

Notes
INTERCITY TRANSIT AUTHORITY
PLANNING SESSION
August 17, 2018

Members Present: Chair and City of Tumwater Councilmember Debbie Sullivan; Vice Chair and Citizen Representative Ryan Warner; Thurston County Commissioner Bud Blake; City of Lacey Councilmember Carolyn Cox; City of Olympia Councilmember Clark Gilman; Citizen Representative Don Melnick; Citizen Representative Karen Messmer; and Labor Representative Art Delancy.

Staff Present: Ann Freeman-Manzanares; Rob LaFontaine; Emily Bergkamp; Kevin Karkoski; Paul Koleber; Steve Krueger; Ally McPherson; Eric Phillips; Rena Shawver; Heather Stafford-Smith; Steve Swan; Nancy Trail; Nicky Upson; and Pat Messmer, Recording Secretary.

Others Present: Facilitators Jason Robertson; Thomas Wittmann, of Nelson Nygaard; Community Advisory Committee member Sue Pierce.

Chair Sullivan called the Planning Session to order at 10:02 a.m. Sullivan welcomed facilitators Jason Robertson from JRO+Co, and Thomas Wittmann from Nelson Nygaard.

Retreat Overview – Jason Robertson. Robertson said he and Wittmann are looking for the Authority's input to complete the long-range plan, and part of that is talking about implementation timeline, so if IT receives additional revenue, what comes first. There are financial considerations that will push some things sooner, some later. And discuss what happens if IT doesn't get additional revenue. Robertson wants to know the Authority's parameters if service cuts are necessary.

They also want to talk about how to communicate what is being done and what tools to use and who receives the information.

Robertson asked the Authority to share their thoughts about the IT Road Trip process:

Messmer said one thing that struck her is the broad generosity of people who don't ride the bus. They recognize a need for transit.

Melnick said Intercity Transit made a powerful connection by going out to the community and obtaining so many responses to the questions on the IT Road Trip survey.

Intercity Transit Authority Planning Session

August 17, 2018

Page 2 of 5

Warner said as staff continues to review survey results, he's flabbergasted at the positivity from the public. There is a high percentage of positivity about what IT does was surprising and pleasant.

Sullivan said the IT Road Trip helped explain and quantify data and information that can be relayed and talked about and provided an outlet to get a response from the public.

Cox was surprised by people who appear very friendly towards transit and willing to pay taxes to support transit, but who are now saying we're trying to grab too much and being greedy. This is something to think about in our messaging to respond. You can address it any number of ways, like trying to meet not only current needs, but set ourselves up for future growth.

Gilman is optimistic about the reach of the Road trip process. He's been meeting business stakeholders and he's surprised how many people understood there is business and human service case to be made for transportation and who understood that we're beyond just providing fixed-route buses. He thinks IT has come a long way in establishing those cases. He's encouraged by the total of the different types of outreach as a result of the Road trip.

Sullivan doesn't want residue from other transit agencies to affect our community.

Messmer is optimistic about the feedback, and she wants to know how to deal with all of the possibilities to make sure that IT gets the positive outlook.

Melnick said he received two different types of feedback from the residents of Panorama (where he resides). One was from a woman who gets angry about what she calls the "empty bus syndrome" and the other from the man who provided public comment a few weeks ago. He said he's having trouble convincing the green team members of what IT is doing to promote sustainability.

Delancy said he's pleased with the response of the survey; however, the elements of the negative often times can hold out and not be seen until it actually comes time to go to the polls. He thinks being proactive is in order.

Long Range Plan - Thomas Wittmann provided a more in-depth review of the long-range plan, in particular funding projections and assumptions. He said the assumptions made today have a direct impact on what IT can/cannot afford to do at the level of funding IT may/may not need in the future.

Intercity Transit Authority Planning Session

August 17, 2018

Page 3 of 5

Wittmann said looking at Thurston County, the projection between now and 2040 we're looking at 65,000 more jobs and 100,000 more residents, and the changes in travel patterns that come along with that.

Wittmann said service levels with current funding are not sustainable in the long run. Depending on what financial assumptions are made expenditures could exceed revenues in 2022. Two options could be considered:

1. Reduce service to commensurate with budget
2. Examine opportunities to increase revenues

The long range transit plan has been able to tie in all of Robertson's work over the last year. The key message is what options are there from a sustainability perspective.

