

# TriMet 2021-22 Hearing Minutes

Wednesday, April 28  
2021

8:00 a.m.  
Virtual Meeting

## **Present**

### **TSCC:**

Vice-Chair James Ofsink, Commissioner Mark Wubbold, Commissioner Margo Norton, Commissioner Harmony Quiroz, Executive Director Craig Gibbons and Budget Analyst Tunie Betschart (all via virtual meeting using Web X Meeting) (Due to technical difficulties Chair David Barringer was present at the hearing, only as an observer)

## **Absent:**

### **TriMet:**

Board Members: President Bruce Warner, Vice President Lori Irish Bauman, Ozzie Gonzalez, Dr. Linda Simmons, LaVerne Lewis, and Kathy Wai

Staff: Chief Operating Officer and Interim General Manager Sam Desue, Executive Director of Public Affairs J.C. Vannatta, Executive Director of Finance and Administration Dee Brookshire, Executive Director of Information Technology and Chief Information Officer Ethan Benatan, Executive Director for Labor Relations and Human Resources Kim Sewell, Budget Director Nancy Young-Oliver, Executive Director of Maintenance Operations Roland Hoskins, Director of Mobility Planning & Policy Tom Mills Executive Director of Engineering Construction Planning Steve Witter and Voice Systems Engineer Geoffrey Carroll

Vice-Chair James Ofsink opened the public hearing to consider TriMet's 2021-22 Approved Budget and asked the Commissioners and staff to introduce themselves. He then asked if any Commissioners have business relationships with the district that could be perceived as a conflict of interest. There were none. He welcomed Dr. Lewis to her first TriMet Budget Hearing and thanked President Warner for his years of service to TriMet and the years he served on the board at Portland Development Commission.

Vice President Ofsink recognized TriMet's excellent response to the challenges created by the pandemic, thanking them for continuing to provide a critical public service during a public health crisis unprecedented in modern times.

He acknowledged and congratulated the district on their receipt of the Distinguished Budget Presentation Award from the Government Finance Officers Association for its Fiscal Year 2020 Adopted Budget Book. He commended the agency on the format revisions and added information in the Fiscal Year 2022 Budget Book. He stated that the increased communication and transparency in this budget are very much appreciated.

Vice-Chair Ofsink explained that following the discussion, TSCC would have a time for public comment.

He then turned the attention to President Warner, who gave a brief description of the past year and the uncertainty TriMet faced navigating the pandemic. He anticipates the uncertainty will continue for a few more years and realizes economic recovery could be slow. TriMet's approach to budgeting for this year and beyond will be conservative and allow for incremental service restoration, continuation of some valuable programs, like the low-income fare program and essential capital projects. He said TriMet's Finance and Budgeting team had made some adjustments to revenue and expenditures. It was their hard work and dedication that have carried the district through the extremely tough year. A lot remains in flux right now, including the pandemic's duration, the speed of the reopening, the return of ridership, and payroll tax revenues. In light of all this, TriMet is taking a flexible and adaptable approach.

Mr. Desue added that while the past year has been one of the most challenging situations to navigate, it has also been one of the most inspiring for them. Frontline staff have shown tremendous dedication and heart during the uncertain and taxing time. With safety precautions in place, including mask requirements, hand sanitizers, limiting capacity, TriMet continued to provide critical transit services to essential workers. TriMet's fiscal year 2022 budget will retain the same overarching principles as last year: To preserve jobs and ensure safety is not compromised in operations or in capital projects for customers, employees, and the public. The fiscal year 2022 budget provides nearly \$58 million more than estimated in the current year budget, setting the agency up in the region and the riders to return to re-pandemic outlooks. As vaccines roll out and people return to jobs, TriMet will be ready to restore service. This will be done in a very safe and incremental steps to keep people safe. On the public safety front, the budget will continue to fund the heightened cleaning and public health measures initiated last year. The agency hired 130 additional cleaning personnel for frequent cleaning, although the agency reduced services by more than 20%. These efforts will continue. TriMet will restore services as finances allow and ridership dictates, emphasizing supporting low-income communities, transit dependent riders, and communities of color while minimizing overcrowding.

