

MINUTES

LINK TRANSIT BOARD OF DIRECTORS *WORKSHOP* TO DISCUSS JANUARY 2024 SALES TAX OPTIONS

March 23, 2023

10 am

Columbia Station 3rd Floor, 300 S. Columbia Street, Wenatchee, WA

Purpose: For Link Transit staff and board of directors to discuss options related to the second tenth of the 2019 voter-approved sales tax increase

ATTENDANCE:

Board members attending in person: Marc Straub, Kevin Overbay, Randy Agnew, Jim Fletcher, Tiffany Gering, Bob Goedde, Clay Brandenburg, Mark Kulaas, Rob Tidd, Joyce Huber, Paul Parmley. ***Board members attending via Zoom:*** Anne Hessburg

Board members absent/Excused: Kyle Steinburg

Link Transit Staff: Selina Danko, Richard DeRock, Nick Covey, Lynn Bourton, Julie Shipman, Ron Hatton, Gabby Walker, Cristina Barone, Howard Johnson.

Legal Counsel: Erin McCool

Members of the Public: Monti Realme, Jerrilea Crawford

1. CALL TO ORDER

The meeting was called to order at 10 am. A quorum was established with 11 voting and one non-voting labor representative.

2. **WELCOME AND INTRODUCTIONS:** Facilitator Dr. Gene Sharratt was not able to attend the meeting due to illness. Chair Straub reviewed the purpose of the meeting.

3. **PUBLIC COMMENT:** A letter was read into the record submitted by Matthew J. Sutherland, a representative Transportation Choices Coalition. Mr. Sutherland resides in Olympia. (See attachment A)

4. BACKGROUND: LINK TRANSIT SALES TAX FACTS – CEO Richard DeRock

DeRock reviewed key points of the roll out of service in Link Transit's Vision 2020 promise and related challenges regarding Covid-19 and the history of delays of sales tax implementation related to those challenges including supply chain issues for vehicle delivery. He also indicated hiring challenges have continued to hamper the ability for Link to use the full funding available in the 2019 voter initiative. (Attachment B, Pages 1-9)

Several board members had questions for Legal Counsel Erin McCool regarding the interpretation and relevancy of RCW 47.66, Section 422 that requires agencies to

Mission Statement

Link Transit's mission is to provide safe, reliable, and efficient public transportation services that promote access to destinations and quality of life

maintain or increase sales tax authority as of Jan. 1, 2022 to be eligible for state transit support grants. McCool stated that the statute is clear relative to a repeal of the 2022 Sales Tax resulting in a forfeiture of future Transit Support Grant funds. A deferral or delay could also imperil Link Transit's Transit Support Grand funding or result in potential litigation over the statutory interpretation of maintaining tax authority. (Attachment C)

Direction from the board at this point was to continue to monitor Ben Franklin Transit's query of the AGs office on whether it could temporarily repeal its sales tax authority without danger of losing eligibility for Transit Support Grants.

5. VISION 2020 PROMISE TO VOTERS

Link planning and development manager Cristina Barone reviewed what was presented to voters in Vision 2020 before the passage of the August 2019 sales tax increase and a report card detailing Link Transit's progress in achieving those goals. (Attachment B, Pages 10-61)

6. VEHICLE STATUS (Attachment B, Pages 62-68)

Barone presented to the board the complexities and challenges related to vehicle procurement and related that the most desirable situation for Link to ensure reliability of service is to purchase vehicles with known grant awards with reasonable expectations for future awards plus use of local funds for all other required vehicle replacement. Vehicles are replaced according to Link Transit's recommended schedule to ensure continued reliability of the fleet.

7. LABOR SITUATION (Attachment B, Pages 69-71)

Assistant Administrative Services Manager Julie Shipman reported that the 2023 Link Transit budget calls for 103 coach operators, but only 78 are currently available. To fully staff Vision 2020, 124 coach operators are needed. Shipman reported that staff are addressing retention and recruitment strategies by striving to present Link Transit as an employer of choice with excellent benefits, good pay and nice facilities. This is a reputation Link Transit has long enjoyed and staff intend to continue, but a shortage of job candidates continues to be a challenge.

8. FINANCIAL FORECAST SCENARIOS (Attachment B, Pages 72-84)

Chief of Staff Nick Covey and Finance Manager Justin Brockwell reported that Link Transit has completed about 50 percent of what was promised in Vision 2020 and that collection of the second tenth was essential to completing the remaining half of transportation options Link Transit committed to delivering. Covey said that collecting the second tenth is an opportunity for Link to build for tomorrow and plan sustainably for the next 20 years. He recommended that the board not delay or repeal the second tenth and allow it to go into effect in January of 2024.

9. WRAP-UP DISCUSSION (Attachment B, Pages 84-86)

Staff concluded the presentation by pointing out that the pandemic and wild economy have increased revenues beyond expectations, but that much of the increased funding is from one-time resources. Staff reminded the board that grants

Mission Statement

Link Transit's mission is to provide safe, reliable, and efficient public transportation services that promote access to destinations and quality of life

are not guaranteed and not likely to continue at today's levels and that inflation has increased costs substantially. Based on financial forecasts for the agency, there will not be enough ongoing revenue to deliver Vision 2020 without the collection of the second tenth sales tax. Collection of the second tenth will allow implementation of Vision 2020 and some additional investments if paired with grant opportunities. Collection of the second tenth further positions the agency to avoid cutting service and suffering from ridership declines that have historically occurred with decreases in service.

Staff is recommending that the board not ask voters to repeal the second tenth of sales tax and caution that a delay could impact eligibility for State Transit Grant funds and that it is important to determine as best as possible the potential consequences of a delay, which could result in the loss of eligibility for \$38 million in state transit funds over the next 16 years.

Board direction is for staff and counsel to seek clarification regarding the consequences of a delay in collection of sales taxes and to continue to reach out to Ben Franklin Transit legal counsel regarding its query to the State Attorney General's office regarding the consequences of a temporary reduction of authority to collect sales taxes. Further direction is to not call for a board vote at its April meeting on whether to place a repeal of the second tenth question on the August ballot.

Chair Straub stressed the importance of being good stewards of the collection of taxpayer money and to deliver on the promises made and that elected officials have a responsibility to address other issues not least of which are things like behavioral health and every tenth that is spoken for impacts the region's capacity to address other issues. Straub said that he is extremely sensitive to Link's labor challenges and how those challenges will continue to impact the delivery of Vision 2020 promises. Straub said that each board member has a responsibility to play a role in finding solutions to continued hiring challenges. Straub said that he doesn't question that the voters have spoken regarding the sales tax issue, but that with that comes an obligation and that if Link can't deliver on those expectations he would much rather go back to voters with full transparency related to the agency's ability to deliver services.

10. MEETING ADJOURNMENT

With all business listed on the workshop agenda addressed and with no further action to conduct, Chair Straub adjourned the meeting at 1:22 pm.

Minutes submitted by 
Selina Danko/Clerk of the Board

Mission Statement

Link Transit's mission is to provide safe, reliable, and efficient public transportation services that promote access to destinations and quality of life