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COMMISSION

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Memorandum

TO: Select Committee on Transit Sustainability

DATE: February 22, 2012

FR: Executive Director

W.I. 1517

RE: Transit Sustainability Project Update

In May 2010, the Select Committee and the Project Steering Committee (PSC) held a joint project kick-off meeting. We are reconvening these two committees as we near the conclusion of the project to discuss the draft project recommendations.

Financial, Service Performance and Initial Institutional Recommendations
At your January 25th meeting, staff outlined the draft financial and service recommendations. We continue to recommend an overall financial performance goal of a 10% reduction in operating cost per hour. Based on PSC input, we are also providing an alternate measure – operating cost per passenger – for discussion. In terms of service performance, we are recommending an investment and incentive approach. We will present both for your feedback and discussion with the PSC. Staff received input on the initial institutional recommendations from the PSC on February 13th. The recommendations will be presented for your discussion and input, as outlined in the attached presentation.

Schedule
We propose a March release of draft recommendations for public comment of all three elements of the TSP work program: financial, service and institutional. We plan to present final project recommendations for Commission approval in April, prior to Commission action on the preferred Sustainable Community Strategy (SCS) in May. Specific meeting dates are still pending.

Milestone	Schedule
Joint TSP Select Committee/Project Steering Committee	February 22, 2012
Release Draft Recommendations for Public Comment	March 28, 2012
Final Recommendations to the Select Committee and Full Commission	April 2012

Steve Heminger

Transit Sustainability Project

Joint Meeting of the Select Committee and
Project Steering Committee
February 22, 2012

TRANSIT SUSTAINABILITY PROJECT

Today's Agenda

1. Project Context
2. Financial Performance
   - Achievements to-date
   - TSP Recommendations for continuous improvement
3. Service Performance
   - Achievements to-date
   - TSP Recommendations for continuous improvement
4. Institutional Coordination
   - Achievements to-date
   - TSP Initial Recommendations
5. Public Comment

TRANSIT SUSTAINABILITY PROJECT

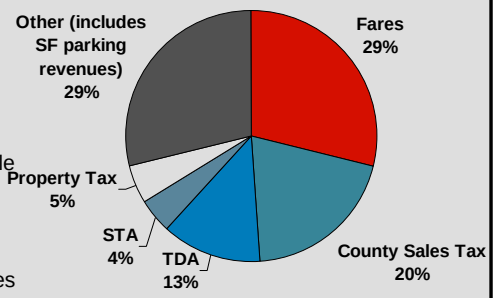
Project Context

What is Important for Transit's Success?

- **Improve financial position:** Contain costs, cover a greater percentage of operating and capital costs with a growing share of passenger fare revenues; secure reliable streams of public funding.
- **Improve service for the customer:** Strengthen the system so that it functions as an accessible, user-friendly and coordinated network for transit riders, regardless of mode, location or jurisdiction.
- **Attract new riders to the system:** Strengthen the system so that it can attract and accommodate new riders in an era of emission-reduction goals, and is supported through companion land use and pricing policies.

Existing Strengths of Bay Area Transit System

- Significant usage
  - 500 million annual passengers
  - Average of 1.4 million passengers per weekday
- Significant investment in a comprehensive, multimodal transit network
  - 200 million annual revenue vehicle miles; 12 million annual revenue vehicle hours
  - 4,551 total vehicles, 994 miles of track and 54 maintenance facilities
  - Labor Force: 14,059 FTEs
  - Operating funds: $2.3 billion a year



TRANSIT SUSTAINABILITY PROJECT

Existing Strengths of Bay Area Transit System

- Financial Position: Significant efforts by transit management and labor to stem cost increases in last several years
- Customer Service:
  - Focused service performance efforts in areas of the region
  - Coordination and collaboration yield benefits for customers
- Attracting new riders:
  - Plan Bay Area calls for land use patterns that rely heavily on transit service
  - Pricing policies
    - Congestion pricing on Bay Bridge
    - SF*Park*
    - Regional Express Lanes

TRANSIT SUSTAINABILITY PROJECT

How can the Bay Area Continue to Improve?

