

**INTERCITY TRANSIT
CITIZEN ADVISORY COMMITTEE
AGENDA
August 20, 2012
5:30 PM**

CALL TO ORDER

- | | | |
|--------------|---|----------------|
| I. | APPROVE AGENDA | 1 min. |
| II. | INTRODUCTIONS | 1 min. |
| | A. Introduction Virgil Clarkson, Mayor City of Lacey <i>(Steve Abernathy)</i> | |
| III. | MEETING ATTENDANCE | 3 min. |
| | A. September 5, 2012, Regular Meeting <i>(Regular Meeting)</i> | |
| | B. September 19, 2012, Special Meeting <i>(No One – Joint Meeting)</i> | |
| IV. | APPROVAL OF MINUTES - July16, 2012 | 1 min. |
| V. | CONSUMER ISSUES CHECK-IN | 3 min. |
| | <i>(This is to identify what issues you wish to discuss later on the agenda in order to allocate time).</i> | |
| VI. | NEW BUSINESS | |
| | A. Environmental & Sustainability Management System (ESMS) 20 min. | |
| | Update <i>(Bob Holman)</i> | |
| | B. 2013 Vanpool Fare Increase Options <i>(Carolyn Newsome)</i> | 20 min. |
| | C. 2013-2018 Strategic Plan - Fare Options <i>(Mike Harbour)</i> | 20 min. |
| VII. | CONSUMER ISSUES - All | 20 min. |
| VIII. | REPORTS | |
| | A. July 18, 2012, Special Meeting <i>(Meta Hogan)</i> | 3 min. |
| | B. August 1, 2012, Regular Meeting <i>(Julie Hustoft)</i> | 3 min. |
| | (Highlights attached) | |
| IX. | THE NEXT MEETING - September 19, 2012 - Special Meeting | |
| | *Joint Meeting with the Intercity Transit Authority | |
| | <u>This is a Wednesday and a buffet dinner will be served.</u> | |

ADJOURNMENT

Attendance Report is Attached

**MINUTES
INTERCITY TRANSIT
CITIZEN ADVISORY COMMITTEE
July 16, 2012**

CALL TO ORDER

Chair S. Abernathy called the July 16, 2012, meeting of the Citizen Advisory Committee (CAC) to order at 5:31 p.m. at the administrative offices of Intercity Transit.

Members Present: Steve Abernathy; Dani Burger; Wilfred Collins; Valerie Elliott; Sreenath Gangula; Jill Geyen; Catherine Golding; Roberta Gray; Faith Hagenhofer; Meta Hogan; Julie Hustoft; Don Melnick; Joan O'Connell; Mackenzie Platt; Charles Richardson; Carl See; Kahlil Sibree; Michael Van Gelder; and Midge Welter.

Absent: Rob Workman.

Staff Present: Mike Harbour; Carolyn Newsome; Dennis Bloom; Ann Freeman-Manzanares; and Shannie Jenkins.

APPROVAL OF AGENDA

It was M/S/A by Elliott and Hogan to approve the agenda.

Welter and Hagenhofer arrived.

INTRODUCTIONS - Burger and Welter provided self-introductions. Members went around the room introducing themselves and sharing how long they've been on the committee.

Sibree and See arrived.

Chair Abernathy welcomed and introduced Authority Member Ryan Warner, Citizen Representative.

MEETING ATTENDANCE

- A. July 18, 2012, Special Meeting** - Meta Hogan.
- B. August 1, 2012, Regular Meeting**- Julie Hustoft.

CAC MEETING MINUTES

July 16, 2012

Page 2 of 8

APPROVAL OF MINUTES -

It was M/S/A by Collins and Sibree to approve the minutes of June 18, 2012, as presented.

CONSUMER ISSUES CHECK-IN - Members requested discussion on the following topics: Use of transit to and from Seattle, using certain style of buses on certain routes, volume of announcements on buses, and a bus stop on Capitol Boulevard.

NEW BUSINESS

Surplus Van Grant Program - Newsome reported 25 vans were donated to non-profit groups within our service area since the program was adopted in 2003. Intercity Transit grants up to four vans each year. Newsome named some of the groups and gave a brief description of their services such as Capital Clubhouse, Community Youth Services, Yelm Adult Community Center, The Thurston County Food Bank, Behavior Health Resources, Bread and Roses, Partners in Prevention, and Seniors Services for South Sound. In exchange for the van, groups are required to provide quarterly reports on their usage.

Applications for this year will be available Friday, July 20 and due Friday, September 14, 2012. Hogan volunteered again this year to review the grants. Staff will send notices to community groups, such as United Way contacts. We will use social media and our website to advertise. We will utilize the Thurston Regional Planning Council's list of community service groups to promote the program. Seward will send the application out to CAC members, who are welcome to forward the application to non-profit groups that may be interested. At the October Authority meeting, staff will make a recommendation for the vehicle awards.

Melnick asked if we provide guidance on the maintenance of the vehicle. Newsome reported groups can get all records of the vehicle. We provide information on our maintenance and part of the grant process is them letting us know how they will maintain them. Geyen asked if there is a wheelchair accessible van. Newsome noted there is not at this time. If groups have any questions, they can contact Newsome. Her information is on the Intercity Transit website.

A. Review Upcoming Transit Development Plan - Bloom provided an update on the 2011 Annual Report and the 2012-2017 Transit Development Plan. The only change is the Department of Transportation required us to have the report completed by the first of April; this year the deadline is September 1. An RCW states every transit system must provide an annual status report and conduct a public hearing, which will take

CAC MEETING MINUTES

July 16, 2012

Page 3 of 8

place on July 18. A Rider Update is out on buses and distributed throughout the community advertising the public hearing, which gives the public an opportunity to comment. Bloom touched on some of the highlights.

Section 3: Service Characteristic: The first phase of the plan is reporting on 2011.

- Fixed route recovered 10.8% of operating costs. We had a 4.46% increase in boardings above 2010.
- Dial-A-Lift recovered over 2.8% of operating costs, with 147,017 boardings which was an increase of 1.54% from 2010.
- Vanpool services had 200 vanpools by the end of 2011. 96% of direct operating costs were recovered.
- Village Vans program had 177 participants in 2011; 41% were low-income receiving some type of state or federal assistance.
- Commute Trip Reduction program. Currently the regional team supports 212 active worksite of which 204 are affected sites and eight are voluntary.
- Land Use Review: Staff received 282 submissions for land use. They reviewed 136 submissions and commented on 13 applications requesting transit amenities.

Section 6: State Proposed Action Strategies 2012-2017: Bloom briefly went over the sections on Preservation, Stewardship, Mobility, Environmental Quality and Health. We track the developments from prior years and what we anticipate over the next five years. We will begin a short term service plan and a long range service plan to the year 2030. We will continue to replace the aging fleet. We approved an environmental and sustainability policy, which implemented a system of standards. We are sustaining our fuel use of biodiesel, and we created an in-house sustainability committee. We will continue to pursue federal support and training for improving and monitoring in-house sustainability efforts. Intercity Transit will continue to replace fixed route buses with hybrid vehicles, continue the "Smart Move" youth education program, and support healthy choices year-round.

Included in the packet are sections on vehicle projections, budgets, and the strategic plan. The last section, page 50, provides 2011 Route Service Summary. The summary provides information on total boardings, revenue hours, boardings per hour, along with a rating for each route. When reviewing the local services, we look at the information to see if we should meet with a consulting team to improve routes. The system total was 5,337,669 total boardings which was a 4.76% increase above 2010.

Harbour reported funding changes impacting Intercity Transit are still unclear at the federal level. We will receive additional funding depending on the service we provide. A big change that could impact Intercity Transit is they may move away from

CAC MEETING MINUTES

July 16, 2012

Page 4 of 8

discretionary grants for capital projects to a formula program. We've done very well in discretionary programs, so we may get hurt in this arena. Hustoft asked for clarification of small buses versus large buses. Bloom responded the larger buses are the 40' and 35' are medium bus. The 40' bus holds 36 passengers or more. The new low floor buses have fewer seats and more standing room.

Platt arrived.

B. 2013 Fare Increase – Harbour requested direction from CAC members on whether we should move forward at looking into a fare increase in January 2013. Fare increases are one of the most important decisions the Authority makes. It is a policy issue; the decision is one the Authority makes. The CAC members will advise the Authority whether staff should begin the required public involvement process. We will bring suggestions to the Authority this Wednesday, as to whether to move forward. The Authority will make a final decision at their October meeting.

We last raised fares in January 2009, after fuel prices went up and our budget took a hard hit. A dollar increase in fuel prices cost us a million dollars per year. In 2009, our fares went from \$.75 to a \$1.00. Earlier this year, fuel prices once again skyrocketed, which made us take another look at fares. Our policy calls for a review of fares every three years no matter what. Last year when this was brought before the Authority, they said it was not a good time to increase fares. Our policy is to increase in quarter increments. A fare will go from \$1.00 to \$1.25 and a day pass to \$2.50. We suggest discounting the monthly pass 20% instead of 25%. Should the Authority move forward?

