ATTACHMENT 1

Review of Metro Transit

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Municipal League Foundation of King County

Review of Metro Transit

Summary of Findings

King County Metro is one of the country's largest public transportation providers, recently serving 400,000 riders on an average weekday. Metro has a well-earned reputation for being an innovative leader in the transit industry in many of its programs--the first to deploy hybrid buses, part-time transit operators, bus bike racks, vanpools, and lift-equipped buses, and to sponsor the development of car sharing, employer pass programs and transit-oriented development. Metro has also been a leader in expanding its role beyond regular bus service into environmental and health initiatives.

Today, the economic climate has suddenly become alarming. The credit crisis, Wall Street meltdown, spike in fuel prices, slowing economy, rising unemployment and global warming have challenged many of us into rethinking the basic ways we live our lives. Similarly government must challenge itself to meet the pressures of declining revenues and greater demand as people adjust to the new realities. We believe that in the coming years Metro Transit will need to squeeze every ounce of productivity and service out of limited resources.

The Municipal League of King County has been studying and monitoring local government for nearly 100 years. In 2008 we convened a committee of citizens to review Metro. While we found many admirable characteristics at this agency, we also found some areas in need of improvement and rethinking. We offer our findings and recommendations in the hope that the King County Executive, County Council and Metro management will embrace this opportunity to revisit some of the agency's fundamental ways of doing business.

Finding #1: Performance Measurement and Reporting

The transit industry rivals baseball in the number and variety of statistics it gathers. But the industry, unlike baseball, has not developed clear descriptions about what its statistics mean and how they could be improved. Metro is no exception. Metro does not provide easy public access to its performance measures and long-term trends. (We note happily that as this report was going to press, the Metro Reports section of the Metro Online website has been updated and Metro promises more upgrades to its website.) While the agency does use performance data in its service planning, there are no systematic published standards applied and the process is not transparent.

Finding #2: Service Allocation Policy

King County Metro allocates new transit service based on a fixed subarea policy that is built not on ridership demand, service needs or cost effectiveness, but on a conception of equity and area coverage that does not hold up well under scrutiny. We acknowledge that the subarea policy reflects a historic sense of regional disparities and has been based in part on where revenues are generated within the County. But in the current environment of budget shortfalls, rapid growth in ridership and deteriorating service performance, this policy has become untenable. Policymakers need to reconsider the land use and transit characteristics of the region's subareas as currently defined:

- Population density in the West subarea is more than double that of the East and South subareas.
- Median household income is almost 50% lower and the populace thus much more transit-dependent in the West and South subareas than in the East.
- Transit ridership per capita in the West subarea is three times as high as in the South, and five times as high as in the East subarea.
- The cost per boarding of a trip in the West subarea is half that of one in the East and three-quarters that of one in the South subarea.

Based on our analysis, we conclude that the subarea framework has outlived its usefulness. Instead of being based on broad geographic subareas, service should be targeted at activity centers, corridors, the type of demand, and the best mode for each. King County policy makers need to revisit the current allocation policy. With this report we hope to begin a public dialogue about what a new allocation framework might look like. We believe it should set priorities to manage the system cost-effectively and according to meaningful transit characteristics and Growth Management objectives.

Finding #3: Strategic Plan for Public Transportation 2007-2016

The Strategic Plan for Public Transportation and its priorities urgently need to be revisited in light of the new transit environment. We urge that three areas of the Strategic Plan in particular be revisited: Monitoring and Management, Service, and Financial Strategies. The strategies for delivering service in particular are too numerous and too vague. The plan needs a much sharper focus on a back-to-basics approach: set clear priorities to fix service problems first, then allocate service to follow demand and land-use standards. Monitoring and service planning should be clearly aligned with service standards. Financial strategies should be added to address cost control, efficient use of resources and prudent use of debt financing for capital facilities.

Finding #4: Clarity and Transparency

King County Metro lacks clarity, accessibility and transparency in its public information. A lack of public information about performance measures and clear standards makes for opaqueness in the decision processes. Routine performance and management reports have not been easily available from a central information source. The County's Metro Online Web site is difficult to navigate and even basic information is hard to find. Routine public information about agency meetings, budgets and performance is not readily available unless one is prepared to play detective and search various places of the County Web site. We are pleased to learn of Metro management's strong interest in improving this area.

Conclusion

Public transportation in King County faces numerous challenges: many routes are experiencing overloads, poor schedule performance and frustrated riders; Metro is at the limit of what it can raise through its currently authorized taxes; and it will be a decade before the billions in new Sound Transit capital spending begin to address the need for increased capacity. If the Alaskan Way Viaduct is removed, SR 520 floating bridge is rebuilt, and I-405 is improved, the region will need even more service during their construction.