He said that as they address the challenges of the pandemic, they have not lost sight of their long-term goals. Federal Relief Funding has ensured the agency will overcome the near-term challenges and put TriMet on a bright path and strong future. In the fiscal year 2021, they received \$185 million in CARES funding. In 2022 TriMet will be receiving around \$195 million of the second round of relief funding; then, they anticipate receiving approximately \$289 million in American Rescue Plan funding throughout 2022. This additional revenue will allow the agency to continue to add operational costs needed to maintain service levels despite the significant drop in ridership, including adding the cost of meeting the pandemic responses and any other related regulations.

TriMet's priority with capital improvements projects creates jobs and also supports a hurting economy. The pandemic will not halt critical progress. TriMet's Division Transit Project, which recently reached 50% completion, is scheduled to open in September of 2022. TriMet's Better Rail Project is expected to kick off in the last half of 2021.

Mr. Desue reviewed projects completed in 2021, including MAX improvements on the Steel Bridge, which will improve the speed and resiliency of the entire MAX system for decades to come. He went on to say they will continue to fund the Clean Energy Zero Admissions bus pilot program as they move away from diesel fuel. They will not be increasing fares in the fiscal year 2022 and have reached a union labor agreement covering 2019 through 2022.

He concluded his introductory comments by stating through a year of hard work by the board and management staff, TriMet is well-positioned to handle the year of rebuilding ahead. They are committed to staying on course, maintaining long-term fiscal stability, and keeping commitments to riders, employees, retirees, and taxpayers.

He recognized and thanked TSCC's Executive Craig Gibons for his work with TSCC.

### **TSCC questions:**

#### **Vice-Chair Ofsink asked the following questions:**

When we were here last year, the pandemic was all new to us, and we had no idea what was going to happen. But, TriMet ridership had already plummeted. There has been a slow return in ridership. Tell us how ridership changed over the last year and about the relative status of ridership now compared to pre-pandemic levels?

Mr. Sam Desue answered, saying so compared to pre-pandemic ridership, levels have dropped significantly across all modes. They recorded the lowest level for ridership in April of 2020, with an average mode drop of about 68.4% of the pre-pandemic level. Since then, ridership has risen and stabilized between 38% and 40% of pre-pandemic levels. In addition, the composition of riders has changed from over 70% choice riders to more transit-dependent or central service riders.

Returning to pre-pandemic ridership appears like it might be a heavy lift or at least a long-term lift. Is TriMet planning initiatives to bring riders back? Do you expect ridership to return to pre-pandemic levels? If so, how long will that take? Will new technology play a role in that effort?

Mr. J.C. Vannatta responded, saying yes, it will be a heavy lift for the agency. There are a lot of initiatives planned to bring riders back. TriMet is planning to return to pre-pandemic levels. The current financial modeling expects to return about 2025, hopefully, earlier if possible, but that depends on the economy.

TriMet has initiated several priority projects to help make transit more appealing and more accessible to more people once confidence in the safety of the system is restored.

TriMet is upgrading its website, TriMet.org. The website is their primary marketing tool. It is central to how they bring people back. They are changing their web home page, making it more valuable, convenient and competitive. There are a lot of transportation providers out there, so TriMet must be competitive.

He went on to say they are testing digital displays on board buses to help keep passengers informed with real-time arrival information for upcoming stops and transfers, route changes, service alerts and more. TriMet wants to improve the overall customer experience while maintaining the required distance throughout the pandemic. They are exploring technology that will add passenger capacity to the transit tracker results. The information would notify riders if approaching busses had limited capacity, not crowded, or somewhat crowded. Then they can choose to ride that bus or wait for the next bus.

TriMet is expanding rider information with e-paper signage. They have installed over 200 digital displays that use low-power e-reader technology similar to an Amazon Kindle on the bus poles to broaden access to real-time information in rural areas and equity areas. These digital displays would not require a lot of infrastructures or capital expense.

TriMet has also improved communications to registered Hop cardholders using marketing automation to engage those cardholders with valuable and timely email notifications to help build ridership. They are also exploring software solutions to help publish and maintain more website content and more languages.

The agency is investing in ongoing training for all staff and frontline workers in all aspects of customer services. In addition, they will be deploying advanced technology to improve on-time service performance. This technology will be used with the Division Street Transit Project. The same technology will also be used in other areas of the service district.