Hagenhofer asked how many monthly passes are sold. Staff did not have that information but did comment that most of our monthly passes are paid fares from their employers. Employers pay an average fare, which would increase by 25%. Hagenhofer asked if we saw an increase in ridership when gas increased recently. Harbour responded ridership was more modest than in 2008. Hagenhofer would like to see the monthly pass increased, but would like to see the daily pass stay the same price.

Gray feels the extra dime is more of a hassle for seniors and disabled passengers. She suggests keeping the single ride at .50 for the seniors and disabled. Elliott asked if we don't raise fares this year, will the budget go into the red this following year. Harbour answered if fuel prices do not continue to increase, the budget could remain stable; however, we will not be in position to add any service to any areas.

CAC MEETING MINUTES

July 16, 2012

Page 5 of 8

Elliott supports and recommends an increase to the Authority. Welter commented, as a senior citizen on an extremely limited income, she can handle a two dollar increase for a monthly pass, but it does cause a problem financially.

Van Gelder asked if there is an intended fund to put the additional \$500,000.00 into. Harbour responded it would go into our general operating budget. In time, the Authority may feel comfortable extending service, but it is intended to keep us whole. Van Gelder suggests increasing the monthly pass and/or put a surplus on the prepayments. Melnick supports a fare increase. O'Connell would like to see a sales breakdown between daily and monthly passes. As a citizen, she has no problem with the increase, but not across all populations, especially for youth and seniors. See suggests youth passes staying the same, and likes the idea of a surcharge on prepay passes. He is hesitant to have a fare increase before a sales tax increase discussion.

Sibree feels we also need to be careful before a tax increase, and likes the senior and youth fares staying the same. Collins requests the Authority not increase any of the rates. In 2009, we increased our fares by 25-cents; however, gas prices did not exceed \$4.00 a gallon. Burger suggests offering weekly passes; ability to renew passes online; not reducing fares, but raise rates for Express to Tacoma; and look at a sales tax increase first. Hustoft agrees with raising fares on express service.

Harbour reminded members tonight we are only asking if we should move forward on considering a fare increase. This information will be provided to the Authority. Staff will then come back to both the CAC and the Authority with specific options. Gray concurs with raising express fares, and to simulate something similar to ORCA. Elliott likes offering weekly passes. Chair Abernathy wrapped up the conversation and asked Warner and the CAC representative to take these comments to the Authority. Harbour reminds the committee we have a "simple to use" ridership fare system. When you get into distance based fares, you get more complicated technology systems, which is more costly.

2013-2018 Strategic Plan - Major Issues - The Strategic Plan is our six year financial and planning document where the Authority makes policy, service, and capital decisions. The annual budget flows out of this six year plan. Provided in the packets is a review of issues. We are looking at a lot of uncertainty with taxes and fuel costs, so it makes it hard for us to do anything ambitious. We are trying to make sure we can maintain the levels we have now. Before we can provide any new service, we need a sales tax increase. Harbour asked members to see if there are any issues missing or items that need addressing.

CAC MEETING MINUTES

July 16, 2012

Page 6 of 8

- We are looking at status quo in terms of service.
- We are continuing our investment in capital.
- The Hawks Prairie Park-and-Ride will be finished this year.
- We are working on bio-design on the Olympia Transit Center expansion with federal funds.
- We are working on expanding the Pattison Street facility. We will be going to the Authority in September asking if we should move into final engineering.
- The Authority Chair and Harbour went to the Pierce Transit Board last week and asked them to consider reinstating some of their regional service if their sales tax measure is successful in November.
- We are applying for a Regional Mobility grant to provide express service between Olympia and Seattle. We asked for new service to Tumwater Town Center area and to enhance service on the I-5 corridor between Thurston County and Lakewood.
- Dash is status quo.
- We are looking at the Martin Way and Capital Way corridors. We will talk to the Authority in the next two to three months regarding the cost of this effort.
- We continue to install bus shelters and make them more accessible. We have approximately \$450,000 in grants we are in the process of spending in this area.
- We want to maintain the technology we have.
- The Vanpool Program will increase by 10 vans per year.
- We will replace buses when we have federal money. We have seven new buses arriving this week to replace our older fleet. We are constantly looking for grant money for buses.
- We are suggesting waiting until 2015 for additional park-and-ride lots in Tumwater and Yelm.
- We will continue the Village Vans and the Surplus Van Programs.
- Dial-A-Lift is status quo. We grow to meet demand and increased over 20% this past year.
- We will continue local transportation projects.
- We will maintain our current level of marketing effort.
- We plan to seek ISO 14001 certification for the Environmental and Sustainability Management System program in January 2013.
- We are proposing we continue our reactive policy regarding expansion of the Public Transportation Benefit Area.
- We are ready to award a project to a third party to look at our video surveillance systems.

CAC MEETING MINUTES

July 16, 2012

Page 7 of 8

Gray asked if there is a grant for the Pattison facility remodel. Harbour responded we do not have grant money for the \$20,000,000.00 project. We believe the closer we get to breaking ground, the closer we are to receiving grant money. We have several applications in for engineering and construction grants.

Elliott asked if the Hawks Prairie Park-and-Ride will be developed for bus routes. Harbour reported the project will be finished this fall for vanpool and carpool only. We hope to receive a regional mobility grant in April of 2013, which will enable us to include bus service.

Hagenhofer likes the Strategic Plan and how it enables us to look into the future. She would like to see our service move south starting at exit 88. Harbour reported we have talked to the Twin Transit system to see if they are interested in doing a joint application. The reality is most of the trips out of Thurston County are going north. Hagenhofer urges we advertise our vanpool program in the south part of the county.

Melnick likes the Strategic Plan. He asked if we've considered using natural gas for a fuel source. Harbour said we looked at natural gas at various times in the past, but the benefit right now is cost and the environmental benefits are not there. It is a large initial outlay to put into place. The incident recently at Pierce Transit scared us away from that option. The industry as a whole is still undecided.

Gray asked if we will be using more electrical staff vehicles. Harbour responded it is not addressed in the Strategic Plan because it is such a small usage. Gray wants us to keep focused on alternative fuel sources. Harbour commented our hope is to have alternative fuel for our Dial-A-Lift and Vanpool vehicles in the future.

C. Self-Assessment Issue Identification - no comments

CONSUMER ISSUES -

Gray reported things went much better traveling to and from Seattle recently.

Hustoft heard comments from passengers on Route 60 that it is hard to get more than one wheelchair on the 30' buses. She requests larger buses on that route.

O'Connell reported a young male passenger was anxious from the loud audible announcements. Golding observed volume changes and suggests passengers ask the operator to lower the volume. Staff is still working with Gillig regarding the noise

CAC MEETING MINUTES

July 16, 2012

Page 8 of 8

level. There is a required decimal level; however, we've requested they look at the frequency levels. Staff will come back to the committee on this issue.

See asked if the bus stop on Capital Boulevard, by the old Sunset Life Insurance property, will be moved from the north to south side. Bloom responded yes they are moving the stop. The Authority received complaints from people living nearby.

REPORTS

A. June 20, 2012, Special Meeting - Hagenhofer shared highlights from the special meeting. She enjoyed hearing from our two federal lobbyists.

NEXT MEETING: August 20, 2012.

ADJOURNMENT

It was M/S/A by Gray and O'Connell to adjourn the meeting at 7:26 p.m.

Prepared by Shannie Jenkins, Executive/HR Assistant

**INTERCITY TRANSIT
CITIZEN ADVISORY COMMITTEE
AGENDA ITEM NO. VI-A
MEETING DATE: August 20, 2012**

FOR: Citizen Advisory Committee
FROM: Bob Holman, ext. 5885
SUBJECT: Environmental & Sustainability Management System (ESMS)
Update

-
- 1) **The Issue:** Update on implementation of Intercity Transit's ESMS.
-
- 2) **Recommended Action:** Information only.
-
- 3) **Policy Analysis:** ESMS implementation is consistent with Intercity Transit's Environmental and Sustainability Policy (POLICY-EX-0011, May 4, 2011).
-
- 4) **Background:** Intercity Transit completed our participation in the third transit training class of the FTA sponsored ESMS Institute at VirginiaTech in Roanoke, Virginia. Five members of our ESMS Core team participated in four 4-day ESMS workshops focused on certification requirements of the ISO 14001:2004 environmental management system standard between January and November, 2011. From January 2011 to July 2012, the agency made the following investment of staff time in the implementation of our ESMS:

**Resources Used for ESMS Development
(January 2011 to July 2012)**

| | Staff Hours | Labor Costs |
|--------------|--------------------|--------------------|
| Core Team | 2,816 | \$92,493 |
| Other Staff | 432 | \$14,046 |
| TOTAL | 3,248 | \$106,539 |

We implemented procedures, systematic documentation and records management, and action plans consistent with the certification requirements for the 17 elements of the ISO 14001:2004 standard. Our ESMS activity has and will continue to have the effect of improved operational controls, improved cost effectiveness, and reduction of risks related to environmental protection and sustainability practices.

