

## MEMORANDUM

### CITY OF LACEY COUNCIL

A. G. HOMANN	Home	Office
	not listed	491-1560
	Shop	491-0720
	City Hall	491-3210
Tom Huntamer	491-0167	352-8517
Carl Anderson	491-1446	753-7130
Gene Asseltine	491-2739	753-7130
Tom Buckingham	491-2172	Motors Ins. Seattle Office Ma 4-4855
Hap Kemp	491-1772	357-7762
Leon Schiendelman	491-0343	Fort Lewis

*Compliments of*



**CROWN TREE**  
CORPORATION

LEASE AND MANAGEMENT AGREEMENT

This Lease and Management Agreement is made and executed this 22nd day of December, 1969, by and between Olympia Transit Company, a corporation organized under the laws of the State of Washington, with its principal place of business in Olympia, Washington, hereinafter called the "Lessor," and the City of Olympia, a municipal corporation, hereinafter called the "Lessee-Operator," WITNESSETH:

WHEREAS, the Lessor has for some years last past operated a public bus transportation service within the cities of Olympia, Tumwater and Lacey, Washington and has determined that it will terminate said operation, and the Lessee-Operator and its inhabitants are, therefore, without any public transportation service, equipment or facilities, and

WHEREAS, the Lessor owns motor buses, equipment and facilities for use in the transportation of passengers, and

WHEREAS, the Lessee-Operator has requested the Lessor to lease motor bus transit equipment and facilities to the Lessee-Operator and to provide a management, operating and consulting service for the transit system to be operated by the Lessee-Operator, and

WHEREAS, the lessor is willing to lease to the Lessee-Operator motor buses and equipment for operating a public bus service within the cities of Olympia, Tumwater and Lacey for the term herein specified and to the extent permitted by law,

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

1. The Lessor hereby leases to the Lessee-Operator motor buses, equipment and facilities to be used in the operation of a municipal bus service within the cities of Olympia, Tumwater and Lacey, as authorized by law, all of said equipment being more fully identified in "Exhibit A" which is attached hereto and made a part hereof as though fully set forth.

2. The term of this lease and agreement shall be one (1) year commencing December 1, 1969 and terminating on November 30, 1970.

3. The Lessor will secure from the Washington Utilities and Transportation Commission approval of this lease, and this agreement shall not be effective until such approval is obtained. All equipment referred to in said "Exhibit A" will be delivered to the Lessee-Operator in good operating condition and capable of providing dependable motor bus transit service.

4. The Lessee-Operator shall have sole authority during the term of this lease for determining the routes and schedules for bus service and for determining the amount of any fare, rate, or tariff payable by passengers, and further shall have sole power to fix all policy matters affecting the municipal operation of the bus service except as otherwise provided herein. The Lessee-Operator agrees, however, that it will not require during the term of this agreement any more extensive service than that now being furnished by the Lessor as a private operator, and it is further agreed that the fares and rates to be charged passengers shall not exceed those in effect on December 31, 1968.

5. The Lessor shall be responsible for employing capable drivers and mechanics and all other necessary employees, who shall be employees of the Lessor. The management and supervisory personnel for the leased equipment shall be selected by and be employees of the Lessor. The Lessor shall be responsible for providing all maintenance of the leased equipment. The Lessor shall secure for the Lessee-Operator property damage and public liability insurance in amounts to be approved by the City of Olympia and naming the City and the Lessor as insureds. The Lessor shall furnish all the necessary and reasonable expenses of the municipal bus service that are incurred as contemplated herein.

6. In consideration of the Lessee-Operator leasing from the Lessor the equipment and facilities described in "Exhibit A," the Lessee-Operator shall pay to the Lessor as rental an amount equal to sixty-eight cents (68¢) per mile per month for mileage covered by its buses over its present routes and at the present level of service. The Lessor has represented to the Lessee-Operator that its present routes and the present level of service thereon represent minimum annual

mileage of 137,476 miles. It is agreed that any increase in the number of routes or in the level of service on the existing routes shall result in an increased rental hereunder at the mileage rate hereinabove provided for. Payments of rent shall be made monthly on the 5th day of each and every month for rent earned during the previous calendar month. The lessor shall furnish to the Lessee-Operator monthly, or at such other times as the Lessee-Operator may request, mileage records and such other information as may be requested by the Lessee-Operator on forms and in the manner and at times that are satisfactory to the Lessee-Operator.

7. The Lessor will provide the necessary management consulting service required for the Lessee-Operator's bus service. In providing the management consultant service the Lessor shall be an independent contractor. The Lessor's service shall include administration and supervision of the Lessee-Operator's bus service, including labor relations, route, schedule and fare advice, accounting, budgeting, property damage and public liability insurance, advertising advice and assistance, all subject to the approval of the Lessee-Operator.

8. All revenue and income received from passenger fares or any subsidy of passengers using said bus system shall belong to and be the property of the Lessee-Operator and shall be promptly remitted to the Lessee-Operator by the Lessor at least daily, together with a detailed accounting of all of the gross revenue of said transit operations for the preceding calendar month. The Lessee-Operator shall select a depository for all such funds. Nothing contained in this agreement shall entitle the Lessor to any revenue collected as the result of the "transit subsidy tax" provided by the ordinances heretofore passed by any governmental agency in which said transportation system may be operated.

9. In the event any legal action is instituted involving or challenging this agreement, the municipal bus service provided hereunder, or involving any tax levied relating to the Lessee-Operator's municipal bus operation, which action or actions involve the Lessor, the Lessee-Operator will reimburse the Lessor for its actual legal expense incurred in connection therewith. This provision shall

not, however, be applicable to any legal action covered by property damage or personal liability insurance.

10. This agreement shall not be assigned by the Lessee-Operator without the Lessor's consent, and insofar as allowed by law while this agreement shall be in effect, neither the Lessee-Operator nor the Lessor shall engage in or authorize any other public bus transportation system within the area wherein the transportation system contemplated by this agreement is operated. This agreement shall not be assigned by the Lessor without the written consent of the Lessee-Operator.