- Control costs
- Reinvestment savings in service
- Build public confidence
- Attract additional revenue
- Invest strategically to improve customer experience and attract more passengers
- Interagency initiatives focused on the customer and cost reductions

TRANSIT SUSTAINABILITY PROJECT

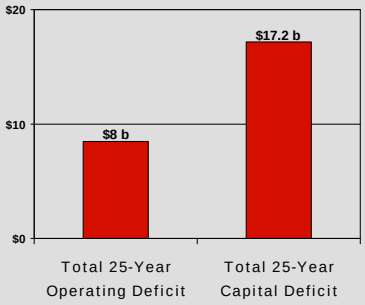
Financial Performance

Goal – Strengthen the system so that it can cover its operating and capital costs with a growing share of passenger fare revenues as well as reliable streams of public funding.

TRANSIT SUSTAINABILITY PROJECT

It is Important to Achieve Financial Stability

Projected Deficits Transportation 2035



TRANSIT SUSTAINABILITY PROJECT

Recent Progress Toward Financial Stability

- **BART (2009):** Agreement with ATU, SEIU and AFSCME includes provisions to achieve $100 million in labor costs savings over four years:
  - Cap on medical costs while still providing full-family coverage for $85/month
  - Suspension of BART's contributions to secondary retirement accounts
  - Changes in work rules
  - Freeze on base salaries with lump sum payments of $500 (FY2011); $1,000 (FY2012); and $1,500 (FY2013)

TRANSIT SUSTAINABILITY PROJECT

Recent Progress Toward Financial Stability

- **AC Transit (2010):** Labor agreement with IBEW, AFSCME, and Unrepresented Employees achieves savings of $7 million through early 2014:
  - Employee contribution of 10% of the cost of their monthly medical and dental insurance premiums
  - Reduction of one paid holiday
  - Wage reductions varying from 3-5%
  - Changes in work schedules – allows more flexibility to assign operators
  - Elimination of 70 general and administrative staff positions and 1/3 of its executive staff
  - Cancellation of management leave benefits
  - Reduction in Board travel and salaries

TRANSIT SUSTAINABILITY PROJECT

Recent Progress Toward Financial Stability

- **SFMTA (2011):** Reached an agreement with Muni operators to save at least $21 million in labor costs over three years. Agreement includes:
  - Freeze on Muni operator pay
  - Hire part-time Muni operators
  - Redefined “overtime” work
  - Change in work rules to allow service flexibility
  - Ability to alter disciplinary procedures
  - Provisions to review Muni crashes more cost-efficiently and take non-licensed operators off the payroll

TRANSIT SUSTAINABILITY PROJECT

Recent Progress Toward Financial Stability

- **Samtrans (2011):** Reached an agreement with operators and maintenance workers to stay within its adopted FY2011-12 budget
  - Two-year freeze on operator and maintenance worker pay
  - Increases worker contributions to pensions and health care
  - Established second tier pension system

TRANSIT SUSTAINABILITY PROJECT

TSP Recommendations to Reinforce Continuous Improvement

4. Proposed Institutional Recommendations

TRANSIT SUSTAINABILITY PROJECT

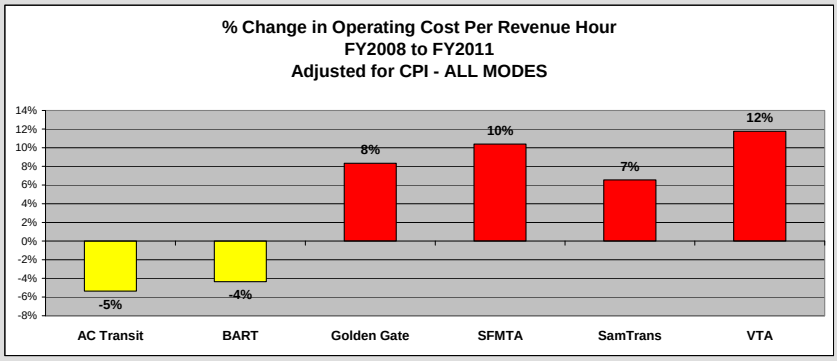
Proposed Financial Metric – Big 7 Operators

