

## Service Guidelines Task Force

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### 3. Regional Transit Task Force (RTTF) to Present

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a. RTTF Final Report (Executive Summary) – October 2010 .....	3.1
b. One Year Progress Report – December 2011 .....	3.7
c. Strategic Plan (Executive Summary) .....	3.11
d. Long Range Plan Summary .....	3.19
e. Metro’s Current Activities .....	3.21
f. Metro Transit’s Finances: an overview .....	3.25
g. Actions taken to reduce costs, boost revenue, and preserve bus service, 2009-2013 .....	3.30
h. Metro’s 2015-2016 adopted budget.....	3.31

#### Introduction

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This section briefly reviews two recent policy developments: the Regional Transit Task Force’s recommendation of a new policy framework for the potential growth or contraction of King County’s transit system, and the adoption of Metro’s strategic plan and service guidelines. It also provides information about current activities and Metro’s finances.

#### Links to Information

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1. 2009 Transit Audit: [http://bit.ly/sgtf3\\_1](http://bit.ly/sgtf3_1)
2. Metro Follow-up to Audit: [http://bit.ly/sgtf3\\_2](http://bit.ly/sgtf3_2)
3. Auditor’s Follow-up: [http://bit.ly/sgtf3\\_3](http://bit.ly/sgtf3_3)
4. RTTF Final Report: [http://bit.ly/sgtf3\\_4](http://bit.ly/sgtf3_4)
5. King County Metro Strategic Plan and Service Guidelines: [http://bit.ly/sgtf3\\_5](http://bit.ly/sgtf3_5)
6. 2013 Strategic Plan Progress Report: [http://bit.ly/sgtf3\\_6](http://bit.ly/sgtf3_6)
7. Sound Transit / Metro Transit Integration Report: [http://bit.ly/sgtf3\\_7](http://bit.ly/sgtf3_7)
8. Metro’s Long Range Plan: [http://bit.ly/sgtf3\\_8](http://bit.ly/sgtf3_8)
9. Metro’s Accountability Center (Annual Guidelines Reports, Peer comparisons, Performance data): [http://bit.ly/sgtf3\\_9](http://bit.ly/sgtf3_9)
10. Metro’s budget: [http://bit.ly/sgtf3\\_10](http://bit.ly/sgtf3_10)
11. PSRC’s report on Transit Coordination in the Central Puget Sound: [http://bit.ly/sgtf3\\_12](http://bit.ly/sgtf3_12)
12. Service Guidelines Task Force Website: <http://www.kingcounty.gov/sgtaskforce>



## Executive Summary

### Background

#### Task Force Charge and Process

The King County Council and Executive formed the Regional Transit Task Force in February 2010 to consider a policy framework for the potential future growth and, if necessary, contraction of King County's transit system. The County Council asked the task force to consider six transit system design factors, to which the task force added a seventh: environmental sustainability (see box).

#### Key Transit System Design Factors

1. Land use
2. Social equity and environmental justice
3. Financial sustainability
4. Geographic equity
5. Economic development
6. Productivity and efficiency
7. Environmental sustainability

The 28 task force members were selected to represent a broad diversity of interests and perspectives. Three *ex officio* members represented King County Metro Transit, Sound Transit and the Washington State Legislature. An Executive Committee (County Executive and three County Council members) ensured that the task force carried out its approved work plan. Metro's Manager of Service Development served as the project manager. An Interbranch Working Group supported the Executive Committee and task force's work. Cedar River Group was hired to facilitate the process. The task force created two subgroups of task force members to delve into performance measures and cost control/efficiencies.

The task force met from March through October 2010. The task force used a consensus-based decision-making approach, defining consensus as "all members can support or live with the task force recommendations." The task force agreed that if consensus was not unanimous, the differences of opinion would be included with the final recommendations. task force meetings were open to the public. The task force set aside time in each meeting for public comment and reviewed comments submitted on its website.

The County Council and Executive created the task force as a result of several factors. A severe recession that struck the Puget Sound region and the nation in late 2008 has changed the road ahead for Metro. The precipitous decline in economic activity led to a dramatic fall in sales tax receipts. Since 62 percent of Metro's operating revenue comes from sales taxes, the drop in receipts has had a big impact. At the same time, Metro's ridership has grown significantly, and public expectations remain high. Also in 2008, the Puget Sound Regional Council (PSRC) developed the *Vision 2040* and *Transportation 2040* plans for long-term growth and mobility of the region. These plans project a 42 percent increase in King County's population and a 57 percent increase in jobs from 2000 to 2040,

with most of this growth occurring in the county's 12 largest cities. The plans call for an aggressive strategy to expand transit services to support that growth.

In developing the 2010-2011 biennium budget, Metro and King County were able to avoid large reductions in transit service by making difficult choices and trade-offs, along with some temporary, one-time fixes. However, based on the County's revenue forecast through 2015, dramatic transit service reductions will be needed beginning in 2012.

### **Metro and Regional Overview**

In early meetings, the task force learned about Metro's work and budget, the regional transit system, and regional employment and population forecasts.

**Metro Services.** King County Metro Transit is the biggest public transportation agency in

Washington state and one of the 10 largest bus systems in the nation. In 2009 Metro carried approximately 112 million riders (boardings) on 220 fixed routes connecting multiple centers throughout the county. Dial-a-Ride (DART) service operates on a route with some fixed time points, but deviates to pick up or drop off passengers. Metro serves 130 park-and-ride facilities with more than 25,000 parking stalls. Use has been at 74 percent since 2002. Metro operates one RapidRide bus rapid transit (BRT) line, with five more planned to start service between 2011 and 2013 with frequent, all-day service in busy transit corridors. Metro operates a 1.3-mile transit tunnel in downtown Seattle that is served by buses and Sound Transit's Link light rail. Metro also serves 13 transit centers and operates service out of seven transit bases. Metro has approximately 69 lane-miles of overhead two-way wire for electric trolleybuses, which serve almost one-fifth of Metro ridership. Metro's fleet is operated by nearly 2,700 full- and part-time drivers. Service for riders with

#### **Themes from Task Force Discussions**

- **Regional Perspective:** Strike a balance among: the best interest of the region as a whole, the needs of Metro riders, and the interests and needs of local communities.
- **Transparency:** Decision-making must be clear, consistent, and based on criteria and objectives that are clear to the public.
- **Efficiency:** Metro and King County must achieve greater efficiencies in transit operations, plans for new service, and in administration of the system.
- **Balanced Approach.** To avoid reductions in transit services and to meet future demand will require a combination of expense reductions, efficiencies and securing new revenues.
- **Performance Based.** Use tools, decision processes, and reporting that allow all interested parties to evaluate performance.

disabilities or special needs includes: accessible service on fixed routes; contracted American with Disabilities Act (ADA) paratransit van service (Access); vans operated by local nonprofits (Community Access Transportation – CAT); and taxi scrip. Metro's vanpools serve 6,100 people on an average weekday in more than 1,000 vans. Metro supports the regional Ridematch program for vanpools and carpools. Metro's services to employers include commute trip reduction (CTR), pass sales, and a Custom Bus Program.

**Partnership Agreements.** Metro has created agreements with local businesses and jurisdictions to help support increased levels of transit service. In return for various partner actions, such as payments to support operating costs, investments to enhance transit speed and reliability, or enhancements to passenger facilities, Metro provides increased levels of service.

**Customer Satisfaction.** Overall rider satisfaction has remained relatively strong in the past decade, with 93 percent of riders "very" or "somewhat" satisfied (slightly lower in the south county planning area).

**Integrated Regional Transit System.** Seven other transit agencies serve riders in the central Puget Sound region: Community Transit (Snohomish County), Pierce Transit, Sound Transit (King, Snohomish and Pierce county urban areas), Washington State Ferries, City of Seattle (monorail and South Lake Union Streetcar), Everett Transit, and Kitsap Transit. Metro works closely with these agencies on planning, operations, fare coordination, joint facility construction, and major project implementation. Metro operates some Sound Transit Regional Express bus service, Link light rail, and Seattle’s South Lake Union Streetcar.

**Metro’s Budget.** Metro’s 2010-2011 biennial operating budget includes \$968 million in revenues and \$1.2 billion in expenses. Most of the operating revenue (62 percent) is from a local options sales and use tax. The sales tax rate, 0.9 percent, is the maximum currently available to local transit agencies. Another 26 percent of Metro’s revenue comes from fares. The largest operating expense category (65 percent) is for the personnel who provide Metro’s services and programs. Nine percent of operating expenses are for King County government overhead charges and services from other County departments. Metro’s capital program for 2009–2015 totals \$1.28 billion, of which 59 percent is for fleet replacement.

**Challenge Facing Metro.** Metro took action in the 2008-2009 mid-biennial budget process to cut the capital program by more than \$65 million, freeze hiring, reduce 19 full-time and 7 limited-term positions, and raise transit and paratransit fares. (Metro had eliminated 27 full time and term-limited staff positions in 2007, and approved the first of four fare increases between 2008 and 2011.) With the 2010-2011 biennial budget, Metro’s plan included increasing fares, eliminating 70 staff positions, cutting bus service by 75,000 hours, deferring bus service expansion, reducing operating reserves for four years, using fleet replacement reserves, and implementing schedule efficiencies estimated to save 125,000 hours. Between 2009 and 2015, Metro projects a revenue shortfall of \$1.176 billion. Without other actions, this would mean cutting 400,000 hours of existing service by 2013, and another 200,000 hours by 2015.

**National, Regional and State Trends.** Transit agencies across the nation face similar funding crises and have had to make tough choices. In our region, Intercity Transit (Olympia), Community Transit, Pierce Transit and Sound Transit all are making program adjustments or service cuts. Two (Intercity and Pierce) have sought or will seek voter approval of sales tax increases. The Joint Transportation Committee of the legislature is studying the state’s role in public transportation, with a final report due in mid-December 2010.

## Recommendations

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**Recommendation 1: Metro should create and adopt a new set of performance measures by service type, and report at least annually on the agency’s performance on these measures. The performance measures should incorporate reporting on the key system design factors, and should include comparisons with Metro’s peer transit agencies.**

Performance measures will help the public, Metro managers and King County decision makers understand if the transit system is meeting operational and policy objectives. As an evaluation tool, performance measures will help Metro understand how it might improve transit system performance, and establish a strong rationale for difficult policy choices. Regular reporting on the performance measures will aid in transparency. The frequency of reporting should be identified when the measures are adopted, but should be at least annually. (There may be different reporting frequencies for some of the performance measures.)

