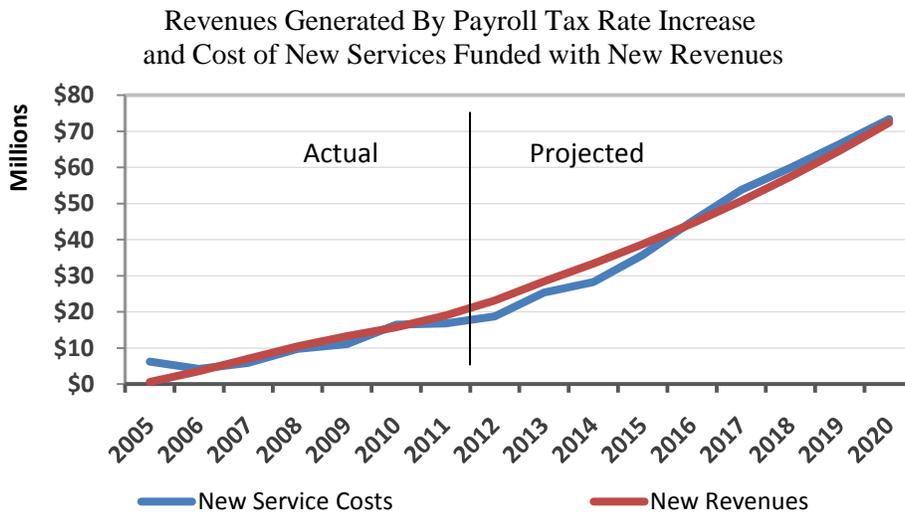
Growth in federal grant receipts, about 15% of TriMet's current revenues, are projected to be modest, around 0% to 2% in the next three years and 3% thereafter due to national economic conditions, the depletion of the highway and mass transit trust funds, and the unwillingness of Congress to increase the federal gas tax. Over the past 10 years, the average annual growth in federal grant receipts for TriMet's preventive maintenance/operations has been 6.5%. However, the forecast assumes flat to slow growth based on federal budget constraints.

*Payroll tax rate has increased*, providing funds for new service. The Oregon Legislature gave the Board the authority to increase the payroll tax rate for employers and self-employed individuals from 0.6218% to 0.7218% over a 10-year period. The Board approved the increase

August 11, 2004. The payroll tax rate is increased 1/100th of a percent each year January 1, 2005 through January 1, 2011, and is scheduled to increase each January until 2014.

The 2009 Legislation allowing the Board to increase the payroll tax rate specifies that the increase must be phased in over 10 years, cannot be implemented before January 1, 2010, no annual increase can exceed .02 percent and the TriMet Board must first determine that the economy in the District has recovered to an extent sufficient to warrant the increases. The forecast assumes this rate increase will begin January 1, 2015, with rates are increased 1/100<sup>th</sup> of a percent each year until January 1, 2024 when the rate reaches 0.8218%.

The following graph illustrates the historic and projected growth of revenue generated by the payroll tax increases, and expenditures on new services funded by the increases.



Both the future rate increase from 0.7218% to 0.8218% and the projects paid for with new revenues are forecast assumptions. They do not represent decisions.

The forecast assumes new payroll tax receipts are dedicated to new service to offset costs of the following:

- Debt service on the Green Line, Commuter Rail
- WES operations and construction costs
- LIFT costs which exceed inflation since 2005
- Streetcar to Riverplace, Gibbs, Lowell
- Streetcar to OMSI
- Bus/rail peak + reliability increases
- Bus replacement debt service, FY14, FY15, FY16
- Portland-Milwaukie Light Rail operations and debt service
- Frequent Service restoration-beginning FY15 bus and rail
- Columbia River Crossing operations
- Streetcar to Lake Oswego
- Streetcar OMSI to PSU

Fares from riders on the new service offset costs of these new services.

## 2.6 Expenditure Forecast Assumptions

Reducing the rate of growth of labor costs is a critical financial issue for TriMet. The labor contract with the ATU expired in November 2009, and TriMet and the ATU have not yet reached agreement or moved to binding arbitration.

TriMet's goals for the collective bargaining process are to:

- Bring total compensation, including wages and active and retiree benefits, in line with a sustainable forecast of future revenues. The TriMet Board adopted this goal as a policy
- Reform retiree medical benefits and begin funding existing retiree healthcare liability
- Bring employee benefits closer to those of other Oregon public employees
- Prevent additional service reductions and layoffs.

Benefit costs are TriMet's most pressing labor-related expense. In the past 10 years nearly all other local and state agencies negotiated benefit changes to manage costs. However, TriMet continues to offer very generous active and retiree healthcare benefits with minimal employee contributions. In particular, postemployment retiree healthcare benefits are far more generous than those provided by other public and private employers. For employees who retire with 10 years of service, at age 55 or older, the District pays the insurance premiums for medical, dental and vision benefits for the employee and spouse for life. The 2007 recession makes it impossible for TriMet to avoid the growing cost of these benefits any longer. TriMet's "Final Offer" in the Summer of 2010 to the ATU contained benefit provisions which are more closely aligned with those currently provided to other local union government employees (see Exhibit A).

In preparing the economic forecast which underlies the FY12 budget, TriMet staff assumed as the "base case" that TriMet's labor offer is accepted by an arbitrator. If the current union contract were to remain unchanged, the District faces at least a \$10 million revenue and expenditure imbalance in FY12, increasing in FY13. To bring the budget into balance in this case would require service cuts and layoffs. Exhibit B illustrates TriMet's projected forecasts assuming (1) Management's Proposal is in place and (2) the ATU Proposal is in place.

In addition to the labor negotiation assumptions, the following detailed assumptions form the basis of TriMet's December 2010 expenditure forecast.

It is important to note that these are assumptions, which will be updated during the budget process.

1. Service increases are needed to meet ridership demand and maintain schedules as the region grows (always in forecast):
  - Bus Reliability and Peak Capacity:
    - FY12: 0%
    - FY13: .25%
    - FY14: .25%
    - FY15 and beyond: .8% per year

- Rail Peak Capacity:
  - FY12: .4% peak tripper
  - FY13: 0%
  - FY14: .4% peak tripper
  - FY15 and beyond: .5% per year
- 2. Forecast assumptions regarding service restoration of FY10 and FY11 service reductions:
  - Bus Frequent Service Restoration:
    - begins FY15 and is divided evenly over 10 years
  - Rail Service Restoration:
    - begins FY15 and is divided evenly over 10 years
- 3. Portland Streetcar to OMSI:
  - Service begins in FY13 with startup beginning FY12. TriMet's contribution to operations: \$1.3M (year of expenditure dollars, or YOE)
- 4. Portland-Milwaukie Light Rail:
  - Service begins FY16. Operating costs plus debt service, net of reductions of duplicative bus service, bus rides that shift to rail and net of fares are: \$6.9M. Net cost per ride: \$1.60. (FY16\$). Costs also assume lower early morning and late evening service than provided for by TriMet policy headways
- 5. Portland Streetcar OMSI to PSU:
  - Service begins FY17, one year later than desired by City. Forecast assumes TriMet share is 50% of operating costs (\$1M YOE)
- 6. Lake Oswego Streetcar:
  - Service begins FY19. Operating costs are net of reduced duplicative bus service. (\$1.9M YOE)
- 7. Columbia River Crossing:
  - Service begins FY20. TriMet share of operating costs are net of passenger revenue attributable to TriMet District boardings: (\$1.5M YOE)

Major assumptions regarding capital investments center around bus replacement. The forecast includes a focus on reducing the age of the existing bus fleet, starting with the replacement of 51 fixed route buses in FY12 and 40 per year thereafter. Four hybrid buses are also being purchased. In addition, the forecast assumes that TriMet will replace bus fare boxes. TriMet is making no capital contributions to the Portland Streetcar, Lake Oswego Streetcar or Columbia River Crossing construction projects.

Other expenditure assumptions include additional expense related to Safety Initiatives, such as the driver safety training and certification and significantly higher fuel costs in FY11 and FY12.

The budget process continues through June, when the Board adopts the budget. As additional economic data and information about actual tax receipts, labor negotiations, the economy and other factors such as diesel prices are known, TriMet's forecast may change and alter the budget outlook.

**CAC Perspectives:**

1. Labor-related costs. TriMet must continue to reduce the labor-related operating costs at each labor contract negotiation in order to bring TriMet unionized labor costs in line with regional wages/benefits and the wage and benefit rates similar to those at peer agencies.

The CAC strongly concurs that reducing the rate of growth in labor costs is TriMet's most critical financial issue. While TriMet has been limited by the terms of a 6-year labor agreement and subsequent protracted renewal negotiations, nearly all other local and state agencies negotiated changes in their labor contracts to reduce total compensation costs, TriMet has not changed union wage and benefit provisions in 10 years. Following the 2007 recession, the situation is now urgent. TriMet must quickly bring union wages and benefits (including post retirement benefits) in line with regional and industry norms.

The CAC felt that TriMet's "Final Offer," submitted to the Employment Relations Board (ERB) and available to the public in the Summer of 2010, may not have gone far enough toward establishing a timeline for achieving meaningful cost reductions. Retiree medical benefits are a particular concern given the potential burden on budgets for years to come.

The CAC noted that Board policy now includes bringing total employee compensation in line with future revenues. This may be evidenced by the relatively optimistic 8% growth rate used in the FY12 budget for projected healthcare costs. TriMet's past experience has been much less favorable. We hope this assumption reflects the Board's intent to follow such a path to a sustainable workforce.

2. The lifetime value of TriMet's current retiree medical benefits is stunning, including full coverage for retiree and spouse. TriMet's "Final Offer" in July 2010 addressed these costs, but when compared with other local public employers, many of whom offer no payment toward retiree health benefits, it is still too generous. Changes to retiree healthcare benefits are essential, as are other cost containment provisions in benefits for active employees.
3. LIFT. The topic of LIFT is addressed in detail in Chapter 5, but the CAC is focused on the impact of LIFT operating costs on future financial outlook of the District. Some benefits of the initiative to review LIFT eligibility are beginning to be realized, but TriMet must continue to look for operational efficiencies and LIFT fares should also be increased.
4. Service Levels and Capital Investment. The CAC commented on the depth of the current recession, and the steepness of the employment decline which was worse than past recessions and thus caused a very sharp decline in TriMet (payroll tax) revenue. The slowness of the recovery compounds the difficulty for TriMet to restore prior cuts and meet demand for new service and capital investment.

TriMet's forecast includes a very gradual restoration of service and renewed capital investment (including investment in new buses). While the CAC would like to see a more rapid restoration of service and bus investment, we feel the current forecast is realistic given the recent declines in payroll tax revenues and the failure of the GO Bond measure. We also concur that some potential delays in construction of new projects may be prudent given TriMet's role in funding their operations.

