

Chapter 6. Peer Agency Analysis

There are two services that can be directly compared to services in other regions. Metro Transit, being the largest transit provider in the region, can be compared to other large regional transit providers. Metro Mobility, the region's ADA service, can be compared to ADA programs. This chapter compares these two programs to similar programs in other regions.

Use of Peer Group Comparisons

The use of peer group comparisons for identifying differences among transit systems is a valuable tool for broad policy assessments. However, some caution should be taken. While the NTD data is reported using the same rules, differences exist among the systems that are not easily discerned from the data. Among these are:

- The institutional arrangements for delivering transits services differ among the regions served by the peer systems. Therefore, the proportion of the total regional transit services provided by the reporting system may vary. The relationships between agencies in the region can also affect reporting statistics. For example, in the Twin Cities area, other agencies provide smaller bus transit service, leaving Metro Transit providing service only with 40-foot and larger buses. Other agencies may provide a different mix of services.
- The extent of the service area compared to the urbanized area differs. While some transit services operate beyond the boundaries of their census-defined urbanized area, others service only a portion.
- The varying use of private contractors to provide transit service. This can affect the mix of relatively low-cost local and high-cost express service operated by the transit systems.

Metro Transit Peer Agency Comparisons

As the largest single transit provider in the Twin Cities region, Metro Transit has counterparts in other parts of the country that are comparable in the types of services provided and agency size. This allows for certain agency to agency comparisons. Whereas Chapter 6 aggregated all of the transit systems in a region to give a region-to-region comparison, this chapter compares Metro Transit to comparable transit providers elsewhere in the nation.

In previous audits, a six-peer transit system group was identified to benchmark Metro Transit operations; this group is a subset of the 11 peer regions. This audit continues this data series. The six peer transit systems are:

- Cleveland: Greater Cleveland Regional Transit Authority (RTA)
- Denver: Regional Transportation District (RTD)
- Houston: Metropolitan Transit Authority of Harris County (Metro)
- Pittsburgh: Port Authority of Allegheny County (PAT)
- Portland: Tri-County Metropolitan Transit Authority (Tri-Met)
- Seattle: King County Department of Transportation (Metro)

All peer transit systems provide bus transit service. However, all other systems also operate other modes of transit such as light rail or inclined plane. Since Metro Transit operates only bus service, its performance is compared only to the bus service operated by peer agencies.

Metro Transit Peer Group Characteristics

Population and population density are important considerations in the development of peer groups. The service area is based on where transit services are operated. For bus services, the service area is defined as the area within $\frac{3}{4}$ mile of either side of a bus route.

Table 7-1. Demographic Characteristics of Metro Transit Peer Group

Measure	Metro Transit Comparison			
	Metro Transit	Six-Peer Group Avg.	Percent of Peer Avg.	Rank Among 7 (1 = Highest)
<i>Service Area (2002 NTD)</i>				
Population	1,877,916	1,898,345		3
Area (Sq. Miles)	894	1,272	54%*	5
Population Density	2,750	1,492*	184%*	2

Table Note: The peer group shows a wide variation in service area population and service area. Cleveland has the smallest service area at 458 square miles while Denver has a service area four times larger at 2,406 square miles. This wide range affects the area and population averages for the service area. Even so, Metro Transit statistics fall within the norms of the peer group.

Table 7-2. 2002 Operating Characteristics of Metro Transit Peer Group

Per 2002 NTD Measure	Metro Transit	Six-Peer Group Avg.	Peer Minimum	Peer Maximum
Passengers	69,589,375	69,362,321	45,157,626	94,777,606
Operating Expense	\$191,673,162	\$210,454,294	\$157,203,255	\$279,791,558
Peak Vehicles	841	873	544	1,227
Revenue Hours	2,064,977	2,344,443	1,575,860	3,137,905
Revenue Miles	25,735,999	31,759,095	19,724,412	44,782,410
Peak-to-Base Ratio	2.56	1.93	1.58	2.56

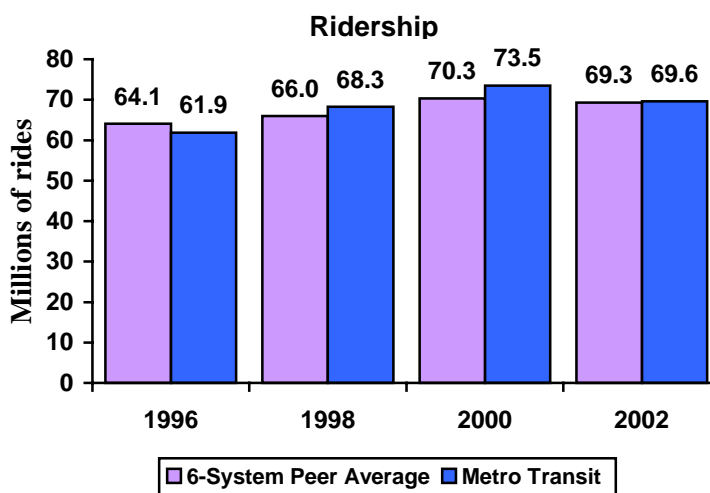
Table Note: This analysis includes all directly operated bus service provided by Metro Transit as reported in the NTD. Operating cost data may differ very slightly from the totals reported elsewhere in this audit, which excluded the service provided under contract by Metro Transit to opt-out providers. Also figures in other parts of this report may be reported under a different basis than those required by the federal government under the NTD.

