

# Adding service under HB2017

Board Retreat  
November 8, 2017



# HB 2017 Revenue

- 1/10<sup>th</sup> of 1% payroll tax on employees
- 90% returned to TriMet
- Not a traditional formula – new role for OTC
- TriMet “banker” for regional funds
- Effective July 1, 2018
- OTC Rule expected ~May 2018
- 1<sup>st</sup> funds to TriMet ~ Quarter 1 CY 2019
- TriMet planning now for Sept. 2018 & Mar. 2019
- TriMet/Citizen Advisory Committee process will advance prior to OTC approval



# HB 2017 Transit Provisions

- Plans must address:
  - Improving or extending routes to low income communities
  - Purchase of natural gas or electric buses
  - Reducing fares for low income
  - Coordination of services inside & outside districts
- “...not for light rail.”



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# Low Income Fare

- TriMet committed to implement low income fare with new funds
- Advisory committee recommendation: 50% at 200% of federal poverty level
- ~70,000 max. could qualify
- ~\$12m plus administration annual cost at full implementation



# Coordination of Services Inside & Outside of District

- State requirement in HB2017
- Setting aside \$2m per year as “placeholder”
- Review with CAC and regional partners
- Reconciliation later in the planning process

# HB 2017 - Possible Revenue Flow

Fiscal Year	2019	2020	2021	2022	2023	2024	2025	2026	2027
HB 2017 Revenues	\$26.0	\$55.3	\$59.1	\$62.0	\$65.1	\$68.4	\$71.8	\$75.4	\$79.2
Low Inc. Fare total*	\$3.5	\$4.9	\$7.4	\$10	\$12.3	\$13.7	\$14.7	\$15.2	\$15.6
Coordination of Services	\$2.0	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.5
Net Available	\$20.5	\$48.3	\$49.5	\$49.8	\$50.6	\$52.4	\$54.7	\$57.7	\$61.0

Requires recommendation from Advisory Committee

*\* Most of this represents lost fare revenue which replaces current fare receipts that will be foregone with low income fare program. Does not represent new revenue for other uses.*

# Big Questions – Big Opportunities

- Great opportunity! Complexity to deliver.
- Appropriate mix of service vs capital?
- Pay-go versus bonding for capital?
- Appropriate mix of service types?
- Diesel or electric?
- Traditional or articulated?
- 4<sup>th</sup> operations center?
- Enhanced transit?



# Where to start?

## *Resourcing Complexities*

- 2 year lead time for bus orders
- 2+ year lead time for journey worker mechanics and other key support staff
- Space limitations at existing facilities
- ~ 10-16 month lead time for outreach, planning, and implementation of service
- Interdependencies layered on top of other complexities with current system and growth

