



Metro | Agenda

Meeting: Metro Council Work Session
Date: Tuesday, April 3, 2012
Time: **2 p.m. Note late start time**
Place: Council Chambers

CALL TO ORDER AND ROLL CALL

2 PM 1. ADMINISTRATIVE/ COUNCIL AGENDA FOR
APRIL 5, 2012/CHIEF OPERATING OFFICER
COMMUNICATIONS

2:15 PM 2. TRIMET CHALLENGES AND CHOICES –
INFORMATION / DISCUSSION

Neil McFarlane, Trimet

3:15 PM 3. COUNCIL BRIEFINGS/COMMUNICATION

ADJOURN

Agenda Item No. 2.0

TRIMET CHALLENGES AND CHOICES

Metro Council Work Session
Tuesday, April 3, 2012
Metro, Council Chamber



Challenges & Choices

Refined Budget Proposal · *Fares & Service*

Over the last four months, we have shared a variety of cost-saving and revenue-generating ideas with riders, business leaders, community groups and other stakeholders, as we look for ways to address a \$12-17 million budget gap. We received thousands of comments and suggestions via our interactive web survey, open houses, phone calls, emails and face-to-face meetings. Based on the feedback we received and the recommendations of our Board and Budget Task Force, we've refined the initial proposal we released in February. Inside, you'll find the details of our proposed changes to fares and service, which would take effect in September 2012. You can provide your feedback using the form on the back, by visiting trimet.org/choices, or by attending a public hearing in March.

A handwritten signature in black ink that reads "Neil McFarlane".

Neil McFarlane
TriMet General Manager

Options and ideas

October 26, 2011 –
January 18, 2012

Initial proposal

February 8 – March 2, 2012

Refined proposal

March 14 – April 6, 2012

Recommended plan

April 25 – May 23, 2012

Approved changes take effect

September 1 & 2, 2012

MARCH 2012 UPDATE

Here's a summary of what we're currently proposing, and what's changed since our initial proposal in February:

WE'VE SCALED BACK THE SERVICE CUTS WE INITIALLY PROPOSED

Most of the savings would come from fare changes, the elimination of the Free Rail Zone, and internal efficiencies in the form of additional program cuts and staff layoffs.

OUR PROPOSAL STILL INCLUDES SOME CUTS TO SERVICE, MOSTLY IN BUS ROUTE RECONFIGURATIONS

We can save more than \$1 million by reconfiguring routes on 15 bus lines (mostly where they overlap with others) and by eliminating some low-ridership trips on 10 lines. We are no longer proposing to discontinue weekend service on any bus lines, or reduce MAX service, except for the elimination of free rides within the Free Rail Zone. This approach allows us to preserve as much existing service as possible and minimize the impact to riders.

WE'RE PROPOSING A \$2.50 "FLAT FARE," AND NO MORE ZONES

Many riders told us they could tolerate a fare increase if it prevented more service cuts. We're certainly not happy about raising fares, but changing to a flat \$2.50 fare (valid for 2 hours in any direction on both buses and rail) would generate half of the revenue we need to cover our budget shortfall, while simplifying the system considerably for all riders. The one-way only idea we initially proposed is off the table—at least for now.

WE'VE COMMITTED TO FINDING MORE INTERNAL EFFICIENCIES

Our initial proposal called for \$500,000 in administrative cuts, but we are now increasing that commitment to \$1.2 million. This will likely result in additional layoffs on the administration side, as well as cuts to various departments and programs that support transit service.

OUR GOAL IS NOW \$12 MILLION IN SAVINGS

In October, we announced that we expected a shortfall of \$12-17 million in Fiscal Year 2013 (July 2012-June 2013). Our initial proposal aimed for \$17 million in savings, the high end of the range, due to uncertainty around our unsettled labor contract with the Amalgamated Transit Union Local 757 (ATU). Since then, the ATU delayed the scheduled arbitration date by four more months. This means we won't know the outcome of our contract dispute until after the FY13 budget begins. Since we are required to have a balanced budget adopted in June, we are proposing changes totalling \$12 million. If we lose the arbitration we will need to find an additional \$5 million in savings—which would likely include implementing the one-way/round-trip fare and the additional service cuts outlined in our initial proposal.

Challenges & Choices

Learn more at
trimet.org/choices

TriMet is facing a \$12–17 million shortfall in the next budget year because of lower-than-expected revenue from payroll taxes, anticipated cuts in federal funding and unsustainable employee and retiree benefit costs. This funding instability comes at a time when there is increasing demand for transit service.

Transit agencies around the country are facing similar budget challenges, and, like TriMet, are taking action to preserve as much service as possible for riders. In the past year, many saw flat or decreased local funding and were forced to cut service, raise fares, lay off employees and implement hiring or salary freezes.

This document contains our refined proposal for changes that would take effect in September 2012. We are holding five public hearings in March to gather official public comments on the proposed changes (see inside for details).

To learn more about TriMet's budget shortfall, visit trimet.org/choices.

OUR REFINED PROPOSAL

Proposed changes to fares and service would take effect September 2012

We designed this proposal to minimize cuts to service and the overall impact to riders. You can provide your feedback using the form on the back or weigh in at trimet.org/choices. We're also holding five public hearings in March, where you can submit your comments about the proposed changes.

Revenue-Generating Measures			Cost-Saving Measures		
A	Increase fares, change to a “flat fare” system and eliminate zones	\$6.0 million/yr	D	Cut programs and staff as part of ongoing internal efficiencies	\$1.2 million/yr
B	Eliminate the Free Rail Zone (end free rides on MAX in Downtown and the Lloyd District)	\$2.7 million/yr	E	Reconfigure 15 bus routes and cut segments with overlapping service; cut low-ridership trips on 10 bus lines	\$1.1 million/yr
C	Sell ads on TriMet websites and TransitTracker by Phone	\$0.3 million/yr	F	Adjust LIFT paratransit service boundary to match nearby bus/MAX service	\$0.4 million/yr
			G	Reduce annual contribution to Portland Streetcar	\$0.3 million/yr
Total: \$9 million			Total: \$3 million		

Total of proposed revenue-generating and cost-saving measures:
\$12 million*

* Note: If TriMet loses the labor contract arbitration with ATU Local 757 (expected to be announced in July 2012), we will need to find an additional \$5 million in savings—which would likely include implementing the one-way/round-trip fare and the additional service cuts outlined in our initial proposal.

REVENUE-GENERATING MEASURES

A

Increase fares, change to a “flat fare” system and eliminate zones

\$6.0
million/yr

WHY WE ARE PROPOSING THIS:

Many riders told us they would prefer a fare increase if it meant fewer cuts to service. In addition, many said they want a simpler system without zones. We are proposing a fare increase, but implemented as part of a shift to a simpler “flat fare” system, where all rides cost the same no matter where you are traveling. Many transit agencies have adopted a flat fare because it is simpler to understand, easier to use and more consistent for both riders and operators, and because it reflects how riders use the system. Changing to a flat fare would also help prepare us for electronic fare collection in the future.

WHAT THIS MEANS FOR RIDERS:

Fares would increase for most riders (except Honored Citizens) and you would pay the same fare regardless of your destination. There would no longer be fare zones, so the system would be much simpler and easier to use. In this proposal, an Adult single fare costs \$2.50, Youth \$1.65 and Honored Citizen \$1. *These changes would take effect September 1, 2012.*

	2-Hour Ticket	1-Day Pass	1-Month Pass
Adult	\$2.50	\$5	\$100
Youth	\$1.65	\$3.30	\$30
Honored Citizen	\$1	\$2	\$26

This table shows how tickets and passes would be priced, under the proposed fare increase and a “flat fare” system. Note that the price of an Adult all-day pass would not change. The price of an Honored Citizen ticket would not change, and the price of Honored Citizen and Youth all-day passes would actually decrease.

B

Eliminate the Free Rail Zone (end free rides on MAX in Downtown and the Lloyd District)

\$2.7
million/yr

WHY WE ARE PROPOSING THIS:

Our region has changed dramatically since “Fareless Square” (free service on buses) was first introduced in Downtown Portland back in 1975. We no longer have the air quality issues that prompted the creation of the free-fare zone, and our transit system has expanded significantly. Service has improved in the suburbs, where communities of color and low-income populations have become more concentrated. While free transit has become a hallmark of Portland’s tourist-friendly city center, TriMet aims to provide equitable service throughout the region and the Free Rail Zone is a benefit exclusive to Downtown Portland and the Lloyd District.

WHAT THIS MEANS FOR RIDERS:

You would have to pay your regular fare to ride MAX Light Rail in Downtown Portland, the Rose Quarter and the Lloyd District. *This change would take effect September 1, 2012.*

C

**Sell ads on TriMet websites
and TransitTracker by Phone****\$0.3**
million/yr**WHY WE ARE PROPOSING THIS:**

There is potential to generate revenue by placing advertising messages on certain high-traffic *trimet.org* and *m.trimet.org* pages, such as schedules, Trip Planner itineraries and TransitTracker arrival results pages, and on 503-238-RIDE. We understand there is a delicate balance between making the online experience easy and inviting for riders, and using it as an effective advertising platform.

WHAT THIS MEANS FOR RIDERS:

In addition to seeing ads on TriMet websites, riders would hear brief advertising messages prior to arrival times on TransitTracker by Phone at 503-238-RIDE. *These changes would begin in fall 2012.*

COST-SAVING MEASURES

D

**Cut programs and staff as part of
ongoing internal efficiencies****\$1.2**
million/yr

In addition to reducing costs by \$80 million between 2001 and 2011 through various internal efficiencies, we have cut 200 positions, used stimulus money, and delayed certain capital investments, in order to weather budget shortfalls caused by the last two recessions. Our non-union employees (which include management) are in their fourth year of a salary freeze and are now paying more out-of-pocket for health care. Non-union retirement benefits have also been trimmed.

This cost-saving measure will require management and employees to identify greater savings through internal efficiencies. It will likely include further reductions to staff and programs that support transit service. Our initial proposal called for \$500,000 in administrative cuts, but we are now increasing that commitment to \$1.2 million in order to minimize cuts to transit service and the direct impact to riders.