He concluded by stating they want to make sure the customer experience is spot-on when riders return to the system.

Thank you for that information. That is a massive list of innovations and initiatives that TriMet is addressing. How do you determine where to invest concerning the kind of customer experience? Have you done some surveys or some solicitation of input from riders that helped inform those different priorities?

Mr. Vannatta responded by saying they have done at least three surveys to get a good sense of what people are thinking and feeling. Safety, security, buses on schedule, and overall cleanliness seems to be the resounding theme. TriMet communicates with the public about the safety measures they are currently taking to make riders safer on the system. They hope to build confidence in the transit system, thus encouraging people to use the public transportation system once again.

**Commissioner Quiroz asked the following questions:**

Does TriMet anticipate any fundamental changes in the type of service or service demand following the pandemic? If so, how are you planning to address that?

Mr. Tom Miller responded, saying it is a little too soon to know how ridership will change and react to that. TriMet is taking a close look at this as they hear about remote work and how people are starting to talk about only going to the office two, three or maybe four days a week, TriMet is trying to determine how this will impact ridership. They are also trying to identify areas where working from home will not continue. They want to be able to meet the demand when the return to work happens in these areas. They are also looking at the off-peak hours during the middle of the day. They are looking at whether or not to reallocate service during these hours.

**Commissioner Norton asked this follow-up question:**

Are you talking with the major employers to understand what their plans are for their employees?

Mr. Miller said they are just now starting that process. The four-day workweek was just an example, not a conclusion the agency has made. He went on to say the point is they do not

expect people to return to the office five days a week, and that will impact ridership TriMet will need to determine how to adapt to these changes.

**Vice-Chair Ofsink asked the following question:**

Passenger revenue is budgeted to increase from \$41 million this year to \$56 million next year, a 37% increase, but service hours are only budgeted to grow 15%. Do we have that right, and how are those two metrics related?

Ms. Nancy Young-Oliver fielded this question, saying you are correct with the numbers, but the relationship is indirect. She explained they did not cut service concerning the loss of ridership. Currently, ridership is down 59%. But service is only down 10%. So, they base the optimistic increase on a combination of the expectation of increased ridership on existing routes plus additional ridership on the other 15% that you see as service increases.

**Commissioner Norton asked the following questions:**

We all realize federal money isn't exactly free. It comes with workload and sometimes with strings attached. So, we want to know about how easy has it been to work with the first allocation, the CARES funding, what you learned from that, and how that will set you up for the second allocation in terms of flexibility, spending, reporting, billing, collecting the money from the federal government. How has that gone?

Ms. Young-Oliver answered that TriMet has received \$185 million in CARES Act and expects to receive \$195 in CRRSAA funding and about \$290 million in ARP funding. The expectation is that TriMet will use these funds for the cost of their total pandemic response. Expenditures include the hiring of the additional service workers. For example, the agency hired 130 service workers to clean the system. That alone added \$10 million to the budget. In addition, these funds will cover cleaning supplies, personal protective equipment and other response needs related to the pandemic. This additional funding will ensure employees, particularly those pertaining to ridership cuts, will not be laid off during the pandemic.

She explained that federal money could not be used to supply lost revenue or for capital construction. There is a vast gap between the 59% decrease in ridership and the 10% cuts in service. TriMet is committed to keeping all lines in service regardless of ridership. Some lines have increased to maintain social distancing requirements. There is a cost associated with this, and the federal funding stimulus will address the cost of service on the street, keeping everything moving.

Has the federal government paid TriMet, or is there a long lag getting reimbursed?

Ms. Young-Oliver said this is an expense reimbursement, so the agency incurs the expenditure, and then they draw down the funds. She explained that once the award is established, they do an allocation between C-Tran, Smart and TriMet. They agree on that and sign a split letter that is sent to the FTA. Once the letter is received, TriMet can draw those funds down as the eligible expenditures are incurred. So there has been no difficulty drawing down the funds. The \$185 million has been completely drawn down and spent towards keeping the system going, and the agency is currently drawing down the second stimulus package, that CRRSAA funds at \$195 million. Then once TriMet has the split letter for the third bucket, they will be drawing that down. TriMet has experienced no delays or

obstacles, obtaining federal funding in a very timely manner.