The task force subgroup on performance measures worked with Metro staff to develop an initial example of metrics for overall system performance and easy-to-understand reporting. The task force recommends that Metro continue developing performance measures using this model. The task force suggests that Metro develop performance measures for all of Metro's operations (e.g., customer service, vehicle maintenance, etc.). The task force supports Metro's suggestion to include recommendations for the performance measurement system in Metro's Comprehensive and Strategic Plans to be submitted to the County Council by February 2011.

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**Recommendation 2: King County and Metro management must control all of the agency's operating expenses to provide a cost structure that is sustainable over time. Cost-control strategies should include continued implementation of the 2009 performance audit findings, exploration of alternative service delivery models, and potential reduction of overhead and internal service charges.**

The task force believes that Metro's financial model, with current revenue sources and Metro's expense structure, is not sustainable over the long-term. The task force recommends effort in three areas:

- Continue to follow up on the 2009 King County Performance Audit recommendations to further reduce costs, create efficiencies and implement savings strategies. Provide regular updates on progress and the expected timetable for implementation.
- Explore opportunities for alternative service products and service delivery models (e.g., carpools, vanpools, DART, taxi scrip, CAT and Access paratransit), including contracting out for some underperforming fixed-route services. Any contracting out should be consistent with broad labor harmony principles.
- King County should clearly explain how and why overhead and internal service charges are allocated to Metro and County departments, and continue to explore ways to reduce overall overhead and internal service charges.

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**Recommendation 3: The policy guidance for making service reduction and service growth decisions should be based on the following priorities:**

- 1) Emphasize productivity due to its linkage to economic development, land use, financial sustainability, and environmental sustainability**
- 2) Ensure social equity**
- 3) Provide geographic value throughout the county.**

Task force members concluded that one overarching statement of policy direction and one approach to implementation of that policy should guide all service allocation decisions. They recommend that the policy statements they have crafted and the recommended use of guidelines and performance measures should provide the foundation for all future service allocation decisions, including service reductions, service growth, service restoration, and the ongoing maintenance of transit services in response to changes in system demand or route performance. The approach represents a fundamental change in the way transit service allocation decisions are made by King County (see box on p. 5).

The task force concluded that one of the transit design factors, productivity and efficiency, has a strong correlation to several of the other factors—land use, economic development and financial sustainability and environmental sustainability. As a result, the task force is recommending a new policy framework to make service allocation decisions. The intent is to optimize efficiency of transit services, deliver people to employment, activity and residential centers, meet the needs of those that are most dependent on transit, and create a system that is a fair distribution of service throughout the county.

### **Recommended Policy Direction Would Replace Existing Policy Guidance for Service Growth and Reduction**

The current policy for transit service growth and reduction is based on three King County subareas (east, west and south) and was established in Metro's 2002–2007 Six-Year Transit Development Plan.

For service growth, every 200,000 hours of new transit service is to be allocated with 40 percent to the east subarea, 40 percent to the south, and 20 percent to the west. This is called the 40/40/20 policy.

Any systemwide service reductions are to take place in proportion to each subarea's share of the total service investment. Based on the current hours of service in each subarea, 62 percent of the reduction would have to come from the west subarea, 21 percent from the south and 17 percent from the east. This is commonly called the 60/20/20 policy.

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### **Recommendation 4: Create clear and transparent guidelines to be used for making service allocation decisions, based upon the recommended policy direction.**

Task force members concluded that a new approach to decision-making is needed. Members felt strongly that stakeholders need to understand the basis for service allocation decisions, and how those decisions will be evaluated and adjusted over time. It is essential to this new policy direction to develop and adopt service guidelines, along with the performance measures recommended above.

Service guidelines establish the objective metrics for making service allocation decisions. Guidelines will help the public, Metro and King County decision makers determine the appropriate level and type of service for different corridors and destinations, and for employment and population densities throughout the county. The task force supports Metro's proposal to incorporate newly developed guidelines into Metro's Comprehensive and Strategic Plans to be submitted to the County Council in February 2011.

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### **Recommendation 5: Use the following principles to provide direction for the development of service guidelines.**

The task force did not develop recommended guidelines. They did, however, create a set of principle statements that should be used to shape the creation of the guidelines. The following principles should apply to all guidelines:

- Transparency, clarity and measurability
- Use of the system design factors
- Flexibility to address dynamic financial conditions
- Integration with the regional transportation system
- Development of performance thresholds as the basis for decision-making on network changes (e.g., load factor on bus routes, see p. 28).

Metro staff created conceptual scenarios and example guidelines for service reduction using the draft policy guidance. The approach involved three steps: (1) eliminating the least productive routes; (2) assessing the impact of step 1 and adjusting based on social equity, system connectivity, and geographic coverage; and (3) identifying opportunities for efficiencies. In a similar exercise for service growth, the task force identified two types of future growth: (a) response to ridership demand (to address over-crowded bus routes), and (b) support for regional growth (to connect identified population, employment and activity centers).

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**Recommendation 6: King County, Metro, and a broad coalition of community and business interests should pursue state legislation to create additional revenue sources that would provide a long-term, more sustainable base of revenue support for transit services. To build support for that work, it is essential that King County adopt and implement the task force recommendations, including use of the service guidelines and performance measures, and continue efforts to reduce Metro's operating costs.**

The task force concluded that long-term, sustainable revenues for transit service are needed, given the dramatic fluctuations in Metro's primary source of revenue (sales tax), the size of likely service reductions over the next five years, transit's importance to economic recovery, and the need for transit to support the expected growth in population and employment. The task force identified three characteristics for a successful long-term revenue strategy: diversity of revenue sources, sufficient size of revenue source to address long-term needs, and flexibility to include a statewide and/or a local revenue source.

King County and Metro should create a coalition of partners to begin immediately to inform state legislative leaders about the breadth of the potential service reductions facing the Metro system, the task force recommendations, and the actions Metro and King County are taking to address the anticipated revenue shortfall. It may take several legislative sessions to secure support for a long-term, sustainable funding initiative.

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**Recommendation 7: Metro staff should use the task force recommendations and discussions as the framework for revising Metro's current mission statement, and creating a vision statement (as one does not now exist). Both draft statements should be included in the draft Comprehensive and Strategic Plans scheduled to be submitted to the County Council in February 2011.**

## Conclusion

The task force has created consensus recommendations that reflect a new policy direction for allocation decisions for transit service reduction and future service growth. The task force also has recommended a method for decision-making that will result in greater clarity, transparency and perceived fairness in decisions allocating Metro transit services.



# Moving Metro Forward

## A year-one progress report on the Regional Transit Task Force recommendations

King County Executive Dow Constantine and the County Council formed the Regional Transit Task Force in early 2010. The county's public transportation system was facing competing pressures: demand for transit service was strong and expected to grow, but a steep decline in Metro's revenues from sales tax revenues was creating unprecedented financial challenges. In this context County leaders asked the task force to develop a new model for delivering transit service.

In November 2010, after numerous meetings and countless hours of intensive review, the task force issued a report and seven recommendations for making Metro a more productive, accountable, and financially sustainable organization. The recommendations are summarized at right; for the full task force report and recommendations, visit [www.kingcounty.gov/transittaskforce](http://www.kingcounty.gov/transittaskforce).

**In the year since the task force released its findings, Metro and King County have taken groundbreaking action on all of the task force's recommendations, launching new efforts as well as continuing reforms initiated earlier to manage the revenue shortfall. These actions are making Metro a stronger organization and will yield benefits to the public for years to come.**

The following is a summary of these accomplishments.

### **New strategic plan, service guidelines and performance measures**

Immediately after the task force completed its work, Metro began drafting a new 10-year strategic plan that conforms with the task force findings as well as the King County Strategic Plan. Metro developed the service guidelines recommended by the task force as part of the plan.

The Regional Transit Committee revised and unanimously approved the *Strategic Plan for Public Transportation 2011-2021* and *Service Guidelines*, and the King County Council unanimously adopted them on July 11, 2011.

The plan starts with Metro's vision for public transportation. In brief: a safe, efficient, and reliable system that people find easy to use; expanded and improved products and services that attract a growing segment of the population; an engaged public; quality employees; and financial stability. The Puget Sound region has a

### **The task force recommendations**

1. Create a new set of performance measures and report at least annually.
2. Control all operating expenses.
3. Base service reduction and growth decisions on these priorities:
  - Productivity
  - Social equity
  - Providing value throughout the county
4. Create guidelines for allocating service.
5. Base these service guidelines on:
  - Transparency, clarity and measurability
  - Use of the system design factors (land use, social equity and environmental justice, financial sustainability, geographic equity, economic development, productivity and efficiency, and environmental sustainability)
  - Flexibility to address dynamic financial conditions
  - Integration with the regional transportation system
  - Development of thresholds for decision-making on network changes.
6. Work with a community and business coalition to pursue state legislation that creates a more sustainable revenue base for transit.
7. Revise Metro's mission statement and create a vision statement.

stronger economy, improved public health, and cleaner environment because of the public transportation system.

Reflecting the task force's guidance, the plan establishes goals, objectives and strategies for allocating service on the basis of productivity, social equity and providing value around the county; controlling costs; increasing public engagement and access to information; working toward environmental sustainability; and securing stable funding.

Included in the plan are more than 60 performance measures for tracking and reporting progress toward the goals. Most of

these measures address issues considered by the task force, and incorporate the key system design factors. For example, one measure, the percentage of the low-income population that is within a ¼-mile walk access to transit, will be used to assess how well Metro's products and services are promoting social equity.

The plan includes Metro's updated mission statement:

*Provide the best possible public transportation services and improve regional mobility and quality of life in King County.*

Metro incorporated a number of performance measures into the new Service Guidelines that are used to determine target service levels, evaluate performance, and design service. As an example, Metro uses two productivity measures, rides per hour from the time a bus leaves the base until it returns, and total passenger-miles per mile the bus travels, to identify routes as candidates for addition, reduction, or restructuring of service.

Metro also incorporated performance measures into its business plan, which guides near-term actions.

Metro will provide annual reports on the Service Guidelines and biennial reports on the Strategic Plan performance measures to the Regional Transit Committee. Metro also produces annual reports on route productivity and peer comparisons as well as a comprehensive Annual Management Report. The format for the 2010 route productivity report, completed in September 2011, was revised to reflect the new Service Guidelines. The 2010 Annual Management Report produced this year also was revised to place more emphasis on performance trends and to include some peer comparisons. (Peer comparison data is drawn from the FTA's National Transit Database, and typically is not available until at least a year after it is collected.)