E**Reconfigure 15 bus routes and cut segments with overlapping service; cut low-ridership trips on 10 bus lines****\$1.1**
million/yr

WHY WE ARE PROPOSING THIS:

We can save money by reconfiguring certain bus routes to eliminate overlapping service, and by cutting some low-ridership bus trips. The route changes would occur in areas where routes run relatively close together, such as Northwest Portland, North/Northeast Portland and Beaverton. We would reconfigure the routes so that they do not compete with each other for the same riders, and so that spacing between routes (and thus the maximum walking distance) is more consistent. The other cuts would involve running buses less often (eliminating low-ridership trips) on certain lines.

Service is our core business, and, of course, it's the last place we look to cut. With a goal of minimizing the impact to riders, this proposal takes into account ridership, the availability of alternative service, the use of service for work and school trips, and the operating efficiency of the proposed changes. We also look at transit equity issues to make sure that the changes would not disproportionately affect low-income populations and communities of color.

WHAT THIS MEANS FOR RIDERS:

We are proposing changing the routes on 15 bus lines and eliminating low-ridership trips on 10 bus lines. While reconfiguring routes would save TriMet money and simplify the system somewhat, these are still in fact cuts that affect some riders. Cutting trips would result in reduced hours of operation and service frequency, and some riders may need to make additional transfers. *These changes would take effect September 2, 2012.*

F**Adjust LIFT paratransit service boundary to match nearby bus/MAX service****\$0.4**
million/yr

WHY WE ARE PROPOSING THIS:

We can save money by reducing the LIFT paratransit service boundary, in accordance with Americans with Disabilities Act (ADA) regulations. This change would align LIFT hours of operation and service area with that of bus and MAX service. TriMet's current LIFT service exceeds ADA requirements.

WHAT THIS MEANS FOR RIDERS:

There would be six LIFT paratransit service boundaries: weekdays, weekday evenings, Saturdays, Saturday evenings, Sundays, and Sunday evenings. As allowed under the ADA, LIFT trips would only be provided if there is nearby fixed-route bus or rail service in operation during that time. *This change would take effect September 2, 2012.*

G**Reduce annual contribution to Portland Streetcar****\$0.3**
million/yr

We are proposing to reduce our annual financial contribution toward the operation of the Portland Streetcar by 7%.

PUBLIC HEARINGS

In March, we will be taking official public comments about the proposed changes at hearings around the metro area.

Monday, March 19

Clackamas Town Center
Community Room
Lower Level
12000 SE 82nd Ave.
4:30–6:30 p.m.

Tuesday, March 20

Beaverton Library
Auditorium
12375 SW 5th St.
4:30–6:30 p.m.

Wednesday, March 21

Portland Building
Auditorium
1120 SW 5th Ave.
4:30–6:30 p.m.

Thursday, March 22

Multnomah County East
County Health Center,
Sharron Kelly A & B
600 NE 8th St., Gresham
4:30–6:30 p.m.

Tuesday, March 27

Multnomah County Library
North Portland Branch
2nd Floor Meeting Room
512 N. Killingsworth St.
5:30–7:30 p.m.



Get updates by email

Sign up to receive updates about TriMet's
Fiscal Year 2013 budget process

trimet.org/budgetupdates



SHARE YOUR FEEDBACK:

Do you have feedback about this refined proposal? We want to know how the proposed changes would affect you and people you know. **To inform what goes to our Board on April 25, we are accepting feedback through 5 p.m. on Friday, April 6, 2012.**

Write in your comments below:

Mail this page to *Budget Feedback, TriMet MK2, 4012 SE 17th Ave., Portland, OR 97202*

OR

Submit your feedback online:

trimet.org/choices

Contact us:

Email	<i>comments@trimet.org</i>
Phone	503-238-RIDE (7433), option #5
Fax	503-962-6451
TTY	503-962-5811

Available in other formats.
503-238-7433 · trimet.org



Bus Service Reductions

Proposed for September 2012

After gathering extensive feedback from the public on potential service cuts to help close the \$12–17 million budget shortfall, we have refined our proposal. We scaled back the proposed cuts for two key reasons. The upcoming Fiscal Year 2013 budget begins on July 1, 2012, and the unsettled labor contract will not be resolved by the start of this budget. Since we are required to have a balanced budget adopted in June, we are proposing \$12 million in cuts now, and depending on the outcome of the arbitration of the contract, may need to cut an additional \$5 million during the FY13 budget. The refined service cut proposal detailed below would take effect September 2, 2012.

Reconfiguring bus routes

One way we can cut costs without reducing overall mobility is to reconfigure certain bus routes that overlap with other routes. We are proposing changes to 15 routes that run relatively close together in Northwest Portland, North/Northeast Portland and Beaverton: lines 6, 8, 9, 12, 16, 17, 47, 48, 67, 70, 73, 77, 82, 87 and 89.

Based on rider feedback, we revised the reconfiguration plans for lines 9 and 70. They will not be combined. Line 9 may be combined with Line 17, and Line 70 would be combined with Line 73.

We have redesigned these routes so that they do not compete with each other for the same riders, and to make the distance between routes (and thus the maximum walking distance) more consistent. These changes would not only be cost-effective for us, they would result in a simpler system that is easier for riders to understand. Fixing these built-in inefficiencies will also better position us to restore bus service frequency as the economy improves. Still, the proposed route changes are in fact reductions in service, which means some riders will have to make an additional transfer or walk farther to catch a bus.

» See inside for details on the proposed route changes

Other proposed route changes

We initially proposed additional route changes to lines 43, 45 and 94. We are now proposing to change only one line: 43.

» For details visit trimet.org/busreductions or call 503-238-RIDE (7433)

Cutting low-ridership bus trips

We initially proposed cutting low-ridership trips on 26 bus lines and eliminating some weekend service on three lines. We are now proposing cutting low-ridership trips on only 10 bus lines and we will not be eliminating weekend service on any lines. The proposed lines: 15, 18, 36, 37, 43, 50, 55, 59, 89 and 92.

Service is our core business, and it's the last place we look to cut. With a goal of minimizing impact to riders, this proposal takes into account ridership, the availability of alternative service, the use of service for work and school trips, and the operating efficiency of the proposed changes. We also look at transit equity issues to make sure that the proposed changes would not disproportionately affect low-income populations and communities of color.

» For details visit trimet.org/busreductions or call 503-238-RIDE (7433)

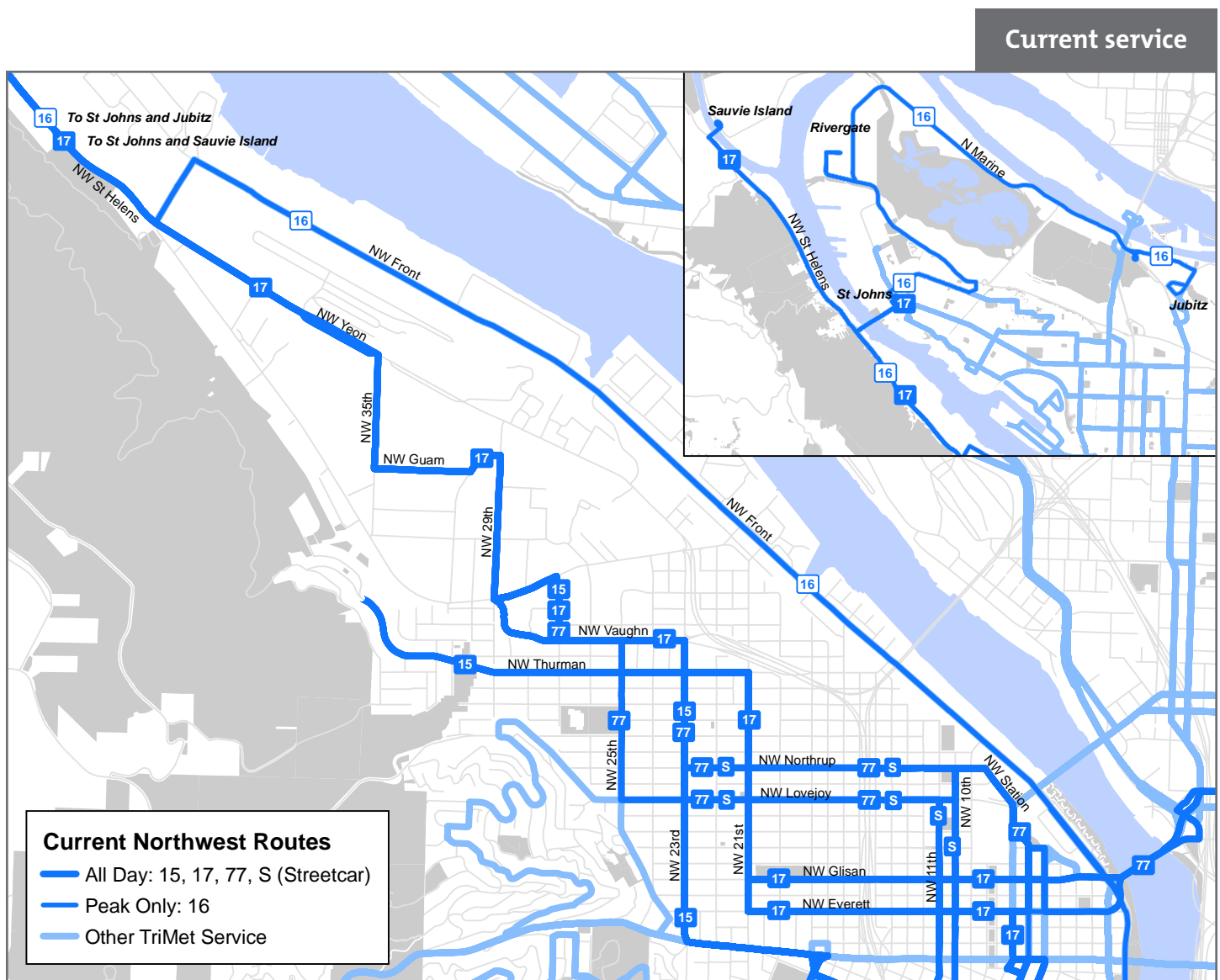
Northwest Portland

Lines 16-Front Ave/St Johns, 17-NW 21st Ave, 77-Broadway/Halsey

Portland Streetcar was added in 2001 without significant bus service changes. Bus ridership levels and patterns in Northwest have changed since then, due to both the addition of the Streetcar and land use/demographic changes.