The Municipal League is on record as supporting regional tolling both to fund new capital facilities and to provide new general transportation revenues in the future. However, citizens and policy makers will need to see further evidence of cost-effectiveness and transparency before they might consider embracing new funding sources.

The economic downturn, climate change, funding constraints, accommodating major infrastructure projects and continued regional growth, and confidence in government—all of these factors create the context in which we make our call for changes. We urge that the findings and recommendations of this report be taken as an urgent call to rethink and recalibrate some of the County's recent policies and management practices. King County Metro must focus on the basics of sound service delivery to meet the needs of these very challenging times.

Municipal League Foundation of King County

Review of Metro Transit

King County Metro is one of the country's 10 largest public transportation providers, recently serving 400,000 riders on an average weekday. Metro operates 1,300 buses and 1,000 vanpools. Its ridership grew 7% last year and customer satisfaction is generally high. Under the voter-approved Transit Now measure, the agency has begun implementing new service with 110,000 annual service hours added by the end of 2008. Metro has a well-earned reputation for being an innovative leader in the transit industry in many of its programs including the first to deploy hybrid buses, part-time transit operators, bus bike racks, public vanpools, and lift-equipped buses. Metro sponsored the development of car sharing, employer pass programs and transit-oriented development. Metro has also been a leader in expanding its role beyond bus service into environmental and health initiatives.

Today, the environmental and economic climate has suddenly become alarming. Global warming has moved to the fore in people's consciousness. The credit crisis, Wall Street meltdown, spike in fuel prices, slowing economy, and rising unemployment have challenged many individuals and families to rethink the basic ways we live our lives. Similarly, government must challenge itself to meet the pressures of declining revenues and greater demand as people adjust to the new realities.

The Municipal League of King County has been studying and monitoring local government for nearly 100 years. In 2008 we convened a committee of citizens to review Metro. While we found many admirable characteristics at this agency, we also found areas in need of improvement and rethinking. We offer our findings and recommendations in the hope that the King County Executive, County Council and Metro management will embrace this opportunity to revisit some of the agency's fundamental ways of doing business.

Finding #1 Performance Measurement and Reporting

Transit rivals baseball in the number and variety of statistics it gathers. But unlike baseball, the industry has not developed clear descriptions about what their statistics mean and how they could foster a culture of continuous improvement. Metro has not been an industry leader in this area. The performance measures it publishes are not used as a basis for setting goals to improve service quality or operate more cost effectively. The agency does use performance data in its service planning and it does publish an annual route performance report, but there are no systematic published standards or guidelines in a central location and the process is not transparent. (We note happily that as this report was going to press, the Route Performance report and the General Manager's report are now available in the Metro Reports section of the Metro Online website, and Metro promises more upgrades to its website.)

King County's AIMs High performance report publishes three measures for Metro Transit: boardings per year and boardings per hour (increasing) and on-time performance (decreasing). It does not publish any cost effectiveness indicators. It publishes no data on the relationship between service and Growth Management goals. It does not publish its targets and whether it met them.

- Annual boardings is a measure of total system ridership, an indicator driven by regional land use, economic and demographic conditions. Ridership is highly dependent on population density, median income, the state of the economy, and the cost of driving.
- Boardings per hour is a productivity measure that is influenced by both external factors and by service planning and policy decisions. Metro monitors this indicator, but is not clear about what actions it is employing to improve productivity. Agency-wide boardings per hour is a global measure that masks great variation within the region and across individual subareas and routes.
- On-time performance is a service quality indicator that measures service reliability. A route's on-time performance is affected by traffic congestion and by the number of riders getting on and off at each stop. It is influenced by the length and design of the route and by the amount of "layover" and contingency time built into the schedule.

The Metro Online website, where most members of the public would look, reports no easy-to-use, graphically presented productivity, service quality or cost effectiveness data for the public's information. While the agency routinely reports rising ridership, it does not discuss the deteriorating service quality and the higher cost per hour and per boarding of its service compared to other agencies.