5. Fare Policy. The CAC notes that TriMet has implemented consistent fare increases over the years to account for inflation as well as occasional increases to cover new service and high fuel costs. We also recognize that TriMet's fares, like those of other comparable transit agencies, cover only 20-24% of operating costs. The CAC supports the current fare policy of implementing modest increases on a regular basis rather than sporadic but more substantial

adjustments. As we mention later in this report, we also encourage TriMet to consider increasing LIFT fares.

### **3.0 PRIORITIZATION OF REGIONAL INVESTMENTS IN TRANSIT**

#### **3.1 Overview**

Over the last 10 years, TriMet has invested in regional light rail and commuter rail projects, LIFT, Streetcar and Frequent Bus service. Since 2005, following the Oregon Legislature's action which allowed TriMet to increase the payroll tax, new regional rail, Streetcar, and increased LIFT services have been paid for with revenues from the increase in the payroll tax rate. Bus and rail service were added to maintain headways, and capacity needs have been addressed through tax and operating revenue growth and reallocation of low performing bus services. In FY10 and FY11, however, the recession resulted in reduced revenue, steep service reductions and constrained finances. Looking to the future, TriMet's challenge is to make the right choices for service investments given severe financial constraints and competing demands.

#### **3.2 Regional Transportation Planning**

As the regional transit District, TriMet is responsible for the delivery of transit services. TriMet's basic roles in the region include:

- Develop, operate and maintain regional transit service
- Provide mobility and access to all residents of the transit District
- Partner with jurisdictions, the public, and businesses to make the region more transit-ready
- Provide implementation tools for the regional vision of growth.

But the planning process for regional transportation investments and priorities involves many parties in addition to TriMet. An overview of the regional process, and TriMet's role in that process, is summarized below.

The regional vision is illustrated in the Region 2040 Framework developed by Metro. Metro is the Metropolitan Planning Organization (MPO) for the region; a role required by the federal transportation act. This region is unusual in that Metro is the only elected regional government in the country. Most MPOs are associations of governments. Metro, in contrast, has land use planning *and* transportation planning authority for the region. The Regional 2040 Framework is the basis for more detailed and local transportation planning, and includes a forecast of approximately three-quarters of a million new residents in the region by 2030 (note that new projections due from Metro soon are expected to have somewhat less growth projected due to impacts of the recession).

As the MPO, Metro is also required to produce a Regional Transportation Plan (RTP). The current RTP was adopted in December 2010 and is intended to define the transportation infrastructure that supports developing toward the 2040 Framework. The RTP is updated about every 4 years (a federal requirement), with more comprehensive updates coming periodically (in 2010 and 2000 most recently). The RTP is informed by TriMet's Transportation Investment Plan (TIP) and the various cities and counties' Transportation System Plans (TSPs). All jurisdictions and the public are represented in the periodic updates of the RTP, which are ultimately adopted by Metro Council. TSPs must be updated following each new RTP and TriMet's TIP is updated each year.

In support of the goals articulated in the RTP, five policies form the foundation of the transit vision of the RTP:

- Build the total system and transit-supportive land uses to leverage investments
- Expand high capacity transit (140 rides/hour)
- Expand frequent service transit (35 rides/hour)
- Improve local service transit (at least 15 rides/hour)
- Support expanded commuter rail and intercity transit service.

There is general consensus that transit has an important and expanding role to play in reaching regional and local visions for the future and in improving the economic vitality, livability and sustainability of the region. In evaluating RTP outcomes, however, it was found that the overall system was successful on some measures and did not meet targets on others.

The following table summarizes what works for transit and what does not work, noting that these are areas that TriMet does *not* control. These include a range of factors that determine transit demand. However, these factors are mostly out of TriMet’s direct control, where TriMet partners with other jurisdictions that do have greater influence on these factors.

	<b>Works for Transit</b>	<b>Does not Work</b>
<b>Density</b>	<ul style="list-style-type: none"> <li>• High</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> </ul>
<b>Street Layout</b>	<ul style="list-style-type: none"> <li>• Small blocks</li> <li>• Grid system</li> </ul>	<ul style="list-style-type: none"> <li>• Long, winding streets</li> <li>• Dead-end roads, cul de sacs</li> </ul>
<b>Mix of Uses</b>	<ul style="list-style-type: none"> <li>• Mix (commercial, residential, and office uses)</li> </ul>	<ul style="list-style-type: none"> <li>• Single use (e.g. all residential or all industrial)</li> </ul>
<b>Pedestrian Environment</b>	<ul style="list-style-type: none"> <li>• Wide sidewalks</li> <li>• Low volume streets, slower traffic speeds</li> <li>• Good lighting</li> <li>• Street amenities (benches, tree canopy, etc.)</li> <li>• Well-marked intersections with signalized crossings</li> </ul>	<ul style="list-style-type: none"> <li>• Narrow, incomplete or non-existent sidewalks</li> <li>• High volume streets, fast moving traffic</li> <li>• Poor lighting</li> <li>• No intersection markings and long pedestrian wait times</li> </ul>
<b>Site Design</b>	<ul style="list-style-type: none"> <li>• Buildings front the street and entrances are near the sidewalk</li> </ul>	<ul style="list-style-type: none"> <li>• Building setback from street and surrounded by surface parking</li> </ul>
<b>Parking</b>	<ul style="list-style-type: none"> <li>• Limited</li> <li>• Fee-based parking</li> </ul>	<ul style="list-style-type: none"> <li>• Abundant</li> <li>• Free</li> </ul>

Based on the regional planning process and outcomes described above, TriMet develops its Transit Investment Plan (TIP), a 5-year plan (updated annually) which details the steps TriMet will take to implement the regional transit priorities.

### 3.3 TriMet Investments: Past and Future

As discussed in Chapter 2, since 2005 the costs of expanded regional rail and escalating costs of LIFT services have been paid for with revenues from the increase in the payroll tax rate and passenger revenues on the new rail services. When the Oregon State Legislature gave the TriMet Board the authority to increase the payroll tax in 2003, the intent was that the resulting increase in revenues would provide new service.

Over the last 10 years, TriMet's investments have included the following:

- Expansion of High Capacity Regional Rail System (Red, Yellow, Green MAX, WES)
- Continued delivery of LIFT service to a growing population (ADA-mandated)
- Increases in bus and rail service to maintain headways and capacity as the region grows
- Expansion of Frequent Service (including Streetcar).

However, the 2007 recession (discussed in Chapter 2) resulted in a sharp decrease in the rate of payroll tax growth. As a result of the recession, service on nearly every bus and MAX line was reduced, including:

- Bus service hours reduced 14%
- Blue, Red, Yellow Line service reduced 10%
- Originally planned service on MAX Green Line reduced 33%.

In addition, frequent bus service was reduced, with most frequent service bus lines now operating every 20 minutes versus 15 minutes or less prior to the recession. Financial constraints, expanding demands for service and competing priorities have put pressure on TriMet and the region. There are not sufficient resources to fund all the transit investments envisioned by the regional planning process and desired by the public.

### 3.4 Prioritization of Transit Investment: Efficiency of Service

Despite these reductions in the last few years, service hours *per capita* have increased 29% over the past 20 years. This increase in service is attributable primarily to the increase in MAX service hours, which results in more efficient service by carrying more riders per hour. While bus service hours have increased 14% last 20 years, MAX service hours have increased 373% over the same period. In the last 10 years, however, bus service hours are down 13%, while MAX hours have increased 88%. Because the operating cost per ride is lower on MAX than on buses, the increase in MAX hours results in increased efficiency system-wide (see below) and more total riders on the system for the same financial resources.

As discussed in Chapter 2, as the region emerges from the recession, TriMet's financial forecast includes the following investments assumptions:

- LIFT (to meet anticipated demand, as required by ADA) - each year
- Investments in reliability and capacity to address overcrowding on bus and rail
- Portland-Milwaukie Light Rail - service begins September 2015 (FY16)
- Frequent Service Expansion/Restoration - restoration begins FY15
- Portland Streetcar PSU to OMSI - service begins FY13

- Portland Streetcar close the Loop (OMSI to PSU) - service begins FY17
- Streetcar to Lake Oswego - service begins FY19
- CRC Light Rail to Vancouver, WA- service begins FY20.

TriMet is also being asked to evaluate the potential for additional intra-suburban or local service within the suburbs.

As a result of the recession and increasing costs, TriMet does not have the resources to meet all the demands placed on the District by the region or requests for service from local jurisdictions. Projected payroll tax revenues are not growing at a pace sufficient to meet the needs of all future projects on the currently projected schedule. As decisions about future priorities are made, TriMet first focuses on two areas:

1. LIFT service. TriMet and all transit agencies must provide this service under federal law. As the demand for LIFT continues to grow as the population ages, the costs of LIFT will continue to grow and are effectively a top priority in the TriMet budget.
2. Additional capacity on existing service. TriMet is committed to safe, comfortable service for its customers. Marginal increases in existing service to avoid overcrowding and meet peak demand are also a top priority.

Additional investments beyond LIFT and capacity are made in the context of the many and competing demands on TriMet’s resources. A key question for the District is how to prioritize the use of limited resources.

This prioritization must be consistent with the region’s vision. In evaluating potential new service, TriMet focuses on ridership. The bus and rail networks are mutually supporting and both are needed for a strong total transit system. For example:

- 73 of 79 bus lines connect to MAX
- WES connects to MAX at the Beaverton Transit Center
- Bus service links to other bus service downtown, at transit centers and on the street grid.

The table below illustrates FY10 marginal cost per ride net of fares of TriMet’s services.

<b>Operating marginal cost per ride, net of fares (FY10)</b>			
<b>Bus</b>	<b>MAX</b>	<b>Streetcar</b>	<b>LIFT</b>
<ul style="list-style-type: none"> <li>▪ Frequent bus \$1.54</li> <li>▪ Other bus \$2.73</li> </ul>	<ul style="list-style-type: none"> <li>▪ Blue Line \$.55</li> <li>▪ Red Line \$.90</li> <li>▪ Yellow Line \$1.32</li> <li>▪ Green Line \$.92</li> <li>▪ PMLR Line \$.64 (projected)</li> <li>▪ WES \$18.55</li> </ul>	<ul style="list-style-type: none"> <li>▪ Streetcar Westside \$1.32 (TriMet’s share \$.78)</li> <li>▪ Streetcar East/West \$1.67 (TriMet’s share \$.83)</li> <li>▪ Lake Oswego \$1.79 (projected)</li> </ul>	<ul style="list-style-type: none"> <li>▪ LIFT \$27.93</li> </ul>

By prioritizing service based on ridership, TriMet provides the most rides to the most people and has the largest impact on regional mobility, given limited dollars. The focus also builds passenger revenue, which in turn supports even more transit service.