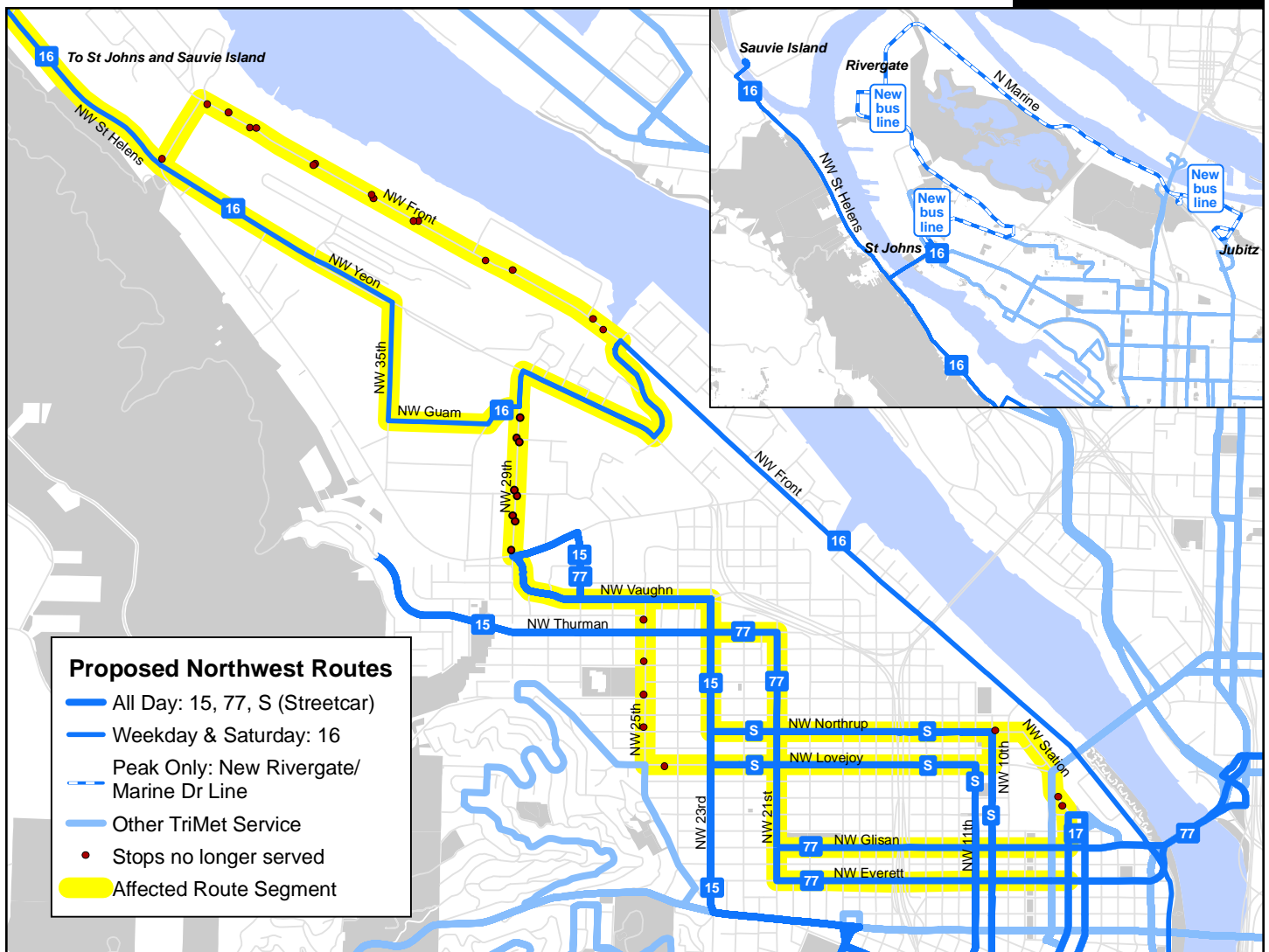
Line 17 would end at Union Station instead of Montgomery Park or Sauvie Island. Line 77 would serve the current Line 17 route on NW Glisan/Everett streets and NW 21st Avenue to Montgomery Park.

Line 77 would no longer run on NW Northrup/Lovejoy streets, but this stretch would still be served by Portland Streetcar. A few blocks along NW 25th Avenue between NW Lovejoy and Vaughn streets, along NW 29th Avenue between NW 31st Avenue and Nicolai Street, and along NW Station Way between Irving and Northrup streets would not have service.



Line 16 would serve the present Line 17 route in the NW industrial area and along St. Helens Road to Sauvie Island via Linnton and St. Johns. Line 16 would travel through the NW industrial area on NW Guam Street, 35th and Yeon avenues instead of NW Front Avenue between 26th and Kittridge Avenue. Hours of service would be approximately 5 a.m. to 10 p.m. weekdays and 6 a.m. to 10 p.m. on Saturdays. Trips to Rivergate would be served by another bus line from St. Johns.

Proposed service



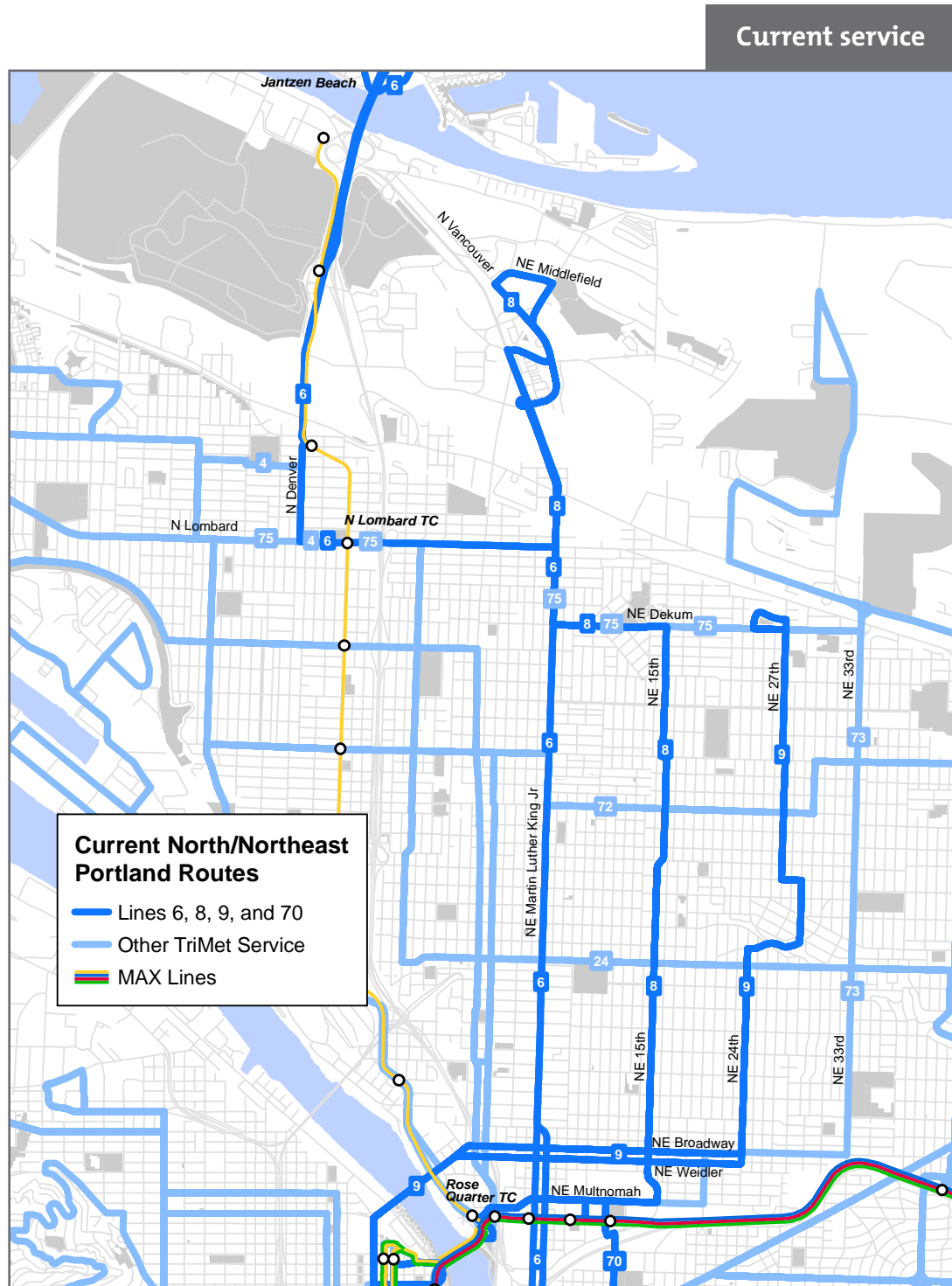
North/Northeast Portland

Lines 6-Martin Luther King Jr Blvd, 8-NE 15th Ave

In 2007 C-TRAN extended a frequent route to connect Jantzen Beach and Vancouver, Washington, with MAX Yellow Line. TriMet also connects MAX to Jantzen Beach with Line 6. This results in three relatively frequent bus lines along parts of N Lombard Street and Denver Avenue and two relatively frequent bus lines connecting MAX to Jantzen Beach.

Line 6 would run from North Portland to Jantzen Beach via Martin Luther King Jr Boulevard and Vancouver Drive instead of via N Lombard Street and Denver Avenue in Kenton, serving current Line 8 stops north of Dekum Street.

Line 8 would end around NE Dekum & 9th.

