

# Capital Metro Peer Review Progress Meeting

presented to  
**CAMPO Peer Review Committee**

presented by  
Cambridge Systematics, Inc.  
McDonald Transit Associates, Inc.

September 26, 2008

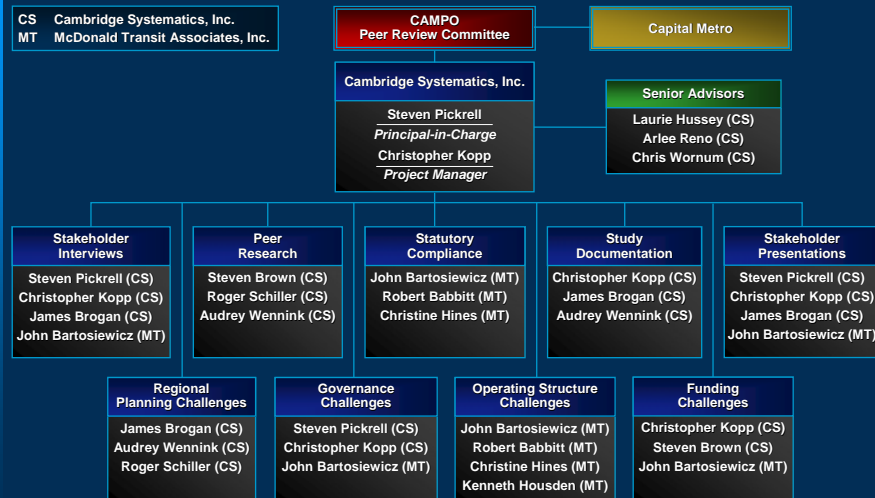
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## Agenda

1. **Introductions** (Betty Dunkerley, CAMPO)
2. **Peer Review Context** (Betty Dunkerley, CAMPO)
3. **Scope and Schedule** (Chris Kopp, Cambridge Systematics)
4. **Performance Indicators** (Chris)
5. **Statutory Compliance** (John Bartosiewicz, McDonald Transit)
6. **Stakeholder Observations** (Chris)
7. **Peer Research Approach** (Chris)
8. **Preliminary Peer Region Findings** (Chris and John)
9. **Next Steps**

## Organizational Chart



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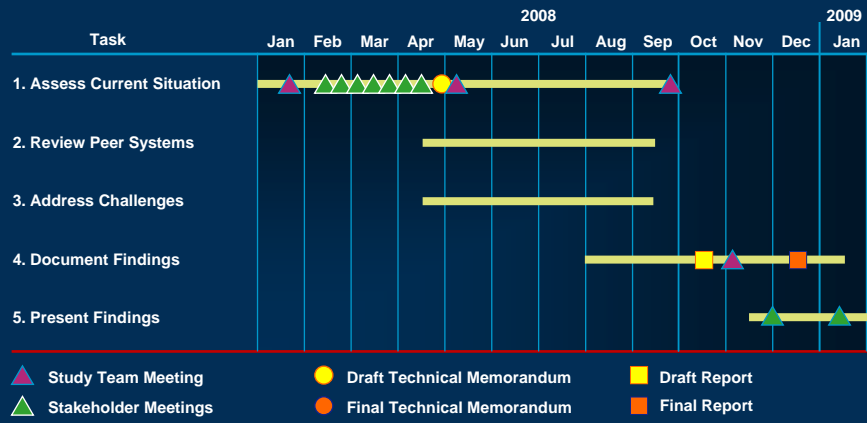
## Project Objectives

- Compare CMTA with peer agencies
- Prepare quadrennial performance review
  - Key performance indicators
  - Statutory compliance
  - Administration and management
- Address agency challenges
  - Governance and management
  - Labor relations
  - Service area
  - Financial sustainability

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# Project Schedule



# Performance Indicators

## Performance Indicators Agency Performance Metrics

- Operating cost per passenger, per revenue mile, and per revenue hour
- Sales and use tax receipts per passenger
- Fare recovery rate
- Average vehicle occupancy
- On-time performance
- Number of accidents per 100,000 miles
- Number of miles between mechanical road calls

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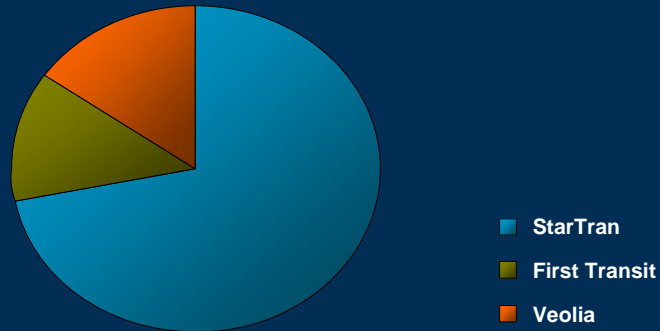
## Performance Indicators Operations – Peer Agencies

