

TriMet 2022-23 Hearing Minutes

April 27, 2022
8:00 a.m.
Oregon State
University
70 NW Couch
Street Portland
Oregon

Present

TSCC:

Chair Harmony Quiroz, Vice-Chair James Ofsink, Commissioner Mark Wubbold, Commissioner Margo Norton, Commissioner Matt Donahue, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart

Absent: None

TriMet:

TriMet Board Members: President Dr. Linda Simons, Board Vice President Lori Irish Bauman, Dr. LaVerne Lewis, Keith Edwards, Ozzie Gonzalez, and Thomas Kim

TriMet Staff: General Manager Sam Desue, Chief Operating Office Bonnie Todd, Executive Director of Public Affairs JC Vannatta, Executive Director of Safety and Security Andrew Wilson, Executive Director of Finance and Administrative Services and Chief Financial Officer 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, Executive Director of Engineering Construction Planning Steve Witter, General Counsel Shelley Devine, Project Manager Bus Electrification Young Park, and Director of Transit Equity, Inclusion & Community Affairs John Gardner

Chair Harmony Quiroz opened the public hearing by welcoming everyone to the hearing and briefly describing the duties and responsibilities of the TSCC. She reviewed the hearing process and stated the reason for the hearing was to engage the district leadership and provide an opportunity for the public to comment before TriMet adopts its budget. She asked TSCC Commissioners and staff to introduce themselves and state if they have business relationships with the district that could be perceived as a conflict of interest. Each commissioner and staff member introduced themselves and stated they had no conflict of interest with TriMet.

Chair Quiroz welcomed Dr. Simons to her first TriMet Budget Hearing as president. Then she asked President Simmons to introduce the board members and staff present. Following TriMet's board and staff introductions, General Manager Sam Desue thanked TSCC for holding the hearing. He recognized the TriMet employees for the duties they perform every day, showing their resilience and grit in the face of adversity.

Mr. Desue gave a brief overview of the agency's budget, including the dollar amounts for daily operations, capital improvements, and debt service. He added that for the tenth

consecutive year, the budget would not include a fare increase. He listed a few items that guided the decision-making process when considering the budget this year. He mentioned the recovery of ridership following the pandemic; addressing the operator shortage; safety and security for passengers and employees; addressing climate change; and providing transportation access to those struggling financially through the reduced fare program.

Mr. Desue summarized the following capital projects: Powell Garage, Division Transit Project, the Better Red project to expand the Max Red Line, and State of Good Repair Projects.

He closed by stating the agency is committed to serving the region while being good financial stewards of the taxpayer funds. Then he asked TriMet's Executive Director of Finance and Administration, Dee Brookshire, to contribute additional information.

Ms. Dee Brookshire thanked the commissioners for their service and hosting the hearing.

Chair Quiroz said before addressing the questions, she would like to acknowledge TriMet's financial staff's receipt of the Distinguished Budget Presentation Award from the Government Finance Officers Association for the fiscal year beginning July 1, 2021. She went on to say the TSCC commissioner and staff would also like to commend the finance team on the changes they have made to the budget document, improving the transparency and readability of the budget for the public.

TSCC questions:

Chair Quiroz asked the following questions:

General Manager Desue and Chief Operating Officer Todd, congratulations on starting your new positions last year. What has been your biggest "Aha!" moment here at TriMet this first year in these roles? And what is the most important thing you would like to accomplish this upcoming year?

Mr. Sam Desue answered, saying his biggest "Aha" moment during his first year was the "great resignation" that has happened all across the United States during the pandemic. This significantly affected TriMet last year. The agency lost nearly 300 represented employees and more than 120 non-represented employees. TriMet has started the process of looking at ways of addressing some of the reasons for employees leaving the agency. He said they are focusing on improving personnel safety and the employee experience as an organization. TriMet is looking at improving its relationship with the Amalgamated Transit Union focusing on the recruitment and retention of personnel. All transit agencies across the country are dealing with the recruitment and retention of personnel. TriMet has had to compress its wage rate to move the start rate to \$25 per hour to get people to apply. They have also reduced service by ten percent because they do not have staff to provide the same level of service. He said this had been the great "Aha!" for him in this first year as General Manager.

Ms. Bonnie Todd said she has been with TriMet for under four months. She said the two "Aha! Moments" she is most focused on are related to security and figuring out how to add security to the system and improve the atmosphere without the necessary resources. The agency is starting to make progress with this. She expressed that the other area is maintenance. She was surprised at the age of the system and the agency's assets. TriMet has been a capital organization for a long time and is now pivoting to more of an operating-focused organization. She said she looks forward to seeing what they can do to update many of the agency's systems.

Commissioner Ofsink asked the following questions:

Labor shortages are a challenge across the board right now, and we know TriMet has struggled to recruit and retain employees, especially driver positions, over the last year. TriMet has responded by increasing the starting wage and offering incentive packages, most recently boosting sign-up bonuses to \$3,500. Can you tell us how successful this has been? What other strategies is the agency planning for retaining employees once they join TriMet's labor force?

Mr. Desue said they created an Executive Steering Committee to explore ways to mitigate the effects of the resignations.

Ms. Kim Sewell responded, saying this has been a significant focus for Human Resources and Labor Relations. TriMet has an Operator Shortage Steering Committee that regularly meets to discuss ways to mitigate the impact of the "Great Resignation" and identify actions the district will take.

The signing bonus has been effective and resulted in a boost of applicants at the onset. However, those numbers have leveled off and are still not producing the number of applicants needed for the agency to be fully staffed. As a result, TriMet increased the signing bonus to \$7,500 and the internal referral bonus to \$1,500. Following this action, there was an immediate spike in applications.