We completed our second one day on site GAP Audit by VirginiaTech staff on July 9, 2012. This was a “practice audit” intended to gauge our progress and work still needed as we move toward a “real” certification audit in early 2013. Some of the specific areas for GAP audit review included operational controls; documentation of legal and other regulatory requirements; internal and external communication documentation; the need for future training programs; and action plans for emergency preparedness, spills prevention, effective stormwater management, fluids and fuel usage management. Our final work product for the FTA training is our ESMS Case Study to be published with those of other participants on the FTA website. This document (attached) was submitted as a draft to VirginiaTech on July 31, 2012, and they will finalize it with the insertion of our final GAP Audit report. Our ESMS Case Study details our ESMS implementation experience, accomplishments and expectations for our ESMS in the future – including experiencing the benefits of the continual improvement process that is a key component of the ESMS.

5) **Alternatives:** N/A

6) **Budget Notes:** N/A

7) **Goal Reference:** The project elements support Goal #3, “*Maintain a safe and secure operating system;*” and Goal 5: “*Align best practices and support agency sustainable technologies and activities.*”

8) **References:** ESMS Case Study

Intercity Transit Environment and Sustainability Management System (ESMS) Case Study

July 2012



Serving Olympia, Lacey, Tumwater and Yelm
in Thurston County, WA.

INTERCITY
TRANSIT



ESMS Case Study

Profile

Intercity Transit is the public transportation provider in Thurston County, Washington. Operating within its Public Transportation Benefit Area (PTBA), the agency provides a mix of transportation and related services including: fixed route; Dial-A-Lift paratransit; vanpool; workforce development vans (Village Vans); local and regional express; and travel training.

Intercity Transit serves approximately 161,000 residents in the cities and urban growth areas of Lacey, Olympia (the state capital), Tumwater, and Yelm. Intercity Transit also operates express service on Interstate 5 between Olympia/Lacey and Lakewood/Tacoma – a major commuter corridor also serving Joint Base Lewis-McChord. Intercity Transit provides connecting service to five other transit systems. Included is connection to Sound Transit which provides broad access to the Puget Sound region, Sea-Tac International Airport, Seattle, Tacoma, and Snohomish County.

Intercity Transit's maintenance and operations facility is located at its *Pattison Street Maintenance, Operations, and Administrative Facility (Pattison Facility)*. The agency has outgrown this 27-year-old facility and plans to expand over it the next four years. The Environmental and Sustainability Management System (ESMS) will help ensure that the design, planning, and construction phases adhere to sound operational, environmental, and sustainable practices.

Intercity Transit's customer service center and main operating hub are located at the Olympia Transit Center in downtown Olympia. This facility, currently operating above capacity, includes the customer service office, a passenger lobby, and 13 bus bays, with three of these bays operating off of three city streets surrounding the facility. The agency also operates the Lacey Transit Center, a 12-bay, unstaffed facility in Lacey, Washington. Federal funding has been secured and plans are under way to expand the Olympia Transit Center in 2013.

Intercity Transit operates several park and ride lots in its service area with the newest and largest one opening in late 2012. Combined, these park and ride lots provide 759 parking stalls and are located along highly traveled corridors including Interstate 5, one of the most congested corridors in Washington State. In addition, the agency operates

the nation's only volunteer-run Amtrak train station, Centennial Station, supported by contract agreements with all area jurisdictions.



Intercity Transit is governed by a nine-member Board of Directors, the Intercity Transit Authority (“the Authority”). The Authority consists of five elected officials who represent the Thurston County Board of Commissioners and the cities of Lacey, Tumwater, Olympia, and Yelm. Three members are citizen representatives appointed by the Authority, and

one member is a labor representative. The Authority sets policy and direction for the agency. Intercity Transit's Citizen Advisory Committee is a 20-member advisory group that provides input to the Authority on local public transportation issues such as: Dial-A-Lift policies, service changes, strategic plans, the budget, fare structures, transit amenities and other issues.

The General Manager, Mike Harbour, has been at the helm of the agency for 17 years. He reports directly to the Authority and oversees Intercity Transit management. Harbour is the Senior Manager for the ESMS program. He leads the agency's senior management team, with representation from each department: Executive, Development, Operations, Maintenance, Human Resources and Finance.

Intercity Transit's 2012 operating budget is \$33.3 million, with a capital budget of \$25.4 million. Most of Intercity Transit's funding comes from a local option sales tax of 0.8 percent levied within the PTBA. Intercity Transit operates and maintains 356 vehicles. They include 68 fixed-route coaches, 34 paratransit vehicles, 235 vanpool vans, 19 staff and support vehicles, 3 Village Vans, and 2 Community Vans. There are 953 bus stops within the PTBA, 89 percent of which are ADA accessible and 28 percent of which have shelters.

In 2011, Intercity Transit facilitated a record 5,338,850 passenger trips on its fixed-route, Dial-A-Lift, and vanpool services. Fixed-route service averages nearly 15,000 rides each weekday on 20 regular and three express routes .

Annual fixed-route ridership has grown more than 57 percent since 2005 when Intercity Transit began increasing service frequency and implementing transit facility enhancements and gas prices jumped. Vanpool use has grown 78 percent during this same time. Dial-A-Lift, the agency's paratransit service, has steadily increased as well. Dial-A-Lift had about 144,000 boardings in 2011 as compared to about 118,000 boardings in 2005, a 22 percent increase. The agency anticipates it will set new ridership

records in 2012 as fixed-route ridership for January through June is up 3 percent and vanpool ridership is up 13 percent over the same time period last year.

Over the past decade, the community voted twice to increase the local sales tax to support Intercity Transit services (2002 and 2010). This support, along with fare increases, federal and state funding awards, and a conservative budget approach, enabled Intercity Transit to continue its high quality and diverse transportation services despite the economic downturn. In mid-2012, sales tax receipts remain 8 percent below 2008 levels.

Intercity Transit has earned recognition for its efforts on the national, state and regional levels. These include:

- 2012 American Public Transportation Association “Gold” signatory status level for agency commitment to sustainability
- 2012 Olympia Thurston County Chamber of Commerce Green Business of the Year Award
- 2009 American Public Transportation Association Outstanding Public Transportation System Achievement Award
- 2009 Federal Transit Administration Enhancing Ridership Award
- 2008 & 2007 American Public Transportation Association Ad Wheel Grand Prize Awards
- 2008-2011 Thurston County Green Business Award
- 2003 Washington State Department of Ecology Environmental Excellence Award
- 2002 Governor’s Commute Smart Award
- 2001 Clean Cities Award



Intercity Transit has a long tradition of environmental stewardship. The agency was among the first in the nation to fuel its entire bus fleet with biodiesel (2002) and, for many years, Intercity Transit has recycled paper, cardboard, plastic, aluminum cans, batteries, tires, fluorescent lamps, and more. The agency has an active Sustainability Committee, established in 2009. Intercity Transit has defined sustainability as:



The ability to adapt, grow, and thrive from generation to generation. It is an ongoing effort toward improvement.

Intercity Transit pursues environmental protection and sustainability within the management structure of the ESMS program. The agency views the ESMS implementation of the ISO 14001:2004 Standards as a complement to its historic and

continuing practices and commitments. It is consistent with the agency's long-standing philosophy of being a good steward of our community and our planet.

Fenceline & Scope

The *Pattison Street Maintenance, Operations and Administrative Facility (Pattison Facility)* located at 526 Pattison SE in Olympia, Washington, has been in operation since 1985. The facility houses the business office, Operations and Maintenance facilities, and a vehicle yard set on a 6.6-acre lot. The existing Maintenance building is 38,576 square feet, the Administration building is 9,878 square feet, and the Operations building is 6,404 square feet. There are also more than 110,000 square feet of pavement on site.

Intercity Transit's Pattison Facility is home of ESMS program.

A pedestrian bridge connects the Maintenance and Administration/Operations buildings. A large parking lot for service and employee vehicle parking includes six plug-in, electric vehicle charging outlets for employee and visitor use. Approximately 300 employees are either assigned to or interact with the Pattison Facility.



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Core Team

Intercity Transit's ESMS Core Team is comprised of seven members representing various departments and responsibilities throughout the agency. Their responsibility is to provide leadership in developing, implementing, and maintaining Intercity Transit's ESMS. The broad spectrum of skills and knowledge on this team enabled Intercity Transit to create an ESMS that encompasses a range of perspectives from general management to specific environmental and sustainability issues while considering practical day-to-day operational needs, such as planning, training, permitting, procurement, operational controls, and monitoring processes and performance.

The Federal Transit Administration selected Intercity Transit to participate in the ESMS Training program, in December 2010. The agency began formally working on their environmental and sustainability management system activity in January 2011.



