AGENDA
INTERCITY TRANSIT AUTHORITY
WORK SESSION
August 15, 2012
5:30 P.M.

CALL TO ORDER

1. APPROVAL OF AGENDA **1 min.**

2. PUBLIC COMMENT **10 min.**
Public Comment Note: This is the place on the agenda where the public is invited to address the Authority on any issue. The person speaking is requested to sign-in on the General Public Comment Form for submittal to the Clerk of the Board. When your name is called, step up to the podium and give your name and address for the audio record. If you are unable to utilize the podium, you will be provided a microphone at your seat. Citizens testifying are asked to limit testimony to three minutes.

3. CITIZEN ADVISORY COMMITTEE REPORT *(Don Melnick)* **3 min.**

4. UPDATE ON THURSTON SMART CORRIDOR PROJECT **20 min.**
(*Dennis Bloom; Jailyn Brown; Randy Knapick)*

5. ENVIRONMENTAL & SUSTAINABILITY MANAGEMENT SYSTEM (ESMS) UPDATE *(Bob Holman)* **10 min.**

6. INTERCITY TRANSIT'S "EARNED SHARE" OF PUGET SOUND REGIONAL COUNCIL (PSRC) 2012 FEDERAL 5307 FUNDING *(Bob Holman)* **15 min.**

7. VANPOOL FARES UPDATE

8. 2013-2018 STRATEGIC PLAN – WORKING PAPER #3 – FARE OPTIONS *(Mike Harbour)* **20 min.**

9. 2013-2018 STRATEGIC PLAN – NEW FEDERAL AUTHORIZATION LAW FOR TRANSIT FUNDING (MAP-21) *(Mike Harbour)* **15 min.**

10. AUTHORITY ISSUES

ADJOURNMENT

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 4
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Dennis Bloom, Planning Manager (705-5832)**
Jailyn Brown, Senior Planner, TRPC
Randy Knapick, IBI, Project Consultant –

SUBJECT: **Update on Thurston Smart Corridor Project**

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1) **The Issue:** Thurston Regional Planning Council is preparing to award federal Congestion Mitigation and Air Quality (CMAQ) funding to participating agencies in the Regional Smart Corridors project.

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2) **Recommended Action:** Presentation and discussion. This is an updated review, previously made to the Authority in April 2011, of project elements in consideration for authorizing acceptance of federal grant funds, including local match.

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3) **Policy Analysis:** Consideration of implementing a technology project that integrates and requires interagency partnership agreements and procurements requiring the Authority's approval.

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4) **Background:** The Smart Corridor project involves Intercity Transit, Olympia, Lacey, Tumwater, Thurston County, and WSDOT. The plan is to update and improve signal timing and signal coordination including incorporating 'transit signal priority' (TSP) technology at specific intersections along major transportation corridors transit routes operate along:

a) Capital Way/Capital Boulevard to Tumwater Blvd (Olympia, Tumwater, WSDOT)
b) 4th Ave/State St/Martin Way to Marvin Rd. and Pacific Ave/Lilly Rd. (Olympia, Lacey, Thurston County, WSDOT)

In the 1980s, the Thurston Region had a PM10 air quality problem, primarily related to wood smoke. The regional clean air agency successfully implemented a program to address sources of wood smoke. As a result, the region was reclassified from a federal air quality non-attainment area to a maintenance area. When this occurred in 2000, special transportation requirements were invoked applying to regional transportation planning.

In becoming an air quality maintenance area, the Region qualified for federal CMAQ grant funding to address transportation sources of PM10 (particulate matter 10 microns or less in size) in the 'maintenance area' (roughly, the city

limits of Lacey, Olympia and Tumwater). TRPC received these grant funds to distribute.

TRPC policy makers established a subcommittee to investigate program options for reducing PM10 in the maintenance area. They considered a wide range of options, such as diesel retrofit, shore power and others. They concluded their best option for reducing PM10 in the maintenance area was to focus on coordinated signal timing and optimization, and transit signal priority technology. These options also support the regional Intelligent Transportation System (ITS) architecture and Intercity Transit's technology plan. TRPC chose to focus on parts of three strategy corridors from the Regional Transportation Plan (RTP) that are also problematic for Intercity Transit's on-time performance for fixed route service.