- Charlotte, NC
- Columbus, OH
- Indianapolis, IN
- Kansas City, MO
- Louisville, KY
- Memphis, TN
- Orlando, FL
- Sacramento, CA
- Tampa, FL

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## Performance Indicators Share of Total Vehicle Hours



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## Performance Indicators Key Observations

### ● Positives

- Operating cost per passenger is 80% of peer average
  - High ridership
- Number of accidents per 100,000 miles down 30% (2001-2007)
- Miles between mechanical road calls improving

### ● Neutral

- Average vehicle occupancy is flat
- Near 90% on-time performance is close to national average

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## Performance Indicators

### Key Observations

#### • Negatives

- Operating cost per revenue hour is 110% of peer average
  - StarTran increased 5% annually 1997-2007
  - Contractors increased 1% annually 1997-2007
- Operating cost per revenue mile is 110% of peer average
  - StarTran increased 6% annually 1997-2007
  - Contractors increased 2% annually 1997-2007
- 4% farebox recovery rate compares to 34% national average

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## Statutory Compliance

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## Statutory Compliance Overview

- Required by authorizing legislation
- Performed in-depth desk review, site visit, and personal interviews
- Focused on
  - Compliance with amendments in effect January 1, 2004
  - Action taken on previous recommendations and findings
- Found in compliance for all major categories

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## Statutory Compliance Recommendations

- Add a “date” line to each contract
  - Allows agency staff to ensure this important detail is included
- Continue to fill vacant maintenance positions
  - Ensures that the maintenance program continues to stay on-time and top-notch
- Consider adding a position for inventory control responsibilities
  - Ensures that agency assets are accurately accounted for

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## Statutory Compliance Recommendations (continued)

- Formalize information sharing process for annexations
  - Create a process flow chart
  - Identify persons responsible for each step
  - Allows for the most current annexation information
- Focus on completing software integration for the fueling system and inventory control record-keeping
  - Allows for more accurate collection and retrieval of data
  - Ensures most current information available quickly

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## Stakeholder Interviews

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## Stakeholder Interviews

### Nearly 70 Meetings

Capital Metro/CAMPO	Other Regional Agencies	Interested Parties
CAMPO Transportation Policy Board	Capital Area Rural Transit System (CARTS)	Envision Central Texas
CAMPO Executive Director and Key Staff	Texas Department of Transportation (TxDOT)	Real Estate Council of Austin
CAMPO Members of Transit Working Group	Central Texas Regional Mobility Authority (CTRMA)	Downtown Austin Alliance
Capital Metro Board of Directors	Greater Austin Chamber of Commerce (GACC)	Livable City
Capital Metro President and Key Staff	Austin-San Antonio Intermunicipal Commuter Rail District (ASAICRD)	Capital Area Transportation Coalition
Local Government Officials, In-service Area and Out-of-Area	University of Texas Parking and Transportation Services	Coalition on Sustainable Transportation
Amalgamated Transit Union Local 1091 Representatives	Texas State Tram	Alliance for Public Transportation
Capital Metro Customer Satisfaction Advisory Committee		Bus Riders Union
Capital Metro Access Advisory Committee		ADAPT

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## Stakeholder Interviews

### Common Questions

- Vision of transportation in Central Texas?
- Role of public transportation in region?
- Role of Capital Metro in regional planning?
- Perception of Capital Metro in community?
- Main challenges facing Capital Metro?
- Suggestions for peer agencies?

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## Stakeholder Interviews Observations

- **Lack of regional vision**
  - Uncertain role for transit, extent of services
  - Capital Metro responsible for vision and planning
  - *All Systems Go!* an attempt to fill the regional planning void – mixed perceptions
- **Planning the future of transit**
  - Broad support for stronger regional planning role
  - Stakeholder sentiment largely in line with *All Systems Go!*
    - Broad and growing support for transit investment, even in suburbs
    - Premium transit services (central area circulator, more commuter rail, BRT, express buses)

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## Stakeholder Interviews Observations (continued)

- **Role of CAMPO**
  - Take the lead in building regional consensus
  - Implementation of modal investment strategy
- **Role of Capital Metro**
  - Primarily implementing/operating agency
  - Designing services in designated corridors
  - Should participate in, but not lead, regional visioning/planning
    - Support CAMPO with technical expertise

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## Stakeholder Interviews Observations (continued)