Ms. Sewell said that TriMet expanded its profile on the *Indeed* online hiring platform, which has significantly increased application rates. The agency also uses Indeed's resume search tool to reach out directly to people. This tool has increased the capacity for conducting interviews by adding staff to review resumes and participate in the interview process. Staff is also attending various job fair events, both virtual and in person. TriMet has introduced an email campaign to reach out and connect with some 700 past applicants. The agency has streamlined the hiring process to move people through more quickly.

Ms. Sewell concluded that frequently meeting with the steering committee has generated new ideas for the group to examine.

How long does it typically take from the time of application receipt until the district has an on-the-job employee?

Ms. Sewell explained the process saying they can issue a conditional offer contingent on security checks and drug screening that has to occur. It takes a couple of weeks for that. Then the applicants come in and start the training program. At that point, they can operate the bus. This process takes seven weeks.

On the retention piece, can you tell us what is being done to retain employees once they join TriMet's team?

Ms. Sewell responded that they are surveying the employees to see what would keep them at TriMet. They are also looking at safety and security issues and evaluating ways to make employees feel safe on the job, particularly bus operators.

Mr. Desue added that many businesses throughout the country are faced with the mental health and well-being of their employees. The past two years have been very

stressful dealing with the pandemic and the sudden changes. TriMet brought in medical professionals to educate employees on caring for their physical and mental health needs during these trying times. He also said the chaos and events that have challenged the City of Portland have adversely affected TriMet and other businesses and agencies in the area, causing employees to leave their jobs. TriMet is working with all regional stakeholders to turn this around and move forward.

Ms. Sewell added that the agency meets regularly with the ATU officers in the labor group to solicit ideas on retention and how to improve the environment for the front-line staff.

Commissioner Norton had this follow-up question:

What is the quality of the applicants you are receiving?

Ms. Sewell said raising the signing bonus increased the applicants for employment at TriMet. The number of successful applicants has also increased. Class sizes are stepping up as well. So it has been very positive.

Commissioner Wubbold asked the following questions:

Last year we asked about ridership trends, and TriMet's financial modeling expected ridership to return to pre-pandemic levels around 2025. TriMet initiated several priority projects to address ridership, including website updates, improved communications, and customer service training. What is the ultimate goal of these efforts? Have these projects been successful so far? What other approaches are you planning?

Ms. Brookshire fielded this question, saying TriMet's financial model now suggests ridership will not return to pre-pandemic levels until later in this decade, perhaps as late as 2028. The effect of the pandemic has been two-fold, more riders are working remotely and riding transit less, and many large employers have moved out of the core and to the suburbs, changing travel patterns. The agency is monitoring ridership trends very closely and adjusting ridership projections as both conditions change and as the agency takes measures to attract riders to the system, whether returning or new.

The ultimate goal is to increase ridership and do it as equitably and efficiently as possible. Once the district solves the operator shortage, service reliability will improve. Because of the operator shortage, TriMet has had to increase time between buses on routes, which increases the wait time between buses. The district is also working to deliver more of a security presence on the system and improve cleaning efforts. TriMet is working toward a much improved customer experience for riders.

Mr. JC Vannatta added marketing efforts thus far have been effective. Ridership is improving, and the district expects it to continue to improve. Because of service levels and security concerns, the immediate marketing efforts have focused on employers with employees returning to work. Other marketing campaigns are being developed and will be launched appropriately.

Work also continues on TriMet's Comprehensive Service Analysis, called Forward Together, where the agency has hired an outside consultant, Jarrett Walker & Associates, to help look at how travel patterns, demographics, and rider needs have changed. TriMet can develop a better plan for delivering high-quality transit service using this study. A lot of public outreach is underway for that effort. The approved plan will be one that TriMet begins working toward over the next several years. As more

and more riders use the system again, TriMet expects to gain their trust through these measures.

Mr. Vannatta said they have an internal ridership task force meeting monthly to discuss safety, security, cleanliness, marketing efforts, and people returning to work. These meetings have been very informative.

Are "destinationless riders" creating some of the challenges for bus operators in the new environment for transportation?

Mr. Desue said several riders were using the buses for shelter last year. They reached out to businesses and organizations to help provide shelter and assistance for these houseless folks. TriMet is now partnering with the Multnomah County Sheriff's department.

Mr. Andrew Wilson said the district has very resilient, extraordinary front-line workers. TriMet has enhanced its partnership with Multnomah County Sheriff's office and the Behavioral Health Department. They have developed a safety response team designed to reach out to folks and connect them to services. Obtaining help for these folks is a priority for TriMet. They are working with the Multnomah County Sheriff's Department and the Multnomah County Behavioral Health Department to develop models that accomplish service outreach on the transportation systems to connect people back to the opportunities in the area. The district is taking a different approach than they have taken in the past. He said the tools they are using now are more appropriate for the conditions.

TriMet has handed over transit policing to Multnomah County and created a non-armed safety response team. Has this transfer of duties enabled TriMet to increase the number of safety response team members on buses and trains? What has been your experience with the new model so far, and how are you measuring success for this model moving forward?

Mr. Wilson fielded this question also, saying TriMet's Safety Response Team currently consists of 24 dedicated team members. The vision and leadership of the team have increased TriMet's ability to support the most vulnerable riders on busses and trains from 7 a.m.- to 11 p.m.

The team has proven successful at establishing system presence and delivering referrals for shelter, food, and treatment services. Their performance is related to the number of contacts and outreach referrals. Since the program launched in September 2021, the team has averaged approximately 2,500-3,000 contacts monthly.

Moving forward, TriMet will continue to be reflective of the community it serves and will continue to build relationships with service providers throughout the Tri-County metro area.

Mr. Wilson concluded by saying this team has helped establish a presence and connect with folks who need direction to agencies who can assist them with their needs. Unarmed security seems like the right approach at this time.

Are you coordinating with the Portland Street Response?