This multi-jurisdictional project lays the foundation for implementing TSP at other appropriate intersections in the future. This is part of the larger Intercity Transit vision and investment using transportation technology applications including: computer aided dispatching, automated vehicle location, stop announcements, automated passenger counting, on-board cameras and real time bus information. This project continues the effort to help improve the efficiency and safety of the transit system.

The federal funds will provide partial funding for this project. Intercity Transit, as part of TRPC's continuing transportation technology investments, will need to provide additional funding to implement TSP components. The participating jurisdictions collaborated in developing an overall approach to implementing these technologies in the project area. Staff and consultants are continuing to evaluate operational and funding needs in order to prepare a final project estimate expected to be completed before the end of 2012.

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5) Alternatives: N/A

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6) Budget Notes: This is currently an unfunded project. Federal grant funds will cover some but not all of the expense associated with this project. It is anticipated there will be a request for Intercity Transit project funds beginning in 2013.

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7) Goal Reference: This discussion provides background for increasing interagency coordination and efficiency through advancements in traffic signal technology. In particular, it reflects Goal#4, *"Provide responsive transportation options."*

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8) References: N/A

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 5
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Bob Holman, ext. 5885**

SUBJECT: **Environmental & Sustainability Management System (ESMS) Update**

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1) The Issue: Update on implementation of Intercity Transit's ESMS.

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2) Recommended Action: Information only.

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3) Policy Analysis: ESMS implementation is consistent with Intercity Transit's Environmental and Sustainability Policy (POLICY-EX-0011, May 4, 2011).

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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

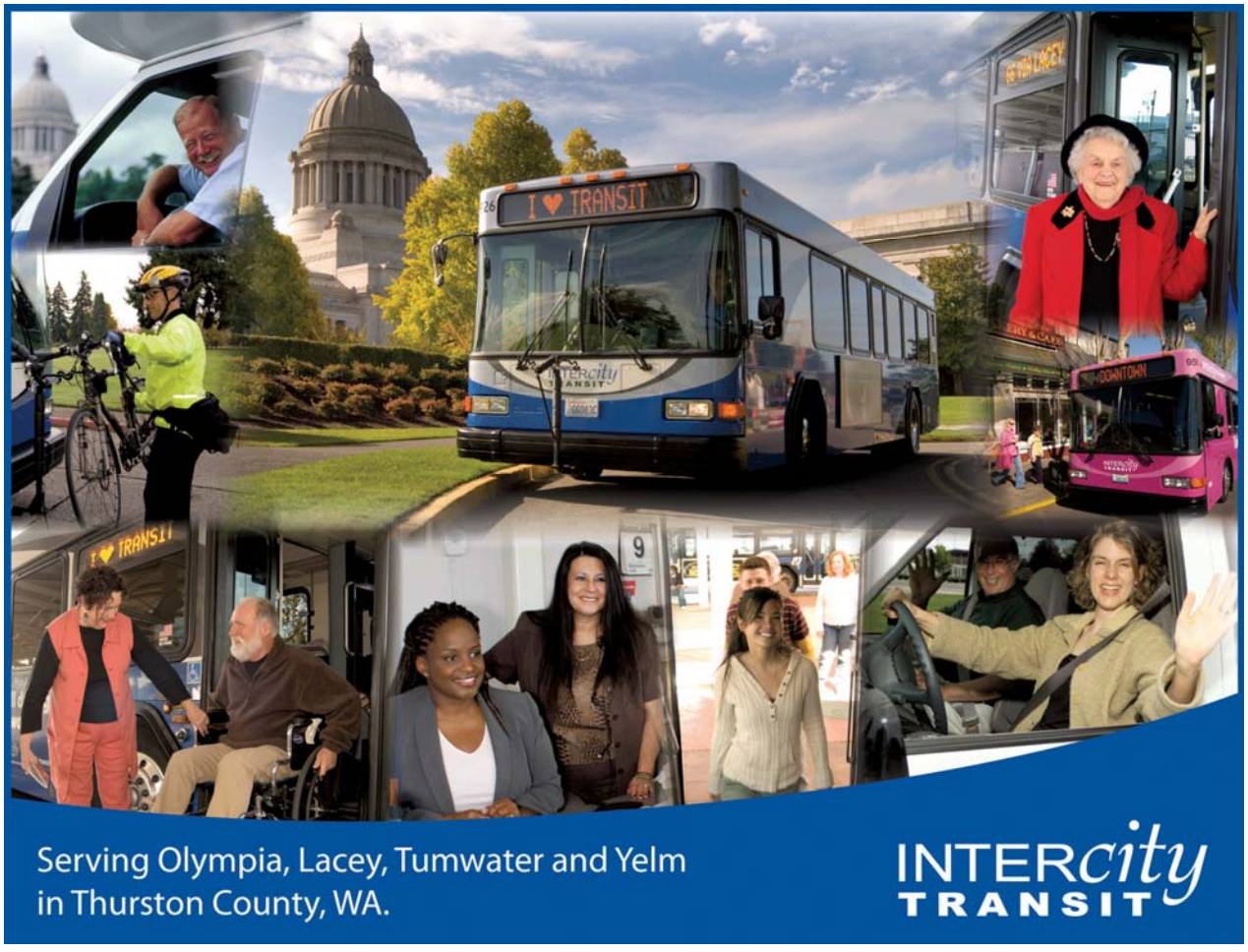
7) Goal Reference: The project elements support Goal #3, "*Maintain a safe and secure operating system;" and Goal 5: "Align best practices and support agency sustainable technologies and activities."*