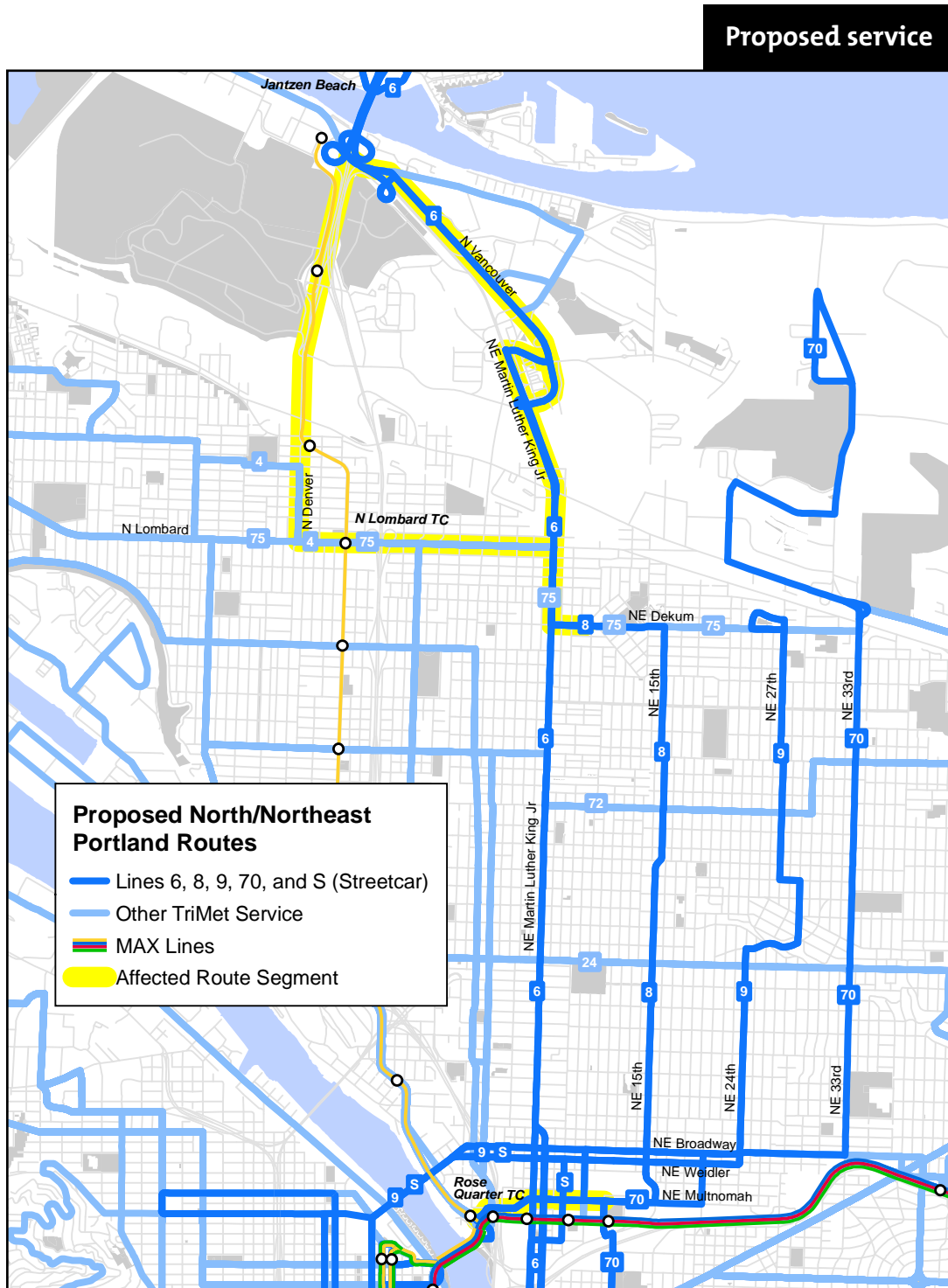


Line 9-Powell/Broadway

The north and south sections of Line 9 would be split. The section of Line 9 that travels from Gresham Transit Center into Downtown Portland along Powell Boulevard would not change its route, but the route would end downtown at Union Station. The Line 9 segment from NE Portland (27th & Saratoga) to Downtown Portland would continue into Downtown and may be combined with Line 17.

Lines 70-12th Ave, 73-NE 33rd Ave

Several TriMet lines run along parts of NE Broadway west of NE 24th Avenue. This provides an opportunity to make new eastside connections for the Line 73 and Line 70 riders. Line 70 and Line 73 would be combined at Lloyd Center. This combined line would stay on the Eastside and would extend through Northeast Portland instead of ending at Rose Quarter. Buses would run along NE Broadway, Multnomah, 9th Avenue and Holladay Street.

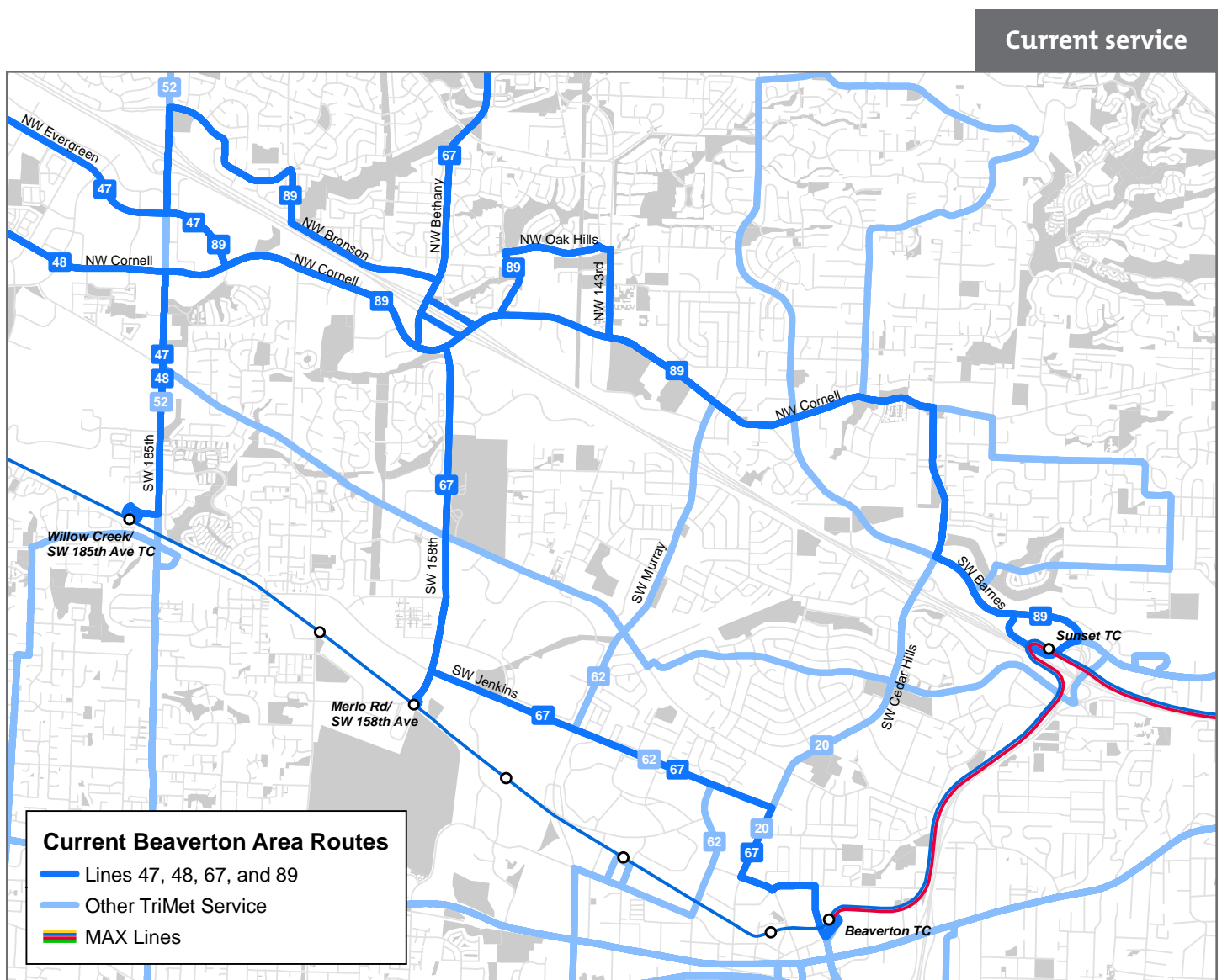


Beaverton Area

Lines 47-Baseline/Evergreen, 48-Cornell, 89-Tanasbourne

These lines would be combined to reduce overlap along NW 185th Avenue, which is served by the relatively frequent service of Line 52-Farmington/185th. Lines 47 and 48 would no longer run to Willow Creek/SW 185th Avenue Transit Center. Buses would instead run from Hillsboro to Sunset Transit Center across SW 185th. A short stretch of NW Evergreen Parkway between NW 185th and Cornell would not have service. The hours of service for Line 47 would remain the same. Line 48 would have Sunday service added.