Reduce "real" operating cost per service hour by 10% within **5** years

- Financial targets would be set compared to the highest cost per hour experienced by each agency between 2008 and 2011. Note that 10% would include savings from labor agreements since 2008.
- Based on evaluation and possible savings in areas including:
  - Fringe Benefits
  - Work Rules and Business Model
  - Administrative Costs

TRANSIT SUSTAINABILITY PROJECT

Some Operators are on Track



	AC Transit	BART	Golden Gate	SFMTA	SamTrans	VTA
COST	-5%	-11%	6%	6%	5%	-4%
HOURS	1%	-7%	-2%	-4%	-13%	-14%

1) All data from TDA submittals; except SamTrans FY 2010-11 (preliminary actuals)
2) FY2011-12 data will be revised to reflect audited final numbers

TRANSIT SUSTAINABILITY PROJECT

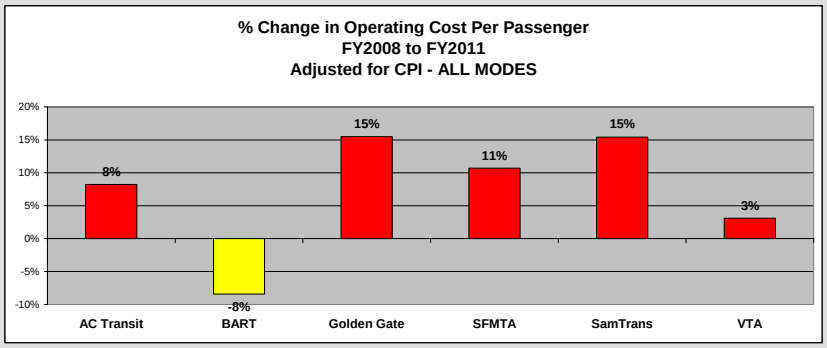
Alternate Financial Metric – Cost Per Passenger – For discussion

Reduce "real" operating cost per passenger by 10% within **5** years

- Financial targets would be set compared to the highest cost per passenger experienced by each agency between 2008 and 2011. Note that 10% would include all savings from labor agreements since 2008.
- Target could be achieved by a combination of attracting more passengers and operating efficiencies

TRANSIT SUSTAINABILITY PROJECT

Alternate Financial Metric – Cost Per Passenger – For discussion



	AC Transit	BART	Golden Gate	SFMTA	SamTrans	VTA
COST	-5%	-11%	6%	6%	5%	-4%
PASSENGERS	-12%	-3%	-8%	-4%	-9%	-7%

1) All data from TDA submittals; except SamTrans FY 2010-11 (preliminary actuals)
2) FY2011-12 data will be revised to reflect audited final numbers

TRANSIT SUSTAINABILITY PROJECT

Potential New Revenues

- Regional Gas Tax
  - Subject to 2/3 voter approval, MTC may impose a gas tax not to exceed 10 cents per gallon (10 cent gas tax = ~$250 million/year)
  - Regional Gas Tax Poll underway - results available in March
- Support Local Measures that are consistent with TSP goals and objectives (e.g. Alameda County Reauthorization – proposed $3.7 billion for transit)

