

MAYOR'S TRANSITION TASK FORCE
on the
**Metropolitan Transit
Authority**

Report provided by:
Basic Services Committee

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Committee Members

- Theldon R. Branch, III - Chair
- LaTanja Bolden
- Marcus Davis
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Methodology

Our team reviewed five METRO service areas

- METRO Administration, Bus Routes/HOV Lanes/Hot-Lane Implementation, Bus Service to Houston's Airports, METROLift, METRO Police
- 80 Unnamed METRO Employees and Union Representatives
- 12 Members of METRO's Senior Management Team
- Two (2) Continental Airline Executives
- Five (5) Sr. Managers at Houston Airport System (HAS)
- Six (6) Members of First Transits Senior Management

Methodology

Continued

Contracts:

- CEO
- VP of Real Estate
- VP of Operations Contract

Reports

- State of New Jersey Commission of Investigation (CEO Report)
- Overview of METRO
- Last Quarter of Board Report
- METRO Regional Provider Plan
- METRO Solutions Plan

Current State Assessment:

Key Findings

Bus Routes/HOV Lane/Hot-Lane Implementation

- Before the launch of light rail, METRO operated 129 weekday fix-route bus routes. Since the rail opened, 19 “poor performer” routes (15 local, 4 Park & Ride) have been discontinued.
- METRO cites a number of factors for decline in boarding's from 102 million in FY01 to 85 million in FY09, including fare restructuring, federal changes, and rising unemployment.

Current State Assessment:

Key Findings

Bus Routes/HOV Lane/Hot-Lane Implementation - Cont'd

- Overall goal of improving METRO's operating ratio influences decisions on canceling routes
- Expanded bus service in METRO Solutions program dependent on full 1 cent sales tax after 2014

Strategic Choices:

- Reinforce METRO's current business-model operating philosophy or refocus on improving public service
- Improve ridership by eliminating fares or improving service
 - HBJ online poll (670 respondents) "If METRO eliminated fares, would you consider riding the bus?" 59%-NO, 32%-YES
- Focus on making METRO more accountable to the public or making it move forward more quickly with less input from the community
- Focus on expanding routes to un- or underserved areas or reducing delays for existing routes.
 - Houston Chronicle online article comment/ high positive response "... lack of providing a consistently dependable product...keep(s) people from riding METRO..."

Strategic Choices: Implications

- Appoint Chairman/Board members who are more community focused or appoint Chair/Board members who are more business oriented.
 - Community focused board could make the agency more attractive to prospective riders
 - Business driven board could provide a continued improvement in METRO's operating ratio
 - Ideally a combination of both

Strategic Choices: Implications

- Encourage METRO to eliminate fares
 - Consequence 1: Could increase ridership and reduce delays.
 - Consequence 2: Would increase the overall taxpayer subsidy
 - Consequence 3: May inhibit METRO's ability to expand existing bus service

Current State Assessment:

Key Findings

Bus Service to Houston Airports

- Very low ridership for both IAH & Hobby service; no value to business travelers; cost and time constraint issues for airport employees (IAH=33K badge employees, Hobby=9K badge employees); discount doesn't help
- Both HAS and Continental Airlines have provided adequate advertising for the IAH Direct

Current State Assessment:

Key Findings

Bus Service to Houston Airports - cont'd

- Ridership for the IAH Direct Service remains low notwithstanding a 33% discount (\$10 one way) offered by METRO to Continental passengers in 2010; offer made via Continental Airlines website and e-mail blast to One Pass Members.
- 2009 IAH METRO Direct Operating Expenses/Fare Revenues
- Fare Revenues \$349,802 VS. Operating Expenses \$1,923,818
- Net Loss/Subsidy \$1,574,016 (Operating Ratio = 18.8%) -\$44.25 Average Subsidy

Current State Assessment:

Key Findings

Key downside to IAH Direct Service:

- No parking available at Downtown Pickup Plaza
- Drop-off at terminal C only
- Primary target rider for IAH Direct Service appears to be business travelers who value time over cost Hence, Super Shuttle is highly preferred option.
- HAS sees no benefit to their business travelers or airport employee

Current State Assessment:

Key Findings

- Super Shuttle - Offers “door to door” service picking you up from your home, office or hotel; a shared ride with others going to/from the airport in the same direction; avoid airport parking; more economical than a taxi or limo.
- Per HAS, Super Shuttle satisfies the demand of their travelers at both airports, hence, IAH METRO Direct cannot effectively compete.
- Houston Airport System has received very positive feedback for the Super Shuttle service since it became the sole operator of shuttle service for both IAH and Hobby. Previously, multiple van services were provided to the airport which resulted in a mixed, and generally low, opinion due to some operators poor performance.