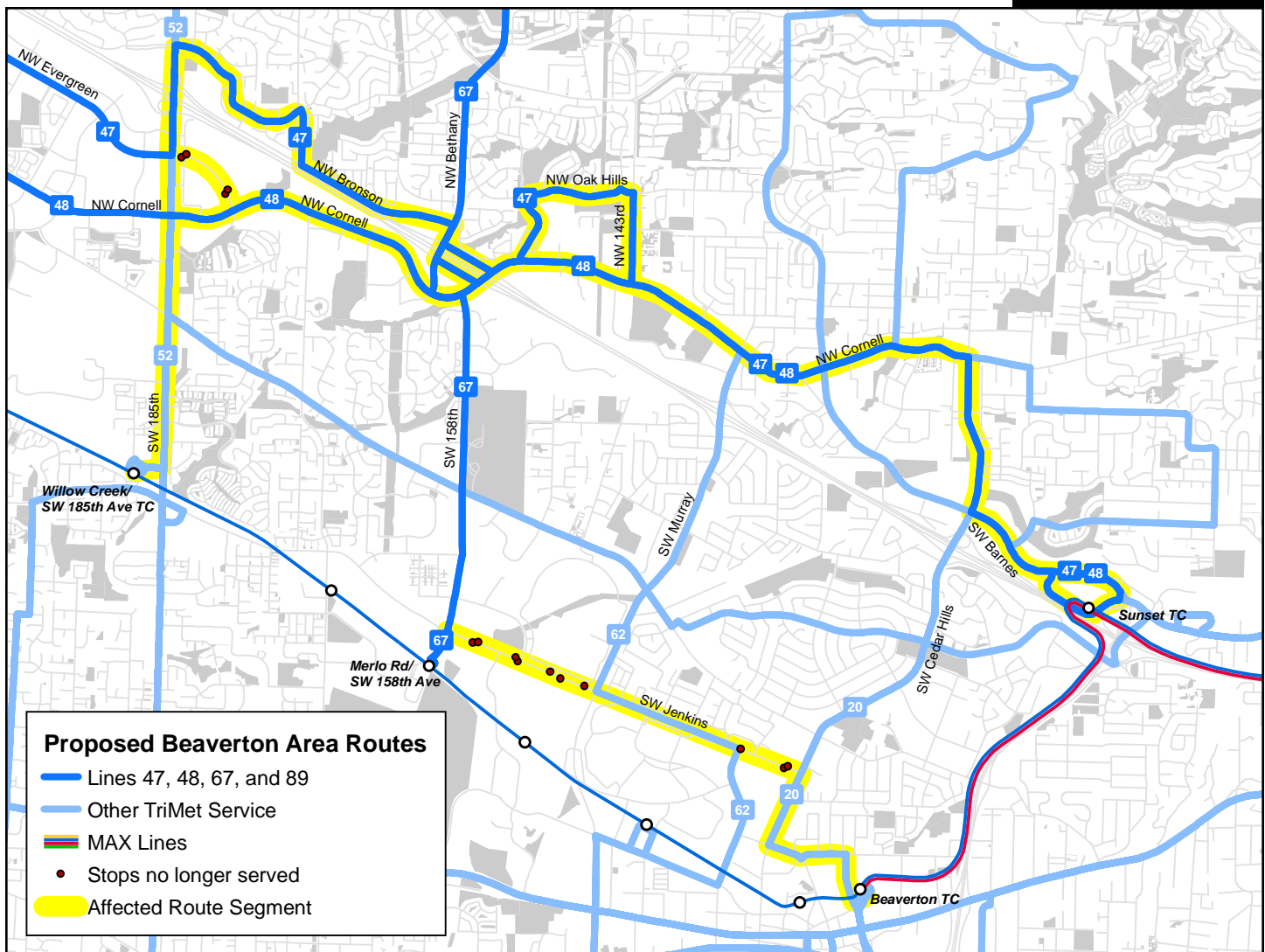
Line 89 would be replaced by lines 47 and 48, but the hours of service along the section that is now served by the line 89 would be shorter than current. Weekdays, the 9:09 p.m. and 10:03 p.m. trips to Sunset Transit Center and the 9:48 p.m. and 10:33 p.m. trips from Sunset Transit Center would be discontinued.



Line 67-Jenkins/158th

Since other lines serve parts of the same streets as this line in central Beaverton, Line 67 would end at Merlo Road/SW 158th MAX Station instead of running to Beaverton Transit Center along SW Jenkins Road, Cedar Hills Boulevard and Center Street.

Proposed service



Other Potential Changes

Line 12-Barbur/Sandy Blvd

To help buses run closer to schedule and to improve efficiency, Line 12 is being considered for a change so that it would run between Tigard Transit Center and Parkrose/Sumner Transit Center. In Southwest, a new local line from Sherwood would connect at Tigard. In East Portland, a new local line from Gresham would connect at Parkrose.

Lines 82-Eastman/182nd, 87-Airport Way/181st

In East Multnomah County, lines 82-Eastman/182nd and 87-Airport Way/181st are being considered for a change that would combine Line 82 with Line 87. Buses would run north-south along NE 181st Avenue instead of ending at Rockwood. Line 82 would run rush hours only and Line 87 would end at Gateway Transit Center instead of Parkrose/Sumner Transit Center.



Do you have feedback about this refined proposal? We want to know how the proposed changes would affect you and people you know. **To inform what goes to our Board on April 25, we are accepting feedback through 5 p.m. on Friday, April 6, 2012.**

Write in your comments below:

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Materials following this page were distributed at the meeting.

Metro | *Agenda*

Meeting: Metro Council
Date: Thursday, April 5, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

- 1. INTRODUCTIONS**
- 2. CITIZEN COMMUNICATIONS**
- 3. PACKY'S 50TH BIRTHDAY CELEBRATIONS** **Swan**
- 4. 2012 OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE REPORT**
- 5. CONSIDERATION OF THE MINUTES FOR MARCH 22, 2012**
- 6. ORDINANCES - FIRST READING**
 - 6.1 Ordinance No. 12-1276, For the Purpose of Amending Metro Code Chapter 3.09, Local Government Boundary Changes, to Conform to New Legislation and to Improve the Boundary Change Process.**
- 7. CHIEF OPERATING OFFICER COMMUNICATION**
- 8. COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for April 5, 2012 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, April 5	Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, April 8, 7:30 p.m. <i>Date:</i> Monday, April 9, 9 a.m.
Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, April 9, 2 p.m.	Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, April 7, 11 p.m. <i>Date:</i> Sunday, April 8, 11 p.m. <i>Date:</i> Tuesday, April 10, 6 a.m. <i>Date:</i> Wednesday, April 12, 4 p.m.
Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.	West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).



Growing Places

Transit's Fiscal Challenges

Neil McFarlane
General Manager

April 3, 2012

2011 Milestones

Accolades

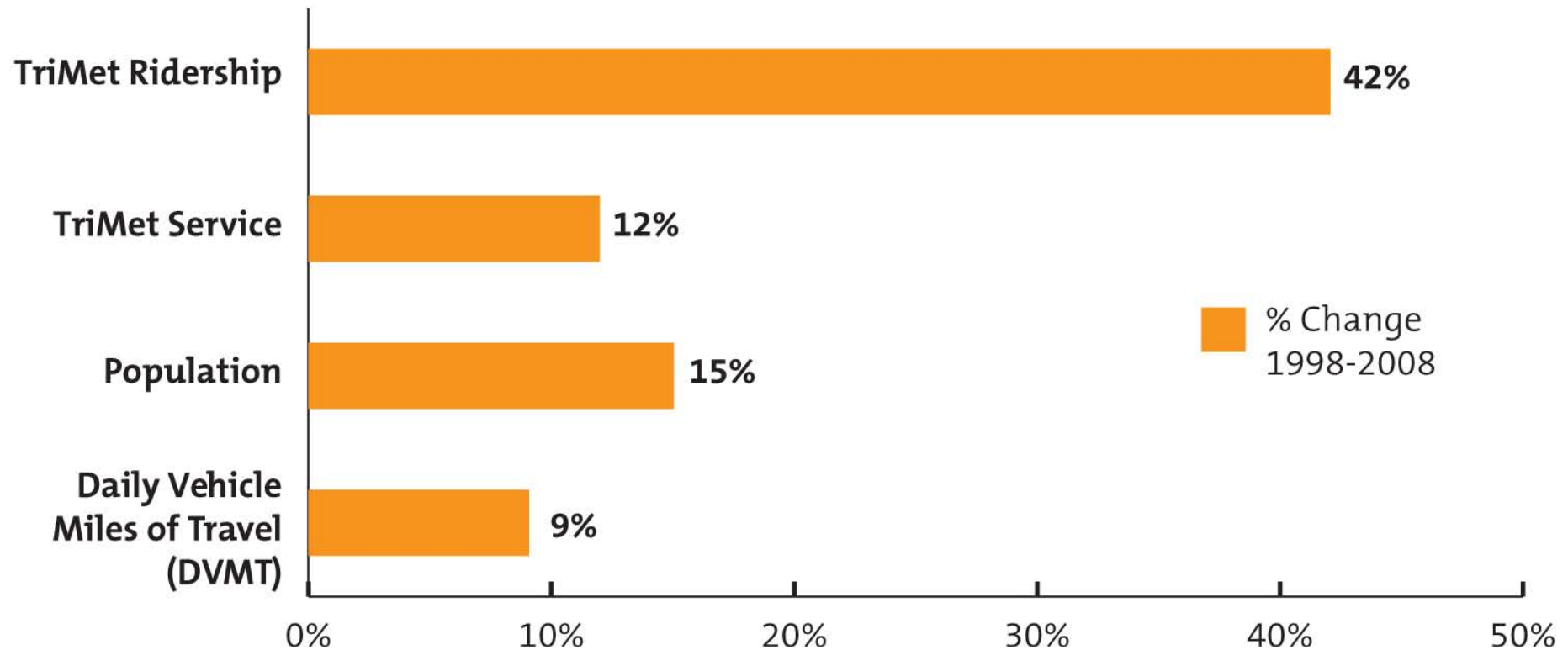
- “Portland is widely considered one of the nation’s leaders in public transit.” - U.S. News & World Report
- “Best place to ditch your car”
 - Sunset Magazine
- “Portland is more hospitable to residents without cars than many other major US cities.” - CNBC

System Highlights

- 100 millionth rider in FY2011
- Airport MAX Red Line: 10 years and 10 million rides
- The line that started it all: Eastside MAX turns 25