- Capital Metro's perception problem
  - PR gaffes, high labor costs, "empty buses"
  - Overly politicized decision-making
    - Labor agreements
    - Fare policy
  - Technically competent, but "bunker mentality" not well received in Austin
  - Commuter rail initiation a defining moment for the agency's public image

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## Stakeholder Interviews Agency Challenges

- Governance and management
  - Pros and cons of board composition – accountability vs. independent decision-making
  - Conflicting views of regional representation – Austin vs. suburbs
- Labor relations
  - High unit labor costs and steep growth
  - Historically poor relationship with Amalgamated Transit Union (ATU) Local 1091

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## Stakeholder Interviews

### Agency Challenges (continued)

- **Service area**
  - Wide recognition of the need for regional approach to transit, expanded service area
  - Sales tax cap preventing expansion under current legal framework
- **Financial sustainability**
  - \$150 million spent on nontransit activities (Build Central Texas, regional mobility programs, sales tax rebate)
  - Operating deficit by 2014 without fare increase (2007 forecast)
  - State-imposed borrowing restrictions

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## Peer Research

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## Policy Peer Regions 12 Agencies + Austin



## Peer Research Peer Region Descriptions

- **Charlotte, NC – Charlotte Area Transit System (CATS)**
  - Transit division of city government implementing commuter rail, light rail, BRT based on 1990s vision developed by MPO.
- **Dallas, TX – Dallas Area Rapid Transit (DART)**
  - Aggressive implementation of regional light rail, plus commuter rail, HOV, and local bus; growing service area
- **Denver, CO – Regional Transportation District**
  - Regional agency, directly elected board, implementing aggressive light rail plan

## Peer Research

### Peer Region Descriptions (continued)

- **Houston, TX – Metropolitan Transit Authority (Metro)**
  - Light rail plus extensive express bus services
- **Phoenix, AZ – Valley Metro RPTA**
  - Separate municipal systems under a common brand
  - Valley Metro directly funds about 15% of service and coordinates local services, including new light rail line
- **Portland, OR – Tri-County Metropolitan Transportation District of Oregon (TriMet)**
  - Broad powers to build the transit element of the regional plan, supported by the nation's only directly elected regional government

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## Peer Research

### Peer Region Descriptions (continued)

- **Salt Lake City, UT – Utah Transit Authority (UTA)**
  - Growing service area and continued new investment in transit infrastructure, supported by a successful comprehensive regional growth strategy
- **San Antonio – VIA Metropolitan Transit**
  - Central city contributes an additional ¼ percent sales tax to support road and transit investments, including the region's first BRT line
- **San Diego – Metropolitan Transit System (MTS)**
  - MPO controls local highway and transit investment and construction, and other powers such as fare policy

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## Peer Research

### Peer Region Descriptions (continued)

- San Francisco, CA – Bay Area Rapid Transit (BART)
  - MPO controls some local transit funding sources, including bridge tolls; coordinates activities of more than a dozen transit agencies
- Seattle, WA – Central Puget Sound Regional Transit Authority (Sound Transit)
  - Formed to build a regional “high capacity transit” network; overlay across four local transit agency service areas
- Twin Cities, MN – Metro Transit
  - State-controlled metropolitan government provides multiple local services, including regional transit

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## Peer Research

### Common Questions

- Transit board composition?
- Effort to attain a “strategic mix” of expertise on the board?
- Respective planning and operating roles of the transit agency, metropolitan planning organization (MPO), other agencies?
- Opt-in/opt-out mechanism?
- Allocation between capital and operating?

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## Peer Research Common Questions (continued)

- New/innovative revenue sources?
- Service standards, role in land use planning?
- Role in LRT and BRT planning and land acquisition?
- Fare increases and public acceptance?
- UPASS or other institutional ridership arrangements?

*Does it work well? Is it popular? What would you change?*

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## Peer Research Key Observations

- Governance and management
  - Capital Metro's board size and composition is typical among peers (except other Texas agencies)
  - No strong examples of a mandated "strategic mix"
    - Seattle requires cross representation between MPO, Sound Transit, and the local transit boards
  - In Texas, MPOs have less role in transit planning compared with other regions
  - In a few regions, MPO authority extends to direct financial participation in transit

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## Peer Research Key Observations (continued)

- **Agency powers**
  - Most set their own fares (all except San Diego)
  - Several have fares tied to inflation and report minimal opposition
    - Charlotte
    - Denver
    - Portland
    - Salt Lake City
  - Public referenda typically associated with service area expansion and/or tax increases
  - Capital Metro's restriction on long-term debt issuance is exceptional

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## Peer Research Key Observations (continued)