It is not clear whether the County Council or Regional Transit Committee regularly ask for or receive such information or ask Metro management how it is dealing with facts and trends such as the following:

High Cost Compared to Peers:

- Metro's cost per revenue service hour in 2005 was $120.30, compared to $114.80 for the average of the 15 largest transit agencies in the country and $98.70 for the average of all transit agencies nationally. Metro's cost per hour is 22% above the national average.[1]
- The cost per boarding for Metro was $4.10 in 2005, compared to $2.50 among the 15 largest agencies and $2.97, the national average. Metro's cost per boarding is 38% above the national average.[2]

Metro representatives acknowledge that Metro operating costs are high, but point out a number of factors that are unique to its business: the costs of owning and operating the Downtown Seattle Transit Tunnel and an extensive network of park and ride lots; the use of electric trolley buses and articulated coaches which are more expensive to operate; and the heavy orientation to a peak-based commuter service. The incremental costs of many individual decisions over years have driven costs higher. Additionally, Metro argues that the cost of living in our region is high. While this is true, it is also true that the County has allowed its salary policies and benefit plans to drive agency costs. By agreement, salaries are automatically adjusted upwards each year by 3%, even when inflation is lower. This seems a policy worth review for employees who

[1] A note of caution to readers: This report is replete with transit statistics which, like all statistics, can be used selectively to make a point or support a point of view. For example, we used cost per revenue service hour here even though cost per platform hour would be more representative, because it is the only indicator for which the National Transit Database provides industry averages. Even so, the NTD stopped publishing such averages in 2006. Many other measures can be used to support different points of view, and where appropriate, we attempt to point this out. For example, Metro's cost per passenger mile is lower than the average of other large transit agencies because Metro operates many long-haul commuter trips. Nevertheless, we would argue that the higher the cost per hour, the less service can be delivered to riders.

[2] 2005 National Transit Data Base—These figures are not comparable to other cost figures used in this report as Metro's own annual reports use different operating expense categories than the National Transit Data Base.

make well above the region's median income. It is a policy that may be possible in years of a rising economy and a tight labor market but is not prudent in the current environment. Seattle Metro and the transit operators' union broke through a long transit industry tradition when they introduced the part-time transit operator in 1977. Similar agency-labor cooperation is needed in revisiting policies that are driving excessive operating costs. King County has been recognized nationally for its health initiatives that have brought medical benefit costs down; similar innovations are needed in other expense areas.

Operating Costs Growing More Rapidly than Service:

- Between 2000 and 2007, the total operating costs for Metro's bus service increased 42% but hours of service delivered increased only 8%.
- The cost per hour of service increased 32% during this same period, from $99.94 in 2000 to $131.72 in 2007, significantly faster than inflation.

While many external factors such as general inflation and rising fuel prices and benefits may be outside of the agency's control, management of system productivity and program costs are well within its control and in fact should be a high priority. We acknowledge that Metro has cut millions of dollars in expenses from its budget over the years without cutting service and is proposing additional cuts in non-direct expenses in 2009. We also believe that the use of published cost control targets would further help control future escalation. Only with strong monitoring and management of costs can the public be assured that resources are going directly into services that are needed.

High Cost Model is Being Transferred to Service Partners

- Metro has been operating services for Sound Transit Express Bus since 1999 and for Seattle's South Lake Union Streetcar and other service partners since 2007.
- It will begin operating Central Link light rail next year and its cost model is already projected to be one of the highest in the country.[3]

Metro's higher operating costs will continue to expand to other entities in the region as the service partnership program develops and the County's cost model is passed on to taxpayers.

Deteriorating Service Quality:

- Metro's on-time performance has declined from about 80% to 75% in the three years between 2004 and 2007.
- In the fall of 2007, 7% of all Metro trips had standees, up from just 2% five years ago. Almost half of those trips ran more than 20% over capacity.

These quality measures are systemwide averages. Many individual routes are more substantially affected by the deteriorating reliability and over-crowding than others. It is unclear to what extent this deteriorating service quality is a function of: 1) increased traffic congestion, which delays transit in the traffic stream, and 2) the 15% growth in ridership in the last several

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[3] Margie Slovan, "Central Link Will Be Costly to Operate," *Daily Journal of Commerce*, 9/30/2008: "Sound Transit's 15.3-mile light-rail line between Seattle and Sea-Tac Airport is likely to cost more to operate than almost any other comparably sized light rail system in the U.S. In 2010, Central Link will cost $43 million (2006 dollars) to operate and maintain, according to preliminary estimates prepared by Sound Transit staff. That breaks down to $290 per hour, per vehicle. Only Buffalo's light rail system costs more: $300 per hour. In comparison, light rail lines in Houston and St. Louis cost about $200 per hour. In Denver and Portland the transit lines cost about $170 per hour. And in Salt Lake City, the price tag is under $100 per hour." (To be fair, Metro represents only 60% of the projected total operating cost of Link; Sound Transit operating costs are high too.)

years, which increases transit dwell time at overcrowded stops and increases bus crowding without increasing the number of trips. Reversing these trends of declining performance should continue to be a top priority by allocating planned Transit Now resources strategically and finding efficiencies in operating costs.