Mr. Wilson confirmed that they are collaborating with them. TriMet just developed its program in September, but they have discussed opening up some of its space for the

Portland Street Response for activities such as cross-training. He said this is a community effort.

Commissioner Ofsink asked this follow-up question:

With the changes in security, how is the district addressing the different demographics of riders and TriMet's equity goals?

Mr. Wilson said the Safety Response Team is a different way of approaching safety at TriMet. They work toward establishing better outcomes for the most vulnerable riders and diverse populations. The team's job is to lend a hand, be available and show presence. If they identify an unsafe action, they will call that in, but they do not pursue code enforcement. Code enforcement is not their area.

Ms. Sewell added a training program within the HR department that introduced an implicit bias class that all employees attend, including the front-line employees.

Commissioner Norton asked the following questions:

We've just heard you talk about overcoming staffing shortages, rebuilding ridership levels, and tackling safety concerns, perceived or otherwise. Any of these would be a heavy lift, but you will be attempting all three next year. We would like to hear the board's perspective on this perfect storm. What's the priority, and what will be the highest return on investment?

Mr. Keith Edwards said the board approached safety concerns with dignity and respect to ensure everyone was safe and respected. The board measures success in this area by decreasing complaints, people not being disrespected, and folks referred to agencies that can assist them. The board feels this is the best solution to safety concerns.

Mr. Thomas Kim added the key issues that have had the attention of the entire board when discussing any issues around the district's operations are: ridership, employee retention, safety, and security. He said the staff knows all these problems and considers them with every decision. Knowing the board, leadership, and staff is all in agreement when moving forward to find solutions is most important.

Mr. Ozzie Gonzalez responded by saying all issues are not isolated cases to be addressed but must be addressed simultaneously. He said he believes the need to address these issues will bring out the best in the organization. Some things need to return to the way they were accomplished previously, and some need to be reimagined. It is an exciting, scary time with the agency stepping forward into this challenge. But there is not much choice. This question is at the nexus of what the district and board are trying to do.

Ms. Lori Irish Bauman acknowledged that the federal government put significant resources into transit throughout the country. These dollars helped TriMet to maintain service, at least in part. She said all three issues are essential, but rebuilding ridership is significant.

Dr. Linda Simons added that it was time for the agency to initiate a comprehensive service review. Areas have changed, and travel patterns have transformed. The district needs to ensure they are traveling to the destinations of their passengers.

While ridership is always a concern, the payroll tax is TriMet's most significant

operating revenue. The payroll tax was sold and accepted as a way to get employees into work and customers into stores, restaurants, and entertainment venues. Yet the payroll tax increased during the pandemic and will continue to increase in the new budget. Are you getting pressure from employers to forgo or even roll back the rate increase?

Mr. Desue responded that they have heard from some stakeholders about adding more services since they are receiving more funding. They explained the problems with recruitment and other areas of concern. One of the priorities in FY 23 is the partnerships with stakeholders. TriMet will focus on strengthening these partnerships. One way of doing this is to tell the story of the district and how the district can help people, getting them to opportunities such as work, medical appointments, educational opportunities, housing, and grocery shopping. He concluded by saying they must continue to tell this story.

Ms. Brookshire explained that they had not received feelers from employers on forgoing or rolling back the payroll tax rate increase. Employers are genuinely supportive and understand the importance of public transportation in how it combats congestion and pollution and helps their employees financially. Employers also understand the agency's labor shortage, and resulting service levels, as many have experienced the same effect on their businesses. TriMet has stayed close to employers throughout the pandemic to understand their needs and assist whenever possible. The agency has dramatically modified its institutional programs to ease the burden on employers to reflect the changes in ridership. Unfortunately, the service cost has not decreased, which drives the need to continue the payroll tax increase.

Mr. Vannatta added that they have stayed in close contact with the employers throughout the pandemic, working to reduce some of their cost of transit because some of them needed transit to move workers to and from home. They also initiated surveys to address changes in the needs of the origins and destinations. TriMet will program the results into the next service plan.

Chair Quiroz asked the following question:

This year, many districts carried over and received additional federal and/or state pandemic relief funds at unprecedented levels. Some funds will be carried over into the new budget year. But barring unforeseen circumstances, that spigot is closing. What programs or services begun with pandemic money does TriMet intend to continue and how will they be funded?

Ms. Brookshire responded, saying this year the agency has primarily spent federal relief funds on the cleanliness, safety, and protection of riders and employees. The funds continue to help sustain operations of the buses and trains and to avoid layoffs. TriMet will be able to continue operations because of the strength of the payroll taxes, projected return of ridership, and the elevated federal formula funds enacted by the five-year infrastructure bill.

The pandemic turmoil has given the agency a new perspective. Remote working, cleanliness of vehicles and platforms, and an evaluation of the service are all areas of attention drawn from the pandemic experience that TriMet plans to continue to review and evaluate.

Commissioner Norton asked this follow-up question:

The budget message mentions carrying more forward in unrestricted ending fund balance because of federal dollars. When referring to this, you have said funding shortfalls in the near term. But now, I am hearing until the end of the decade. I just wanted to make sure I understood correctly. I did not expect "near-term shortfalls" to extend to the end of the decade. Is this correct?

Ms. Brookshire said they taper out. The district has had unexpected expenses such as an increase in recruiting bonuses and wages. This budget is considering FY 23, so the end of the decade may be the wrong term, but TriMet will be watching to see how the agency is doing financially in the coming years.

Commissioner Ofsink asked the following questions:

TriMet will receive a significant share of transportation money from the federal infrastructure bill, which President Joe Biden signed in November 2021. How much money will TriMet receive, and what do you expect to do with those dollars? How many years will new projects take to complete, and how will you measure success?

Ms. Brookshire answered by saying there are two parts to that federal infrastructure bill. One part addresses the continuation of the FAST Act (Fixing America's Surface Transportation) and assures the agency that it will receive roughly \$25 million more per year in federal formula funds. TriMet will utilize these funds primarily on preventive maintenance of the buses and trains.

