

SOUND TRANSIT OPERATIONS AND ADMINISTRATION COMMITTEE MEETING
Summary Minutes
October 21, 2010

Call to Order

The meeting was called to order at 1:07 p.m. by Chair Dave Enslow, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Dave Enslow, Sumner Mayor

Vice Chair

(A) John Marchione, Redmond Mayor

Boardmembers

(P) Fred Butler, Issaquah Deputy Council President

(P) Claudia Thomas, Lakewood Councilmember

(A) Dow Constantine, King County Executive

(A) Pete von Reichbauer, King County Councilmember

(A) Paul Roberts, Everett Council President

Katie Flores, Board Coordinator, announced that a quorum of the committee was not present at roll call.

Report of the Chair

Chair Enslow noted that a quorum of the committee was not present, but asked that the committee proceed with the presentations listed on today's agenda.

Chair Enslow announced that Reports to the Committee would be taken before the budget presentation.

Reports to the Committee

Celia Kupersmith, Deputy CEO, noted that new artwork is being displayed in Central Link light rail vehicles that was created by children in grades 3-5 who attended a summer youth program sponsored by the Refugee Woman's Alliance and the Seattle Parks Department.

Bonnie Todd, Executive Director of Operations reviewed the ridership summary and system performance report for August. Ms. Todd also noted that a copy of the Regional Transit News, a ST2 Project and Service Realignment Fact Sheet, maps of Proposed 2011 Service Implementation Plan proposals, and Regional Transit Map Book are in committee member's packets.

Ridership numbers in August are relatively flat system-wide; the system experienced ridership growth on Central Link but ridership declined on Sounder. Tacoma Link ridership was up 34% over August last year because the system was closed for eight days in August 2009. The system performance report showed that most areas are within the established thresholds. Central Link on-time performance continues to be monitored because of the continued impacts of tunnel operations and some construction on Central Link that required some single-tracking. Complaints on Sounder were more than double in August because of two stopped Sounder trains, one on August 17th due to a bad switch, and one on August 24th due to train signal testing.

Chair Enslow asked about Paratransit as part of Sound Transit's services; Ms. Todd explained that Paratransit service was started when Central Link began operating. Sound Transit contracts with King County Metro to provide the service and is charged to North King and South King County subareas. Ms. Kupersmith noted that she could provide more information on Paratransit services at a future meeting.

Overview of the Proposed 2011 Operations and Administration Budget

Proposed 2011 Service Implementation Plan

Mike Bergman, Service Planning Manager, reviewed the Proposed 2011 Service Implementation Plan (SIP). Mr. Bergman noted that no changes are proposed for Sound Transit rail service, although the proposed additional Tacoma Link station is included in the SIP. No changes are proposed for Central Link for three years to allow the service to mature. Boardmember Butler asked about staffing increases for Central Link; Ms. Todd noted that 10 additional positions are anticipated through King County Metro the Central Link operator. ST Express routes 542, 550, 555/556, 577, 578 and 590-595 also have no proposed changes.

Service standards are used to evaluate routes on an annual basis; passengers per trip, passengers per revenue hour and cost per boarding are used to evaluate the productivity of each route. Mr. Bergman reviewed the proposed reductions and changes included in the SIP.

Route 512 is proposed to replace Route 510 and Route 511 on Sundays and Holidays. On Sundays, Route 510 performs marginally, so a hybrid route 512 will replace 510 and 511 on Sundays that will end at Everett Station. This change will allow service to occur every 30 minutes instead of a change to 60 minute headways.

Route 513 is a commuter service that operates between Everett and Seattle via Evergreen Way and Eastmont Park and Ride. Because the Eastmont Park and Ride has capacity, this route serves passengers from the overcrowded South Everett Park and Ride. The increase in service on Route 513 is proposed for deferral because demand has tapered off. The route segment along Evergreen Way between Downtown Everett and 79th PI SE is proposed for deletion and the route will begin serving Montlake Terrace freeway station when it opens in Spring. Everett Transit routes 7 or 9 do serve the segment that is being proposed for deletion.