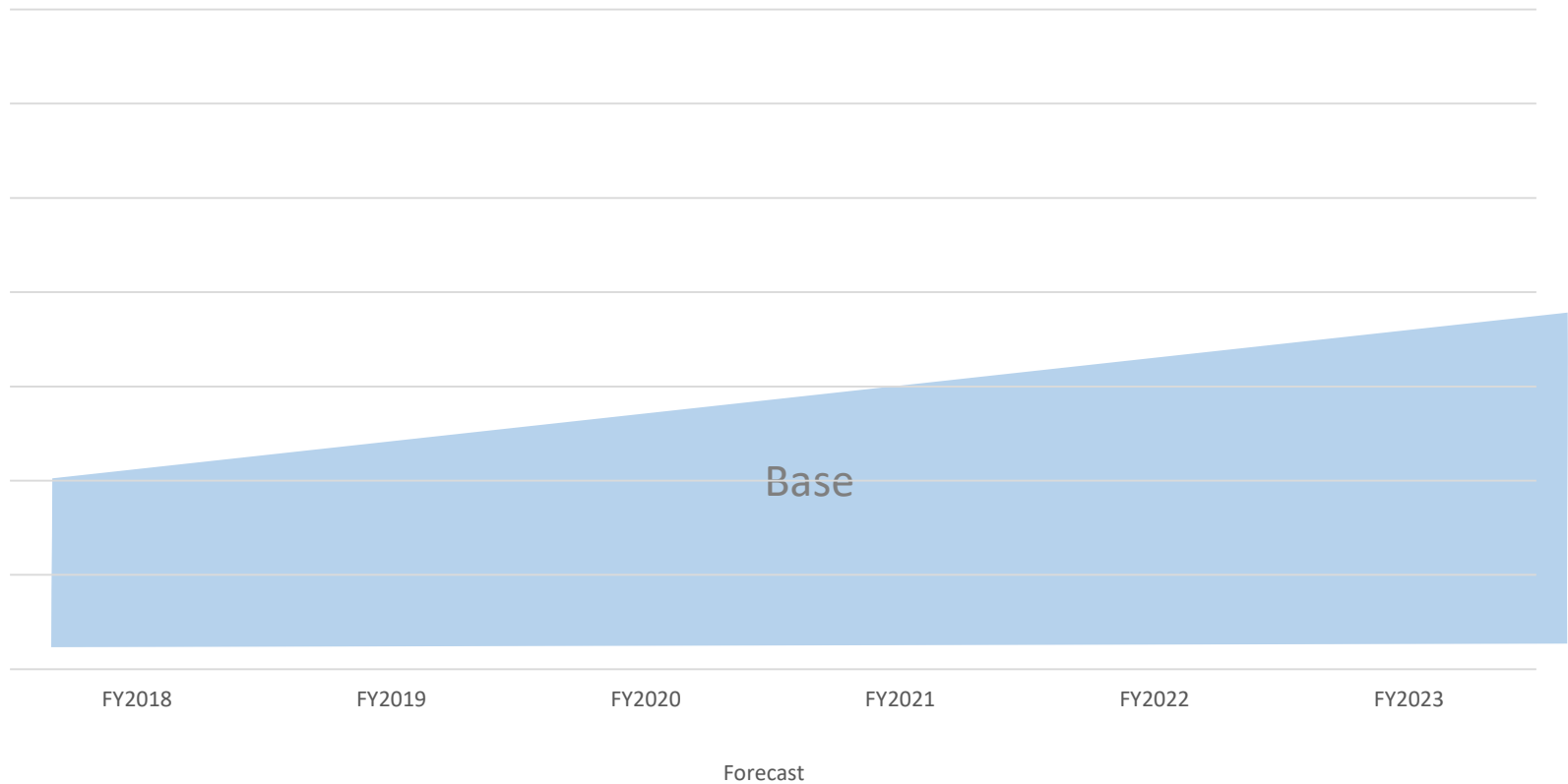
# Key Issues

- Human Resources – especially mechanics
- Buses and Facility Capacity



# Revenue Concepts

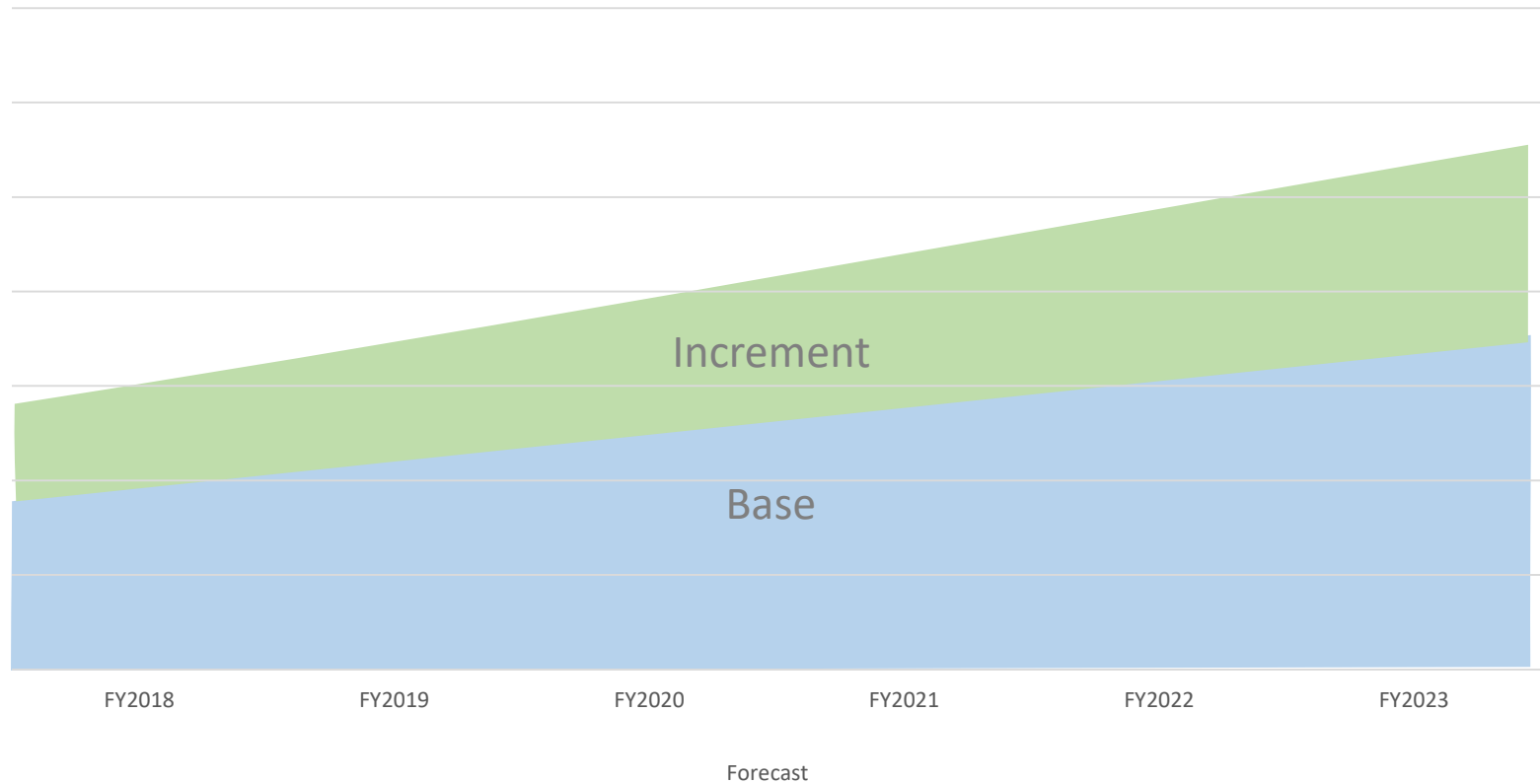
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