

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
RETREAT MEETING MINUTES**

September 15, 2022

CALL TO ORDER

Chair Campbell called the Special Board Retreat Meeting to order at 1:05 p.m. He announced that he would temporarily step out from the meeting from approximately 1:45 p.m. to 2:30 p.m. and that Vice Chair Walker would chair the meeting in his absence.

ROLL CALL

Commissioners present:

Marty Campbell, Chair of the Board, Pierce County Councilmember
Kent Keel, City of University Councilmember (*representing University Place and Fircrest*)
Ryan Mello, Pierce County Councilmember
John Palmer, City of Puyallup councilmember (*representing Puyallup and Edgewood*)
Kim Roscoe, Mayor of Fife (*representing Fife/Milton/ Pacific/Auburn/Gig Harbor/
Ruston/Steilacoom*)
Kristina Walker, Vice Chair of the Board, City of Tacoma Councilmember
Jason Whalen, Mayor of Lakewood

Commissioners excused:

Victoria Woodards, Mayor of the City of Tacoma

Staff present:

Mike Griffus, Chief Executive Officer
Deanne Jacobson, Clerk of the Board
Brittany Carbullido, Deputy Clerk of the Board
Chris Schuler, Chief Financial Officer
Amy Cleveland, Executive Director of Administration
Adam Davis, Executive Director of Maintenance and Facilities
Grantley Martelly, Chief Operating Officer
Ryan Wheaton, Executive Director of Planning and Community Development
Reggie Reese, Chief Safety Officer
Nathan Groh, Zero Emissions Fleet Coordinator
Lindsey Sehmel, Principal Planner - Scheduling

1. Welcoming Remarks; presented by CEO Mike Griffus

CEO Griffus thanked the commissioners and staff for attending today's retreat. He provided an overview of the topics that will be covered in the meeting and noted that all the topics link back to service and the customer experience. He also advised that the content of today's meeting will update the Board on programs and initiatives the agency has been working on, provide an educational component, and will give an overview of significant challenges that impacts the Level of Service the agency can provide to our customers. He also noted that today's meeting gives staff the opportunity to receive

feedback so staff can begin the groundwork to complete future work. The content will serve as Building Blocks for the work the Board will consider in the future and will assist the Board in setting realistic policies and goals for the agency now and in the future. He also advised that today's retreat is the first of a two-part meeting, with the second part of this retreat scheduled for April 2023, when the agency will need input from the Board on the agency's Strategic Plan.

2. Workforce Update and Future Outlook; presentation by Amy Cleveland, Executive Director of Administration

Ms. Cleveland provided an overview of conditions that are driving reduced participation in the overall workforce market and noted the decline in the workforce has been caused by a confluence of events that started prior to the pandemic and exacerbated by the pandemic (*Commissioner Keel arrived at 1:13 p.m.*). She noted that an unprecedented exit of Baby Boomers during the pandemic, diminishing birth rates, and barriers such as child-care availability and high child-care costs have impacted women entering or returning to the workforce, as well as reduced male participation rate are all factors that are contributing to the workforce shortage. She reported that overall job applications are down significantly.

Ms. Cleveland reviewed the age demographics of Pierce Transit's workforce and noted that the agency does not have younger populations working. She discussed wage pressures and noted that the agency does not expect the labor market to return to past norms.

Ms. Cleveland reviewed the many strategies the agency uses to retain existing employees and recruiting new employees, which include, but are not limited to, offering part time work, non-Commercial Driving Licensing (CDL) opportunities, working with technical colleges and high schools, targeting veterans, increasing the starting wage, deploying a robust communication outreach plan to attract potential workers, career development opportunities, proving hazard pay to certain segments of Pierce Transit's workforce, and offering a retention bonus (subject to Board approval).

Ms. Cleveland reported that the agency has troubles keeping and attracting Public Safety Officers and briefly talked about a campaign to attract veterans. She also noted that the agency hired a Diversity Equity and Inclusion manager, and the Board will receive an update on this program towards the end of the year.

Ms. Cleveland concluded her presentation acknowledging that the agency is working on building a new retention strategy. A question-and-answer period ensued about recruitment strategies and agency's overall compensation package and market trends. (*Chair Campbell left the meeting at 1:45 p.m.*)

3. Review of Route Productivity Performance Standards and Farebox Recovery Rate; presentation by Ryan Wheaton, E.D. of Planning and Community Development; Lindsey Sehmel, Principal Planner – Scheduling

Mr. Wheaton and Ms. Sehmel reviewed the agency's route productivity performance standards and farebox recovery rate goals that were set many years ago and which have historically not always been adhered to closely. The Board was advised that all transit agency's service levels are down due to the pandemic and operator shortage, and as such,

staff recommends that interim performance standards comprised of peer transit agencies be considered to measure the agency's route productivity and farebox recovery rate until conditions restore. The Board reviewed the calculation methodology that was utilized by staff to determine the interim standards.