Does the Federal Government have a matrix that they expect you to meet in terms of the expenditures? Or does TriMet have some matrix that helps determine that you are doing the right thing at the right time?

Ms. Young-Oliver said there are particular guidelines on what makes eligible expenditures. Internally, TriMet reviews the expenses by cost center or by the department. She then explained the chain of command these expenditures must go through. There are at least three reviews before submitting the expenditure for reimbursements.

**Commissioner Wubbold asked the following question:**

The pace of replacing the fleet with Battery-Electric buses has slowed due to the pandemic. However, we see that the rate is picking up now. What is the current status of the Battery-Electric bus fleet? Are you still in the testing stage? How many are in service? What are the plans for building the infrastructure to support a fleet of electric buses?

Mr. Rolland Hoskins responded, saying TriMet currently has eight battery-electric buses, five of which are short-range buses using on-route fast charge and are at Sunset Transit Center assigned to Line 62. In addition, two long-range busses are on loan; one is 40 feet long, and one is a 60-foot articulated bus. They rely on plug-in chargers. They are being tested with no passengers and not in revenue services. They are on lines 20 and 72. He said they have another long-range bus they are excited about because they believe it will be very reliable. The agency tests the range capabilities. The busses will be assigned to line 20, Burnside and Stark route beginning this summer. There are four diesel to electric bus conversions, which are articulated buses. This is the first in the nation that has been done. Then there are three 40-foot buses they are being tested

He went on to say they are evaluating all the various battery-electric platforms and are looking to get a more extended all-day range hitting the streets, hopefully in 2021. However, the electric busses have struggled.

Mr. Steve Witter said regarding the plans for building infrastructure for an electric fleet of revenue vehicles, TriMet currently has 12 charges in place that charge the vehicles. They are located at the Merlo bus facility in Beaverton. In addition, one in-route charger is located at the Sunset Transit Center, with the conduits and electrical infrastructure waiting for an additional charger when demand requires it.

He said they are about halfway finished with the complete renovation of the Powell Garage facility, which will include 24 chargers. They have also planned for additional expansion with the local utilities.

Pre-pandemic plans were to develop the Columbia Bus facility that would have provided significant operations facilities, long-term goals, and 300 buses. In addition, there would have been non-diesel fueling provided there. Those plans are on hold with 30% engineering completed. When the economy rebounds and makes it viable to do so, TriMet will continue to develop that site.

We are certainly looking forward to zero emissions. But, how much of the work, technology, and employment opportunities of this emerging business will go to Oregonians?

Mr. Hoskins answered, saying there will be a lot of capital construction associated with that as it emerges through the industry. Whether it is electric or hydrogen or any other fuel type, it is costly construction and takes a lot of work to build it out.

Mr. Witter added that they are actively working with Daimler and Freightliner, which are local manufacturers. They are leading some technological advancements in freight movement.

**Commissioner Ofsink asked this follow-up question:**

Mr. Hoskins, the conversions you mentioned are being done by TriMet in-house, or is that part of the partnership with Daimler, Freightliner or other local partners?

Mr. Hoskins explained that TriMet could not do that at this time, so they put it out for bid and went with Custom Coach Works in California. They have had a lot of experience in this area. This company has a contract in Washington State and has good recommendations. They have the longest-running fleet in the United States. To be more competitive in the future, TriMet may put that out for RFP in the future.

**Commissioner Quiroz asked the following questions:**

How has voter rejection of the ballot measure on local transportation funding affected TriMet's significant project planning? That ballot measure included funding for the Southwest Corridor project, but funding aside, did that project faces other challenges?

Mr. Witter fielded this question stating the Major Projects Team is wrapping up the environmental impact statement for the Southwest Corridor and securing a Federal Record of Decision. The impact statement would allow TriMet to maintain project viability. They are also requesting an extension letter with the FTA to ensure that any local funds spent during the period and afterward are indeed matchable. This will allow the agency to use federal funds in the future if the region decides to move forward with that project.