Cost Effectiveness by Subarea and by Route not Reported:

- In 2007 it cost $3.64 per boarding to deliver service in the West subarea, $4.79 in the South subarea and $7.27 in the East subarea. These figures were not reported in the agency's annual route performance report (or anywhere else). We calculated them based on published subarea costs and boardings.

Cost effectiveness varies widely by subarea and by route. All citizens of King County should be served by some form of public transit, even those who live in locations that are more costly to serve. No transit agency can run only the most highly productive routes. But the public needs to know that the most cost-effective mode of service is targeted to each part of the region. Reporting and monitoring the costs of service is essential, as is transparency in how such information is used. While Metro does publish performance thresholds for use in measuring route performance, cost effectiveness is not one of the measures used.

Recommendations to Finding #1:

- We urge the County Council to direct Metro to develop additional performance measures that focus clearly on productivity and cost-effectiveness. Set standards and require reporting against the standards every year.
- Set clear standards for service allocation based on land use to meet stated Growth Management goals and report on how they are being met.
- Move toward service planning and service allocation based explicitly on service standards.
- Develop a 10-year strategy to bring operating costs per hour and per boarding down to peer averages so that more resources can be directed to increasing service.
- Set a goal of keeping cost growth as close to inflation as possible.

Finding #2: Service Allocation Policy

King County Metro allocates new transit service based on a fixed subarea policy that is not built on ridership demand, service needs, land use or cost effectiveness, but on a conception of equity that does not hold up well under scrutiny. We acknowledge that a sense of historic regional disparities exists and has been based in part on where revenues are generated within the County. However, in the current environment of rapid growth in ridership and deteriorating service performance, the current subarea policy needs to change. Instead of being based on broad geographic subareas, service should be targeted at activity centers, corridors, the type of demand, and the best mode for each.

The King County Council in 2001 established the 40-40-20 subarea policy which allocates new service hours within three subareas of King County according to a fixed formula of percentages. The subareas are East and South county and the urban West area of Seattle, Shoreline and Lake Forest Park. The policy states that 40% of new service hours shall be allocated to the East subarea, 40% to the South and 20% to the West. The rationale for this policy was a sense that the urban core of the region was already well-served with transit and that the more rapidly growing suburban areas and activity centers needed increased investment in developing a transit network to support future growth. The policy was also based on a sense of geographic unfairness felt when tax revenues flowed disproportionately from the suburban areas into the urban core.

- Population density in the West subarea is more than double that of the East and South subareas.
- Median household income is almost 50% lower and the populace thus much more transit-dependent in the West and the South subareas than in the East.
- Transit ridership per capita in the West subarea is 3 times as high as in the South, and 5 times as high as in the East subareas.
- The cost per boarding of a trip in the West subarea is half that of one in the East and three-quarters that of one in the South subareas.

Actual data about the transit characteristics of the three subareas have never been published and have not been regularly reviewed by the County Council or the Regional Transit Committee. Given the different demographics of the East and South subareas, it is unclear how policymakers determined to allocate an identical 40% of service to each. Given the much higher demand for service in the West subarea, and the greater transit dependency of its population, the 20% of service allocated lacks an understandable rationale. Given that two of the three subareas include urban, suburban and rural land uses, the current subareas fail to be useful for transit planning purposes. And given that so many of the region's routes and riders cross subarea boundaries, the entire subarea policy framework needs rethinking.

It is correct that population growth in East and South county has been faster both by percentage and by absolute numbers than in the West subarea. It is also true that Metro's sales tax receipts by subarea have been higher proportionally in the East and South subareas than the service hours in each would appear to warrant.

	West	East	South
Population growth 2000-2008[4]	29,500	55,500	74,000
Percent of total	19%	35%	47%
Percent increase	5%	16%	18%
Sales tax receipts (2002)	$113,000,000	$95,000,000	$92,000,000
Percent of total	38%	32%	31%

However, transit demand tends to be driven primarily by population density, employment location and personal income. Where driving is less convenient and more expensive, where jobs are more centrally located and where people's incomes are lower, transit demand is higher. All of these characteristics have shown that dense urban areas (central activity centers such as Seattle CBD and Bellevue CBD) are where most of the ridership is located.

[4] See Appendix A. King County 2007 Annual Growth Report—Cities Statistical Profiles.

	West	East	South
Population density / sq. mile (2008)[5]	6,600	3,100	3,300
Median household income (2000 census)	$46,700	$69,700	$47,100
Population –percent of region (2005)	35%	28%	37%
Employment--percent of region (2004)	45%	28%	28%
Ridership per capita (2007)	114	23	36

Transit systems must strive to balance service coverage and access with cost effectiveness and productivity in making their allocation and planning decisions. It is enormously difficult to meet this balance in the context of the current subarea equity policy which takes none of these factors into account.