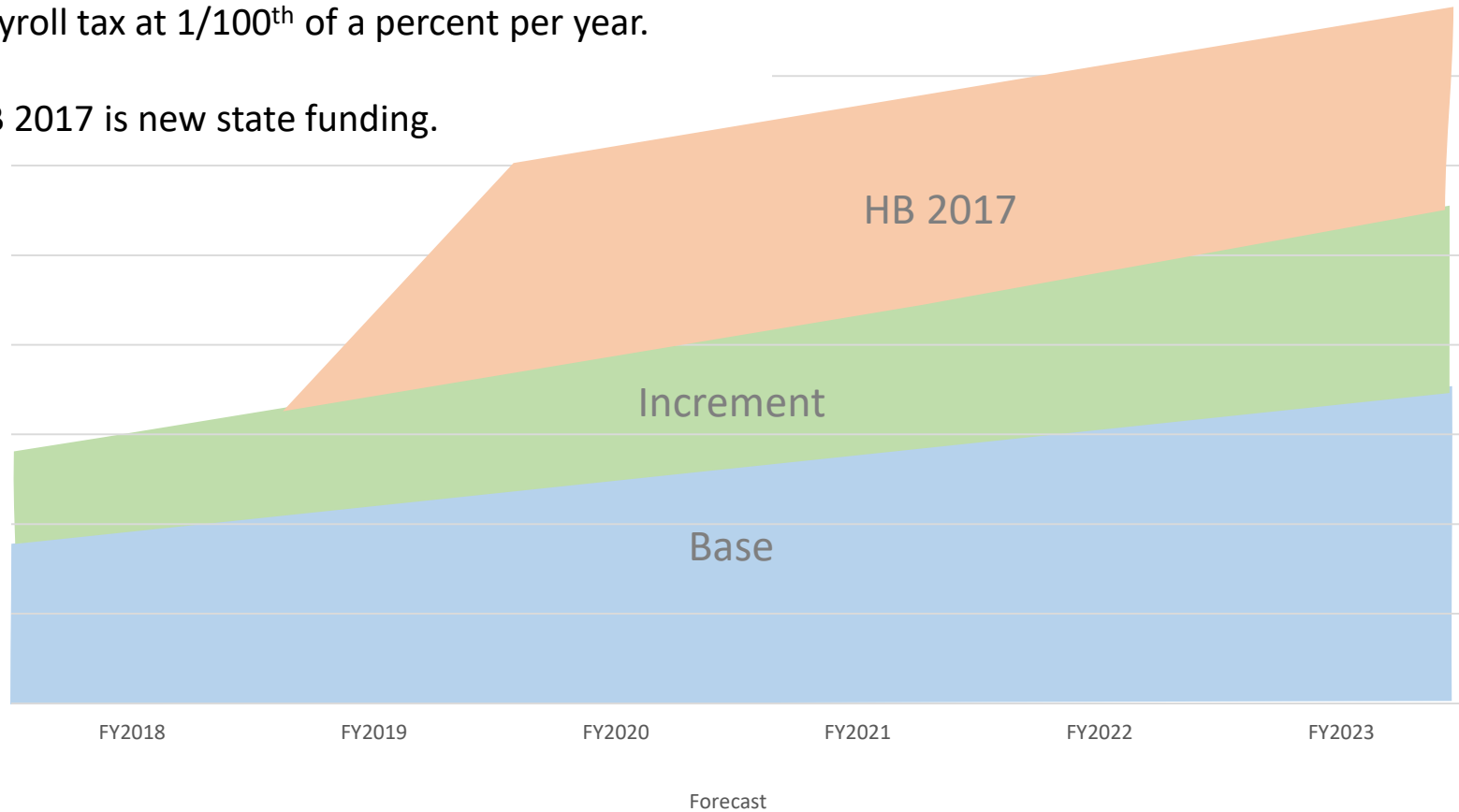


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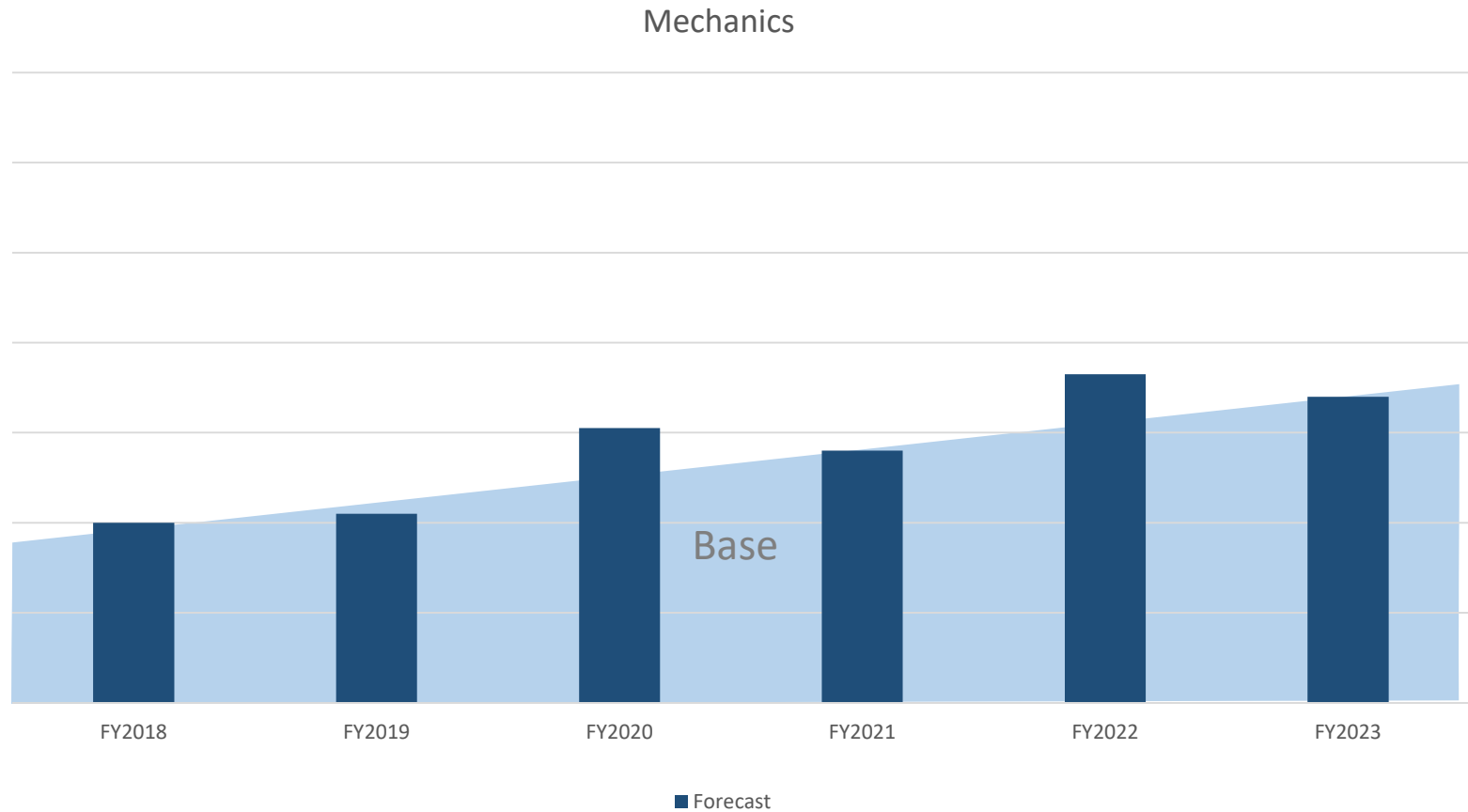
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HB 2017 is new state funding.