Core Team members are:

(Back Row, L to R)

Jim Merrill,
Operations Director

Mike Harbour,
General Manager/ESMS
Senior Manager

Mark Kallas, Facilities Manager

Jessica Brandt, Environmental and Sustainability Coordinator

(Front Row, L to R)

Bob Holman, Grants Program Administrator/ESMS Management Representative

Pat Messmer, Executive Assistant

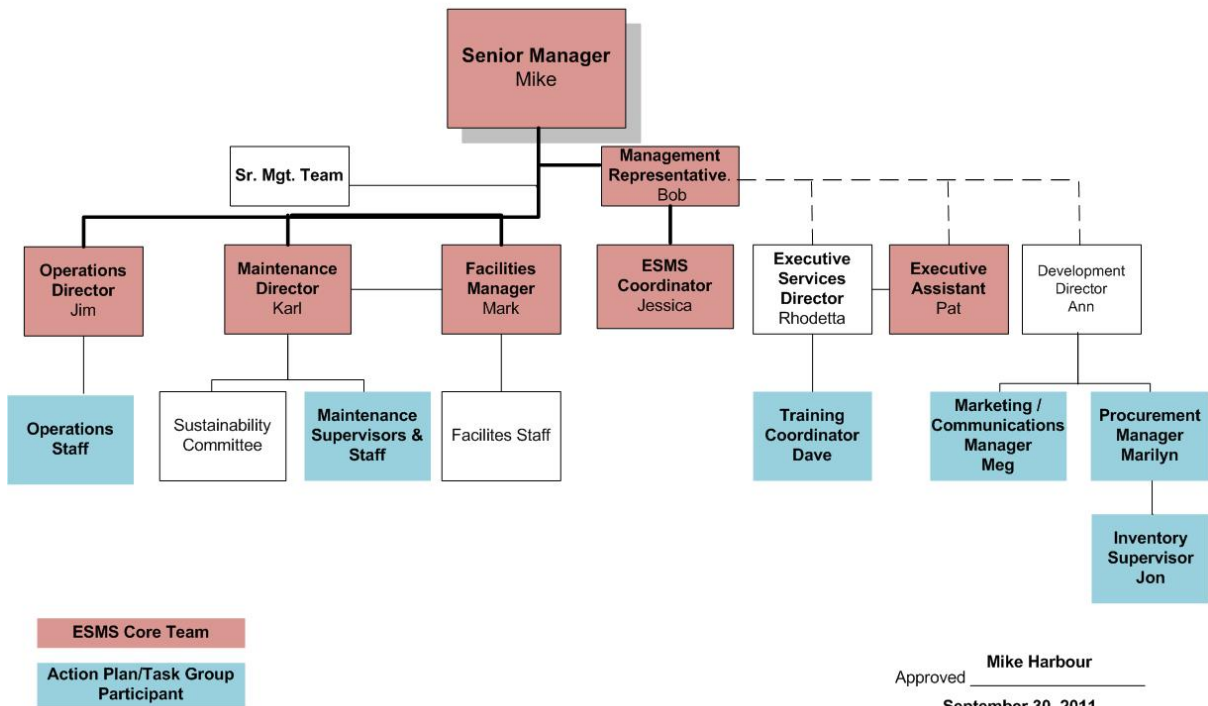
Karl Shenkel, Maintenance Director

(not pictured, **Justin Rogers,** former Environmental and Sustainability Intern)

Early in the program, the Core Team expanded the ESMS organizational and responsibility chart from its original seven-member ESMS Core Team to include other

staff whose respective areas of expertise were necessary to ensure a successful ESMS implementation.

Intercity Transit Environmental & Sustainability Management System (ESMS) Organizational / Responsibility Chart



ESMS activity is currently supported by four different staff groups:

1. **The ESMS Core Team** provides leadership to develop, implement, and maintain Intercity Transit's ESMS.
2. **Action Plan Lead staff** assign specific responsibility to define, develop and implement ESMS Action Plans related to Significant Aspects.
3. **Task Group Lead staff** develop procedures and support documents for ISO 14001 elements such as Communications, Contractor/Vendor Management, and Training. Task Group Lead staff are not on the ESMS Core Team.
4. **Review & Advisory Groups:** review matters relevant to developing, implementing, maintaining, and administering the ESMS and advising the ESMS Senior Manager and ESMS Core Team on needed action. Review and Advisory Groups include Intercity Transit's Senior Management Team (SMT) and the agency's Sustainability Committee. In addition, Intercity Transit's open and collaborative culture encourages and supports ongoing, two-way communication

between staff formally engaged with ESMS work and all agency employees. The agency encourages employees and the public to comment or inquire any time.

Two positions exercise primary administrative responsibility for Intercity Transit's ESMS:

1. The **ESMS Senior Manager** is Mike Harbour (General Manager) who exercises overall review and final approval authority for all ESMS activities, programs, and documentation. The ESMS Senior Manager approves all "Issued" ESMS documents.
2. The **ESMS Management Representative** is Bob Holman, Grants Program Administrator. He (or his designee) facilitates, organizes, documents, initiates, reviews, and communicates all ESMS activities to ensure a successful ESMS that is consistent with ISO 14001:2004 certification requirements.

Key Drivers

Intercity Transit's sustainability philosophy revolves around its mission and vision:

Intercity Transit's mission is to provide and promote transportation choices that support an accessible, sustainable, livable, healthy, and prosperous community.

Our vision is to be a leading transit system in the country, recognized for our well-trained, highly-motivated, customer-focused, community minded employees committed to enhancing the quality of life for all citizens of Thurston County.

Intercity Transit more than complies with legal and regulatory requirements. The agency works to raise employee and public awareness of the impacts of its operation and, most importantly, strives to minimize all negative environmental impacts. Intercity Transit's ESMS program is a management tool that will help the agency achieve its economic, environmental, and sustainability goals through a structured process to set objectives, implement plans, analyze results, and seek improvement. Intercity Transit also recognizes that the processes outlined in the ISO 14001:2004 standard provide a framework for identifying and correcting minor, non-compliance areas before they become problems. As a result, Intercity Transit identified several other key drivers for adopting an ESMS. They are to:

- Be an environmental leader in the transit industry
- Improve our environmental and sustainability awareness
- Elevate our current environmental and sustainability processes and programs
- Gain commitment from our employees and contractors on environmental and sustainability issues and to show the community our support for these issues
- Develop a fully documented environmental and sustainability program for the benefit of the future of Intercity Transit
- Begin a paradigm shift from “reactive” to “proactive” management approach to environmental management
- Create a more efficient operational system and improve on current methods and processes
- Strengthen existing procedures and plans to avoid adverse environmental events
- Continue to promote enhanced awareness of potential agency and staff impacts on the environment and sustainability

Significant Aspects and Impacts

The above key drivers guide the ESMS Core Team as it identifies and evaluates the products, activities, and services (**aspects**) Intercity Transit uses. They also guide Intercity Transit while it evaluates these aspects’ impacts (actual and potential) relative to its commitment to protect the environment and encourage sustainable practices. The ESMS Core Team, with input from other agency staff, analyzed over 80 agency aspects. To analyze and determine what aspects were “significant”, the team used an evaluation matrix that ranked ten areas of impact. Out of the master list of over 80 aspects, eight were identified as “significant.” The top four Significant Aspects were the focus of subsequent Action Plans developed to achieve specific objectives and targets. The top four Significant Aspects are listed in the following table:

Intercity Transit's Top Four Significant Aspects

| Rank | Activity | Aspect | Impacts | Other Observations | Score |
|------|--|-------------------|--|--|-------|
| 1 | Managing Fluids Storage (non UST) | Non-UST Fluids | Ground- and stormwater, soil pollution and disposal issues related to all non-UST stored fluids (transmission fluid, used oil, etc.) | none | 35.95 |
| 2 | Vehicle performance. Fuel Types | Fuel Use | Excessive fuel consumption, increased fuel cost, and unhealthy emissions. Increased GHG levels. | Minimize GHG, vehicle maintenance, operator training, effective procurement of inputs. | 35.70 |
| 3 | Stormwater management systems | Stormwater | Storm- and groundwater/soil contamination from various hazards including fertilizers and pesticides. | Sweep lots, sample, test, report, eliminate spills, manage program. | 31.45 |
| 4 | Fuel, liquid lubricants and chemical deliveries. | Fluids Management | Risk of leakage contaminating facilities, soil, and ground/storm water. Structural failure. Health & safety risks. | Delivery. Monitoring, fueling, filters (changing/disposal, spill clean-up, emergency plans. Soil and ground water pollution. | 33.15 |

Objectives & Targets

Intercity Transit created Objectives and Targets for the top four Significant Aspects in order to improve operational controls, minimize risk, and optimize sustainability practices at its Pattison Facility. The top four Significant Aspects drove the Action Plans used to improve operational controls in these areas. The ESMS Core Team appointed Action Plan Lead staff who in turn worked with Task Leads and other staff to implement the Action Plans. The five Action Plans and associated Significant Aspects are:

- **Emergency Preparedness and Response Action Plan (AP1)**
Related Significant Aspect(s) – **Non-UST Fluids; Fluids Management**
- **Spill Prevention and Emergency Clean-up Action Plan(AP2)**
Related Significant Aspect(s) – **Fluids Management; Stormwater**
- **Stormwater Management Action Plan (AP3)**
Related Significant Aspect(s) – **Stormwater**
- **Fluids Management Plan non-UST Action Plan (AP4)**

Related Significant Aspect(s) – Non-UST Fluids; Fluids Management; Stormwater

- **Fuel Reduction Action Plan (AP5)**
 Related Significant Aspect(s) – Fuel Usage

The ESMS Core Team then established a series of objectives and targets with expected benefits for these five Action Plans. The following tables outline these objectives, targets, and expected benefits.

