

Minutes
INTERCITY TRANSIT AUTHORITY
Special Meeting - Planning Session
May 10, 2024

CALL TO ORDER

Chair Gilman called the May 10, 2024, meeting of the Planning Session to order at 8:30 a.m. This was a hybrid meeting held at the Pattison Street facility.

Members Present: Chair and City of Olympia Councilmember Clark Gilman; Vice Chair and Thurston County Commissioner Carolina Mejia; City of Lacey Councilmember Carolyn Cox; City of Tumwater Mayor Debbie Sullivan; Community Representative Justin Belk; Community Representative Sue Pierce; Community Representative Don Melnick; Labor Representative Mark Neuville

Staff Present In Person: Emily Bergkamp; Jonathon Yee; Jason Aguero; Nick Demerice; Michael Maverick; Peter Stackpole; Heather Stafford; Rob LaFontaine; Cameron Crass; Jana Brown; Dena Withrow; Amanda Collins; Pat Messmer; Alana Neal; Jessica Gould; Kevin Karkoski; Ramon Beltran; Roshan KC.

Staff Present Remotely: Katie Cunningham; Noelle Gordon; Matt Kinney; Tunisia Price; Steve Swan; Michael Midstokke.

Others Present: Jeff Myers, Legal Counsel; Betty Hauser, Ursula Euler and Eliane Wilson, Community Advisory Committee; Jason Robertson of J Robertson & Company; Thomas Wittmann of Nelson Nygaard.

CALL TO ORDER

1. **Welcome and Introductions:** Chair Gilman led the group, in person and remote attendees in self-introductions and a brief ice-breaker exercise.
2. **Agenda Overview.** Bergkamp shared the history of Proposition 1, which passed by a 66% vote in 2018 and aimed to enhance and expand transit services through increased sales tax. The nine promises included extended service hours, improved frequency, new area service, better on-time performance, enhanced capital facilities, bus rapid transit, commuter services, night owl service, and fare collection efficiency. Bergkamp said Intercity Transit is in the pivotal position to create a transformational transit system and she noted Intercity Transit's mission is to promote transportation choices that support the community, and staff and the Board are the subject matter experts who can enhance public transit in Thurston County. The previous strategy used by IT to serve the most densely populated areas of the county resulted in high ridership levels, which allowed the greatest impact on the lives of those in the community while running an efficient and financially responsible public transit system. Staff are also listening to other mobility needs being expressed by the community.

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- 3. The (sort of) Way Back Machine – Planning Context.** Jason Robertson of JRO+CO, who helped facilitate The IT Road Trip in 2016, provided an overview of what led to Proposition 1. Intercity Transit was facing a financial shortfall, projected to occur in 2023, due to the loss of competitive federal funding for capital projects and rising operational costs. This led to a two-year long, extensive public engagement to determine the community's desired transit system type. Several options were vetted:
1. A smaller transit system that would not require any new funding but would lead to a significant reduction in the agency's workforce. This reduction would have meant a 40% cut in service and staffing.
 2. A status quo transit system was another option examined during the Road Trip and required \$8-\$12 million in new funding to maintain current service levels with increased growth and congestion.
 3. A transformational system was a bold model requiring \$16-\$20 million in new funding to speed up service, cover new service areas and neighborhoods, and extend morning, evening, and weekend service.

Robertson said of the 10,000 survey responses, 83% wanted the transformational system, which led to the development of Proposition 1 and the nine promises. Intercity Transit is one of two transit systems in the state that has higher than a rate of 9/10 of a percent local sales tax revenue, the other being Community Transit in Snohomish County.