Mr. Wheaton noted that the agency realizes that it has non-performing routes, and the agency needs to set realistic performance measures during the labor shortage and to begin to look at increasing other forms of transportation other than fixed route bus in less performing areas.

Staff reviewed the steps and timeline for implementation of the interim performance standards.

Recess – The Board was in recess from 2:23-2:35 p.m.

4. Update on Public Safety Model and Ambassador Program; presentation by Grantley Martelly, Chief Operating Officer

Mr. Martelly provided an overview of the agency's public safety model that is currently comprised of limited use of Pierce County Sheriff's Department (PCSD) personnel, Pierce Transit Public Safety Officers, contracted service with local police departments, and security services. He noted that the current model will change drastically at the beginning of 2023, when PCSD will only offer a Chief and an Investigator and will stop allowing Pierce County deputies to work extra duty for Pierce Transit in the City of Tacoma but will allow deputies to work extra duty in unincorporated Pierce County. Effective January 1, 2023, there will be no dedicated law enforcement working for Pierce Transit in the City of Tacoma. All Pierce Transit calls in Tacoma needing a fully commissioner law enforcement officer will be handled via 911.

Mr. Martelly reviewed the current staffing levels of the Public Safety Officers and the current level of service they provide, noting that 11 of the 17 positions are filled. He also reviewed the current staffing coverage and areas of deployments served by Allied Universal Security. He noted that Allied Security is still not fully staffed as they too are affected by the labor shortage. (*Commissioner Hines arrived at 2:45 p.m.*)

Mr. Martelly provided an overview of the agency's model for its Transit Ambassador's Program, which is currently being developed. He noted that the configuration consists of Service Supervisors, Security Guards, and Public Safety Officers. He reiterated that Pierce Transit does not conduct fare enforcement and reviewed the role of the Transit Ambassador.

Mr. Martelly also reported that the agency has coordinated with Behavioral Health Partnership for training so that that agency can appropriately help customers when they need services rather than a law enforcement response. Service Supervisors, Security Guards and Public Safety Officers have received or will receive training so that they have the tools to respond appropriately.

CEO Griffus reinforced that he believes the Ambassador model that was shared today is the appropriate model for the agency given that the agency does not conduct fare

enforcement and that the job responsibilities of a Service Supervisor closely align with the responsibilities of an Ambassador. He noted that he would like to test this model for 9-12 months.

A short question and answer period ensued about training and deployment of resources.

Vice Chair Walker reiterated that although the City of Tacoma does not have dedicated officers to the Pierce Transit system, the Tacoma Police Department would still respond. (*Chair Campbell returned at 3:00 p.m.*)

5. Zero Emissions Initiatives – Future Planning and Challenges; presentation by Adam Davis, Executive Director of Maintenance and Facilities; and Nathan Groh, Zero Emissions Fleet Coordinator

CEO Griffus provided opening comments that affirmed Pierce Transit's commitment to Zero Emissions technologies and that also addressed the significant cost and operational challenges transitioning to a Zero Emissions fleet will have on the agency. He advised that the current Maintenance and Base Operations Improvements accounted for in the Six Year Budget do not accommodate any future Zero Emissions fleet or infrastructure improvements outside of the 12 electric buses and 12 charging stations the agency has planned for.

Mr. Davis introduced Nathan Groh, Zero Emissions Fleet Coordinator, and noted Nathan was hired to assist the agency with Zero Emissions technology to assist the agency in its commitment to combat climate change.

Mr. Groh provided an overview of the agency's efforts and foundational building blocks that support the agency's sustainable fleet efforts, which includes the following:

- Zero Emissions Fleet Transition Plan currently being developed by HDR
- Nine electric buses, with three pending electric buses
- 19 routes receive some level of battery electric bus deployment
- Examining electrification options in Vanpool and Support Fleet
- Vanpool ridership survey – examining electrification options for the future
- Vanpool workplace charging partnerships
- Tacoma Public Utilities hydrogen study

Mr. Groh provided information that compared the reliability of CNG buses with electric buses, noting that in 2022 nine electric buses were driven 77,000 total miles vs. nine CNG buses driven 325,000 total miles, and noted there are significant hurdles to overcome to meet electrification goals.

Mr. Groh advised that the challenges that exist to expand to a Zero Emissions fleet include the following:

- Extremely high upfront and unfunded costs both for vehicles and infrastructure
- Current low reliability of electric buses
- Significant depot and enroute infrastructure needs

- Replacement ratio at current status. Example: 1.5 to 10 electric buses are needed to replace just one CNG bus.
- The Maintenance and Operations Base Improvements (MOBI) are not Zero Emissions specific. The current lot design lacks charging capacity and facility infrastructure capacity to transition to a full Zero Emission fleet without further changes to the current lot configuration or exploring off-site options.

