

## **JOINT POLICY COMMITTEE MEETING #2**

**Wednesday, April 13, 2022**

**1:00 p.m.**

### **Attendees:**

Committee Members: Councilmember Kim Daughtry (Lake Stevens), Joe Marine (Mukilteo), Councilmember Tom Merrill (Snohomish), Council President Brenda Stonecipher (Everett), Councilmember Ben Zarlingo (Everett)

Staff: Roland Behee (CT), Julio Cortes (Everett), Nick Harper (Everett), Tom Hingson (Everett), Ric Ilgenfritz (CT), Maureen Nikonov (Everett), Deb Osborne (CT), Lori Cummings (Everett)

Facilitators: John Howell and Robert Feldstein (Cedar River Group)

### **Meeting topics:**

- Provide an overview of the two transit agencies.
- Overview of a PTBA – legislation, operations, what is the purpose, how does it function.
- Discussion about initial engagement of labor.

### **Follow up on February 15 meeting:**

There were requests for several documents at the last meeting. The following have either already been provided or will be included in the presentations today:

- sales tax rates and revenues
- the results of the public outreach that was completed as part of the Rethink Transit study
- a better understanding of the baseline of both systems
- how service would be integrated when light rail reaches Everett
- an updated schedule/timeline on one piece of paper

The following topic is still a work in progress:

- a summary of sticking points from previous conversations of a merger

Roland reviewed the timeline and some of the revisions that were requested:

- June's focus will be on the financial framework, focusing on Everett's financial capacity, revenue forecasts and sustainability, and the potential for a phased approach to sales tax rates
- In August the discussion will be about capital assets and facilities
- October's discussion will be on branding
- December will focus on the integrated service plan
- Public conversations about the integration plan will be moved into early 2023
- After receiving comments from the public, staff will come back to the committee in March with a final service plan
- In May the committee will review their recommendations in a draft plan and discuss next steps

- Starting now through the next 12 months staff anticipates ongoing conversations with labor groups at both agencies and other experts to get to the workforce integrations pieces, moving in parallel with the Joint Policy Committee timeline. There will be check-ins on some level to see how these conversations are moving forward.

### **Community Transit Agency Overview**

Roland provided an overview of Community Transit's history and current system, including:

- Growth since inception in 1976
- Vision/Mission/Core Values
- Overview of current transit services and changes planned in 2024
- Summary of key agency statistics including fare structure, fleet, facilities, ridership, and employment
- An overview of operating revenues and expenses
- A summary of the capital program, including the Swift network buildout, Facility Master Plan, and Zero Emission Bus Study

Committee members asked for clarification about the contractors used and whether they are union or non-union. CT's contractors (such as First Transit) are private enterprise, but the employees performing the work are ATU (different from CT's in-house ATU).

### **Everett Transit Agency Overview**

Tom provided an overview of ET's history, current operations, fleet, ridership statistics, fare structure, employees, budget, facilities, including details about Everett Station.

ET began in 1893 with one of the first electric trolleys on the west coast. In 1969, the City of Everett purchased Everett City Lines and Mukilteo Transit Lines from a private carrier going out of business and created Everett Transit, originally a division of the Utilities department. The funding source was an additional utility tax and a \$.25 fare. In 1978 voters approved a dedicated sales tax of 3/10<sup>th</sup> of 1%, eliminating the utility tax. Pre-9/11, articulated buses were purchased to meet the ridership demand at Boeing and in 2004, voters approved a sales tax increase to 6/10<sup>th</sup> of 1%, which still stands today. Hybrid buses were purchased to improve fuel economy.

In 2007 ET partnered with CT to bring Swift to western WA and Snohomish County. Service started in 2009 and this 12-year agreement is due to be renewed this year

In 2018 ET introduced electric buses with the intent that all buses thereafter would be electric. ET is on track to have a 100% electric fleet by 2028 when the last diesel bus is eligible for replacement.

Everett's service area has been static, except for one route that goes to Mukilteo. In the past ET used to travel more deeply into neighborhoods but as travel times grew and buses got bigger those neighborhood routes were eliminated. The exception to this is a route that serves the

Silverlake area. ET currently has 9 bus routes, and the most recent additional service was added to Paine Field.

ET is an enterprise fund department of the City of Everett. As such it operates within its own dedicated revenue streams and is not supported by the city's general fund. Its capital fund fluctuates with its ability to secure grant dollars for vehicle replacement. The last two years have included more than \$22 million in pandemic relief funds. ET's usual federal grants are less than \$1 million per year except for larger grants for vehicle purchases.

### **Agency Comparisons**

Tom Hingson provided a side-by-side comparison of key agency statistics.

There was committee discussion about electric buses at both agencies:

- ET did a study and determined its 34 sq. mi. radius was a good fit for electric buses. Its base is centrally located so buses can be charged midday and sent back out.
- Some of CT's longer routes would require a different level of battery endurance, but the technology is also very rapidly maturing. This is why CT is in the feasibility study phase.
- Maintaining electric buses is simpler – they are far less complicated and there are less parts to break. However, the supply chain during COVID-19 has been a problem. Manufacturing choices have also proved to be difficult when needing replacement parts, but ET's next set of buses are from a different supplier, and improvement is expected.

There was committee discussion about micro transit at both agencies:

- To date, ET has not had the staff to commit to studying micro transit options, but there is a lot of possibility, especially if the Lynnwood pilot project is successful. This could alleviate the need for parking of many buses and being able to do more with smaller vehicles.

### **Public Transportation Benefit Area (PTBA) Introduction**

Roland provided a presentation introducing the Public Transportation Benefit Area (PTBA). The presentation covered:

- Definition of a PTBA
- History of revenue collection authority
- Growth of the Community Transit PTBA since 1976 and the process for annexation into the PTBA
- Current Board of Directors structure and how the structure would change with annexation of Everett into the PTBA

There was committee discussion about how to present the information to the public and how this annexation would be different than previous annexations.

- It will help the public to understand how this is different from annexations in the past. It was noted that the JPC is a whole different level of detail and rigor. The two agencies have never had a commitment like this that brought elected officials together to come to a mutual agreement on a service plan so this is unique in that regard.

- There was a question about whether the service plan would be part of the ballot measure. That will need to be determined, but it is anticipated that the ballot measure would provide some description of the new level of service to be provided.
- For this plan to be successful there will need to be a demonstrated *improvement of service*. It won't be sufficient to simply say that one agency is taking over the routes from another.
- The cost to Everett taxpayers is going to double for transit services so the service planning needs to make sure there is good value for taxpayers. What is being offered as new service needs to be looked at carefully to make sure the value proposition is there.
- A question was asked about what can be learned from the unsuccessful annexations of Cathcart and Machias in 2008. One important lesson is that a strong local partner and advocate is needed.
- Two questions were identified for future discussion: Is PTBA Board membership capped at 9? Can there be differential sales tax rates?

### **Initial Engagement with Labor**

There was committee discussion about the engagement of labor groups' in this effort.

- ATU 1576 recognizes the complexity of this study, given the long-standing procedures within the international union that governs questions of consolidation between bargaining units. CT management's position is one of support and open communication and their union is aware.
- ATU 883 is still in contract negotiations, so the goal is to get that settled before making this a new focal point of conversation.
- For now the committee will continue to wait on further engagement with the unions.

### **Next steps:**

- June's meeting will focus on financial circumstances of both agencies; invite to the meeting will come from CT offices.

### ***Materials to provide prior to next meeting:***

- ***A summary of historical issues in past ET/CT conversations – sticking points, what kept ideas from moving forward, lessons learned***