Bergkamp added that the nine promises are still in progress and Intercity Transit is working on streamlining frequency of service throughout the day, exploring service to new areas, reviewing schedules to improve on-time performance, enhancing bus stops with better shelters, offering high-frequency routes, adding more commuter service from Olympia to Lakewood, and improving fare efficiencies. Intercity Transit worked with consultants from Nelson Nygaard to evaluate the future of fares and analyze the costs associated with collecting fares. Bergkamp and staff discovered that between the cost of customer service staff selling passes, printing fees, processing money, and other overhead expenses the revenue was less than 2% of the annual operating budget. The choice to go zero-fare had other benefits - it eliminated the cost of farebox replacement and minimized driver and passenger disputes. Zero-fare further supported the community by mitigating sales tax, providing universal access to employment, and not asking individual organizations to subsidize public transit.

- 4. Peer Industry Trends.** Thomas Wittmann of Nelson Nygaard reviewed current trends affecting the industry. Bergkamp and staff collaborated with Wittmann, who in turn worked closely with Robertson of JRO+CO. on the long-range plan and Intercity Transit's Road Trip.

Wittmann highlighted several national and regional transit trends that Intercity Transit needs to consider while maintaining the spirit of the nine promises:

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1. **Remote Work:** With a significant portion of transit rider now working from home, particularly state employees, there's a reduction in peak travel times.
2. **Consistent Ridership Throughout the Day:** Unlike the pre-COVID peaks, ridership remains relatively consistent throughout the day.
3. **Variable Work Travel Patterns:** Commuting days have shifted to mid-week, with fewer people traveling on Mondays and Fridays.
4. **Higher-Income Remote Workers:** Remote workers tend to have higher incomes, while low-income community members are less likely to telework.
5. **Weekend Ridership Recovery:** Weekend ridership has recovered faster than weekday ridership, driven by activities such as necessary shopping and appointments rather than work trips.
6. **Slow Recovery of Commuter Ridership:** Commuter ridership is recovering the slowest. Most agencies are operating at 2019 service levels, but operator shortages remain a challenge.

Wittmann said to address these trends, transit agencies are focusing on equity and service design, maintaining service in high-need areas, extending service spans for nontraditional work hours, and considering flexible, on-demand services in areas with low density or challenging bus turnarounds.

Bergkamp summarized that these trends show Intercity Transit is on the right track with its service innovations. She shared an example of Spokane Transit's new Bus Rapid Transit (BRT) light, which is a trending cross-town route that's attracting new ridership. Intercity Transit is also developing its zero-emissions fleet to be innovative and meet community needs.

Chair Gilman recessed for a short break at 10:10 a.m. and reconvened the meeting at 10:35 a.m.

5. **Status of Prop 1 Commitment (The Nine Promises):** Rob LaFontaine, Planning Director reviewed the status of the Prop 1 Nine Promises, detailing progress and remaining tasks. The Nine Promises are:
 - Extended Span of Service
 - Improved Frequency
 - Maintain On-Time Performance
 - Enhanced Capital Facilities
 - Bus Rapid Transit
 - Night Owl Service
 - Service to New Areas with Innovative Service Zones
 - Enhanced Commuter Service
 - Fare Collection Efficiencies

2018-2019 Achievements:

- Introduced the 8th bus on Routes 62A and 62B.

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- Consolidated express commuter service.
- Adjusted Route 62A into Northeast Lacey.
- Increased Sunday frequency to match Saturday levels.
- Extended service span and added trips on multiple routes.
- Launched the Bus Rapid Transit (BRT) light demonstration pilot, “The One”.
- Added queue jumps to support on-time performance.
- Adopted the four-year zero-fare pilot.
- Renovated bus stops to support rear door boarding.
- Introduced new service areas, Route 65 in Northeast Lacey.

Bergkamp said by March 2020, Intercity Transit made improvements for eight of its nine promises and only night-owl service remained as a work in progress. However, the COVID pandemic stopped all operations and progress in its tracks.

COVID Impact:

- April- June 2020, Intercity Transit transitioned to advanced reservation service due to stay-home orders.
- Intercity Transit experienced significant drops in ridership.
- Since July 2020, the focus shifted from expanding and the nine promises to restoring service to pre-COVID levels, Intercity Transit is currently at 93%.

Bergkamp was thrilled to announce that after almost 10 service changes, Intercity Transit overcame significant challenges and full restoration is expected by September 2024.