Metro also created new webpages that display charts and data on performance. These are updated monthly or annually, as data becomes available.

## Congestion reduction charge and sustainable funding

As a result of the task force's work and the County's commitment to comply with its recommendations, the Washington legislature authorized King County to adopt a temporary, \$20 Congestion Reduction Charge (CRC) to help fund transit. The County adopted the CRC in August, helping Metro sustain service for the next two years. The emergence of a broad coalition of community and business leaders who advocated for transit, as well as strong grassroots support, were key to adoption of the CRC.

As the result of numerous favorable trends, such as lower-than-expected expenses and stronger fare revenue as ridership

rebounds, Metro's 2012-2013 budget shows a positive trend. However, after the Congestion Reduction Charge expires in mid-2014, Metro will still face a sizeable structural deficit that threatens current service and prevents the expansion of service to meet the county's growing needs. Other risks exist as well, such as potential cuts in federal funding.

Responding to the task force recommendation to seek sustainable funding, Metro and the County are monitoring and participating in the Connecting Washington Task Force that was formed by Gov. Chris Gregoire to recommend a 10-year investment and funding plan for the state's transportation system. Deputy Executive Fred Jarrett represents King County.

## Elimination of the Ride Free Area

The CRC legislation also calls for elimination of the Ride Free Area in downtown Seattle—prompted in part by the task force's questions about its costs. Metro is in the process of planning this major change, and will provide its plan to the County Council in May 2012. Metro estimates that elimination of the Ride Free Area could generate as much as \$3 million annually in new fare revenue. It will also make riding Metro simpler as passengers will always pay as they enter. Metro is working with county and city health and human service agencies to identify ways to reduce the impact on people in downtown Seattle who have very limited means.

## Transit incentive program

Metro is also developing a transit incentive program, another requirement of the CRC legislation. This program will offer people eight free bus tickets per household annually when they renew a vehicle license. They may either use the tickets or donate them to Metro's human services ticket program.

## Making the transit system more productive

Adoption of the CRC gave Metro an opportunity to use its new strategic plan and service guidelines to revise the transit system over the next two years to get more people where they want to go, more comfortably and reliably.

The adopted CRC legislation provides direction for this effort. It requires Metro to reduce at least 100,000 annual service hours from bus routes with relatively low productivity and reinvest those hours to meet more pressing transit needs, consistent with Metro's newly adopted service guidelines. Although the reduction or elimination of routes will create inconveniences for some riders, the guidelines will lead to reinvestments that benefit more riders and improve key performance metrics such as on-time performance and number of passengers carried per hour the bus operates.

Priority for reinvestment will be given to improving service quality on corridors that have heavy demand. The hours will be reinvested

to relieve overcrowding, improve on-time performance, or address transit needs on currently underserved corridors. The legislation also specifies that routes which see ridership increases as a result of highway tolling will be candidates for added service.

Consistent with the task force's advice that Metro explore alternative service delivery models, the legislation also directs Metro to shift at least 5,000 and up to 20,000 hours of service to alternatives that meet local needs at lower operating cost (also referred to as "right-sized services"). These alternatives are to be focused in east and south King County communities along the urban growth boundary, next to rural areas. The alternatives might include flexible Dial-a-Ride Transit (DART), community vans, and contracted service.

Metro plans to make service improvements following this guidance at each of its three scheduled service change periods in 2012:

- In February, Metro will convert three whole or partial routes to DART service.
- For June, the County Executive has proposed an ordinance for County Council action by January 2012 that would delete or reduce approximately 40,000 hours from routes that do not meet the productivity standards in the new service guidelines. These hours would be reinvested in heavily used routes to relieve overcrowding or improve on-time performance and to address transit needs in underserved areas of the county.
- For September, Metro has begun an extensive, two-part outreach process to involve the public in developing proposals for restructuring service in several areas in conjunction with the start of the RapidRide C and D lines. Metro's planners are proposing to reduce low-performing routes and reinvest the hours in higher performing routes, in many cases to better integrate with the higher frequency RapidRide corridors as well as to improve the transit network. The Executive will be forwarding final proposals to the County Council in early spring 2012.

## Reporting

Metro will be reporting on all of these legislated programs over the next three years, creating opportunities for public scrutiny. Reports and the dates they are due to the Regional Transit Committee in 2012 are:

- Baseline annual service guidelines report – March 31
- Potential proposed changes to the strategic plan and guidelines – April 30
- Ride Free Area elimination plan – May
- Five-year implementation plan for alternative services, including a report on alternative service best practices, costs and benefits, constraints to implementation, and timeline – June 15
- Report on preliminary results of the methodology for adding service – October 31

## Controlling costs and increasing revenue

Metro has taken numerous actions to control costs and increase revenue, building on the nine-point plan adopted with the 2010-2011 budget and cost-cutting labor agreements negotiated in 2010. Metro has acted on recommendations of a performance audit of conducted in 2009, adjusted fares and achieved an all-time high farebox recovery rate, and incorporated efficiency reductions into its 2012-2013 budget.

### Performance audit

By the end of this year, Metro will have substantially completed its two-year program of follow-up work related to the recommendations of the 2009 Performance Audit of Transit. Changes resulting from the audit have resulted in \$100 million in one-time reductions of reserves and have yielded approximately \$20 million in ongoing annual savings.

Accomplishments include:

- Systematically adjusted bus schedules to be tighter and more efficient, resulting in annual savings of approximately \$12 million. Metro's scheduling-efficiency measure now meets the auditor's recommended target. Unfortunately, tightening of schedules has caused on-time performance to decline by 4 to 5 percent. In 2012, Metro will reinvest service hours from relatively unproductive routes to improve on-time performance on routes that are running late beyond the thresholds in the new service guidelines.
- Eliminated 125 "back-up" operator positions and began using part-time or overtime drivers to fill more absences, saving approximately \$1.45 million annually.
- Improved the productivity of the Access paratransit service, resulting in ongoing savings estimated at \$1.5 million per year.
- Expanded the Community Access Transportation (CAT) program by 25 percent in 2009, yielding \$3.6 million in savings.
- Extended the vehicle maintenance inspection interval for buses, saving \$450,000 per year, and established systemwide productivity standards and performance measures.
- Enhanced and expanded the use of planning to increase efficiency and revenue generation. Metro completed an updated financial planning model, an economic model for vehicle replacement decisions, a trolley-replacement study, a strategic plan for Access, and a plan to adjust paratransit service and fares to match ADA minimums. Metro also incorporated facility master planning into the planning process and developed tools to monitor vehicle maintenance work.
- Adjusted fares and fare policies to increase revenue, including increasing the base fare by \$.25 in January 2011 and adjusting senior/disabled fares in 2010 and the youth fare in 2011. Metro included fare policy goals in the new strategic plan, updated the Council-approved financial policies, reduced the Revenue

Fleet Replacement Fund balance, and did an extensive analysis of the cost of the downtown Seattle Ride Free Area.

### Farebox recovery rate

The January 2011 fare increase was the fourth adjustment in four years—a total \$1 increase (80 percent). Metro's farebox recovery rate for 2011 will be 28 percent and the ratio of operating revenue to operating expense (OR/OE) will be 30 percent for 2011—both all-time highs.

### 2012-2013 budget efficiencies

Metro incorporated efficiency reductions into its 2012-2013 budget that will save more than \$5 million. New efficiency measures include reorganizing workgroups and reclassifying positions (eliminating 21 staff positions, including several management positions); making efficiency improvements in vehicle maintenance and in the processing of work orders at bases; planned closure in 2013 of the Westlake Pass Sales office; and a new suite of customer information products that will result in operating efficiencies.

Lower-than-expected employee health care costs will save Metro about \$24 million in the 2012-2013 biennium.

### Public transparency and accountability

A theme in the task force report is that Metro must be a transparent, accountable organization. In 2010 and 2011, Metro created or enhanced the following webpages on Metro Online that provide information about performance, finances, and plans:

- Monthly reporting measures: <http://metro.kingcounty.gov/am/reports/monthly-measures/>
- Annual reporting measures: <http://metro.kingcounty.gov/am/reports/annual-measures/>
- Budget: <http://metro.kingcounty.gov/am/budget/>
- Strategic plan and service guidelines: <http://metro.kingcounty.gov/planning/>

- General manager's newsletter: <http://metro.kingcounty.gov/am/generalmanager.html>
- Reports: <http://metro.kingcounty.gov/am/reports/reports.html>
- Financial stability and sustainability: <http://metro.kingcounty.gov/am/future/>
- Proposed service changes: <http://metro.kingcounty.gov/up/sc/planning.html>
- Have a say (opportunities for public comment on suggested service changes and other matters): [www.kingcounty.gov/metro/haveasay](http://www.kingcounty.gov/metro/haveasay)

A new "Accountability Center," with a prominent link on the Metro Online home page, will make these pages easier to find. It will be launched in December 2011.

Metro also has been using its Transit Alerts e-mail notification system to provide information about Metro issues and plans. This system currently has more than 40,000 subscribers who choose to receive information about the bus routes they use as well as other topics. Nearly 10,000 people have signed up for a topic called "Metro Matters," which covers Metro plans, policies and service developments. The Transit Alerts system has been particularly useful during public outreach around potential service changes that Metro is developing to make the transit system more productive. Metro has sent information about suggested changes—and the guidelines they are based on—directly to people whose bus routes would be affected.

Another new communication channel is General Manager Kevin Desmond's e-newsletter, started in October 2010. Newsletters are sent once or twice a month, as topics arise, to community leaders. The newsletter is posted on Metro Online, where readers are invited to subscribe. Topics addressed in 2010 and 2011 included the Regional Transit Task Force, Metro's budget, cost-cutting and other efforts to attain financial sustainability, the new strategic plan, and preparations for adverse weather operations.



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## Strategic Plan (Executive Summary)

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# LETTER FROM THE GENERAL MANAGER

Dear Friends,

I am pleased to present the *King County Metro Strategic Plan for Public Transportation 2011-2021*. This is the latest in a series of visionary plans Metro has used to imagine the future we want for public transportation, and then achieve it.

