

Metro Riders' Advisory Council
December 7, 2011

I. Call to Order:

Mr. DeBernardo called the December 2011 meeting of the Metro Riders' Advisory Council to order at 6:45 p.m.

The following members were present:

Frank DeBernardo, Chair, Prince George's County
David Alpert, District of Columbia Vice Chair
Penny Everline, Virginia Vice Chair, Arlington County
Chris Farrell, Maryland Vice Chair, Montgomery County
Stephen Clermont, Fairfax County
Joseph Kitchen, Prince George's County
Carl Seip, At-Large
Pat Sheehan, At-Large/Accessibility Advisory Committee Chair
Deborah Titus, Fairfax County
Carol Carter Walker, District of Columbia
Victoria Wilder, Montgomery County
Ron Whiting, Montgomery County

II. Approval of Agenda:

Without objection, the agenda was approved as presented.

III. Preliminary FY2013 Budget:

Mr. DeBernardo introduced Carol Kissal, Metro's Deputy General Manager for Administration and Chief Financial Officer to give a preliminary overview of Metro's FY2013 budget.

Ms. Kissal provided an overview of Metro's FY2013 Operating Budget, including projected expenses and revenues as well as options to improve service and fare increase concepts. She noted that Metro had taken a multi-year approach to developing its budget, which allowed for better planning and to more closely link the operating budget with capital projects.

Ms. Kissal explained that for FY2013, Metro expects a \$124 million growth in expenses. She noted that most of Metro's operating expenses are for labor costs to run bus, rail and MetroAccess services, and that there was a slight increase in labor cost due to step increases for

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personnel. She added that the budget also included funding for 40-50 new rail maintenance technicians to improve rail fleet reliability.

Ms. Kissal said that the largest increase in the FY2013 budget over FY2012 is for pension and fringe benefit costs. She said that Metro's annual pension contribution has increased 150% in the past decade and told members that the pension costs for members of Metro's Local 689 union is wholly borne by Metro.

She also explained that the FY2013 budget included around \$35 million in "choices" for the Board – projects that would improve safety or service. Examples included:

- Hiring additional police officers
- Improving escalator maintenance
- Improving on-time performance for bus routes on priority corridors
- Addressing employee fatigue issues

Ms. Kissal said that Metro proposed that increased funding proposed in the FY2013 budget would come half from increased jurisdictional contributions and half from increased fares. She noted that this would be a smaller fare increase than the one enacted two years ago - \$60 million vs. \$108 million in FY2011. She then reviewed the various fare increase concepts that were presented to the Board earlier in December.

These fare increase concepts included increases in bus and rail fares, increases in parking fees and changes to the number and cost of reserved parking spaces and changes to certain aspects of the rail fare structure, including removing the peak-of-the-peak surcharge and creating a zoned system for riders using paper farecards.

Following Ms. Kissal's presentation, Mr. DeBernardo opened the floor for questions or comments from members of the Council.

Mr. Farrell asked when Metro planned to offer its weekly rail passes on SmarTrip cards. Ms. Kissal said that she expected this to happen within the next few months and that she would get him a more specific estimate.

Mr. Sheehan said that the Accessibility Advisory Committee was grateful for the support Ms. Kissal and her staff have provided in trying to address the MetroAccess fare structure as part of the larger conversation about Metro fares. He noted that MetroAccess fares can be extremely complicated and very difficult to figure out, as there can be large variances in cost between similar trips. Ms. Kissal noted that staff was working on a fare calculator app that would be available on touchscreens at rail stations to help them determine the cost of their trips before they approached the farecard machines.

Mr. Clermont asked whether the currently-existing pension plan was agreed to by both the union and management and whether there were plans to address this in the next round of contract negotiations. Ms. Kissal responded that all aspects of the union's contract, including pension contributions, will be up for negotiation in the next round of contract talks. She explained that when Metro took past contracts to binding arbitration, the arbitrators usually focused only on wages as part of the contract. Mr. Clermont said that he was concerned that Metro would focus on reducing employee pensions that it had agreed to provide as part of previous contract negotiations. Ms. Kissal noted that in the negotiations for the next union contract, Metro management is looking at negotiating all aspects of the contract, including wages, benefits, and pension contributions with the union.