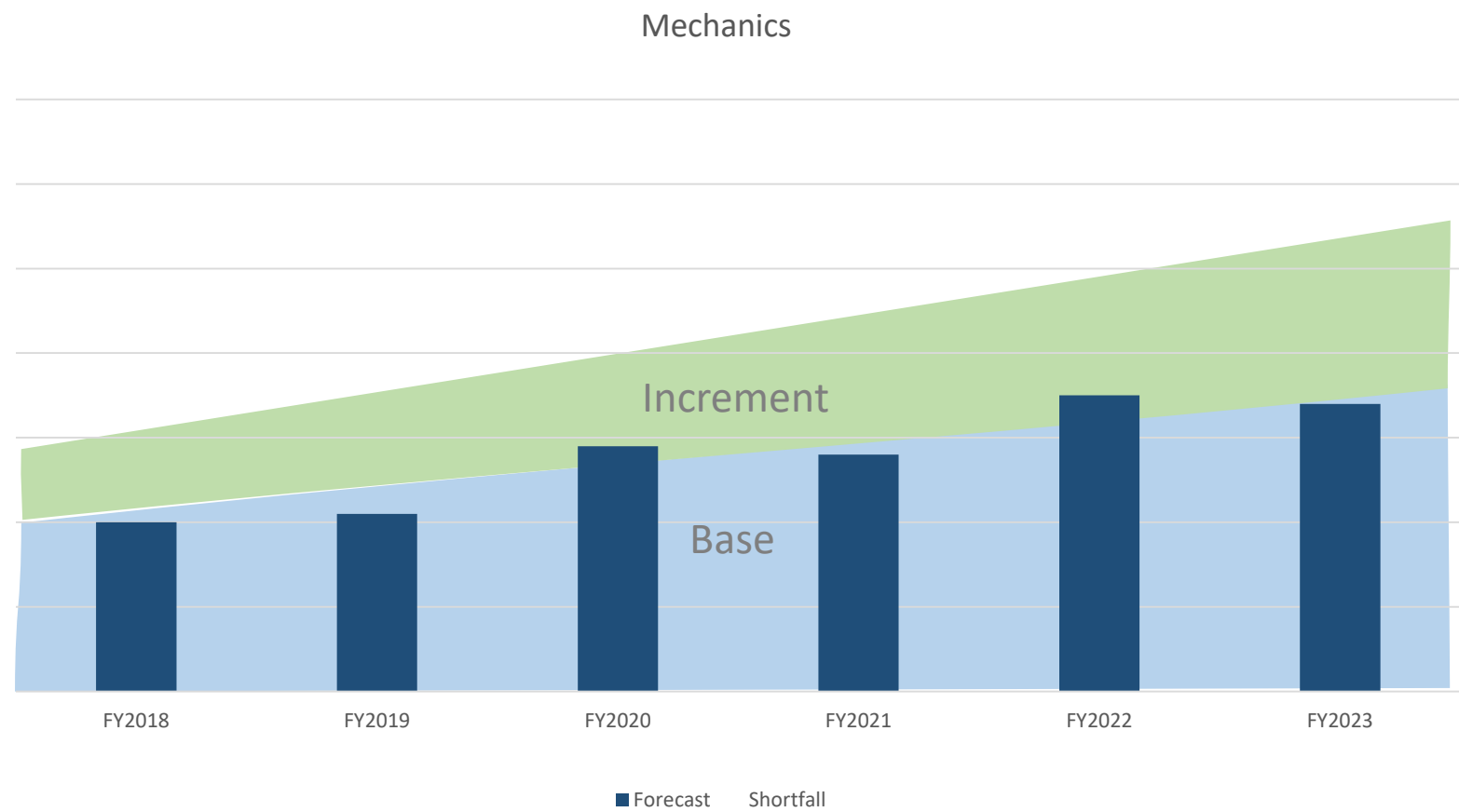
# Mechanics

Rough Illustration of number of mechanics needed to meet service demand



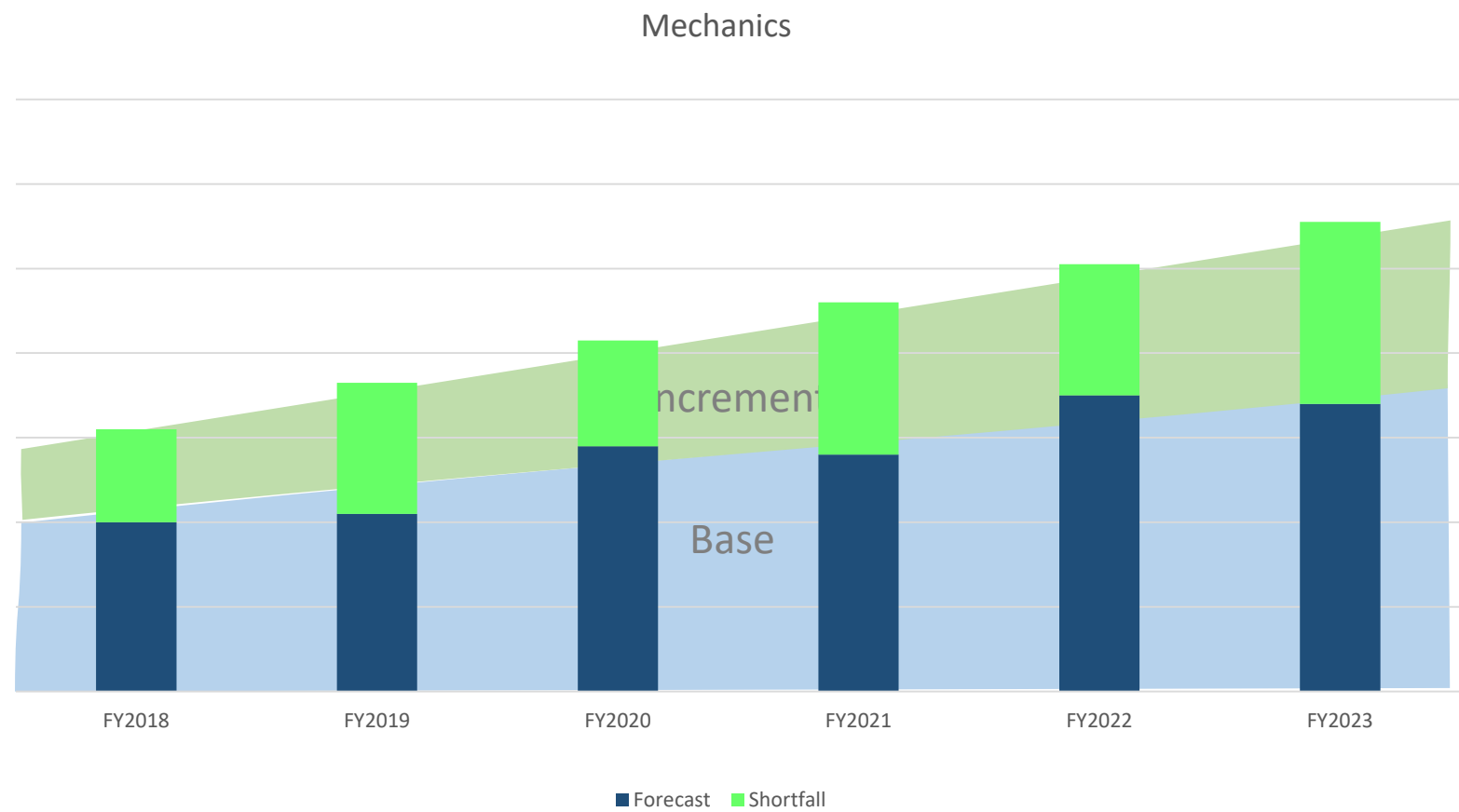


# Mechanics – Shortfall before HB2017



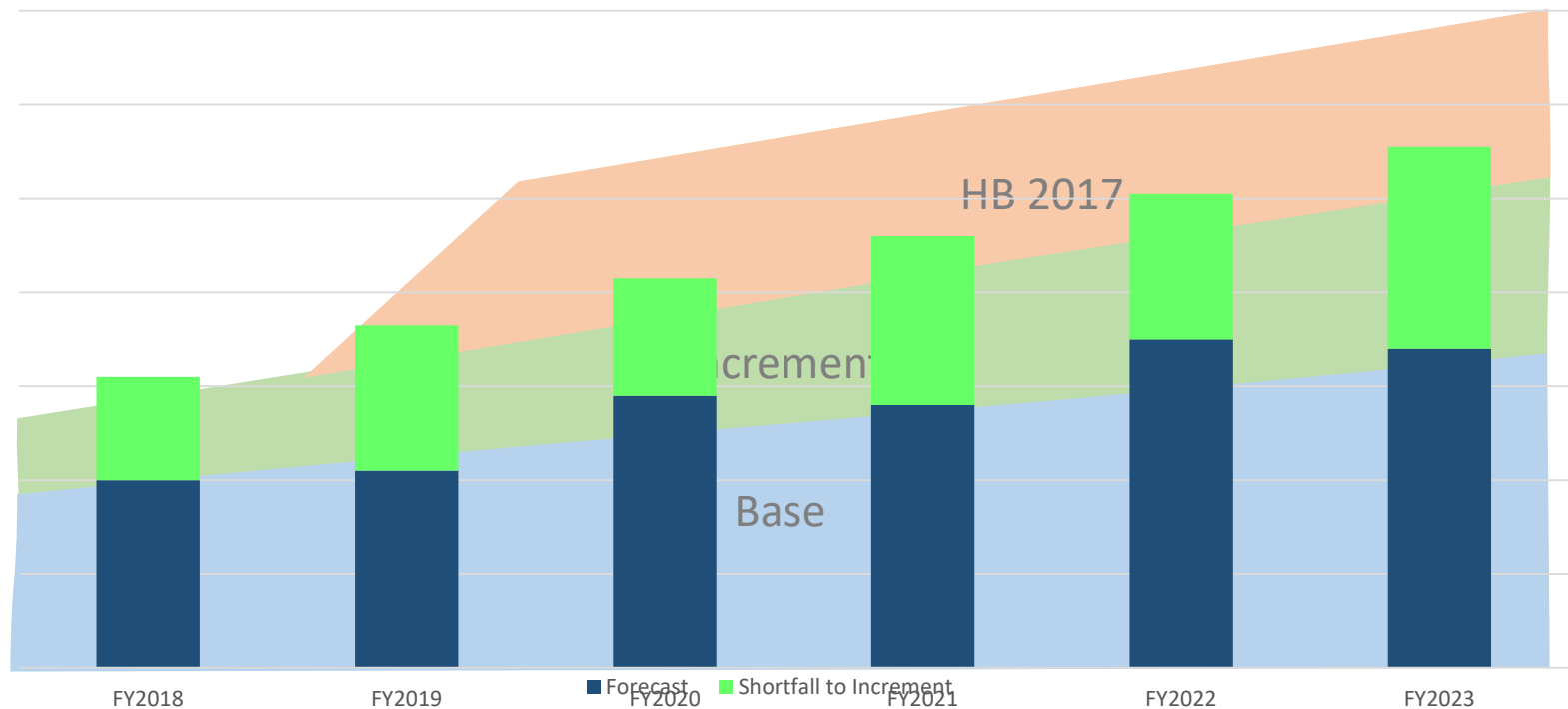


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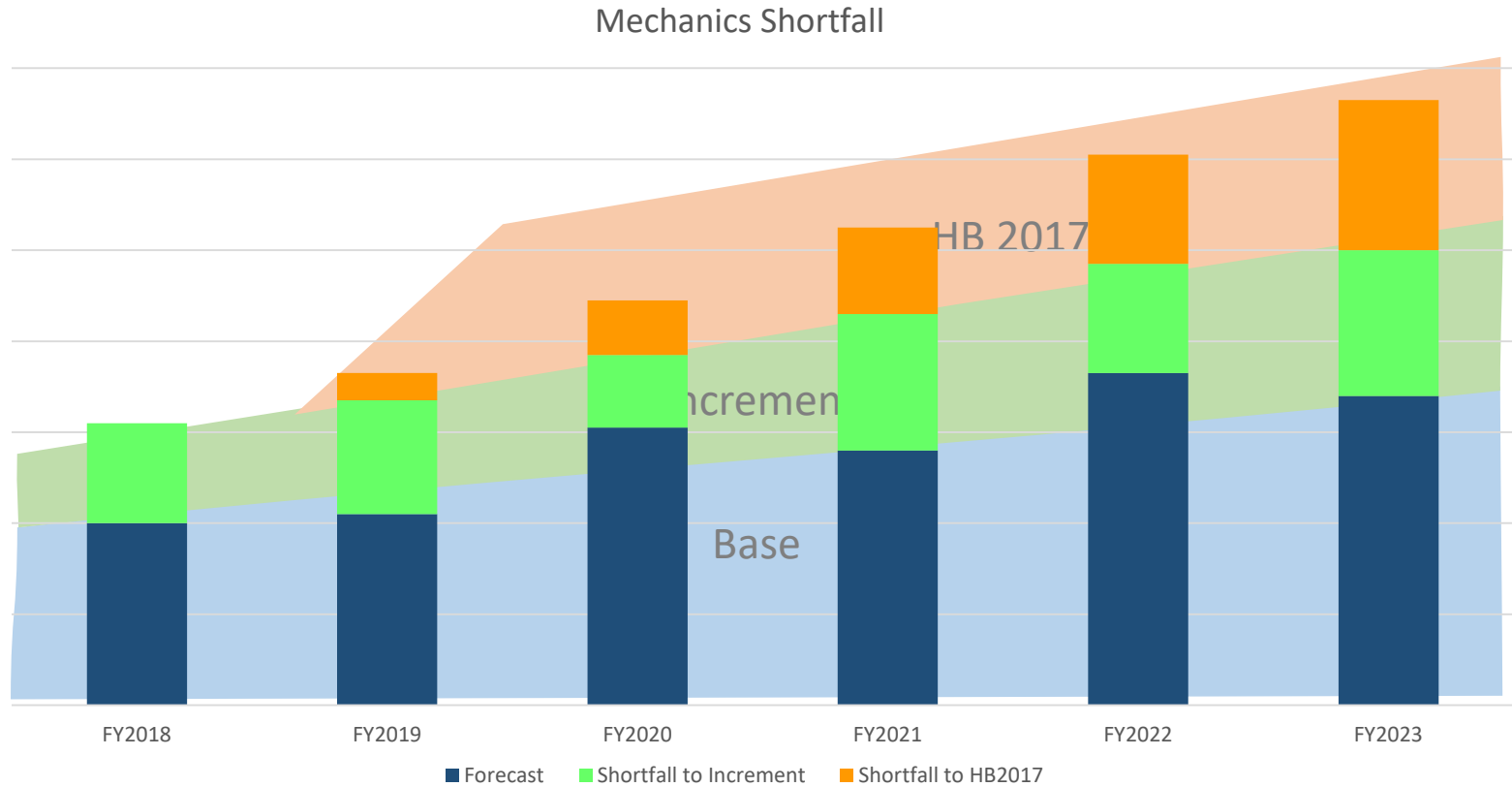