### **3.5 Portland Streetcar**

Streetcar has current, near-term and far-term implications for TriMet. TriMet currently pays for part of the service and provides operations personnel for the actual operation and maintenance. In 2012, the Eastside Streetcar will open. This is the first alignment for which TriMet played the pivotal role in securing and managing federal funding for a Streetcar project, a probable template for future streetcar projects because the scale and cost is such that new alignments will likely require federal support.

The City and TriMet are exploring service options for the Eastside Streetcar service, as well as the fare structure. Both have an impact on TriMet's revenue and expenditures. TriMet and the City are working together to determine the implications of overlapping Streetcar service with Frequent Service bus. It is unlikely that a streetcar line would be long enough to replace any full Frequent Service bus line, thus both streetcar and bus would likely have to be run together to avoid forcing many customers to make transfers (and thereby losing riders). This means that there will likely be relatively few operational savings in bus operations due to future streetcar lines.

Over the long-term, the City of Portland has adopted a Streetcar System concept with over 100 miles of streetcar lines, but there is no finance plan for implementation of the concept.

### **3.6 Possible Solutions**

As TriMet and the region explore options to meet growing demand for service with constrained financial resources, the following options are being pursued and/or considered:

- Add new rail/streetcar investments later than currently forecast, to better match TriMet's financial capacity
- Negotiate financial bridges with partners to find new, non-TriMet sources of operations funding
- Address TriMet revenues and expenditures as discussed in Chapter 2.

### **CAC Perspectives**

1. Safety as a top priority. The CAC strongly supports the General Manager's focus on safety as a value and top priority of the District. We are pleased with the implementation of the Safety Task Force, the internal and external activities and changes in process to address safety, as well as the commitment of the budgetary resources necessary to implement recommended changes.
2. Transit Service Provider to the Portland-Metro Region. The CAC believes TriMet's primary goal is to provide quality service to riders, as efficiently as possible. This means efficiency in terms of cost per passenger mile, or trip, but also consideration of the user supplied inputs like time and costs to access transit, wait times, and transfers. Efficiency and service to

provide mobility to residents in the region should be the overriding objective to prioritization of future regional investments.

With respect to TriMet's current service planning priorities, the CAC supports the following priorities:

- Restoration and expansion of high-capacity frequent service
  - Completion of the Portland-Milwaukie Light Rail Project
  - Restoration of frequent service bus routes
  - Completion of light rail as part of the Columbia River Crossing project.
3. Streetcar. The CAC recommends that TriMet work with the City of Portland and Portland Streetcar Inc. to address how Streetcar impacts the regional transit system to better coordinate and prioritize streetcar or other transit service expansion in the overall context of regional transportation. Competing regional demands for service, and for federal funds, place added importance on a coordinated approach to overall transit planning. Having a separate City plan for extensive streetcar expansion, which is not integrated with Metro transit priorities and the RTP, is not an efficient use of resources and sends mixed signals to the public and the FTA. TriMet's financial support of streetcar operations should be evaluated in the overall context of TriMet service: What is the most efficient use of TriMet operating funds in the region? How can funds be spent to provide the best service?
  4. TriMet is an important player in the regional economic recovery. TriMet should continue to be diligent in addressing, promoting and providing initiatives towards economic development and recovery in the region, a role consistent with TriMet's role as transit service provider. Specifically, the CAC supports the \$1.5 billion Portland-Milwaukie Light Rail Project, which will bring \$745 million of federal funds to the region and enhance and expand the existing transit system. In addition, the CAC is supportive of TriMet's participation in and leadership in the planning of the Columbia River Crossing project.
  5. Suburban Service. The CAC is aware of pressures on TriMet from suburban communities to provide additional bus service, including "local" service within the suburbs and service to large employers. However, this desired service does not appear to meet TriMet's efficiency goals as measured by operating cost per ride. This is because there are relatively few suburban riders demanding this service.

The CAC acknowledges that this may be a "chicken and egg" problem. If more service were available, there would be more demand for it, but in the current, fiscally constrained environment the funding of additional suburban service does not seem to be the best return on investment. The CAC encourages TriMet to work with its regional partners to develop a list of alternative solutions to increase transit service to the suburbs, keeping in mind the efficiency goals of building and completing sidewalks in both urban and suburban areas as a solution to gain better access for riders of public transportation to bus and rail stops. These solutions should include pedestrian-friendly investments to encourage suburban residents to walk to transit stops.

6. Transportation Policy. The CAC encourages TriMet to work with ODOT and see where they stand with high occupancy toll ("HOT") lanes, High Occupancy Vehicle ("HOV") lanes and

other road pricing schemes. These solutions are being adopted elsewhere around the country, and could help ease congestion (and allow buses reduced travel time by operating in HOV or HOT lanes) and increase funding for transportation infrastructure. While the CAC understands that funds from the state gas tax cannot be used for investment in transit, in other states funds from HOT lanes have been used for transit. Additional funds could be used for improvements to roads and general transportation infrastructure. HOT lanes on US26, for example, may help suburban service with better traffic flow for express buses, which would have priority on HOV or HOT lanes.

6. **Bus Replacement.** The CAC understands the financial pressures on TriMet, coupled with the defeat of the GO Bond measure, which have resulted in deferred investment in buses. The CAC agrees with TriMet's priority to update and upgrade its aging bus fleet, and supports the current plan to use payroll tax-backed bond proceeds to do so. The purchase of new buses over time will gradually reduce the average age of the fleet, providing more low floor buses, which will improve accessibility for all riders and are also more fuel efficient with far fewer emissions than TriMet's oldest buses.
7. **Cost Per Ride.** In addition to evaluating efficiency in terms of cost per ride, TriMet should also consider the costs borne by riders accessing transit, wait times and transferring costs. Focusing only on operating cost per ride does not necessarily mean optimal service and mobility for riders. The CAC also noted that cost per ride disguises the capital cost and service flexibility differentials between bus and rail service.

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## **4.0 TRIMET PERFORMANCE MEASURES: USING METRICS TO IMPROVE EFFICIENCY**

### **4.1 Performance Metrics and Data**

TriMet's General Manager Neil McFarlane is committed to making TriMet a more data-driven organization to improve the efficiency and effectiveness of the District. A data-driven organization is committed to maintaining accurate records and data, developing performance metrics, objectively analyzing the data, implementing solutions, measuring the outcome and evaluating staff based on outcomes.

Performance metrics (such as rides per hour, cost per ride, and percent service on time) make data useful. TriMet has a large universe of performance metrics and data. This is exemplified by the Monthly Performance Report (MPR) which contains high level indicators and goals for all aspects of the organization. The MPR contains data devoted to ridership, key performance indicators, pass and ticket sales, revenue and cost efficiency, energy use, labor productivity, attendance, service supplied, maintenance operations, transportation operations commuter rail operations, customer service and customer contacts and accessible transportation programs.

The MPR has been developed over many years and most of the data and performance metrics on its pages are there at the request of operating departments. High level metrics such as those in the MPR are a key to identifying trends -- they may be the first indication of a problem or an improved result. They are important for comparing performance to peers and to national statistical data, and are critical for budgeting and forecasting.

TriMet has recently developed some of these indicators into a "Dashboard" available to the Board and to the public monthly on trimet.org. The objective of the Dashboard is to provide the public with a simple, high level summary of how the District is performing. The metrics selected for the Dashboard - ridership, on time performance, operating cost per ride and revenue - reflect key metrics which together paint a picture of TriMet's performance over time.

But to really *improve the daily performance* of the operation it is necessary to look at the data at a detailed level (by stop, by employee, by route, by direction, by time of day), identify problems and exceptions in the detailed data, identify alternatives to reducing the exceptions, take action and measure the impact of the action.

In the session with CAC, TriMet staff took the most important indicator of service reliability to TriMet's customers – bus and rail service on time performance (defined as no more than 1 minute early or 5 minutes late) and showed the CAC the factors that influence on time performance, staff's ongoing efforts to evaluate these factors through detailed data and reports and the ongoing actions that are taken to improve schedule performance and the follow through.

The efforts to improve and maintain on time performance exemplify all of the qualities needed to become a data-driven organization. Commitment by leadership, staff commitment to objectively analyze the detail and take action based on where the data takes them, commitment to improvement no matter how difficult, follow through with front line employees and their supervisors are all required and understood by TriMet staff and leadership. There are many

aspects of TriMet's operation that could benefit from a data-driven approach to decision-making. Replicating the Operations division's data-driven objective approach to improving on time performance wherever it is needed would make TriMet a more efficient and effective organization.

TriMet staff also provided the CAC with an overview of how TriMet's data is used to evaluate and improve performance in bus and rail maintenance and recent efforts to develop performance metrics for the District's mission and goals.

#### **4.2 Operations Metrics Overview**

A commitment to being "data-driven" starts at the top. Shelly Lomax, TriMet's Executive Director of Operations, explained the "Operations Dashboard" which was developed at her request. This Dashboard shown as Exhibit C shows target and actual performance measurements for Bus and Rail Transportation, Bus Maintenance, Rail Equipment, Facilities Management, Maintenance of Way, Field, OCS, Signals, Track, Substations, ATP and WES. The Operations Dashboard provides a high level summary of performance, and allows senior Operations staff to identify where performance has been improving or worsening and take appropriate actions. Areas of focus include measures of customer service as well as metrics used to evaluate managers (absentee rates, unscheduled overtime and maintenance, bus standby time, etc.). This data and monthly meetings allow the senior management team to be aware of trends in a timely manner, and initiate action to make corrections when needed.

The targets are developed by Operations and are re-evaluated annually to be sure that the goals are achievable with concerted effort.

#### **4.3 Key Performance Metrics: On Time Performance (OTP)**

At all transit agencies, on time performance is a key indicator of performance as it is a critical element of customer satisfaction. On time performance also reflects internal performance in many areas. If performance measures related to maintenance (i.e., vehicle reliability) and employee metrics (i.e., absenteeism) are not meeting targets, it is less likely that on time performance goals will be met.

TriMet defines "on time" as not more than 1 minute early or 5 minutes late at each time point on the route. TriMet's target for Bus on time performance is 84%. The target for MAX on time performance is 80%.

Operations staff reported that these on time targets are consistent with other transit properties, and reflect the realities of operating vehicles in an urban environment. It was noted, however, that there is no consistent transit industry definition of "on time," and thus some properties define "on time" more broadly than does TriMet (i.e., a bus is on time, at some transit agencies, if it arrives no more than 3 minutes early or 6 minutes late).

Staff illustrated and explained the 10-year history of bus on time performance (OTP) (illustrated in Exhibit D). OTP is continually measured by the Bus Dispatch/Automatic Vehicle Location system on each bus and rail vehicle. Automatic Passenger Counters (APCs) on buses and trains measure passenger boardings.