- **Recent and Upcoming Service Enhancements:**
 - Improved frequency on Route 94.
 - Introduce modified DASH service for the capital campus.
 - Plan to resume Nightline late-night service, benefiting downtown businesses.

LaFontaine’s presentation highlighted several honorable mentions that were accomplished between 2020-2024. Despite COVID-19, Intercity Transit accomplished significant milestones, including the completion of new buildings, efforts towards zero emissions, leadership changes, updated service standards, and securing newly available funding through state or federal grants.

Looking ahead to 2025-2026, Intercity Transit’s plans include:

- **Uniform Service Levels:** Standard 30-minute frequency and service until at least 11 p.m. on all routes.
- **Exploring Fixed-Route Options:** Including micro-transit and innovative service zones, particularly in under-served areas like Yelm.

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- **Commuter Service:** Linking Hawks Prairie with Joint Base Lewis-McChord (JBLM).
- **High-Capacity Transit:** Using data from our current services to inform future high-frequency transit plans.
- **Eastward Expansion:** Extending service towards Martin Way and River Ridge High School.
- **Express Service to Yelm:** Pending the completion of SR 510 - Yelm Loop.
- **Frequent Service between West Olympia and East Lacey.**
- **Catering to Student Mobility Needs:** Ensuring reliable transit options for students, who remain a constant user group.
- **Expanded Service to Capitol Campus.**
- **Improved Service Allocation:** Overlapping routes to improve frequency.

Bergkamp said these efforts demonstrate Intercity Transit's commitment to adapting to changing circumstances while fulfilling its long-term transit promises.

Zero Fare Implementation: Bergkamp provided a detailed update on zero-fare and a SWOT analysis exercise. As part of Proposition 1, the decision to implement a zero-fare system was influenced by the inefficiency and high administrative cost of fare collection. Zero-fare reduces operator-passenger disputes and the regressive impacts of sales tax to support equitable access to transit.

SWOT stands for:

Strengths

- Increased security & safety liability
- Allows focus on customer service
- Lowers operating costs
- Increased sense of place/community
- Removes stress on driver of who rides/who doesn't
- Equitable for all community members
- Family friendly and easy to use
- Employer of choice

Weaknesses

- Stereotypes about who rides
- Concerns about presence of houseless individuals
- Possible increases to ADA paratransit costs through increased ride frequency of eligible clients
- Possible increases to ADA paratransit costs because the senior demographics is the fastest growing in Thurston County.

Opportunities (External)

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- Ridership return
- Buses run faster
- Equity
- Raise awareness about community issues
- Educate non-riders about ease of use
- Regionally compatible
- Recognized as the community's transit system
- Easy for tourists to use

Threats (External)

- Taxing model change
- Us vs. them
- Perceptions of empty buses/government waste
- Misconception of funding levels
- Monumental funding cuts
- Taxpayer/inflation exhaustion

Following the SWOT analysis, there were no conclusive next steps regarding zero-fare. The ITA will continue to discuss the topic because the pilot was extended until 2028. Bergkamp explained that the extended pilot timeline was intended to allow Intercity Transit to collect ridership data to better understand the impacts of zero-fare.

Chair Gilman recessed for a lunch break at 12:28 p.m. and reconvened the meeting at 1:12 p.m.

- 6. Small Group Exercise:** Demerice did an overview of engagement activities that IT has undertaken starting with the four IT brand pillars that are designed around how we are going to message the work that we do and how it resonates with the community. Those pillars are providing equitable access, always putting the customer first, safe and dependable transportation, quality and creativity. The four pillars help encompass the work we do and the communications we need to have within the community.

The other element is the work of those personas Marketing developed. The personas were fictional characters based on research such as the choice riders who love riding the bus; transit dependent riders such as service workers who really need the bus to get around, and in which zero fare makes the most impact; chance riders in which the bus is a tough sell for them for many reasons; and captive drivers who are people where the system doesn't add a lot of value for them but they may still see a benefit to transit.