The remainder of the available infrastructure bill funding will go to increases in the competitive grant programs run by FTA. TriMet expects to apply for as many grants as possible. At this moment, TriMet staff cannot give you an exact number of how much the agency will receive. On the shortlist is the ongoing effort toward moving the bus fleet toward zero emissions. A long-term initiative is a fleet replacement of 700+ buses and the infrastructure to support it. TriMet also plans to seek funding to build out the Columbia Bus Base and state-of-good-repair infrastructure projects, including at least four tranches of light rail vehicles over time.

Commissioner Donahue asked the following questions:

Tell us more about the Red Line project – aside from the short extension on the west side to Fairplex in Hillsboro, how will the rest of the project benefit the broader TriMet organization and its riders?

Mr. Steve Witter gave some history on the development of the Red Line going back to the 1980s, giving the reasons for the necessary changes. When it was built, it was accomplished using the least costly procedures. With single tracks causing bottlenecks in the system, the time has come to upgrade the system to meet the growing needs and alleviate delays. These upgrades will improve overall reliability. By extending TriMet's transportation service by ten stations to reach Hillsboro, the agency can utilize the grant from the federal government. Other benefits include additional light rail vehicles to replace the Type 1 aging vehicles, new facilities for operators in the Hillsboro area, and non-revenue areas of track in the Gateway transit center allowing for movement of trains in case of emergencies, maintenance work, and disruptions.

Commissioner Ofsink asked this follow-up question:

Is the exchange at Gateway changing the bus service in that area, moving farther

away from the light rail line? Could you speak to the rationale behind these dynamics?

Mr. Witter explained that it is always a balance of seamless movement of passengers between trains and transfers and ensuring the system moves smoothly. Most users will not need to transfer as most using the Red Line are headed west to downtown or Hillsboro. The passengers headed east towards Gresham must walk a block to the bus stop. For those that this is not an option, they may travel to a later stop and transfer to another light rail line.

Commissioner Donahue asked the following questions:

TriMet is in the process of introducing the Division Route FX Line, the agency's first high-capacity bus service. Given current challenges to ridership levels, how will you judge whether the service is worth the cost to operate?

Mr. Witter responded by saying in every grant-funded project, TriMet performs a "before and after study" after two years of service. The agency will take data as they enter the project development process with the federal government, projecting what ridership will be. Two years later, they will measure this against the real-time results.

Commissioner Ofsink asked this follow-up question:

Is this information made public?

Mr. Witter said it is a report submitted to the federal government. They make it available through their database to all transit agencies.

Commissioner Norton asked this follow-up question:

The Division Project is not just about ridership. It is about how it affects the community that the line passes through and the pedestrian, vehicular, and other modes of transportation. How does this study reflect those interests?

Mr. Witter replied the projects need to benefit the community. The FX line is one of the most congested lines in terms of pass-ups when a full bus goes by the stop because it is full, leaving waiting passengers behind. So the capacity of the new buses is 50% more than the current buses. The improved boarding system will address speed and reliability. The federal government will look at ridership, reliability, and on-time performance. So these are livability issues this project seeks to improve.

Commissioner Ofsink asked the following questions:

At past hearings, we have asked about the electric bus fleet. The budget message indicates that the infrastructure will soon be completed, and a fleet of 24 electric buses is set to arrive in FY 2024. Do you see any supply chain issues with the sourcing of electric buses, and do you anticipate delays to the estimated arrival date? What impacts would TriMet expect in the event of delays?

Mr. Desue said they will be taking the proposal for 24 new electric buses to the board today for approval.

Mr. Roland Hoskins answered the question by stating there is no significant market for buses, and electric buses are a very small portion of this market. At this time, the FY 2024 delivery date anticipates all supply chain delays. The lead-time for receiving

the first bus is 18 months out, and discussions with the vendor have occurred to ensure all 24 buses will meet the preferred timeline. The future capital budget will be programmed if delivery exceeds FY 24. The charging infrastructure will be complete this summer for these additional 24 buses. TriMet executed a contract with Gillig at the April Board meeting, locking in the unit prices. Discussion and phasing plans are underway to support the fully electric bus infrastructure needed for the 2040 zero-emission fleet.

Mr. Vannatta added this is a result of TriMet's action to reduce its carbon footprint by over 60% by changing to renewable electricity for MAX vehicles and all TriMet-owned facilities. The agency is moving to 99 renewable diesel. This diesel is one percent fossil fuel, and the rest is renewable. These actions have lowered the agency's carbon footprint. TriMet has more climate-improving steps to take, but this agency is leading that effort in the region and community.

Commissioner Norton asked this follow-up question:

When we put together the question about the supply chain, we were thinking more about the issues everyone is facing in the general manufacturing climate. Now the question is will the other agencies joining this movement, will this help your sourcing, or will the competition make the supply a more significant issue?

Mr. Hoskins said it would do both, help and hinder. To get in the queue, you must plan ahead. TriMet has a good relationship with vendors. They know TriMet is a reliable customer. However, at some point, there are going to be some issues. The Ukraine issue right now could play into this. TriMet must continue working closely with vendors and stay ahead of the problems.

Mr. Desue added that TriMet's board had the foresight to look at a 2040 plan to transition the fleet to zero emissions. This insight has put TriMet on the map to get out front. Receiving a bus takes about 24 months from the beginning to actual possession of the buses. It is critical to maintaining the relationships with the vendors.

Chair Quiroz said this is the end of the formal questions by the commissioners. She asked Executive Director Willhite if anyone signed up to speak or if she had received written testimony.

Ms. Willhite said she received written comments from Doug Allen regarding the Better Red Project. This written testimony was presented to TriMet's Board. It will become an attachment to the minutes of this hearing for a permanent record.