Action Plan Tables

| Action Plan | Objective | Targets & Tasks | Benefits |
|--|--|---|---|
| <i>Emergency Preparedness & Response (AP1)</i> | Increase employee preparedness and emergency response while decreasing environmental impacts of a potential hazardous spill event. | <p>Target: 100% of Maintenance, Facilities and Inventory employees will receive training by <u>September 30, 2012</u>.</p> <p>Tasks:</p> <ul style="list-style-type: none"> • Create a baseline of existing IT emergency response procedures and develop new emergency procedures in regards to potential hazardous chemical or fluid spill events by March 2012. • Develop accident response training procedures for affected and/or injured personnel following a hazardous chemical or fluid spill event by April 2012. • Design and conduct an emergency response exercise simulating the spill of hazardous chemicals and fluids. Record and monitor staff actions and response procedures. Organize and conduct a follow-up debriefing and training session by July 2012. • Prepare and present an annual progress report on this action plan including an assessment of time since previous training and knowledge of employees of procedures December 2012. | Maintenance, Facilities, and Inventory employees are prepared to act quickly in the event of a hazardous or fluid spill |

| Action Plan | Objective | Targets & Tasks | Benefits |
|--|--|---|--|
| <i>Spill Prevention & Emergency Clean-up (AP2)</i> | Implement effective measures and procedures to prevent spills and eliminate pollution from entering stormwater runoff. | <p>Target: Spill Prevention and Emergency Cleanup Plan updated by August 2012 and all maintenance personnel trained by September 2012.</p> <p>Tasks:</p> <ul style="list-style-type: none"> • Establish baseline by reviewing current SPEC material handling procedures, storage requirements, cleanup equipment/ procedures, and spill logs by December 2011. • Identify Best Management Practices (BMPs) in | <p>Maintenance, Facilities, and Inventory employees will be able to prevent hazardous or fluid spills</p> <p>In the rare event of a spill,</p> |

| | | | |
|----------------------|--|---|---|
| AP2 continued | | <p>regards to Spill Prevention and Emergency Clean-up Plan (SPECP) by May 2012.</p> <ul style="list-style-type: none"> • Create, edit and update Spill Prevention and Emergency Clean-up Plan (SPECP) to contain all necessary aspects in accordance with the current Industrial Stormwater General Permit August 2012. • Evaluation of work instructions (SOPs) relating to this action plan. Have written SOPs in place, and reviewed by the EMS Team for possible revisions as needed by September 2012. • Awareness and Operational Training for all maintenance employees relating to this action plan September 2012. • Complete approved training for all maintenance employees in regards to the official Spill Prevention and Emergency Clean-up Plan (SPECP) by September 2012. | <p>employees will be prepared to prevent the spill from entering the stormdrain</p> <p>Employees will be able to cleanup a spill if it occurs</p> |
|----------------------|--|---|---|

| Action Plan | Objective | Targets & Tasks | Benefits |
|------------------------------------|--|---|---|
| <i>Stormwater Management (AP3)</i> | Implement effective and improved procedures to eliminate pollution from entering storm water runoff. | <p>Target: Updated Stormwater Pollution Prevention Plan (SWPPP) updated by August 2012 and all maintenance personnel trained by September 2012.</p> <p>Tasks:</p> <ul style="list-style-type: none"> • Establish baseline by reviewing current SWPPP, site map, inventory of facility activities, and materials that have the potential to introduce pollutants into the stormwater runoff by December 2011. • Identify SWPPP Best Management Practices (BMPs) by May 2012. • Edit and update SWPPP to contain all necessary aspects in accordance with the current Industrial Stormwater General Permit by August 2012. • Evaluation of work instructions (SOPs) relating to this action plan. Have written SOPs in place, and reviewed by the EMS Team for possible revisions as needed. Complete for review by ESMS Core Team by September 2012. • Complete writing “SWPPP Awareness and Operational Training Plan” for all maintenance employees relating to this action plan for Stormwater Pollution Prevention Plans September 2012. • Complete approved training for all maintenance employees in regards to the official SWPPP September 2012. | <p>By following an updated SWPPP and SOPs, we will avoid fines associated with stormwater permit violations</p> <p>Reduced likelihood that pollutants will be introduced into the facilities’ stormwater runoff</p> |

| Action Plan | Objective | Targets & Tasks | Benefits |
|--|---|---|---|
| <i>Fluids Management-non-UST (AP4)</i> | To accurately control and reduce (if applicable) the number and quantities of fluids in above ground tanks, drums and aerosols. | <p>Target: Establish minimum quantities of fluids necessary to meet daily operation needs by August 2012.</p> <p>Tasks:</p> <ul style="list-style-type: none"> • Create baseline of inventory fluids currently stored in above ground tanks, drums and aerosols by November 2011. • Work with Facility Manager, Maintenance Supervisors and maintenance and facility staff to create baseline of current fluids needs by August 2012 • Establish appropriate fluid stocking levels and types needed by August 2012. • Establish storage methods for necessary fluid stocks by August 2012. • Assure secondary containment and establish procedures for containment in event of spills by September 2012 (related to spill prevention) • Establish aerosol & product requirements by 2013. | <p>Eliminating 60% of the chemicals in our inventory will reduce costs</p> <p>Assuring secondary containment and training will reduce the likelihood of a contaminating spill</p> <p>Needing fewer MSDS sheets in the future with the use of alternative, less toxic, chemicals</p> |

| Action Plan | Objective | Targets & Tasks | Benefits |
|--|--|---|---|
| Fuel Use: <i>Reduce Fuel Usage (AP5)</i> | Reducing revenue vehicle fuel consumption by 3 % in 2012 is the initial objective. Subsequent year's objectives will be to at minimum maintain that reduction and continue to use fuel more efficiently. | <p>Target: 3% reduction in overall revenue vehicle fuel consumption as measured by fuel use per vehicle mile by <u>November 30, 2012</u>.</p> <p>Tasks:</p> <ul style="list-style-type: none"> • Train 100% of revenue vehicle operators in optimal vehicle operation. Classes to begin in October 2011. All Operators will complete VET training by May 2012. New operators will receive VET training as part of initial training. • Establish baseline of Vehicle Fuel Consumption, | <p>A 3.85% increase in fuel economy for revenue generating vehicles</p> <p>A six month analysis showed 22,853 gallons in fuel savings from 2011 to 2012.</p> <p>22,853 gallons of fuel saved is</p> |

| | | | |
|-----------------------------|--|--|---|
| <p><i>AP5 continued</i></p> | | <p>efficiency of Paratransit Services, and Vanpool Services by October 2011.</p> <ul style="list-style-type: none"> • Develop training module for fuel consumption reduction for volunteer vanpool drivers by November 2011. • Develop “no idle” policy for vanpool vehicles by November 2011. • Create and disseminate information in strategic locations to remind operators to use the vehicles most efficiently by November 2011. • Awareness Campaign started in November 2011. (Ongoing) • Explore technology advances or equipment modifications that improve fuel economy. (Ongoing) • Make fuel economy a key criterion when replacing existing or buying new vehicles. (Ongoing) | <p>almost \$82,000</p> <p>Customers receive a smooth ride when drivers accelerate and break slower</p> <p>Fewer maintenance costs with less wear and tear on tires and breaks</p> |
|-----------------------------|--|--|---|

Benefits of Adopting an ESMS

Implementing an ESMS has improved Intercity Transit’s ability to evaluate the normal aspects (products, activities, and services) of our operations and to identify those aspects that potentially have the most significant impact on the environment and sustainable practices. ESMS provided a systematic managerial framework for identifying and implementing operational controls that minimize negative environmental impacts and facilitate sound sustainability practices. Intercity Transit believes that, in the course of implementing the ESMS, it has achieved and can continue to build on the following benefits:

- Increased employee, management, and contractor/vendor awareness of environmental and sustainability issues
- Reinforcement of environmental processes currently in place
- Employee involvement with ESMS implementation
- Proactive management systems
- Documentation of standard operating procedures
- Institutionalization of best practices
- Improved database for tracking employee training
- Increased employee initiative
- Increased accountability throughout organization
- Built-in controls
- Increased ability to identify exposure and smaller aspects
- Framework for sustainable growth
- Establishment of crucial institutional knowledge into written form and establishing document control
- Provision a strong foundation to support the Agency in choosing sustainable and environmentally responsible practices

- Involved multiple departments within Intercity Transit to assist and partner in the development of the ESMS program
- A documented process for managing our environmental issues
- The Authority adoption of an Environmental and Sustainability Policy which demonstrates to the general community our environmental commitment

Resources

Resources Used for ESMS Development (January 2011 to July 2012)

| Staff Hours | | Labor Costs |
|--------------|--------------|------------------|
| Core Team | 2,816 | \$92,493 |
| Other Staff | 432 | \$14,046 |
| TOTAL | 3,248 | \$106,539 |

Cost Savings & Cost Avoidance

Intercity Transit believes many quantifiable cost savings are yet to be realized given they are in the early stages of implementation. However the agency has quantified fuel savings associated with implementing **ESMS Action Plan 5 – Reduce Fuel Usage**. Intercity Transit saved almost \$82,000 just from January to June 2012 with annual savings estimated at \$164,000.