For the last two groups, they talked about the messages we want to be able to get across to them about the role transit plays in the community. These are the people we need to convince the value of investing in transit. We found that even among

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people who don't utilize the system regularly, there's a lot of pride in having a community that invests in transit. Pride in the look and feel of our buses.

Demerice said IT has multiple ways to communicate with all various types of riders and direct customers, for example if they sign up for our Gov delivery messages, they'll hear from us regularly, and there's the Rider News and our social media content. Demerice said we need the help of the advocates and representatives of the community such as the Board to get more of the message out. There are other community groups who could use some of these messages. It would be helpful to figure out who else should be telling these stories and who can we activate in a meaningful way. Another way of getting the word out is utilizing volunteer Operators who are excited about going to outreach events, sharing and answering questions. Now's the time to be back out in the community and engage in conversation.

Robertson initiated a 30-minute break-out session for the purpose of identifying other specific audiences in which to reach out to engage in more of this conversation and to determine the best way to deliver the message. In person attendees were broken into two groups - one led by Robertson, one by Wittmann, and Bergkamp and Collins facilitated the remote attendee group.

Wittmann's group included *Nick Demerice, Mark Neuville, Michael Maverick, Rob LaFontaine, Kevin Karkoski, Justin Belk, Jonathon Yee, Eliane Wilson, Dena Withrow, Clark Gilman, Jeff Myers, Carolina Mejia*. The take-away ideas from this group for targeting audience includes: Groups who advocate for other people/clients; central labor councils for Mason/Lewis/Thurston Counties; activate ambassadors; young retirees; CAC and Bus Buddies; rotary clubs and chambers; signature annual event; Farmer's Market; city evening events; service to community events; using the launching of The One for sharing info; scavenger hunts; social service agencies. The take-away for delivering the message include: Marketing strategic plan - components in the riders' experience when they ride transit.

Robertson's group included *Debbie Sullivan, Carolyn Cox, Sue Pierce, Don Melnick, Jason Aguero, Peter Stackpole, Jana Brown, Jessica Gould, Heather Stafford, Cameron Crass*. The take-way ideas from this group for audience includes: NE Lacey (Jubilee); JBLM - Vet HUB / VA center; senior community/centers; UGA neighbors recently annexed; colleges; HOA's; chamber, rotary, small business; medical community; Work First; churches; climate-caring audiences; EDC/large employers; beer & distillery bus tour; displays - staff board tandem presentations; table events; TV - Movie ads / radio / bus displays; event transportation - ambassadors. The take-away for message approach includes: Safety features - reliable / on time; easy-to-use (youth ed for adults); message delivered by peers; cool drivers; faster service.

Remote group included *Emily Bergkamp, Amanda Collins, Matt Kinney, Katie Cunningham, Noelle Gordon, Tunisia Price, Alysia Bair, Betty Hauser*. The take-away

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ideas from this group for audience includes: Entertainment district; tourists; the Casinos; vendors; SeaTac; drivers education (both in high school and private); out of state government workers; special even organizers; flyers posted in small businesses; military families – JBLM orientation; paid parking zones; links on the city websites; bulletin boards at state agencies; Bus Buddy group trips. The take-away for message approach includes: strategic social media following; Instagram; YouTube shorts; riders as story tellers; gamification; maps to parks; short videos made by high school or college students.

Robertson brought the larger group back together for a brief recap of the discussions that took place.

7. **Financial Forecasting:** Jana Brown, Chief Financial Officer, shared financial forecast scenarios. Brown walked the ITA and staff through the next five years financially by projecting revenue, expenses, and cash flow through 2029. Bergkamp noted that usually, long-range financial forecasts include a 10-year plan, but because of COVID the agency's actual costs and income have fluctuated substantially.