Detailed on time performance and passenger data is produced into reports by route, direction, time of day and provided to the Scheduling Department for use in improving schedules. Daily data on overloads and service reliability is reviewed by Scheduling and used to adjust schedules, usually by adding time in the schedule or adding a vehicle trip into the schedule to relieve passenger overloads.

The three graphs in Exhibit D illustrate (1) the OTP of the bus system since 1998, (2) the weekly bus hours added for service reliability and (3) service efficiency trends (revenue hours to vehicle hours) over the same time period. Graphs 1 and 2 illustrate clearly that adding hours to improve service reliability did in fact improve it. Graphs 1 and 3 illustrate how the additional service reliability hours were paid for by finding inefficiencies in schedules throughout the bus system and reallocating those hours to service reliability. During the time period shown on Exhibit D, many bus service improvements were made at no cost through reallocation to more efficient service. As a result, however, there are now no service efficiency reallocations that can be made and maintaining on time schedule reliability will become an annual cost to the District as additional capacity will be required. (This cost is carried in the forecast, based on past trends.)

Studies have shown that the single most important factor influencing bus on time performance is the operator. A report that compares each operator's on time performance to his or her peers also driving that route is produced weekly. The report is reviewed by station management who contact operators who have poor on time performance compared to their peers, and these operators may be retrained if necessary. Of concern to the CAC, however, is the lack of options available to management for operators who are unable to maintain on time performance standards under normal conditions.

The unique nature of the on time performance of the rail system was also discussed. Because of the interconnectivity of one rail line with another, the rail system is sensitive to failure. On the light rail system, the greatest influence of on time performance is the reliability of the light rail vehicles. A single vehicle failure on the alignment will have a cascading impact on all of the other trains operating on the system. In the event of a vehicle failure, the light rail vehicle must be repaired or cleared from the line before the rail service can be restored. Controllers and Field Operations work to minimize the overall impact to customers by turning back trains. The location and nature of the failure determines the extent of the overall impact to the system.

As the density of traffic on the system has increased (both additional passengers and additional vehicles and additional extensions), the reliability of all the infrastructure has become even more important since a small problem with one piece of equipment can impact the on time performance of a large portion of the system even if the disruption is limited to one area.

TriMet's Manager of Rail Vehicle Maintenance explained that the mission of the light rail vehicle maintenance department centers on the relationship between on time performance and vehicle reliability, as measured by Mean Distance Between Failures (MDBF). Due to the increase in vehicle traffic, passengers and the age of the fleet, this has become more challenging. Trends in rail OTP and vehicle reliability are illustrated in Exhibit E.

Exhibit D illustrates the relationship between OTP and vehicle reliability (measured by MDBF). As shown, vehicle reliability declined in late 2009 as shown by the drop in MDBF. Simultaneously, the percentage of trains 5 minutes late also increased.

When a vehicle failure occurs, data is analyzed to isolate the reason, a solution is recommended and maintenance implements the improvement. To maintain rail on time performance, the staff has modified systems and components on the light rail fleets to keep the service reliable. As the vehicles age, even more work is needed to maintain reliability on each vehicle. One modification on one vehicle can take 300 hours and the department has done 15,000 modifications on the fleet. Fleet modifications are prioritized by the impact on vehicle reliability. If a modification is a reliability modification it goes to the top of the list.

Each time a new vehicle is introduced (when a new light rail line is introduced), the modifications made to the previous fleets are incorporated into the specifications for the new fleet. Improving rail OTP is an ongoing staff effort with an internal group meeting monthly to review performance and analysis and to make decisions on follow through to keep the system reliable. The staff also emphasized that leadership for continuous improvement of OTP and other metrics starts at the top, at the monthly Operations staff meetings where the Operations Dashboard in Exhibit C is reviewed.

#### **4.4 Maintenance Metrics**

The CAC also heard from TriMet's Maintenance Analyst who provided an overview of the measurement system he uses to isolate problems and exceptions, and as well as to recommend solutions. The system includes the following categories of maintenance measurement.

1. **Measure people-is the labor force working productively?** Reports are provided to management monthly for follow through.
2. **Measure equipment -- is the reliability of the equipment improving?** What are the exceptions we are encountering? What do we need to do to reduce the exceptions? What does the change cost, what is the breakeven?
3. **Measure processes--are we completing all our planned work or do we have a lot of unscheduled work because we are behind in planned work?** What do we need to do to incorporate the unscheduled into planned work to make processes more efficient?
4. **Measure ideas-is there merit behind the idea?** The example provided was the analysis that went into measuring the effectiveness of the new electronic air conditioning system for buses that TriMet adopted in the last year.

#### **4.5 Measuring Success Against Transit Improvement Plan Goals**

The staff also presented a first draft of metrics developed to assess the Transit Improvement Plan's success in building and operating the Total Transit System.

There are always areas to improve and the staff discussed with the CAC some of its ideas for next improvements. TriMet's Maintenance Analyst is working on developing an improved, "intelligent roadcall" process which captures bus engine data and relays that to mechanics, so they have the information they need to decide how to handle a bus breakdown. He is also interested in saving fueling costs, again by capturing mileage data and relaying that electronically via the new Bus Dispatch System. As a result, buses would not be sent through the

fueling line unless it is needed, streamlining the servicing process. This may reduce fueling costs by 3 positions (1 per garage). Other opportunities for efficiency will be provided by the new Bus Dispatch System, which will include new capabilities to capture data on lost service caused by operators leaving the garage late and by breakdowns. Rail Maintenance is interested in the ability provided on the Type IV vehicles to store information on vehicle health and wirelessly download that information for predictive maintenance. Operations is keenly interested in analyzing collision data, hard stops and reported evasive actions, and following through to eliminate dangerous situations. The group discussed the many efforts underway to identify and evaluate any unsafe areas on the system.

**4.6 Some New Opportunities**

These are initial suggestions. General Manager Neil McFarlane noted that an indicator related to cost and service efficiency is needed, too.

<b>Elements of Total Transit System from TIP</b>	<b>Suggested TIP Performance Metrics</b>
Quality service that is frequent, reliable and comfortable	On time performance % of service that is Frequent Service Average vehicle age (by fleet)
Access to transit via walking, biking, or driving	Access mode shares; % of population within ½ mile of Frequent Service MAX
Amenities at transit stops	% of amenity goals realized
Customer information regarding TriMet service	Utilization levels (#s)/rates; installation rates
A safe and secure trip	Collisions per 100,000 miles
Ensuring transit equity and environmental justice	% of low-income and communities of color within ½ mile of Frequent Service/MAX
Moving toward sustainability	Energy/carbon efficiency of fleets

**CAC Perspectives**

**Performance Metrics: Efficiency, Safety, Financial**

1. The CAC applauds and encourages TriMet’s efforts to be a data-driven organization. The CAC was particularly impressed with the degree to which performance data drive operations and maintenance activities and are used within the District for related purposes. Operations, in particular, is a data rich environment.
  
2. In order to make the best use of performance management, the CAC suggests that TriMet consider making a coordinated effort to define key measures across the District. It is clear that TriMet has many measures but as the organization seeks to become more measurement driven, a focused effort to define an integrated set of measures may make sense. The CAC did not hear much about non-operations measures, but it is critical that there are integrated measures throughout the organization. A well articulated strategy is the foundation. From there, the organization should have key measures defined at the top that balance safety, efficiency, quality, cost and any other key drivers. Measures should then be defined by

department (Marketing, Finance, Information Technology, Operations, etc.) to ensure that all parts of the organizations are working in a coordinated fashion towards the same set of goals. More detailed measures should be driven down into the organization as far as is reasonable (as is done in Operations).

3. The CAC also recommends that TriMet take care to ensure measuring and tracking performance measures that map to unique outcomes, not tracking multiple measures of the same performance area.
4. The CAC encourages TriMet to engage the public in the performance metrics summarized in the District Dashboard. TriMet should provide context for the measures/targets however. There needs to be clear explanation of industry standards, how metrics get measured, and key concepts (like cost per ride). The CAC's initial reaction to the on time goals (84% bus, 80% MAX) was that the goals were too low. TriMet staff explained the rationale for the goal levels and indicated that these goals were consistent with those set by other transit agencies. As noted, however, the definition of "on time" is not consistent across all transit properties, thus comparing "on time" goals with other transit agencies is something of an apples-to-oranges exercise.
5. The CAC asked how often TriMet revisits the targets it has established. To date, target levels have been revisited by management periodically. The CAC recommends that TriMet establish a process and timeline for evaluation and revisions to measures and targets.
6. The CAC asked if TriMet could provide customers with on time performance data by route, to be available on the web. This would allow customers to view specific, useful information about the lines they ride, in addition to the real-time data available on Transit Tracker. It was noted that airlines provide this information for each flight.
7. Given TriMet's focus on safety and increased investment in safety, the CAC recommends adding safety metrics to the Dashboard. Data including collisions, near collisions, or other events will provide the public with real information about TriMet's safety performance. Suggested improvements to the TIP Performance Measures include: Collisions per passenger mile, instead of vehicle mile, and more efficiency and cost measures, such as cost per ride, rides per hour and maintaining fiscal stability goals. Again, the CAC recommends that TriMet provide commentary to put the data in context with industry data. We also suggest a "red dot" map showing areas of particular concern, where collisions have most frequently occurred in the past.
8. Financial Metrics. The CAC recommends that TriMet work to educate the public on the economics of the system, in particular the cost per ride. This can be done in part, as recommended above, by incorporating an explanation with the Dashboard. But the CAC believes that explanation of the cost per ride in a public forum, such as Board meeting or Board briefing, would help educate the public about the economics of transit and the constraints TriMet faces.

## Employee Performance Standards

9. The potential for incentives and performance measures was discussed, and questions were raised about the possibility to use the data to provide both “carrot and stick” incentives to employees. The CAC encouraged TriMet to incorporate employee performance measures into the labor contract to the extent possible.

The CAC suggests that the first step in focusing on employee performances is to start at the highest level with a clear definition of priorities and what the District cares about. The definition (and measurement) of success or failure is an important task of senior management, and ideally should include a “trigger” of actions which occur if goals are not met. The CAC also recommends that TriMet consider a more formal process of feedback to employees, such as an individual operator’s on time performance statistics over a 6-month period.

The CAC encourages TriMet to also apply performance metrics to management employees. Management employees have been subject to a wage freeze since 2008, and the CAC notes that this can cause a disconnect between employee goals, performance and compensation. We encourage TriMet to undertake a review of employee performance and compensation as the freeze is lifted.

10. The CAC was impressed with the effort, dedication and investment TriMet has made to improve and maintain OTP. The qualities displayed by the staff -- continuous improvement through small steps forward, consistent dedication, the involvement of leadership with goals driven down to at all levels of the organization, the systematic approach to analysis, actions taken, measuring the impact comprehensive effort -- are qualities that could be replicated to improve other areas of TriMet’s performance and all other divisions.
11. The CAC also supports the new General Manager’s focus on both safety and metrics, and we encourage TriMet to incorporate this data-driven approach to decision-making and improvement throughout the organization, all departments, and all levels.