One characteristic substantially different is that Metro Transit puts more service out during the peak travel times than other agencies, otherwise known as peak-to-base ratio. This is, in part, attributable to a higher-than-typical percentage of peak express service. Peak service is more costly than midday (all-day) service due to more costly labor guarantees, higher percentage of non-revenue travel time to and from garages, and lower vehicle utilization. Because of this, a high peak to base ratio can result in higher overall costs.

Metro Transit Peer Analysis

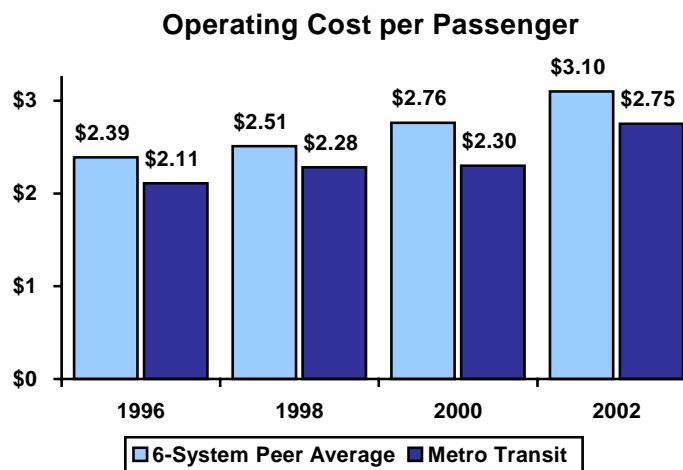
Metro Transit ridership grew faster than peer ridership despite recent declines.

Between 1996 and 2002, Metro Transit ridership increased 12.4%. This 12.4% increase was significantly larger than the average increase of 8.1% that occurred in the six Metro Transit peer transit systems. This increase is despite reductions from 2001 to 2002 due to the economic downturn, budget cuts, fare increases, and the impact of 9/11.



The cost per passenger for Metro Transit increased from 1996 but remained significantly below peer systems.

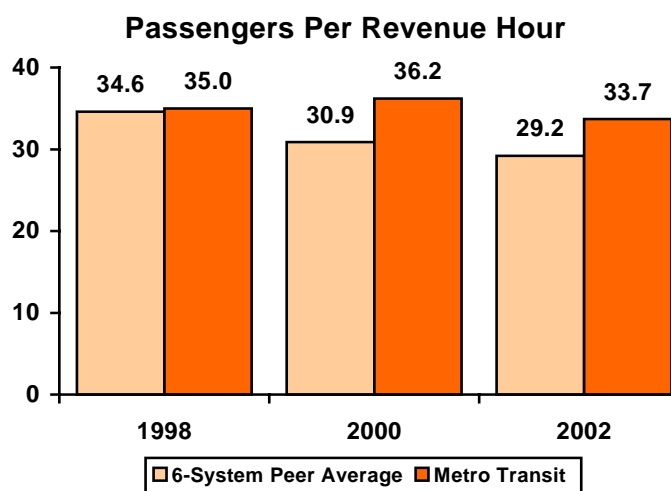
Between 1996 and 2002, the operating cost per passenger for Metro Transit's service increased 30.6%, almost exactly the same rate as the peers at 29.8%. In 2002, Metro Transit's operating cost per passenger was approximately 11% below other regions.



Metro Transit provides more rides per hour of service than its peers do.