The cost of providing transit service is typically measured as cost per boarding. No transit system can have all routes be equally cost effective. While Metro systemwide average cost per boarding in 2007 was $4.27, cost effectiveness by subarea varied dramatically:

	West	East	South
Cost per Boarding[6]	$3.64	$7.27	$4.79

Route productivity also cannot be equally high in all parts of a transit system. Rural and suburban routes will never have as much ridership as core urban routes. Nevertheless the differences among the subareas are significant:

	West	East	South
2008 Projected Platform Hours[7]	2,132,316	590,275	723,049
Percent of Total	62%	17%	21%
2008 Projected Boardings	84,650,000	11,220,000	20,750,000
Percent of Total	72%	10%	18%
Ridership per hour	40	19	29

While it is true that growth in ridership in the East and South subareas has been more rapid on a percentage basis in the past few years, the West subarea has seen the greatest increase in real numbers of riders:

[5] See Appendix A. These densities are calculated using only the cities in each subarea, and not including the unincorporated areas where transit ridership tends to be lowest.
[6] Calculated using data from the 2007 Route Performance Report and 2007 Annual Management Report.
[7] Figures provided by Metro staff, July 2008.

	West	East	South
Average weekday ridership[8] change 2004-2007	30,730	10,070	13,640
Percent change	13%	35%	26%

Under the current subarea framework, data indicate that ridership demand is highest and the cost of providing service is lowest in the core urban subarea. Further, land use- and transit-related characteristics indicate that urban areas are most in need of service. Based on our analysis, we conclude that the Council's adopted 40-40-20 policy is fundamentally flawed as an allocation approach for scarce regional transportation resources. We thus argue not for a different allocation of resources among the three subareas, but instead for a rethinking of the allocation approach. We believe the concept of geographic subareas has outlived its usefulness and should be replaced with a different framework, one that is based on characteristics relevant to achieving the goals of high quality transit service that meets demand cost-effectively and strives to meet the region's adopted Growth Management policies.

Recommendations to Finding #2:

- We urge the King County Council to direct Metro staff to develop a new, more service- and demand-driven allocation policy as soon as possible. Especially in light of the dramatic rise in ridership and the deteriorating service quality experienced on many core routes throughout the region in the past several years, resources should be allocated based on service standards and demand, not subarea distribution. While some approach to geographic equity is reasonable, the subarea-based approach which includes urban, suburban and rural routes in each subarea remains flawed. Transit service is delivered by routes and ridership catchment areas, not by broad geographic areas, so resource allocation should focus on where the riders are and where they wish to get on and off buses. Future service allocation should carefully target service, by mode, to corridors and activity centers. Areas with lower demand that feed corridors could be served by flexible, lower cost demand-responsive DART or taxi services rather than expensive 40-foot buses traveling one-third to one-half full on average on fixed routes. Other modes such as subsidized vanpools could be explored for commuter service in less dense areas. In growing areas, the growth must reach a critical mass that meets a minimum threshold before new fixed route service should be allocated.

- Consider using a variety of criteria in developing new allocation approaches such as:
  - Ridership growth
  - Route productivity
  - Route capacity to meet demand
  - Population and/or employment density
  - Activity center development
  - Local transit-supportive policies, e.g. block density, zoning, free parking
  - Mode differentiation, e.g., subsidized vanpools, dial-a-ride transit

- Develop a new definition of equity that is based not on geographic subareas but on serving citizens of the county according to understandable transportation-related

[8] Figures provided by Metro staff, July 2008.

standards in distribution of resources. Consider using all regional transportation revenues (potentially including federal grants, sales tax for both Metro's and Sound Transit's operating and capital programs, road revenues, transit fares, vanpool pricing, and in the future, tolling) as part of a new equity definition, along with other criteria as suggested above.

- Incorporate capital projects into a comprehensive service allocation framework such that the linkage between transit operations and the capital program is clear and coherent.

- Ensure that any new service allocation approach is transparent.

Finding #3: Strategic Plan for Public Transportation 2007-2016

During 2008 King County Transit staff and policy makers have been engaged in an update of the 2007-2016 Strategic Plan for Public Transportation. The voter-approved Transit Now initiative is based on this plan as are ongoing management practices, service and capital planning and financial strategies.