TRANSIT SUSTAINABILITY PROJECT

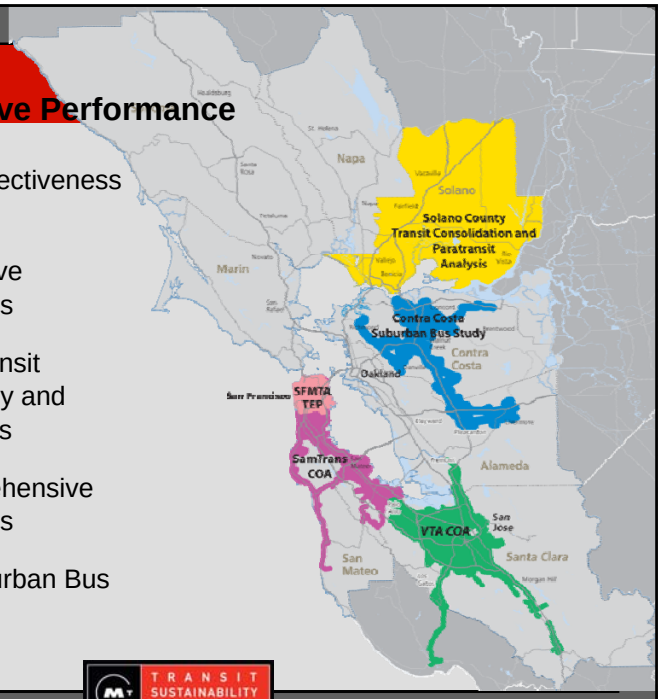
Service Performance

Goal – Strengthen the system so that it functions as an accessible, user-friendly and coordinated network for transit riders, regardless of mode, location or jurisdiction.

TRANSIT SUSTAINABILITY PROJECT

Recent Agency Efforts to Improve Performance

- SFMTA Transit Effectiveness Project
- VTA Comprehensive Operations Analysis
- Solano County Transit Consolidation Study and Paratransit Analysis
- SamTrans Comprehensive Operations Analysis
- Contra Costa Suburban Bus Study



TRANSIT SUSTAINABILITY PROJECT

SFMTA | Municipal Transportation Agency

Transit Effectiveness Project

- Improve Reliability and Build Confidence
- Travel time reductions
  - 10 to 30% (varies by route type)
  - Transit priority improvements
    - Transit-only lanes and bypass lanes
    - Transit signal priority
    - Bus bulbs
  - Stop consolidation on busiest routes
  - Faster boarding via ticket vending machines all-door boarding, and low-floor buses
- Highest investment proposed for Rapid Network which carries the majority of customers

Light Rail Express

- 3 peak roundtrips
- Santa Teresa to Baypointe
- 5.6 miles express, 6 skipped stations
- Travel time savings – 4 minutes
- No capital costs
- +$560,000 annual op. costs
- Increased avg. daily boardings 16%
  - 93% say the faster trip/schedule is very/somewhat important
  - 52% say availability of Wi-Fi is very/somewhat important

Rapid 522

- "Speed" Strategies
  - Limited Stops (30 vs. 115 for local)
  - Free Running Schedules
  - Bus Signal Priority
- Palo Alto to Eastridge
  - ***22% Travel Time Savings***
- Palo Alto to 1st & Santa Clara
  - ***24% Travel Time Savings***
- Distinctive vehicles
- 15 minute headways

- Total budget: $1.4 million
- 17% Ridership Increase

TSP Recommendations to Reinforce Continuous Improvement

4. Proposed Institutional Recommendations

TRANSIT SUSTAINABILITY PROJECT

Transit Performance Initiative

Propose an investment and incentive approach to achieve improved service performance

Investment

1. Regional investment in supportive infrastructure to achieve performance improvements in major transit corridors

Incentive

2. Reward agencies that achieve improvements in ridership and service productivity

TRANSIT SUSTAINABILITY PROJECT

Investment

- Initial Round:

  MTC released call for projects for $30 million pilot program focused on major transit corridors of AC Transit, SFMTA, SamTrans and VTA

- Future Rounds:

  If pilot successful, future rounds could include projects with high benefit/cost such as additional major bus and light rail corridors, BART Metro and Caltrain operational improvements