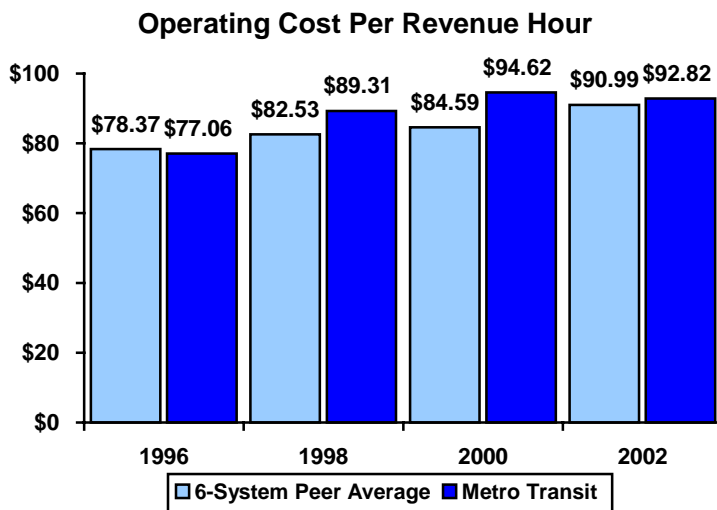
The number of passengers carried per revenue hour of service increased for Metro Transit from 1996 to 2000 but declined for peers during the same period. The Metro Transit trend reversed itself in 2002, where both Metro Transit and peer statistics declined.

For the total period, Metro Transit passengers per revenue hour declined by 7.7% and declined for peer systems 14.6%.



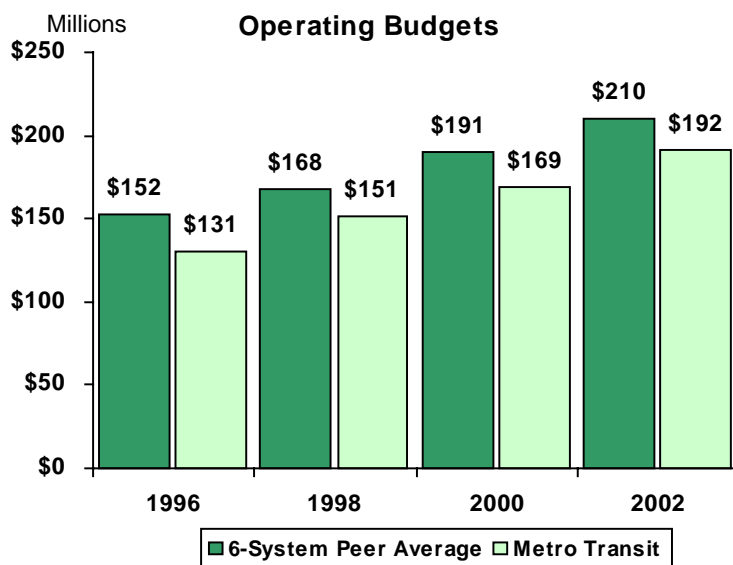
Metro Transit operating costs remain lower than its peers.

Metro Transit's operating cost per revenue hour increased 20.5% from 1996 to 2002. This was faster than the peer region average of 16.1% and slightly ahead of the 15% growth in the Consumer Price Index (CPI). Even so, Metro Transit's operating cost per revenue hour remains within 2% of the peer average.



Metro Transit's operating budget has grown slightly faster than peer budgets but so has Metro Transit's revenue hours.

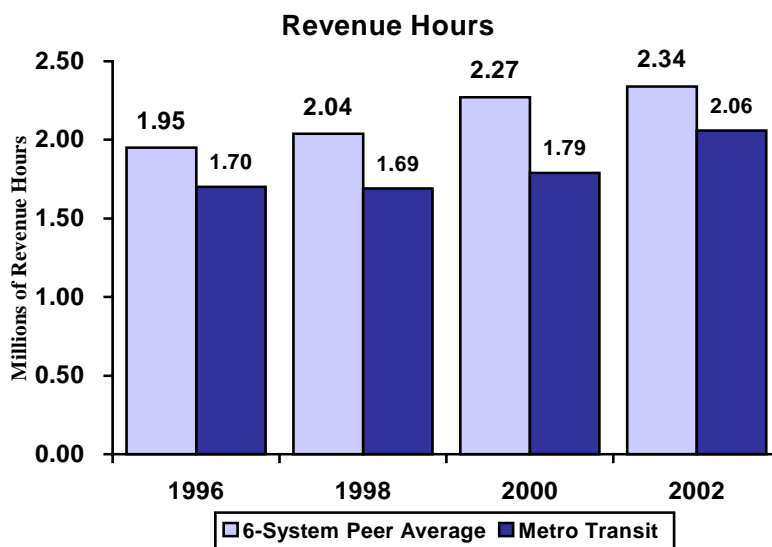
The budgets for both Metro Transit and for its peers increased between 1996 and 2002. Metro Transit's grew faster during this period, 47%, as opposed to the budgets of its peers, which grew 38%.



Inflation as measured by the CPI during this time increased 15% and service levels as measured by the number of revenue hours also increased 14.7%.

Despite increasing its revenue hours, the overall number of revenue hours provided by Metro Transit still lags behind peers.

