

Date: July 23, 2012

To: General Manager
Board of Directors

From: Nancy Jarigese

Subject: June 2012 Monthly Performance Report (Includes FY12 Summary)

1. After fourteen consecutive months of positive results, weekly system rides were down slightly (-0.5%) in June. Weekly boardings declined on LIFT and MAX but were up on buses and WES. For FY12, total average weekly boarding rides were up 2.1%.
2. June fixed route boardings: Weekday fixed route boardings were 329,900 in June, 0.7% above the prior year's level. Rides were up 1.5% on bus and 7.4% on WES commuter rail, but were down 0.5% on MAX. Weekend ridership was up 0.9% on buses, but was down 11.3% on MAX. Overall weekly system fixed route rides were 0.5% below the prior year's level.
3. FY12 annual fixed route boardings: In fiscal year 2012, a total of 102.2 million boardings were carried on TriMet's fixed route system – an increase of 2.2% over FY11. Weekday boardings (325,400) were up 2.2% for the fiscal year, while Saturday (204,300) and Sunday (145,700) boardings were each up about 1.8%. Growth in bus, MAX and WES all fueled the positive FY12 ridership result.
4. June MAX boardings: The four MAX lines averaged a total of 131,800 weekday, 105,600 Saturday, and 77,400 Sunday boardings in June. Weekday ridership averaged 68,100 on the Blue line, 24,000 on the Red line, 16,500 on the Yellow line, and 23,200 on the Green line. Total MAX ridership was up 0.3% during the peaks but fell 0.9% in off-peak periods, resulting in a 0.5% drop in weekday ridership. Average weekend ridership was down compared to last year, primarily due to low Starlight and Grand Floral Parade ridership days.
5. FY12 annual MAX boardings: During fiscal year 2012, MAX carried a total of 42.2 million boardings, up 2.4% over FY11, and averaged 130,000 weekday (+2.6%), 96,000 Saturday (+0.9%) and 68,300 Sunday (+1.0%) rides. Fiscal year weekday boardings averaged 66,300 (+1.7%) on the Blue line, 23,400 (-0.8%) on the Red line, 16,800 (+6.3%) on the Yellow line and 23,600 (+8.8%) on the Green line. MAX patronage growth slowed considerably during the second half of FY12. While weekly rides were up an average of 3.6% during the first six months of the fiscal year, the increase slowed to only +0.9% January-June. TriMet increased fare enforcement efforts in fiscal 2012 and by spring 2012, fare evasion levels were down compared to the prior fall and spring. At least some of the slowdown in MAX growth is likely related to the increased fare enforcement.

6. June bus boardings: Weekday bus ridership was up 1.5% in June, with increases in peak (+0.2%) and off-peak (+2.1%) time periods. Overall weekend rides were up 0.9%, resulting in a 1.4% improvement in weekly bus rides. Weekly rides were up 1.0% on frequent routes and 2.0% on non-frequent routes.
7. FY12 annual bus boardings: Buses carried a total of 59.6 million boardings in FY12, an increase of 2.0% from the FY11 level. Buses averaged 193,800 weekday (+1.9%), 108,300 Saturday (+2.7%) and 77,500 Sunday (+2.4%) rides in FY12. Compared to FY11, weekly frequent bus and non-frequent bus rides were up 1.3% and 2.8%, respectively.
8. June WES boardings: WES averaged 1,740 daily rides, 7.4% above the prior year.
9. FY12 annual WES boardings: WES carried a total of 418,100 boardings in FY12 and averaged 1,639 daily rides (+13.0%). WES patronage increased throughout the fiscal year and surpassed 1,700 rides per day in each of the last three months of the year.
10. June LIFT rides: Weekly LIFT rides were down 1.2% in June, with weekday rides down 0.3% and weekend rides down 7.1%. Weekly LIFT and cab miles were down 1.0% from the prior year's level.
11. FY12 LIFT rides: For FY12, LIFT carried a total of 1,062,900 rides, a decrease of 0.1% from the prior year. FY12 marks the fourth consecutive year of lower LIFT ridership. Lower patronage growth on LIFT is significant from a cost standpoint, as LIFT vehicle miles and hours generally change at close to the same rate as ridership. Over the past several years, LIFT staff and contractors have been able to improve productivity by using analytics to group more rides and manage service miles and hours to more closely match demand. In FY12, this approach resulted in a 0.7% decline in LIFT and cab vehicle miles compared to a 0.1% decline in LIFT and cab rides.
12. June passenger revenue: June passenger revenues were \$9.7 million, 13.5% above the June 2011 level. June 2012 passenger revenues included \$700,000 in payments from Portland Public Schools (PPS) and the City of Portland for the PPS high school student sticker-pass program for the period January-June 2012.
13. FY12 passenger revenue: Total passenger revenues for FY12 were \$102.2 million, 5.5% over the 2011 level, but \$2.2 million (-2.1%) below budget. A number of factors contributed to the budget variance. Over half of the variance from budget is related to slightly lower ridership and a lower average fare than budgeted. The lower average fare suggests a different distribution of fares in FY12 than expected. For example, a higher proportion of rides on honored citizen fares or Fareless Rail or more rides per pass than expected would lower the average fare. Also the average fare on MAX is higher than on buses and MAX ridership growth was significantly lower than assumed in the budget. Most of the rest of the variance (about 40% or \$900,000) of the shortfall was due to the PPS student pass program. BETC monies, which had funded most of this program in prior years, ran out in January 2012. The budget assumed that PPS student free-sticker program would end at that point and that PPS Transportation would purchase fares for some students while other students would buy transit fares directly. However, the program did not end and 13,000 students continued to use their student stickers as transit fares during the