Metro's last major strategic planning effort resulted in the *2002-2007 Metro Six-Year Development Plan*, which had updates in 2004, 2007, and 2009. At the time this earlier plan was written, communities and employment centers were growing around the county, and traffic congestion had become one of the region's foremost problems. The 2002 plan set the stage for Metro to enhance mobility by serving more people throughout the King County and by connecting to more destinations.

The 2002 plan led to a number of successful initiatives. Metro extended service to new locations and restructured several local transit networks to boost productivity and better match service with the destinations people wanted to reach. We helped launch a regional fare payment system, ORCA, making it easier for people to travel by bus, train, light rail and ferries throughout the region. We worked to procure hybrid articulated buses so we could carry more passengers while reducing emissions. We attracted new riders by making buses and bus stops more accessible, developing park-and-ride facilities, and expanding employee commute programs. And we took Metro service to a higher level by launching RapidRide, a new generation of service designed to keep people moving throughout the day on heavily used corridors. Metro accomplished all this and more despite two financial downturns that constrained our ability to grow.

People responded positively to the changes we made. Metro set ridership records in three consecutive years, culminating with 118 million rides in 2008 and outpacing growth in jobs, population, and vehicle miles traveled in King County. As a result of our successes, public transportation has become a more robust and better-integrated part of the Puget Sound region's transportation system.

**Now that we have reached this stage, what challenges does our new strategic plan address?** Many of the old ones, like congestion, climate change, and regional growth, are still with us. The region's *Transportation 2040* action plan calls for an ambitious expansion of public transportation to accommodate the large population and job increases

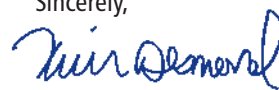
expected in King County. And we face the urgent need to craft a new funding structure for public transportation. Metro's current revenue sources cannot supply the funds we need to meet our region's expectations. I am proud of Metro's record of delivering promised services even when funding has fallen far short of expectations over the past decade, but we have exhausted many one-time solutions and cost-cutting measures that we have used to get by. A new funding structure is imperative if we are to fully realize our vision for public transportation.

As we crafted a plan to take on these and other challenges, two recent planning processes gave us invaluable guidance. The *King County Strategic Plan 2011-2014* was developed under the leadership of County Executive Dow Constantine in collaboration with King County Council members and other elected officials and input from thousands of residents and County employees. The County plan's eight goals are the framework for Metro's plan.

Second, the Regional Transit Task Force was formed in 2010 to consider a new policy framework for Metro as we face both growing demand for transit services and a worsening financial outlook. The task force members represented many areas of the county and points of view, but they came together on consensus proposals for Metro. While these recommendations are still under consideration, the themes that emerged in this group's discussions—emphasizing productivity, ensuring that bus services are available for those most dependent on transit, and providing value to the diverse cities and communities throughout the county—influenced our plan in many ways.

Thanks to all the groundbreaking work and forward-looking thinking that has contributed to this strategic plan, I am confident that Metro can continue our tradition of prioritizing the customer and creating the future envisioned for public transportation in King County. We will be reporting on our performance in publications and on our website; I invite you to follow our progress.

Sincerely,



Kevin Desmond, General Manager  
King County Metro Transit

## ■ EXECUTIVE SUMMARY

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### Public transportation in the Puget Sound region: today and tomorrow

Public transportation is vitally important to the Puget Sound region. It provides connections to jobs, schools, and other destinations, and enables those with limited mobility options to travel. Public transportation enhances regional economic vitality by freeing up roadway capacity and improving the mobility of people, goods, and services. It saves the region time and money. It helps accommodate regional growth by making better use of the region's existing infrastructure and it benefits the environment. Public transportation improves the quality of life for residents and visitors to the Puget Sound region.

King County Metro Transit, King County's public transportation provider, is committed to serving the region with the highest quality products and services possible as it works towards a vision of a sustainable public transportation that helps our region thrive.



#### ■ This is Metro's vision:

Metro provides safe, efficient and reliable public transportation that people find easy to use. The agency offers a cost-effective mix of products and services, tailored to specific market needs. Its fixed-route bus system meets most public transportation needs, particularly in areas of concentrated economic activity or urban development and along the corridors that link them. Metro also offers alternative public transportation options for people who cannot use the fixed-route system. No matter what community they live in or whether they have special needs because of age, disability or income, people can use public transportation throughout King County.

Expanded and improved products and services make public transportation attractive to a growing segment of the population, and public transportation ridership and use increases as a result. With more and more people switching from single-occupant cars to buses, carpools and other alternative transportation options, roadways are more efficient—carrying more people and goods and moving them faster. Less land is paved for parking, and the region can reduce its reliance on highway expansion.

Public transportation is contributing to a better quality of life in the Puget Sound region. The local

economy is thriving because transit has kept the region moving. Public health is improving because people are walking, biking, and using transit more. Emissions from transportation have leveled off and are starting to decline, and Metro is using new technologies to reduce its energy consumption.

The public is engaged with Metro—informed about its plans and performance and a big part of the decision-making process. Customers find the public transportation experience to be positive at every stage, from trip planning to arrival at a destination. People understand how to use Metro's products and services, and are happy with the variety of transportation options available.

Metro has quality employees who enjoy their jobs. Their satisfaction shows in their good work ethic and responsiveness to customers.

Metro is financially stable—able to sustain its products and services in both the short and long term by emphasizing productivity and efficiency and by controlling costs. Metro receives sufficient funding to fulfill the public's expectations for service and the region's vision for a robust public transportation system.



## A pathway to the vision

To guide Metro towards its vision, this plan includes goals, objectives and strategies, which build on the work of two major regional planning processes:

**King County's strategic plan:** In 2010, King County adopted its first countywide strategic plan, *King County Strategic Plan 2010–2014: Working Together for One King County*. The plan is a key tool in Executive Dow Constantine's work to reform county government by focusing on customer service, partnerships, and ways to bring down the cost of government. Metro's strategic plan will guide work on portions of the countywide strategic plan that involve public transportation.

**Regional Transit Task Force:** Metro used input from the Regional Transit Task Force in the creation of this plan. The task force was a groundbreaking countywide effort to recommend a new policy framework for transit in King County that took place in 2010. Metro drew on the task force's recommendations as a way to ensure that diverse points of view are well-represented in the strategic plan.

## Navigating the road ahead

Metro faces complex—and often competing—challenges. The Puget Sound region is growing and evolving. Changes in land use and the region's population are having an impact on where public transportation should be located, how service is provided, and who uses that service. Major projects that change the footprint of the transportation system have an impact on public transportation and require regional collaboration during planning and construction and upon completion. Public transportation is called upon to help mitigate climate change and meet diverse customer needs. All the while, Metro's funding structure limits its ability to respond to these challenges.

### What's new in the 2013 update?

This update incorporates the following changes adopted by the County Council in 2012 and 2013:

- Three new strategies:
  - 2.1.4, provide alternatives to fixed-route transit service
  - 6.1.2, create a long-range transit plan in collaboration with local planning
  - 6.2.4, provide alternative service in the context of financial challenges
- Updates to strategy 2.1.2 reflecting revised requirements for complying with Title VI of the Civil Rights Act
- Several revisions and additions to performance measures
- Revisions of service guidelines to better link transit service and local development and to clarify several technical matters

Metro's strategic plan is intended to address these challenges and chart a path to the future. Metro has formulated eight goals with 17 associated objectives. Each objective has an associated outcome that is related to an aspect of Metro's vision. Metro also has established 36 strategies that are intended to move Metro closer to its objectives, and ultimately to its vision. The table on pages iii-vii summarizes these elements of the plan.

### Ensuring success

Metro will monitor its performance and measure its success in achieving the plan's strategies, objectives, goals, and vision. Metro will measure its objectives through outcomes and its strategies through associated measures. It will compare the performance of its system with that of peer transit agencies. Using this monitoring system, Metro will update and adjust this plan periodically as conditions warrant to ensure that it is moving along the right path.

TABLE 1: Summary table of Metro strategic plan elements

OBJECTIVE	STRATEGIES	MEASURES
<b>Goal 1: Safety.</b> Support safe communities.		
<p><b>Keep people safe and secure.</b></p> <p>Outcome: Metro’s services and facilities are safe and secure.</p>	<p>Promote safety and security in public transportation operations and facilities.</p> <p>Plan for and execute regional emergency-response and homeland security efforts.</p>	<ul style="list-style-type: none"> <li>• Preventable accidents per million miles</li> <li>• Operator and passenger incidents and assaults</li> <li>• Customer satisfaction regarding safety and security</li> <li>• Effectiveness of emergency responses</li> </ul>
<b>Goal 2: Human Potential.</b> Provide equitable opportunities for people from all areas of King County to access the public transportation system.		
<p><b>Provide public transportation products and services that add value throughout King County and that facilitate access to jobs, education and other destinations.</b></p> <p>Outcome: More people throughout King County have access to public transportation products and services.</p>	<p>Design and offer a variety of public transportation products and services appropriate to different markets and mobility needs.</p> <p>Provide travel opportunities and supporting amenities for historically disadvantaged populations, such as low-income people, students, youth, seniors, people of color, people with disabilities, and others with limited transportation options.</p> <p>Provide products and services that are designed to provide geographic value in all parts of King County.</p> <p>Seek to provide to the general public an extensive range of transportation alternatives to regular fixed-route transit, such as ridesharing and other alternative or “right-sized” services.</p>	<ul style="list-style-type: none"> <li>• Population with ¼-mile walk access to a transit stop or 2-mile drive to a park-and-ride, reported separately</li> <li>• Number of jobs with ¼-mile walk access to a transit stop or 2-mile drive to a park-and-ride, reported separately</li> <li>• Number of students at universities and community colleges that are within a ¼-mile walk of transit</li> <li>• Percentage of households in low-income census tracts within a quarter-mile walk of a transit stop or a 2-mile drive to a park-and-ride, reported separately</li> <li>• Percentage of households in minority census tracts within a quarter-mile walk of a transit stop or a 2-mile drive to a park-and-ride, reported separately</li> <li>• Accessible bus stops</li> <li>• Transit mode share by market</li> <li>• Student and reduced-fare permits and usage</li> <li>• Access applicants who undertake fixed-route travel training</li> <li>• Access boardings/number of trips provided by the Community Access Transportation (CAT) program</li> <li>• Access registrants</li> <li>• Requested Access trips compared to those provided</li> <li>• Vanpool boardings</li> </ul>