Mr. Whiting asked whether any of Metro's contributing jurisdictions had expressed any concerns about the structure of its pensions given that Metro employees receive more generous pension benefits than employees of the local jurisdictions. Ms. Kissal said that the collective bargaining process is between Metro management and labor, though agreements are approved by the Board of Directors, with members representing the various jurisdictions. She noted that one of the big issues with Metro's pensions is that the number of Metro retirees is increasing significantly now that the Authority has been around for a significant period of time.

Mr. Kitchen said that he had equity concerns about Metro's proposed fare structure changes, especially as they relate to unbanked individuals. He said that Metro needs to be conscious these equity issues as it tries to move more customers to using SmarTrip cards. Ms. Kissal said that Metro will be deploying vending machines that sell SmarTrip cards to all of its rail stations prior to making these fare changes to ensure that customers have the ability to purchase the cards and realize the savings that the cards provide. She added that Metro is also looking at reducing the cost of SmarTrip cards once it begins using a new, less-expensive chip.

Ms. Wilder inquired about the cost of Metro's one-day pass and also noted that customers are sensitive to increases in fares, especially since fares on some bus routes increased recently with the discontinuance of the Anacostia special fare.

Ms. Walker said that Metro needs to be sensitive to riders who have to budget their expenses on a day-to-day basis, and proposals to increase the cash fare or the penalty for not using a SmarTrip card reflects an insensitivity to those riders. She also expressed concerns about the proposal for a tourist zone system based on experience with the zone system used by D.C. taxicabs that made trips between neighborhoods more expensive.

Mr. Seip asked how the proposed tourist zone fare would work for customers using SmarTrip cards. Ms. Kissal responded that SmarTrip customers would pay regular fares, similar to how they pay now. In response to an additional question from Mr. Seip about the possible reduction

in transit benefits at the end of 2011 and whether Metro had included that assumption in its FY2013 budget, Ms. Kissal said that Metro assumed that the transit benefit would be extended. She added that if the benefit weren't extended and instead reverted to the old \$125/month level, Metro expected to have its revenue reduced by about \$16 million in FY2013. Ms. Kissal also noted that Metro would also lose revenue in FY2012, since the benefit reduction would occur in the middle of the fiscal year. She said that because riders take time to change their commuting habits, Metro would likely lose less than half of the proposed annual revenue.

Ms. Titus said that Metro needed to ensure that it distributes clear information about any proposed or approved fare changes to its riders.

Mr. Alpert asked whether Metro has done an analysis of whether its prior ridership projections for previous budgets have matched up with actual ridership. Ms. Kissal said that Metro monitors projected versus actual ridership and that it has been close to its projections. Mr. Alpert also asked whether staff was recommending all of the fare concepts that were put forward in her presentation. Ms. Kissal said that staff wasn't recommending all of the concepts presented though some of the concepts are tied together. She said that what was presented were options for consideration.

Ms. Everline expressed her concerns about the difficulties unbanked customers may have using SmarTrip cards. She added that she is also concerned that some of the proposals would penalize riders with disabilities or mental health issues who are unable to use or keep track of a SmarTrip card. Ms. Kissal said that because Metro will be switching the chips that it uses in its SmarTrip cards, it may be possible to install that chip in other objects that would make it easier to use, such as key chains. She said that she would investigate that possibility with the Accessibility Advisory Committee.

Mr. DeBernardo thanked Ms. Kissal for her presentation.

IV. Riders' Advisory Council Annual Report:

Mr. Alpert explained that Board member Mary Hynes had suggested that the Council produce a report outlining its activities for the previous year. He said that this report can provide a good way for members of the Board and public to see the work that the RAC does. Mr. Pasek made an outline and said that he would welcome members' comments or suggestions.