January-June period. While Portland Public Schools and the City of Portland paid TriMet a combined \$700,000 for the PPS student pass program for the period January-June, this was about \$900,000 less than the budget had assumed from students/PPS over this period.

14. June operations cost per boarding ride: Operations cost/boarding ride measures the direct cost of providing each ride. Operations costs are expenses for labor, energy and expendable supplies to provide transit service and to maintain vehicles and plant facilities. June operations costs include a \$6.1 million liability associated with back wages and employer (FICA) taxes for the period December 2010 – June 30, 2012. During this period, union wage rates were frozen in conjunction with the arbitration process for the Working and Wage Agreement. An Unfair Labor Practices ruling disallowed the wage freeze. With all \$6.1 million in back wages showing as an expense in June, operations cost/boarding ride appears artificially high for the month.
15. FY12 operations cost per boarding: For the first eleven months of FY12, average operations cost per boarding ride was slightly below the prior year's level. This reflected the fact that service levels and the number of FTE operations employees were down slightly compared to the prior year, while boarding rides were up. However, adding in \$6.1 million in liabilities for back pay pushed the final FY12 operations cost per boarding figure above the FY11 level. Including the back pay, FY12 fixed route operations costs were up 4.9%. For the same period, annual boarding rides were up 2.2%, resulting in a 2.9% increase in the operations cost per boarding ride (from \$2.39 in FY11 to \$2.46 in FY12). The FY12 cost per boarding ride figure is somewhat overstated since it includes back pay for part of FY11 as well as FY12.
16. Preliminary data: Please note that the cost and revenue figures shown in the Monthly Performance Report are preliminary and unaudited. The audited financial figures, which will be available this fall, may reflect some changes.

SYSTEM RIDERSHIP SUMMARY

Measure	Jun 12	Jun 11	% Change	FY12	FY11	% Change
Avg Weekday Boardings						
<u>Fixed Route</u>						
Bus-Other Service	85,200	83,400	2.2%	85,283	83,150	2.6%
Bus-Frequent Service*	<u>108,200</u>	<u>107,100</u>	1.0%	<u>108,508</u>	<u>107,120</u>	1.3%
Subtotal All Bus	193,400	190,500	1.5%	193,792	190,270	1.9%
MAX	131,800	132,500	-0.5%	129,992	126,750	2.6%
Commuter Rail	<u>1,740</u>	<u>1,620</u>	7.4%	<u>1,639</u>	<u>1,450</u>	13.0%
Fixed Route Total	326,940	324,600	0.7%	325,423	318,470	2.2%
<u>Paratransit</u>						
LIFT& Cabs	3,559	3,569	-0.3%	3,606	3,612	-0.2%
System Total	330,499	328,189	0.7%	329,028	322,082	2.2%

Avg Weekly Boardings

<u>Fixed Route</u>						
Bus-Other Service	491,400	481,600	2.0%	489,167	475,675	2.8%
Bus-Frequent Service*	<u>668,600</u>	<u>662,100</u>	1.0%	<u>665,575</u>	<u>656,833</u>	1.3%
Subtotal All Bus	1,160,000	1,143,700	1.4%	1,154,742	1,132,508	2.0%
MAX	842,000	868,900	-3.1%	814,202	796,383	2.2%
Commuter Rail	<u>8,700</u>	<u>8,100</u>	7.4%	<u>8,196</u>	<u>7,246</u>	13.1%
Fixed Route Total	2,010,720	2,020,700	-0.5%	1,977,139	1,936,138	2.1%
Frequent Bus % of Total Bus	57.6%	57.9%	-0.3%	57.6%	58.0%	-0.4%
<u>Paratransit</u>						
LIFT & Cabs	20,352	20,597	-1.2%	20,624	20,663	-0.2%
System Total	2,031,072	2,041,297	-0.5%	1,997,763	1,956,800	2.1%