- **Service area**
  - Most agencies do not cover entire MSA (Austin 59% is low)
  - Correspondence between service area and MPO planning area is rare
  - Membership mechanisms vary widely and are generally defined in state law
  - Many agencies have mechanisms for out-of-service-area communities to purchase service

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## Peer Research Key Observations (continued)

- **Funding**
  - Sales and use taxes are most common local funding source
  - Capital vs. operating allocations are usually discretionary
  - Several peers, including Seattle and Phoenix, have subregional equity requirements for funding distribution
- **Land use coordination**
  - Twin Cities has both service standards and a mandated systemwide recovery ratio to ensure efficient use of funds
  - Numerous agencies publish guidelines; some perform voluntary review of major development projects
  - VIA (San Antonio) provides rebates to communities to improve accessibility to transit routes

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## Peer Research Key Observations (continued)

- **Capital Metro exceptions**
  - Lack of long-term bonding authority
  - Rail referendum requirement
  - Paratransit service area
  - External approval of fare increases

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# Labor Relations

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## Labor Relations Overview

- Focus on StarTran
- History
  - Private for profit until 1970s
  - Private management contract until 1991
  - Present – interlocal agreement

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## Labor Relations Contracts

- StarTran – ATU
- StarTran – CWA
- Veolia – ATU
- First Transit – ATU

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## Labor Relations Environment

- Strained
- Overly adversarial
- Confusion over relationships
- Communications short circuits
- Seems to be getting better with new StarTran leadership

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## Labor Relations

### Local Contract Comparisons

- **Benefits less generous**
  - Employee health contributions and health plan
  - Life insurance
  - Sick leave
  - Vacation
- **Wages 14% to 22% less**

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## Labor Relations

### Peer System Contract Comparisons

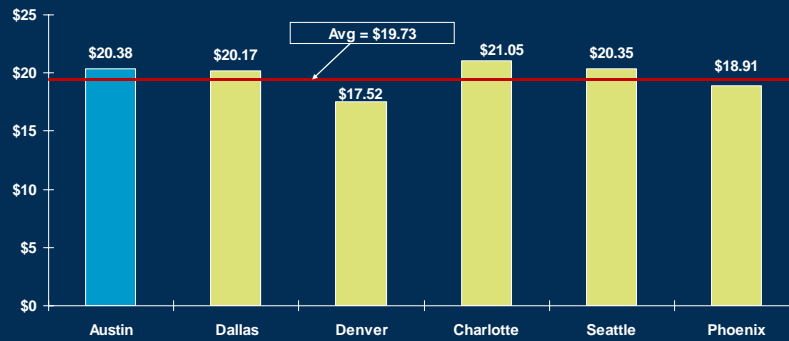
- **Work rules generally comparable**
- **StarTran more efficient in some areas**
  - Retiree health insurance
  - Vacation usage
  - Attendance incentive
  - Work assignments
  - Two tiered pay scale

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## Labor Relations Peer System Contract Comparisons (continued)

### Adjusted Wage Comparison – Top Operator

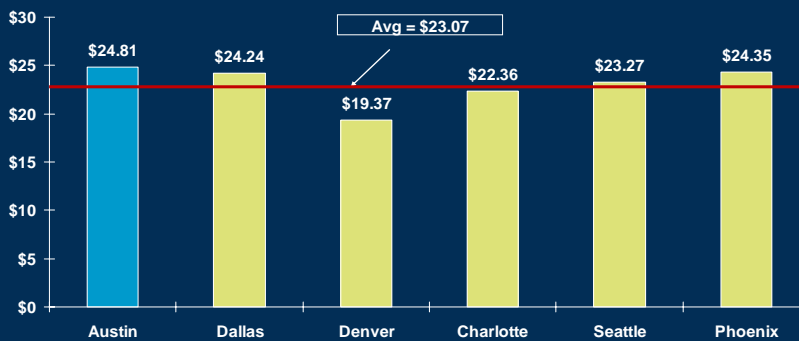


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## Labor Relations Peer System Contract Comparisons (continued)

### Adjusted Wage Comparison – Top Mechanic



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## Labor Relations

### Peer System Contract Comparisons (continued)

- Other more generous provisions
  - Pay for bargaining
  - 3 paid personal holidays
  - Long-term disability insurance
  - Unlimited sick leave and pay for excess
  - Partial pay sick leave on resignation
  - Vacation
  - Benefit extension on long-term leave

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## Next Steps

1. Review Financial Sustainability
2. Complete Recommendations
3. Meet to Discuss Draft Report
4. Prepare Final Report
5. Meet with Key Stakeholders

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**Thank You**