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## **5.0 TRIMET LIFT SERVICE**

TriMet's LIFT paratransit program is a door-to-door shared-ride public transportation service for people who are unable to use regular buses or trains due to a disability or disabling health condition. The Americans with Disabilities Act of 1990 (ADA) specifies how transit agencies should determine eligibility and provide services for paratransit programs, such as LIFT. Under the ADA, riders may be eligible for LIFT service if they have a disability or disabling health condition which prevents them from independently using TriMet buses and MAX light rail.

### **5.1 ADA Summary**

On July 26, 1990, President George H. Bush signed into law the Americans with Disabilities Act. The ADA-mandated elimination of discrimination against individuals with disabilities. Title II of the ADA addresses public services, including public transportation. Specifically, ADA Title II (Public Services) requires that public transportation must be accessible:

- New and rebuilt buses and railcars must be accessible
- Public transit agencies must provide complementary paratransit service for persons unable to use fixed route service, with service area, hours of service, and response time comparable to the fixed route service
- New and rebuilt transit stations must be accessible
- By 1995, at least one car per train was required to be accessible.

### **5.2 Committee on Accessible Transportation (CAT)**

The ADA also requires an element of public input regarding issues of accessibility. TriMet formed the Committee on Accessible Transportation (CAT) in 1985 to advise the TriMet Board of Directors and staff on plans, policies and programs for seniors and/or people with disabilities. All meetings are open to the public and public comment is taken as indicated on agendas.

The CAT Committee is comprised of 15 members: Eight seniors and/or people with disabilities who use TriMet, six representatives of seniors and/or people with disabilities and one member of the Board of Directors. All members are appointed by the TriMet General Manager and Board President for a two-year term.

The CAT works with TriMet staff to develop an annual work plan and reviews accessibility issues for fixed route, LIFT, Capital Projects, and general administration items including budget priorities and fares. The CAT meets twice each month to review issues and make recommendations. CAT input and recommendations have addressed issues including the development of TriMet policies and procedures, vehicle design, operator performance on serving customer with disabilities, service planning, and transit system safety and security to name a few.

### **5.3 LIFT Overview**

TriMet's LIFT program provides door to door service, by advance reservation. Customers may reserve rides up to seven days in advance. As the ADA-mandated service, LIFT is not open to

general public and LIFT riders must complete an evaluation process to determine eligibility prior to using the service.

LIFT service is provided through public/private partnerships with LIFT contractors. This is the norm among peer agencies. Most paratransit programs throughout the nation contract out all or part of their service. This process provides for competition among private companies and tends to lower costs. Also, paratransit companies provide specialized expertise and may provide innovative approaches based on experiences in other cities.

TriMet's LIFT service provides about 1 million rides per year. An overview of the scope of the LIFT operation is as follows:

- 450 LIFT operators
- 50 reservations/dispatch/scheduling staff
- 15 TriMet administration staff. (Eight are located at the TMC (Transit Mobility Center) and responsible for LIFT eligibility determinations, community education about the LIFT service, and partner with Ride Connection to identify other transit options for applicants based on functional abilities
- 269 vehicles (254 minibuses, and 15 vans).

Exhibit F provides an overview of the TriMet LIFT operations service and organization.

#### **5.4 LIFT Cost Trends**

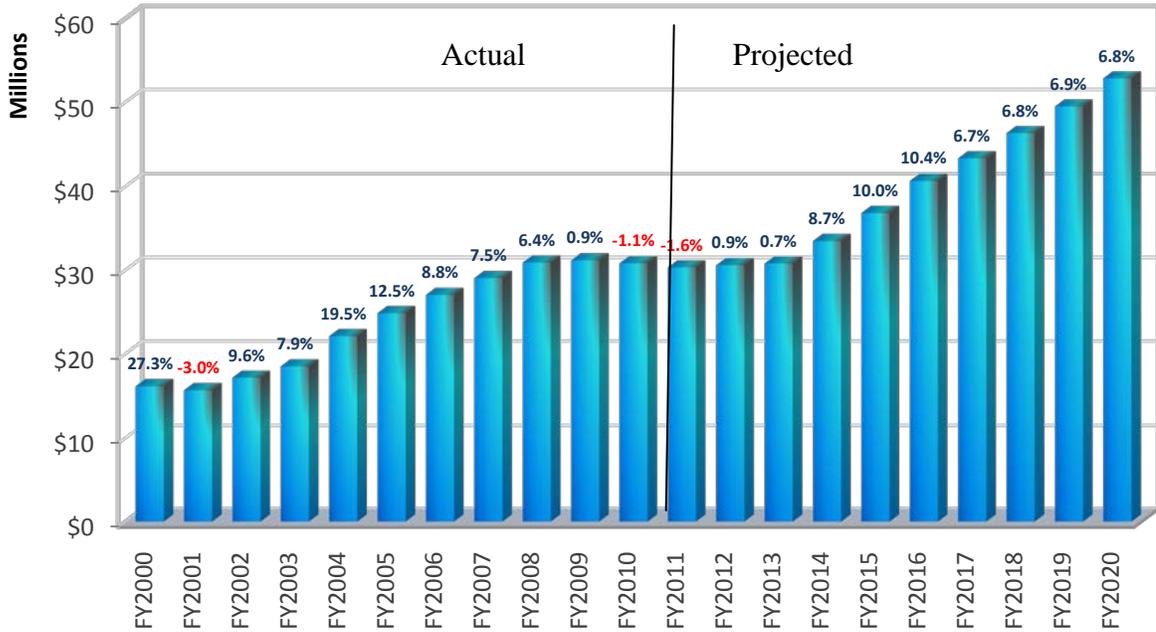
TriMet LIFT costs are approximately \$30 million per year. The LIFT program represents almost 10% of system operating costs while LIFT serves only 1% of ridership.

The nature of LIFT service means it is TriMet's most expensive per ride service. In FY10, the average operating cost per ride, net of fares, were as follows for different modes:

- Bus: \$2.31
- MAX: \$0.91
- WES: \$19.01
- LIFT: \$27.49

LIFT costs have also been increasing at a rapid rate. Over the period FY99 and FY09, LIFT costs grew 10% per year. As shown below, these costs are projected to be flat through FY13 and then resume increasing at a 6-10% annual rate as the regional population ages and eligible LIFT riders increase. The difference between a 10% growth rate and a 0% growth rate is \$3.1 million a year.

**Accessible Transportation Costs and Growth Rates**



**5.5 ADA Requirements Compared to TriMet Practice**

The ADA sets standards for the pricing, service delivery and other aspects of paratransit service provided by transit agencies. In all categories, TriMet has met or exceeded these requirements.

**Fares.** The ADA allows fares for LIFT to be double the full, undiscounted fare for a trip of similar length at a similar time of day on the fixed route system. LIFT fares could be \$4.00 (2-Zone) -\$4.60 (All Zone) and remain in compliance with ADA-mandates. *LIFT fares are currently \$1.85 for all zones.*

**Eligibility.** Individuals with a disability or disabling health condition, who are prevented from using fixed route transit without the assistance of another individual (except the operator of a wheelchair lift), are eligible for complementary paratransit service such as LIFT. The goal of the eligibility process is to accurately determine whether or not the individual has the physical and/or cognitive abilities to navigate the transit system independently and if not, under what conditions paratransit service would be required. *TriMet's eligibility standards comply with ADA criteria.*

**Service Area.** Transit agencies must provide complementary paratransit service to origins and destinations within 3/4 of a mile on either side of each fixed route line. All trips must be provided within the core service area. If fixed route service is reduced during certain times and days, paratransit service may also be reduced. *TriMet's fixed route service area is reduced on weekends and on weekdays late at night. LIFT's service area remains the same at all times weekdays and weekends.*

**Service Delivery.** The ADA allows transit districts to provide curb-to-curb service if it does not result in a denial of rides to eligible individuals. *TriMet provides door-to-door service and some door-through-door service.*

**Scheduling.** Transit agencies may negotiate pick up times with the individual and may require individuals to schedule their trips to begin up to one hour before or one hour after the individuals desired pick up time. The ADA does not address appointment times, only pick up times. Agencies are not required to offer open returns (will-calls).

*TriMet negotiates pick up times within the allowed one hour before or after requested time, but if a customer refuses the time, TriMet will provide the trip at the requested time. TriMet allows customers to schedule by pick up time or appointment time. TriMet's on time performance goals are to pick up customers no later than 30 minutes after scheduled pick up time, and drop off no later than the appointment time. TriMet also allows "will-calls," which are trips with open return times.*

**Trip Denials.** Transit agencies may not significantly limit the availability of service to ADA-eligible persons with "substantial" numbers of trip denials (turndowns). *LIFT has virtually no turndowns or trip denials. An audit of LIFT's program performed by the Federal Transit Administration found LIFT to be exemplary in this regard.*

## 5.6 TriMet Cost Savings Measures Related to LIFT

While providing paratransit service which meets or exceeds ADA requirements, TriMet is also addressing the rising cost of LIFT service. Currently there are approximately 24,000 LIFT customers in the TriMet database, with about 9,500 active customers. An active customer is defined as someone who has used the service within the last 12 months.

As noted above, the ADA defines the eligibility criteria for using LIFT. A person must have a disability or disabling health condition which prevents them from being able to use fixed route for some or all of their trips. The three specific criteria for determining eligibility are:

- Category 1     Cannot independently navigate the transit system
- Category 2     Cannot use the fixed route system because the bus route/rail station is not accessible
- Category 3     Cannot get to/from fixed route stops/stations within the service area.

And once a person is determined to be eligible, there are different categories of eligibility, as follows:

- Unconditional     All trips will be provided by LIFT
- Conditional        May use LIFT under certain conditions of the trip
- Temporary         Granted eligibility for a specific length of time during a recovery period
- Visitor             Eligibility is granted to visitors to the regions for up to 21 calendar days annually.

In January 2010, TriMet opened its new Transit Mobility Center (TMC) and implemented a new eligibility process which includes an in-person evaluation and functional/cognitive assessment of

a LIFT applicant's abilities to use fixed route transit. The assessment may include completion of: (1) a simulated transit trip, (2) a 1/4 or 1/2 mile walk within the neighborhood, (3) a trip on fixed route service using both bus and MAX and/or (4) an evaluation of cognitive abilities using a nationally recognized test, the Functional Assessment of Cognitive Transit Skills (FACTS).

The Transit Mobility Center staff, who conducts these assessments, includes:

- TriMet LIFT Eligibility staff (eight administrative employees)
- Medical Transportation Management staff (three mobility evaluators)
- First Transit staff (one-two appointment schedulers/dispatchers)
- Ride Connection *Ride Wise* staff (one-two travel training staff).