Operations Cost / Boarding Ride **

<u>Fixed Route</u>						
Bus-Other Service	\$4.74	\$3.65	29.86%	\$3.54	\$3.53	0.28%
Bus-Frequent Service*	\$3.23	\$2.44	32.38%	\$2.43	\$2.36	2.97%
Subtotal All Bus	\$3.87	\$2.96	30.74%	\$2.90	\$2.86	1.40%
MAX	\$2.30	\$1.59	44.65%	\$1.71	\$1.61	6.21%
Commuter Rail	\$16.07	\$14.98	7.28%	\$14.54	\$15.84	-8.21%
Fixed Route Total	\$3.26	\$2.42	34.71%	\$2.46	\$2.39	2.93%
<u>Paratransit</u>						
LIFT & Cabs	\$29.86	\$31.12	-4.05%	\$29.87	\$29.03	2.89%
System Total	\$3.52	\$2.71	29.89%	\$2.74	\$2.67	2.62%

* Frequent Bus lines are those operating at headways of 15 minutes or less. All other bus lines, plus special services are included under "Other Bus Services".

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** Operations Cost: Expenses for labor, energy and expendable supplies required to provide transit service and maintain vehicles and plant facilities. Does not include General and Administrative, interest or depreciation.

June 2012 includes \$6.1 million one time union back pay liability.

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KEY INDICATOR PERFORMANCE REPORT (FIXED ROUTE)

	Jun 12	Jun 11	% Change	FY12	FY11	% Change
<u>Ridership (Bus, MAX, WES)</u>						
Avg. Weekday Boarding Rides	326,940	324,600	0.72%	325,420	318,470	2.18%
Monthly Boarding Rides Per Revenue Hour	66.25	68.02	-2.60%	65.49	64.45	1.62%
<u>Revenue & Cost Efficiency (Bus, MAX, WES)</u>						
Passenger Revenue/System Cost*	25.85%	28.87%	-3.02%	30.23%	30.36%	-0.14%
System Cost/Boarding Ride*	\$4.28	\$3.33	28.53%	\$3.25	\$3.15	3.17%
System Cost/Vehicle Hour* (Adj. CPI to Prior Year)	\$215.10	\$172.79	24.49%	\$161.14	\$154.35	4.40%
<u>Labor Productivity (Bus, MAX, WES)</u>						
Bus & Rail Operator Attendance	90.72%	90.63%	0.09%	89.96%	88.70%	1.26%
Bus & Rail Maintenance Attendance	93.93%	94.58%	-0.65%	94.62%	93.71%	0.91%
WES Maintenance & Admin Attendance	98.95%	100.00%	-1.05%	96.19%	96.45%	-0.27%
Weekly Boarding Rides Per Full Time Employee	890	913	-2.51%	889	841	5.62%
<u>Service Supplied (Bus, MAX, WES)</u>						
Bus Miles/Vehicle Accident	71,862	70,465	1.98%	62,337	63,130	-1.26%
Bus % Maintained Pullouts	99.21%	99.82%	-0.62%	99.73%	99.79%	-0.05%
Bus On-Time Performance(1)	81.20%	81.60%	-0.40%	81.61%	82.06%	-0.45%
Rail Car Miles/Svce Related Repair	2,659	2,706	-1.76%	2,868	2,962	-3.20%
LRV-Train Miles/Vehicle Accident	66,994	117,204	-42.84%	138,888	154,994	-10.39%
LRV % Maintained Pullouts	98.91%	99.88%	-0.97%	99.37%	99.85%	-0.49%
Rail On-Time Performance(1)	83.20%	85.70%	-2.50%	85.32%	86.32%	-1.00%
WES Miles/Relevant Failure	9,820	5,175	89.78%	9,991	9,986	0.05%
WES Miles/Vehicle Accident(2)	9,820	10,349	-5.11%	9,991	9,986	0.05%
WES % Maintained Trips	99.26%	100.00%	-0.74%	99.94%	99.12%	0.81%
WES On-Time Performance(1)	97.90%	99.00%	-1.10%	98.41%	97.98%	0.43%

(1) By departures at route timepoints

(2) No accidents in June 2012 on WES.

* June 2012 includes \$6.1 million one time union back pay liability.

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