11. In the event that the Lessee-Operator fails to pay the Lessor the monthly rent provided herein or fails to comply with any of the other provisions hereof, the Lessor shall have the right to terminate this lease and agreement and take possession of the leased equipment and be relieved of any responsibility or liability hereunder and may hold the Lessee-Operator liable for any unpaid rent to the date of termination of this agreement.

12. Nothing herein shall be deemed or construed to constitute an assignment of or abandonment, forfeiture, waiver, or default in any permit, certificate or franchise heretofore issued or granted to the Lessor. Execution of this lease and operation hereunder shall not give the Lessor any cause of action against the City of Olympia by reason of any infringement by the City of Olympia of any franchise granted to the Lessor by ordinance of the City of Olympia or otherwise. It is understood that the Lessor shall secure an order from the Washington Utilities and Transportation Commission approving the Lessor's lease to the Lessee-Operator.

13. This agreement contains all of the terms and conditions relating to the lease agreement for the municipal bus operation within the cities of Olympia, Tumwater and Lacey, Washington.

Dated this 22 day of December, 1969.

CITY OF OLYMPIA, a municipal corporation,

By Tom Allen  
Mayor

Attest: J. E. Marshall  
City Clerk  
LESSEE-OPERATOR

OLYMPIA TRANSIT COMPANY

By Jack E. Carr  
Attest John J. Carr  
Its  
Its

LESSOR

AMENDATORY AGREEMENT  
INTERCITY TRANSIT SYSTEM

THIS AGREEMENT is made and executed this 23rd day of January, 1973, by and between the CITY OF OLYMPIA, a Municipal Corporation, the CITY OF TUMWATER, a Municipal Corporation, and the CITY OF LACEY, a Municipal Corporation,

WITNESSETH:

WHEREAS, by Agreement dated the 18th day of November, 1969, a copy of which is attached hereto, the City of Olympia and the City of Tumwater contracted for the creation of the intercity transit system and participation in the Intercity Transit Commission to operate and administer a bus transportation system, and

WHEREAS, the City of Lacey by passage of Ordinance No. 264, has determined to join the Intercity Transit Commission and the parties hereto together with the members of the Intercity Transit Commission have mutually agreed that the City of Lacey shall become a party to that certain Agreement dated the 18th day of November, 1969, and attached hereto, as modified by this Amendatory Agreement,

NOW, THEREFORE, the City of Lacey hereby adopts and the Cities of Olympia and Tumwater hereby reaffirm that certain Agreement attached hereto and dated the 18th day of November, 1969, with the following amendments and additions:

1. Section 1 of said Agreement is amended to read as follows:

"1. Duration of Agreement

This agreement shall be in effect for a period of ten (10) years commencing January 1, 1973. Each of the

parties hereto, or any other municipality which may hereafter become a party hereto, may, after it has been a party to this agreement for not less than five (5) years, withdraw therefrom by giving to the other parties twelve (12) months' written notice of its desire to do so. The withdrawal of one party to this agreement shall not terminate the agreement as to the remaining parties thereto."

2. Section 4 (a) of said Agreement is amended to read as follows:

"4. Finance

In order to provide funds to finance the acquisition, operation and maintenance of the public bus transportation system herein provided for, it is agreed as follows:

(a) Each of the participating governments has enacted a "transit subsidy tax" pursuant to the provisions of Chapter 35.95 of the Revised Code of Washington. Each of the participating governments agrees to keep said tax in effect during all of such time as it is a party to this agreement. Said tax shall be at a uniform rate in each of the participating municipalities; provided, however, the City of Lacey may increase the rate of the "transit subsidy tax" within the City of Lacey over the rate levied in the Cities of Olympia and Tumwater for the sole purpose of providing its equity payment to the intercity transit system. All such tax so collected shall be deposited at least once each two months in the Transit Fund of the City of Olympia created by Ordinance No. 3526 of the City of Olympia. The City of Olympia shall

keep adequate records to reflect at all times the amount of contributions of each of the participating governments to said fund. Said fund shall be used only for transit purposes."

3. There is added to said Agreement, Section 4. (f) to read as follows:

(f) The City of Lacey shall, within a period of three (3) years from the effective date of this agreement, pay into the Intercity Transit Fund in equal bi-monthly installments, an additional sum of \$32,418.00 computed according to the following formula:

The number of taxable units  
existing in Lacey as of January 1, 1973 (3,602) X 25¢ x 36 (months)

The payment of said sum so determined shall be considered a purchase by the City of Lacey of its interest in the assets of the Intercity Transit System.

4. Section 6 (a) of said agreement is amended to read as follows:

"(a) In the event that a participating government by reason of an initiative or by acts of its legislative body shall repeal the transit subsidy tax hereinabove referred to, then it shall be considered to have automatically withdrawn from this agreement, and shall then have no further interest in said public bus transportation system or the assets thereof, unless notice of intent to withdraw has been given in accordance with the provisions of Section 1 of this agreement."



It is further agreed that each of the parties will pass an appropriate resolution or ordinance authorizing this Amendatory Agreement and that upon passage of said authority and execution of this Amendatory Agreement by each of the parties, the provisions of that certain Agreement dated November 18, 1969, attached hereto, as amended by this Agreement, will become binding on each of the parties hereto and the requirements of Section 7 of said attached Agreement shall be satisfied by such action.

IN WITNESS WHEREOF, the parties hereto have hereunto set their corporate names and seals by their duly authorized officers the day and year first above written.