OBJECTIVE	STRATEGIES	MEASURES
<p><b>Goal 3: Economic Growth and Built Environment.</b> Encourage vibrant, economically thriving and sustainable communities.</p>		
<p><b>Support a strong, diverse, sustainable economy.</b></p> <p>Outcome: Public transportation products and services are available throughout King County and are well-utilized in centers and areas of concentrated economic activity.</p>	<p>Through investments and partnerships with regional organizations, local jurisdictions and the private sector, provide alternatives to driving alone that connect people to jobs, education and other destinations essential to King County's economic vitality.</p> <p>Partner with employers to make public transportation products and services more affordable and convenient for employees.</p>	<ul style="list-style-type: none"> <li>• Transit rides per capita</li> <li>• Park-and-ride capacity and utilization (individually and systemwide)</li> <li>• Employees at CTR sites sharing non-drive-alone transportation modes during peak commute hours</li> <li>• Employer-sponsored passes and usage</li> <li>• All public transportation ridership in King County (rail, bus, Paratransit, Rideshare)</li> <li>• Ridership in population/business centers</li> <li>• HOV lane passenger miles</li> </ul>
<p><b>Address the growing need for transportation services and facilities throughout the county.</b></p> <p>Outcome: More people have access to and regularly use public transportation products and services in King County.</p>	<p>Expand services to accommodate the region's growing population and serve new transit markets.</p> <p>Coordinate and develop services and facilities with other providers to create an integrated and efficient regional transportation system.</p> <p>Work with transit partners, WSDOT and others to manage park-and-ride capacity needs.</p>	
<p><b>Support compact, healthy communities.</b></p> <p>Outcome: More people regularly use public transportation products and services along corridors with compact development.</p>	<p>Encourage land uses, policies, and development that lead to communities that transit can serve efficiently and effectively.</p> <p>Support bicycle and pedestrian access to jobs, services, and the transit system.</p>	
<p><b>Support economic development by using existing transportation infrastructure efficiently and effectively.</b></p> <p>Outcome: Regional investments in major highway capacity projects and parking requirements are complemented by high transit service levels in congested corridors and centers.</p>	<p>Serve centers and other areas of concentrated activity, consistent with <i>Transportation 2040</i>.</p>	

OBJECTIVE	STRATEGIES	MEASURES
<b>Goal 4: Environmental Sustainability.</b> Safeguard and enhance King County’s natural resources and environment.		
<p><b>Help reduce greenhouse-gas emissions in the region.</b></p> <p>Outcome: People drive single-occupant vehicles less.</p>	<p>Increase the proportion of travel in King County that is provided by public transportation products and services.</p>	<ul style="list-style-type: none"> <li>• Per capita vehicle miles traveled (VMT)*</li> <li>• Transit mode share</li> <li>• Average miles per gallon of the Metro bus fleet</li> </ul>
<p><b>Minimize Metro’s environmental footprint.</b></p> <p>Outcome: Metro’s environmental footprint is reduced (normalized against service growth).</p>	<p>Operate vehicles and adopt technology that has the least impact on the environment and maximizes long-term sustainability.</p> <p>Incorporate sustainable design, construction, operating and maintenance practices.</p>	<ul style="list-style-type: none"> <li>• Energy use at Metro facilities/kWh and natural gas used in facilities normalized by area and temperature</li> <li>• Total facility energy use</li> <li>• Vehicle energy (diesel, gasoline, kWh) normalized by miles</li> <li>• Vehicle fuel (diesel, gasoline, kWh) normalized by boardings</li> </ul>
<b>Goal 5: Service Excellence.</b> Establish a culture of customer service and deliver services that are responsive to community needs.		
<p><b>Improve satisfaction with Metro’s products and services and the way they are delivered.</b></p> <p>Outcome: People are more satisfied with Metro’s products and services.</p>	<p>Provide service that is easy to understand and use.</p> <p>Emphasize customer service in transit operations and workforce training.</p> <p>Improve transit speed and reliability.</p>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Customer complaints per boarding</li> <li>• On-time performance by time of day</li> <li>• Crowding</li> <li>• Utilization of Metro web tools and alerts</li> </ul>
<p><b>Improve public awareness of Metro products and services.</b></p> <p>Outcome: People understand how to use Metro’s products and services and use them more often.</p>	<p>Use available tools, new technologies, and new methods to improve communication with customers.</p> <p>Promote Metro’s products and services to existing and potential customers.</p>	

*\*Technical amendment: Placement of this measure corrects an error in the version approved by the King County Council.*

OBJECTIVE	STRATEGIES	MEASURES
<p><b>Goal 6: Financial Stewardship.</b> Exercise sound financial management and build Metro’s long term sustainability.</p>		
<p><b>Emphasize planning and delivery of productive service.</b></p> <p>Outcome: Service productivity improves.</p>	<p>Manage the transit system through service guidelines and performance measures.</p> <p>Establish and maintain a long-range transit service and capital plan developed in collaboration with local comprehensive and regional long-term transportation planning.</p>	<ul style="list-style-type: none"> <li>• Boardings per revenue hour</li> <li>• Cost per boarding</li> <li>• Cost per hour</li> <li>• Service hours operated</li> <li>• Asset condition assessment</li> <li>• Fare revenues</li> <li>• Farebox recovery</li> </ul>
<p><b>Control costs.</b></p> <p>Outcome: Metro’s costs grow at or below the rate of inflation.</p>	<p>Continually explore and implement cost efficiencies including operational and administrative efficiencies.</p> <p>Provide and maintain capital assets to support efficient and effective service delivery.</p> <p>Develop and implement alternative public transportation services and delivery strategies.</p> <p>Provide alternative or “right-sized” services in the context of overall system financial health and the need to reduce, maintain or expand the system.</p>	<ul style="list-style-type: none"> <li>• Service hours and service hour change per route</li> <li>• Ridership and ridership change per route</li> <li>• Boardings per vehicle hour</li> <li>• Passenger miles per vehicle mile</li> <li>• Passenger miles per revenue mile</li> <li>• ORCA use</li> <li>• Cost per vehicle mile</li> <li>• Cost per vanpool boarding</li> <li>• Cost per Access boarding</li> </ul>
<p><b>Seek to establish a sustainable funding structure to support short- and long-term public transportation needs.</b></p> <p>Outcome: Adequate funding to support King County’s short- and long-term public transportation needs.</p>	<p>Secure long-term stable funding.</p> <p>Establish fare structures and fare levels that are simple to understand, aligned with other service providers, and meet revenue targets established by Metro’s fund management policies.</p> <p>Establish fund management policies that ensure stability through a variety of economic conditions.</p>	

OBJECTIVE	STRATEGIES	MEASURES
<b>Goal 7: Public Engagement and Transparency.</b> Promote robust public engagement that informs, involves, and empowers people and communities.		
<p><b>Empower people to play an active role in shaping Metro’s products and services.</b></p> <p>Outcome: The public plays a role and is engaged in the development of public transportation.</p>	<p>Engage the public in the planning process and improve customer outreach.</p>	<ul style="list-style-type: none"> <li>• Public participation rates*</li> <li>• Customer satisfaction regarding Metro’s communications and reporting</li> <li>• Social media indicators</li> <li>• Conformance with King County policy on communications accessibility and translation to other languages</li> </ul>
<p><b>Increase customer and public access to understandable, accurate and transparent information.</b></p> <p>Outcome: Metro provides information that people use to access and comment on the planning process and reports.</p>	<p>Communicate service change concepts, the decision-making process, and public transportation information in language that is accessible and easy to understand.</p> <p>Explore innovative ways to report to and inform the public.</p>	
<b>Goal 8: Quality Workforce.</b> Develop and empower Metro’s most valuable asset, its employees.		
<p><b>Attract and recruit quality employees.</b></p> <p>Outcome: Metro is satisfied with the quality of its workforce.</p>	<p>Market Metro as an employer of choice and cultivate a diverse and highly skilled applicant pool.</p> <p>Promote equity, social justice and transparency in hiring and recruiting activities.</p>	<ul style="list-style-type: none"> <li>• Demographics of Metro employees*</li> <li>• Employee job satisfaction</li> <li>• Promotion rate</li> <li>• Probationary pass rate</li> </ul>
<p><b>Empower and retain efficient, effective, and productive employees.</b></p> <p>Outcome: Metro employees are satisfied with their jobs and feel their work contributes to an improved quality of life in King County.</p>	<p>Build leadership and promote professional skills.</p> <p>Recognize employees for outstanding performance, excellent customer service, innovation and strategic thinking.</p> <p>Provide training opportunities that enable employees to reach their full potential.</p>	

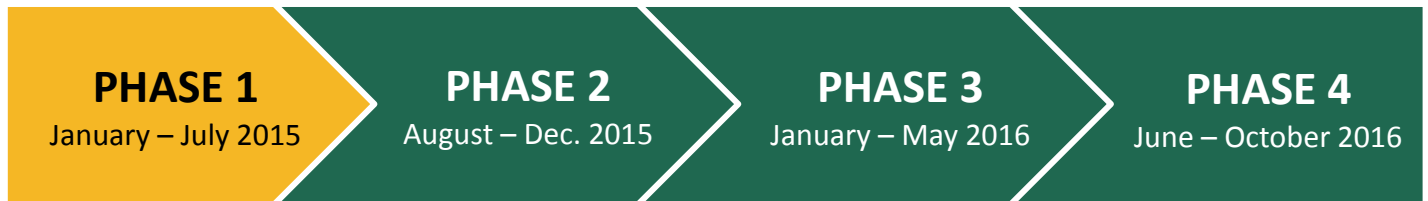
*\*Technical amendment: Placement of this measure corrects an error in the version approved by the King County Council.*

## Long Range Plan Summary

Metro’s long range plan will present a shared vision for a future public transportation system that gets people where they want to go and helps our region thrive. The plan will describe an integrated network of transportation options, the facilities and technology needed to support those services, and the financial requirements for building the system. It will be developed in close coordination with Sound Transit and other transportation agencies.

### WHEN THE PLANNING PROCESS WILL TAKE PLACE

Over the next two years, Metro will work with transit riders, cities, community groups, and motorists to shape a long-range plan for meeting our region’s growing and changing public transportation needs.



The long range planning process will take place over four phases. Currently, the planning process is in Phase 1 Discovery in which cities, community groups, businesses, transit riders and travelers of all types provide input to Metro about their goals and needs for public transportation through 2040.