The Strategic Plan for Public Transportation and its priorities urgently need to be revisited in light of the new transit environment which is characterized by a slowing economy, rapidly increasing ridership and volatile fuel costs. Growing public awareness of climate change and transportation's role in generating greenhouse gases only increase the urgency for a new planning approach. We urge that three areas of the Strategic Plan in particular be revisited: Monitoring and Management, Service, and Financial Strategies. The strategies for delivering and monitoring service in particular are too numerous and too vague. The plan needs a much sharper focus on a back-to-basics approach: set clear priorities to fix service problems first, then allocate service to follow demand and land use standards. Monitoring and service planning should be clearly aligned with service standards. Financial strategies should be added to address cost control and efficient use of resources.

One element of the Strategic Plan that we like and believe could be expanded is the implementation strategy related to community planning. Metro's Sounding Board process has been well-received by communities and riders as an effective mechanism for involving the public in service change decisions. While Metro also uses a standing Transit Advisory Committee, its role appears also to be primarily related to advising the agency on service planning, whereas public input might be beneficial in developing service standards and weighing trade-offs in additional policy areas.

Monitoring and Management Strategies

The three primary management strategies stated in the plan are to "establish a series of targets for measuring success in meeting the objectives of the Strategic Plan…;" to regularly monitor customer satisfaction…;" and to "regularly monitor and report bus service performance and ridership systemwide and at the route level…"[9] As outlined above in our Finding #1, we strongly support these strategies and in fact find them to be a vital part of the agency's accountability to the public.

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[9] King County Metro Strategic Plan for Public Transportation, 2007-2016, pages 3-6 to 3-9.

Many of the measures described in the plan are based on data already gathered by Metro and other transit agencies, and are in fact required by the Federal Transit Administration and published in the National Transit Database. Strengthening and publishing performance benchmarks and using them more broadly for service planning and continuous improvement would be the useful next steps in managing for high quality service and effective use of resources.

Metro staff has requested direction from the County Council and the Regional Transit Committee on the development of a single standards document. We strongly support its creation as soon as possible.

Service Strategies

"The plan continues to emphasize efficiency and improved service design; increases service levels on a core network of routes connecting major activity centers; implements bus rapid transit; enhances service in developing areas; and provides dedicated resources to a service partnership program."[10]

Of the 15 service strategies outlined in the Strategic Plan, the first four relate to such priorities as improving efficiency and productivity of routes through consolidation; improving service reliability through service design; improving service levels on core high-ridership routes; and enhancing transit services in areas that meet density and land use targets. We strongly support these goals. But they must be articulated as priorities and service must be allocated according to standards that are transparent to the public.

Financial Policies

The Strategic Plan section on Financial Policies is silent on two key subjects: operating costs and the use of debt to finance capital projects.

When operating costs per hour are growing rapidly, fewer new service hours can be delivered. There is no doubt that factors outside of King County's control have driven some elements of rising transit costs. Labor costs are a significant component of operating expenses and health care and other benefits have been rising for all employers. The inflationary pressure on employee cost-of-living-adjustments has been an added factor for Metro. Fuel costs too have been exceptionally unstable, growing between 30% and 60% above budgeted levels in just the third quarter of 2008. While these factors offer some explanation for the recent cost trends, they must not be used to justify continuing high rates of cost growth. The closer total cost growth can be held to annual inflation rates, the more likely that resources can be directed into improving service quality and adding service to meet ridership demand.

The other financial topic that the Strategic Plan is silent on is the use of debt to build capital facilities. While Metro has used debt financing in the past for the Downtown Seattle Transit Tunnel and for its maintenance bases, the annual transit capital budget seems to be based largely on a pay-as-you go approach. For facilities with a longer term useful life, it is often appropriate to issue debt so that improvements can be made now and paid for over the life of the improvement. The County Executive's proposed plan to address the budget shortfall in the 2007-2009 transit budget by canceling capital projects unfortunately discounts the fact that

[10] King County Metro Strategic Plan for Public Transportation, 2007-2016, page 1-4.

many capital projects are designed to improve route design and enhance speed and reliability, precisely the actions needed to shore up service and lower operating costs.

Recommendations to Finding #3:

- Implement the Strategic Plan Monitoring and Management Strategies within one year and publish the first monitoring report by the end of 2009.
- Develop a single standards document for all aspects of Metro's management and monitoring.
- Clarify and prioritize the Service Strategies to direct a back to basics approach: it should require badly deteriorated service to be fixed first and service on the highest ridership routes to be enhanced next, with other service needs to be met thereafter.
- Revisit Strategy IM-3 on New Service Allocation. Recognize that the East and South subareas should no longer be treated the same as their transit characteristics are so dissimilar. Develop new service allocation approaches driven by needs, performance, transit dependence, demographics and land use. Develop a new approach to equity that is based on criteria that are fair to all of the County's residents.
- Provide guidance on restraining the growth of operating costs in the Strategic Plan Financial Policies. Targets should be established for the growth in operating expenses such that if costs grow beyond the established levels, savings must be found to offset the growth.
- Add a new financial policy to describe the appropriate use of debt financing for transit capital facilities. The County Council should also evaluate the prudent use of debt to avoid the Executive's recently proposed cancellation of several capital projects to close the budget gap.