There are four goals of the new process, which is consistent with the ADA. These goals are:

1. Educate the applicant and the community on the appropriate use of the LIFT service
2. Ensure that LIFT eligibility determinations are accurate and consistent with the ADA
3. Enable staff to work with each applicant to identify the most appropriate mode of travel based on his or her functional abilities
4. Increase the applicant's knowledge of resources available to promote independent travel on fixed route when appropriate.

Prior to implementation of the new eligibility process, LIFT received about 350-400 applications per month. Since the process began, LIFT has seen a decline in applications to approximately 280 per month.

In May 2010, TriMet also began re-certifying the 9,500 active customers. LIFT notifies between 100-200 active customers by letter, 90-days in advance, of the requirement to complete the re-certification process to continue service. The LIFT staff schedules an average of 18-22 appointments a day and all appointments are scheduled in advance. TriMet LIFT provides transportation to/from the appointment at no charge if needed.

The ADA provides for an appeal process if the applicant does not agree with the initial determination. Of 959 decisions eligible for appeal to date, 47 have been appealed for a rate of five percent. Of the 47 appeals, 21 have resulted in a change in eligibility (8 to Unconditional, 10 to Conditional and 3 to Temporary). The original decision was upheld in 16 appeals, and there are 10 appeal decisions pending.

## **5.7 Fixed Route Accessibility and Operator Training**

TriMet also focuses on the accessibility of the fixed route system, which provides 100 million rides per year including many rides by disabled customers. Maintaining an accessible fixed route system is a high service priority for TriMet, as it provides improved access for all riders, including the disabled. Accessible features of fixed route include:

- Use of low-floor buses and buses with lifts for mobility devices, and the ability to "kneel" the bus for easier boarding
- Operator announcements of major stops and transfer points, and low-floor buses equipped with automated stop announcements

- Buses and MAX vehicles with priority-seating areas for seniors and people with disabilities. Buses include two securement areas for customers who use mobility devices. MAX vehicles include four securement areas
- WES and Portland Streetcar vehicles are also accessible.

In addition, discounted fares, free travel training through Ride Connection (described below) and other accessibility aids are available to riders. Both fixed route and LIFT operators are trained on vehicle accessibility features, and receive sensitivity training on providing service to seniors and people with disabilities, and on the requirements of the ADA in providing this service.

### **5.8 Ride Connection Programs and Partnership**

Ride Connection is a private non-profit provider of transportation for older adults and people with disabilities. TriMet and Ride Connection have been partners since 1988, developing programs together to provide essential community based transportation to elderly and people with disabilities. Services provided by Ride Connection and its network of 33 community-based organizations address the unique transportation needs of the elderly and people with disabilities who are unable to use fixed route bus and MAX.

By working with volunteers and social service organizations to provide door-to-door transportation in all 3 counties, Ride Connection provides rides at lower cost than TriMet's LIFT program. Ride Connection services are coordinated with LIFT, and customers are ADA-eligible, but Ride Connection services are not ADA-compliant. For example, Ride Connection requires 3 day advance reservations, and rides are grouped.

TriMet has a contract with Ride Connection to provide the organization with \$1 million a year to provide rides to older adults and people with disabilities with volunteer drivers. In FY10, Ride Connection provided over 230,000 rides with volunteer drivers under the TriMet contract. The cost per ride is \$13.25 with TriMet funding providing \$4.17 per ride and other sources providing \$9.08 per ride.

The estimated savings to TriMet from these Ride Connection volunteer programs is approximately \$4.8 million a year. Ride Connection also provides community-based shuttles, which are estimated to save the LIFT program an additional \$400,000 per year.

In addition, Ride Connection's RideWise Program, which teaches people with disabilities how to use fixed route bus and MAX, saves TriMet the cost of providing these rides on LIFT. This program saved TriMet an estimated \$4.5 million a year in LIFT costs.

### **5.9 TriMet Focus on LIFT Productivity Improvements and Cost Containment**

TriMet has identified and is focused on four major areas for paratransit cost savings:

- Service contracts (competition)
- Policy (fares, service area, etc.)
- Demand management (eligibility, travel training)
- Scheduling productivity (grouping, schedule efficiency).

LIFT measures scheduling productivity as “rides delivered per service hour.” For each percent improvement in rides per hour, service hour savings to TriMet are approximately \$300,000 annually. More productive schedules also decrease miles per ride, thus saving on fuel and maintenance and delivering more efficient service to customers.

To improve productivity, TriMet has taken the following steps:

- Shortened the advance reservation time from 14 days to seven days, to help reduce cancels and no shows
- Optimized the scheduling software to create more accurate schedules
- Optimized service hour allocations to more closely align with demand
- Improved ride sharing and grouping of rides.

As of September 2010, LIFT had increased schedule productivity 2.7% over the 12-month period, for service hour savings of over \$800,000 per year. During FY10, more than 75% of LIFT non-cab rides were grouped, as opposed to direct rides. This represents an increase from FY07-FY09, during which 72-73% of LIFT rides were grouped.

## 5.10 Potential TriMet Savings

**Curb-to-Curb Service.** Curb-to-Curb service is an accepted practice in paratransit, and is the standard at many peer agencies. LIFT has always provided door-to-door service, because this provides good service and access for most customers. Most agencies providing curb service have always done so. The advantages to a transit district of providing curb-to-curb service are reduced dwell time, as well as reduced liability associated with escorting a customer between door and the vehicle.

If TriMet were to change the door-to-door service standard to curb-to-curb service, staff anticipate that about half of all trips could be served curb-to-curb. The remaining customers, who will require door-to-door service, would continue to receive it. It is projected that curb-to-curb each trip could save 3 minutes of dwell time (2 minutes at pick up and 1 minute at drop off). Although this could save 2500 service hours (or approximately \$1.2 million) per year, there would also be some offsetting costs such as increased analysis of pick up and drop off locations. Further, it is unusual for a transit district to change from door to curb service to curb-to-curb service, and this would not be received well by the customer base.

**Fares.** ADA allows transit agencies to charge double the fixed route base for each trip. TriMet charges \$1.85 for each LIFT trip, lower than the current 2 zone adult cash fare. Increasing the LIFT fare to double the fixed route fare, even if it is accomplished over time would reduce demand for LIFT considerably, saving costs.

## CAC Perspectives

1. The CAC suggests that TriMet review LIFT fare policy and increase LIFT fares to be commensurate with most other transit systems in Oregon and elsewhere. TriMet’s low fare is well below federal requirements and discourages use of the fixed rate system by those able to do so. The CAC emphasizes that the majority of elderly and people with disabilities of the District take the fixed route system. By offering low fares on LIFT, the demand for service

and cost of LIFT increase and reduces funds available for the fixed route service which serves a broad customer base, including the majority of elderly and people with disabilities. The CAC encourages TriMet to increase LIFT fares to the maximum allowed over the next five years. The CAC also recommends TriMet implement a structured fare system with higher fares charged for service outside of peak hours, for longer distances and for non-grouped and non-subscription service.

2. The CAC encourages TriMet and the CAT to specifically address the increasing costs of LIFT and jointly determine how TriMet can best allocate limited resources. Specifically the CAC encourages TriMet to:
  - a. Review the costs of LIFT service hours outside of fixed route service hours
  - b. Review the cost savings and rider impact of a change curb to curb service rather than door to door service
  - c. The CAC asks TriMet to present the results of the above reviews to the CAT for review and discussion.
3. The CAC recommends that TriMet add a “suspension penalty” for any LIFT customers who are chronic “no shows” versus the current practice of sending out first, second and third letters.
4. The CAC recognizes that it can be difficult to get LIFT customers to move over to use fixed route because of accessibility challenges on the fixed route system, including lack of curb cuts, traffic safety and other issues of ADA accessibility. The CAC encourages TriMet to continue its work with regional partners, including the City of Portland and the 3 counties, to identify and address areas where there is likely to be higher fixed route usage if these issues are addressed (for example, near nursing homes, work sites, etc.).
5. The CAC encourages TriMet to continue the effort to move more customers to subscription trips, allowing TriMet to put together group rides, especially for regularly recurring trips.
6. The CAC commends TriMet and the LIFT staff for doing an outstanding job for regional residents with disabilities.

## 6.0 CONCLUSION

The CAC selected four (4) topics for its FY12 review:

1. Financial forecast and budget
2. Prioritization of regional investments in transit
3. Performance measures: Using metrics to improve efficiency
4. LIFT service

TriMet staff provided detailed presentations and materials on these four topics. Additionally, the staff were accessible and very helpful providing follow-up information in response to our questions on these topics. They were consistently knowledgeable, professional and passionate about improving TriMet's service, District performance and financial planning for the future. In particular, the CAC greatly appreciates and thanks Beth deHamel, Executive Director Finance and Administration, Claire Potter, Director Financial Analysis and Grants Administration and TriMet staff from various departments for their work organizing the presentations for these topics, arranging for a tour of Ruby Junction and preparing background material for this report.

While the 2007-2009 recession is officially over, TriMet and the region continue to feel the revenue and budgetary effects of the recession. Service cuts implemented in 2009 and 2010 remain in place, and can only be restored as revenues gradually rebound. The CAC supports the current plans for service restoration and recommends that restoration of service, particularly frequent bus services be prioritized over funding of new service commitments (Lake Oswego, Streetcar, CRC, etc.). Additionally, the CAC supports the current vehicle (bus) replacement plan. The CAC agrees with the financial forecast assumptions to continue with defined capital projects, potentially postponing some projects, until the financial forecast indicates that operating revenues will be available for new service without compromising existing services.

The CAC enthusiastically supports TriMet's desire to be a data-driven District, using performance metrics to manage operations and maintenance, as well as to communicate District performance to the public.

While the CAC is very impressed and confident in TriMet's dedication to improving on time performance, planning for the future in terms of both the vision for regional transit service and also conducting rigorous financial forecast, the CAC recognizes that TriMet faces significant budgetary challenges. Growth trends in operating costs, particularly from labor-related costs, LIFT, and future pension and retiree healthcare liabilities are especially sobering. TriMet must act aggressively and be persistent in actions to control growth in operating costs.