CITY OF OLYMPIA

By: *Joan Allen*  
Its Mayor

Attest: *S. E. Marshall*  
Its Clerk

CITY OF TUMWATER

By: *Daly S. Bandy*  
Its Mayor

Attest: *Clara V. Kennedy*  
Its Clerk

CITY OF LACEY

By: *Alfred E. New Circle*  
Its Mayor

Attest: *[Signature]*  
Its Clerk

A G R E E M E N T

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This Agreement is made and executed this 18th day of November, 1969, by and between the City of Olympia, a municipal corporation, and the City of Tumwater, a municipal corporation, who, together with any other municipal corporation that may hereafter become a party to this agreement as herein provided, are referred to herein as "Participating Governments", WITNESSETH:

WHEREAS, Chapter 239 of the Laws of 1967, entitled "Interlocal Cooperation Act," permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on the basis of mutual advantage, and

WHEREAS, the City of Olympia has passed its Ordinance No. 3526, and the City of Tumwater has passed its ordinance No. 550, both of which ordinances authorize said respective cities to enter into the operation of a public bus transportation system and to levy a "transit subsidy tax" pursuant to law to finance the operation of said transportation system, both ordinances having heretofore been approved by a majority vote of the people at a municipal election held in each city on September 16, 1969, and

WHEREAS, the City of Olympia and the City of Tumwater are geographically contiguous and it is to the mutual advantage of the two cities, pursuant to the authority hereinabove referred to, to jointly own, finance and operate a public bus transportation system to serve both municipalities,

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. Duration of Agreement

This agreement shall be in effect for a period of

ten ( 10 ) years commencing December 1, 1969.

Each of the parties hereto, or any other municipality which may hereafter become a party hereto, may, after it has been a party to this agreement for not less than five (5) years, withdraw therefrom by giving to the other parties twelve (12) months' written notice of its desire to do so. The withdrawal of one party to this agreement shall not terminate the agreement as to the remaining parties thereto.

2. Intercity Transit Commission

There is hereby established an Intercity Transit Commission to operate and administer the bus transportation system contemplated by this agreement. So long as only the City of Olympia and the City of Tumwater are parties to this agreement, said commission shall consist of five (5) members. In the event that the City of Lacey becomes a party to this agreement, then said commission shall be as follows:

(a) The Mayor of the City of Olympia, or a representative appointed by him in writing.

(b) The Mayor of the City of Tumwater, or a representative appointed by him in writing.

(c) The City Council of the City of Tumwater shall appoint a member to the commission who shall be a resident elector of the City of Tumwater and whose term of office shall be five ( 5 ) years.

(d) The City Commission of the City of Olympia shall appoint one member to the commission who shall be a resident elector of the City of Olympia and whose term of office shall be five ( 5 ) years.

(e) In the event that the City of Lacey becomes a party to this agreement then the Mayor of the City of Lacey or a representative appointed by him shall be a member of the commission and likewise the City Council of the City of Lacey shall appoint a member thereto who shall be a resident elector of the City of Lacey and whose term of office shall be five (5) years.

(f) Members above referred to shall appoint a member to said commission who shall be a resident elector of one of the participating governments and whose term of office shall be six (6) years.

(g) A vacancy in the position on said Commission provided for in sub-paragraph (f) above shall be filled by the Commission, and said vacancy shall be filled for the unexpired term.

(h) The Commission shall by a majority vote elect one of its members as Chairman and one of its members to act as Secretary thereof. The terms of said offices shall be one year. The Chairman of the Commission shall preside at the meetings thereof and the Secretary shall keep adequate records of said meetings.

(i) Said Intercity Transit Commission shall meet at least once each month on a date to be fixed by the commission and may meet at such other times as the business of the commission may require, on the call of the Chairman thereof, or as may be provided by rules to be adopted by said Commission.

3. Powers and Duties of the Intercity Transit Commission

The Intercity Transit Commission herein created shall have the following authority and powers and shall be subject to the following rules:

(a) The Commission may establish, maintain, and operate a public bus transportation system within the corporate limits of the participating governments, and in that connection may purchase and/or lease the necessary rolling stock and other equipment and operate said system with either personnel of any of the participating governments or by contract with others.

(b) The Commission may enter into contracts, leases or other agreements with the present operators of the bus system now serving Olympia, Tumwater and Lacey or with others in order to provide for the operation and maintenance of a bus transportation system.

(c) The Commission may employ such personnel as may be necessary to carry out the duties above specified.

(d) The Commission shall establish schedules and routes for the bus transportation system herein provided for and fix fares and rates to be charged to the users thereof, subject, however, to the approval of any regulatory agency that has jurisdiction over such charges and rates as may be provided by law.

(e) The Intercity Transit Commission shall prepare annually and submit to the City Commission of the City of Olympia at the times and in the manner required by Chapter 35.33 of the Revised Code of Washington a proposed budget for the operation and maintenance of

said municipal bus system and the expenditure of funds deposited in the Transit Fund of the City of Olympia as hereinafter provided.

(f) All purchases of equipment or property of any kind or contracts for services authorized by the Intercity Transit Commission shall be accomplished through the office of the City Clerk of the City of Olympia in the manner required by Section 35.23.352 of the Revised Code of Washington.

(g) The Transit Commission may not expend or obligate the expenditure of any funds except as are appropriated in the manner required by law from the Transit Fund in the budget of the City of Olympia.

(h) The Transit Commission may adopt such rules and regulations concerning the operation of said bus transportation system as are not inconsistent with law and the provisions of this agreement.

#### 4. Finance

In order to provide funds to finance the acquisition, operation and maintenance of the public bus transportation system herein provided for, it is agreed as follows:

(a) Each of the participating governments has enacted a "transit subsidy tax" pursuant to the provisions of Chapter 35.95 of the Revised Code of Washington. Each of the participating governments agrees to keep said tax in effect during all of such time as it is a party to this agreement. Said tax shall be at a uniform rate in each of the participating municipalities, and all such tax so collected shall be deposited at least once each two months in the Transit Fund of the

City of Olympia created by Ordinance No. 3526 of the City of Olympia. The City of Olympia shall keep adequate records to reflect at all times the amount of contributions of each of the participating governments to said fund. Said fund shall be used only for transit purposes.

(b) All revenues from the bus transportation system shall be deposited in the Transit Fund of the City of Olympia and may only be used for transit purposes.

(c) The City of Olympia will appropriate in its annual budget the money so deposited in said Transit Fund in the manner required by law and as recommended by the Intercity Transit Commission.

(d) Upon the recommendation of the Intercity Transit Commission the City Commission of the City of Olympia may issue revenue bonds in the manner provided by Chapter 35.41 of the Revised Code of Washington, said bonds to be paid out of the revenue of said bus transportation system; provided, however, that for such purposes the transit subsidy tax herein referred to shall not constitute income, earnings or revenue of said bus transportation system in connection with the issuance of any such bonds.

