

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
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CONVENE: 5:36 p.m.

PRESENT: Mayor Pete Kmet and Councilmembers Neil McClanahan, Joan Cathey, Eileen Swarthout, Debbie Sullivan, Tom Oliva, Leatta Dahlhoff, and Michael Althausen.

Staff: City Administrator John Doan, Assistant City Administrator Heidi Behrends Cerniwey, Finance Director Ursula Euler, Police Chief Jon Weiks, Communications Manager Ann Cook, and Recording Secretary Valerie Gow.

Others: Ann Freeman-Manzanares, Intercity Transit.

INTERCITY TRANSIT PRESENTATION: Ann Freeman-Manzanares, General Manager, Intercity Transit, briefed the Council on service changes, service enhancements, and reasons for the agency's recent decision to place a 0.4% sales tax increase on the November 6, 2018 ballot.

Approximately every 10 years Intercity Transit hires a transit expert to help the agency develop its short- and long-range plan. Some of the analytical data includes farebox activity to document ridership and forms of payment. Development of the plan involved a review of census data, community and economic development trends, and the current level of transit service to high density and low-income areas. Intercity Transit also engaged in a thorough public engagement process to help the Intercity Transit Authority define the community's expectation of public transportation. Over 10,000 responses identified three scenarios:

- A smaller transit service was factored on receiving no new revenue
- Maintaining the status quo would require a 2/10ths of one percent increase in sales tax
- Expanding transit service would require an increase of 0.4% sales tax increase

Today, 80% of Intercity Transit's budget is from sales tax making the agency vulnerable to economic recessions with the agency losing \$14 million during the last economic recession. Historically, Intercity Transit received an 80% federal fund match to purchase buses and fund capital improvements. Those federal discretionary dollars were eliminated from the federal budget for four years with only a portion restored in 2016.

Intercity Transit established a steering committee to review all public

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responses to ensure the plan complemented jurisdictional plans and other organizational plans in the community. The steering committee recommended the following proposed service enhancements:

- Increase span of service
- Improve service frequency
- Expand service inside Public Transportation Benefit Area (PTBA) currently not served
- Annual operating budget set-asides to keep pace with traffic growth
- Bus rapid transit on primary corridors
- Enhance commuter services (in service area and for N/S markets)
- Enhance capital facilities program
- Implement Innovative Service Zones to serve less densely populated areas
- Develop alternative fare structure

An Elway poll of the community reflected 67% support for increasing sales tax to fund service enhancements.

Subsequently, the Intercity Transit Authority approved placement of a 0.4% sales tax increase on the November ballot. If approved, Intercity Transit would increase span of service in 2019, maintain on-time service, improve frequency, expand bus service to northeast Lacey in 2020 (after I-5 improvements), implement some Innovative Service Zones in three increments, add night owl service, and implement bus rapid transit service. Should voters reject the measure, Intercity Transit would need to reduce service by approximately 18% in early 2019. Delaying a service reduction until 2020 would result in the reduction of service by 24%.

Ms. Freeman-Manzanares answered questions on how the agency determines when an area should be served by a fixed-route bus. She identified some Innovative Service Zones to be served in the future should the ballot measure pass.

The Council and Ms. Freeman-Manzanares discussed the cost of hybrid, electric, and diesel buses, and the agency's goals to reduce emissions and increase fuel efficiency. Annual ridership is approximately 5 million trips. Increases and decreases in ridership are influenced by the cost of gasoline, bus frequency, hours of service, and fare payment options.

Councilmember Sullivan shared information on Intercity Transit's

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recent revenue-neutral improvements and bus route changes effective September 2018.

Ms. Freeman-Manzanares described Dial-A-Lift (DAL) service, which requires users to qualify (medically) to use the service. DAL service is offered to qualified users who live within ¾ mile of a fixed bus route and 1-1/2 miles along the Yelm route. DAL ridership has increased because the population is aging. Other community groups take advantage of Intercity Transit's program for using retired vanpool vehicles. Those agencies provide transit service to senior citizens in the region.

