



It matters how we get there

Meeting Summary
October 28th, 2009

Whatcom Council of Governments

CTAG Members

- Kathy Berg, Chair
- Dave Pros, Vice Chair
- Glen Hallman
- Chris Hatch
- Carole Macdonald
- Patrick Pollock
- Larry Wickkiser
- A.J. Garcia
- Carol Berry

Technical Advisors

- Ellen Barton
- Gary Davis
- John Hergesheimer
- Jessica Lee
- Maureen McCarthy
- Chris Comeau

Administrative Support

- Mary Anderson
- Gordon Rogers

Start: 4:30 pm

Stop: 6:30 pm

In Attendance:

CTAG Members:

- Kathy Berg
- Dave Pros
- A.J. Garcia
- Carole Macdonald
- Patrick Pollock
- Larry Wickkiser

Guests:

- Terry Terry

Not in Attendance:

Members:

- Chris Hatch
- Glen Hallman
- Carol Berry

WTA CAP Members:

- Christopher Turner
- John McGarrity
- Kristopher Baier

WTA Staff:

- Richard Walsh
- Rick Nicholson
- Patricia Dunn

Technical Advisory:

- Chris Comeau
- Ellen Barton
- Maureen McCarthy

Administrative:

- Gordon Rogers, WCOG
- Mary Anderson, WCOG

I. WTA

M. McCarthy: We will hear three presentations from WTA staff and then have about twenty minutes for comments and discussions.

R. Walsh: All local public entities that rely on sales taxes are struggling; sales taxes are down \$3 million locally. WTA is in the midst of a large fleet replacement, that has significant costs, however we secured numerous grants to help fund them. 38 vehicles replaced, 25 are here or on order. WTA covering 20% of cost and the grants 80%. The other 13 vehicles are not yet funded. This is year three of the vehicle replacement, a couple more years to complete and secure funding. We are fixing up older buses, all are 15 years old; they have a 12 year life span. We are at record ridership again, 3rd year in a row. In 2008 ridership was up 34% over 2007. In 2009 we are up 5-7% over 2008. People are riding the bus more, but sales taxes are down.

We met with WTA board this summer to work on 2010 budget process, we are working towards long term sustainability. The proposed budget has a 14% cut in services. Which postpones the date that WTA will be out of reserve funds. Things are fairly desperate right now, although, we are in a better situation than many of our peers, since we set aside money in the last years for tough times.

We implemented a 33% fare increase on October 1, which generates about \$300,000 annually. However we are in a \$2.5 - 3 million deficit. The fare increase makes up about 10% of deficit.

Our board asked WTA to prepare 2 scenarios, one with 14% service cuts and one with 10% service cuts. Those will come forward for public input and a public hearing on November 19th at 8am, County Council chambers.

Another opportunity is to collect up to 3/10 of 1% more sales tax; we are not at our full taxing authority yet. The board would like to see how the community responds to service cuts before asking for a sales tax increase.

P. Dunn: Sales tax revenues are down 15.5% from what we projected for 2009, and 11% less than what we collected in 2008. Passenger revenue is up slightly, due to fare increase and increased ridership. Net result is that we will need to draw about \$5 million from our reserves, which started at \$25 million.

The overall objective of the 2010 budget is to develop a financially sustainable plan, want to fund essential capital programs but minimize optional programs, we are also looking at examining WTA processes, looking for additional efficiencies and cost savings.

Forecasting sales revenues in 2010, we project no sales tax growth over 2009. Due to continued unemployment and slowed consumer spending, no indicators of substantial new construction. We are also looking at about a 10% increase in medical insurance costs.

For the budget, as you heard, we are looking at two scenarios, reducing low productivity routes and eliminating Sunday services.

We want to keep cash balance at \$7 million, which is what we need for operating capital. By cutting Sunday and other low productivity routes (14% cuts), at the end of 15 years we have about \$4.2 million left in bank. If we keep Sunday service and cut services by 10% we will hit the \$7 million line in 2012 and go broke in 2014.

It is projected that sales tax revenue won't return to 2007 levels until 2015.

R. Nicholson:

Handouts: 2008 fixed Route Performance Report

Proposed service cuts

We looked at many different ways to cut service; should we go back to 2007 service levels, cut weekends only and leave weekdays alone? We decided to base 10% cuts on productivity. We looked at passenger mile per hour and boarding's per revenue hour. Black areas are considered failing.