Intercity Transit conducted fuel efficiency training for all licensed transit vehicle operators. These drivers operate fixed-route buses and Dial-A-Lift vans. It did not include our Vanpool or Village Vans drivers. Comparing January to June 2011 to January to June 2012 in the following table (**Action Plan 5: Fuel Savings Comparison from January to June of 2011 and 2012**) shows a 3.85 percent increase in fuel economy. The agency used 22,853 fewer gallons in the first six months of 2012 than the first six months of 2011. The estimated cost savings was nearly \$82,000. Once a full year's worth of data is available for 2012, Intercity Transit will conduct a full year comparison of fuel use.

Action Plan 5: Fuel Savings Comparison from January to June of 2011 and 2012

| Fuel Use (gallons) | January to June 2011 | January to June 2012 | Gallons Saved | \$ Savings (assume diesel is \$3.57/gallon) | % Savings in Fuel Usage |
|-------------------------------------|----------------------|----------------------|---------------|---|-------------------------|
| Fixed Route Hybrid Bus Fleet | 28,248 | 26,136 | 2,112 | \$7,540 | 7.48% |
| Fixed Route Regular Coach Bus Fleet | 278,728 | 263,821 | 14,907 | \$53,217 | 5.35% |
| Dial A Lift Fleet | 26,636 | 20,802 | 5,834 | \$20,827 | 21.90% |
| TOTAL | 333,612 | 310,759 | 22,853 | \$81,584 | 6.85% |

The fuel efficiency training conducted under Action Plan 5 will reduce maintenance costs. Operators are trained to accelerate slowly and brake gently at stops. With the ultimate focus being a “smooth ride”, Intercity Transit saves money by reducing wear and tear on brakes and tires. More time and analysis will determine the amount of savings.

Action Plans 1, 2, and 3 focus on avoiding costs related to spills and accidents. By focusing on training and standard operating procedures for spill prevention and emergency response, Intercity Transit will avoid fines related to non-compliance with environmental regulations. Since beginning ESMS efforts, the agency has had no reportable spills. In the event of an actual spill, employees are prepared to act quickly and follow emergency response Standard Operating Procedures for safety, containment, and cleanup.

Due to Intercity Transit’s fluids inventory and use analysis efforts under Action Plan 4, procurement personnel buy less of all chemicals and look for less toxic alternatives. After assessing the inventory of chemicals and fluids products, maintenance staff was able to eliminate 60 percent of the products used. Many products have multiple uses and were combined to cut the number of chemicals stocked and eliminate duplications. Long term, this will save money, and means the agency will maintain fewer active MSDS files. Additionally with fewer chemicals on the shelves, the less likely we are to have a spill..

Lastly, an overall intangible benefit is the preservation of institutional knowledge. Ideas, information, and experiences are preserved through written procedures, standardized documentation, and efficient and effective records management.

Intercity Transit has experienced savings due to their ESMS efforts. Related to the agency's broader sustainability efforts, the American Public Transportation Association awarded Intercity Transit the nation's first "Gold" signatory status level for their commitment to sustainability in 2012.



Intercity Transit received the gold award for accomplishments in multiple areas. Between 2006 and 2010, the agency has:

- Reduced total agency waste output by 4.8 percent;
- Reduced total agency water use by 5.5 percent;
- Reduced energy use per transit trip by 8 percent;
- Increased transit ridership by 31.9 percent;
- Increased displaced emissions by 35 percent by replacing older emissions technology with new, cleaner technology; and
- Reduced greenhouse gas emissions (carbon dioxide and nitrous oxide) by 23.6 percent.

Next Steps

The next steps for Intercity Transit's ESMS work are to:

- Implement improvements based on suggestions from the final gap audit conducted by Virginia Tech on July 9, 2012.
- Continually improve Intercity Transit's ESMS by continuing maintenance efforts in all 17 ISO 14001:2004 elements.
- Track progress on Objectives and Targets specified in current and future Action Plans.
- Develop a request for qualifications (RFQ) for an ISO 14001:2004 certification audit.

The next steps for sustainability efforts at Intercity Transit are to:

- Aim for a “Platinum” level award from the APTA Sustainability Committee.
- Update Intercity Transit’s Sustainability Plan for 2013 with detailed sustainability objectives and targets.
- Continue to increase staff awareness of sustainability issues and practices.
- Focus on “greener” purchasing such as smaller, more fuel- efficient Dial-A-Lift vehicles where possible.

Management Commitment

Intercity Transit’s management is highly committed to the continued success of ISO 14001 and the agency’s ESMS work. Their commitment coupled with FTA support, has produced a positive experience for the ESMS Core Team and for all Intercity Transit employees. The ultimate result will not only be Intercity Transit’s improved operating practices and systems, but the broader satisfaction of operating a sustainable and environmentally friendly system that will continue to serve the communities of western Washington. This management support is demonstrated by the presence of the General Manager and the department heads of Intercity Transit’s two largest departments being on the Core team and attending all four of the Virginia Tech training sessions. The addition of a new staff position, Environmental and Sustainability Coordinator, in 2012 further illustrates this ongoing commitment by management and the Intercity Transit Authority.

“The entire Intercity Transit organization, from our front-line employees to our Board of Directors, is committed to sustainability, environmental protection and to implementing a successful Environmental and Sustainability Management System. This is demonstrated by the presence of senior management on our core ESMS team, the achievement of Gold Status in the American Public Transportation Association (APTA) Sustainability Commitment program, and the continuing commitment of resources by the Board to improve environmental protection and reduce our impact on the environment consistent with the Board’s Environmental and Sustainability Policy.”

-Mike Harbour, General Manager, Intercity Transit

You can reach Mike at mharbour@intercitytransit.com, or 360-705-5855.

Audit Report (will be added by VirginiaTech)

- Results, scores, graphs, etc.
- Rose will add final audit scoring after we submit the case study

Overall EMS Performance Results

This section compares the percentage of requirements *met*, *partially met* and *not met* with respect to meeting the requirements of an EMS as specified in the ISO 14001:2004 standard. The following scores are the result of the EMS audit presented in this report:

| | |
|---|------------|
| Percent meeting all requirements " Overall Score " | 88% |
| Percent of requirements " Met " | 78% |
| Percent of requirements " Partially Met " | 21% |
| Percent of requirements " Not Met " | 1% |



| | The ISO 14001:2004 standard elements of an EMS | Overall Score (%) | Met (%) | Partially Met (%) | Not Met (%) |
|-------|--|-------------------|---------|-------------------|-------------|
| 4.1 | General Requirements | 100 | 100 | 0 | 0 |
| 4.2 | Environmental Policy Requirements | 100 | 100 | 0 | 0 |
| 4.3.1 | Environmental Aspects Requirements | 100 | 100 | 0 | 0 |
| 4.3.2 | Legal and Other Requirements | 83 | 67 | 33 | 0 |
| 4.3.3 | Objectives, Targets and Programs Requirements | 100 | 100 | 0 | 0 |
| 4.4.1 | Resources, Roles, Responsibility and Authority | 100 | 100 | 0 | 0 |
| 4.4.2 | Competence, Training and Awareness | 50 | 0 | 100 | 0 |
| 4.4.3 | Communication | 100 | 100 | 0 | 0 |
| 4.4.4 | EMS Documentation | 100 | 100 | 0 | 0 |
| 4.4.5 | Control of Documents | 94 | 89 | 11 | 0 |
| 4.4.6 | Operational Control | 63 | 50 | 25 | 25 |
| 4.4.7 | Emergency Preparedness and Response | 100 | 100 | 0 | 0 |
| 4.5.1 | Monitoring and Measurement | 83 | 67 | 33 | 0 |
| 4.5.2 | Evaluation of Compliance | 50 | 0 | 100 | 0 |
| 4.5.3 | Nonconformity, Corrective Action and Preventive Action | 81 | 63 | 38 | 0 |
| 4.5.4 | Control of Records | 100 | 100 | 0 | 0 |
| 4.5.5 | Internal Audits | 83 | 67 | 33 | 0 |
| 4.6 | Management Review | 100 | 100 | 0 | 0 |

**INTERCITY TRANSIT
CITIZEN ADVISORY COMMITTEE
AGENDA ITEM NO. VI-B
MEETING DATE: August 20, 2012**

FOR: Citizen Advisory Committee

FROM: Carolyn Newsome, Vanpool Manager, 705-5829

SUBJECT: 2013 Vanpool Fare Increase Options

-
- 1) **The Issue:** To brief the Citizen Advisory Committee on potential vanpool fare increase options.