The number of hours of transit service provided by Metro Transit grew 14.7% from 1996 to 2002 while it peers averaged 13.6%. Even with this growth, Metro Transit provided about 12% fewer revenue hours than its peers in 2002, despite providing almost the same total number of rides.



METRO MOBILITY PEER AGENCY COMPARISONS

USE OF PEER GROUP COMPARISONS

The Americans with Disabilities Act requires all major metropolitan areas with regular route transit service provide dial-a-ride service for persons with disabilities that restrict them from using the regular route transit system. Metro Mobility is the program in the Twin Cities that fulfills this requirement.

Other regions also have similar transit programs for persons with disabilities. A peer group was developed from the eleven peer region group used in other chapters. These regions include Baltimore, Cincinnati, Houston, Pittsburgh, Portland, Seattle, St. Louis, Dallas, and Denver. Two regions were removed from the peer group because of NTD data reporting irregularities - Milwaukee and Cleveland.

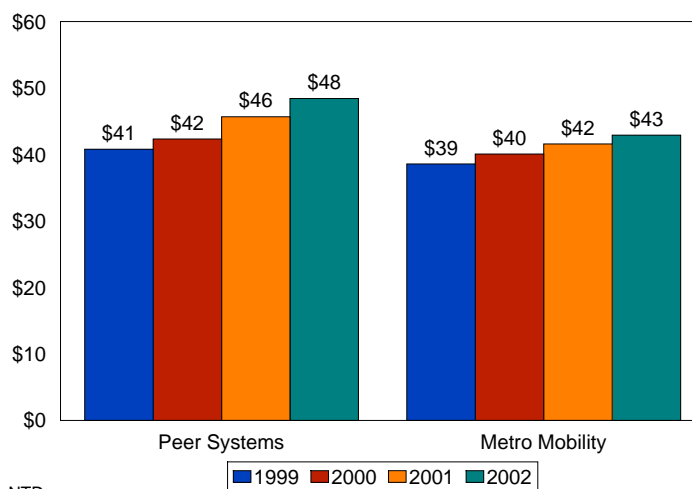
Metro Mobility operating cost per hour of service are lower than peer systems.

Metro Mobility costs per hour of service are substantially lower than that of its peers. This can be attributable to several factors. Metro Mobility contracts for its service and recently received favorable bids. Also the Twin Cities generally has lower transit labor costs when compared to other regions. Metro Mobility management has also taken steps to improve service efficiency.

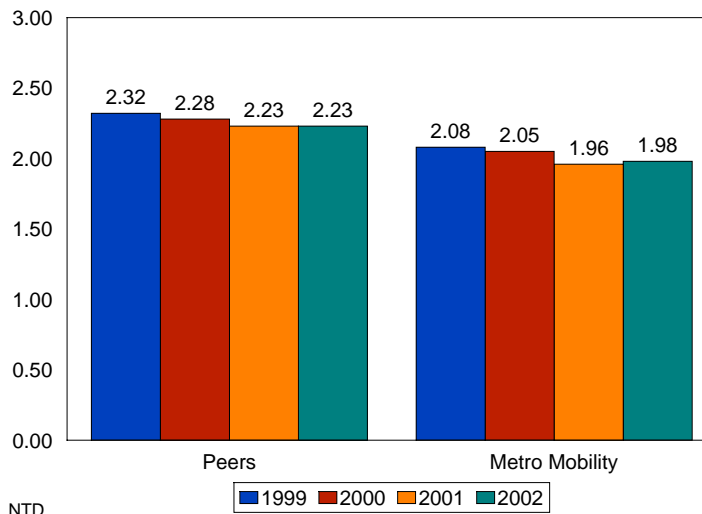
Nationally ADA productivity has been declining due to requirements for a goal of zero trip denials.

Metro Mobility serves fewer passengers per hour of service. One factor in this is that the Twin Cities is a very low density region compared to other regions. This is due to a number of factors - lack of major barriers like oceans or mountains, strong preference for single family homes, a higher percentage of wetlands, floodplains, lakes, and rivers and other unbuildable land and a higher proportion of housing built after World War II. This lower than average passengers per hour also mirrors Metro Transit's experience.

ADA Service Cost per Revenue Hour



ADA Passengers per Revenue Hour



The numbers of passengers per hour of service has been declining both nationally and locally. This has been in response to a national effort to reduce trip denial rates. Recent court cases have set a goal of zero trip denial rates due to a lack of availability of service and this has meant providers have had to add additional service to meet this demand. The result has been a decrease in productivity.

Metro Mobility's cost per passenger mirror national peers.

Because Metro Mobility operating costs per hour are lower but also are the number of passengers that it carries per hour, Metro Mobility costs per passenger are very close to its peers. Also Metro Mobility's costs per passenger increased 17% over the last four years, compared to 24.6% for its peers.