- Agencies and local jurisdictions are educated about the planning process and invited to join the advisory committee.
- Key stakeholders are briefed about the planning process and invited to join the Community Advisory Group (CAG).
- Community representatives can find information about the project through online and print media and are invited to apply to join the CAG.
- General public finds information about the project online and in print, including information about how to provide input throughout the planning process.

### WHAT IS IN THE PLAN

The plan will reflect four key themes:



<b>CONNECTIONS</b>	<b>ACCOUNTABILITY</b>	<b>PARTNERSHIPS</b>	<b>ECONOMIC GROWTH</b>
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### HOW TO GET INVOLVED

Metro invites you to join us in imagining a better future. Options for getting involved:

- Take the online survey
- Apply to be on the Community Advisory Group
- Sign up for notifications about events and project updates

The website for Metro’s long range public transportation plan is <http://www.kcmetrovision.org/#connections>



## Metro's Current Activities

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King County Metro plans for and provides a range of public transportation services across King County. Metro is guided by its Strategic Plan for Public Transportation 2011-2021 and associated service guidelines, which were adopted in July 2011 and updated in 2013.

This new planning framework was influenced by two major planning processes: the King County Strategic Plan and the Regional Transit Task Force (RTTF). The King County Strategic Plan 2011-2014, developed with input from all branches of County government as well as thousands of residents and County employees, provides the framework for Metro's Strategic Plan for Public Transportation. The RTTF, formed in 2010 and comprising members who represented different parts of the county and diverse interests, recommended a new approach to allocating transit service that was incorporated into Metro's strategic plan and service guidelines.

The new planning framework emphasizes productivity, social equity (ensuring that bus services are available for those most dependent on transit), and geographic value (providing value to the diverse cities and communities throughout the county). Metro's strategic plan is consistent with the King County Comprehensive Plan, the Puget Sound Regional Council's Vision 2040 and Transportation 2040, and the Washington State Growth Management Act.

In the years since these planning documents were adopted, Metro has completed four service guidelines reports and the County has updated the service guidelines and adjusted service 10 times. Further refinements to the service guidelines, building on the lessons learned in the past three years, could help ensure that future transit investments reflect the intent of the RTTF's policy guidance. Toward this end, in 2015 a new Service Guidelines Task Force will further analyze how transit service is allocated and measured across the region. They will review and recommend changes in the following areas:

- How transit service performance is measured, and potential changes to reflect the varied purposes of different types of transit service
- How the goal of geographic value is included in the guidelines, and potential new approaches including minimum service standards
- How the goal of social equity is included in the guidelines, and potential new approaches
- Financial policies for the purchase of additional services within a municipality or among multiple municipalities
- Guidelines for alternative services implementation.

In June 2014, Metro launched its sixth line in the RapidRide bus rapid transit system. RapidRide operates along 62 corridor miles. Its characteristics include a unique fleet of 113 vehicles as well as corridor and system capital investments such as transit signal priority and improved passenger facilities. Ridership on RapidRide has consistently increased since implementation. Two lines have achieved over 70 percent ridership growth in less than five years of operation, exceeding the program's goal of 50-percent growth

in five years. In 2014, ridership on the RapidRide lines constituted nearly 15 percent of Metro's total weekday ridership, with more than 55,000 boardings each weekday. Total RapidRide ridership for 2014 was over 16.5 million.

In March 2016, Sound Transit is scheduled to open the University Link (U-Link) Extension. Testing will begin prior to implementation, during the fall 2015 service change. The U-Link Extension will add two stations—one in Capitol Hill at Broadway and East John Street, and one at the University of Washington at Husky Stadium. As part of the process of integrating this new asset into the region's transportation system, Metro and Sound Transit will consider changes to service in one or both of the areas surrounding the stations. Metro and Sound Transit are conducting an integrated planning process for changes and are engaging many internal and external stakeholders, including the University of Washington community, the City of Seattle, Seattle Children's, and the general public.

In fall 2013, Metro launched its first Alternative Services project with the Snoqualmie Valley Shuttle, providing service between North Bend and Duvall. The shuttle is funded through a public/private partnership between Metro and the Snoqualmie Tribe, and is operated by a local nonprofit organization, Snoqualmie Valley Transportation. Metro's 2015-2016 budget appropriates \$12 million over two years for an expansion of alternative services. Metro is developing a new suite of alternative service products that are best suited to areas with lower density or dispersed origins and destinations—characteristics that make it challenging to provide productive fixed-route service.

Metro's 2013 strategic plan update added Strategy 6.1.2, which explicitly calls for the development and maintenance of a long-range plan. The long-range planning process, which launched in January 2015, will define Metro's role in enhancing the public's mobility, build on existing policies, and garner regional support for public transportation across the county. Over the next two years, several ongoing and upcoming planning efforts will be integrated into Metro's long range plan (Sound Transit's System Development Plan, PSRC's Transportation 2040 update, and comprehensive master plan updates). The long-range plan will describe future public transportation service, capital infrastructure, and financial requirements needed to maximize people's ability to get around while minimizing the total costs.

Metro is undertaking an Access to Transit Study to identify opportunities to improve access to transit, with a focus on transit access infrastructure. In this study, Metro explores the role played by infrastructure such as park-and-rides and pedestrian and bicycling facilities in providing and enhancing access to transit, as well as industry best practices and innovative approaches to improving access to transit. Metro has also been actively participating in the regional Transit Access Working Group facilitated by PSRC.

In 2013, the Low-Income Fare Options Advisory Committee submitted a report to the King County Council recommending that a low-income fare program be created. The King County Council adopted a fare ordinance incorporating a low-income fare, and Metro will introduce this fare in March 2015. Fares will increase by 25 cents per trip in all current Metro fare categories for all regularly scheduled transit services, fares will increase by \$0.50 per trip for Access paratransit service, and Metro will offer the new



reduced fare of \$1.50 per trip for qualifying riders who have low incomes. This new fare will be available only through use of an ORCA fare card.

In fall 2014, Metro and Sound Transit produced the Transit Integration Report, which identifies opportunities to further integrate planning and operations of the two agencies and create efficiency dividends to better serve the needs of riders. The report focused on short- and long-term planning, rider engagement and information, capital facilities, and operational efficiencies. Metro and Sound Transit will continue integration efforts and will produce an annual integration report with partner agencies.

Metro is also participating in a five-agency group with the City of Seattle, Community Transit, Sound Transit, and the Washington State Department of Transportation to address the significant infrastructure, development, and transit operations changes coming to downtown Seattle over the next 10 years.

Over the next two years, Metro will participate in many regional planning efforts. For example, Metro is actively engaged in identifying and implementing transit components of projects of regional significance such as the Alaskan Way Viaduct Replacement Project, Seattle's Seawall Replacement and Waterfront Development project, the SR-520 Bridge Replacement and HOV Project, and the I-405 Eastside Express toll lane project and other corridors that include pricing strategies to fund and manage facilities. Metro will look for integration opportunities with the City of Seattle's First Hill Streetcar project and other potential streetcar expansion projects. Metro also works closely with Sound Transit to facilitate bus connections to Sound Transit Link and commuter rail service. This coordination includes planning activities related to ST2 Link extensions.



# Metro Transit's finances: an overview

Metro relies on sales tax for about half of its operating funds, and the economic slump has caused a drop in revenue to support bus service. Since 2009 we have avoided systemwide service reductions by taking a range of actions to cut costs, boost revenue, and improve operational efficiency. However, after temporary funding runs out in mid-2014, Metro will not have the resources to maintain the current level of service—even with recent economic growth in King County.

This paper provides context about Metro's financial situation. It explains where Metro's funding comes from, how the money is spent, what we've done to preserve service so far, and the process of planning service reductions in case no new funding becomes available.

## Where does Metro's funding come from?

Metro's primary revenue source is local sales tax. Washington State law allows for a local sales tax of up to 0.9 percent for transit agencies. This tax must be approved by the voters.

Before 2000, Metro relied on the state's motor vehicle excise tax (MVET) for nearly one-third of its revenue. In 2000, following voter approval of Initiative 695, the state legislature eliminated the MVET for transit agencies. Today, Metro receives less than 1 percent of its funding from the state.

After the MVET was eliminated, King County voters approved a 0.2 percent sales tax increase, from 0.6 percent to 0.8 percent, replacing a portion of the lost MVET revenue. The remainder of the lost revenue was offset by administrative cuts and a fare increase. In 2006, voters approved an additional 0.1 percent sales tax increase for the Transit Now program, which was intended to expand the system and create RapidRide. As a result of this increase, Metro is one of a handful of transit agencies in the state that are at the maximum allowable 0.9 percent sales tax level.

Metro's increased reliance on sales tax made our ability to provide bus service more dependent on economic conditions. Sales tax is volatile; receipts can vary substantially with the ups and downs of the region's economy.

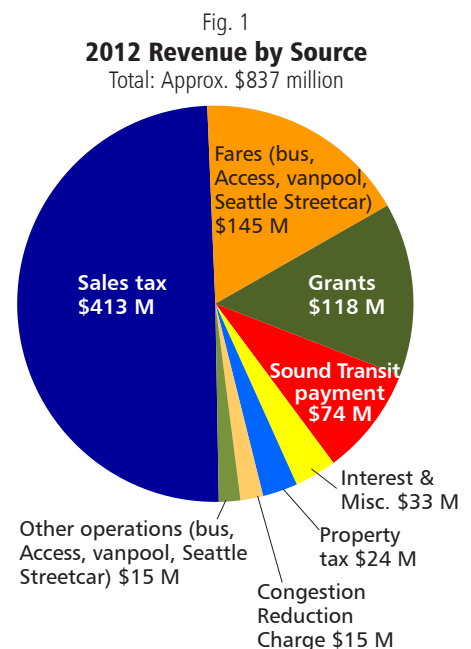
As shown in Fig. 1, other significant revenue sources for Metro are fares and federal grants. Grants can also fluctuate significantly depending on reimbursement activities and regional guidelines for project selections.

Metro operates Sound Transit's Link light rail and Regional Express Bus service, and receives contract payments from Sound Transit to cover the operating costs.

