

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

March 5, 2020

CALL TO ORDER

Chair Woodards called the Board retreat meeting to order at 2:17p.m.

ROLL CALL

Commissioners present:

Victoria Woodards, Chair of the Board, Mayor of the City of Tacoma
Marty Campbell, Vice Chair of the Board, Pierce County Councilmember
Nancy Henderson, Town of Steilacoom Councilmember
(representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom)
Daryl Eidinger, City of Edgewood Mayor *(representing Fife/Milton//Edgewood)*
Robin Farris, Puyallup City Councilmember
Don Anderson, City of Lakewood Mayor
Kent Keel, City of University Place Mayor

Commissioners excused:

Bruce Dammeier, Pierce County Executive
Conor McCarthy, City of Tacoma Councilmember

Staff present:

Sue Dreier, Chief Executive Officer
Amy Cleveland, Executive Director of Administration
Ryan Wheaton, Executive Director of Planning & Community Development
Deanne Jacobson, Clerk of the Board
Aaron Millstein, General Counsel from K&L Gates

Opening Remarks

Chair Woodards welcomed the members and thanked them for attending the retreat.

CEO Dreier reported that the Agency's real time App Swifty will be operating next week and will provide real time capabilities for bus arrival times to customers. She reviewed the discussion points for today's agenda.

Review of Classification and Compensation Study and Proposed Reclassification and Compensation Plan

Executive Director of Administration Amy Cleveland explained the basis for the development of a new non-representative compensation structure/program, noting the last study and compensation structure/plan was adopted in 2013 and contained too large of pay bands with some positions below and over market rates and that it was difficult to achieve uniformity of administering the merit system amongst managers. She noted that the proposed structure costs less than the existing

compensation structure. She reviewed the retention rates of employees from years 2018 to current and talked about the overall makeup (*Commissioner Keel arrived at 2:27 p.m.*) of the workforce. She reviewed the study methodology that was utilized to develop the new structure and reviewed the compensation philosophy and advised that the Board will be asked to adopt the proposed compensation structure at a later date.

Ms. Cleveland reviewed the market assessment conducted by the consultant and the results of customer surveys from peer agencies, noting that the consultant found the proposed structure to be competitive or slightly above.

Some commissioners expressed concern over about the pay bands for certain classifications, noting that the salaries appear to be much higher than what the private sector would pay for the same classification.

Some commissioners raised concerns that the proposal before them today is the exact opposite of the compensation philosophy that was presented to them in 2013.

CEO Dreier affirmed that Pierce Transit has been operating under a merit-based system and that employees develop goals each year to meet. The proposed system will still include performance evaluations and employees will still set goals even though the new system reverts back to a step system.

A lengthy discussion ensued about the overall compensation structure. Staff reviewed the following items with the Board:

- The consultant's recommendations;
- The proposed pay bands for each classification;
- Budget and financial impacts

Staff noted that next steps would be Board consideration in April 2020 to approve the new structure, followed by internal communications to employees, with implementation in 2021.

Commissioner Keel noted that he is disappointed to see the compensation philosophy structure return back to the old way.

At the end of the discussion, (*Commissioner Farris arrived at 3:33 p.m.*) Chair Woodards stated that she understands the frustration/difficulties with changing the compensation structure and noted in the future she hopes that Pierce Transit's compensation studies mainly focus on whether the pay bands are current/comparable to the market rate and not conduct an overhaul of the compensation structure and philosophy.

Review and Discussion about Future Service Needs and Consideration to Proceed with a Ballot Measure to Collect Additional Sales Tax for Additional Services
3:35 p.m.

Executive Director of Planning and Community Development Ryan Wheaton discussed current funding levels, noting that projections show no increase in service based on the current revenue streams.

Mr. Wheaton reviewed community input received on the Agency's Long-Range Plan (Destination 2040) for increased service. Customers asked for more frequency and extended hours later in the night.

CEO Dreier shared outreach efforts by staff to gather input about the service needs of community members. She reviewed funding scenarios that include options for varying increased levels of sales tax collection percentages. She reviewed the system map and noted the current system does not provide good cross connection within the service area and does not provide the frequency that is needed to make the bus a viable option for most people.

Executive Director of Finance Brett Freshwaters reviewed potential revenue collection projections from 2020 through 2025 at the current .06 percent sales tax collection rate and reviewed potential sales tax collection rate scenarios of .07, .08 and .09 percent sales tax.

Mr. Wheaton also noted that if a ballot measure were approved, improvements will take approximately 18-24 months to implement. Pierce Transit would need to order buses, recruit and train employees, with the majority of new employees consisting of operators.

Upon inquiry, Mr. Freshwaters confirmed that the Agency could secure a bond to purchase bus capital up front.

Planning Manager Tina Lee reviewed scenarios for increased/expanded services that would be rolled out in a phased approach in seven phases. The level of service was explained for each phase of service with Phase 1 including a proposal to provide free service for youth, seniors, and veterans.

CEO Dreier thanked staff for the hard work they put into the phased service model. She noted that Pierce Transit has constraints with its current base capacity. If service were increased/expanded, Pierce Transit will need a satellite bus base to house the infrastructure/buses. There are also challenges with Sound Transit eliminating bus service as light rail extends into Pierce County.

CEO Dreier also reviewed local issues that may negatively impact the likelihood of being successful in achieving a sales tax increase at the ballot this year. She reviewed ballot measures from other transit agencies that were recently approved at the ballot.

She noted that Pierce Transit is sustainable over the next six years, but without additional revenue the current service levels will remain flat.

Discussion ensued about garnering more funding assistance from Puget Sound Regional Council and Sound Transit. (*Commissioner Woodards left the meeting at 4:52 p.m.*)

Review of Board Composition Review Committee Meeting Scheduled for March 25, 2020

CEO Dreier provided a short overview of the Board Composition Review Meeting that is scheduled for March 25, 2020. She re-affirmed that the body that comes together at this meeting will determine the composition of the Pierce Transit Board.

General Counsel Millstein answered questions about the process and legalities of the governing statutes relating to the Board Composition statute.

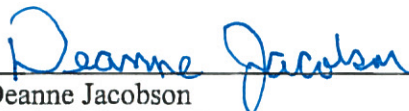
RECAP OF MEETING

CEO Dreier recapped the key discussion points and next steps, citing the next steps will include the following:


- The proposed classification and compensation structure will come before the Board in April or May for consideration; and
- A proposal for a ballot measure to increase sales tax will be considered at the March 19, 2020 Special Board Meeting.
- The Board Composition Review Meeting will be held March 25, 2020 at 6:00 p.m.

ADJOURNMENT

Vice Chair Campbell adjourned the meeting at 5:44 p.m.



Deanne Jacobson
Clerk of the Board



Victoria Woodards, Chair
Board of Commissioners