

Sound Transit Citizen Oversight Panel

Meeting Summary

August 2, 2012

COP Members Present: Annette Bailes, Josh Benaloh, Aubrey Davis, Bob Goldstein, Phil Lovell, Karen Mask, Dave Russell, Stuart Scheuerman, Vic Sood, , Paul Wiesner,

COP Members Absent: Bruce Seiber, JD Wessling, Harold Wirsch

Others Present: Kathy Albert, Armica Bash, Vida Covington, David Huffaker, Mike Perry, Bonnie Todd, Vicki Youngs, Kathy Elias, members of the public

Operations Mid-Year Update

Bonnie Todd began by saying that it has been an uneventful year so far but with a number of good things to report. On the Facilities and Asset Management side, the agency has evolved from just a few simple systems four or five years ago, to a sophisticated department now. Vicki Youngs who gets much of the credit is retiring from Sound Transit.

Ridership is back to pre-recession levels. Through May of this year, ST Express is up 13.5%, Sounder is up 13%, Tacoma Link is up 10.8% and Central Link is up 11.6%. The major focus of the department currently is the Lakewood extension and getting ready for operations in October. Efforts are underway to ready the stations, security, crossing gates, testing of the system, as well as special events and media for the service start.

Another focus area is the elimination of the ride-free area in downtown Seattle. The most troubling aspect for ST is the financial impact. The changes in the ratio of usage of the tunnel between Link and buses will add \$1.7 million a year to Link's budget. ST's share of the tunnel debt will rise from 40% to 46% and operating costs will rise from \$12 M to \$13.6 M. ST will also have to take 7 of the 58 peak-period buses per hour out of the tunnel and move them to the surface streets. ST had considered taking the route 550 out of the tunnel but that would have added seven minutes to the travel time and operating costs would have increased. Todd said that ST and Metro are very prepared for the change. Metro will be collecting fares at the back door to speed boarding and will have staff available to aid riders. Link ridership is not expected to be affected, but Metro expects some decline in ridership but an increase in revenues. Joint operations in the tunnel will continue until about 2019-20 when East Link and Northgate segments start coming on line. Link headways will continue to be every 7.5 minutes. ST is planning to have stepped-up fare enforcement to remind riders about tapping on and off with the ORCA cards.

The implementation of the Enterprise Asset Management system is in full swing with four FTEs working with the contractor. Roll-out is planned for February 2013. The program will then have

two full-time staff, one in IT and one in Operations. Everything is going smoothly.

ST Express ridership has been up every month and staff have been doing a lot of juggling to add capacity on high demand routes. The express bus service was always intended to be transitional until rail was built out in the region, but it is now looking like there will be strong demand indefinitely. The agency may need to bring the policy question to the Board. On Sounder, there are riders standing in the aisles on morning trains at several locations and ST will be adding four round trips on the South line, with the first one in 2013. Currently the trains on the South line are running with seven double-decker cars, the maximum platform lengths. It would be complicated to add platform length at all of the stations.

On Tacoma Link, the Commerce Street Station has boosted ridership. On Central Link, ridership is increasing at a healthy clip. Overall, the metrics on customer complaints and on-time performance are good.

David Huffaker discussed the cost trends. On ST Express, the year-to-date figures as of June 2012 are: cost per hour is up 4.5%, from \$140 to \$146; cost per boarding down 7%, from \$7.08 to \$6.59; farebox recovery is up from 27% to 29%. Community Transit procured a new contract with its provider First Transit which increased the hourly rate 8% as of June. Even with the increase, the rate is still lower than King County Metro or Pierce Transit. On Sounder the cost per hour is declining from \$828 to \$818, 1.2%; cost per boarding is down from \$12.56 to \$11.44, 8.9%; and farebox recovery has improved from 26% to 30%. On Tacoma Link, the cost per hour is down from \$358 to \$346 and the cost per boarding is down from \$3.62 to \$3.23.

Central Link cost trends are rising. The cost per hour is up from \$371 to \$391, 5.4%; and the cost per boarding is up from \$6.18 to \$6.38, 3.2%. Farebox recovery has dropped from 24% to 23%.

In response to a question about her three top concerns, Todd said they were operating costs and the business model; capacity issues on ST Express; and safety and security on Central Link as some trouble spots have emerged.

Conversation with the Deputy CEO

Celia Kupersmith explained that she came to Sound Transit intending to settle in for the long haul and her eventual retirement plan had been Reno. But her son's family moved to Salt Lake City and she visited and loved it there. She intends to explore a new life. At ST, Joni Earl concluded that she values having the Deputy position because it allows her to focus on external matters while the Deputy builds the groundwork on major policy issues and deals with the internal mechanics of the organization. Kupersmith said her recent focus has been on opportunities for improvement in the areas of budgeting, ridership development, and other challenges the agency faces.