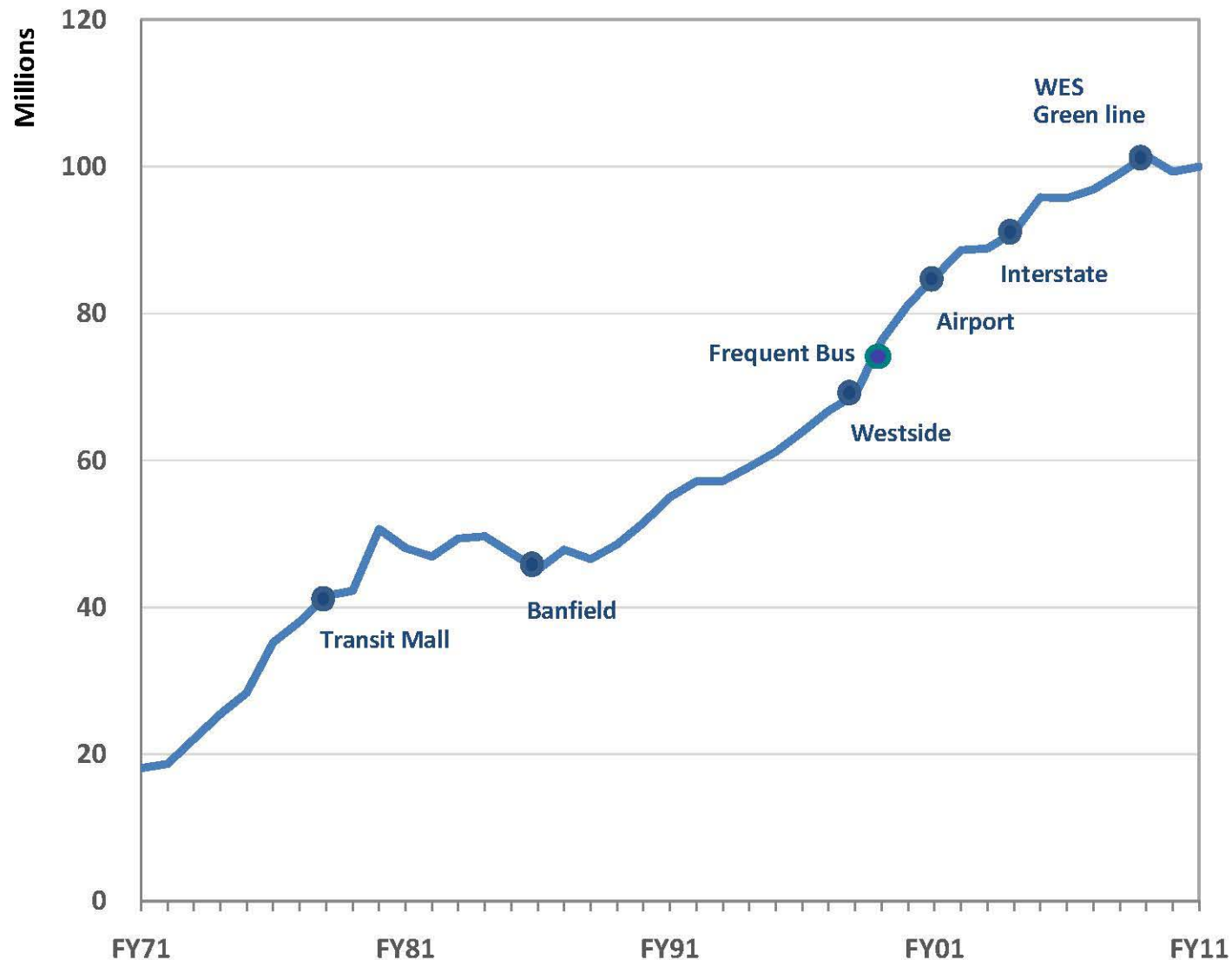


How We Stack Up



Ridership & System Development

1969 – TriMet formed
1978 – Transit Mall
1986 – Banfield LRT
1998 – Westside LRT
1999 – Frequent Bus
2001 – Airport LRT
2001/04 – Streetcar
2004 – Interstate LRT
2009 – WES
2009 – Green Line/
I-205/Mall LRT



21 Months as GM: Listened to the Community

1. Fare Education to Fare Enforcement
2. System Safety
3. Bus Investments
4. Union Contract



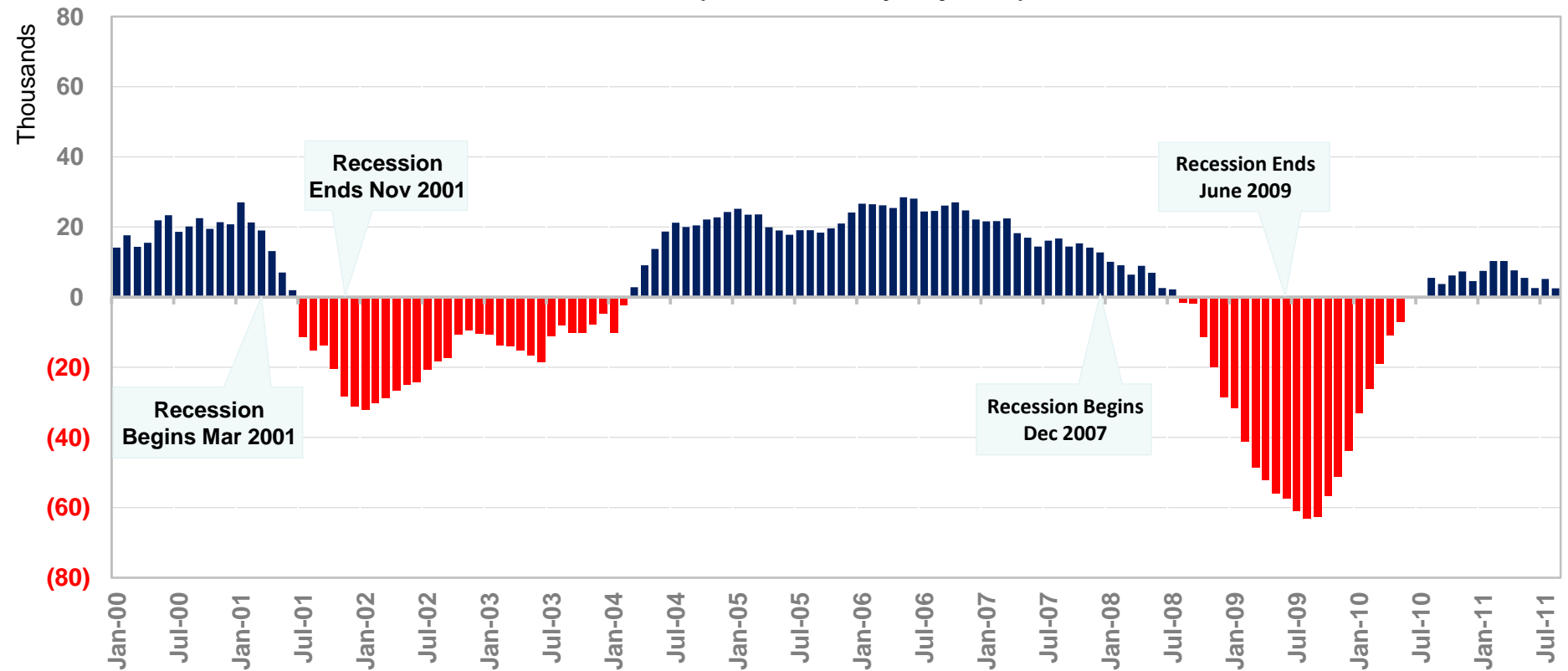
Budget Uncertainties

- ATU Contract Uncertainty (\$5-10m)
- Uncertain Federal Funding (\$4m)
- Stalled Economy (\$3m)

FY13 BUDGET SHORTFALL:
\$12-17 million

Post-recession job growth: unusually slow & trending downward

Change in Tri-County Nonfarm Employment
(Not Seasonally Adjusted)

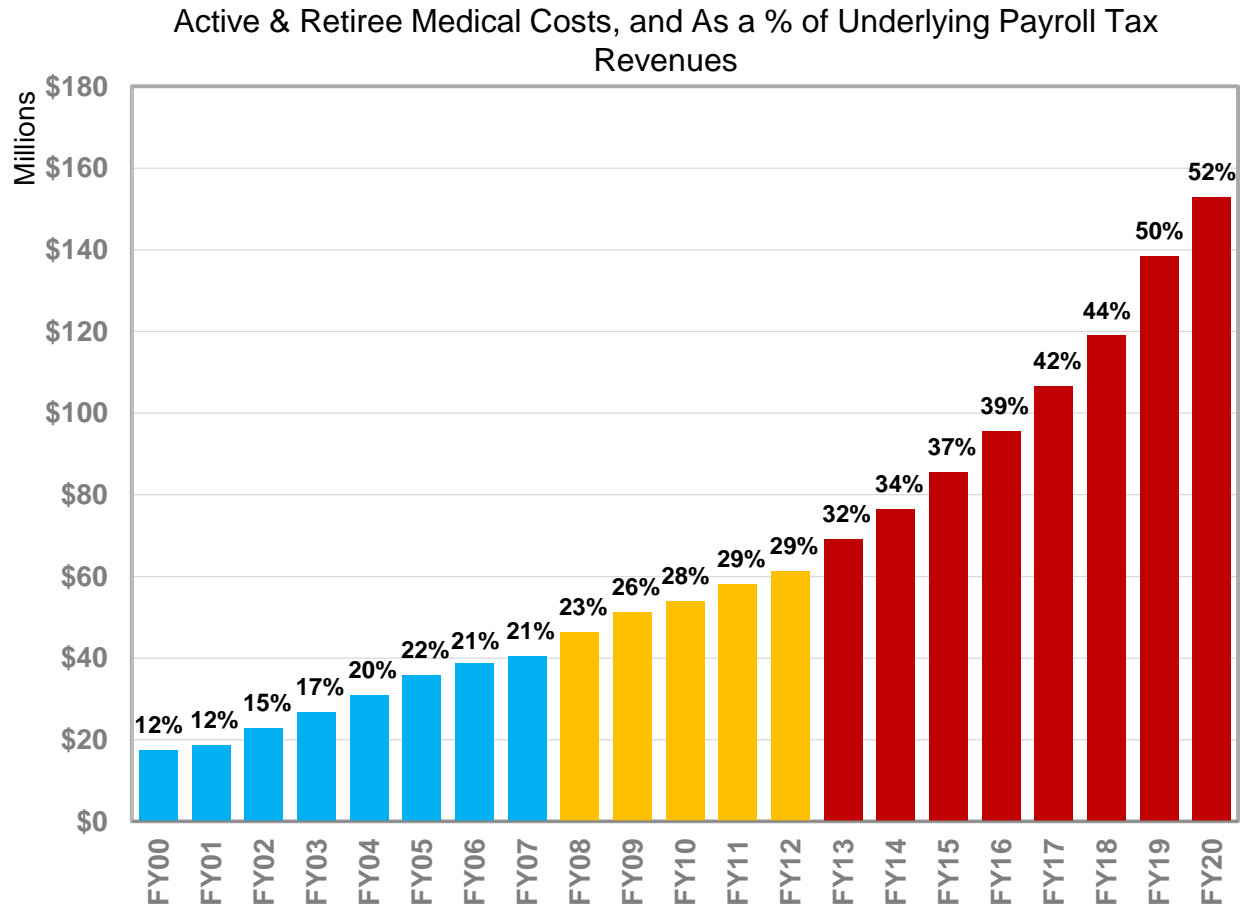


Where We Stand

- Down \$60 million
- Budget cuts in FY10 & FY11: used \$14m of stimulus funds & cut \$46m over 2 years
- Increased fares
- Workforce reduced by over 200 positions
- Frozen management wages – 4th year
- Management active employees & management retirees: pay more for healthcare
- Deferred capital investments
- Cut service: 13% bus, 10% MAX