 - 2) **Recommended Action:** Provide direction on whether staff should begin the public process to implement a vanpool fare increase in January 2013 and which cost recovery model to use.

 - 3) **Policy Analysis:** A decision to increase fares is a policy decision of the Authority. A public hearing is required prior to a fare increase.

 - 4) **Background:** In 2013, vanpool costs are estimated to be approximately \$1,800,000. Revenues from current fares will generate approximately \$1,600,000. A fare increase of 12 percent is needed to generate 100 percent of direct operating cost. With no fare increase, recovery rate for direct operating cost will be approximately 89 percent.

Intercity Transit last increased vanpool fares 18 percent in January 2009. The increase was necessary due to increasing fuel prices, which had led to a drop in the recovery rate. Our fares, on average, are approximately 20 percent below King County Metro, nine percent below Pierce Transit, three percent below Mason Transit and 30 percent above Grays Harbor. When we raised fares in 2009, we lost seven vans to Grays Harbor Transit.

Pierce Transit last increased fares by eight percent in November 2011 and plans an increase in 2013. Grays Harbor Transit just raised fares 6.8 percent in July 2012 and has no current plans for a fare increase. Mason Transit last increased fares 15 percent in 2009 with a possible increase in 2013.

Staff reviews vanpool fares and fare cost recovery each year. Intercity Transit aims to recover 90 percent of direct operating costs based on an Authority decision made several years ago.

Three cost recovery models for consideration:

1. Recover Direct Operating Costs: Direct operating costs include vanpool division expenses, vehicle maintenance, fuel, and insurance. Maintaining current fares will achieve approximately 89 percent recovery through 2014. To recover 100 percent of direct operating costs, vanpool fares must be increased approximately 12 percent. A 12 percent increase would generate approximately \$200,000 in additional revenue in 2013.

2. Recover Total Operating Costs: Total operating costs include direct costs (see No. 1 above) plus allocations for facilities maintenance, utilities, and an allocated administrative staff position. To recover 100 percent total operating costs in 2013, vanpool fares must increase 25 percent. A 25 percent increase would generate approximately \$400,000 in additional revenue in 2013.

3. Recover Total Costs: (total costs plus capital costs): Total costs include total operating costs (see No. 2 above) plus capital costs. Staff assumes revenue from grants will cover 25 percent of our vehicle replacement costs and 80 percent of our expansion costs. To recover 100 percent costs including the portion of the capital cost not covered by grant revenue, vanpool fares must increase 65 percent. A 65 percent increase would generate approximately \$1,400,000 in additional revenue in 2013.

If the Authority directs, staff will begin the public process to implement a vanpool fare increase. This will include a public hearing on October 3, 2012, and contacting each of our current vanpool customers. The issue will come to the Authority for a decision on October 17, 2012.

5) **Alternatives:**

- A. The Authority may direct staff to initiate a public process to implement a vanpool fare increase January 1, 2013.
- B. The Authority may decide to not increase vanpool fares in 2013.
- C. The Authority may table or delay action until a later date. Tabling the issue will delay the date at which the fare increase may be implemented.

6) **Budget Notes:** A 12 percent increase in fares would generate approximately \$200,000 in revenue annually or an additional \$1,200,000 over a six year period. A 15 percent increase will generate approximately \$250,000 in revenue annually or an additional \$1,500,000 over a six year period. A 20 percent increase will generate approximately \$300,000 annually or an additional \$1,800,000 over a six year period.

7) **Goal Reference:** Goal #4, *"Provide responsive transportation options;"* and Goal #2, *"Assess the transportation needs of our community."*

8) **References:** 2012 Vanpool Cost Model.

Three Vanpool Cost Recovery Models

| Direct Operating Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Projected Operating Revenue | \$1,547,944 | \$1,621,655 | \$1,695,367 | \$1,769,078 | \$1,842,790 | \$1,916,502 |
| Projected Direct Cost | \$1,700,063 | \$1,821,762 | \$1,946,972 | \$2,081,574 | \$2,224,062 | \$2,375,958 |
| Required Fare increase 100% recovery | 10% | 12% | 15% | 18% | 21% | 24% |
| Additional Revenue | | \$200,107 | \$251,605 | \$321,496 | \$381,272 | \$459,456 |

Direct operating costs include vanpool division expenses, vehicle maintenance, fuel and insurance

| Total Operating Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Projected Operating Revenue | \$1,547,944 | \$1,621,655 | \$1,695,367 | \$1,769,078 | \$1,842,790 | \$1,916,502 |
| Projected Total Operating Cost | \$1,898,612 | \$2,030,190 | \$2,164,659 | \$2,309,107 | \$2,461,505 | \$2,623,578 |
| Required Fare increase 100% recovery | 23% | 25% | 28% | 31% | 34% | 37% |
| Additional Revenue | | \$408,534 | \$469,292 | \$540,029 | \$618,715 | \$707,077 |

Total operating costs include direct cost (see above), plus allocations for facilities maintenance, utilities and an allocated administrative staff position

| Total Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Projected Total Revenue (incl grants) | \$1,927,344 | \$2,195,459 | \$2,311,750 | \$2,391,513 | \$2,165,703 | \$2,583,269 |
| Projected Total Cost (incl Capital) | \$2,738,612 | \$3,624,090 | \$3,904,328 | \$4,047,577 | \$2,975,596 | \$4,485,871 |
| Required Fare increase to cover all cost | 42% | 65% | 69% | 69% | 37% | 74% |
| Additional Revenue | | \$1,428,630 | \$1,592,579 | \$1,656,064 | \$809,893 | \$1,902,602 |

Total costs plus capital cost include total operating cost (see above) plus capital cost.

**INTERCITY TRANSIT
CITIZEN ADVISORY COMMITTEE
AGENDA ITEM NO. VI-C
MEETING DATE: August 20, 2012**

FOR: Citizen Advisory Committee

FROM: Mike Harbour, ext. 5855

SUBJECT: 2013-2018 Strategic Plan - Working Paper #3 - Fare Options

-
- 1) **The Issue:** To brief the Citizen Advisory Committee on potential fare increase options.
-
- 2) **Recommended Action:** Provide staff direction regarding whether to begin a public process to consider a fare increase to be effective January 1, 2013.
-
- 3) **Policy Analysis:** The Strategic Plan is Intercity Transit's primary policy document and Authority direction determines the level of resources and priorities devoted to specific services and projects. Fare revenue is the second largest source of revenue for Intercity Transit. A decision to increase fares is a policy decision of the Authority. A public hearing is required prior to a fare increase.
-
- 4) **Background:** A working paper addressing fare options and potential revenue from a fare increase is attached. If directed by the Authority, staff will begin a public process to include public meetings in Yelm, Olympia, Tumwater and Lacey and a public hearing on October 3, 2012. The issue will come to the Authority for a decision on October 17, 2012.
-
- 5) **Alternatives:** Staff is seeking input from both the Citizen Advisory Committee and direction from the Authority regarding whether to begin a public process to consider a fare increase or whether to table the issue until a later date.
-
- 6) **Budget Notes.** The Strategic Plan provides the basis for the development of the annual budget. Costs associated with the public process for a fare increase are minimal. It is estimated to cost approximately \$1,500 for advertising and material costs for the public process.
-
- 7) **Goal Reference:** The Strategic Plan specifies how resources will be allocated to address all of the Authority goals.
-
- 8) **References:** 2013-2018 Strategic Plan Working Paper #3: Fare Increase Options.

**2013 – 2018 Strategic Plan
Working Paper #3
Fixed-Route and Dial-A-Lift Fares
August 2012**

The Intercity Transit Authority began discussion of a potential January 2013 fare increase at its July work session. The issue was also reviewed with the Citizen Advisory Committee (CAC) in July. A number of questions were raised; no clear decision was reached on whether staff should initiate the public process to consider a fare increase. This working paper is designed to address the questions and issues raised by the Authority. The issue of an increase in vanpool fares will be addressed separately.

Intercity Transit's Financial Status and Potential Revenue from a Fare Increase

The key question raised by the Authority and the CAC was: Does Intercity Transit need a fare increase today? There is not a simple answer to this question. At the end of 2012, Intercity Transit is expected to be very close to its 90-day policy reserve level of \$8,440,000. The latest financial forecast shows Intercity Transit falling slightly below the policy reserve level by the end of 2013 and continuing to have expenses exceed revenue through 2017. By the end of 2017, Intercity Transit is forecast to have approximately \$1,000,000 in reserve funds and to be \$9,500,000 below the policy reserve level.