Finding #4 Clarity and Transparency

King County Metro Transit lacks clarity, accessibility and transparency in its public information. A lack of performance measures and clear standards makes for opaqueness in the decision processes. Routine performance and management reports have not been easily available from a central information source. The County's Web site is difficult to navigate and even basic information is hard to find. What information does exist is often dated. Routine information about agency meetings, budgets and performance is not readily available unless one knows where to look elsewhere on the County's Web site.

Citizens wishing to learn about Metro's governance, policies, performance, operations, budgets or planning will be hard-pressed to find such information. The Metro Online Web site provides schedule and trip planning tools and a capability to buy bus passes and bus tickets online, but information of interest to the public about the agency's operations is not available.

- Searching for the agency's budget? You need to know to look under King County Executive--Executive Offices. (http://www.metrokc.gov/budget/)

- Searching for meetings of Metro's Board of Directors? You need to know to look under County Council—Committees--Transportation Committee and Regional Transit Committee (http://mkcclegisearch.metrokc.gov/calendar/search.aspx?body=15#current and http://mkcclegisearch.metrokc.gov/calendar/search.aspx?body=13#current)
- Wondering what performance benchmarks Metro has established? You'd better know about the AIMs High Web site (http://www.metrokc.gov/aimshigh/index.asp). But it includes only three measures for transit.
- Looking for routine publications of Metro's operating statistics and trends? The section on Metro Reports has just been updated to link to these http://transit.metrokc.gov/am/reports/reports.html. State and national websites will also get you useful information. For example, WSDOT Summary of Public Transportation: http://www.wsdot.wa.gov/Transit/Library/Summary2006.htm and National Transit Database: http://www.ntdprogram.gov/ntdprogram/pubs/NTST/2005/2005_NTST.pdf.

Recommendations to Finding #4:

While Metro is a division of King County government, citizens may not know that and are likely to land at Metro Online when searching for information. Here are some needed additions and suggested links to information that already exists and could easily be linked to the Metro site.

- Provide a concise explanation of Metro governance and how citizens can reach elected policymakers. Provide links to County Council Transportation Committee and Regional Transit Committee members, meetings and agendas.
- Provide an easy-to-use section on upcoming service planning decisions and timelines and how citizens can participate and give input.
- Provide a concise explanation of the budget process and information on when the public budget hearing is to be held.
- Provide a link to the Metro section of the County budget, specifically the narrative and overview.
- Publish user-friendly trend data and graphs on ridership and service quality indicators on the site.
- Publish the annual management reports on the site.
- Publish the annual route performance reports on the site.

Conclusion

Why does the Municipal League believe these findings are significant? For nearly a century we have stood for open and effective government. We have been concerned to watch the decline of citizen confidence in government that has lead to low voter turnouts, polarization and partisanship, and attempts to govern by initiative. We believe that in the 21st century in the United States it should be self-evident that government must be open, transparent and based on principles of high quality services delivered in a cost-effective manner. We believe that good stewardship of public resources demands attention to the principles we espouse in this report: clarity and transparency in how decisions are made; performance measurement and reporting to assure citizens that sound management principles are used in delivering services; allocation of services based on real needs and real equity; and planning for the future based on all of these principles.

Public transportation in King County faces numerous challenges: many routes are experiencing overloads, poor schedule performance and frustrated riders; Metro is at the limit of what it can raise through its currently authorized taxes; and it will be a decade before the new Sound Transit capital spending begins to address the need for increased capacity. Given the likely Alaskan Way Viaduct removal, SR 520 bridge replacement and I-405 improvements, the region will need added transit services as construction mitigation. Metro's contract with WSDOT for $32 million in transit service between 2009 and 2012 to address the impacts of the Alaskan Way Viaduct "Moving Forward" project is an excellent example.

The Municipal League is on record as supporting regional tolling both to fund new capital facilities and to provide new general transportation revenues in the future. However, citizens and policy makers will need to see stronger evidence of cost-effectiveness and transparency before embracing new funding sources. Metro will need to squeeze every ounce of productivity and service out of limited resources.