Discussion ensued on sales tax rates of other jurisdictions within the Puget Sound region. Intercity Transit's service area includes a population of approximately 185,000 people. In 1994, Intercity Transit provided county-wide transit service. Following the passage of I-695, the agency experienced a loss of approximately 43% in revenue annually because of the elimination of motor vehicle excise tax. At that point, Intercity Transit sought a sales tax increase, which failed leading to a reduction in the agency's service area boundary in 2002. The last increase in service was in 2010, during the height of the recession. The ballot measure to increase sales tax passed by 64%. The Authority is requesting a .04% increase to support service improvements and the region's growing population.

Ms. Freeman-Manzanares shared details on the planned upgrade and enhancements to the Olympia Transit Center. One improvement is relocating Greyhound Bus operations to the Olympia Transit Center. Intercity Transit is also planning to expand and upgrade its Pattison Street facility. The facility was originally opened in 1985 and was designed to serve 80 vehicles. Intercity Transit currently operates over 400 vehicles. The center is open continuously because of the lack of space to serve all vehicles. The expansion will cost approximately \$28.5 million just to address maintenance issues. The agency has accumulated grants to fund the project and needs \$10 million to complete the project. At one time, federal funds were available for capital improvements, which have since been eliminated. Intercity Transit continues to apply for federal funds to fund a majority of the remaining amount.

Ms. Freeman-Manzanares described some of the different funding mechanisms available to different categories of transit systems.

**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

City Administrator Doan shared a recent photograph of Franks property. The picture depicts a 110 cubic yard dumpster to hold surface debris. Efforts are underway to test for asbestos in the

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buildings and document vehicle identification numbers of abandoned vehicles on the property. Neighbors have been advised of the clean-up activity.

Mayor Kmet referred to the number of tax increase measures scheduled on the November ballot. One of the measures is Tumwater's Metropolitan Park District tax measure. It is likely the Council will be approached by the committee in support of the measure to seek the Council's support. He asked for feedback from the Council on whether to support the measure. City Administrator Doan noted that the Council's September 18, 2018 meeting agenda includes a resolution in support of the Tumwater Metropolitan Park District.

Other local ballot measures include a carbon tax to support efforts to reduce carbon emissions and Intercity Transit's tax measure.

The Council supported adopting a resolution in support of the three tax measures.

Mayor Kmet encouraged the Council to attend the Old Town Center BBQ at Tumwater Historical Park on August 31, 2018 from 11 a.m. to 2 p.m.

Councilmember Oliva inquired about the topics scheduled for the October 23, 2018 Association of Washington Cities (AWC) Regional meeting in Tumwater. The meeting conflicts with the Council's worksession. City Administrator Doan replied that the topics typically include a legislative update on AWC activities. The worksession agenda includes a budget discussion. Mayor Kmet reported he is providing opening remarks at the regional meeting.

Councilmember Cathey inquired about the status of the utility assistance fund. Director Euler advised that efforts are underway to draft an interlocal agreement and present a resolution to the Council approving the interlocal agreement with the Community Action Council. The intent is for the City to contribute some initial funds of approximately \$4,000 with plans to solicit donations from the community. Director Euler described some options for citizens to donate when paying their utility bill.

Councilmember Cathey commented on the importance of each jurisdiction sharing information on its respective efforts to help low-income and homeless individuals because each jurisdiction is experiencing different levels and types of need.

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Information was shared on recent efforts by both the City and Homes First to contact the owners of vacant duplexes off Blass Street for possible purchase by Homes First to convert the duplexes for low-income housing.

A housing forum is scheduled on Wednesday, August 29, 2018. Mayor Kmet encouraged the Council to attend if they are available.

ADJOURNMENT: **With there being no further business, Mayor Kmet adjourned the meeting at 7:23 p.m.**

Prepared by Puget Sound Meeting Services, psmsoly@earthlink.net