

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
Special Work Session Minutes
July 1, 2013, 9:00 AM – 2:00 PM**

At 9:00 AM, Business Partnership Administrator Kelly Johnston welcomed the Board of Commissioners to the Work Session. She explained that the meeting focus was on Strategic Direction and Service Innovation.

Commissioners present:

Marilyn Strickland, Chair of the Board, Tacoma Mayor
Rick Talbert, Vice Chair of the Board, Pierce County Councilmember
Don Anderson, Lakewood Deputy Mayor
Glenn Hull, Fife Mayor Pro Tem (*representing Fife/Edgewood/Milton*)
Kent Keel, University Place Councilmember
Steve Vermillion, Puyallup Councilmember
Lauren Walker, Tacoma Councilmember (arrived at 10:07 AM.)
Derek Young, Gig Harbor Councilmember
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)
Don McKnight, President/Business Agent, ATU Local 758

Commissioners excused:

Pat McCarthy, Pierce County Executive

Staff present:

Lynne Griffith, Chief Executive Officer
Wayne Fanshier, Chief Financial Officer
Alberto Lara, Chief Administration Officer
Doug Middleton, Chief Operations Officer
Carol Mitchell, Public Relations Officer
Jay Peterson, Transit Development Manager
Spiro Manthou, Procurement Manager
Kathy Sullivant, Finance Manager
Heidi Neideigh, Executive Project Manager
Jody Guy, Market Research Analyst
Kelly Johnston, Business Partnership Administrator
Tina Lee, Service Innovation Administrator
Justin Leighton, Government Relations Officer
Kim McGilvery, Operations Data Specialist
Ashley Smith, Project Controls Assistant
Candy Tribbett-Holguin, Operations Data Specialist
Tom Wolfendale, Legal Counsel
Barbara Schatz, Deputy Clerk of the Board
Deanne Jacobson, Clerk of the Board

Commissioner opening comments:

- Chair Strickland recapped the March 31, 2013, Board Work Session, talked about strategy work, and said we need to figure out what is critical today. She said the Board asked Pierce Transit staff be innovative, so please let them be innovative.
- Vice Chair Talbert said he would like clear direction on Board Member roles, and is anxious to see Pierce Transit move forward. He said Pierce Transit is at rock bottom financially and there is nowhere to go, but up.
- Commissioner Young said he would like to revisit the Van Pool issue again and focus on innovation. He would like to see the Board develop a plan for rebuilding as a nine-tenths of one percent agency, or as funding increases.
- Commissioner Keel said we are at our lowest point now. We need to work with what we have.
- Commissioner Hull said the money is what it is, and we are at the bottom right now. He wants the Agency to work together.
- Commissioner McKnight agreed with Commissioner Hull and noted he wants to see the Agency rebuild.
- Commissioner Vermillion said the six-tenths of one percent is all we have. He is supportive of innovative solutions and regionalized service. He also thought the Gig Harbor Trolley was a good idea.
- Commissioner Anderson said he wants Pierce Transit to be proactive, instead of reactive.

Ms. Johnston reviewed the five points of direction the Board needs to make by the end of the day:

1. Agree on Board meeting times for the Regular and Study Session meetings.
2. Are the core elements of proposed strategic priorities the correct ones?
3. Is Pierce Transit staff on the right track with the four service innovations presented?
4. Should service across the three categories (fixed route connectors, tailored community service, limited stop/express) be adjusted? If yes, where should staff focus increases?
5. What percentage of service hours should be allocated to lower efficiency routes versus high efficiency? *(Commissioner Talbert left the meeting at 9:25 AM, noting that he would be returning a little later in the meeting.)*

CEO Lynne Griffith introduced the Business Development Office team.

Summary of Board Direction

Direction 1: Agreement on Board meeting time and study session.

Following discussion of potential alternative dates to hold Regular Board and Study Session Meetings, Board Members in attendance reached a consensus to change the Regular Board Meeting date from the second Monday of the month at 4:00 PM, to the second Wednesday of the month at 4:00 PM with a 3:00 PM Study Session (fixed, standing meeting) prior to the Board Meeting. *(Commissioners McCarthy, Walker and Talbert were not present.)*

Ms. Johnston reviewed the data/information she collected during one-on-one interviews that she conducted with the Board Members in preparation for the Work Session. (*Commissioner Walker arrived at 10:07 AM.*)

Direction 2: Are the strategic priorities proposed the right ones?

Ms. Johnston reviewed the Core Elements of the Strategic Plan:

- Operational Excellence – includes safety, customer service & efficiency
- Financial Stability
- Tailored Community Solutions
- Service Allocation

The Board was in support of the core elements proposed to carry out the 3-year strategic plan.

Direction 3: Is Pierce Transit staff on the right track with the four service innovations presented?

CEO Lynne Griffith reviewed the attributes of innovation.

Government Relations Officer Justin Leighton reviewed the four innovative concepts and provided examples of each:

- Custom Bus
- Little Bus
- Trolley
- Community Events

Mr. Leighton discussed a potential opportunity for private partnerships with local businesses.

