

**SOUND TRANSIT
TRANSIT OPERATIONS TASK FORCE
Meeting Summary
December 11, 2008**

Call to Order

The meeting was called to order at 11:12 a.m. by Chair Dow Constantine in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Dow Constantine, King County Council Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Deanna Dawson, Edmonds Councilmember

(P) Dave Enslow, Sumner Mayor

(A) John Marchione, Redmond Mayor

(P) Julia Patterson, King County Council Chair

Report of the Chair

Chair Constantine announced that Boardmember Butler introduced an amendment to the 2009 Proposed Budget that directs the chief executive officer, or a designee, to work with the Transit Operations Task Force to look for operations cost savings and present a proposal to the Board before June 30, 2009.

He announced that today's discussion will address the policy on service delivery and areas for cost savings.

Minutes of the September 25, October 23, and November 13, 2008 Meetings

It was moved by Boardmember Butler, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that the September 25, October 23 and November 13, 2008 minutes be approved as presented.

Discuss Considerations for Operating Sound Transit Service Modes

Bonnie Todd, Transportation Services Director reviewed the history of the current business model; Sound Move, and the Long Range Vision assumed using service partners for Sound Transit service operations. The Long Range Plan that was adopted in 2005 allows the Board to consider different operating methods.

Ms. Todd summarized the amount programmed for each service line under the ST2 plan; \$1.1 billion is programmed for Sounder facilities and service, \$344 million is programmed for ST Express facilities and service and \$11.8 billion is programmed for Link light rail facilities and service. Funding for maintenance bases is programmed at \$123-143 million for Sounder, \$142-163 million for ST Express, and \$214-247 million for Link light rail.

Ms. Todd presented information on ST Express; regional capacity is insufficient and Sound Transit pays fully allocated costs to partners to provide service. She noted that without a maintenance base, Sound Transit does not have many options to reduce costs. She noted that Link light rail is not facing issues with maintenance capacity.

Ms. Todd reviewed the regional base capacity information and the costs per platform hour. Ms. Todd then presented a comparison of business models including current, in-house operations, competitive and a modified agreement. Mr. Huffaker spoke about the capital investments and maintenance costs anticipated under each model. He noted that there are some savings over the current model in all of the alternatives as

a result of lower operating costs. All the models include investments from ST2 for maintenance base capacity increases so that a clear comparison can be made.

Ms. Todd compared each of the business models against various measures including whether assets would be owned by Sound Transit, capital costs, operations and maintenance costs, timeliness, Sound Transit control and quality. Mr. Huffaker explained that capital cost is a risk in all the models. The current model ranks high in timeliness and quality. The in-house operations model ranks high in control, quality and the amount of assets owned by Sound Transit. The competitive procurement model ranks high in operations and maintenance costs, Sound Transit control, and the amount of assets owned by Sound Transit. The modified agreements model ranks high in timeliness and quality. Chair Constantine asked why quality is ranked low in the competitive model; Ms. Huffaker responded that because a third party would be used to operate the service, quality may not be at the same level. Mr. Huffaker noted that service quality is an area of concern, but could be mitigated with the proper contract provisions.

Mr. Huffaker talked about Sounder operations; he noted that the costs are high although they are trending down. Sounder currently has severe maintenance capacity restraints. The agreement with Amtrak for maintenance services expires at the end of 2009 and then rolls forward on a year-to-year basis. He noted that no contracting-out alternative exists for Sounder maintenance unless Sound Transit owned maintenance and storage facilities.

Mr. Huffaker presented a chart on peer comparisons; Sounder costs are higher than peer agencies. Several components contribute to increased costs, including maintenance, operations, and facility and administrative costs. Mr. Huffaker noted that the vehicle maintenance contract with a separate maintenance base is one area that has been identified for cost reductions.

Chair Constantine asked how much of the costs represent vehicle maintenance; Mr. Huffaker responded that one third of the cost is attributable to maintenance. Mr. Huffaker explained that one peer agency, VRE has a similar business model, both contract with Amtrak for vehicle maintenance. In response to Boardmember questions, Mr. Huffaker responded that another third of Sounder costs go towards track access; the remaining third of costs are fuel, maintenance of the stations, marketing and Sound Transit oversight. Boardmember Enslow and Patterson asked for further information on the cost components. Mr. Huffaker noted that a more detailed cost breakdown will be provided at the next Task Force meeting.

Ms. Earl explained that Sounder track access costs have been reduced based on the capital improvements Sound Transit has made to the train lines. Mr. Huffaker noted that as a result of the reductions, Sounder costs in 2009 and 2010 will be \$600-\$700 per revenue vehicle hour; more in line with peer agencies.

Mr. Huffaker then presented the maintenance costs per vehicle mile; costs have gone down since 2006, but following 2009-2010, no further efficiencies will be available. He noted that by contracting out maintenance, projections indicate Sound Transit getting closer to the peer average.

Mr. Huffaker showed a chart of projected growth with ST2. Investment from ST2 will allow added service but will also raise issues with maintenance base capacity.

Mr. Huffaker also reviewed the study done by Raul Bravo and Associates on a number of maintenance base options. Options A and B were removed from consideration because they do not accommodate near term service. Option C is sharing a maintenance facility with WSDOT and Amtrak, option D is a stand-alone maintenance base adjacent to Holgate, and option E is a maintenance base in Lakewood.

He showed a chart comparing the maintenance costs and capital costs of each option and a chart comparing each option against variables including capital cost, maintenance cost, amount of Sound Transit control, risk, and capacity. Maintenance costs were ranked as good for each of the options; the Lakewood facility performed the best.

Boardmember Butler asked about disadvantages of the Lakewood facility. The downsides include some operational concerns about locating a maintenance facility at one end of the line. A mid-day storage facility would be needed in Seattle where some light maintenance would also take place. Mr. Huffaker noted that

the mid-day storage and risks of the facility were taken into account in the study and the Lakewood facility is still a strong option. Boardmember Dawson asked if there would be impacts to the Sounder north service as a result of the station location; Mr. Huffaker responded that not much operational impact was expected, but more work would be done on the issue.

Ms. Todd talked about next steps and consideration of a work plan. One goal is to maximize efficiency in maintenance bases, Sound Transit may look at hiring a consultant to look at maintenance base issues for ST Express bus service. The 2009 work plan includes short term opportunities to meet the date the Task Force will be reporting to the Board. ST2 investments, 2009 partner agreements, and the possibility of modified partner agreements will all be looked at in 2009.

Ms. Earl noted that work is taking place on ST2 service additions and the ST2 work plan will be presented to the Board in early 2009.

Ms. Todd noted that cost containment is being looked at through a three phase approach; near term efficiencies are being examined so that the Task Force can make a recommendation to the Board by June 30, 2009, long term review is underway on maintenance bases, and interim solutions are being looked at to solve capacity issues until the maintenance bases are completed.

Boardmember Butler also asked about the early implementation of 100,000 service hours of ST Express service. Ms. Earl responded that the service could begin as early as July.


Chair Constantine thanked Boardmember Deanna Dawson for her service and announced that she will be leaving the Task Force and Board to pursue new opportunities. Boardmember Dawson noted that she would be taking a position as Director of Federal Affairs in Washington, D.C.

Next Meeting:

Thursday, January 29, 2009, 11:00 a.m. to 12:45 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

Adjourn

There was no other business; the meeting was adjourned at 12:34 p.m.



Dow Constantine
Transit Operations Task Force Chair

ATTEST:



Katie Weiss
Board Coordinator