(e) Each of the participating governments agrees to cooperate in any application for funds available from the State of Washington or the Federal Government for financing a public bus transportation system under existing laws or under any legislation hereinafter enacted.

5. Property

The title to all of the rolling stock, equipment and property, real and personal, acquired with funds from the Transit Fund of the City of Olympia shall vest in the City of Olympia, subject only to rights therein of the participating governments upon withdrawal from this agreement or upon the termination of this agreement as hereinafter provided.

6. Withdrawal

(a) In the event that a participating government by reason of an initiative or by acts of its legislative body shall repeal the transit subsidy tax hereinabove referred to, then it shall be considered to have automatically withdrawn from this agreement, and shall then have no further interest in said public bus transportation system or the assets thereof.

(b) In the event of a withdrawal of a participating government in the manner provided in section 1 of this agreement or upon the termination of this agreement by mutual consent of all of the parties hereto, then the interest of the participating governments in the then existing assets of the public bus transportation system shall be determined by the following formula:

Average yearly contribution of transit subsidy tax by withdrawing agency over the five year period immediately preceding withdrawal	X	Net book value of the assets of the bus transportation system, less any outstanding indebtedness	=	The interest of the withdrawing agency
Average yearly contribution of transit subsidy tax of all participating agencies over the same five year period				

The book value of the assets of the system shall be determined in accordance with the usual and accepted accounting methods, taking into consideration reasonable depreciation of said property and equipment, computed by the straight line method. The amount to be



paid to said withdrawing agency in accordance with the formula shall be paid in ten equal annual installments and shall not bear interest.

7. Ratification

Each of the participating governments will activate this agreement by passing an appropriate ordinance which will incorporate the provisions hereof. The City of Lacey may become a party to this agreement by passing an appropriate <sup>RESOLUTION</sup> ordinance authorizing it to do so and upon the execution by its officers of a copy of this agreement.

8. Filing

Upon the execution of this agreement by all of the parties hereto a copy thereof shall be filed with the appropriate public officials as required by Chapter 239, Laws of 1957.

IN WITNESS WHEREOF, the parties hereto have hereunto set their corporate names and seals by their duly authorized officers the day and year first above written.

CITY OF OLYMPIA

By *Neil R. Brown*  
Its Mayor  
Attest: *J. E. Mousley*  
Its Clerk

CITY OF TUMWATER

By *Walter S. Bayly*  
Its Mayor  
Attest: *William A. Gardner*  
Its Clerk

a/2

AMENDATORY AGREEMENT  
INTERCITY TRANSIT SYSTEM

THIS AGREEMENT is made and executed this 23<sup>rd</sup> day of January, 1973, by and between the CITY OF OLYMPIA, a Municipal Corporation, the CITY OF TUMWATER, a Municipal Corporation, and the CITY OF LACEY, a Municipal Corporation,

WITNESSETH:

WHEREAS, by Agreement dated the 18th day of November, 1969, a copy of which is attached hereto, the City of Olympia and the City of Tumwater contracted for the creation of the intercity transit system and participation in the Intercity Transit Commission to operate and administer a bus transportation system, and

WHEREAS, the City of Lacey by passage of Ordinance No. 264, has determined to join the Intercity Transit Commission and the parties hereto together with the members of the Intercity Transit Commission have mutually agreed that the City of Lacey shall become a party to that certain Agreement dated the 18th day of November, 1969, and attached hereto, as modified by this Amendatory Agreement,

NOW, THEREFORE, the City of Lacey hereby adopts and the Cities of Olympia and Tumwater hereby reaffirm that certain Agreement attached hereto and dated the 18th day of November, 1969, with the following amendments and additions:

1. Section 1 of said Agreement is amended to read as follows:

"1. Duration of Agreement

This agreement shall be in effect for a period of ten (10) years commencing January 1, 1973. Each of the

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parties hereto, or any other municipality which may hereafter become a party hereto, may, after it has been a party to this agreement for not less than five (5) years, withdraw therefrom by giving to the other parties twelve (12) months' written notice of its desire to do so. The withdrawal of one party to this agreement shall not terminate the agreement as to the remaining parties thereto."

2. Section 4 (a) of said Agreement is amended to read as follows:

"4. Finance

In order to provide funds to finance the acquisition, operation and maintenance of the public bus transportation system herein provided for, it is agreed as follows:

(a) Each of the participating governments has enacted a "transit subsidy tax" pursuant to the provisions of Chapter 35.95 of the Revised Code of Washington. Each of the participating governments agrees to keep said tax in effect during all of such time as it is a party to this agreement. Said tax shall be at a uniform rate in each of the participating municipalities; provided, however, the City of Lacey may increase the rate of the "transit subsidy tax" within the City of Lacey over the rate levied in the Cities of Olympia and Tumwater for the sole purpose of providing its equity payment to the intercity transit system. All such tax so collected shall be deposited at least once each two months in the Transit Fund of the City of Olympia created by Ordinance No. 3526 of the City of Olympia. The City of Olympia shall

keep adequate records to reflect at all times the amount of contributions of each of the participating governments to said fund. Said fund shall be used only for transit purposes."

3. There is added to said Agreement, Section 4 (f) to read as follows:

(f) The City of Lacey shall, within a period of three (3) years from the effective date of this agreement, pay into the Intercity Transit Fund in equal bi-monthly installments, an additional sum of \$32,418.00 computed according to the following formula:

The number of taxable units  
existing in Lacey as of January 1, 1973 (3,602) X 25¢ x 36 (months)

The payment of said sum so determined shall be considered a purchase by the City of Lacey of its interest in the assets of the Intercity Transit System.

4. Section 6 (a) of said agreement is amended to read as follows:

"(a) In the event that a participating government by reason of an initiative or by acts of its legislative body shall repeal the transit subsidy tax hereinabove referred to, then it shall be considered to have automatically withdrawn from this agreement, and shall then have no further interest in said public bus transportation system or the assets thereof, unless notice of intent to withdraw has been given in accordance with the provisions of Section 1 of this agreement."