She said John Charles has signed up to give testimony.

Mr. John Charles, President of Cascade Policy Institute, testified about TriMet's using \$173,539 dollars per year to purchase renewable energy certificates from PGE and about the fare box recovery for the WES Train. He concluded by saying that TSCC could help the public by making a recommendation or raising an objection on these two issues. This testimony will become an attachment to the minutes of this hearing for a permanent record.

Following the testimony given by Mr. Charles, Chair Quiroz thanked TriMet's board members and staff for their attendance and contributions to the hearing. She then closed the public hearing and opened a meeting of the Tax Supervising and Conservation Commission. She asked if commissioners had any comments on the budget. There were none.

She asked that Executive Director Allegra Willhite give staff recommendations for the certification letter.

Ms. Willhite said the budget was well put together and informative. TSCC staff appreciated the charts, graphs, and visual images, telling the story of TriMet's budget. She thanked TriMet staff for their quick responses to questions about the budget. TSCC staff found the budget estimates reasonable for the purposes stated and the budget to comply with Local Budget Law. She said staff have no recommendations or objections to the fiscal year 22-23 Approved Budget.

Chair Quiroz called for a motion.

Commissioner Ofsink moved to certify the MESD Budget with no recommendations or objections as recommended by staff. Commissioner Norton seconded the motion, which passed with a unanimous vote of the commissioners.

There being no other business, Chair Quiroz closed the meeting.

Attachments: (2)

John Charles testimony

Doug Allen written testimony

Attachment 1

John Charles Testimony

John Charles president of Cascade Policy institute, a non profit policy research organization based in Portland. I have followed TriMet affairs closely for about 30 years, testified many times, and for about 10 years I was an everyday light rail rider from Gresham to Portland. I am very familiar with the services.

I want to make two brief points today. In preparing for this I was refreshing my memory of the jurisdiction of the TSCC and know that from the Oregon Budget Law manual, TSCC's responsibility is to "Encourage the economical and efficient use of public funds and judge whether budget estimates are reasonable. From your own transmittal letter, in last year's report you noted that the commission is dedicated to helping all TSCC members continuously improve their budget process and make the resulting budgets more meaningful and valuable.

So my goal today is to persuade you that several categories of TriMet's expenditures are not economical, efficient or reasonable and by continuing to engage in these practices the agency makes resulting budgets less meaningful and less valuable to the public. Since the TSCC must certify whether or not it has any objections or recommendations with respect to the budget before the local governing bodies can formally adopt these budgets, I hope you will in fact make objections or recommendations to the TriMet Board. My first point is TriMet's claims and expenditures related to "renewable electricity purchasing" That switch was made on 6-1-21. TriMet claimed that this "immediately reduces our carbon emissions by more than 25 percent" but in order to do so, TriMet announced it would have to pay a four percent premium in electricity costs which by itself doesn't tell me a whole lot. After a public records request was fulfilled I found out that turned out to be a contract that was signed in May of 2021 with PGE that would result in TriMet paying an extra \$173,539 dollars per year to purchase renewable energy certificates. But that doesn't get TriMet a different type of electricity. It just allows them to buy renewable energy certificates from PGE which is strictly a public relations gimmick. According to the two-page contract, (which I have extra copies of here if you would like them,) it says "the product is a renewable energy certificate and does not contain electricity. That's right a reek does not a unit of electricity. A reek represents the environmental benefits of one megawatt hour of renewable energy that can be paired with electricity.

Now there is a number of problems. What you are buying is the alleged environmental benefits associated with electricity from certain politically correct sources, typically a big utility, scale wind farms or solar farms somewhere in the country. But there aren't any environmental benefits.

Maybe you heard earlier this month, one of the largest utilities in the country Next Air energy was fined \$8 million after at least 150 eagles were killed at its wind farms in eight states.

Windmill operators get to do what most Americans can't, kill lots of endangered birds. Plus windmills fail to produce electricity most of the time, about 70% of the time they're not doing anything, requiring spending reserve, which is usually a fast response resource like natural gas because the grid itself always has to have supply and demand in sync. Having to maintain spending reserve, a gas turbine, all the time makes air quality worse, not better. There is no benefit to riders. Light rail trins will operate exactly the same whether or not you have paid \$173,000 to by Rex. TriMet claims that Rex immediately reduces carbon emissions. No it doesn't. You are using the exact same electricity you're using the day before and PGE is predominantly, or a major portion of the power they produce or buy

comes from natural gas or coal.

Commissioner Ofsink explained that the hearing is on a tight time schedule. It should have been explained at the beginning that we usually allocate three minutes for each person giving testimony. We have heard your first point could you summarize the second point and close for us?

If you decide to pursue the issue of Rex, many jurisdictions you oversee are also buying Rex. It is a big ticket item.

The second is farebox recovery ratios. Page 13 TriMet's budget, objective 35. "Maintain acceptable fare box recovery to optimize the balance of service demand and revenue costs. So what does that mean?"

The WES commuter rail has a fare box recovery ratio of 0.7 percent subsidy of \$92 per boarding. Apparently, that is acceptable because they are still doing it. My question which I asked TriMet a month ago at their budget hearing is how much lower does it have to go to be not acceptable? If it were zero, if there were no customers, would you euthanize the train? What is the benefit of it? I request to the TSCC flag this issue of fare box recovery. Ask what it means to be acceptable fare box ratio. You have already noted that TriMet is about 92% funded by payroll taxes. Riders hardly pay anything anymore. Is that sustainable going forward?

On these two issues, whether rex represent a prudent expenditure of public funds, and whether a 0.7% fare box ratio represents a prudent expenditures of public funds these are issues that you could really help the public by making a recommendation, or raising an objection. I hope you will do that.

Thank You.