Commissioner Anderson recommended venturing into a partnership with JBLM for their civilian employees.

Innovative Concepts – Little Bus

Service Innovation Administrator Tina Lee reviewed/discussed the small bus circulator concepts. These buses could have community branding and naming conventions. She noted that this concept would need community investment. It was also noted that the four innovative concepts are in addition to core service.

Commissioner Vermillion raised concerns about the community investment aspect as it relates to Puyallup's community makeup, i.e., businesses are very diverse. He also raised concerns whether this would compete with the route in Sumner.

Commissioner Hull liked the community feel of the circulator buses.

Commissioner Vermillion suggested using the big buses to move people in and out of the transit stations and using the small bus circulators to locally circulate riders.

Commissioner Young recommended keeping the Board Response Team on the table so the Agency is ready when opportunities come up.

Commissioner Keel was supportive of funding innovations so the Agency can move forward in an efficient manner while increasing ridership/or provide transit needs to the community.

Ms. Lee reviewed the Trolley concept and potential opportunities in the region. (*Rick Talbert returned at 11:11 AM.*)

Don Anderson noted he would like to see the capital cost breakdown taken into consideration along with operational costs.

Kent Keel was in favor of a trolley and/or small bus circulator for his city in 2015.

Innovative Concepts – Community Events

Mr. Leighton continued to discuss concepts geared towards community events.

CEO Griffith discussed funding strategies for innovation solutions:

- Use sales tax revenue growth
- Avoid further reductions to existing service
- Use partner investments to fund demonstrations
- Explore feasibility through non-profit foundations

Commissioner Vermillion suggested exploring the Lodging Tax as a funding solution.

Commissioner Anderson suggested combining the efforts of the Lodging Tax with foundations.

Rapid Design – Ms. Johnston explained the Rapid Design process.

Commissioner Young praised staff for their rapid response and innovation for making the trolley demonstration project come to fruition. He talked at length about how the community investment team is excited about this project and are impressed with Pierce Transit. He noted that he feels this particular concept of public transportation is helping to change the minds of individuals about public transportation.

Commissioner Talbert suggested setting a set percentage of new growth revenue dollars towards innovative projects.

Direction 4: Should the service allocation across the three categories be adjusted? If yes, where should staff focus increase?

Ms. Lee reviewed the Service Categories:

- Fixed Route Connectors
- Tailored Community Connectors
- Limited Stop/Express

Commissioner Hull asked for a breakdown for which routes fall into the three categories.

Ms. Johnston requested that the Board allocate a set percentage of hours to three categories:

- Innovation
- Categories
- Efficiency – hi and low

CEO Lynne Griffith reviewed the allocation of efficiency since 2009.

Commissioners' Comments on efficiency and innovation:

Commissioner Hull was pleased with staff's work on the Trolley Project.

Commissioner Vermillion was supportive of projects similar to the trolley project for his community. He noted from his city's perspective, Puyallup is not receiving its fair share and his community may be better served by an on-demand type service (not fixed route), such as a taxi-cab service. He feels that Pierce Transit SHUTTLE is the most inefficient service the Agency offers and is in favor of exploring methods outside of traditional modes of transportation. He suggested that Pierce Transit asks itself "do we want to serve the masses or reach the outlying areas?" He believes that the fair box should be 100 percent recoverable.

Commissioner Anderson was in favor of the innovation approach. He was in favor on a marginal increase towards innovation. He was in favor of increasing inefficient routes.

Commissioner Talbert supported figuring a model out to contribute funding to innovative concepts. He was in favor of increasing inefficient routes. (Commissioner Talbert left at 1:27 PM.)

Chair Strickland noted it's beneficial to sacrifice efficiency to provide a service for public sentiment and public perception.

Commissioner Young noted that he doesn't think transit can ever be completely efficient. He is in support of the core elements and noted there could be challenges with having a profitable non-profit.

Commissioner McKnight was in favor of some of allocating towards more inefficiency and innovation.

Direction 5: What percentage of service hours should be allocated to lower efficiency routes versus high efficiency?

Commissioner Anderson was in support of an 80/20 split. He suggested that the “lower Efficiency” be called “variously productive.”

Commissioner Hull recommended 88/12 split, with focus on making the 12 percent efficient and effective.

Commissioner Keel recommended an 80/20 split.

Commissioner McKnight recommended an 88/12 split.

Chair Strickland recommended an 85/15 split.

Commissioner Young recommended an 85/15 split.

Commissioner Walker recommended an 85/15 split.


Commissioner Vermillion recommended an 85/15 split.

Consensus from the Board Members was that new growth would be split 85/15.

Chair Strickland thanked the Board for their work during this work session.

CEO Griffith thanked the Board Response Team and announced that Kelly Johnston will be leaving Pierce Transit.

The Board Work Session concluded at 2:00 PM.


Deanne Jacobson, CMC
Clerk of the Board


Marilyn Strickland, Chair
Board of Commissioners