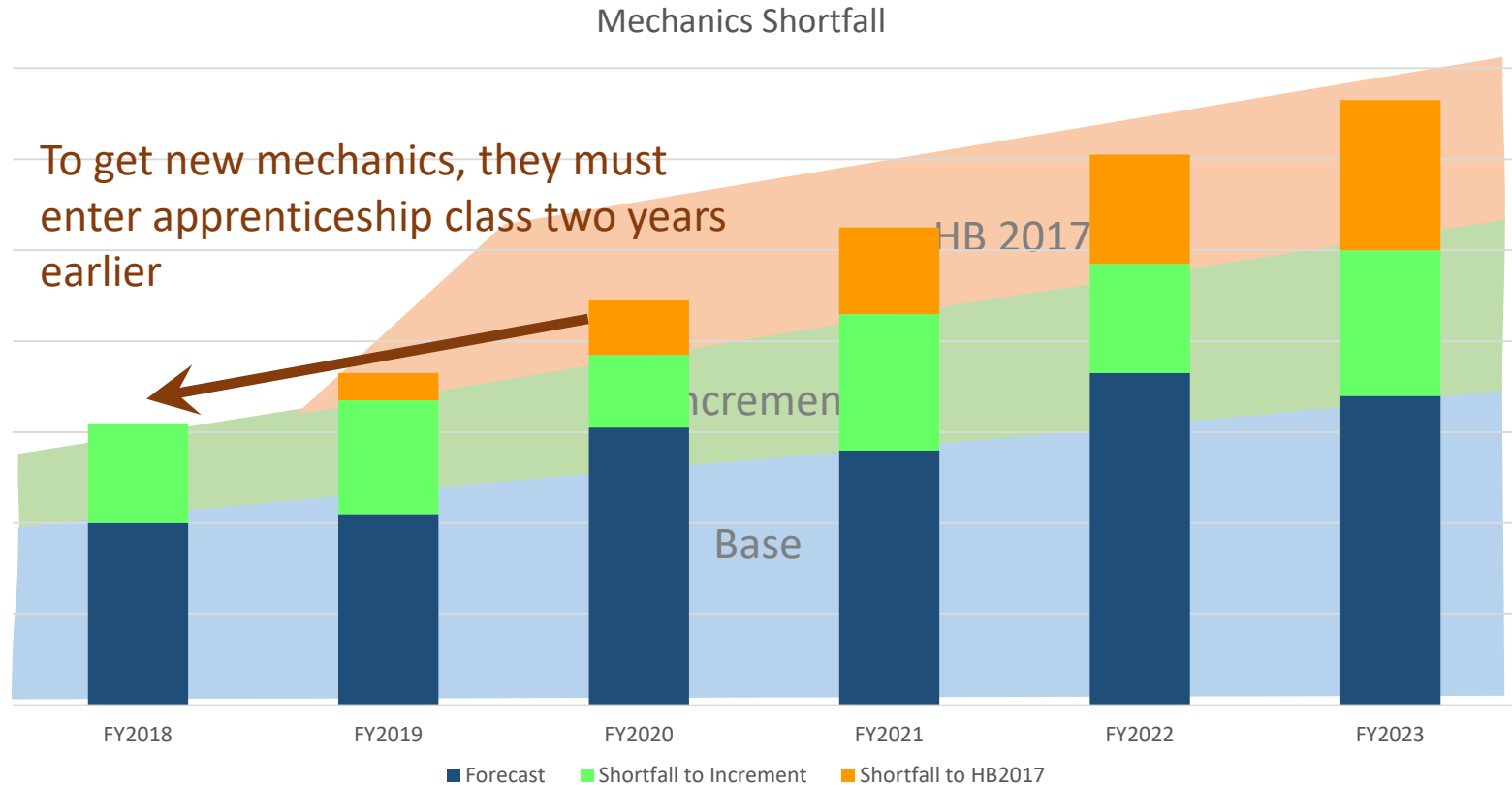
# Mechanics – Shortfall with HB2017



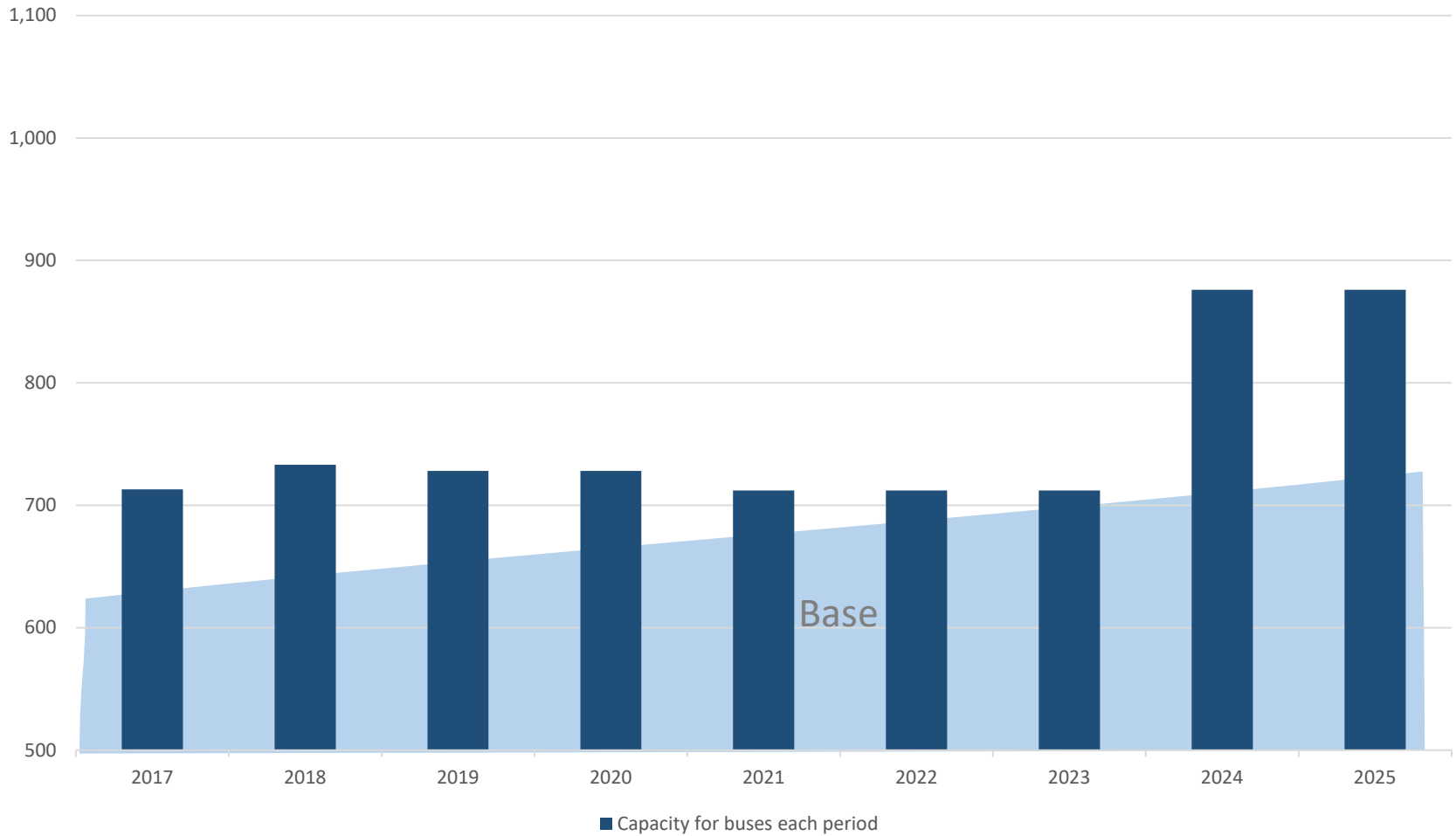
# Mechanics – Shortfall with HB2017 “Ramp Up”



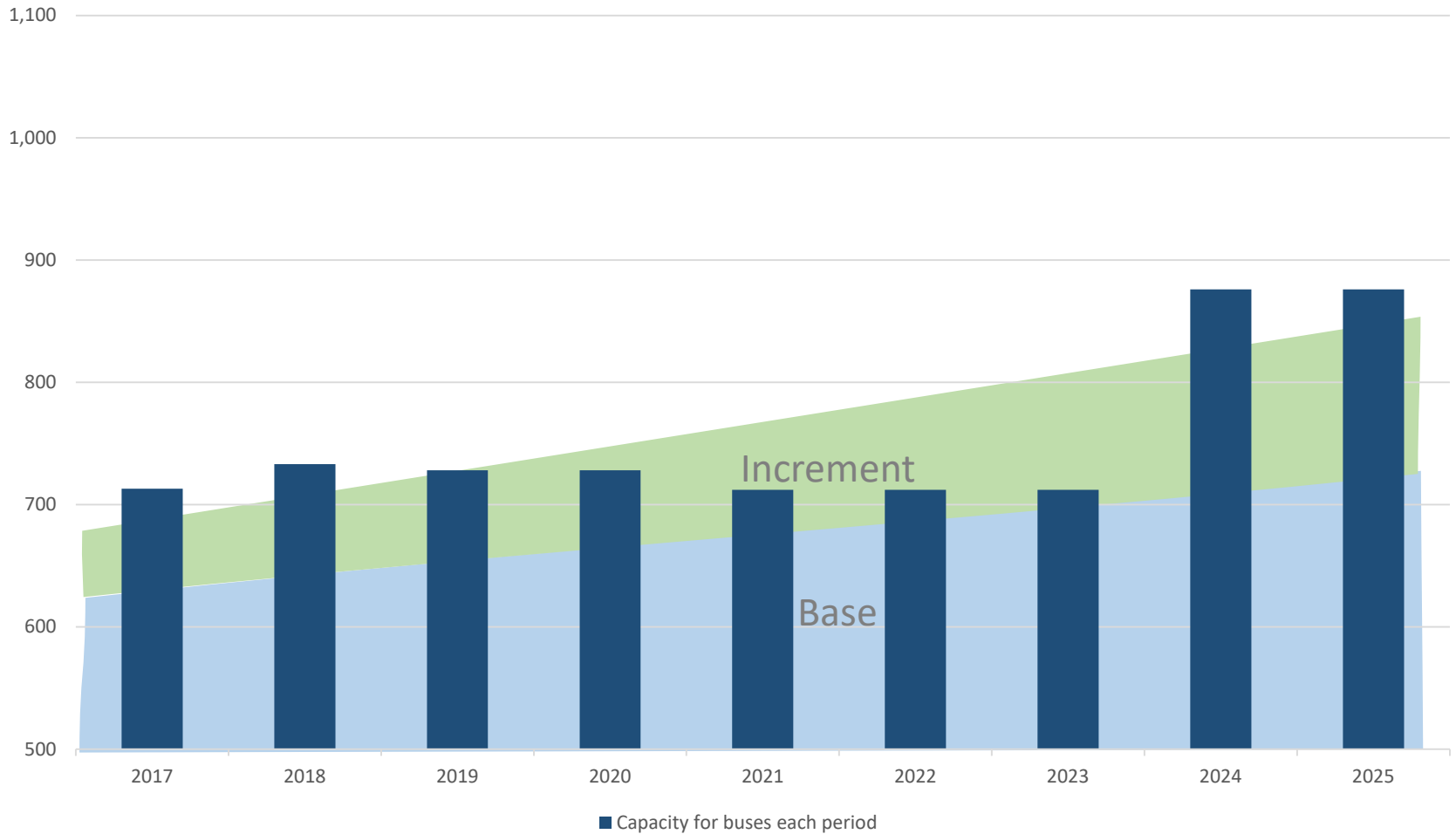
# Mechanics – Timing Complexities and “Ramp Up”