Attachment 2

Doug Allen's Writtten Testimony

TriMet's "Better Red" project: Version for hearing on federal funding.
April 13, 2022
by Doug Allen

Thank you for soliciting comments regarding TriMet federal grant expenditures for next year. I wish to comment on the two Section 5309 Small Starts Capital Improvement Grants for the "Red Line Extension & Reliability Improvements" project. One is for \$100 million (\$99,999,999.00) and the other is for \$15.7 million (\$15,721,739.00).

One of the least-reported news stories in Portland is TriMet's harmful, wasteful, and largely useless so-called "Better Red" project.

TriMet last summer (June 23, 2021) approved contract changes that have allowed construction to proceed. See <https://trimet.org/meetings/board/pdfs/2021-06-23/Res%2021-06-35%20MAX%20Red%20Line%20CMGC%20mod.pdf> authorizing expenditure of \$152 million. Ultimately, nearly half of the eventual \$216 million cost will come from revenue bonds, to be repaid from TriMet's source of operating funds, the payroll tax, reducing funds available for actual service.

As at multiple previous TriMet Board Meetings, there was public testimony decrying the waste, harm, and inequity of this project.

This project was launched to deal with certain reliability problems with TriMet's MAX service, but ended up with a terrible design that wastes a huge amount of money and actually degrades service for MAX riders

Due to COVID-19, this project has proceeded without the public scrutiny that it deserves. Even though the project is underway, it should be halted, to prevent further waste of public resources.

This project is a classic case of addressing an operational problem with a capital project that is expensive, short-sighted, and totally ignores equity.

What problem is TriMet trying to solve?

As TriMet and this region's governments have pursued federal dollars for light rail, the focus has always been on "corridors" rather than rational system design. As a result, every revenue trip on the current system must cross the Steel Bridge, which is burdened with junctions and crossings at both ends of the bridge. When TriMet opened the MAX Green Line, service on the MAX Yellow Line had to be cut back from 12-minute intervals to 15-minute intervals between trains, in order not to exceed the reasonable capacity of the Steel Bridge and the related signals and switches. This was disguised for the public by blaming the service reduction on the 2008 recession.

As MAX service became more frequent, reliability suffered, and trains interfered with each other. One delayed train causes other delays, and there isn't the slack in the system for any trains to run off-schedule. As the Steel Bridge gets overloaded, other choke points in the system become more critical, including the diverging Red Line at Gateway Transit Center, which has two single track segments between Gateway and PDX. In each of these segments, passage of a train in one direction prevents movement of a train in the opposite direction for a period of time. For example, in normal operation, a train is scheduled to leave PDX as soon as an opposite direction train arrives at the double-track PDX station. If the arriving train is late, the departing train is delayed by an equal amount. When a train is late in arriving at Gateway from PDX, it prevents any Red line train from leaving Gateway for PDX. A Red line train at Gateway, waiting to head for PDX, blocks any Blue or Green line train from Portland from entering the Gateway station.

A contributing problem is that while the original MAX Red Line looped back in downtown Portland at 11th Avenue, where there are multiple loop tracks, the subsequent extension to Beaverton has a single turn-back track. With the original design, Red Line trains could arrive at and depart from 11th Avenue independently. Now, at Beaverton, each Red Line train must both reverse direction and depart before the next Red Line arrival, placing significant restrictions on Red Line schedules, which of course must fit between Blue, Yellow, and Green Line trains where they operate on common trackway across the Steel Bridge.

Although the ultimate problem is lack of capacity at the Steel Bridge, that problem means that all the other choke points in the system have very limited options for when trains can be scheduled, and any off-schedule trains cause cascading problems elsewhere. TriMet has looked at the Steel Bridge, and concluded that the only long-term solution is a subway under the river.

Ever since the region committed to the Southwest Corridor as the next big light rail project, rather than the downtown subway, TriMet looked into whether there was a way to obtain more schedule flexibility at Gateway. TriMet staff have known for years that there is a simple solution, namely to run a shuttle train between Gateway and PDX, but TriMet's General Managers, including Fred Hansen, Neil McFarlane, and finally Doug Kelsey all rejected this, for political reasons. Therefore TriMet hired consultants to come up with a different solution, and being engineers, they designed an expensive and problematic construction project.

So what are the problems with the chosen solution?

The first problem is that it creates two separate stations at Gateway, over two blocks away from each other, like we have at the Rose Quarter. Passengers heading from the Airport to east Multnomah County, Gresham, and Clackamas, often burdened with luggage, will have to take a long hike at Gateway. This is also true for anyone coming from the Airport and catching one of the seven bus routes serving Gateway. The distance between the middle of the existing station and the middle of the new station will be over 600 feet. Any time-saving from running Portland-bound trains on the expensive new

bridge will be more than eaten up by the additional walking time between the new station and where riders will catch their connecting bus or MAX train.

This project also fails to provide a long-term solution at Gateway. It does nothing about eliminating the fact that the buses at Gateway cross the light rail tracks twice. It does not provide a more hospitable environment at Gateway, which can be cold, dark, and windy.

The expensive new single-track bridge is not a long-term solution, and could well prevent construction of efficient bus access ramps so that C-Tran buses could access Gateway Station easily from the center lanes of I-205. That would allow C-Tran to run express buses between its existing Vancouver Mall terminal of its "Vine" BRT line, and Gateway. The new single-track rail bridge will block this opportunity.

Gateway should be a regional transit hub, with an enclosed station and transit-oriented development. The "Better Red" project will prevent this hoped-for development, or add to the eventual cost. The Gateway design is clearly not well-thought out for the long term, and is not planned for true "transit oriented development."

The second big problem is that the extended Red Line service ends at the Washington County Fairgrounds (Fairplex Station), failing to connect with buses at the Hillsboro Transit Center, which provide service to Cornelius and Forest Grove. There is no good reason not to go to the existing Hatfield Center station at the end of the Blue Line.