8) References: ESMS Case Study

Intercity Transit

Environment and Sustainability Management System (ESMS) Case Study

July 2012



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 accessble 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 inreased 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.

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

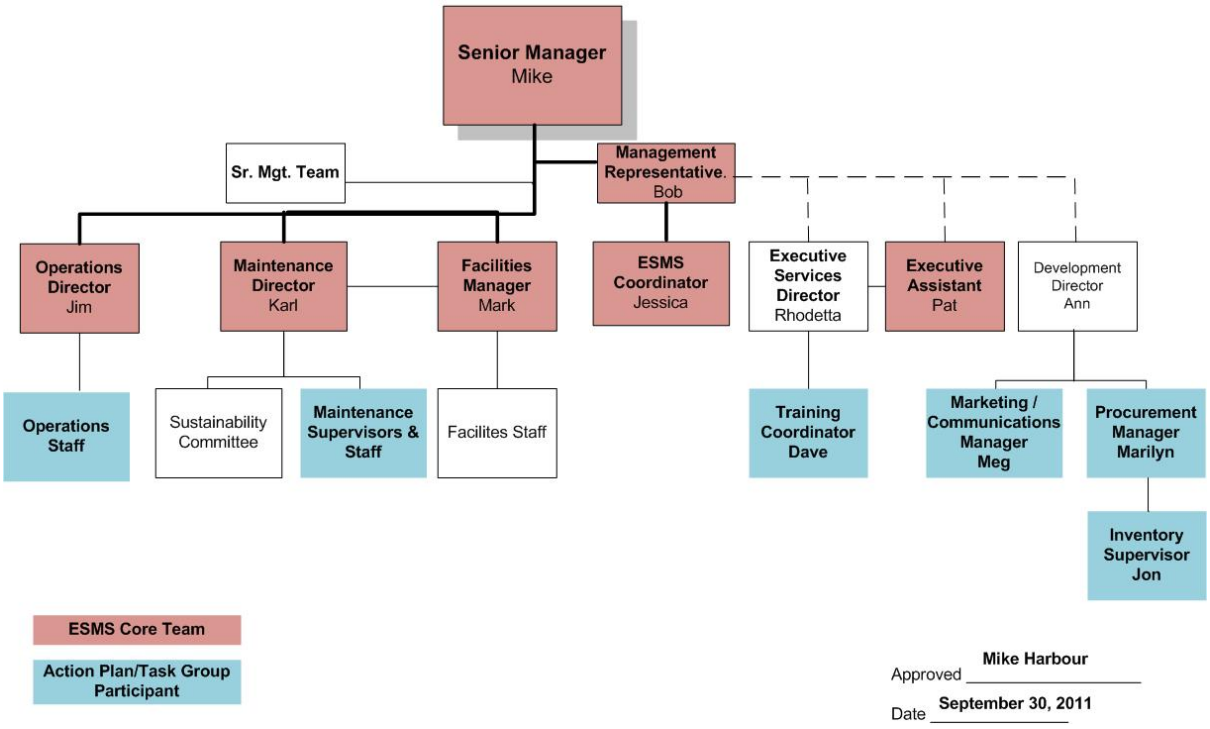
Karl Shenkel, Maintenance Director

(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 where 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**
*Emergency Preparedness & Response (**AP1**)*	Increase employee preparedness and emergency response while decreasing environmental impacts of a potential hazardous spill event.	**Target:** 100% of Maintenance, Facilities and Inventory employees will receive training by September 30, 2012. **Tasks:** • 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**
*Spill Prevention & Emergency Clean-up (**AP2**)*	Implement effective measures and procedures to prevent spills and eliminate pollution from entering stormwater runoff.	**Target:** Spill Prevention and Emergency Cleanup Plan updated by August 2012 and all maintenance personnel trained by September 2012. **Tasks:** • Establish baseline by reviewing current SPECP material handling procedures, storage requirements, cleanup equipment/ procedures, and spill logs by December 2011. • Identify Best Management Practices (BMPs) in	Maintenance, Facilities, and Inventory employees will be able to prevent hazardous or fluid spills In the rare event of a spill,

AP2 continued		regards to Spill Prevention and Emergency Clean-up Plan (SPECP) by May 2012. • 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.	employees will be prepared to prevent the spill from entering the stormdrain Employees will be able to cleanup a spill if it occurs

Action Plan	**Objective**	**Targets & Tasks**	**Benefits**
*Stormwater Management (**AP3**)*	Implement effective and improved procedures to eliminate pollution from entering storm water runoff.	**Target:** Updated Stormwater Pollution Prevention Plan (SWPPP) updated by August 2012 and all maintenance personnel trained by September 2012. **Tasks:** • 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.	By following an updated SWPPP and SOPs, we will avoid fines associated with stormwater permit violations Reduced likelihood that pollutants will be introduced into the facilities' stormwater runoff

