

Jefferson Transit Authority Board

Special Meeting Minutes

Tuesday, September 17, 2019, 1:30 p.m.

63 4 Corners Road, Port Townsend, WA

CALL TO ORDER/WELCOME

The meeting was called to order by Jefferson Transit Authority (JTA) Board Chair David Sullivan at 1:31 p.m. Other members present were David Faber, Greg Brotherton, and Kate Dean. A quorum was present.

STAFF PRESENT

General Manager Tammi Rubert, Finance Manager Sara Crouch, Operations Manager Leesa Monroe, and Executive Assistant/Clerk of the Board Laura Smedley.

PUBLIC COMMENT

Darrell Conder asked about the status of the public restroom construction.

Tammi Rubert stated the construction is on schedule.

Ariel Speser entered the meeting at 1:35 pm

NEW BUSINESS

a. Discussion regarding the Authority Board's position on the Washington Initiative 976, Limits on Motor Vehicles Taxes and Fees Measure (2019) per RCW 42.17A.555(1).

Tammi Rubert said she joined the AWC webinar regarding I-976. We still don't know the full extent of what will happen if I-976 passes. I-976 involves the motor vehicle taxes and fees, basically going back to the \$30 car tabs. The potential impacts are on our multimodal account, which is about \$1.4 billion. The total loss would be \$1.9 billion over 6 years. Our Regional Mobility Grant, Consolidated Grant, and Special Needs Grant will be effected. Sara Crouch will explain the potential impact to JTA.

Sara Crouch stated the first page of her handout is for the 2019/21 biennium. The Federal funds are \$2.5 million, and the Washington State funds are \$500,000. She asked WSDOT if JTA will lose the State funds, which would be 7% of the grant funding for the next two years, and they referred her to the Office of Financial Management (OFM) website. Then Ms. Crouch asked WSDOT if it is a possibility they will redistribute the Federal funds, and they referred her to the OFM website. It is very

difficult to plan when we could lose 7% to 35% of our project budget. On page 2 of the handout are the Rural Mobility Transit Formula Funds, which are State funds, and Paratransit/Special Needs Transit Formula Funds, both of which are on the chopping block. At a minimum, that is 7% of our project budget. We have been funded for four years, but the projected funds are on the chopping block too for the years 2021 to 2023. We typically get Rural Mobility Transit Formula funds, Paratransit/Special Needs funds, and the sales tax equalization funds. Sales tax equalization comes annually and goes into our operating account, and we have already expended that on our 2017 to 2019 project. We are granted those every year, and they go into our operating project, so we wouldn't expect to see those funds either.

David Faber noted that right now, through the car tabs there are certain fees that are collected by the local jurisdictions as well as the State and then a portion between road projects, transit, and other transportation related projects. And, JTA receives about \$3 million per biennium through the combination of the Federal funds that are redistributed through the State, as well as the State's funds themselves, and if these tab fees went away with the passage of this bill, the fear is that those Federal funds, as well as the State portion of the funds, would instead be hoovered up by road projects and other projects, and not come to transit agencies. Is that a correct analysis?

Ms. Crouch said the State funds would most likely be lost, and potentially the Federal funds as well because they would probably redistribute those funds. According to our cost allocation model, what we do is take each one of our routes and look at what the cost is annually. The Tri-Area Loop costs us \$482,835 to operate. I am not saying we would cut the Tri-Area Loop, we would look for non-performing routes. We don't know what we are not going to have money to fund, but we are assuming if this passes, that they are going to cut our funding. Ms. Crouch suggested the Board consider waiting one week for our Budget Workshop because it is currently scheduled on Election Day. Ms. Crouch will have two budget scenarios, and we should know by the second Tuesday in November whether or not this initiative passed and which scenario makes the most sense.

David Sullivan said the state legislature still has time to change their budget. They could find funds to supplement the lost funding, and they could find other taxes they could levy. We are operating in a world of contingencies that may or may not happen.

Tammi Rubert said the road projects, the Washington State Patrol, the Puget Sound Ferries; there are a lot of other things that may take priority over transit.

Bendi Carruthers asked what kind of cuts were made the last time this happened.

David Sullivan said he remembers a number of the Motor Vehicle Excise Tax (MVET) funds at that time went to public health, and it is his understanding that those have never been effectively replaced. Chair Sullivan asked the Board in the information setting if the public wants clarification or has questions; it would be a good idea to entertain those. The Board agreed.

A member of the public stated he was working for Metro Transit when that happened, and it decimated Metro. They stopped hiring for almost five years.

Tom Thiersch said when the MVET funds went away, State ferries did a 20% fare increase.

Ms. Crouch stated she wanted to show the potential impact will basically be \$500,000 to \$3,000,000, and then think about what one of our routes costs.

Greg Brotherton asked if all of the Federal funds are passed through the State.

Ms. Crouch said yes, we are a pass-through entity, which means that we receive our money through WSDOT, we don't have direct funds.

Brenda McMillan asked why when there is a shortage of money, only the drivers are cut, and administration is not cut.

David Sullivan stated we haven't had a discussion about what we will do, but we are anticipating discussing that in our Budget Workshop in November. It sounds like we may reschedule our Budget Workshop to a week after the election so we have a better idea of what we are faced with.

Kate Dean asked about the Consolidated Grant on the front page of the budget handout, that is the \$500,000 to \$3,000,000, is it broken out into these two projects on the back.

Ms. Crouch said JTA's project A, which is our East Jefferson service, and then project B, which is our West Jefferson service. Project B is completely federally funded. We haven't received project C yet, which is Capital purchase for four buses. We plan to present this Grant to you in the October Board meeting.