Strategic Choices:

- Identify Downtown parking for riders of the IAH Direct Service.
- Reduce IAH Direct service bus size or convert to METRO Van Service (currently seats 50)
- Eliminate METRO Direct service

Strategic Choices:

- Identify and add key stops for IAH Direct Service between Downtown and IAH (including additional terminal stops).
- Reduce or eliminate fare for Direct Service.
- Reduce or eliminate fare for IAH Direct Service.
- Reduce IAH Direct Service Trips to “peak” usage time - “Rush Hour Direct” (currently runs 30 round-trips per day; some daily trips operate with no riders; most trips have only 2-3 passengers).

Strategic Choices: Implications

- Downtown parking may increase ridership
- Reduced bus size may meet demand and reduce costs
- Eliminating METRO Direct Service provides opportunity to reallocate operating funds to further subsidize or eliminate fares for regular routes serving airports; reduce parking congestion at airports

Strategic Choices: Implications

- Adding key stops may increase ridership
- Eliminating fares may increase ridership
- Reducing service to peak times could improve operating ratio

Current State Assessment:

Key Findings

METROLift Service

- Accessible curb-to curb para-transit services as outlined by the Americans with Disability Act (ADA) within $\frac{3}{4}$ mile of all fixed bus routes.
- Service provided by two primary contractors, employing 500+, providing the delivery of service.
 - First Transit, Inc. using 118 METRO owned 10-passenger accessible vans at a cost of 21.09 per passenger trip.
 - Greater Houston Transportation Company (Yellow Cab) using 156 accessible minivans. We have not yet confirmed the costs.

Current State Assessment:

Key Findings

METROLift Service - cont'd

- Delayed arrival times
- Time lapse between pick-ups
- Unprofessional service
- 2009 METRO Cost per passenger trip \$21.09 vs. Customer Cost Per Trip of \$0.95.
- Fleet not equipped to cover service area and demand.

Strategic Choices:

- Improve communications with contractors.
- Better tracking, reporting and responsiveness to service issues internally and with contractors.
- New type of vehicles needed old ones not reliable.
- Contractor should control dispatch of vehicles with oversight by METRO.
- Metro needs a longer term contract with its vendor (One year too short)

Strategic Choices: Implications

- Fewer missed or delayed trip.
- Better Customer service.

Current State Assessment:

Key Findings

METRO Police

- 270 Full time employees, with 195 commissioned peace officers who provide safety and security throughout the service area.
- Five Divisions
 1. Homeland Security/Support Operation
 2. Field Operations
 3. Houston TranStar
 4. System Safety
 5. Management Services

Strategic Choices:

- Pursue FTA funds for additional officers for regional traffic enforcement plan.
- Review plans to improve HPD coordination of traffic enforcement with METRO PD.
- Improve radio communication between METRO and HPD.

Strategic Choices: Implications

- Inability to secure FTA funding for traffic may limit hiring of additional METRO PD
- Issues with HPD unions
- Issues with State Law

Current State Assessment:

Key Findings

METRO Administration

- Major Image Problem
- Very low Morale
- Lack of Transparency
- Erosion of Public Trust
- METRO's vision and mission not clear
- Counterproductive internal direction
- Inefficient use of human resources

Strategic Choices:

- Replace Board
- Replace Management
- Replace Board Advisors
- More oversight by Mayor

Strategic Choices:

- Re-Image METRO with input from stakeholders
- Establish Office of Inspector General (Reports to Board)
- Develop On-going Training for Board Members
- Empower mid-level management

Strategic Choices: Implications

Board Replacement

- Viewed as political
- Establish New Management Culture
- No Downside

CEO Replacement

- Estimated cost of Mr. Wilson's contract \$1.6m++; no cost with cause for termination
- Approximately (6) months [to a year] without a CEO
- Necessitate replacing several key management team members Wilson brought to Houston
- Potential delay to projects

Strategic Choices: Implications

Cont'd

Replace Board Advisors

- Could cause issues with County & other METRO service areas

Summary of Strategic Choices...

- Visit with FTA to prepare for new direction
- Replace Board
- New Board Governs Policy
- Hire New CEO
 1. Connected to the community
 2. “Non-transportation” CEO an option
 3. Great management skills
- New Management Team with an emphasis on Community Focused Transportation