



TriMet Board Meeting

January 28, 2015

Secretary of State Audit Recommendations and Actions Taken

Completed in January 2014, the Secretary of State's Audit evaluated TriMet in seven areas: Governance and Management; Financial Condition; Internal Communication and Labor Management Relations; External Communications and Relations; Managing Operations Hiring, Training and Evaluations; and Safety. TriMet found the audit to be extremely helpful and in a letter to the Secretary of State's Office following the audit, TriMet expressed its desire to fully respond to each of the audit's 23 recommendations and assigned the Deputy General Manager oversight of their implementation.

TriMet's intent was not only to implement the audit's recommendations, but to ensure that the improvements made were sustainable. The outside perspective and expertise the audit provided has helped TriMet shape its ongoing efforts to create a work environment of "continuous improvement". The audit both validated TriMet's existing efforts and spotlighted areas for improvements such as employee engagement and communication. TriMet has spent the past year focused on implementing the audit recommendations, and the attached checklist shows that the items are now complete.

The following summarizes the work from the past year.

- 1. Governance and Management.** The audit supported the development of TriMet's Strategic Financial Plan (SFP) to ensure long-term financial stability and the use of TriMet's 5-Year Action Plan to guide the agency's work. In July 2014, the TriMet Board adopted the SFP. Prior to that, the agency added "Strengthen the TriMet Team" as a strategic goal to its 5-Year Action Plan to reflect the audit's primary focus on improving employee engagement and communication. An employee hotline to report fraud and waste, another sound management practice recommended in the audit, is now also in place.
- 2. Financial Condition.** The audit concurred with TriMet's assessment that the most significant financial challenges facing the agency were the cost of health care benefits and the unfunded liability to pay for these benefits for current and future retirees. The path to reducing and funding these benefits are embodied in TriMet's new labor contract that was ratified by the union membership on October 24, 2014 and is embedded in TriMet's Strategic Financial Plan Guidelines that were approved by the Board last July.
- 3. Internal Communication and Labor Management Relations.** The audit pointed to the length of the negotiation process and the uncertainty of the outcome as having strained the labor/management relationship. TriMet believes that even during this period, daily labor and management interactions were collaborative and successful because both the union and management have a commitment to delivering high quality service, recognizing there is always opportunity to improve collaboration. The audit suggested ways to enhance frontline communication and feedback to improve the relationship. Elements of the draft Operations Communication Plan reviewed by the audit team have been the foundation for further improving communication. A number of continuous improvement teams have been created to provide a forum for frontline employees to provide their input. One example is the introduction of an online portal called the Operator Gateway that was introduced last October. It is a

way for employees to easily access information and to pass along feedback on a variety of topics, from schedules to safety concerns.

4. **External Communications and Relations.** The audit acknowledged the collaborative relationship TriMet has with its partners and other organizations along with the extensive outreach it does with riders and the general public. The audit further noted that TriMet's Accountability webpage offered a high level of transparency of the agency's business transactions and activities. To ensure all stakeholders were fully aware of the outcome of their input, the audit suggested TriMet find additional ways to provide that feedback. As an example, TriMet's process for gaining public input on the Orange Line bus service plan included holding a second round of open houses and posting changes online to ensure the public and participants saw the results of their input.
5. **Managing Operations.** The audit recognized TriMet's efforts to plan routes and schedule service, but suggested the need for a more robust effort to gather information about schedule times from frontline employees. One of TriMet's continuous improvement teams has been dedicated to gather that feedback and the Service Delivery department has initiated an ongoing *Schedule Reliability Improvement Process* that seeks operator input on adequate schedule and break times. To provide an even greater understanding of agency practices, the audit suggested formally adopting service guidelines. In December, the TriMet Board adopted Service Guidelines Policy and the general manager approved a Service Guidelines Framework on January 14 after receiving public input. TriMet's effort to manage and maintain the bus and rail fleets acknowledged the need for the agency to focus on the aging portions of its MAX infrastructure. TriMet conducted an outside review of these infrastructure needs and has been steadily making improvements.
6. **Hiring, Training and Evaluation.** The audit recommended TriMet continue to work with the Union to find ways to hire maintenance employees with prior experience. As part of the new labor contract TriMet now has the ability to hire up to half of the apprentices and up to five journey workers annually from outside of the agency. TriMet has formally documented operator recertification training in its standard operating procedures as recommended and is using the recertification class as a venue to engage employees in conversations about their performance, another audit recommendation. All of these efforts are intended to increase accountability and ensure TriMet has a top-notch workforce.
7. **Safety.** The audit acknowledged the many safety efforts TriMet has undertaken in the past four years including the selection of a safety executive and review of its safety practices. The audit suggested looking at additional ways to advertise the Request for Safety Assessment (RSA) process used by employees to forward safety concerns and further recommended TriMet focus on the effectiveness of employee safety committees. In April, a communication campaign was launched on the RSA process and the safety committees were engaged in advertising the program. The audit also suggested the adoption of an "hours of service" (HOS) policy. For bus, an agreement has been reached with ATU and is reflected in the new labor contract and an agreement has been reached on updates to the rail policy. A "fit for duty" policy was also suggested to enhance safety. Although managers and supervisors routinely observe operators' fitness for duty when they check-in for work, a pilot program began this fall to test more formal process.