It is further agreed that each of the parties will pass an appropriate resolution or ordinance authorizing this Amendatory Agreement and that upon passage of said authority and execution of this Amendatory Agreement by each of the parties, the provisions of that certain Agreement dated November 18, 1969, attached hereto, as amended by this Agreement, will become binding on each of the parties hereto and the requirements of Section 7 of said attached Agreement shall be satisfied by such action.

IN WITNESS WHEREOF, the parties hereto have hereunto set their corporate names and seals by their duly authorized officers the day and year first above written.

CITY OF OLYMPIA

By: *Frank Patton*

Its Mayor

Attest: *A. E. Marshall*

Its Clerk

CITY OF TUMWATER

By: *Carol S. Baudiff*

Its Mayor

Attest: *Clara V. Kennedy*

Its Clerk

CITY OF LACEY

By: *Alfred E. Van Cleave*

Its Mayor

Attest: *[Signature]*

Its Clerk

ORDINANCE NO. 3526

AN ORDINANCE proposing to the voters of the City of Olympia that the City enter into the operation of a public bus passenger transportation system; adopting a plan for such system which provides for the purchase and/or lease of motor buses and the necessary equipment for the operation thereof; and the operation of said transportation system either by city employees or pursuant to a contract to be entered into with others; the levying and collection of a transit subsidy tax not to exceed One Dollar per month per housing unit as herein defined and declaring it to be a misdemeanor to refuse to pay said tax; and calling for a special election to submit this ordinance to the voters of the City of Olympia for their ratification or rejection.

WHEREAS, the privately owned company now operating the public bus passenger transportation system in the City of Olympia has indicated through its owners that it will not be able to continue its operations in the immediate future, and the City Commission of the City of Olympia deems it is in the best interests of the people of the City of Olympia that a municipally operated bus transportation system be organized to so serve the people of the City,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COMMISSIONERS OF THE CITY OF OLYMPIA as follows:

Section 1. That the public interest, welfare, convenience and necessity require the establishment, maintenance and operation by the City of Olympia of a transit system for the carrying of passengers within the City and its environs. That the establishment of such system shall be accomplished by the purchase and/or lease of the necessary rolling stock and other equipment and by the operation of said system with either city personnel or by entering into a contract with the privately owned company now operating the transportation system or others for the operation and maintenance of said system. That in order to acquire and to operate said system the City Commission of the City of Olympia may arrange for the purchase in the manner required by law of the necessary rolling stock and equipment necessary to establish and operate the transportation system contemplated by this ordinance and may likewise provide for the operation thereof by City employees and may enter into a contract or lease with the present private operator of said system or with others, said contract to provide for the operation and maintenance of the system.

The City Commission shall be responsible for fixing the amount of fares payable by passengers and the charges to be made for other transit services and for determining routes, schedules and services to be provided. The City Commission, to the extent authorized by law, may enter into agreements with other governmental agencies to provide for the joint operation of a bus transit system which serves Olympia and the adjoining municipalities of Tumwater and Lacey.

Section 2. The cost of purchasing and/or leasing buses and other equipment necessary for the operation of the system and all the cost of the operation of said system and the costs of the replacement thereof shall be financed entirely out of revenue from the operation of the bus system and out of revenues derived from the transit subsidy tax hereafter levied and imposed or by loans from other City funds which may be made and repaid pursuant to state law out of the transit fund hereinafter provided for, and from any other source or method available to the City.

Section 3. Pursuant to Chapter 35.95 of the Revised Code of Washington and commencing October 1, 1969, an excise tax, hereinafter called a "transit subsidy tax," in the amount of seventy-five cents (75¢) per month per housing unit is hereby levied against and shall be collected from each person within the City of Olympia who is served and billed by the City water utility. Revenues received from this tax shall be used for transit purposes only. The City Commission by subsequent ordinance or ordinances may raise or lower such tax and in setting the amount of such tax shall be governed by the financial needs of the transit system in its operation, expansion and improvement. In no case shall the tax herein authorized be raised by the City Commission to exceed One Dollar (\$1.00) for each month for each housing unit as hereinafter defined. Water customers whose facilities do not include any housing unit shall each pay the same rate as established for housing units. The term "housing unit" as used herein means the residence or living quarters of one or more persons living together or in one family. If any structure or portion thereof contains one or more housing units and the occupants thereof are not each billed for the water service furnished by the City for such unit, the person who is billed for such

water service shall be deemed to be served and billed therefor and shall be billed and shall pay the monthly tax on each living unit as herein levied and provided for on each and every such housing unit or units. All City water customers within the City shall be thus taxed except the United States of America and the State of Washington. The billing for the tax hereby levied shall be rendered by the Utility Department of the City of Olympia at the same time as each regular water service billing is rendered, and the billing for such item shall be included as an item in each service billing and shall be identified as the transit subsidy tax. Payment of such tax shall be made at the time payment is made for water service. All proceeds from such transit subsidy tax and all revenues from the bus system shall be forthwith paid into a fund hereby established and designated as the "Transit Fund.". Money so received and deposited in said fund shall be used only for the operation, maintenance and capital needs of the public bus transportation system established by this ordinance. If the City shall cease operation of a transit system, the tax herein imposed shall be deemed rescinded as soon as all transit obligations have been met. It shall be unlawful for any person served by and billed for any water system to refuse to pay the transit subsidy taxes herein required. Any person who violates the provisions of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not to exceed \$100.00.

Section 4. This ordinance shall be referred to the voters of the City of Olympia in the manner required by law at an election to be held in the City of Olympia on the 16th day of September, 1969 in accordance with all applicable laws. For the purpose of submitting this ordinance to the voters of the City for their ratification or rejection the proposition shall be placed on the ballot by means of a ballot title and proposition which shall read as follows:

Proposition 1:

ACQUISITION AND OPERATION OF CITY BUS SYSTEM AND THE IMPOSITION OF A TRANSIT TAX.