Mr. Groh reviewed the elements and timeline of the Fleet Transit Plan that is currently underway with HDR, which among other things, will include a feasibility analysis, facility and maintenance review, fleet transition options and phasing, and financial and economic analysis. The final report is expected to be completed in Q1 of 2023.

Mr. Groh reviewed the difference between base and enroute battery electric charging stations and what each would require with regards to infrastructure needs. He also reviewed possible enroute locations.

The Board received a high-level overview about the performance capabilities and infrastructure requirements for hydrogen fuel cell buses. Further modeling and life-cycle costs analysis are needed for electrification and hydrogen technologies.

Mr. Groh advised that under the Washington State Clean Fuels Program Rules, the agency could receive carbon offset credits.

Mr. Groh advised that Pierce Transit actively seeks grants to support its transition to green technology and spoke about a recent grant award in May 2022 for three additional electric buses and base charging stations. He also advised that the agency is competing for the WSDOT Green Transportation Grant which, if successful, will help determine the support that our current grid structure could support.

Mr. Groh reviewed the current makeup of the vanpool fleet, which contains some hybrid electric vehicles. The agency is exploring other hybrid alternatives because of the 6+1 seating requirement. He noted the agency is exploring electrification avenues for the agency's support fleet.

Mr. Groh responded to questions about grant opportunities. Chair Campbell and Vice Chair Walker advised their agencies are happy to support grant opportunities for Pierce Transit.

A discussion ensued about the fact that the current MOBI configuration does not support any further electric infrastructure improvements past the 12 electric buses and 12 charging stations that have been planned. CEO Griffus advised that the prior administration had removed 28 charging stations from the MOBI plan. Commissioner Mello advised that decisions such as this should go before the Board and inquired if staff could conduct an audit to determine if the Board approved such action.

Mr. Davis concluded his presentation reaffirming the agency's commitment to Zero Emissions, noting that the agency has put together an experienced team to assist with the transition using a variety of resources.

Recess – The Board was in recess from 3:22 – 3:50 p.m. (*Commissioner Palmer left the meeting at 3:23 p.m.*)

6. Review of Budget Methodologies in Advance of the 2023 Budget Preparation and Preliminary Review of 2023 Budget; presentation by Chris Schuler, Chief Financial Officer

Mr. Schuler provided an overview and timeline of approval for the 2023 Budget and asked the Board to provide him with suggestions/input that they would like incorporated into the budget document before adoption. He reviewed the 2023-2023 Budget Assumptions for sales tax collection, fare revenue, planned service, personnel changes, employee wage increases and benefits, and the addition of 10,000 BRT service hours in 2027 to Pierce Transit fixed route service. The budget also assumes a reduction in Sound Transit service due to the light rail extension in 2025 of 3.7 percent and a second reduction in 2027 of 17 percent.

He reviewed the revenue and expenditures for the operating and capital budgets and provided a Performance Analysis comprised of peer agencies that compared population, service area, sales tax rate, fare revenue, operating expenses, and vehicle revenue miles, vehicle revenue hours, unlinked trips, and fare costs.

Mr. Schuler reported that the agency is focused on increasing service by attracting and retaining operators, implementing the BRT project, completing the Maintenance and Operations Base Improvements, transition the fleet to Zero Emissions, pursue additional funding through grants and TIFIA loans, and explore revenue options.

Discussion ensued about whether the agency would like to pursue a ballot measure. Executive Director of Planning and Community Development Ryan Wheaton advised that it may make sense to pursue a ballot measure in 2024. The Board also discussed that there may be value in looking at a ballot measure in 2023 as well. He noted the agency will be conducting a community survey soon, which may help guide the agency in its decision.

Commissioner Mello requested that the budget document include comparisons for ending fund balances for 2022 and 2023 and that the projects detailed in the capital budget section express what milestone should be completed.

Commissioner Mello also raised concerns about Sound Transit eliminating their 590 and 594 services in 2025, and strongly advocated that this service remains. CEO Griffus confirmed that Pierce Transit has requested that Sound Transit keep the 590 and 594 routes.

7. Recap of Meeting Outcomes and Agency Goals

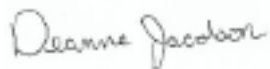
CEO Griffus thanked everybody for attending the retreat and thanked staff for their presentations. He reviewed the agency goals that were detailed in his evaluation.

Commissioner Keel expressed that the presentations were helpful and that he would like to remain updated on topics discussed today and learn how Zero Emissions infrastructure will be integrated into the MOBI plan.

ADJOURNMENT

Commissioners Walker and Keel **moved** and seconded to adjourn the meeting at 4:37 p.m.

Motion **carried**, 7-0.



Deanne Jacobson



Marty Campbell, Chair
Board of Commissioners