TRANSIT SUSTAINABILITY PROJECT

Incentive – All Operators

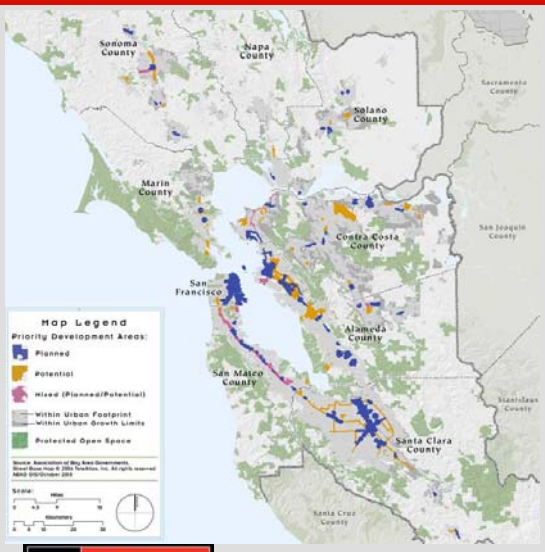
Financial reward for improved ridership and productivity

- Formula program that rewards actual growth in annual passengers and productivity improvement as well as total ridership
  - Link to existing regional funding sources – propose a portion of FTA 5307 flexible set aside in near-term
  - Link to a new funding source (e.g. regional gas tax)
- Specific formula under development - TSP Joint Technical Advisory Committee scheduled to meet on February 29th

TRANSIT SUSTAINABILITY PROJECT

Bay Area Seeks to Focus Growth Around Transit

- SCS Forecast Bay Area growth in Priority Development Areas:
  - 70-80% new housing
  - 50-60% new jobs
- More intense development near high quality transit



TRANSIT SUSTAINABILITY PROJECT

Transportation System Pricing

- **Bay Bridge Congestion Pricing:** $6 for autos in peak, $4 non-peak (M-F) and $5 on weekends
- **Regional Express Lane Network:** Improved travel times for express buses
- **SF Park:** Muni can be faster and more reliable when double-parking and congestion are reduced.

TRANSIT SUSTAINABILITY PROJECT

Institutional: Collaboration and Coordination

Coordinated Deployment of a Regional Fare Card

- In December 2011, Clipper® reached 1 million active cards in circulation
- Seven transit operators accept the Clipper fare-payment system – AC Transit, BART, Caltrain, SFMTA, SamTrans, Santa Clara Valley Transportation Authority and the Golden Gate Bus and Ferry system
- Clipper allows riders to transfer seamlessly among the region's transit operators without having to carry cash or purchase multiple passes.

Fare Coordination: East Bay Value Pass

- Valid on all WestCat, Wheels (LAVTA), Tri Delta Transit, and The County Connection fixed route buses
- Cost: $60
- Valid for one full calendar month
- Valid for unlimited rides on all participating agencies fixed route local buses

TRANSIT SUSTAINABILITY PROJECT

Coordination on Purchasing and Maintenance Issues

- Informal meeting of transit maintenance staff
  - Allows discussion and coordination of upcoming procurements
  - Collaboration on California Air Resources Board Zero emission demonstration projects

TRANSIT SUSTAINABILITY PROJECT

Consolidation in the North Bay

Soltrans

- Merger of Vallejo and Benicia Transit
  - Consolidated 3 formerly separate service contracts
  - Obtained concessions from contractor
  - Consolidated maintenance facilities
  - Reduced administrative staff

Napa County Transportation and Planning Agency (NCTPA)

- Consolidated former city services over 9 years to 1) improve connectivity and coordination of service, 2) reduce overhead, cost
- Competition for fixed price contract; contractor responsible for service standards, maintenance and insurance, and paratransit
- Contract managed with fewer than 2 FTEs