Route 535 between Lynnwood and Bellevue has the lowest weekend ridership and productivity of any ST Express route. The route has lost many of its connections because Community Transit has discontinued Sunday service. Sunday service on Route 535 is proposed for deletion. Alternatives include a metro route between Bothell and Bellevue but no service would be available between Alderwood Mall and Canyon Park. Passengers travelling between Lynnwood and Bellevue can ride the new Route 512 service to Seattle and transfer to Route 550 to Bellevue.

Route 540 between Kirkland and the University District operates on weekdays and is oriented towards the University of Washington (UW) population. Very few Seattle based passengers use the route to travel to Kirkland, so buses returning to Kirkland are very light. The proposal would discontinue all Eastbound morning and Westbound afternoon trips because of low ridership. Evening service would also be reduced from 9:00 p.m. to around 6:20 p.m. Midday service would be hourly instead of every 30 minutes, but would be timed to meet the UW class schedules. Alternative services include the Metro Route 255 to Montlake Boulevard, with a transfer to frequent Metro Routes 43 and 48 routes to connect to the University District.

Route 545 between Redmond and Seattle is one of Sound Transit's most efficient routes, but some efficiencies are being proposed. Service is now operated with articulated buses to increase seating capacity. Midday service would be reduced between 10:00 a.m. and 3:00 p.m. to operate every 20 minutes instead of every 15 minutes. Sunday service would be reduced from every 30 minutes to every 60 minutes.

Route 554 between Issaquah and Seattle was scheduled for increases under ST2; however since ridership has been flat, or declining, peak period ST2 improvements are proposed for deferral. Midday service reductions are also planned from every 15 minutes to every 20 minutes between 10:00 a.m. and 3:00 p.m. Sunday service would be reduced from every 30 minutes to every 60 minutes.

Route 560 operates between West Seattle and Bellevue and serves White Center, Burien and the Airport. Service levels between Burien and West Seattle were reduced last February because of low ridership. The proposal would reduce service between Burien and West Seattle to peak periods only. Metro also operates routes along the same corridor on Route 54 and Route 120 on Anbaum Boulevard, Metro Rapid Ride service is also planned for the corridor. A connection is also available on Metro Route 128 between White Center and the Tukwila Station to connect to SeaTac Airport.

Route 566 operates between Auburn and Overlake all day on weekdays. The ST2 plan called for extending the route from the Overlake Transit Center to downtown Redmond to provide all day service between Bellevue and Redmond. Route 542 and 545 also serve Bellevue and Redmond and Metro Rapid Ride B

Line will provide service between Bellevue and Redmond. The ST2 expansion to downtown Redmond on Route 566 is proposed for deferral.

Route 599 Between Lakewood and Tacoma began in September 2008 to build ridership at the Lakewood station until the Sounder Train begins service to Lakewood. The route is timed to meet the train. Sound Transit also provides service between Seattle to Lakewood via another route, so Route 599 has never performed very well. Other options for travel between Tacoma and Lakewood include Intercity Transit Route 603 and Sound Transit Route 574. Route 599 is proposed for deletion in its entirety.

Mr. Bergman reviewed the ST2 improvements that are still scheduled to begin in 2011. Route 511 between Lynnwood and Seattle will receive peak period improvements to have service every 15 minutes instead of every 30 minutes. Route 522 between Woodinville and Seattle and Route 532 between Everett and Bellevue will also have peak hour trip additions to relieve overcrowding.

Mr. Bergman summarized the changes proposed in the SIP. Weekend reductions are planned on Route 535-Lynnwood to Bellevue, Route 545-Redmond to Seattle, Route 554-Issaquah to Seattle and Route 560-West Seattle to Bellevue. Weekday reductions are planned on Route 540-Kirkland to U District, Route 545-Redmond to Seattle, Route 554-Issaquah to Seattle and Route 560-West Seattle to Bellevue. Route 599-Lakewood to Tacoma is proposed for deletion, Route 513-Everett to Seattle is proposed for partial deletion, and Route 512-Everett to Seattle will combine routes 510 and 511 on Sundays.