Action Plan	Objective	Targets & Tasks	Benefits
*Fluids Management-non-UST (**AP4**)*	To accurately control and reduce (if applicable) the number and quantities of fluids in above ground tanks, drums and aerosols.	**Target:** Establish minimum quantities of fluids necessary to meet daily operation needs by August 2012. **Tasks:** • 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.	Eliminating 60% of the chemicals in our inventory will reduce costs Assuring secondary containment and training will reduce the likelihood of a contaminating spill Needing fewer MSDS sheets in the future with the use of alternative, less toxic, chemicals

Action Plan	Objective	Targets & Tasks	Benefits
Fuel Use: *Reduce Fuel Usage (**AP5**)*	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.	**Target:** 3% reduction in overall revenue vehicle fuel consumption as measured by fuel use per vehicle mile by November 30, 2012. **Tasks:** • 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,	A 3.85% increase in fuel economy for revenue generating vehicles A six month analysis showed 22,853 gallons in fuel savings from 2011 to 2012. 22,853 gallons of fuel saved is

AP5 continued		efficiency of Paratransit Services, and Vanpool Services by October 2011. • 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)	almost $82,000 Customers receive a smooth ride when drivers accelerate and break slower Fewer maintenance costs with less wear and tear on tires and breaks

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

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 6
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Bob Holman, ext. 5885**

SUBJECT: **Intercity Transit's "Earned Share" of Puget Sound Regional Council (PSRC) 2012 Federal 5307 Funds**

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1) **The Issue:** Update on the availability of federal 2012, 5307 funds for Intercity Transit through PSRC.