Shall Ordinance No. 3526 of the City of Olympia, passed August 5, 1969, be ratified and shall the City of Olympia purchase and/or lease buses and equipment for a bus transportation system and thereafter operate said system by city employees or by contract for the operation of said system with others, and shall a transit subsidy tax not



to exceed One Dollar per month per housing unit be levied and collected by the City of Olympia and shall criminal punishment be imposed upon the conviction of refusal to pay said tax, all as contemplated by Ordinance No. 3526.

For the Ordinance -----

Against the Ordinance -

Section 5. If the proposition set forth above shall be adopted and approved at said election as by law provided, the City of Olympia may proceed to acquire the necessary equipment above set forth and to operate said system in accordance with the plan herein adopted and may enter into agreements with other governmental agencies for the joint operation of such a system and shall have the authority to use or borrow from other city funds any funds legally available therefor as provided by law.

Section 6. The City Clerk is hereby directed to notify the County Auditor of Thurston County, Washington of the passage of this ordinance and to do all other things necessary in the time and in the manner required by law to the end that the proposition set forth above shall be submitted to the voters of the City of Olympia as aforesaid.

Section 7. If any section or part of any section of this ordinance shall be declared invalid for any reason by any court, such invalidity shall not affect the validity of any other section of this ordinance.

Section 8. This ordinance shall go into effect upon ratification by the voters of the City of Olympia at the election herein provided for. If this ordinance is rejected at such election, it shall be null and void and have no further force or effect.

ATTEST:

  
CITY CLERK

  
MAYOR

Passed: August 5, 1969

Approved: August 5, 1969

Published: August 6, 1969

A G R E E M E N T

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This Agreement is made and executed this 18th day of November, 1969, by and between the City of Olympia, a municipal corporation, and the City of Tumwater, a municipal corporation, who, together with any other municipal corporation that may hereafter become a party to this agreement as herein provided, are referred to herein as "Participating Governments", WITNESSETH:

WHEREAS, Chapter 239 of the Laws of 1967, entitled "Interlocal Cooperation Act," permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on the basis of mutual advantage, and

WHEREAS, the City of Olympia has passed its Ordinance No. 3526, and the City of Tumwater has passed its ordinance No. 550, both of which ordinances authorize said respective cities to enter into the operation of a public bus transportation system and to levy a "transit subsidy tax" pursuant to law to finance the operation of said transportation system, both ordinances having heretofore been approved by a majority vote of the people at a municipal election held in each city on September 16, 1969, and

WHEREAS, the City of Olympia and the City of Tumwater are geographically contiguous and it is to the mutual advantage of the two cities, pursuant to the authority hereinabove referred to, to jointly own, finance and operate a public bus transportation system to serve both municipalities,

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. Duration of Agreement

This agreement shall be in effect for a period of

ten

( 10 ) years commencing December 1, 1969.

Each of the parties hereto, or any other municipality which may hereafter become a party hereto, may, after it has been a party to this agreement for not less than five (5) years, withdraw therefrom by giving to the other parties twelve (12) months' written notice of its desire to do so. The withdrawal of one party to this agreement shall not terminate the agreement as to the remaining parties thereto.

2. Intercity Transit Commission

There is hereby established an Intercity Transit Commission to operate and administer the bus transportation system contemplated by this agreement. So long as only the City of Olympia and the City of Tumwater are parties to this agreement, said commission shall consist of five (5) members. In the event that the City of Lacey becomes a party to this agreement, then said commission shall be as follows:

(a) The Mayor of the City of Olympia, or a representative appointed by him in writing.

(b) The Mayor of the City of Tumwater, or a representative appointed by him in writing.

(c) The City Council of the City of Tumwater shall appoint a member to the commission who shall be a resident elector of the City of Tumwater and whose term of office shall be five ( 5 ) years.

(d) The City Commission of the City of Olympia shall appoint one member to the commission who shall be a resident elector of the City of Olympia and whose term of office shall be five ( 5 ) years.

(e) In the event that the City of Lacey becomes a party to this agreement then the Mayor of the City of Lacey or a representative appointed by him shall be a member of the commission and likewise the City Council of the City of Lacey shall appoint a member thereto who shall be a resident elector of the City of Lacey and whose term of office shall be five (5) years.

(f) Members above referred to shall appoint a member to said commission who shall be a resident elector of one of the participating governments and whose term of office shall be six (6) years.

(g) A vacancy in the position on said Commission provided for in sub-paragraph (f) above shall be filled by the Commission, and said vacancy shall be filled for the unexpired term.

(h) The Commission shall by a majority vote elect one of its members as Chairman and one of its members to act as Secretary thereof. The terms of said offices shall be one year. The Chairman of the Commission shall preside at the meetings thereof and the Secretary shall keep adequate records of said meetings.

(i) Said Intercity Transit Commission shall meet at least once each month on a date to be fixed by the commission and may meet at such other times as the business of the commission may require, on the call of the Chairman thereof, or as may be provided by rules to be adopted by said Commission.

3. Powers and Duties of the Intercity Transit Commission

The Intercity Transit Commission herein created shall have the following authority and powers and shall be subject to the following rules:

(a) The Commission may establish, maintain, and operate a public bus transportation system within the corporate limits of the participating governments, and in that connection may purchase and/or lease the necessary rolling stock and other equipment and operate said system with either personnel of any of the participating governments or by contract with others.

(b) The Commission may enter into contracts, leases or other agreements with the present operators of the bus system now serving Olympia, Tumwater and Lacey or with others in order to provide for the operation and maintenance of a bus transportation system.

(c) The Commission may employ such personnel as may be necessary to carry out the duties above specified.

(d) The Commission shall establish schedules and routes for the bus transportation system herein provided for and fix fares and rates to be charged to the users thereof, subject, however, to the approval of any regulatory agency that has jurisdiction over such charges and rates as may be provided by law.

(e) The Intercity Transit Commission shall prepare annually and submit to the City Commission of the City of Olympia at the times and in the manner required by Chapter 35.33 of the Revised Code of Washington a proposed budget for the operation and maintenance of

said municipal bus system and the expenditure of funds deposited in the Transit Fund of the City of Olympia as hereinafter provided.