Members expressed their support for the concept of producing an annual report and suggested including links to letters or other documents the Council has written, along with information on comments received from the public at meetings. Mr. DeBernardo said that the report helps visualize the Council's activities and noted that by looking at the report, it is apparent that the

group slowed down at the end of 2011. He added that the report is a good reminder that the Council can be doing more.

Ms. Everline suggested that the report add information on key discussion themes from meetings, and Ms. Walker suggested that the annual report also include the Council's monthly reports. Mr. Seip said that if "discussion themes" are included in the report, there needs to have been a group consensus on these themes at the particular meeting being referenced. Ms. Wilder suggested including links to meeting notes in the report so that the Board would have supporting documentation.

Mr. Pasek said that he would incorporate members' comments into the report.

V. Council Information Requests:

Mr. DeBernardo noted that at the Council's last meeting there was a discussion that the Council needed to develop a procedure to request information from staff. Mr. Alpert asked whether members wanted to discuss the process and find a consensus on where in the information request process that the Council wants to be involved. He said that he wanted to figure out a process that allows the RAC to be involved without slowing down other requests.

Mr. DeBernardo suggested that the appropriate time for the Council to weigh in on a request would be before it is sent up the chain of command at Metro, if the request is rejected by the staff person to whom it is initially sent.

Ms. Walker asked about the number of requests that Council members make. She said that she felt "taken advantage of" by Mr. Schmitt's requests, since it seemed as if his requests were coming from the Council, even though they were made by Mr. Schmitt as an individual. Ms. Walker said that the Council's staff person is able to determine whether an information request is or is not routine, and suggested that non-routine requests be given to the Council's executive committee for review.

Mr. Kitchen said that he thinks that requests should go through the full Council, and that requests should go through the Council's chair. He added that all members need to know about requests that are being made. Ms. Wilder added that any information obtained from Metro staff needs to be shared with the group.

Mr. Alpert suggested that information obtained as a result of requests from members could be sent out in the monthly report or through other processes.

Mr. DeBernardo suggested, based on the discussion, to hold off on settling this matter until new members were appointed and in attendance at the January 2012 meeting.

VI. Questions/Comments on the RAC and AAC Chair Reports:

Ms. Wilder asked whether Mr. Schmitt's resignation was mentioned in the Council's monthly report for November. Mr. DeBernardo responded that the Board had already received notice of his resignation directly and since it was an individual, rather than a group action, it wasn't included in the report. Ms. Walker suggested that something could be included in a subsequent monthly report once the Council develops a procedure for information requests from Metro staff.

Mr. Sheehan told the group that the Accessibility Advisory Committee is working with Metro staff in reviewing options for the next paratransit contract. He said that the new contract may be structured differently than the existing contract and that a Request for Proposals will be put out in April or May of 2012. Mr. Sheehan added that there will be significant public outreach as part of the development and award of this new contract and that he and the AAC are pleased with the process thus far.

Mr. Alpert moved approval of a letter to the Board regarding the Regional Transit System Plan (RTSP). The letter encouraged the Board to have staff present its analysis of various options for new transit services to the public as early as possible to get the public's feedback. This motion was seconded by Mr. Kitchen.

Mr. Seip asked whether staff had indicated that they aren't already planning to conduct public outreach regarding the RTSP. Mr. Alpert said that staff hasn't indicated that it won't be doing outreach. Ms. Everline said that this letter could encourage staff to keep making information about the study available to the public.

The letter was approved without objection, with Mr. Seip abstaining.

VII. Open Mic:

Mr. DeBernardo reminded members that elections for Council officers – chair and jurisdictional vice-chairs – would take place at the January meeting. He noted that he would not be running to serve as Council chair for 2012. Mr. Alpert added that he would not be standing for election as the D.C. vice-chair.

Mr. Kitchen asked that materials for Council meetings be posted on its website earlier.

Members thanked Mr. DeBernardo for his service as Council chair.

VIII. Adjournment:

Without objection, Mr. DeBernardo adjourned the meeting at 8:27 p.m.