- **Funding Sources:** Brown took a conservative approach to revenue increasing by two and a half percent per year, which is on the low side. Operating revenues included passenger fares from Vanpool, Sales Tax Revenue, Federal/State Operating Assistance, Interest Revenues, and Other Revenues.
- **Operating Expenditures:** Brown inflated operating expenses by about 15% for 2025 and 5% each year thereafter, creating a worst-case scenario. Bergkamp noted that 2025 will be a busy year for Intercity Transit as we get back on track with the nine promises and 2026 onward expenses should start to level out. Ultimately, the forecast showed conservative revenue and over-exaggerated operating expenditures.
- **Capital Activity:** Brown showed upcoming construction impacts, net proceeds from grants, and the net negative cash flow for capital activity through 2029.
- **Cash Activity:** In the final section of the financial plan, Brown projected beginning cash balances, less operating reserves and the ending total cash (with reserves).

Bergkamp said the forecast shows Intercity Transit is in a very stable fiscal position through 2029. The plan includes the possibility of vehicle replacements and the Climate Commitment Act being repealed. Additional highlights from Brown noted that Intercity Transit has been in a growth phase for several years and is beginning to level out. Bergkamp is mindful about increasing service and staffing levels to the point where it's feasible for the size of the community and not becoming a larger system such as Pierce Transit or King County Metro. Brown will continue to build out a longer 10-year forecast as time goes on and plans to incorporate service level changes, as well as facilities and maintenance needs.

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Development and Grant Priorities: Development Director, Peter Stackpole spoke on grant and development priorities to provide an idea of some of the larger projects that are on the horizon. These priorities include High-Capacity Transit (BRT Light), Smart Corridors, East Martin Way Gateway Station, Real Time Signage, and supporting other agency priorities.

Climate Commitment Act (CCA) Repeal Impacts: Bergkamp reviewed CCA funding impacts and presented a detailed chart showing impacted programs: bus and bus facility grants (East Martin Way facility), green transportation program (fuel cell electric battery demonstration project), paratransit/special needs services, transit support grants (free youth ridership – fixed route and village vans staff), and Cascade Statewide youth development (Walk N Roll operating costs). She explained that Intercity Transit would need to look for additional funding over the next biennia to cover a projected 83% loss of grant funding for these programs.

Chair Gilman recessed for a short break at 3:01 p.m. and reconvened the meeting at 3:15 p.m.

- 8. Re-engaging Our Community:** Robertson asked the Board and staff to share their priorities, and what do they want to say to the audience, and from their perspective, how have the nine promises changed from the original proposition days to now.

Neuville said the target audience would be more of the younger generation that hold key to the issues being discussed, and they're the future voters.

Gilman is excited about the promises, but post-covid, we have permission to reconsider the fixed-route service and it doesn't have to replace one of the promises.

Pierce isn't sure the nine promises need to be changed but it's more about finding a way to remind the public that changes take time.

Melnick said in addition to conveying our message, we have to actively listen to the public, and ask them how they think we're doing.

Robertson said to use actual customer testimonials and Demerice said those are part of the plan in building the zero-fare campaign.

Bergkamp said to create a more informal report about the status of the nine promises.

Yee said what if the overall message is to focus on the higher-level goal and that is the community wanted improvements in the way they get around to include all of the many things IT is currently doing to improve service. And if we check all nine boxes doesn't mean we're done. We'll continue to look for the opportunities to improve based on community needs.

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- 9. Final Thoughts on Today and Next Steps:** Robertson said it's time to do a coordinated update to the community where IT is with the nine promises and there's a lot of material to work with. Gilman said what he heard today is IT is committed to staying the course and continuing on the transformational path and interested in using the nine promises internally and having a higher-level of explanation of the types of changes we want to make externally and communicate to the community about what we're doing and what we do.

ADJOURNMENT

With no further business to come before the Authority, Chair Gilman adjourned the meeting at 3:46 p.m.

INTERCITY TRANSIT AUTHORITY

Clark Gilman

Clark Gilman, Chair

ATTEST

Patricia Messmer

Pat Messmer
Clerk to the Authority

Date Approved: July 17, 2024

Prepared by Pat Messmer, Clerk of the Board/Executive Assistant, Intercity Transit.