He said the MAX Red Line Improvement/Expansion Project is close to securing an FTA grant. That should happen this summer. They are also working on the Interstate Bridge Project and the Tualatin Valley Highway Corridor for better bus service there and other areas to advantage the bus movements in traffic. TriMet is working with regional partners at the three counties, cities, and Metro and securing additional regional funds to get buses moving quicker.

With the Southwest Corridor Project, one of the fundamental challenges was securing the local jurisdictional funding and partnering with local jurisdictions to manage scope even if the measure did move forward. Also, TriMet was adding light rail into a vehicular environment. Park and Rides impacted the highway system. They would need to be reduced not to disrupt traffic. So the project has its issues.

Since we were already over 50 minutes into the hearing, Vice-Chair Ofsink recommended, in the interest of time, we request a written answer to the following question:

The Westside Express Service line is an essential link for west side commuters. But, in a recent KGW story a TriMet official said the service had not met TriMet's ridership expectations. The story indicated it would be cheaper to pay the contractual forfeit fee than

to continue operating the line. Do we understand that correctly? Is the service still a financially viable option? Is TriMet evaluating options for this service?

TriMet staff will email TSCC staff an answer to this question.

**Commissioner Quiroz asked the following question:**

Despite service cuts over the last year, TriMet's staffing and payroll costs seem to be pretty stable. So what were those service cuts, how many positions were affected, what happened to the employees in those jobs?

Mr. Desue responded by saying TriMet undertook an average of about 20% in total service cuts with varying percentage drops by mode. Since the cuts were made, TriMet has restored nearly half or 10% of the reductions even though ridership is still down. They wanted to get service back out there immediately. TriMet is experiencing crowded lines on the buses or lines waiting to get on buses. With the social distancing standards needed to be met, it was necessary to increase service to accommodate riders. The agency continues to evaluate and assess all the lines as they continue to move forward,

Regarding the positions affected, the agency had no employees that were laid off due to the pandemic. However, currently, there is a hiring freeze, and they are looking at each position to identify whether it is critical to the organization's mission. Some employees were repurposed. Staff members were used for cleaning the transit system, and others were used to deliver meals through the local Meals on Wheels program. TriMet was very innovative in finding jobs for all employees to keep them employed during the pandemic.

**Commissioner Norton asked the following questions:**

Almost all transit routes lead downtown, a place now considered by some to be unsafe. Is that perception impacting TriMet operations and, if so, how is TriMet dealing with it? Are you collaborating with other organizations to address that problem?

Mr. Vannatta addressed these questions saying this perception is not impacting TriMet's operations. The buses and trains continue to roll on schedule. However, it is affecting ridership. The agency has done extensive research throughout the community using surveys on board, in-person surveys, and the Reimagining Public Safety & Security on Transit effort. The resounding theme was safety was necessary for them to come back. As a result, TriMet is investing in training, increasing its presence on the system, and building safety response teams. TriMet believes this will lead to a safer environment for riders and employees. He said they are collaborating with the other organizations and know partnerships are essential as they come out of this pandemic together. They are working with the City of Portland, City of Portland Business Alliance and other jurisdictional partners and community-based organizations to align all efforts to improve the safety and security of the community and TriMet's transportation system.

He concluded by stating there is a lot of work and coordination underway. He gave the example of the clean-up of Saturday Market, getting it ready for people to begin attending this venue.

Vice-Chair Ofsink said this is the end of the formal questions by the Commissioners. He asked Executive Director Gibbons if there was anyone who would like to speak.



Mr. Gibons said there was no one attending this virtual hearing who wish to speak.

Vice-Chair Ofsink thanked TriMet's board members and staff for their attendance and contributions to the hearing. He then closed the public hearing and opened a meeting of the Tax Supervising and Conservation Commission. He asked if there were any comments on the budget. There were none. So he requested Executive Director Gibons to give a review of the budget and staff's recommendations.

Executive Director Gibons said TSCC staff recommend that the budget be certified with no recommendations or objections to TriMet's budget and budget process.

Commissioner Norton moved to approve the certification letter as presented by staff. Commissioner Quiroz seconded the motion, which passed with a unanimous vote.

Vice-Chair Ofsink asked for any comments from anyone. There were none.

He adjourned the meeting.

Approved by Commission on May 11, 2021