TriMet is building an unnecessary turnaround facility so that half the trains will not go to the end of the line, where there is already an operator break room and turn-back tracks.

Contrary to TriMet's claims, the ridership on the Blue line (ons and offs) is just as heavy west of the Fairplex station, but like any transit line, the loads are smaller as one gets to the end of the line.

Counts of boarding riders for the MAX Blue Line listed in TriMet's Fall 2018 Weekday Passenger Census, demonstrates this.

The Blue line had 7802 daily boarding rides at the stations that will get the extended Red Line service, over a distance of approximately 7.82 miles between Beaverton Transit Center and FairPlex Station, or 998 boardings per mile.

Going all the way to Hatfield adds about 2.30 miles, and those stations show a total of 2240 daily boardings, or 973 boardings per mile.

The passenger demand, per mile, is the essentially the same, so it would make sense to extend the line all the way to Hatfield.

Airport ridership is currently a small part of overall Red Line ridership. All of the assumed ridership increase used to justify this project to the Federal Transit Administration comes from modeling the extension of Red Line service to FairPlex

station. A further extension of increased service to Hatfield Center would produce a proportionately similar increase in ridership. These increases will occur whether the Red Line is extended, or equivalent additional Blue Line service is added. Extending the service to Hatfield Center should provide a comparable boost in ridership to what is being projected (5,000 per day) as a result of the additional service provided by the shorter project. Increasing the induced ridership at no capital cost, should be a no-brainer, and the FTA should direct TriMet to make this change.

One of TriMet's most successful initiatives was "frequent service" bus routes, which run frequently, all day, all the way to the end of the line. Ridership on both the Division and Powell bus lines improved greatly when frequent service was extended to Gresham, rather than stopping halfway, with every other trip going to Gresham. Unfortunately, TriMet seems interested only in operational reliability, not ridership, so the better choice doesn't interest them.

It has been reported that TriMet targeted the design and total budget for this project to optimize the amount of federal money that they could receive from the FTA Small Starts program. By characterizing this project as an "extension" of the Red Line, rather than simply more frequent Blue Line service plus infrastructure changes to the Red Line at Gateway, it perhaps met FTA criteria, whereas running additional service all the way to the end of the Blue Line might not have met the "extension" criterion. But if FTA criteria make no sense, then TriMet should work to change them.

The three existing layover tracks at Hatfield can accommodate the added service by use of operator "fallbacks" where train drivers have a rest and are relieved by a different operator, meaning that the light rail vehicles don't need to remain at the station very long. After a rest, an operator then takes a recently arrived vehicle – their original vehicle having left during the rest. TriMet does this at other locations now, and it is a standard practice at other transit agencies.

The third problem with the Red line is that despite the small ridership on the Gateway to Airport segment, it still uses a time slot on the overcrowded Steel Bridge. This means that Blue and Green line service east and south of Gateway can't be increased until after a downtown tunnel is built to bypass the Steel Bridge.

Yellow Line service is similarly constrained by the Steel Bridge, and yet significant increases in MAX Yellow Line service will be necessary to meet the climate goals of the Interstate Bridge Replacement Project.

Currently all scheduled MAX train trips cross the Steel Bridge, which is at maximum capacity. Continuing to run the Red Line to downtown, instead of considering a Gateway to PDX shuttle, forecloses the option of significantly increasing Blue, Green, and Yellow Line service.

Note that only about 2,000 Airport-bound passengers pass through Gateway each weekday in each direction, so a frequent shuttle would not be a significant impediment. It

would actually improve Airport connection from a large portion of the MAX and bus system, rather than degrading service.

All these problems reflect on the failure to consider equity, because they all negatively affect transit-dependent riders.

HERE IS WHAT SHOULD BE DONE INSTEAD:

For the short term, the Red Line should be a frequent light rail shuttle service between Gateway and the Airport. The operating money saved should be spent on increasing Blue line service to the end of the line in Hillsboro. This solves the operational problems, without spending \$216 million or making Gateway an even worse place than it is now. Ironically, during August 2020, TriMet ran such a shuttle while the Steel Bridge was closed, and has done so at other times to facilitate track maintenance.

Adding a second track, which should be done at Port of Portland expense, out at the PDX end of the line is an excellent investment, and that will eliminate one of the major impediments to reliable schedule operation. Currently, the train waiting at PDX cannot depart for Gateway and Portland until the outbound train arrives. Thus any outbound delay cascades onto the inbound service. With that additional track, trains can depart PDX reliably on-schedule. Additional signal and train control investments between Park Rose station and Gateway could also improve reliability. That, and the additional vehicles, are the worthwhile components of the "Better Red" project.

As an alternative to additional Blue Line service to Hillsboro, TriMet could extend the Yellow Line to Hillsboro, and connect Green and Orange service on the Transit Mall (currently the Yellow Line interlines with the Orange Line). This would save additional vehicle hours, because currently the Green line operates as a loop. By interlining with the Orange Line, trains through town would simultaneously pick up and drop off passengers, saving vehicle hours.

A shuttle to solve the Red Line reliability problem has been proposed by multiple TriMet staff for several years. Of course the end of the route into PDX Airport Station should be double track, which will allow greater flexibility in scheduling the shuttle train. A shuttle train can have cross-platform transfers (get off on one side of the platform, board a train on the opposite side of the same platform). It is easier to transfer between trains at a single station than walk over two blocks between stations, as the "Better Red" would require for PDX passengers headed east, south, or transferring to a bus.

A frequent shuttle would actually provide more frequent and reliable service to all PDX passengers, due to the more isolated environment of the shuttle train. TriMet suffers disruptions on MAX all the time. With a reliable shuttle, when one MAX line is interrupted, airport passengers on buses and the other MAX lines would not be affected.