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**FY11/12 Citizens Advisory Committee on the Budget**

<p><b>Cynthia Chilton</b> Retired</p> <p>Third-year member</p>	<p>Volunteer Medicare counselor, Senior Health Insurance Benefits Assistance (SHIBA), long-term care facility friendly visitor and volunteer trainer; bike safety advocate, Bicycle Transportation Alliance (BTA); retired employee benefits consultant, Mercer HR; Education: BA, Modernization, Brown University, Providence, Rhode Island.</p>
<p><b>Luann Pelton</b> Integra Telecom</p> <p>Second-year member</p>	<p>Corporate Accounting Manager, Integra Telecom, provides voice, data and Internet communications to thousands of business and carrier customer in 11 Western states; previously Controller at Jewell Attachments, Tualatin; Finance Manger at Alcatel Submarine Networks, Portland; Controller at ANI Helser, Portland. Member of Oregon Society of CPAs; Treasurer, Democratic Party of Washington County; Court Appointed Special Advocate (CASA) for abused and neglected children in the state court system. Education: BA Accounting, Eastern Washington University; MBA, Eastern Washington University.</p>
<p><b>Paul Schlesinger</b> Schlesinger Companies</p> <p>Second-year member</p>	<p>Vice President, Schlesinger Companies, management and development company, Portland; financial planning, project development, leasing, tenant space remodeling, Portland and Washington States, oversee consultants/construction management projects; STU Partnership with Pacific Telecom, Inc.; Board Treasurer, Oregon Chapter of the American Jewish Committee and Jewish Educational Service of North America (JESNA); Project Manager for the design and construction of the Oregon Holocaust Memorial (August 2004); other affiliations: City Club of Portland, Oregon Zoo, Gales Creek Diabetic Camp for Children, Portland State University, Oregon Episcopal School, American Israel Public Affairs Committee. Education: Menlo College, California; Whitworth College, Washington.</p>
<p><b>Sarah Dammen</b> ECONorthwest</p> <p>First-year member</p>	<p>Economist, ECONorthwest, economics consulting firm; specializes in transportation economics; areas of interest include transportation investment and policy appraisal and evaluation, with an emphasis on benefit-cost analysis, transportation pricing, highway cost allocation, forecasting and econometric modeling; previously worked as an economist at the Volpe National Transportation Systems Research Center, USDOT; other affiliations: Transportation Research Board (TRB), Portland Chapter of the Women's Transportation Seminar (WTS). Education: BS, Economics, Oregon State University; MS Economics Oregon State University.</p>
<p><b>Peter Lizotte</b> ACME Business Consulting LLC</p> <p>First-year member</p>	<p>Principal and Co-founder, ACME Business Consulting, LLC – management consulting firm headquartered in Portland with offices in San Francisco and Seattle; previously Senior Manager with WebTrends and Manager at Arthur Andersen Business Consulting; Background in leading transformational projects driving change to business processes, organizational roles/responsibilities and enterprise systems across a broad set of industries. Board member for Friends of the Children. Education: <i>cum laude</i> History degree, Santa Clara University; Institut für Europäische Studien in Vienna, Austria, with a focus on international business and central European history.</p>

# EXHIBITS

## EXHIBIT A

### TriMet's Proposed Medical Benefits Compared to Other Local Governments

Union Active Plans	Deductible		Out-of-Pocket Max		Employee's Premium Contribution				Other	
	Individual (in plan)	Family (in plan)	Individual (in plan)	Family (in plan)	Employee	Employee/ Spouse	Employee/ Child	Family	Office Visit Co- Pay	Co- Insurance (in plan)
<b><u>PPO Plans</u> *:</b>										
TriMet Regence-Offer	\$150	\$450	\$1,000	\$3,000	\$0	\$30	\$25	\$50	\$0	10%
TriMet Regence-Current	\$0	\$0	\$1,000	\$3,000	\$0	\$0	\$0	\$0	\$5	0%
Lane Transit District**	\$1,500	\$3,000	\$3,000	\$6,000	\$0	\$0	\$0	\$0	\$20	20%
Portland Metro CIGNA	\$500	\$1,500	\$5,000	\$15,000	\$45	\$74	\$81	\$104	\$25	0%
City of Portland City Core	\$200	\$600	\$1,800	\$5,400	\$26	\$50	\$67	\$67	\$15	40%
School District No. 1 Providence EPO	None	None	\$1,200	\$2,400	\$97	\$97	\$97	\$97	\$10	0%
School District No. 1 Self Funded PPO	\$100	\$300	\$1,000	\$2,000	\$97	\$97	\$97	\$97	N/A	20%
Clackamas County Providence (\$20 copay)	\$250	\$750	\$1,200	\$3,600	\$54	\$54	\$54	\$54	\$20	0%
Clackamas County Providence (\$15 copay)	\$250	\$750	\$2,000	\$6,000	\$50	\$50	\$50	\$50	\$15	0%
State of Oregon PEBB SF Plan	None	None	\$1,000	\$3,000	\$0	\$0	\$0	\$0	N/A	15%
State of Oregon PEBB Providence	None	None	\$1,000	\$3,000	\$0	\$0	\$0	\$0	\$5	30%
Multnomah County - Platinum PPO	\$300	\$900	\$1,500	\$4,500	\$41	\$83	N/A	\$118	N/A	15%
Washington County - Providence PPO	\$250	\$750	\$600	\$1,800	\$0	\$0	N/A	\$0	\$10	30%

\* TriMet's "Final Offer" in July 2010, submitted to ERB.

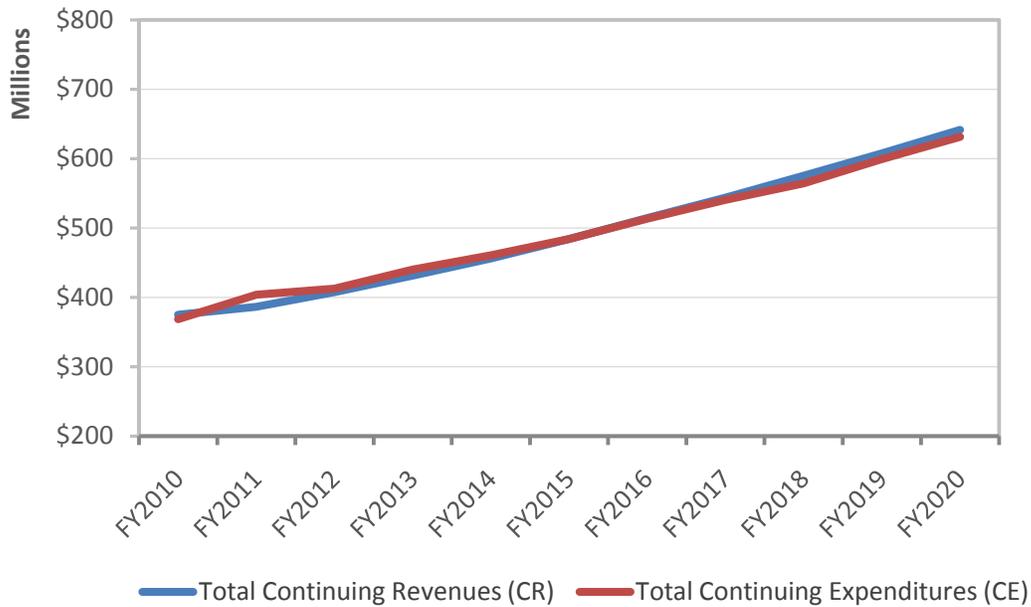
\*\* Lane Transit District makes \$1,000 VEBA contribution per employees to offset deductible and other medical expenses. \$20 co-pay for some services, 20% co-insurance for other services.

Plan information was updated in 2010 with survey completion in August 2010.

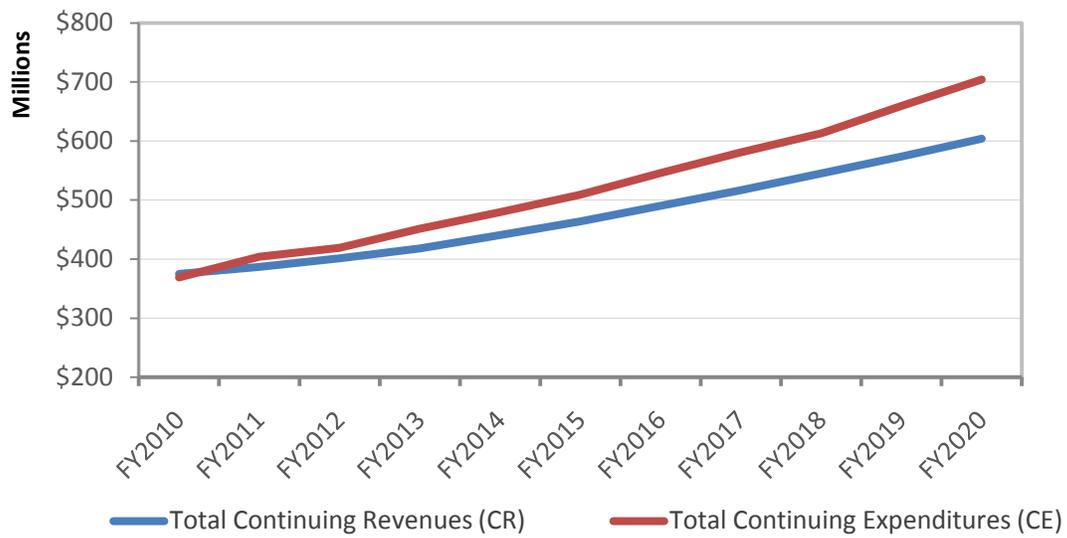
## EXHIBIT B

### Forecast Results - Management and ATU Proposals

Management Proposal: Balanced revenues and expenditures most years of forecast



ATU Proposal: Expenditures exceed Revenues every year of the forecast; service cuts and layoffs are required to balance the budget.