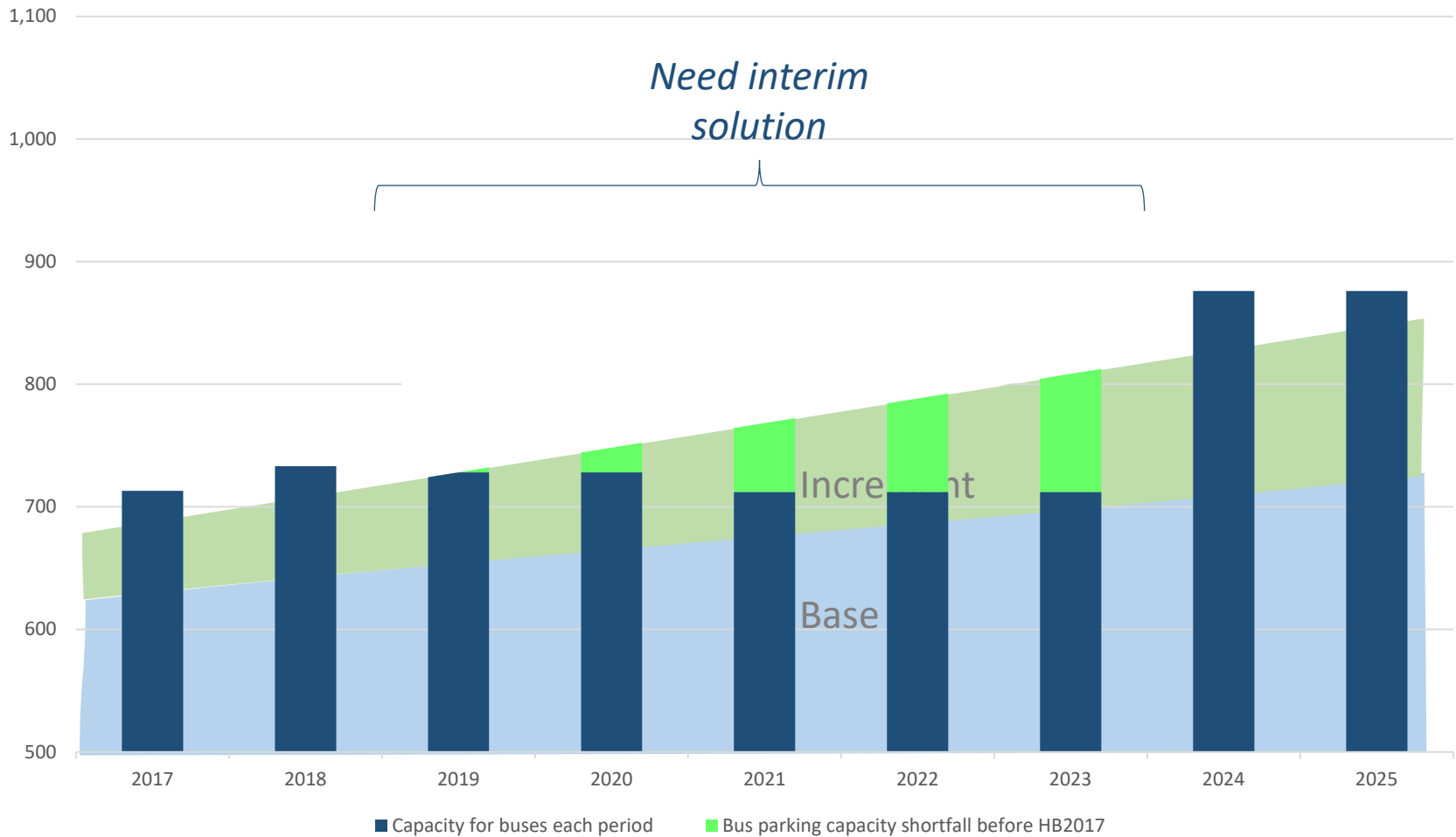
# Buses and Facility Capacity Base



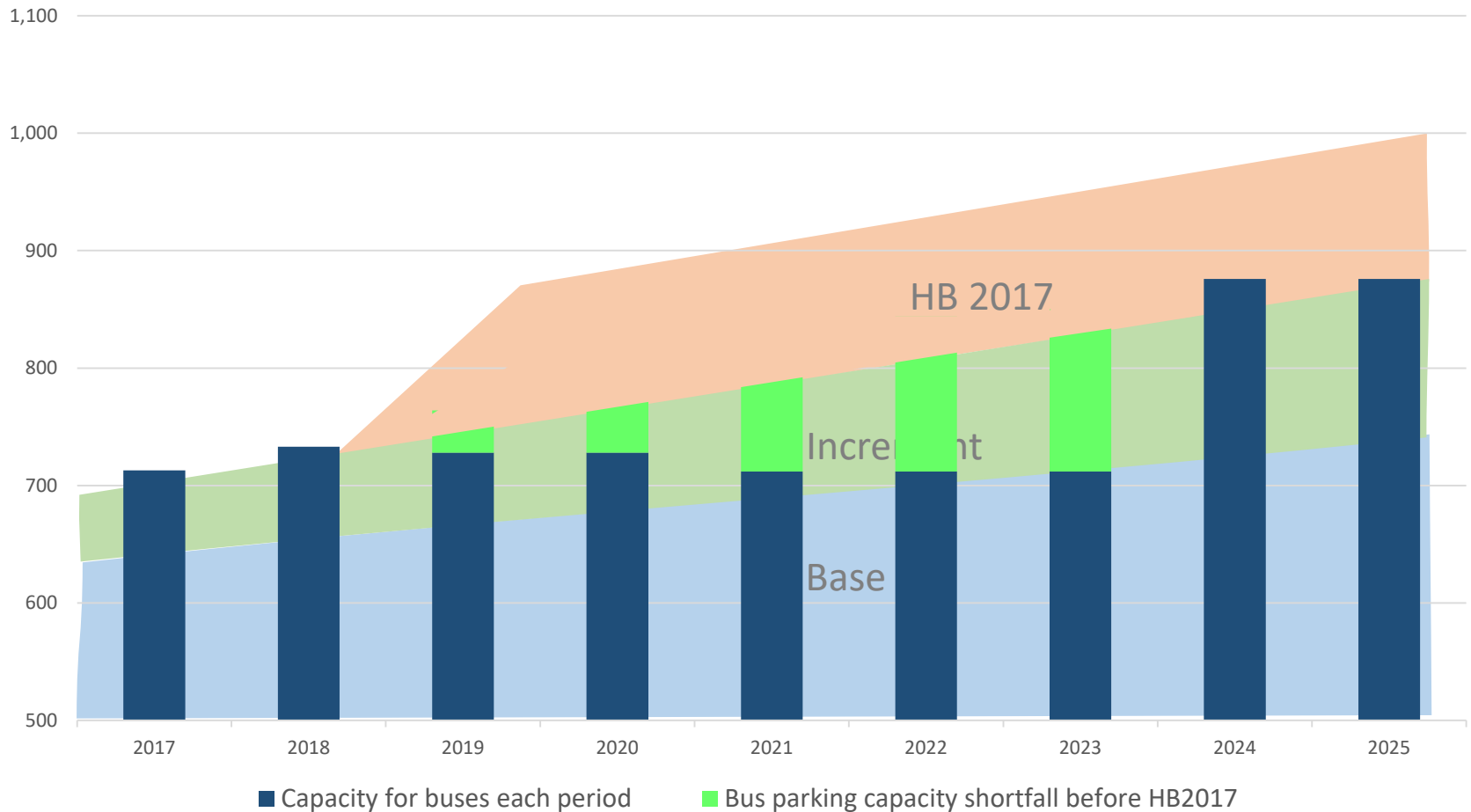
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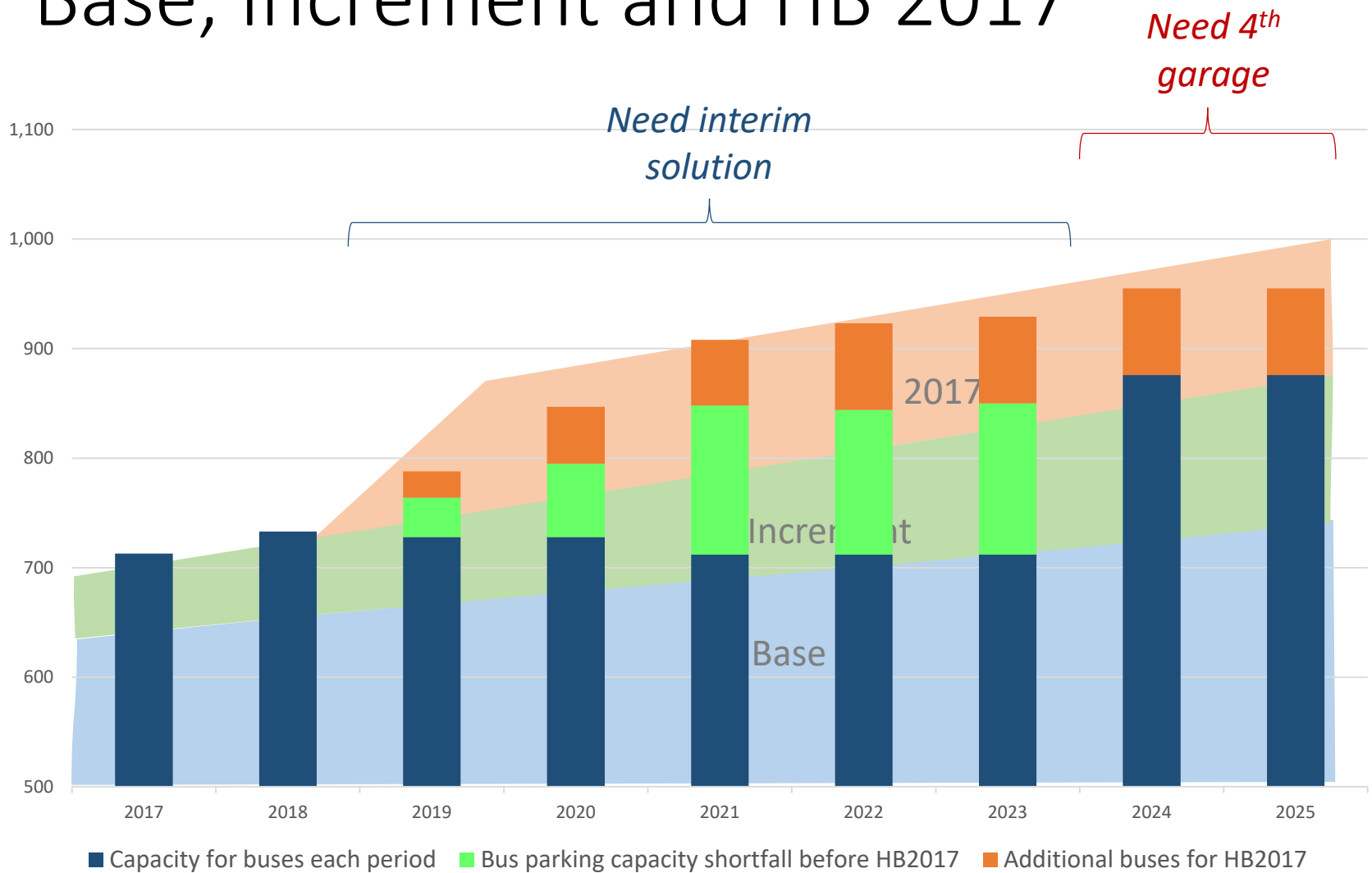
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# Buses and Facility Capacity Base, Increment and HB 2017