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2) **Recommended Action:** Information only.

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3) **Policy Analysis:** It is staff's practice to make the Authority aware of funds available to the agency and ways in which these funds must be used.

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4) **Background:** The Federal Transit Administration (FTA) published its final 2012 apportionments in the Federal Register on July 18, 2012. PSRC annually adjusts the FTA 5307 formula funds in its Regional Transit Improvement Program (TIP), after FTA provides the final apportionments for the year, to adjust estimates to the actual amounts available. For the first time, for federal 2012 5307 apportionments, Intercity Transit is eligible for an "earned share" of total PSRC 5307 formula funds. Our share is based on Intercity Transit 2010 express and vanpool ridership into the PSRC service area as documented by statistics Intercity Transit first began reporting to NTD during 2011.

On Friday, August 3, 2012, PSRC informed us our "earned share" of the 2012 5307 formula funds is $1,763,391. We will need to conform to the PSRC's process for programming their Regional TIP and the FTA process for programming and obligating funds in the FTA grant management system (TEAM). This means first, we must move quickly to identify eligible project(s) to meet the Regional TIP programming requirements; and secondly, that funds will not be available for spending until sometime in 2013.

A key factor in determining which project to apply the $1.7 million PSRC/5307 funds to is the project must be in support of express and vanpool service. Staff began an evaluation process during the week of August 6. This coincides with project evaluation in the context of the 2013 budget process and finalization of

the Strategic Plan. Some possibilities currently being considered include the following:

a. Final engineering phase for maintenance facility expansion with dollar amount determined as a percentage of total project budget in proportion to percent of Intercity Transit's 2010 NTD express and vanpool ridership into the PSRC area to total 2010 NTD ridership.

b. Capital Preventive Maintenance based on the same proportioning indicated in "a."

c. Vanpool van replacements in proportion to the number of vans serving the PSRC area – either in 2010 or currently.

d. Purchase of new bus for expansion of express service into the PSRC area.

It should be noted this new source of supplemental 5307 formula funds is expected to continue on an annual basis.

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5) Alternatives: N/A

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6) Budget Notes: $1,763,391 of 2012 FTA 5307 funds will be available during 2013 for allocation to capitol project(s) that support service to the PSRC service area.

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7) Goal Reference: The project elements support agency Goal 1: "*Assess the transportation needs of our community;"* and Goal 4: "*Provide responsive transportation options."*

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8) References: N/A

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 7
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Carolyn Newsome, Vanpool Manager, 705-5829**

SUBJECT: **2013 Vanpool Fare Increase Options**

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1) **The Issue:** To brief the Authority on potential vanpool fare increase options.

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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.

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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.

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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 seve 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 capitol cost include total operating cost (see above) plus capital cost.

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 8
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Mike Harbour, ext. 5855**

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

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1) **The Issue**: To brief the Authority on potential fare increase options.

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2) **Recommended Action**: Direct staff to begin a public process to consider a fare increase to be effective January 1, 2013.

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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.

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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.

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5) **Alternatives:** The Authority may direct staff to begin a public process to consider a fare increase or may table the issue until a later date.

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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.

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7) **Goal Reference:** The Strategic Plan specifies how resources will be allocated to address all of the Authority goals.

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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.

INTERCITY TRANSIT AUTHORITY
WORK SESSION
AGENDA ITEM NO. 9
MEETING DATE: August 15, 2012

FOR: **Intercity Transit Authority**

FROM: **Mike Harbour, ext. 5855**

SUBJECT: **2013-2018 Strategic Plan – New Federal Authorization Law for Transit Funding (MAP-21)**

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1) **The Issue**: To brief the Authority on the new transportation authorizing legislation and its implications for future federal funding.

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2) **Recommended Action**: This is an information item.

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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. A major element of the plan is the six-year capital program. The new federal legislation makes dramatic changes in federal capital funding.