This forecast is based on several assumptions where small changes make a significant difference in Intercity Transit's financial status. The following are the key assumptions:

1. **Sales Tax Revenue** – The current sales tax forecast is revenues will increase by 2% in 2012 and by 3% per year beginning in 2013. Year-to-date sales tax revenue for 2012 is flat as compared to 2011. A 1% difference in sales tax revenue changes total revenue by approximately \$300,000 per year or \$1.8 million over the six-year forecast period.
2. **Fuel Costs** – The current forecast assumes fuel will average \$4.00 per gallon in 2012 and increase 3% per year thereafter. Fuel prices have fallen recently and average approximately \$3.50 per gallon in 2012. Changing this assumption to \$3.50 in 2012 with costs increasing 3% per year thereafter reduces expenses by \$500,000 per year and \$3,000,000 over the six-year forecast period.
3. **Capital Costs** – The current capital program includes \$3.2 million in local funds for final engineering of the Pattison facility expansion and \$4.5 million for the local share of the construction of the facility. Removing these two projects and the Yelm and Tumwater park-and-ride facilities from the capital program, eliminated \$8,700,000 in local expenditure on capital projects.

In summary, a significant increase in sales tax revenue would be required to eliminate the forecast difference between revenues and expenses. If sales tax revenue were to increase 5% per year beginning in 2013 and continue the trend through 2017, revenues would increase by approximately \$9,000,000 over the period, and Intercity Transit would have adequate reserve funds. A drop in fuel costs will reduce expenses but is unlikely fuel costs alone will drop enough to restore the reserve fund balance to the policy level. Eliminating the major capital projects to expand the Pattison Street Operating and Maintenance facility and to adding new park-and-ride facilities would eliminate costs that would bring Intercity Transit's reserve balance to the policy level at the end of 2017. Intercity Transit's capital program and options will be reviewed in a separate working paper.

Fare Increase Options and Potential Revenue

Staff was requested to review the options for a fare increase and to identify the potential revenue from each option. In particular, staff was asked to review the option of raising the adult fare while leaving fares for seniors and disabled persons at the current level. Staff recommends the base adult fare be raised to \$1.25 if any fare increase is approved. The base adult fare drives the majority of fare revenue, and staff recommends the base fare continue to increase in \$.25 increments if the fare is increased. The fare options and estimated revenue are discussed below.

1. **Increase all bus fares by 25%** - Fixed-route and DAL fares are estimated to generate approximately \$2,700,000 in 2012. A 25% across-the-board increase could generate \$675,000 per year or approximately \$4,000,000 over a 6 year period. A conservative estimate is \$500,000 or \$3,000,000 over the 6-year period. This recognizes some fares and passes may not be increased the full 25%, and the increase could cause some ridership loss. Organizations participating in pre-paid fare programs will need time to consider and implement the fare increase with colleges and universities having to hold student elections and other organizations needing to obtain additional budget authority.
2. **Increase adult fares and pre-paid pass programs (STAR Pass, TESC, SPSCC) by 25% and leave fares for seniors and disabled persons at current level** - Staff estimates approximately \$2,100,000 of the \$2,700,000 in 2012 fares comes from full adult fares, adult passes and pre-paid fare programs. Increasing these fares by 25% would generate approximately \$400,000 per year or \$2,400,000 over the six-year period.

3. **Vanpool fares** – This will be discussed in detail in a separate agenda item. A 20% increase in vanpool fares will generate approximately \$300,000 per year or \$1,800,000 over a six-year period.

A fare increase on both vanpool and fixed route fares could increase revenue between \$4.2 million and \$4.8 million over a six-year period and would bring the reserve fund balance to approximately 60% of the policy reserve level.

Fare Increase Options

The CAC requested staff look at options in addition to an across-the-board 25% increase. The following are a range of options for the Authority to consider.

Option A: Maintain current fare structure.

| Category | Per Ride | Daily | Monthly |
|----------------------|-----------------|--------------|----------------|
| Adult | \$1.00 | \$2.00 | \$30.00 |
| Adult Express | \$2.50 | n/a | \$75.00 |
| Youth (6-17) | \$1.00 | \$2.00 | \$15.00 |
| Reduced | \$.50 | \$1.00 | \$15.00 |
| Dial-A-Lift | \$1.00 | \$2.00 | \$15.00 |

Option B: A 25% increase with increase in all bus fares. This is the basic option that raises the base adult fare by \$.25 to \$1.25 and increases other fares by approximately 25%. The fare structure would be:

| Category | Per Ride | Daily | Monthly |
|----------------------|-----------------|--------------|----------------|
| Adult | \$1.25 | \$2.50 | \$36.00 |
| Adult Express | \$3.00 | n/a | \$90.00 |
| Youth (6-17) | \$1.25 | \$2.50 | \$18.00 |
| Reduced | \$.60 | \$1.25 | \$18.00 |
| Dial-A-Lift | \$1.25 | \$2.50 | \$18.00 |

Option C: Increase Adult fares by 25% and keep reduced fares at current levels. Youth and Dial-A-Lift per ride and daily fares would increase to continue to be equal to the Adult fares and monthly passes would remain at current levels.

| Category | Per Ride | Daily | Monthly |
|----------------------|-----------------|--------------|----------------|
| Adult | \$1.25 | \$2.50 | \$36.00 |
| Adult Express | \$3.00 | n/a | \$90.00 |
| Youth (6-17) | \$1.25 | \$2.50 | \$15.00 |
| Reduced | \$.50 | \$1.00 | \$15.00 |
| Dial-A-Lift | \$1.25 | \$2.50 | \$15.00 |

The CAC also suggested exploring the option of increasing monthly and/or pre-paid fares at a greater rate than the base fare increase. The theory is those paying these fares are more able to pay than those paying single or daily fares. This may be true, but it is counter to efforts to encourage the purchase and use of monthly passes, so more trips will be made using transit. The idea is once people buy a monthly pass for their regular commute, they are more likely to use transit for other trips. Staff recommends the Authority continue to encourage the use of monthly passes.

The CAC also suggested examining distance-based fares or other options tied to the cost or length of a trip. This may be possible once Intercity Transit has a more sophisticated fare collection system but does run counter to the past practice of maintaining a simple, easy-to-understand fare structure that encourages ridership. Staff proposes consideration of these options be tabled until a later date.

Authority Meeting Highlights
a brief recap of the Authority Meeting of August 1, 2012

Action Items

Wednesday night, the Authority:

- Accepted the process to select a vendor and authorized the General Manager to purchase 21 desk top computers through the Dell Corporation in the amount of \$26,707.60, including tax. *(Marilyn Hemmann)*
- Authorized the General Manager to issue a purchase order under Washington State contract 02511 to Schetky Northwest Sales for one ramp-equipped MV-1 van in the not-to-exceed amount of \$51,574.61, including taxes. *(Jeff Peterson)*
- Scheduled a special meeting for Wednesday, September 19, 2012, to conduct a joint meeting of the Authority and the Citizen Advisory Committee. *(Rhodetta Seward)*
- Authorized the General Manager to enter into a two-year contract, with three one-year options to extend, with American Custodial, Inc. for the provision of janitorial services and supplies in an amount not-to-exceed \$231,952.00, including taxes, for the initial two-year period. *(Erin Hamilton)*
- Adopted this year's annual report, "2011 Annual Report" and approved the "2012-2017 Transit Development Plan," as presented at the public hearing held July 18, 2012. *(Dennis Bloom)*
- Received a briefing on the 2013-2018 Strategic Plan – Working Paper #2, Regional Public Transportation Service. *(Mike Harbour)*

Other items of interest:

- Received a \$2.3 million **State of Good Repair** grant. Along with last year's \$1.5 million, this allows us to purchase seven low-floor air-conditioned hybrids.
- **Seven new Gilligs** arrived and will go into service over the next two weeks. These buses replace the final 800's series.
- The **Canoe Journey** was July 29, 2012; we ran the Dash carrying 456 passengers which was triple the passengers we typically carry on a Saturday. We also provided bike racks.
- **Sales tax** was up 6.28% in July following a 2.5% increase last month. This makes us close to even year-to-date.

- **Ridership** was up 7.7% in July and is up 3.4% year-to-date.
- We had a very positive **editorial** on Monday. Chair Thies and Commissioner Romero participated along with Meg Kester and Mike Harbour.
- Reminder **Transit Appreciation Day** is Wednesday, August 8th, with a recognition program scheduled for noon.
- New **federal authorizing legislation** passed. Allocations are good in this new legislation; however, discretionary funding programs were eliminated. Staff will discuss this in more detail at the August work session.
- **APTA Annual Meeting** is September 30 to October 3 in Seattle. More information can be obtained from Rhodetta Seward.
- Three Authority members attended the **Transit Board Members Seminar** recently in Atlanta. Rhodetta Seward completed her term as Chair of the Board Support Subcommittee receiving recognition and a plaque from APTA.
- Harbour will attend the **APTA Sustainability Conference** next week in Philadelphia.
- Harbour will be on **vacation** most of September.
- **Marketing** completed 75 events in the past three months.
- September 21st is Thurston County's **United Way Day of Caring**. If you are interested in being part of Intercity Transit's team, contact Rhodetta.
- The **Auditor's** last day will be Monday, August 6.
- A **Walkability Audit** is being conducted by the TRPC on August 9. They can have 35 participants, so if you are interested in participating, let us know.

Rhodetta Seward

Prepared: August 3, 2012

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| Rob | Workman | Canceled | Absent | | | | | | Absent | | | |
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