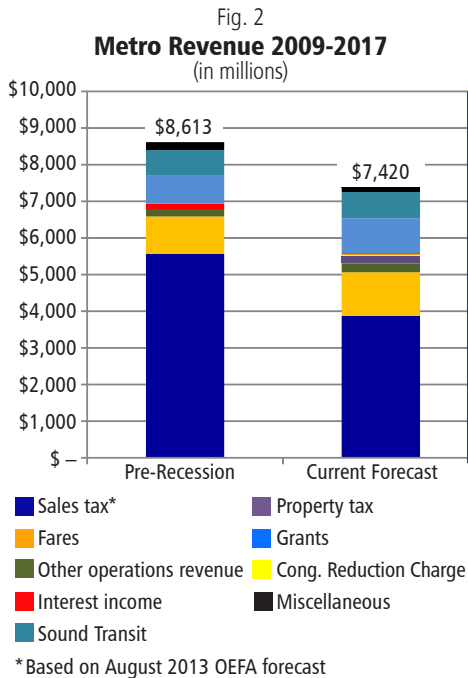
Smaller revenue sources include property tax and the temporary Congestion Reduction Charge, which expires in June 2014.

Total Metro revenue in 2012 was approximately \$837 million, of which sales tax was the source of nearly 50 percent.

Note: This paper uses 2012 data, the most recent audited data available, unless otherwise noted.



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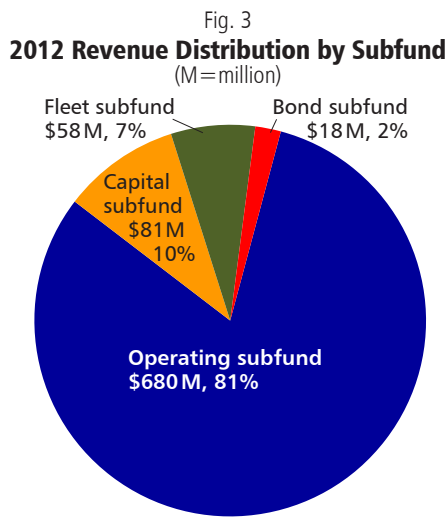
Metro’s revenues from various sources have changed as a result of the recession (see Fig. 2). Sales tax receipts fell from \$442 million in 2007 to \$375 million in 2010, and have not yet returned to pre-recession levels. Just before the economic downturn, Metro had embarked on the Transit Now service expansion program. Sales tax was projected to make up 64 percent of this program’s funding between 2009 and 2017. As a result of the recession, sales tax contributions declined to 52 percent.

The proportion of revenue from fares grew during this period as fares were increased four times; Metro’s financial plan assumes future fare increases. Revenue from grants fluctuated based on the timing of competitive awards from the Federal Transit Administration.

### How are Metro’s funds spent?

Metro’s management follows adopted fund management policies which ensure that sufficient resources are set aside to operate services, replace the bus fleet, maintain facilities in a state of good repair, and pay for debt service. The budget is separated into subfunds that have designated purposes: fleet replacement, bond payments, capital infrastructure, and day-to-day operations.

As shown in Fig. 3, the largest share (81 percent) of Metro’s funds are disbursed for operations, including bus, paratransit, vanpool and contracted service. The balance is used for the capital program (10 percent), fleet replacement (7 percent), and debt service (2 percent). In total, Metro spends about \$777 million per year based on the current estimates for 2009-2017.



### Metro’s operating budget: the largest share of expenditures

In 2012, Metro’s total annual operating cost was approximately \$635 million. The majority of the funds went toward operating and maintaining bus service and related facilities. Metro provided about 3.5 million annual hours of bus service. In addition, Metro operates Sound Transit Regional Express Bus and Link service, for which we are reimbursed.

The operating budget provides for labor, fuel, and maintenance of about 1,400 buses, 1,300 vanpool vans, 340 Access vehicles, and 570 support vehicles. It supports the maintenance of 130 park-and-ride lots and about 8,500 bus stops, including 1,900 with shelters. This budget also covers maintenance and operation of the Downtown Seattle Transit Tunnel, seven transit bases and other facilities.

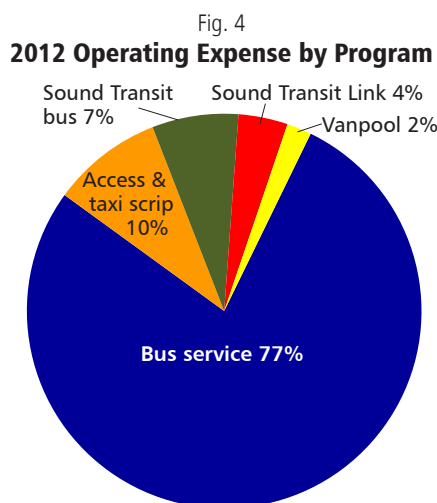


Fig. 4 shows the percentages of Metro’s 2012 operating costs by major program. The largest expenditure, 77 percent, is for Metro’s fixed-route bus service, which cost nearly \$500 million in 2012.

Factors that influence Metro’s bus operating costs include inflation and a transition to larger vehicles. By moving to larger vehicles, Metro has increased seat capacity by 12 percent since 2007; this extra capacity is helping Metro serve growing ridership. Another factor is Metro’s contracted service with Sound Transit Link light rail, which began in 2009 and grew to more than \$30 million in 2013. Sound Transit (Link light rail and Regional Express Bus service) now accounts for 11 percent of Metro’s operating budget, up from 7 percent in 2007.

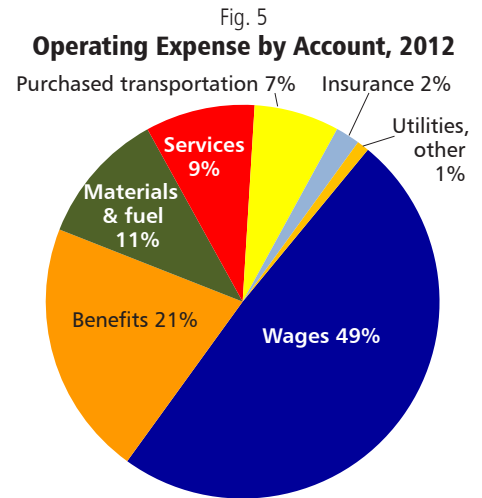
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Metro also operates Access paratransit service for people with disabilities who are unable to use regular buses. Paratransit service is required by the Americans with Disabilities Act. Its operating cost per ride is much higher than regular bus service.

Other services in the operating program are dial-a-ride transit (DART), Seattle Streetcar, and the vanpool and rideshare programs. Metro operates one of the largest publicly owned vanpool programs in the nation.

Fig. 5 shows the percentage of Metro’s operating budget that goes toward wages and benefits, materials and fuel, services, and purchased transportation. Over two-thirds of Metro’s operating expenditures are for wages and benefits for approximately 4,500 employees, including 2,700 part- and full-time bus drivers. Changes in benefit programs and labor agreements have saved Metro \$36 million since 2009 and are forecast to save \$17 million annually (in wages) in the future.

Services include items such as the Metro Transit Police provided under contract by the King County Sheriff, security guards, and central government services and overhead functions. Purchased transportation includes services such as Access paratransit and DART.



### How Metro’s operations measure up

Metro’s and King County’s strategic plans emphasize performance and accountability. Metro uses a number of industry performance measures to evaluate bus service productivity and cost efficiency, including:

- Cost per hour
- Total ridership (measured by number of annual boardings)
- Boardings per hour
- Cost per mile
- Cost per rider
- Farebox recovery (percent of bus operating costs recovered through fares)

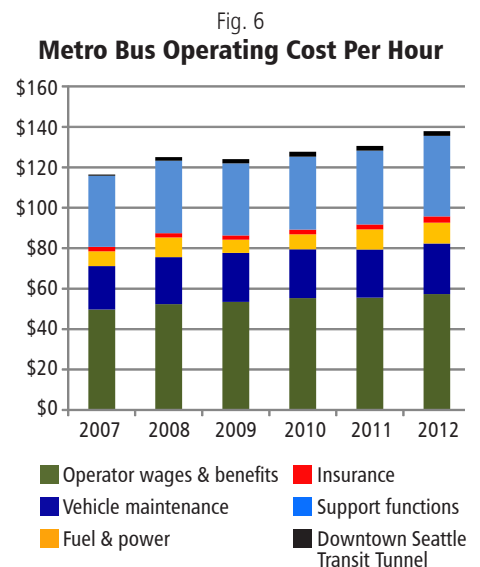
Average cost per hour is one measure Metro uses to monitor how much is spent on operating bus service. Most of the total cost (about 70 percent) comes from the direct costs of putting buses on the road: wages and benefits for bus drivers, vehicle maintenance, fuel or power, and insurance. These costs vary directly with the operation of bus service.



In addition to direct costs, there are costs for support functions that are critical to the successful delivery of service. These include information technology, safety, and security; management and administrative services including human resources, payroll,

accounting, budget, and planning; and maintenance of bases and passenger facilities. Because Metro is part of a large, general-purpose government, support is also provided by the county council and executive offices.

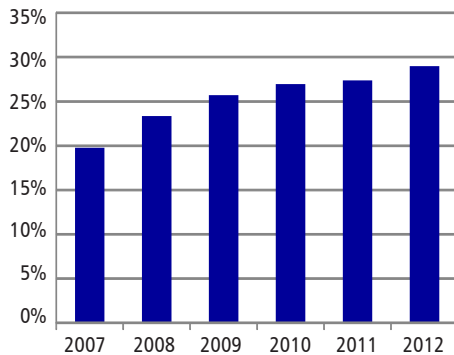
Fig. 6 illustrates all of these component costs and shows how the average cost per hour of providing Metro bus service has changed since 2007.



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Fig. 7

**Metro Farebox Recovery Rate**



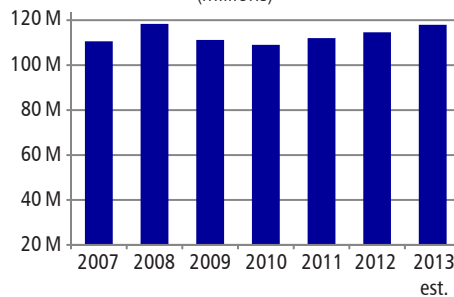
Compared to its peers—the other 29 largest bus transit agencies in the United States—Metro ranked eighth highest in operating cost per hour in 2012, at around \$136 per hour. The average cost per hour for the peer group was about \$123. However, Metro ranked 19th for the average annual percentage growth in operating cost between 2007 and 2012. Compared to the peer group, Metro’s operating cost per hour reflects relatively heavy reliance on large articulated coaches, which are more expensive than smaller coaches but provide operating efficiencies. A unique cost for Metro is the maintenance and operation of the Downtown Seattle Transit Tunnel, which supports efficient operation and quality service in the busy Seattle core.