At Issue: Healthcare Costs

- **Costs Unsustainable**
- **Costs have grown from 12% of payroll tax in FY00 to 29% in FY11**
- **If trend continues, active and retiree health benefits costs projected to be 42% of underlying payroll tax revenues in five years and over 50% in 8 years**



Union Healthcare: The Math

ATU's Final Offer

- \$5 co-pay;
- no deductibles;
- no premium contribution,
- no co-insurance.
- lifetime healthcare: age 55 w/10 years
- 3-5% annual wage increases based on Consumer Price Index

Healthcare Costs

- Union average medical care cost per employee

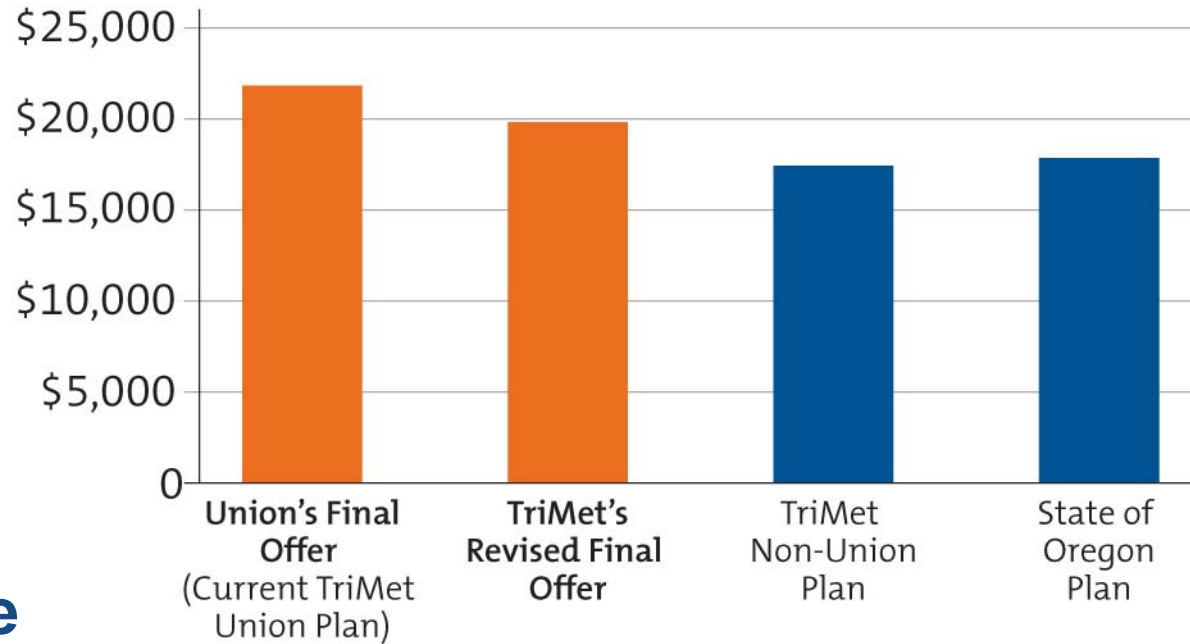
= \$21,836

(ATU PPO offer 2012 rates)

- Non-union average medical care cost per employee

= \$11,754 (2012 PPO rates)

Union PPO Medical cost to TriMet per employee under various plans



Budget Process

- ✓ Began 3 months early
- ✓ Set up General Manager's Budget Task Force
- ✓ Began outreach to stakeholders, riders and public
- ✓ Continued public outreach throughout process

Outreach Efforts

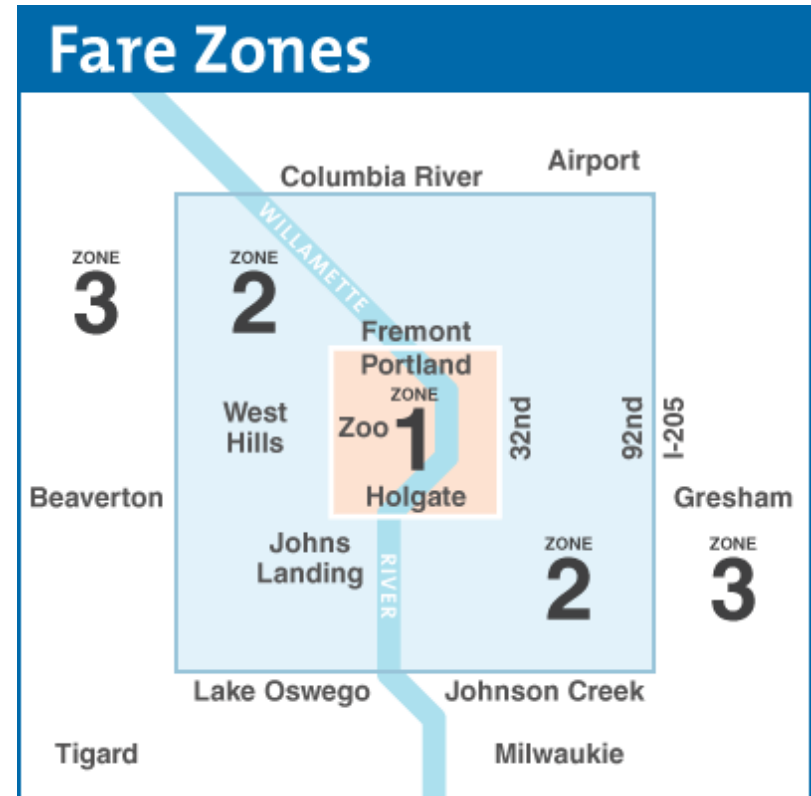
- Launched TriMet's 1st ever online survey
- Twitter town hall
- Open houses/public hearings across the region
- Stakeholder meetings
- Comments via online, phone, email

What We Heard

- Preserve service
- Tolerance for a fare increase

Fare Structure Changes

- Change to “flat fare”
- Eliminate zones
- Eliminate Free Rail



Cost-Saving Measures

- Reconfigure 15 bus routes
 - Cut segments with overlapping service
 - Cut low ridership trips
- Adjust LIFT service to match fixed-route
- Reduce annual contribution to Streetcar
- Internal efficiencies: cut programs/staff
- Sell ads on websites

FY13 Budget

Total Revenue Generators: \$9.0m
Total Cost-Cutting Measures: \$ 3.0m
TOTAL: \$12.0m

- Post ATU arbitration impact potential: \$5m

Key Structural Issues

1. Labor Healthcare costs

- Limits of interest arbitration

2. Transit Funding

- Oregon constitutional limits
- No sales tax & payroll tax limitations

REGIONAL IMPACTS

- Unable to meet Metro's 3-6% transit growth
- Air quality conformity/GHG reductions
- Support for 2040 land use concept
- Growing elderly population

How Can Metro Help?

- **Data collection/analysis**
- **Community Investment Initiative: transit success is fundamental**
- **Remember the bus: core of our system**
- **Support Sidewalks – access to transit key**

How Can Metro Help?

- **Communicate the linkages – “Why transit is key to the 2040 vision”**
- **Support in OR legislature & D.C.**
- **Keep a long-term perspective – but grounded in today’s opinion environment**



The TriMet Way

Be responsive • Act inclusively
Solve problems creatively • Do the right thing



Metro | Memo

Date: Thursday, March 15, 2012
To: Metro Council
From: Teri Dresler, Robin McArthur
Subject: TriMet service reductions and potential impacts to Metro

Councilors:

TriMet has been a critical partner in this region's efforts to grow and develop consistent with the Region 2040 Growth Concept and community economic development priorities. The agency has aggressively pursued light rail transit to connect regional centers, town centers and station areas in addition to operating an extensive bus system that connects people to their jobs, nature, shopping and community activities.

TriMet is facing a serious budget shortfall for Fiscal Year 2012-13 that will result in reductions in service in the immediate future, including the phase out of low-ridership bus routes, a decrease in frequency of certain MAX routes, and elimination of the Free Rail Zone, all of which have the potential to impact Metro's ability to achieve our desired community and regional outcomes, should this trend continue. It is incumbent on Metro and other regional partners to help TriMet address its budget issues and identify solutions to alleviate these impacts in both the short and long term.

On April 3, 2012, the Council will meet with TriMet officials and staff from Metro's visitor venues and planning and development departments to gain a better understanding of the financial constraints and corresponding service adjustments overall and specific to the proposed elimination of the Free Rail Zone. This memo serves as background and recommendations regarding the potential impacts to these program areas and discussion questions for your consideration.