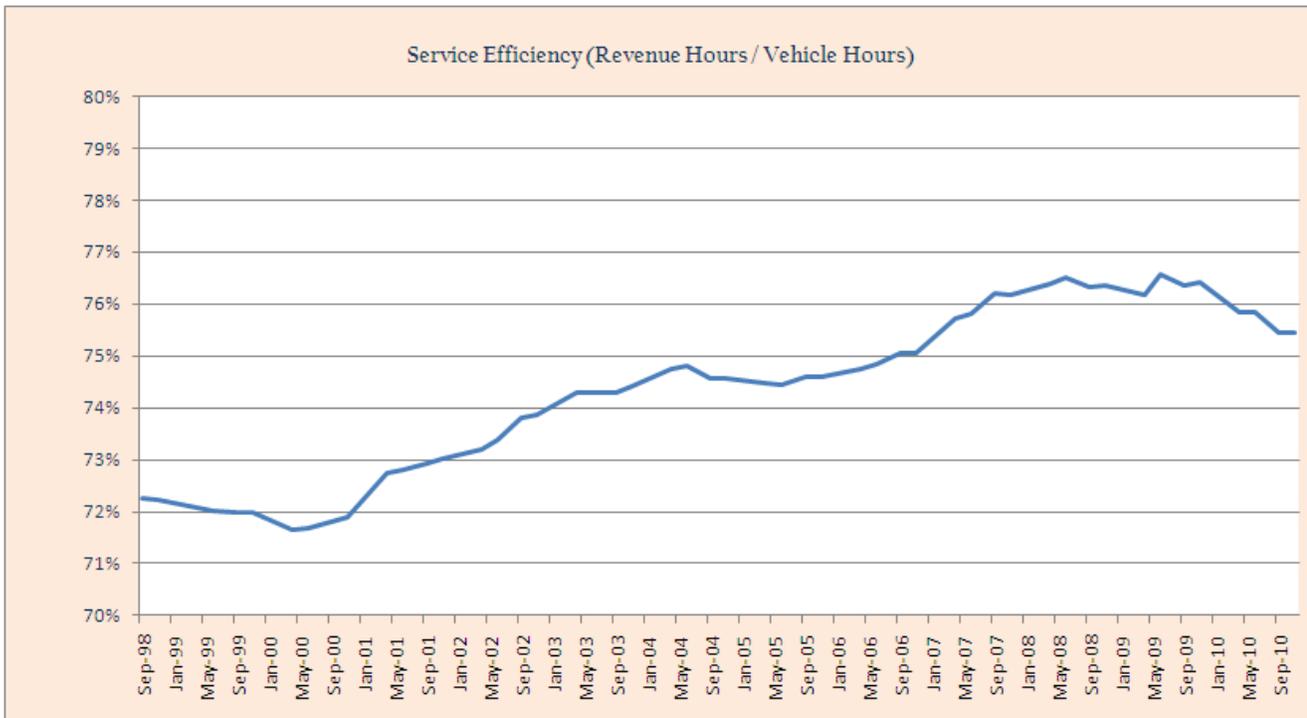
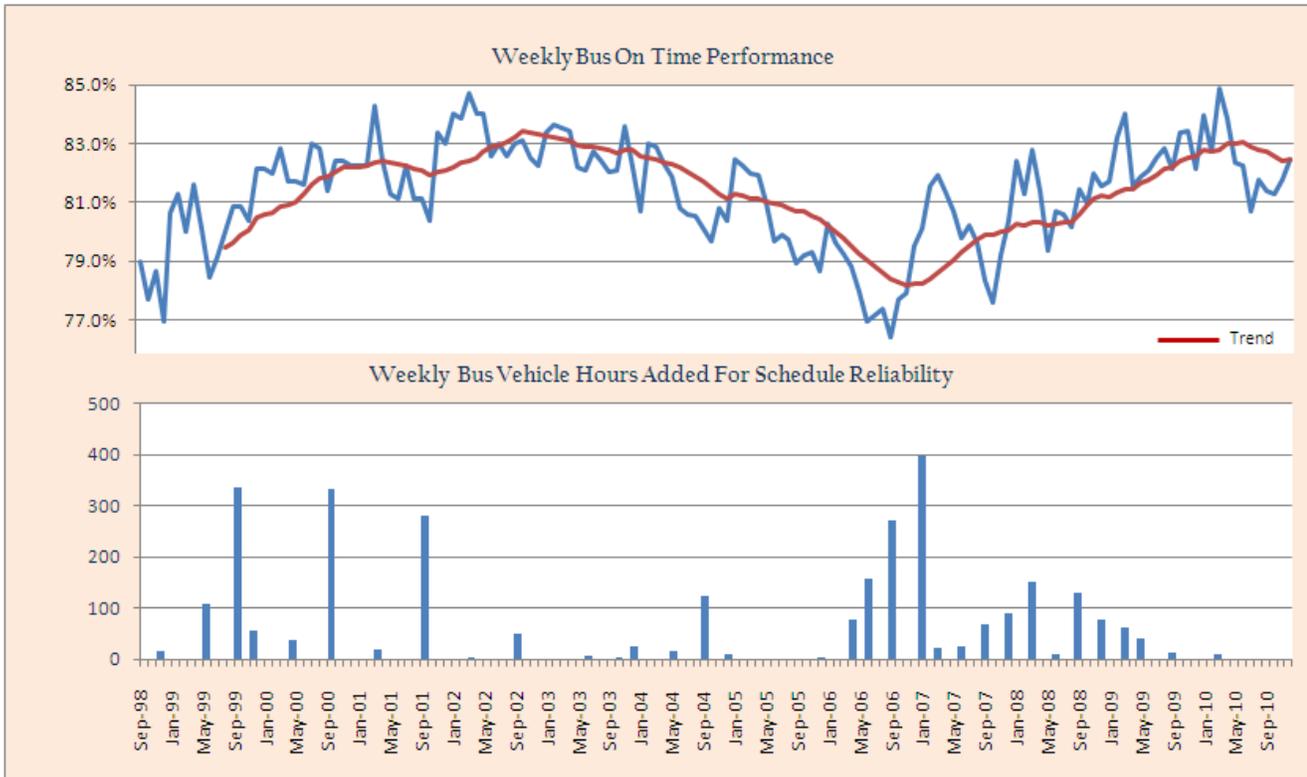
## EXHIBIT C

### TriMet Operations Performance Dashboard

TriMet Operations Monthly Performance		Monthly Target	December 2010	November 2010	December 2009	FY Year to Date	Rolling 12 months
Transportation	Bus On Time Performance	84.0%	82.6%	81.9%	83.4%	81.5%	82.6%
	Bus Leaving Timepoints Early	4.0%	5.4%	5.1%	5.7%	4.9%	4.7%
	Bus Leaving Beginning of Route Late	8.0%	12.5%	11.6%	10.3%	11.5%	11.0%
	MAX On Time Performance	80.0%	78.7%	78.0%	77.5%	78.2%	78.4%
	MAX Leaving Timepoints Early	5.5%	8.4%	7.6%	5.7%	6.9%	6.5%
	MAX Leaving Beginning of Route Late	4.0%	3.4%	4.9%	5.2%	4.8%	4.5%
	SIPs Not Closed within 30 Days	3.0%	3.4%	3.0%	13.6%	7.2%	5.7%
	Bus Accident Per 100,000 Miles	2.61	3.00	2.59	4.52	2.88	2.88
	MAX Accident Per 100,000 Miles	1.11	0.89	1.86	0.85	1.24	1.27
	Absentee Rate	8.5%	10.4%	10.4%	8.8%	10.2%	9.9%
	Transportation Employees FTEs	1,234.3	1,297.6	1,297.6	1,395.7	1,315.4	1,343.1
	Unscheduled Overtime to Budget	0.0%	+33.8%	+66.9%		+37.7%	
	Bus Extraboard Pay Factor	1.50	1.60	1.57	1.68	1.54	1.53
	Bus Percent Standby Time	12.0%	17.7%	15.3%	22.6%	13.7%	14.3%
	Bus Extraboard Size	15.0%	16.8%	15.7%	18.0%	15.6%	16.1%
	Bus Missed Pullouts	20	8	30	6	43.7	36.6
	MAX Extraboard Pay Factor	1.75	1.49	1.59	2.12	1.64	1.74
	MAX Percent Standby Time	24.0%	19.0%	22.5%	39.9%	24.0%	25.8%
	MAX Extraboard Size	22.5%	23.2%	23.5%	25.5%	22.4%	24.4%
	MAX Missed Pullouts	2	6	2	1	1.2	1.8

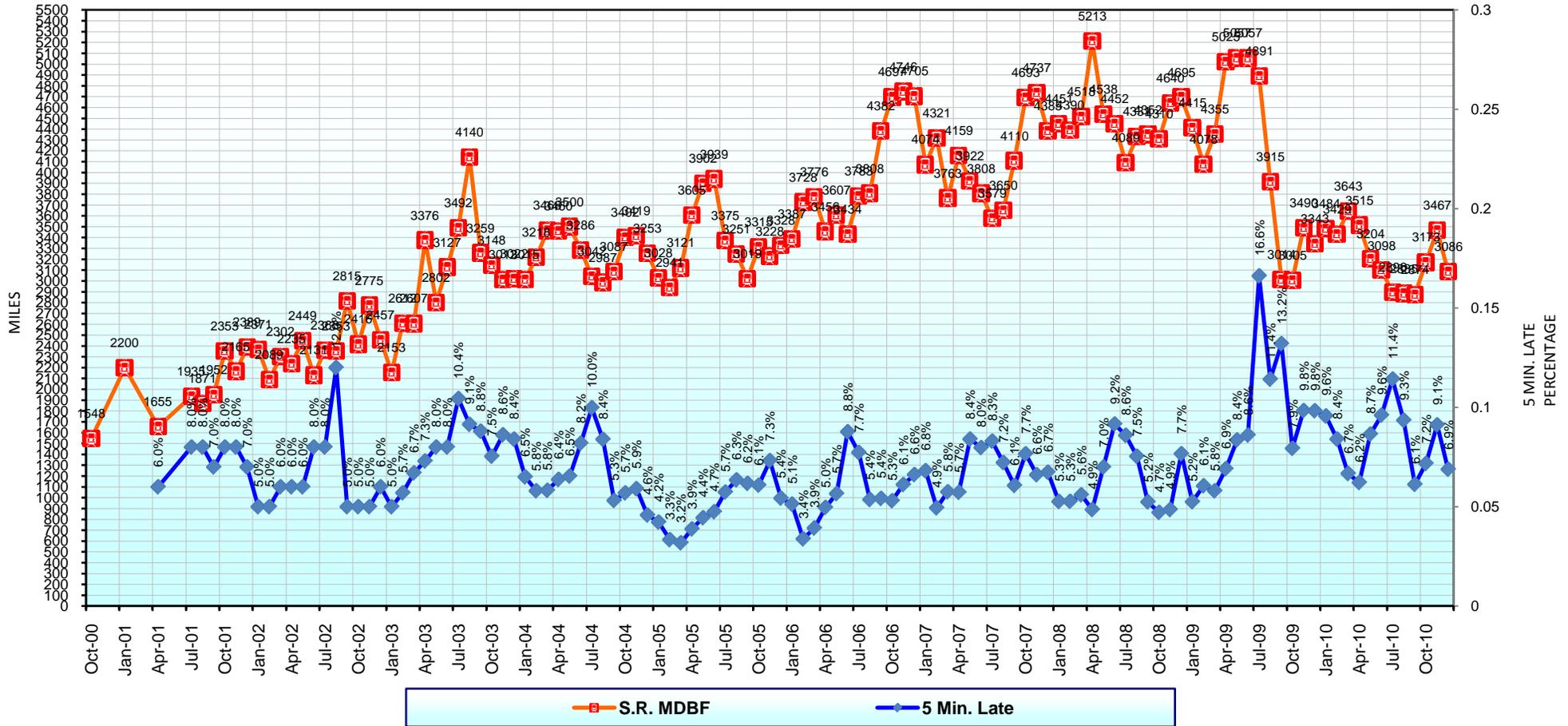
## EXHIBIT D

### Weekly Vehicle Hours Added For Schedule Reliability Compared to On Time Performance by Signup (Fall 1998 to Fall 2010)



## EXHIBIT E

**Service Related - MDBF Mean Distance Between Failure October 2000 thru December 2010**



# EXHIBIT F