(f) All purchases of equipment or property of any kind or contracts for services authorized by the Intercity Transit Commission shall be accomplished through the office of the City Clerk of the City of Olympia in the manner required by Section 35.23.352 of the Revised Code of Washington.

(g) The Transit Commission may not expend or obligate the expenditure of any funds except as are appropriated in the manner required by law from the Transit Fund in the budget of the City of Olympia.

(h) The Transit Commission may adopt such rules and regulations concerning the operation of said bus transportation system as are not inconsistent with law and the provisions of this agreement.

#### 4. Finance

In order to provide funds to finance the acquisition, operation and maintenance of the public bus transportation system herein provided for, it is agreed as follows:

(a) Each of the participating governments has enacted a "transit subsidy tax" pursuant to the provisions of Chapter 35.95 of the Revised Code of Washington. Each of the participating governments agrees to keep said tax in effect during all of such time as it is a party to this agreement. Said tax shall be at a uniform rate in each of the participating municipalities, and all such tax so collected shall be deposited at least once each two months in the Transit Fund of the

City of Olympia created by Ordinance No. 3526 of the City of Olympia. The City of Olympia shall keep adequate records to reflect at all times the amount of contributions of each of the participating governments to said fund. Said fund shall be used only for transit purposes.

(b) All revenues from the bus transportation system shall be deposited in the Transit Fund of the City of Olympia and may only be used for transit purposes.

(c) The City of Olympia will appropriate in its annual budget the money so deposited in said Transit Fund in the manner required by law and as recommended by the Intercity Transit Commission.

(d) Upon the recommendation of the Intercity Transit Commission the City Commission of the City of Olympia may issue revenue bonds in the manner provided by Chapter 35.41 of the Revised Code of Washington, said bonds to be paid out of the revenue of said bus transportation system; provided, however, that for such purposes the transit subsidy tax herein referred to shall not constitute income, earnings or revenue of said bus transportation system in connection with the issuance of any such bonds.

(e) Each of the participating governments agrees to cooperate in any application for funds available from the State of Washington or the Federal Government for financing a public bus transportation system under existing laws or under any legislation hereinafter enacted.

5. Property

The title to all of the rolling stock, equipment and property, real and personal, acquired with funds from the Transit Fund of the City of Olympia shall vest in the City of Olympia, subject only to rights therein of the participating governments upon withdrawal from this agreement or upon the termination of this agreement as hereinafter provided.

6. Withdrawal

(a) In the event that a participating government by reason of an initiative or by acts of its legislative body shall repeal the transit subsidy tax hereinabove referred to, then it shall be considered to have automatically withdrawn from this agreement, and shall then have no further interest in said public bus transportation system or the assets thereof.

(b) In the event of a withdrawal of a participating government in the manner provided in section 1 of this agreement or upon the termination of this agreement by mutual consent of all of the parties hereto, then the interest of the participating governments in the then existing assets of the public bus transportation system shall be determined by the following formula:

Average yearly contribution of transit subsidy tax by withdrawing agency over the five year period immediately preceding withdrawal	X	Net book value of the assets of the bus transportation system, less any outstanding indebtedness	=	The interest of the withdrawing agency
Average yearly contribution of transit subsidy tax of all participating agencies over the same five year period				

The book value of the assets of the system shall be determined in accordance with the usual and accepted accounting methods, taking into consideration reasonable depreciation of said property and equipment, computed by the straight line method. The amount to be



shall be paid in ten equal annual installments and shall not bear interest.

7. Ratification

Each of the participating governments will activate this agreement by passing an appropriate ordinance which will incorporate the provisions hereof. The City of Lacey may become a party to this agreement by passing an appropriate <sup>RESOLUTION</sup> ordinance authorizing it to do so and upon the execution by its officers of a copy of this agreement.

8. Filing

Upon the execution of this agreement by all of the parties hereto a copy thereof shall be filed with the appropriate public officials as required by Chapter 239, Laws of 1967.

IN WITNESS WHEREOF, the parties hereto have hereunto set their corporate names and seals by their duly authorized officers the day and year first above written.

CITY OF OLYMPIA

By Neil R. Brown  
Its Mayor  
Attest: J. E. Mendenhall  
Its Clerk

CITY OF TUMWATER

By David S. Davdy  
Its Mayor  
Attest: John A. Warner  
Its Clerk

G. E. MOYER  
JUL 9 1962

AGREEMENT OF ASSOCIATION

OF

WASHINGTON TRANSIT ASSOCIATION

THIS AGREEMENT OF ASSOCIATION, made and entered into this day by and between the undersigned,

W I T N E S S E T H : That,

1. NAME. The name of this association shall be the "WASHINGTON TRANSIT ASSOCIATION".

2. PURPOSE. The purpose of this association is to form an organization for the purposes of mutually exchanging information and ideas and solving mutual problems in the operation and management of urban passenger <sup>11/1/62</sup> transportation systems, to promote more efficient and economical operation of transit systems, and to further promote the welfare of the public.

3. MEMBERSHIP.

a. Eligibility. Any individual, firm, corporation, municipal corporation or public entity, lawfully engaged in the ownership and/or operation of an ~~urban~~ transit system--public or private--regardless of size, within the State of Washington, is eligible for membership herein.

b. Suspension or expulsion. The membership by a majority vote at any regular meeting, or the Executive Board by a three-fifths vote, shall have the power to suspend or expel for any proper cause any member of this Association, provided that any member expelled by the Executive Board may appeal from such expulsion to the membership of the Association.

4. DUES. The members of this Association shall pay such dues for membership herein as may be fixed annually by the Executive Board at the annual meeting of the membership, which dues shall be approved by a majority vote of the members in attendance at such annual meeting. Such dues so fixed shall be payable on or

before January 1 of the year following such annual meeting.

5. VOTE OF MEMBER. The representative of each transit system who is a member hereof shall be entitled to one vote for all purposes herein, and no vote shall be cast by proxy but must be cast in person.

At any meeting of the membership a majority of the membership present shall constitute a quorum, and a majority vote of said quorum shall constitute a majority authorized to do and transact business for the association.