On other performance measures, Metro’s rank among its peers varied. Metro was 14th highest in operating cost per passenger mile at \$.99. The peer group average is \$.98 per passenger mile.

On cost recovery from fares, Metro ranked 13th among peers at about 29 percent, above the average cost recovery of 27.8 percent. Fig. 7 illustrates how Metro’s farebox recovery as a percentage of operating costs has gone up in recent years. This is due in large part to four successive fare increases from 2008 through 2011 that led to the highest farebox recovery rate Metro has had.

Fig. 8

**Annual Boardings (millions)**



In 2012, Metro ranked 10th in total ridership with around 115 million total boardings, and 15th in boardings per hour. Fig. 8 illustrates Metro’s annual ridership from 2007 to 2012 and the 2013 estimated ridership, which is very close to the record ridership that occurred in 2008, before the recession.

On the measure of cost per rider, Metro ranked eighth at \$4.25 per boarding; the peer average is \$3.72. This performance measure varies among peer agencies depending on factors such as population density and land use, which contribute to trip length for passengers.

**Metro’s capital program**

In addition to operating expenses, Metro spends money on its capital program for vehicles, facilities and technology systems.

As part of Metro’s effort to manage during the recession, the capital program has been reduced since 2008. In 2009, we canceled projects to improve speed and reliability, bus layover space in downtown Seattle, a new maintenance facility for the Waterfront Streetcars, and trolley wire upgrades. We have also replaced fewer buses and shelters, delayed computer replacements, and reduced the scope of changes to the RapidRide corridor improvement projects, lighting upgrades at park-and-rides, and accessibility improvements at bus zones.

Fig. 9

**Capital Project Expense by Category 2007-2013**

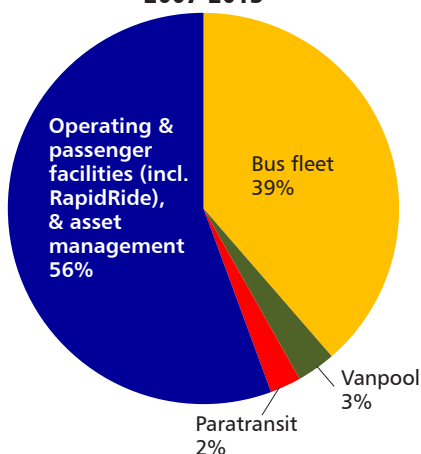


Fig. 9 illustrates where Metro spent its capital dollars between 2007 and 2013. In recent years, the capital program has been focused on replacing aging infrastructure and elements of the fleet, such as the electric trolley buses. A significant amount of capital program funding comes from federal grants. Large amounts of grant funding were spent on the RapidRide program in 2011 and 2012. In general, bus replacements have been scaled back to match the reduction in service that is currently projected, while bus life cycles have also been extended

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beyond federal minimums. The “other” category represents programs such as operating and passenger facilities, general asset maintenance, and RapidRide facilities. Much smaller amounts are typically spent on paratransit and vanpool capital needs.

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## Actions taken to reduce costs, boost revenue, and preserve bus service, 2009-2013

**Ongoing productivity/efficiency actions** – Saved \$204 million (\$93 million ongoing annual savings)

- Took efficiency actions recommended by 2009 Performance Audit of Transit, including changing bus schedules to reduce bus downtime.
- Negotiated agreements with employees that reduced the growth of pay through furloughs and pay freezes.
- Cut more than 100 staff positions that did not directly affect service.
- Eliminated 75,000 hours of less-used bus service and adopted new service guidelines as part of Metro’s strategic plan.
- Deferred 350,000 hours of service expansion.

**Revenue-related actions** – Increased revenue by \$145 million (\$55 million ongoing annual revenue)

- Raised fares four times in four years, a total 80 percent increase, contributing to 29 percent farebox recovery rate in 2012.
- County Council used tools provided by the legislature, permanently allocating a portion of the property tax levy to Metro (while reducing other property taxes so taxpayers don’t pay more), and adopting two-year Congestion Reduction Charge.
- Eliminated Ride Free area in downtown Seattle.

**One-time actions (cash savings) to sustain service pending longer-term solutions** – Saved \$344 million

- Reduced the capital program
- Reduced the bus replacement reserve fund by \$100 million, as recommended by the 2009 Performance Audit.
- Used half of the operating reserve fund to support service.
- Realized benefits from the County’s employee health program.

Altogether, these actions have realized \$798 million, including \$93 million in ongoing annual cost reductions and \$55 million in increased revenue.

Fig. 12

**Summary of Actions and Results**

Actions	Cumulative Total through 2013	Ongoing Annual Savings
I. Ongoing productivity/efficiency actions		
• Transit program efficiencies		
Scheduling efficiencies	\$34 million	\$13 million
Non-service and staff reductions	\$55 million	\$14 million
Other program efficiencies	\$15 million	\$ 5 million
• Bus service reductions	\$23 million	\$ 8 million
• Labor cost savings	\$36 million	\$17 million
• Service deferrals	\$41 million	\$36 million
II. Revenue-related actions		
• Fare increases	\$145 million	\$35 million
• Property tax	\$66 million	\$18 million
• Congestion Reduction Charge (temporary)	\$39 million	
• Ride Free Area elimination		\$ 2 million
III. One-time actions (cash savings)		
• Capital program cuts	\$180 million	
• Fleet replacement reserves	\$ 93 million	
• Operating reserves	\$ 41 million	
• 2009 savings, i.e. hiring freeze	\$ 20 million	
• Healthy Incentives program	\$ 10 million	
<b>TOTAL</b>	<b>\$798 million</b>	<b>\$148 million</b>



## **Metro's 2015-2016 adopted budget (website: <http://metro.kingcounty.gov/am/budget/>)**

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### **Metro funding — past and present**

Before 2000, Metro relied on the state's motor vehicle excise tax (MVET) for nearly one-third of our revenue. Revenue from this source grew roughly in line with Metro's service growth. In 2000, following voter approval of Initiative 695, the state legislature eliminated the MVET for transit agencies.

After the MVET was eliminated, King County voters approved two sales tax increases, in 2000 and 2006, to help make up for the lost revenue. These tax increases brought Metro to the maximum allowable 0.9 percent sales tax level. Today, 50 to 60 percent of Metro's operating revenue comes from local sales tax.

Metro's increased reliance on sales tax made our ability to provide bus service more dependent on economic conditions. Sales tax is volatile; receipts can vary substantially with the ups and downs of the region's economy.

We experienced this volatility twice in recent years. Metro had planned to increase service after both the 2000 and 2006 sales tax increases. Several months after the first increase was approved, the "dot-com" recession began, and the sales tax revenue Metro actually received never reached the projected amount. Metro was able to complete some, but not all, of the planned service increases.

Soon after the 2006 tax increase was approved, Metro made a number of the planned service improvements. But in 2008, the Great Recession caused an even more serious erosion of sales tax revenue, leading to a shortfall of approximately \$1.2 billion for Metro from 2009 through 2015. With the adoption of Metro's 2010-2011 budget, the King County Council agreed that the one-tenth of a cent sales tax increase would be used to preserve existing service.

Metro took many other actions to weather the financial crisis that lingered for six years—cutting costs, increasing fares, tapping reserve funds, negotiating cost-cutting labor agreements, adopting new operating efficiencies, and more. These actions saved or gained nearly \$800 million for bus service between 2009 and 2013, and have brought ongoing annual savings or revenue gains of close to \$150 million annually.

However, some temporary funding expired in 2014. Faced with an ongoing revenue gap, Metro proposed service reductions for 2014 and 2015. As we planned the 2015-2016 biennial budget, we took new actions to increase efficiency and preserve as much service as possible. The adopted 2015-2016 budget reflects these efficiency efforts (see below).

As a result of these actions, lower projected fuel costs, and other factors, the King County Council adopted a 2015-2016 budget that maintains Metro service at the current level. However, the budget does not enable Metro to grow to meet all current and future demand for service.

While Metro and other transportation providers have struggled to manage the long financial crisis and ongoing lack of adequate funding for transit, roads, bridges, and ferries, community leaders across the state have advocated for a statewide transportation funding solution. The state legislature has considered a number of proposals but has not approved one. King County leaders are continuing to seek a broad, long-term funding solution.

Meanwhile, Metro continues striving to become even more efficient and make the best use of every transit dollar.

### **Adopted 2015-2016 budget maintains current Metro service level**

The King County Council's adoption of the 2015-2016 county budget on Nov. 17 marks a turning point for Metro. Coming after extraordinary efforts to save bus service during a six-year financial crisis, the new budget maintains the current level of service for the next two years.

Ever since the 2008 recession caused a steep drop in sales tax revenue, Metro has preserved most bus service by cutting costs, raising fares, and making a host of fiscal reforms. But after some temporary funding expired in 2014, we had to delete or reduce service on 41 bus routes in September 2014, and proposed additional cuts for 2015 and 2016.

However, Metro's ongoing efficiency gains, recent projections of lower fuel costs, and other financial improvements enabled the Council to adopt a budget that eliminates the need for service cuts.

Earlier in November, Seattle voters approved funding for additional transit service. The City of Seattle will purchase Metro service through Executive Dow Constantine's Community Mobility Contracts Program. Seattle will expand service on Metro routes that serve the city by about 10 percent. This funding expires after 2020.

The need remains for long-term funding that fully meets King County's current and future demand for bus service. According to Metro's service guidelines, 15 percent more bus service is needed today—and ridership is growing. Although Metro's budget will maintain the current service level for two years, it doesn't enable growth. Seattle's funding will meet much of the city's demand, but unmet needs remain in Seattle and throughout King County.

Metro will continue striving for efficiency improvements to make the most of every available transit dollar, and county leaders have pledged to continue working for a statewide transportation funding solution.

### **Efficiency improvements in Metro's 2015-2016 budget**

- Cut liability claims and workers' comp costs.
- Purchased 40 fewer replacement buses without impacting service.
- Made business process improvements resulting in a reduction in employee positions.
- Through King County's Healthy Incentives Program, reduced the growth in employee health care costs.
- Conducted a bus base automation project.
- Used Lean techniques to improve vehicle repair and parts inventory management practices.
- Created and increased the use of lower-cost alternatives to Access service. Lower fuel costs will also reduce Access costs. Worked with other county agencies to control service costs, resulting in significant savings in financial accounting, facilities and central services.
- Adopted a number of smaller measures, such as reducing energy costs and eliminating vacant positions that are no longer considered priorities.