David Sullivan opened comments to the public and stated we will take one person that wants to speak for passage I-976, and then we will take one against, and we will alternate until we run out of one side or the other and will continue with the side that is left. We will determine by a coin toss who begins. Is there anyone who wants to speak in favor of I-976? Not hearing anyone, if someone changes their mind later, let me know. How about against I-976?

Tom Thiersch said a good way to estimate what the potential impact would be is to figure the percentage of revenue to WSDOT that would actually be affected should the initiative pass. That percentage factor would give you a starting point, and then other things being prioritized like Law Enforcement/State Patrol, that would decrease the amount that would be available for distribution to other agencies. I think that would be your minimum starting point, just to apply that factor of the percentage of decrease in available funds. Speaking in opposition to the initiative, I think it would have dramatic negative impact on lots and lots of services, not just Jefferson Transit.

Debbie Jahnke is in opposition.

Darrell Conder is in opposition and asked if there will be any mounted campaign against this to inform the public of what will happen if this initiative passes. I am worried people

will see \$30 tabs on the ballot and think it is a good thing without any knowing any information.

Ms. Rubert said there are several organized oppositions to this. If you go to the Washington State Transit Association (WSTA) website or the Community Transportation Association of America (CTAA) website, there are several websites with information on I-976.

Ed Stanard stated Amalgamated Transit Union (ATU) is doing 60 ads on the radio in opposition.

A member of the public stated here is an organization that works with transit agencies across the State called Transportation Coalition Initiative, and they are running statewide campaigns to combat I-976.

David Sullivan talked about the limits we have as a governmental entity in using any government resources. We can't use government resources to campaign, to even take a position, we have to have a process like we are having today, but I encourage people to exercise their rights. Seeing no other comment requests, Chair Sullivan closed the public comment time and asked for Board discussion.

David Faber said the best-case scenario with the passage of I-976 still results in real threats to our budget, and he believes taking a stand against I-976 makes sense to him.

Greg Brotherton asked how the Board can effectively oppose this. What kind of action can we take?

David Sullivan said as a governmental agency; we can only give factual information. Individually we can exercise our rights as citizens because we don't lose those by being elected. As a Board, to take a position, we can let people know about that.

Ms. Rubert stated the Everett City Council voted to oppose I-976 and are in the newspaper in a photograph opposing it.

Ms. Crouch said if we look at our overall revenue, and we would have to guesstimate what our sales tax would be, traditionally, our grant funding has been about 20% of our budget.

David Sullivan said the transportation budget is somewhat isolated at the legislative level, but certain things go into that, not just the MVET taxes, but gas taxes and other things. It is within the legislature's authority and power to make adjustments either to add to that or to take away. They tend to be somewhat reluctant to do that, but then at other times they can't resist doing that because of other needs. We really don't know what the effect is going to be, but a smaller pie does not bode well for us.

Kate Dean stated she has been doing research trying to hone in on the impacts and has found it challenging in part because we should not be using public resources to be doing that work, but there are a number of places that have fact sheets, for example Clark County. I believe we could request a fact sheet for this region. Especially given

that we are trying to connect regionally, we can anticipate the impacts would affect our level of service. I am very comfortable taking a position today. There are infrastructure projects at risk which concerns me at a State level, the ferries, and bridges. Even if we can't be very specific about how exactly our service would be affected, we are part of a regional transportation system that is in dire need of capital investment.

David Sullivan stated that it does bring to mind that the need to coordinate with other transit agencies, and the ferries, and other parts of the transportation system as we make decisions if we end up having less revenue as a result of this. Other systems decisions could end up influencing JTA, and vice versa because we are in the center a number of counties. We will have to have regional discussions if this passes. We have reserves that give us a little breathing room, but those are limited.

Ariel Speser stated this is pretty straight forward that we should be in opposition to this initiative.

Motion: Kate Dean moved that the Jefferson Transit Authority Board oppose the passage of I-976 because the Board does not want to see a reduction in public transportation funding. David Faber seconded.

Vote: The motion carried unanimously, 5-0 by voice vote.

PUBLIC COMMENT

Bendi Carruthers commented on the ATU contract.

Brenda McMillan said the decision should be made now.

David Sullivan said decisions could not be made today that are not part of the Special Meeting Agenda. Our position is that the ATU contract delay is because of a proofreading mistake made by both sides, and we are encouraging both to come together and to get mediation if needed to get this done. I was actually hopeful that this would have been done by now, so we could have incorporated it in this meeting.

Debbie Jahnke asked if action will be taken at the executive session.

Executive Session for discussion regarding personnel per RCW 42.30.110 1(g) as outlined in the Open Meetings Act with no action anticipated. The Executive Session will be held from 2:05 pm to 2:20 pm. This part of the session will include the Authority Board only. The Board resumed the regular meeting at 2:20 pm. David Sullivan announced that the Board will be extending the Executive Session from 2:20 pm to 2:35 pm, and will include the General Manager as part of the session. The Board resumed the regular meeting at 2:36 pm. David Sullivan announced that the Board will be extending the Executive Session from 2:36 pm to 2:46 pm. The executive session was concluded, and the Board resumed the regular meeting at 2:46 pm.

ADJOURNMENT


Motion: David Sullivan moved to adjourn the meeting at 2:47 pm. Greg Brotherton seconded.

Vote: The motion carried unanimously, 5-0 by voice vote.

The next regular meeting will be held on Tuesday, October 15, 2019, at 1:30 p.m.



Laura Smedley, Clerk of the Board



Date