The economic downturn, climate change, funding constraints, accommodating major infrastructure projects and continued regional growth, confidence in government—all of these factors create the context that makes focus on a back-to-basics approach necessary. King County government is generally regarded as well-managed and sound in its adherence to the principles of open and effective government. We urge that the findings and recommendations of this report regarding the County's public transportation agency be taken as an urgent call to rethink some of the County's recent policies and management practices. As a community we cannot afford to accept declining service, excessive costs and political definitions of equity. King County Metro must focus on the basics of sound service delivery and innovation that it has demonstrated in the past to meet the needs of these very challenging times.

Appendix A: Subarea Demographic Data

	Pop 2000	Pop 2008	Change	Percent Change	Square Miles	Pop Density	2000 Median Household Income
West							
Lake Forest Park	13,100	12,800	(300)	-2.3%	3.54	3,620	$74,100
Seattle	563,400	592,800	29,400	5.2%	83.87	7,068	$45,700
Shoreline	53,000	53,400	400	0.8%	11.66	4,578	$51,700
West Subarea	*629,500*	*659,000*	*29,500*	*4.7%*	*99.07*	*6,652*	*$46,738*
East							
Beaux Arts Village	307	310	3	1.0%	0.09	3,314	$96,900
Bellevue	109,800	119,200	9,400	8.6%	30.75	3,877	$62,300
Bothell (King)	16,200	17,100	900	5.6%	5.70	2,999	$59,300
Carnation	1,890	1,910	20	1.1%	1.10	1,744	$60,200
Clyde Hill	2,890	2,810	(80)	-2.8%	1.06	2,657	$132,500
Duvall	4,620	5,930	1,310	28.4%	2.28	2,596	$71,300
Hunts Point town	443	475	32	7.2%	0.29	1,626	$180,000
Issaquah	11,200	26,300	15,100	134.8%	8.42	3,122	$57,900
Kenmore	18,700	20,200	1,500	8.0%	6.17	3,275	$61,800
Kirkland	45,100	48,400	3,300	7.3%	10.68	4,534	$60,300
Medina	3,010	2,960	(50)	-1.7%	1.43	2,067	$133,800
Mercer Island	22,000	22,700	700	3.2%	6.38	3,556	$91,900
Newcastle	7,740	9,720	1,980	25.6%	4.47	2,175	$80,300
North Bend	4,740	4,710	(30)	-0.6%	2.94	1,599	$61,500
Redmond	45,260	51,320	6,060	13.4%	15.89	3,231	$66,700
Sammamish	34,100	40,550	6,450	18.9%	18.05	2,246	$101,600
Skykomish	214	210	(4)	-1.9%	0.34	612	$45,400
Snoqualmie	1,630	9,360	7,730	474.2%	5.14	1,820	$52,700
Woodinville	9,200	10,560	1,360	14.8%	5.64	1,872	$68,100
Yarrow Point	1,100	970	(130)	-11.8%	0.37	2,618	$117,900
East Subarea	*340,144*	*395,695*	*55,551*	*16.3%*	*127.20*	*3,111*	*$69,718*
South							
Algona	2,460	2,740	280	11.4%	1.35	2,036	$50,800
Auburn (King)	40,300	60,400	20,100	49.9%	20.68	2,921	$39,200
Black Diamond	3,970	4,160	190	4.8%	5.37	775	$67,100
Burien	31,900	31,540	(360)	-1.1%	7.44	4,241	$41,600
Covington	13,800	17,360	3,560	25.8%	5.77	3,010	$63,700
Des Moines	29,300	29,180	(120)	-0.4%	6.34	4,603	$49,000
Enumclaw	11,100	11,470	370	3.3%	3.91	2,933	$43,800
Federal Way	83,260	88,040	4,780	5.7%	21.03	4,187	$49,300
Kent city	79,520	87,000	7,480	9.4%	28.03	3,103	$46,000
Maple Valley	14,200	20,500	6,300	44.4%	5.43	3,777	$67,200
Normandy Park	6,400	6,430	30	0.5%	2.46	2,613	$70,400
Pacific (King)	5,400	6,120	720	13.3%	1.92	3,187	$45,700
Renton	50,100	78,800	28,700	57.3%	17.03	4,628	$45,800
SeaTac	24,500	25,720	1,220	5.0%	9.96	2,581	$41,200
Tukwila	17,200	18,100	900	5.2%	8.92	2,030	$40,700
South Subarea	*413,410*	*487,560*	*74,150*	*17.9%*	*145.6*	*3,348*	*$47,161*

All data 2008 King County Annual Growth Report, Cities Statistical Profiles, except land area from Puget Sound Regional Council.