Five open houses are scheduled to receive public comment on the proposals and a public hearing will be held on November 4, 2010. Feedback received during the open houses will be evaluated including feedback received from jurisdictions. Staff recommendations on the SIP will be presented at the November 18, 2010 Operations and Administration Committee and a Board decision is scheduled for December 16, 2010.

Victor Obesso, Manager of Service Development at King County Metro spoke about the coordination that has taken place between Sound Transit and King County Metro. Alternatives were explored that would help Sound Transit meet its budget needs while still providing an integrated transit network. King County Metro believes that some alternatives exist to proposals for Route 540-Kirkland to U District and Route 554-Issaquah to Seattle and Route 550-Bellevue to Seattle. Adjustments to these routes would preserve peak service on SR520 in a cost effective way when tolling on the highway begins in Spring 2011. The adjustments would meet overall service levels in the corridor that are assumed in King County Metro's Federal Urban Partnership Agreement with the State Department of Transportation. Service frequencies would be maintained that would allow transfer connections between Sound Transit's express routes and King County Metro's local route network including connections to the planned Rapid Ride B Line between Bellevue and Redmond in Fall 2011. These alternatives could be implemented while achieving the same savings Sound Transit is expecting with the existing proposals.

Mr. Obesso noted that discussions between Sound Transit and King County Metro are continuing. Mr. Obesso distributed a letter that King County Metro sent to Sound Transit CEO Joni Earl. Ms. Kupersmith noted that every transit system is experiencing financial constraints and transit agencies are working to meet them as collaboratively as possible.

Proposed 2011 Operations and Administration Budget

Ms. Todd and David Huffaker, Operations Business Manager, presented the Service Delivery budget. Budget preparation has been a challenge this year because of the economic forecast. Cost containment has been a focus over the last few years. Additional cost savings have been achieved, including a favorable maintenance contract with Amtrak for Sounder maintenance, the move to single car trains on Central Link during non-event weekends and evenings, and a proposal to move two Sound Transit routes from King County operation to Pierce County operation to achieve greater cost savings.

The 2011 budget is 2% below the 2010 Service Delivery budget while increasing ST Express service hours 2.5%. The Central Link cost per hour is up 6.6%, because 10 additional full time employees are needed for Central Link operations. The cost per hour rate has stayed the same for Tacoma Link. ST Express costs per hour are down 4% and a 10% reduction in Sounder costs per hour. The total proposed budget for Service Delivery is \$187 million, a \$2.8 million decrease over the 2010 Service Delivery Budget. ST Express is still more than half of the budget. Central Link now makes up more than a quarter of the budget while Sounder is around a fifth of the budget and Tacoma Link is only 2%.

Ms. Todd reviewed the ridership trends; Central Link ridership has helped increase overall ridership from 15 million riders in 2008 to a projected 27 million in 2011. Mr. Huffaker noted that costs for Central Link are

easier to monitor because it is the only light rail service operated by King County Metro and Sound Transit has more involvement in ancillary areas such as spare parts.

Sound Transit had planned to deliver 60,000 additional service hours in 2011. Because of the revenue shortfall approximately 18,000 hours of service increases will be deferred and 24,000 of low productivity service will be removed. Overall an additional 18,000 service hours are programmed for 2011.

Tacoma Link

There is around a 1% increase in costs for Tacoma Link, primarily driven by the assumption that fares would be charged on Tacoma Link starting in June 2011. The increase is due to costs associated with fare collection including fare vending machines. At this time a budget amendment has been proposed to remove the Tacoma Link fares assumption from the budget. The potential fare has been discussed with Pierce Transit and a work plan for 2011 will include further coordination and further examination of charging fares. Following further work a decision will be made in 2011 on charging fares on Tacoma Link. Another factor influencing Tacoma Link costs is a decrease in rail operations insurance premiums as a result of Tacoma Link's share being reduced with the ridership increase on Central Link. Forecast ridership for Tacoma Link was down 10% assuming a fare charge beginning in June 2011, if fares do not start in 2011 ridership will likely match 2010 ridership levels. The 2011 Tacoma Link budget does not include the station on Commerce Street that was proposed by the City of Tacoma. The station would not have a major cost impact, but some service and performance metrics may be impacted.