Key Assumptions in Financial Forecasts:

- Revenues will grow 3% annually
- Inflation assumed at 3.5% annually
- Vehicle replacement schedules are key drivers in fiscal sustainability
- Uncertainty for Federal Matching Capital Dollars
 - Historically, match for capital (buses) = 80%
 - Future role of FTA providing full match is murky
 - Conservative outlook would assume 0% match
 - Optimistic outlook would assume today's levels - 80%
 - Looked at middle ground with 50% match
- Impact of assumptions is in \$10's of millions
- New Technology Vehicles starting in 2020
- Adds ~\$400,000 to cost of each vehicle
- Impacts of this decision are up to \$16 million between now and 2035

Melnick said these assumptions are based on buying buses. Many industries including transit around the country are leasing equipment. IT should consider this approach. Because the rapid advance of technology in bus equipment, he wonders if it's worthwhile to own buses for 12 or 13 years because it's going to be replaced by newer technology in 5 years.

Messmer would like to see scenarios that include something other than IT's traditional way which is saving up the money and making assumption about the grant amounts. We could still include the grant amount conversation because if the scenario comes along where they're paying 80% buying might be a better idea.

Messmer said the lack of federal funding should drive IT about how many different ways we have a bus on the road rather the traditional way of buy and own and

Intercity Transit Authority Planning Session

August 17, 2018

Page 4 of 5

extending the life of the vehicles. What are the advantages of not owning? If there was something that saves a lot of money and was much more valuable for the environment came along, but we already own the old technology, no one will want to buy it.

Messmer said people assume our transit system is somehow saving the environment because there are buses on the road. What is the system doing for the climate and environment sustainability and that needs to be put in mix of what kinds of vehicles we look at. We need to be saying electric is where we're headed unless something else comes along that's even better. How do we get there?

Sullivan said IT needs to make sure that costs are realistic and added into alternative resources because people do not like debt services.

Robertson said we could do another survey 101 and ask what have you seen other transit agencies do and how has it worked out?

Messmer said the flip side of the debt service is say we're providing you with that service now and we're not going to wait to build up our reserves to buy the bus or provide the service. The community gets the value now instead of much later.

Commissioner Blake arrived.

Wittmann said the cost of buying a full-sized electric bus is over \$400,000 more than one of the buses IT is running now. There are key questions: "Will that cost come down?" and the answer is most likely yes. The promise of the electric vehicle is not just the environmental benefits but the reduced O&M costs, and they hold up longer. A series of large agencies across the country are beginning to say is that 2022 is really the watershed year where technology will be ready for full implementation. Given what we know today and looking and the implications of going to a new technology vehicle add up to more than \$60M in additional dollars spent on capital between now and 2035. It was suggested rather than purchase electric buses, lease them. What about installing trolley buses along the Marvin Road to Cooper Point Road stretch and run 15-minute service.

Wittmann reviewed the elements of the long range plan:

- Bus Rapid Transit
- Extended Span of Service
- Improved Frequency
- Service to New Areas
- Night Owl Service
- Maintain On-time Performance

Intercity Transit Authority Planning Session

August 17, 2018

Page 5 of 5

- Enhanced Commuter Service
- Enhanced Capital Facilities
- Continue Investigating Fare Payment Options

The meeting was recessed for lunch service at 11:33 a.m.

The meeting reconvened at 11:55 a.m.

Wittmann reviewed the implementation/transformational and status quo funding options.

Commissioner Blake left the meeting.

Robertson led the discussion on the Public Information Preview.

Sullivan said the community needs this to keep up with growth.

Messmer said it's a useful tool to give people the information that Intercity Transit has been more efficient with what we already have, and that IT is not running a loose operation. Do in FAQ's.

Authority agreed to get rid of diesel with objective to go electric but note there is a cost. After 2022 buses will have new technology.

Gilman said to make a long range commitment to sustainability but don't promise electric buses.

Messmer doesn't want to buy diesel anymore. Why own something 15 years into the future.

Warner said buying a bus takes a while and to trust staff.

Messmer suggested how best to describe our service. She runs into confusion about how much county we service. Keep mentioning Thurston County because the entire county will not be voting.

The meeting adjourned at 2:25 p.m.