Gray areas on watch list. Routes proposed to cut from lowest producing routes. Service cuts include: routes 3 Maplewood and 4 Hospital, runs downtown to the hospital, stops at Tech College. Neither has done very well. Those two routes account for half of cuts. Route 10 Birchwood, drop evening service. Cut 55 Blaine by 1/3, 25x and 28x express routes cut. Only 40% of 25x serves intended market, 28% on the 28x serves intended market. Route 24 Cordata service cut in half. 401 Fairhaven cut evening in half. That is the 10% cuts.

Sunday cuts is straightforward, eliminate all Sunday service. Ridership is okay on Sunday; however there are cumulative effects seen. It makes a 4% cut in hours the equivalent of 9% cut, in terms of dollars saved. Para-transit is 1/3 of all WTA service costs, by cutting an entire day we have significant savings there. We won't have to staff dispatchers and mechanics, and facilities will all be closed on one day, which will save a lot of money.

J. McGarrity: Impact on riders known, have you looked at other impacts. Hospitals are dispatching people who have no vehicles; they have to take the bus.

R. Nicholson: Not dropping all service to hospital, just some.

J. McGarrity: Any consideration of skip stopping, only stop at few stops during high frequency times (rush hour). Perhaps keep 1 bus on Sunday for those that really need it. This is the time that people are really going to need bus service, shouldn't cut service. Maybe you should increase the fares for the Ferndale and Lynden Expresses.

R. Walsh: The Board will make decision whether or not to increase sales tax, and bring it to the public for a vote. Public can commit on possible tax increase. CTAG can send a representative to our board meeting to present opinion. Board hasn't made a decision yet, on cutting service vs raising sales tax.

C. MacDonald: My opinion is that I'd rather see a sales tax increase rather than see services cut.

D. Pros: Do Cities contribute to WTA?

M. McCarthy: No, just sales tax.

D. Pros: What funds from new construction does WTA get?

P. Dunn: Sales tax on materials and supplies the contractor invoices.

D. Pros: How much does ad revenues generate?

M. McCarthy: 60K per year.

D. Pros: Do employees get paid overtime on Sundays or at night?

R. Walsh: No, only at over 40 hours a week.

D. Pros: Could you raise fares again?

R. Walsh: We just raised the fares by 33% on October 1, only 10% of operating revenue. Even if we increased fares by 100%, that would only bring in \$300,000 annually.

R. Nicholson: The larger the urban area, the more you can charge, because there are mitigating factors worked into the equation: HOV lanes that buses use, parking availability and fees, and congestion. It is not as hard or expensive to drive here.

J. McGarrity: Ask for sales tax increase and have some service cuts. When the reserve level falls below a certain amount only then is the sales tax triggered.

P. Pollock: The line that was averaged on graph, what did that show, 10% or 14% cut?

P. Dunn: Showed two lines on graphs, 10% and 14%.

P. Pollock: How did you decide the reserve threshold?

P. Dunn: It is 3 months operating expense.

R. Walsh: \$7 million line threshold was set in 1986; the WTA board established that 25% of our operating budget must be in reserves. The reserve also allows us to replace fleets, provide maintenance on facilities and major capital repair.

P. Pollock: As a business you choose risk to operate in the red for a chosen amount of time. Good to have on the table and be prepared. However, it could be that you set this up to allow dips into the reserve to go to a certain time. It depends on how much risk WTA is willing to take. What is the timeframe for service cuts?

R. Nicholson: June of next year service cuts would begin.

P. Pollock: I think you could wait to make these cuts for another year.

R. Nicholson: This is painful, but better than having to cut 30% in 3 years.

C. Turner: Perhaps, Go lines be cut in off peak hours from 4 to 3 times an hour. Also, you should get a feel from the businesses that the buses are serving; on how will the businesses be affected. They will be losing purchasing power from the people who would have been on the buses.

R. Walsh: We need a 2010 budget approval; that needs to be approved in the next two months. Service cuts will have a second hearing with feedback from the public.

L. Wickkiser: Great that you have reserves, are other transit agencies going broke?

R. Walsh: Yes, Wenatchee/Chelan area will be out of money by early 2011, Valley Transit has a 30% service reduction before their board. Island Transit had voters approve a sales tax increase. Thurston County has increase on ballot, if it fails there will be a 24% service reduction. King County Metro looking at 24% service reduction by 2013.