Planning and Development Considerations:

Good transit service is integrally linked to the Region 2040 Growth Concept. Light rail transit and bus service has contributed to the revitalization of many centers, downtowns and main streets throughout the region. Communities are counting on increased transit service in the future to provide transportation choices, address equity issues, combat global warming, mitigate congestion, etc. We cannot achieve these desired outcomes without a concerted commitment to transit. Additionally, reductions in transit service may affect our ability to meet air quality

conformity standards thereby jeopardizing the flow of federal dollars including our regional flexible funds.

Planning and development considerations fall into the following categories:

- **Equity.** Transit service provides lower income households with less expensive travel options than owning and operating their own vehicles.

On the issue of the Free Rail Zone, one could argue that free service downtown is subsidized by transit users (of all economic brackets) throughout the region. TriMet does not provide free service in any other regional center or to other users regardless of their income.

- **Ridership.** Elimination of the Free Rail Zone is anticipated to have little impact on ridership to and from downtown due to the fact that the area is well served by transit, many downtown commuters buy bus passes, and the disincentive associated with the high cost of downtown parking.

Overall reductions in transit service most likely result in fewer transit riders thereby contributing to more congested roadways.

- From an **air quality** standpoint, preliminary analysis suggests that removal of the Free Rail Zone is not an issue. The region is well under its CO budget and this change would not likely cause enough of a VMT increase to trigger a problem.

Conversely, the overall transit service cuts under consideration may affect conformity because Metro's existing air quality maintenance plan includes a commitment to a 1% annual increase in transit service hours (weighted by capacity) on a rolling five-year basis. While TriMet has had to cut service, on a rolling five-year basis, we have not violated that commitment yet. If the planned service cuts are not restored in the near future however, the next update in two years will likely violate that commitment. In addition, an initial analysis raised concerns that could impact Metro's allocation of federal flexible funds and it is recommended that more detailed study of this issue occur.

- **Placemaking.** While elimination of the Free Rail Zone will have little, if any, impact on the vitality of downtown Portland, proposed reductions in transit service (both short-term and long-term reductions) will affect our ability to meet shared regional and community outcomes.

Consideration of TriMet's proposed service reductions raised several questions for staff that we recommend be considered for discussion on April 3, including:

- 1) How can we, and the region, support you in addressing your budget issues in a way that has less impact on actual transit service?

- 2) Do you view this as a short term or long term budget issue? If long term, what are your plans to solve this for the long haul?
- 3) We are concerned that reductions in transit service may affect our ability to meet air quality conformity standards. Can you make this a factor as you consider where and how to cut service?

Visitor Venue Considerations

Most notably, from the visitor venue perspective, is the proposal to eliminate the Free Rail Zone which allows passengers of streetcar and MAX light rail trains to ride for free within a 330-city block zone (totaling 1.35 square miles) that includes the primary retail, education and business districts downtown and the Oregon Convention Center (OCC) within the Lloyd District on the city's inner northeast side. Instituting and enforcing fares for this zone is estimated by TriMet to generate \$2.7 million in revenues each year, which is significant given the total \$17.7 million projected shortfall.

Originally established as Fareless Square in 1975, the free transit zone was designed to achieve four goals:

- Promote transit usage by providing those who did not currently use it an opportunity to try it
- Improve air quality and lower carbon monoxide air pollution by reducing the number of short automobile-generated trips in downtown
- Provide higher level of mobility and coordination for travel between governmental centers and offices in downtown
- Facilitate travel within the downtown and promote access to the central city (retail, financial, hotel and entertainment businesses)

Over the last two decades, it expanded to include MAX light rail (1986) and parts of the Pearl (1995) and Lloyd (2001) District neighborhoods. In 1986 and 1988, TriMet considered eliminating Fareless Square to address complaints of fare evasion but decided the program's goals and successes outweighed misperceptions of insufficient enforcement. In 2010, in order to boost revenues, it was renamed the Free Rail Zone and free bus service was removed from the program.

In 2001, the decision to extend Fareless Square to the Lloyd District was an outgrowth of a Memorandum of Understanding (MOU) between Multnomah County, the City of Portland and Metro which served as the foundation of the Visitors Development Initiative (VDI) agreement guiding the work of the Visitor Development Fund Board in its duties administering the Visitor Facilities Trust Account (VFTA).

The VFTA is comprised of 2.5% of local transient lodging and vehicle rental taxes that are collected by the county and used to fund a variety of strategies to bolster the region's tourism

economy and convention business. In addition to hotel room rebates and facility discounts, operating support and bond payments for the OCC and Portland Center for the Performing Arts (PCPA), contributions to the Regional Arts and Culture Commission, and the operating costs of Fareless Square in the Lloyd District are examples of ongoing VFTA funding priorities. Through this agreement, Lloyd District Fareless Square is funded each year in the following manner:

- VDI payments - \$300,000 + CPI (currently estimated to be approximately \$412,000)
- City of Portland¹ payments - \$300,000 + CPI (currently estimated to be approximately \$412,000)
- TriMet service contribution totaling \$300,000 + CPI (currently estimated to equal approximately \$412,000)

This funding formula has remained unchanged despite the elimination of free bus service and creation of the Free Rail Zone in 2010.

¹ The Lloyd District Transportation Management Association (TMA) contributes roughly \$50,000 each year to the city's portion. For FY 2012-13, the TMA proposes to contribute \$100,000 to help offset proposed budget cuts at the City of Portland.

Ensuring reasonable and safe access to the region's transit services is important to all of the visitor venues, including bus and Blue/Red line MAX light rail service at the Oregon Zoo, Yellow line MAX service to the Portland Expo Center, and the myriad of buses and MAX light rail lines serving the PCPA. Most importantly however, has been the provision of free Red/Green/Blue MAX light rail service between the OCC and downtown hotels, restaurants, retailers and other businesses.

Integral to the OCC's business model is easy, convenient and affordable transportation between its inner northeast location and the central city core, as most regional, national and international clients lodge, dine, shop and recreate in downtown Portland during their stay as they attend conventions, meetings and special events at the convention center. The lack of quality guaranteed hotel room blocks near the convention center serving these clients makes free transit to downtown hotels imperative in the city's ability to attract and retain national convention business, the most lucrative business type, for the OCC. As host to roughly 40-50 national conventions each year, which generate hundreds of millions of dollars in regional spending and support thousands of local jobs and businesses, maintaining the city's competitive edge is essential to achieving these economic development outcomes.

Portland's tourism and hospitality industries, in addition to many small businesses throughout the region, rely on the Free Rail Zone as a key convention client amenity to secure a strong book of business in the facility. Whereas other cities and convention centers are located near headquarter and other hotels, fine dining and high-end shopping districts, the convention center location is under-developed and lacking these types of consumer activities our clients expect and demand.

Discussions between Travel Portland and TriMet have occurred recently to discuss the possibility of a compromise solution to allow convention attendees free transit on TriMet's MAX light rail, and the soon-to-be-opened eastside street car. Staff is encouraged by TriMet's willingness to address the concerns and risks outlined above. It is our understanding that the details of this proposed compromise will be discussed further with the Council on April 3.

TriMet is a valued regional partner in helping make the region a great place to live, work and play. Its financial burden is one that impacts public agencies, private businesses and each member of our community. Given its direct contributions to Metro's ability to achieve our desired regional outcomes – from building healthy neighborhoods to creating economic opportunities for all – it is incumbent on us to seek collaborative solutions that yield reasonable service results. We look forward to learning more about the budget constraints and proposed solutions from TriMet officials on April 3 and are available to answer any questions you may have in advance of that meeting.



Metro | Memo

Date: Wednesday, Mar. 21, 2012
To: Neil McFarlane, Olivia Clark
From: Metro Staff
Subject: Questions for TriMet budget presentation

To assist you in your budget presentation to the Metro Council on April 3, Councilors and staff prepared questions regarding potential impacts from the proposed service reductions and fare increases. We recommend the questions below be considered for discussion.

Planning considerations

Good transit service is integrally linked to the Region 2040 Growth Concept. Communities are counting on increased transit service in the future to provide transportation choices, address equity issues, combat global warming, mitigate congestion, etc. We cannot achieve these desired outcomes without a concerted commitment to transit. Additionally, reductions in transit service may affect our ability to meet air quality conformity standards thereby jeopardizing the flow of federal dollars including our regional flexible funds.

Questions

- 1) How can we, and the region, support you in addressing your budget issues in a way that has less impact on actual transit service?
- 2) Are there service changes you are considering that position you for increasing service when financial conditions improve?
- 3) Do you view this as a short term or long term budget issue? If long term, what are your plans to solve this for the long haul? How can we help?
- 4) We are concerned that reductions in transit service may affect our ability to meet air quality conformity standards. Can you make this a factor as you consider where and how to cut service?
- 5) We are concerned that our land use model, economic development priorities and state-mandated greenhouse gas reduction goals are premised on high quality bus and High Capacity Transit service. How do you plan to address this concern in your long term

budget preparation?

- 6) The region was supportive of increasing TriMet's authority to collect the payroll tax to expand service. Will TriMet be considering implementing that increase to allow for expanded service?

Visitor Venue Considerations

Most notably, from the visitor venue perspective is the proposal to eliminate the Free Rail Zone. Discussions between Travel Portland and TriMet have occurred recently to discuss the possibility of a compromise solution to allow convention attendees free transit on TriMet's MAX light rail, and the soon-to-be-opened eastside street car.

Questions

- 1) We are encouraged by TriMet's willingness to discuss the possibility of a compromise solution for convention attendees in response to the proposal to eliminate the Free Rail Zone. Are you able to provide details of this proposed compromise with us?
- 2) Metro is committed to maintaining the current agreement for contributions towards the Free Rail Zone acknowledging the continuous reduction in services. Is TriMet willing to commit those funds to transit passes for convention center attendees to replace the additional service reduction?
- 3) Over the next month as you hear from communities regarding areas for service cuts can you take in consideration the locations of our regionally significant venues, such as the Oregon Zoo, PCPA, OCC and Expo Center that will be directly impacted from both service cuts and fare increase?

Employee relations

TriMet has stated that it can no longer afford the rising cost of health care benefits for employees.

Question

- 1) Is there anything that Metro can do to assist you in your efforts to address TriMet's compensation and benefit costs?