Central Link

Central Link operations costs will increase by 6.6% over the 2010 budget. One of the largest changes is an increase in rail operations insurance costs, a \$1.5 million dollar increase. The insurance premiums are system-wide cost that are allocated based on ridership. Security costs to cover private security and Sound Transit police are allocated between all four modes based on the deployment plan determined by the security division. Overall agency security costs will grow by 5.5% which corresponds to the contracted labor rate increases for each of the contracts. Two Sound Transit positions are funded through the 2011 Central Link Operations Budget; one is a Transportation Superintendent that would oversee King County Metro Central Link operations and interact with Sound Transit planning for Link extension planning. The other position is a support person for the SCADA system to allow Sound Transit to bring system maintenance in house once the system is turned over to Sound Transit by the contractor. Boardmember Butler asked how the Transportation Superintendent responsibilities are currently being covered; Ms. Todd responded that two people perform those duties which include oversight work with King County and design reviews for future light rail lines. Ms. Kupersmith noted that the proposed position will allow Sound Transit to incorporate operating information early in the planning process in order to save operating costs in the future.

The purchased transportation contract costs will be slightly lower than in 2010 and include the 10 additional positions. The King County staff would support vehicle and facility maintenance and some supervisory positions. Savings in the contract cover the increased cost of the additional positions. Savings are a result of Sound Transit taking on some additional areas such as traction power and station utilities and some reserve budget reductions.

Central Link is still in the two-year adoption phase for Central Link ridership. The budget assumes a 33% ridership increase in 2011. Ridership has followed the growth plan originally projected; ridership on weekends has been stronger than expected. No changes are proposed to Central Link operations but Sound Transit will continue to operate a single car train nights and weekends when events are not scheduled. The single car trains allow Sound Transit to limit miles on individual rail cars and allow more efficient scheduling for preventative maintenance cycles. Boardmember Butler asked about fare evasion; Ms. Todd noted that fare evasion is continuing to decline.

Sounder

Sounder operations costs are down by 9% over the 2010 budget. Cost decreases are attributable to reductions in insurance costs and vehicle maintenance. Assumed costs for diesel fuel are down to \$2.50 per gallon which is slightly higher than the highest month for Sounder in 2010. It is the lowest price budgeted for Sounder since 2007 so it is a risk factor if world economic situations cause the price to rise. One additional position is included in the Sounder operations budget, a Maintenance of Way Superintendent. The position will oversee the maintenance of the railway Sound Transit owns between Tacoma and Lakewood and from D Street to M Street once they are transferred to operations. The position will oversee contract maintenance on the Sound Transit owned track. Sounder highlights include a modest increase over the estimated actual ridership for 2010, cost per hour will be down nearly 10%. Maintenance projects for seat upholstery replacement and HVAC overhauls are taking place. Savings achieved through the new maintenance agreement with Amtrak are permanent.

ST Express

A net increase in service hours is planned for 2011; but cost per hour for ST Express is down 4% over the 2010 budget. The budget includes a proposal to switch Route 577/578 operations from King County Metro to Pierce Transit that will save Sound Transit \$1.4 million a year. This proposal will be brought to the Operations and Administration Committee in November. The 2011 budget has savings due to lower fuel assumptions, so that is an area of risk. ST Express ridership is lower than planned, ridership for 2011 is expected to increase. The ST2 service expansion has had a large impact to the budget. The proposed service changes outlined earlier in the meeting for ST Express would save \$8.8 million annually. Boardmember Butler asked if route scheduling software could be used to save money at Sound Transit. Ms. Todd noted that the software is currently not included in the 2011 budget.

Service Delivery Capital

Mr. Huffaker noted that projects in the Service Delivery Capital program are part of the program realignment and reviewed the project budget increases and decreases. The Service Delivery Capital program has some projects that have a rolling year planning horizon. The ST Express fleet replacement and small works program have budget increases because 2016 has been added to the Transit Improvement budget. Two programs, Security Enhancements and Bicycle Lockers program have lifetime budget increases. Both program increases are due to grants that have already been awarded and received by Sound Transit. Ticket Vending Machine increases are tied to the decision on whether or not to charge for fares on Tacoma Link. Program decreases include the Sounder fleet program because it has been absorbed into a separate Sounder ST2 fleet expansion that includes both locomotives and Sounder coaches. The Talking Signs project is complete and the remaining budget is being closed out. New projects include projects related to system aging, including replacing outdated Tacoma Link systems and positive train control as a new government requirement. Network phone and radio upgrades will allow Sound Transit to comply with federal standards and partner systems.