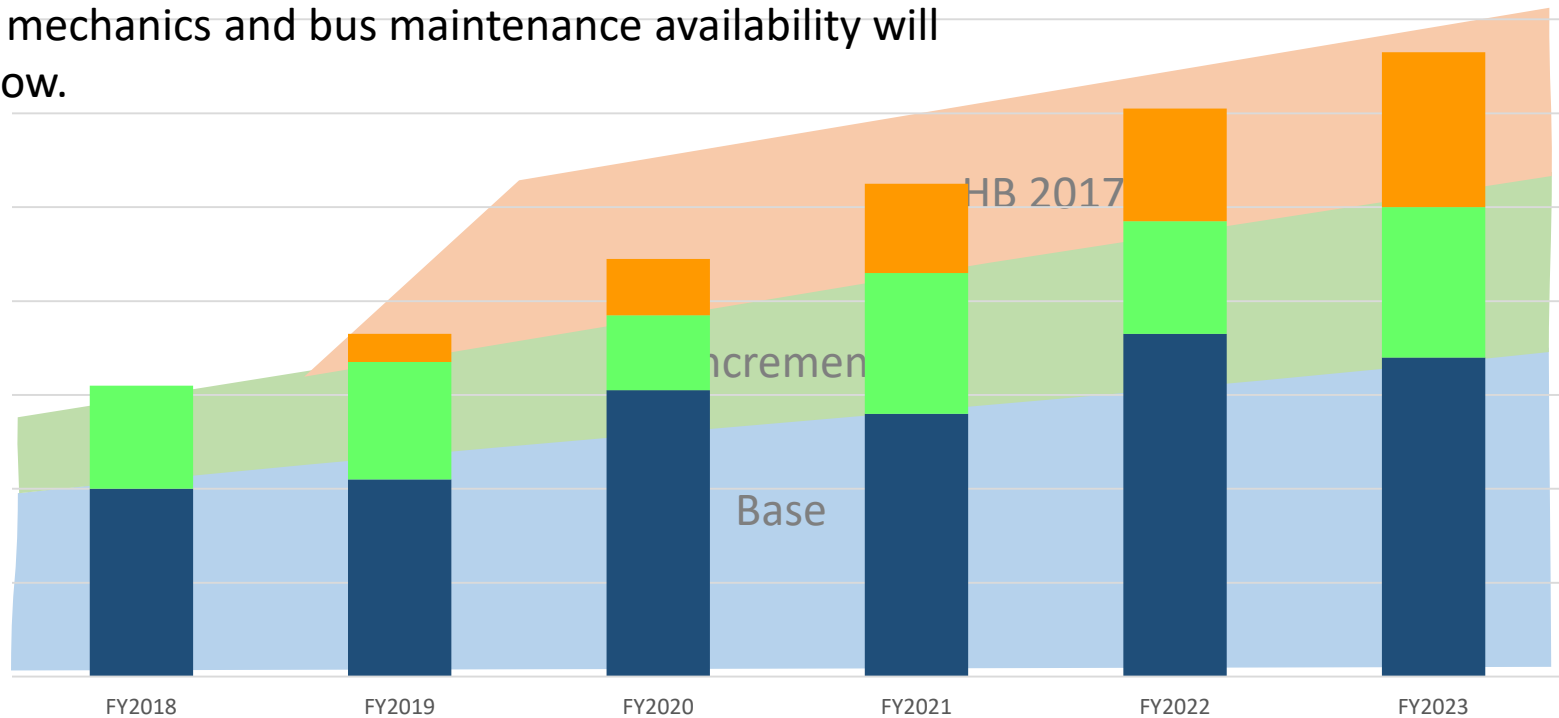
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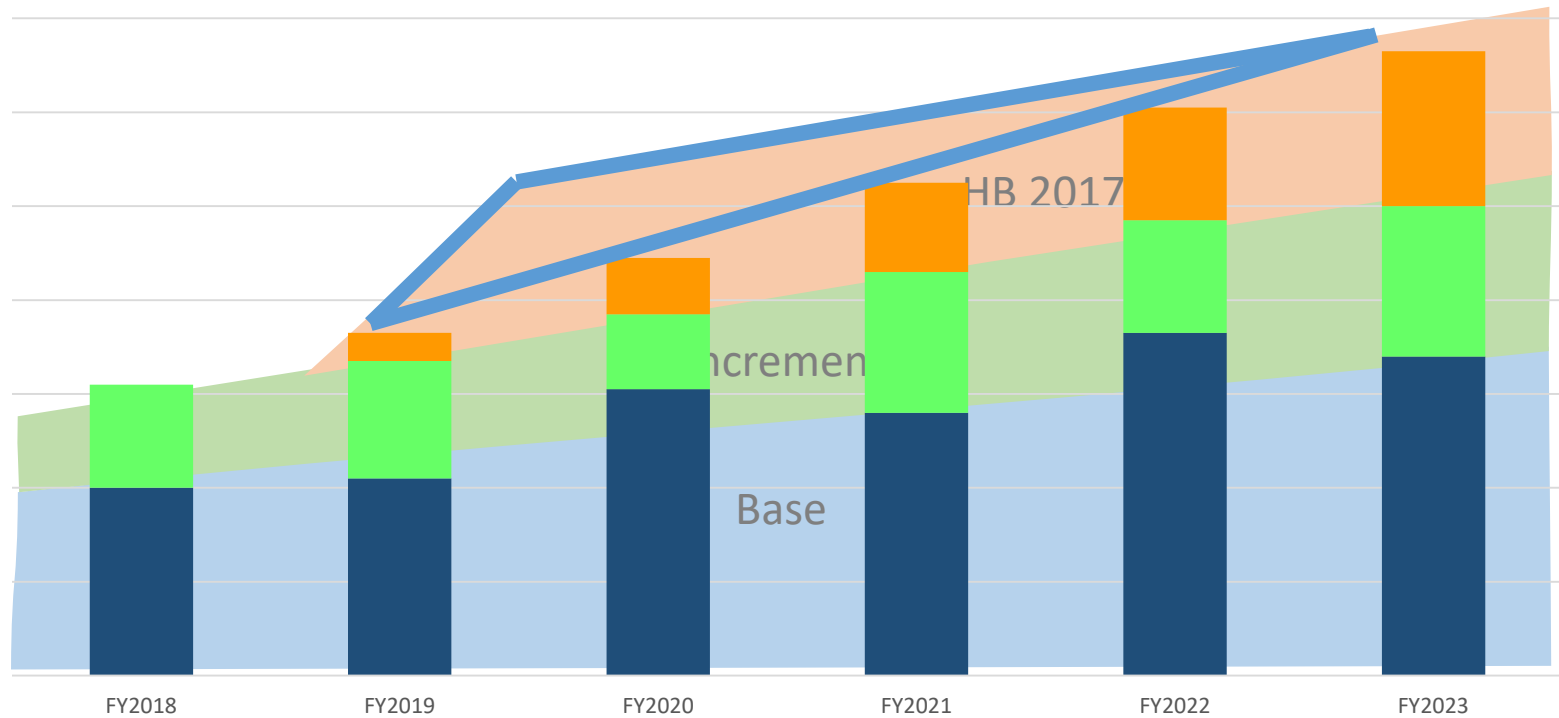
# HB2017 “Ramp Up

Five year ramp up of new service – fastest that supply of mechanics and bus maintenance availability will allow.

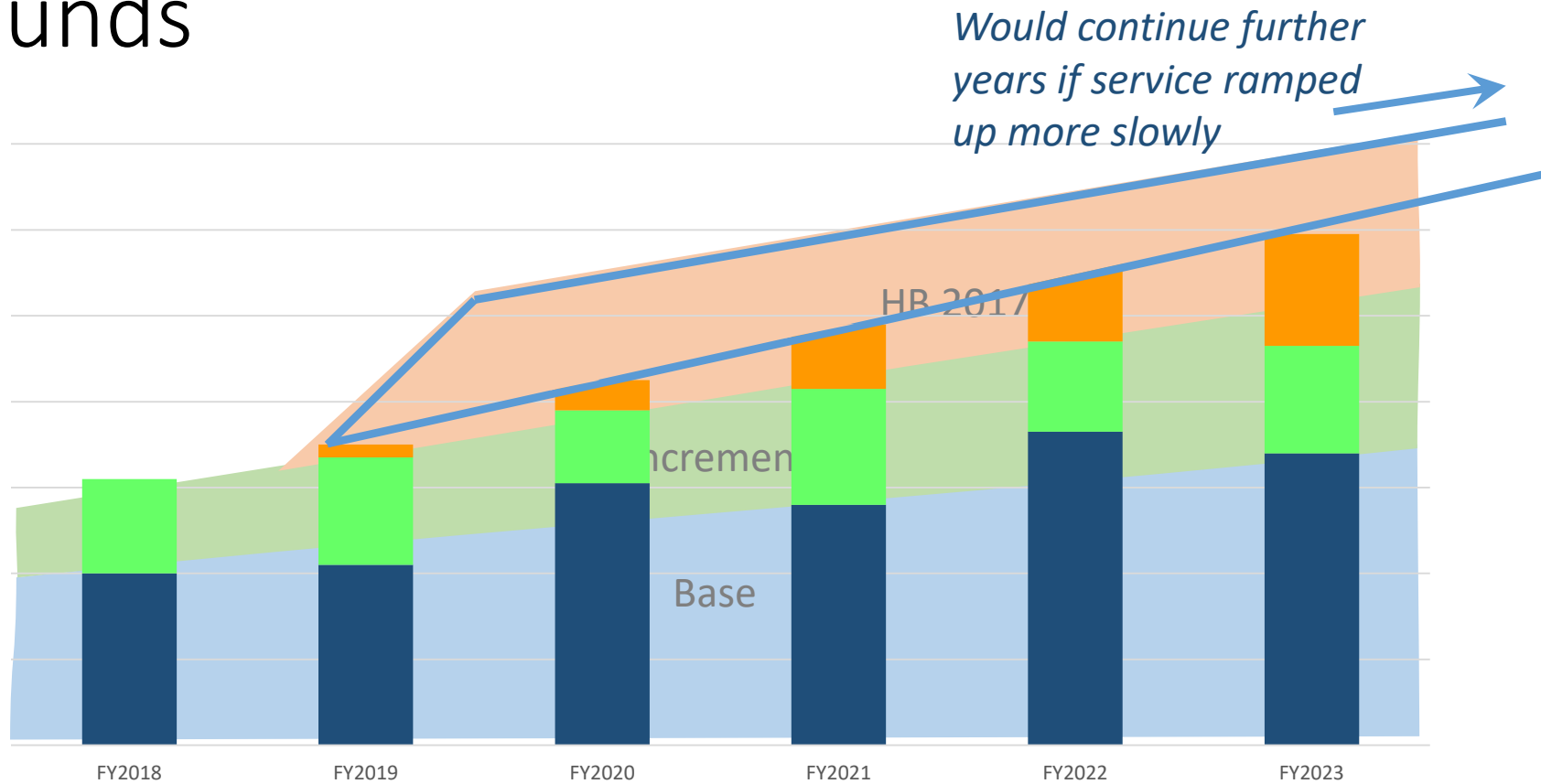


# HB2017 “Ramp Up

Gradual ramp in creates some OTO funds.