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4) **Background**: A working paper addressing the Moving Ahead for Progress in the 21st Century Act (MAP-21) is attached. MAP-21 was signed into law on July 26, 2012, and goes into effect on October 1, 2012. The bill also extended the current law (SAFETEA-LU) through September 30, 2012. The bill authorizes programs for two years, through September 30, 2014. Overall funding increases slightly (1.1%) under MAP-21, but federal discretionary funding programs are eliminated.

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5) **Alternatives:** N/A

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6) **Budget Notes**. The Strategic Plan provides the basis for the development of the annual budget. Changes in federal funding of capital projects will significantly change how we plan future capital expenditures.

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7) **Goal Reference:** The Strategic Plan specifies how resources will be allocated to address all of the Authority goals.

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8) **References**: 2013-2018 Strategic Plan Working Paper #4: MAP-21 and Funding of Capital Projects.

2013 – 2018 Strategic Plan
Working Paper #4
MAP-21 and Funding for Major Capital Projects
August 2012

The President signed new federal legislation authorizing transportation funding through September 30, 2014. The new legislation, Moving Ahead for Progress in the 21st Century (MAP-21), significantly changes how federal capital funds are distributed by eliminating discretionary capital funds and replacing it with an annual allocation. Intercity Transit has been very successful in obtaining federal discretionary funds, and this change in federal policy will significantly affect how we plan for future capital purchases.

MAP-21 Significant Changes

The significant changes affecting Intercity Transit are outlined below:

- Several grant programs are consolidated into the Urbanized Area Formula grant program (5307). This includes Job Access and Reverse Commute (JARC) funds. JARC funds previously flowed through the State to Intercity Transit for our Village Vans program.
- All discretionary grant programs were eliminated. These include Clean Fuels Grants, JARC, New Freedom Program (5317) and discretionary State of Good Repair grants.
- The Urbanized Formula Grant (5307) received increased funding with the Small Transit Intensive Cities (STIC) funding receiving a 50% increase.
- A new Bus and Bus Facilities Formula Grants (5339) program is created. This is designed to replace discretionary capital funding, and Intercity Transit will receive an annual allocation under this program.

Short-Term Impacts of MAP-21

The financial impact of these changes is not completely clear at this point. The Authority will be updated as additional information is available. The short-term impacts are:

- Our level of allocated 5307 funds is expected to increase from $2,290,000 in 2012 to $3,180,000 in 2013. This is an increase of approximately $900,000, but it also appears we will lose approximately $190,000 per year in JARC funds. The net change is an increase of $700,000 per year.
- We will receive a Bus and Bus Facilities allocation of $250,000 per year. Our net increase in federal funds is approximately $950,000 per year. This is FTA's estimate at this point and may change slightly as additional work on 2013 allocations is completed.

Long-Term Impacts of MAP-21

This analysis assumes MAP-21, despite being a two-year bill, will be extended and will be the framework for federal funding over the 6-year period of the Strategic Plan. The major long-term impacts of MAP-21 are:

- Intercity Transit will not be able to depend on significant federal funding for capital projects. The major unfunded capital project in the Strategic Plan is the final design and construction of the Pattison Street Operations and Maintenance facility. This project is budgeted for $3.2 million in local funds in 2012 and for $22.5 million with $18 million in federal funds planned in 2013 and 2014. The scheduling and financing of this and other capital projects will have to be approached in a different manner that does not include discretionary federal funds.
- Funding for future bus purchases will have to be identified in advance with the allocated 5339 and other funding designated for bus replacement and/or other capital projects. The next major purchase of buses will not occur until 2018 or 2019 when eight buses will be replaced at a cost of approximately $6.5 to $7 million.
- Intercity Transit needs to prepare for a major bus purchase in 2020 of 17 buses and 2022 of 23 buses. This will require a long-term capital funding plan that funds a capital program through continuing annual allocations of funds. Intercity Transit may also have to explore borrowing to cover years with high capital purchases.

Working Paper #5, Six-year Capital Program and Funding Options, will be presented to the Authority at the September 5 Authority meeting and will discuss future capital needs and options for financing these needs.