Agency Administration

Pete Rogness, Budget Manager, presented the Agency Administration budget. The Agency Administration budget is \$160 million for 2011, almost half is payment for debt service, 25% is for the capital replacement fund. He noted that 63 of the 66 proposed positions are included in the Administrative Staff budget. The administrative staff budget would increase by 15% or \$10 million to \$79 million. 80% of the amount is based on salary and benefits, a 17% increase in salary and benefits is currently proposed in the 2011 budget. Records management, asset management and internal training programs will continue in the budget as part of an ongoing process that began in the 2010 budget. Leases and rentals have increased due to additional space leased by Sound Transit for staff.

Mr. Rogness reviewed the main reasons for the budget increase. Capital program increases are mainly due to staff, delivery of service, support of the larger organization, and changes to base costs. A large part of the base cost increases is the annualization of new positions from 2010.

The proposed positions were reviewed; 45 positions, or 71% of the positions are in support of the Capital program, 8 positions, or 13% are for delivery of service and 10 positions, or 16% are for support of the larger organization. Through the budget process over 100 positions were requested for 2011. After an assessment of needs and close review of each position the number was reduced to 63 positions. Sequencing also takes place to determine when positions should begin throughout the year.

Sound Transit is in year two of a three year ramp-up that will plateau in 2012-2014. The agency is currently completing Sound Move projects, as well as University Link, North Link and preliminary engineering and final design. In 2015 and 2016 the agency is forecast to increase based on the beginning of construction for the ST2 program.

Debt service is up 2% over 2010, debt service for operations have increased from \$3.7 million to \$59.8 million, capital debt service is down 97%. The changes are based on an accounting process and a change in reporting since 2010. Capital replacement is planned to increase by \$15 million as more assets are being placed into service. Emergency loss reserve is a new budget line item for this year. Mr. McCartan noted that instead of having an emergency fund off the budget, it was determined that it should be brought on budget and grown over time to correspond with agency growth.

Mr. Rogness reviewed the Transit Improvement Plan (TIP). As part of the program realignment many programs have been reduced and historic costs will be closed out of the budget so that costs are managed to updated project budgets. The fare integration fund will be closed out and replaced in the budget with fare administration. The program realignment also proposed removal of the system access program and reductions in the research and technology program and ST3 planning program are included in this TIP. A small program budget will be included for the TOD program for planning and consulting work, instead of

having those costs in the staff budget. Agency administration capital and operations prior to 2009 are proposed for closeout. The insurance program is proposed to be split into two programs, the emergency loss fund and the insurance fund; the total will be reduced by \$10 million over the period through 2023. Administrative capital is also being reduced by \$10 million over 2010 funding levels.

Mr. Rogness reviewed the budget calendar; committee review will continue through November, including review of amendments at the November 18, 2010 Operations and Administration Committee meeting. The Executive Committee will review the overall budget on December 2, 2010 and Board adoption is scheduled for December 16, 2010.

Business Items

Since a quorum of the committee was not present, Chair Enslow asked that the action items on today's agenda be placed on the October 28, 2010 Board agenda with the exception of the committee minutes. Ms. Kupersmith confirmed that Resolution Nos. R2010-22 and R2010-23 and Motion No. M2010-93 would be added to the Board agenda.

Executive Session

None.

Other Business

None.

Next Meeting

Thursday November 18, 2010
10:30 a.m. to 12:30 p.m.
Ruth Fisher Boardroom

Adjourn

The meeting was adjourned at 3:30 p.m.

APPROVED on November 18, 2010.



Dave Enslow
Operations and Administration Committee Chair

ATTEST:



Katie Flores
Board Coordinator