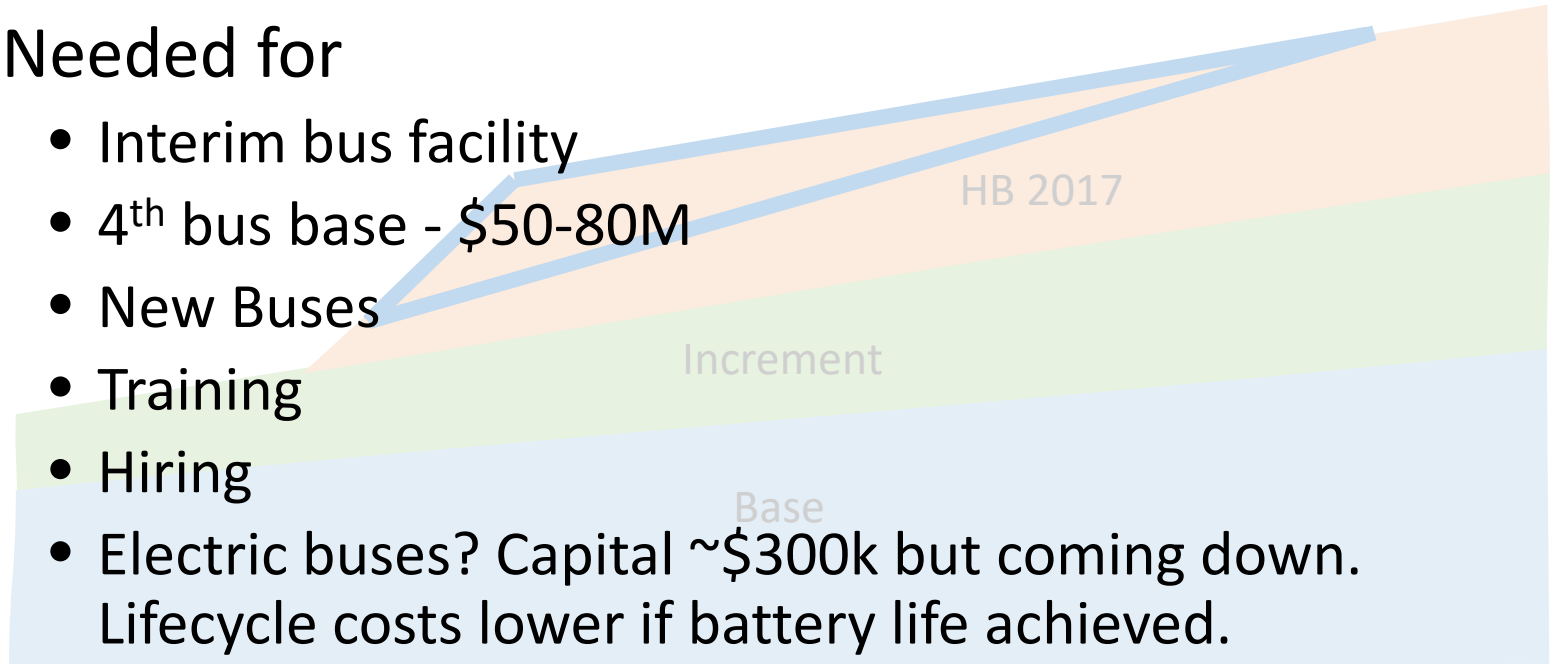
# HB2017 “Alternate Ramp Up” OTO Funds



# HB2017 “Ramp Up” OTO Funds

- Needed for

- Interim bus facility
- 4<sup>th</sup> bus base - \$50-80M
- New Buses
- Training
- Hiring
- Electric buses? Capital ~\$300k but coming down. Lifecycle costs lower if battery life achieved.
- Articulated buses? For example, 128 articulated buses through FY2025 would add \$43 million but provide 56% greater passenger capacity, plus additional facility costs.



# HB2017 “Ramp Up” Service

- Attempt to accommodate timing challenges including funding, and bus, mechanic and other timing complexities
- 5-year ramp up of HB2017-funded service growth to allow resources and assets to catch up, but still start service soon



# Operational changes during 5 year ramp up

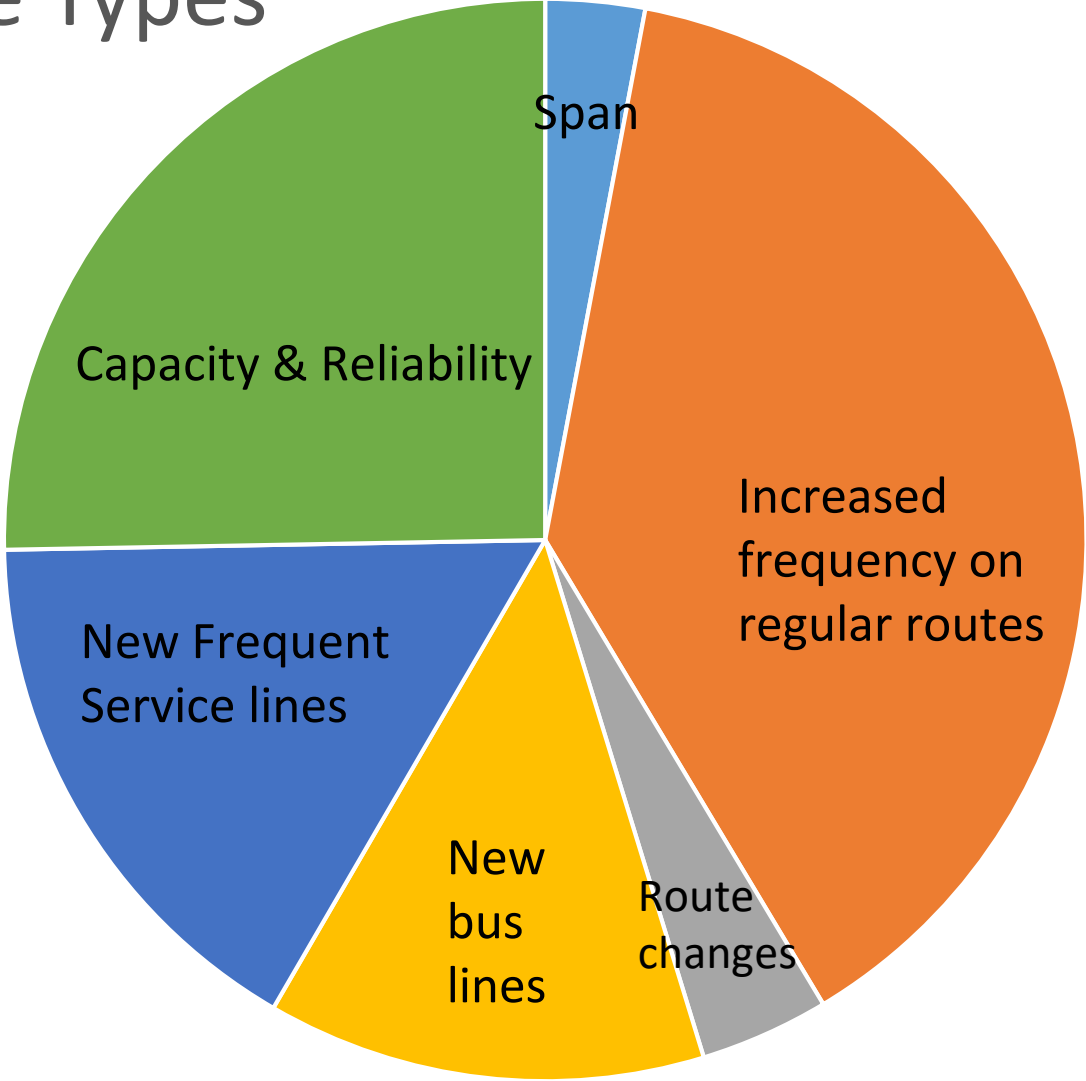
## For FY19-23 only

- 11,500 additional weekly vehicle hours (current: ~44,500)
- 135 additional buses (current: ~650)
- 360 additional bus Operators (current: ~1,150)
- 55 additional bus Mechanics (current: ~140)

# “Ramp up” service proposal pending public review and adjustments

- 38% Improving frequency on Frequent Service and regular service lines
- 25% Capacity and reliability
- 16% New Frequent Service Lines
- 14% New lines
- 4% Route changes
- 3% Span improvements

# Service Types



■ Span ■ Freq ■ Route Change ■ NL ■ New FS ■ Cap/Reliability



# Summary

- Great opportunity!
- Complexities
- Human resources – especially mechanics
- Maintenance and storage capacity for buses
- Capital needs