WTA Staff suggested keeping levels the same and cutting in 2011 if necessary. The feedback from the board was that they were concerned that if we waited to cut services, we'd have to cut more in the future.

E. Barton: Have other communities done anything innovative to get funds rather than sales tax alone?

P. Dunn: In King County there was an article today in Seattle Times talking about possible other ways to get money.

R. Walsh: WTA is authorized by legislation to collect money only from sales tax and fare boxes. A transit agency can enter into a contract with Cities to offer more services in a certain area, if the city wants to contribute to it.

R. Nicholson: Prior to 1983, WTA only operated in City of Bellingham, and was funded by a Bellingham Household Tax.

J. McGarrity: When going to the public, the worse the economic situation gets, the harder it will be to pass something.

C. MacDonald: Motion *"I Move that the CTAG and WTA Citizen Advisory Panel recommend to the board that the board consider increasing the sales tax before cutting service levels."*

While the system plan optimizes itself as best it can to maintain present service levels, and seek other efficiencies, however if the reserve dips below a certain point the sales tax increase will be triggered”.

D. Pros: Second.

Discussion:

P. Pollock: Perplexed that we would not recommend service cuts. Looking at efficiency, service cuts maintain efficiency.

L. Wickkiser: Everything should be on the table.

J. McGarrity: Want an efficient system; they can't spend down the reserve without knowing how the sales tax will be in the next couple years. Can't ignore the risk.

P. Pollock: Do what you can; then show what you've done to the public, when you ask them for money.

E. Barton: What CTAG and WTA CAP recommends can be a high ideal, also can sending people to the board meeting. This motion is one of many ways to get your point across.

K. Berg: Ask the board to set a trigger point for the sales tax increase.

J. McGarrity: What is the LOS, how do you know if WTA drops above or below. Has to be a statement that WTA is trying to maintain LOS.

K. Berg: Let staff prepare a motion and send it to group for approval.

Reminder in email to encourage people to go to hearing, Nov 19th, 8am, County Council Chambers.

R. Walsh: If you are sending a motion, make it as simple as possible.

D. Pros: would tax increase allow LOS to stay the same?

R. Walsh: Enough taxing possibility to maintain and possibly increase services. **Need motion by 11/11/2009.**

II. Member Sharing

Send in email update

III. Washington Transportation Plan

Postponed

IV. Complete Streets

G. Rogers: CTAG could become a paid or unpaid member of Complete Streets.

M. McCarthy: Gordon mentioned at a past meeting that CTAG has some funds; this group has been supportive of the complete streets movement in the past. There are low cost or no cost options for joining the coalition.

K. Berg: Complete Streets has resonated with me, living out in the county. Whatcom County designs our streets. We need W.C. to understand and apply these principals. I would like to see us support it without cost, so that we can say that this is a concept that is good.

C. Comeau: Everything you mentioned, I'm not disagreeing with. However, in UGA, rural areas don't get urban levels of service. So these are principles that won't be applied in rural areas.

K. Berg: They can build larger shoulders, and make developers provide sidewalks, bus stops, etc.

C. MacDonald: No bike/ped allowances on new bridge on Mt. Baker Highway.

P. Pollock: How does joining this complete streets group help us? I agree with complete streets concept. How does it directly impact our community?

L. Wickkiser: It is a resource we can use.

K. Berg: What are benefits of joining?

E. Barton: Reminds me of Safe Routes to School, ten years ago just a concept. Now a large movement making many changes. By being a local member it shows on a national level that so many communities are a part of it.

M. McCarthy: The intent is to have people sign on and make the movement bigger.

C. MacDonald: Motion that CTAG becomes a non paying member of the national complete streets coalition.

P. Pollock: Second.

Motion carries, none opposed.

G. Rogers: Need a main contact person.

E. Barton: I'll do it.

V. Membership

G. Rogers: Look at matrix and see what is missing and if you know someone who might be interested.

K. Berg: I'd like you to talk to Terry Terry, to see if she should become a member.

C. MacDonald: Send updates in emails.

G. Rogers: Ellen has an update on the human services plan she has been working on.

E. Barton: EACH plan, people need to travel to other places car free. This is a marketing piece to go out to seniors and others. Also has website address on it.