TRANSIT SUSTAINABILITY PROJECT

Integration of Transportation Functions

Santa Clara Valley Transportation Authority

- Transit: VTA was created in 1972 pursuant to the Santa Clara County Transit District Act
- In 1994, VTA became the Congestion Management Agency in Santa Clara County, with the responsibility for countywide transportation planning and funding.
- The VTA Board of Directors is also responsible for implementation of the 2000 Measure A sales tax program and for all policy-related decisions including the composition, implementation schedule and funding level of projects.
- One agency responsible for planning, funding, and delivery for the entire county transportation system

TRANSIT SUSTAINABILITY PROJECT

TSP Recommendations to Reinforce Continuous Improvement

Functional Consolidation: Capital Planning and Resource Sharing

- **Expand regional capital project planning/design to include sharing existing expertise (e.g., BRT) and facilities (e.g., maintenance shops)**
  Examples: SANDAG, Toronto, Metrolinx
- **Formalize joint procurement of services and equipment through regional resource centers**
  - **Reduce number of contracts**
  - **Achieve economies of scale**

Examples: Metrolinx

Bay Area Transit System:

3,200 Buses

1,200 Rail Cars

1,200 miles of rail

Functional Consolidation: Service Planning

- **Use county or subregion-level SRTPs to promote interagency strategic planning**
  - Include performance metrics/targets
  - Include institutional elements and timeline
- **Integrate bus/rail scheduling software to facilitate schedule coordination and customer travel planning**
  - Standardize schedule changes for service planning
  - Automatically update transit operators' information and traveling public's access to most recent information

Functional Consolidation: Paratransit

- **Consolidated ADA service delivery for sub-regions or counties**
  - Use common standards and processes for eligibility determination
  - Develop standards, process for initial eligibility screening
  - Create resource centers for 3rd party review and screening
  - Provide dispatchers with software showing route, schedule and fare information for all operators
- **Institute regional program of travel training for people who are eligible for paratransit but potentially capable of using fixed route systems for a portion of the trips**
- **Promote streamlined contracting/delivery approach for paratransit services by consolidating functions and contracts**

  Examples: WMATA, Seattle (King County), LA

Strengthen Coordination Among Small Operators

Strategy Areas

- Fare
- Capital & Service Planning
- Customer Service

Coordination Opportunities

Uniform eligibility/fares for transfers, discounts
County-based SRTPs/joint purchase requirements
Joint call centers/marketing

Possible Coordination Concept	Milestone Timeframe	
	Short-Term (1-2 years)	Medium- Term (3-5 years)
Standard Fare Policy		
A. Joint Fare Structure	X	
B. Clipper Roll-out	X	X
County/Subarea SRTPs	X	
Joint Purchasing	X	X
Joint Call Centers/Marketing		X

TRANSIT SUSTAINABILITY PROJECT

Institutional Consolidation

- **Complete existing consolidations:**
  - **SolTrans**
  - **Ferries (Vallejo, Alameda-Oakland, and Harbor Bay)**
- **Apply lessons learned from consolidation of transit services in Solano and Napa in considering benefits of institutional consolidation among smaller operators elsewhere.**
  - Provide funding incentives and technical assistance to encourage institutional consolidation where financial and service benefits are demonstrated
  - Initial focus on Marin/Sonoma Counties
- **Consider integration of multiple transportation functions such as transit operating, planning and sales tax authority when appropriate (e.g. VTA, ACTC)**

4. Proposed Institutional Recommendations

TRANSIT SUSTAINABILITY PROJECT

Next Steps

1. **February 22, 2012 – Joint Select/Project Steering Committee Meeting to discuss recommendations:**
   - *Financial Performance*
   - *Service Performance*
   - *Small Operators*
   - *Institutional*
   - *Paratransit*
2. **March 2012 – Select Committee releases Draft TSP Recommendations for Public Comment**
3. **April 25, 2012 – Commission adopts TSP recommendations**

TRANSIT SUSTAINABILITY PROJECT