Note that at Hatfield Center (end of the Blue line in Hillsboro), current operating practice can result in congestion and delays between inbound and outbound trains. This is because

trains are left sitting empty while operators take their breaks, sometimes filling up the available storage tracks at peak times. The solution is to use “fallback” or “dropback” scheduling in which trains leave with a new operator shortly after they arrive, and the arriving operator takes an adequate break and then departs with a later-arriving train. This also saves on vehicle requirements, and is used elsewhere on MAX. The three tracks at Hatfield will be sufficient if trains are scheduled this way, which is a standard practice at other transit agencies. TriMet already uses this technique for the Red Line at Beaverton, so by applying this to the Blue Line at Hillsboro, the three tracks at the end of the line would provide sufficient capacity, eliminating the need for building a new facility at the Washington County Fairgrounds/Hillsboro Airport stop.

TriMet staff recommended the shuttle option, but General Manager Kelsey vetoed the idea, as I understand, based on system image. A more expensive, longer-term solution might eventually have grade-separated track crossings at Gateway, rerouted buses that don't cross the tracks, and an enclosed station with amenities, etc. The current plan solves the scheduling problem, but is costly, introduces other problems, and is not a long-term solution. If we want to improve the image of the MAX system, we should not degrade an already hostile environment at Gateway, as the Better Red project does, nor block the potential for improved frequencies on other parts of the MAX system.

Where are the considerations of equity in this project? Should the assumed perspective of riders travelling between the airport and points west be central to choosing among possible solutions for the MAX reliability problem, without regard to either the cost-effectiveness of the solution or the perspectives of riders traveling to the east and south?

Cost-effectiveness is critical to equity. Wasted resources mean less transit service for those who need it. During normal times, only about 2,500 people depart PDX each day on MAX. Given that many deboard prior to or at Gateway, fewer than 2,500 ride through Gateway and would be mildly inconvenienced by conversion to a shuttle. About 10,000 people work at PDX. Airport ridership could be much greater with better service, more frequent trains, and extended hours to serve those workers. But this project won't do that.

There are better uses for the federal Small Starts grant money that TriMet has obtained. For example, extending Yellow Line MAX service to Hayden Island would be one possibility. Currently, C-Tran does not run their "VINE" BRT service across the I-5 bridge because the freeway is not reliable enough. However, at Hayden Island and downtown Vancouver, bus bypass entrance lanes could be built that would allow buses to get onto I-5 right at the bridge, then off again on the other side, saving passengers from transferring first to the C-Tran Line 60, then to the MAX Yellow Line at Delta Park. This could be done cheaply today, without waiting for the "Interstate Bridge Replacement Project" to happen. Options like this could give the Portland region a lot of leverage in how to design a new I-5 bridge that is of a more acceptable scale and price than the massive "Interstate Bridge Replacement" project.

The additional light rail vehicles and the double track out at the Airport are fine -- the rest is a poorly designed waste of money. The Red Line project is a dog-in-the-manger that

will delay conversion of Gateway to a hospitable transit oriented development, and perpetuate the current wind-blown wasteland. TriMet should ask permission to re-purpose the federal grant.

Every General Manager from Fred Hansen to Doug Kelsey has been told by TriMet staff that a Red Line shuttle from Gateway to PDX would solve the problem, and allow for additional, more frequent service on the rest of the system. Each GM has declared that this is politically unacceptable or not how a world-class city operates. Yet there are examples, such as Oakland California where there is a dedicated airport rail shuttle between the main BART line and the Oakland Airport, requiring a transfer. It also ignores the fact that currently, only a few riders from the west get a one-seat ride to PDX. Riders from the south and east don't. Even with the project, riders from further west Washington County will still need to transfer, and the effective frequency to the airport will remain at 15 minutes, whereas with a shuttle combined with better Blue Line service, shorter headways on the shuttle could actually improve trip speed and reduce waiting time for all airport-bound passengers.

I found out that internally, TriMet staff had attempted to convince General Manager Doug Kelsey that a frequent rail shuttle between Gateway and PDX would solve all of the Red Line reliability problems without degrading airport MAX service, freeing up additional schedule slots over the Steel Bridge that would actually allow increased Yellow, Blue, and Green Line service, which is currently limited by Steel Bridge capacity constraints. Kelsey chose to elevate the interests of a supposed cohort of choice transit riders from Intel, stating to his staff that a "world class city doesn't make people transfer to the airport" when we already require passengers from east Multnomah County and Clackamas County to transfer, and despite the fact that most Red Line ridership is on the section where it is on the same track as the Blue line.

Kelsey is gone, the public has repeatedly complained about this waste to the TriMet Board, yet the Board has approved contract authority to proceed with construction

The wastefulness of this project, the lack of benefits, and the actual degradation of service and blocking of potential future service increases for riders, shows a complete lack of any equity analysis. Where is the Title VI analysis? Neither this, nor the NEPA documents, are available on TriMet's "Better Red" web site, where they should be available.

TriMet claims to have had a public involvement process for this project, but I do not believe that the public has actually been educated about the implications of this \$216 million project (2/3 the cost of the new Sellwood Bridge), for which bonds were approved by the TriMet Board (meaning it will be built with money that TriMet does not have, but will be paid-for with future payroll tax money that should go for service).

The current proposal was apparently developed by an outside consulting firm. I and others have expressed our concerns to staff. The original answer from lower-level engineering staff was that this was how it was going to be, and that other solutions didn't

work. While I knew that the shuttle option had been presented to prior General Managers Fred Hansen and Neil McFarlane, it was only much later in 2020 that I learned the extent to which middle and upper level managers at TriMet had attempted to persuade past General Manager Doug Kelsey to consider this cheaper, more equitable, and ultimately much more flexible approach.

This project was launched to deal with certain reliability problems with TriMet's MAX service, but ended up as a short-sighted decision to build a facility based only on vehicle operational objectives and federal funding opportunities, rather than passenger service and more strategic objectives.