Kupersmith said the budget has been through the finance gauntlet and was then brought to her for further screening of initiatives. This year the Board was involved earlier as certain strategic

initiatives were brought to the Board in May: increasing ridership, decreasing costs, delivering projects, and increasing efficiency. ST will roll out the 10th Sounder trip on the South line in 2013 and will have the first full year of operating the Lakewood segment. ST will be enhancing the value engineering program based on this year's audit recommendations; work on achieving its sustainability goals; and focus and enhance transit-oriented development efforts. As a growing organization, staff will recommend 32 new FTE positions. Efforts are underway to make the budget, transit-improvement plan and service improvement plan more user-friendly and less repetitive.

A ridership steering committee has been meeting and actively working to coordinate what each department is doing. The website redesign has focused on how to ride the system, with particular attention to the regional trip planner and how to make linked trips across agencies. Visits to the website have skyrocketed as a result and continue to grow. Page views are up 14% this year. Another area for attention has been more comprehensive management of communication about operational issues. For example, coordinated handling of complaints about security at stations has helped identify hot spots and direct staff resources. Also, security staff are being rotated among stations to help prevent burnout. Market research has been helping with targeted media buys. The Voice of Reason campaign has been effective. The new Customer Outreach division has been getting out to events in the community. The division is also developing videos on how to use the ticket vending machines; these videos can be shown on iPads at public events.

Asked about her observations of ST as she is leaving, Kupersmith said the agency is full of very smart people who are highly focused on the mission. There is no slacker mentality; everyone is focused on scope, schedule and budget. Culture change is still happening in the move from capital projects to operations. Kupersmith said in her view COP is unique in the states in which she has worked. COP members put in more time and effort, are smarter and more engaged than elsewhere. Members do their homework and ask tough questions.

Asked about the view of a previous Deputy CEO who believed that ST should eventually become a rail agency, Kupersmith said she disagreed. ST's strength is the broad range of modes it offers which allows it to keep connected to taxpayers in all parts of the region. In her view, ST should be the most robust well-rounded agency it can be. Asked whether other transit agencies have comparable efforts at ridership development, Kupersmith said all agencies share the goal of coaxing in the public. ST should be asking what more it can do. The next area of focus should be on research and technology; and how technology can help build ridership, for example wifi access is needed in the DSTT.

Asked what she thought of ST's governance model, she said it was not bad, especially compared to the Bay area which has 29 transit agencies. The Board composition here makes sense. Board representation from partner transit agencies is a good thing. Houston was one giant agency for 13 counties which creates a different kind of problem; it is so regional that it has a tendency to lose touch with local concerns. In the Puget Sound, the PSRC's role is well-balanced and it has an overlap in membership. What about a directly elected Board like in Denver or the Bay area? Kupersmith said she thought these do not work. Board members in those places have made decisions based on individual circumstances not on the needs of the system as a whole. It is

certainly not a solution to the issues here. In response to a question about whether she would change anything about COP, she stated COP is strong as it is and it works. She had some concerns about proposals that would add duplicative technical expertise functions to COP.

Discussion

Chair Stuart Scheuerman asked for a discussion about parking management to follow up on last meeting and whether COP wanted to consider drafting a letter to the Board.

- There has been a lot of press coverage of this issue. Did COP members come to a conclusion on the topic?
- Stronger parking management efforts could help improve ridership.
- More pricing studies will not add certainty about what to do. Elasticity models are academic.
- ST seems to be moving toward using several of the management techniques. E.g., the ORCA upgrades. These will take a few years. ST definitely seems to be taking a more active role.
- The Board already put this in motion at its retreat. A COP letter could be helpful in encouraging and reinforcing the direction.
- As a region we certainly can't build our way out of the access problems.
- What value would COP contribute with a letter?
- COP has some clout. The value could be in helping to resist pushback that may arise. If COP thinks it's the right thing, we should be encouraging.
- It would also keep the momentum going.
- This could be a topic for the year-end report; right now COP has no specific contribution to make.
- One specific recommendation might be to urge that pilot projects be developed at certain locations—that would provide ST with real data about the impacts of introducing parking fees. It would get the agency's toes in the water early. If ST waits two years until ORCA upgrades are ready, they'd still have to do the pilot projects then.
- One good pilot would be partial parking rebates for users who are riding transit. Eventually that could be tracked with the ORCA card.
- COP should send a letter now and follow up again in the year-end report.
- This is an opportunity for more communication with the Board.
- The letter should include a recommendation for specific pilot projects.
- ST will need to address cash collection issues.

Members by a show of hands agreed to send a letter and directed Kathy Elias to draft and circulate a letter for adoption.

Members made comments on the Operations presentation:

- The cost trends are very encouraging, and even better if including inflation.

This comment was made on the conversation with the Deputy CEO:

- This was a very constructive conversation.

Member Reports

The meeting summary of July 19, 2012 was approved unanimously.

Paul Wiesner reported that he was in the Roosevelt neighborhood and saw the townhouses that are being moved up on blocks and ready to roll.

Next Meeting

The regularly scheduled August 16, 2012 meeting was cancelled and a tour of the Lakewood extension will be offered instead. The next COP meeting was set for September 6, 8:30 to 11:00 am.