6. MEETINGS.

1  
a. Annual meeting. The annual meeting of the membership shall be held, unless otherwise designated, at the principal office and place of business of the Association, to wit, 1333 Airport Way, Seattle, Washington, on the second Wednesday in October of each year, for the purpose of electing officers and committees for the ensuing year and for the transaction of any other business authorized to be transacted by the membership.

b. Special meetings. Special meetings of the membership for any purpose may be called by the President, and it is mandatory that the President call said special meeting on receipt of a written request from any three members of the Association.

c. Notice of meetings. Notice of the annual meeting of the membership or of all special meetings called, stating the time, place and purpose of such meetings, shall be given to each member by registered letter at such member's last known address as shown by the records of the Association, not less than ten nor more than thirty days prior to said meeting; provided, however, that special meetings may be called by the President upon twenty-four hours notice, oral or written, to the membership.

7. EXECUTIVE BOARD. The affairs of the Association shall be managed and controlled by an Executive Board.

a. Membership--tenure. The membership of this Board shall be composed of the President of the Association, who shall be the chairman thereof, the Vice-President, and the Secretary-Treasurer of the Association, and two other members elected by the membership of the Association at its annual meeting from the members at large. Each member thereof shall hold office for one year or until the election of his successor. Vacancies shall be filled by the membership of this Association.

b. Meetings of Board. Immediately after each annual election, the newly elected Board shall forthwith meet at the principal office of the Association, or a place otherwise designated, for the purpose of organization and the transaction of business. If a quorum of said members of the Board is present, no prior notice of such meeting shall be necessary. Other regular meetings of the Board may be held at such times and places as the chairman thereof may order. Special meetings may be called by the chairman, and it is mandatory that said meetings be called upon the written request of two other members thereof. Notice of any special meeting shall be given to each member thereof at least twenty-four hours prior to the holding of said meeting, and may be given by the chairman personally, by telephone or by written communication. A majority of the membership of said Board shall constitute a quorum at all meetings thereof for the purpose of transacting business.

c. Powers. The Executive Board shall have the full power to transact any and all business of the Association, and may by resolution adopted by a majority of said Board designate any one or more of its member to carry on or perform any act or business of said Association.

## 8. OFFICERS AND COMMITTEES--DUTIES.

a. Executive officers. The officers of the Association shall be a President, Vice-President, and a Secretary-Treasurer.

Said officers shall be elected annually by the members at their annual meeting, and shall hold office until the next annual meeting or until their successors have been elected and qualified. Any officer may be removed at any time by a majority vote of the members at a special meeting called for that purpose and upon notice as hereinabove provided.

Vacancies shall be filled by the Executive Board hereinafter provided for.

b. Subordinate officers. The membership may elect or appoint such other officers and agents of the Association and delegate such powers and duties thereto as the membership shall deem necessary and proper.

c. Duties of officers.

(1) The President shall preside at all meetings of the membership and shall be the chief executive officer of the Association. He shall have the general management and control of the affairs of the Association and shall have the authority, on behalf and in the name of the Association, to execute with the Secretary-Treasurer all contracts and other instruments and obligations authorized to be executed by the Executive Board.

(2) The Vice-President, in the absence or disability of the President, shall have and exercise all powers and perform the duties as hereinabove granted to the President, and shall assist the President and exercise such other powers and perform such other duties as may be prescribed by the Executive Board.

(3) The Secretary-Treasurer, as treasurer, shall have the custody of all funds, securities, evidence of indebtedness, and other properties of the Association, and shall deposit all funds of the Association in such bank or banks as shall be designated by the Executive Board. He shall

receive and give receipts and acquittances for all funds paid in or on account of the Association, and shall pay out of the Association funds on hand all bills and other just debts of the Association of whatever nature upon the maturity of the same, and shall enter regularly in the books of the Association to be kept by him for that purpose full and accurate accounts of all receipts and disbursements, and shall perform all other duties not specifically herein set forth incident to the office of treasurer.

The Secretary-Treasurer, as secretary, shall keep the minutes of all proceedings of the Executive Board and of the membership, and shall serve all notices required by law or by this Agreement of Association. He shall perform all other duties incident to the office of secretary not specifically enumerated herein.

9. STANDING COMMITTEES.

a. Audit Committee. The membership at the annual meeting of the Association shall elect an Audit Committee, the membership of which shall be composed of three members elected at large from the membership of the Association.

b. Public Relations Committee. There is hereby established a Public Relations Committee composed of three members. The President of the Association shall be the chairman thereof, and the other two members thereof shall be elected from the members at large by the membership of the Association.

10. COMPENSATION. No officer or member of any board or committee herein provided for shall receive any compensation or remuneration for services as such officer or member, but shall be entitled to be reimbursed for any expenditures authorized by the Executive Board and incurred or expended for and on behalf of the Association.

11. OFFICERS--BONDS. Such officers or members of boards and committees as required by the Executive Board shall be bonded, and the amounts of such bonds fixed by said Board. All premiums payable for said bonds shall be paid for by the Association.

12. SIGNATURE ON DISBURSEMENTS. The funds of the Association shall be deposited in such bank or banks, and checks drawn thereon and signed by the President and the Secretary-Treasurer of the Association or such other person, as may be designated hereafter from time to time by the Executive Board.

13. RULES OF PROCEDURE. The membership may adopt rules and regulations of procedure not inconsistent herewith for the transacting of the Association's business, and where such rules of procedure are not adopted or are silent on any matter, Roberts' Rules of Order shall be the parliamentary authority.

14. NOTICE. Any notice required to be given by this agreement and not specifically hereinabove provided for may be given by mailing or telegraphing the same to the person entitled thereto at his address as shown on the Association's books, and such notice shall be deemed to be given at the time of such mailing or telegraphing. Any or all notice required by this agreement may be waived in writing by the person entitled to such notice.

15. AMENDMENTS. This agreement may be amended only by vote of a majority of the membership of this Association at any regular meeting, or at any special meeting called for that purpose.

This Agreement of Association is a consolidation and incorporation of all oral or written understandings or agreements heretofore had between the parties hereto, and is binding on the successors in interest and assigns of all parties.