



# STRATEGIC PLAN

April 2017

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# I. EXECUTIVE SUMMARY

Public transportation is a vital component of Whatcom County's quality of life. In addition to providing access to employment, education and other essentials, it provides mobility for people with disabilities and offers an alternative to the single occupant vehicle. It also contributes to economic vitality, community cohesion and a healthy natural environment.

Whatcom Transportation Authority's (WTA's) Six-Year Strategic Plan represents the agency's commitment to maintaining and improving its service to Whatcom County. At the beginning of the process, WTA worked with its Board of Directors to establish the planning parameters. The strategic plan was then developed within this planning context:

- **Maintain what is working well**
- **Increase service by drawing down reserves**
- **Offer new service in an equitable way**
- **Plan for incremental expansion, using resources that don't require a sales tax increase**

WTA worked with its planning consultants, Board of Directors, community members, organizational partners, riders, and with steering and technical committees to design this plan.

# I. EXECUTIVE SUMMARY *(continued)*

## Here is a summary of the key recommendations for WTA's 2017 Strategic Plan:

**Expand service by drawing down reserves.** In the years leading up to the Strategic Plan, WTA preserved financial capacity to be used for a future service increase. A major outcome of this plan is a nine percent expansion of service, to be introduced in March 2017.

**Provide and expand service in an equitable way.** Though it wouldn't be effective to serve all of Whatcom County equally, considering how to serve the county equitably should continue to be a major focus. Sunday service to rural communities is one example of how this plan seeks to improve the equity of service delivery.

**Respond to emerging needs with a two-year planning cycle.** While WTA has previously made minor service changes between strategic plans, this recommendation will formalize a process to review and adjust service every two years.

**Preserve capacity in order to add service every two years, to keep pace with population growth.** In order to remain viable as a transportation option, WTA must keep pace with growth in the community.

**Increase revenue and contain costs to allow for future service expansion.** The financial model created during the planning process explores several ways to increase revenue and contain costs. WTA's ability to increase revenue and contain costs will have a major impact on its ability to preserve and expand service in the coming years.

**Preserve capacity for increasing fixed route service by containing paratransit costs.** WTA's cost to deliver paratransit is increasing with the rising population of older adults. Rising costs in paratransit can negatively affect WTA's ability to maintain and expand fixed route service. This in turn can negatively affect paratransit, as paratransit services are only offered where and when fixed routes are offered. This plan presents several options for containing paratransit costs.

**Prepare for growth through improvements in capital, technology, and business processes.** WTA's ability to keep pace with community expectations and demand will depend on its completing several major projects, including expanding Bellingham Station, implementing "real time" bus information, and implementing a two-year service planning cycle.

**Work with community partners to enhance transit effectiveness, ridership and revenue.** While continuing to nurture existing relationships, WTA should expand its network of partners. This includes government agencies, the business community, local developers, social and health service providers, employers, and other communities.

**Advocate for transit at the local, state and national level.** While WTA is fortunate to be financially stable, and to possess strong financial reserves, it cannot take current funding levels for granted. WTA should work with local, state and national government to seek funding for projects in which there is shared interest, and to advance policies that allow transit to thrive.

**Reduce greenhouse gas emissions.** With regard to major initiatives such as alternative fuels, solar power and other emissions-reducing efforts, timing is a key consideration. Throughout the life of this plan, WTA should be ready to incorporate new technology and practices, when the time is right, to reduce its greenhouse gas emissions. WTA should continue to consider the greenhouse gas impacts of all of its actions.

## II. INTRODUCTION

This Six-Year Strategic Plan summary is the result of a 20-month planning process, during which WTA staff worked with a consultant team, led by Nelson\Nygaard Consulting Associates. WTA viewed this as an opportunity to work with its riders and public, and to develop a plan rooted in WTA's mission and in the community's values.

All activities took place within a planning context, developed in advance by WTA's Board of Directors. These are the four key components of that planning context:

- **Maintain what is working well.** WTA demonstrates an excellent safety record, high marks for customer service, high ridership and productivity, strong community support, outstanding financial stewardship, good working relationships and a healthy organizational culture.
- **Increase service by drawing down reserves.** WTA's Board of Directors authorized WTA to propose a fixed route service plan costing an additional \$1.6 million per year, to be drawn from undesignated reserves.
- **Offer new service in an equitable way.** While service can't be distributed equally throughout the community, WTA's Board of Directors asked staff to pay special attention to distributing services equitably.
- **Plan for incremental expansion.** WTA's Board of Directors expressed support for service improvements that could be accomplished using existing resources, or resources that don't require a sales tax increase.

## Background

WTA's mission statement was created during its last strategic planning effort, in 2004. Community input early in this process confirmed that it still accurately reflects the mission for WTA.

### **WTA's mission is to enhance our community by:**

- Delivering safe, reliable, efficient and friendly service.
- Offering environmentally sound transportation choices.
- Providing leadership in creating innovative transportation solutions.
- Partnering with our community to improve transportation systems.

## Governance

WTA is governed by a 10-member Board of Directors. Nine members are elected officials from jurisdictions throughout WTA's service area. They include elected leaders from Bellingham, Lynden, Ferndale, Blaine/Birch Bay, Everson/Nooksack/Sumas, and Whatcom County. These nine board members are appointed by their governing entities every year. Our tenth board member is currently the President of the Amalgamated Transit Union (ATU), as recommended by their membership. The ATU member is a non-voting member of the board.

### **WTA's 2017 Board of Directors**

- Blaine City Council Member, Paul Greenough (Board Chairman)
- Mayor of Nooksack, Jim Ackerman (Board Vice-Chairman)
- Whatcom County Executive, Jack Louws
- Whatcom County Council Member, Satpal Sidhu
- Mayor of Bellingham, Kelli Linville
- Bellingham City Council Member, Roxanne Murphy
- Bellingham City Council Member, Michael Lilliquist
- Ferndale City Council Member, Cathy Watson
- Mayor of Lynden, Scott Korthuis
- Non-Voting Labor Representative, Mark Lowry

## II. INTRODUCTION *(continued)*

### WTA-at-a-Glance

WTA serves Bellingham, Ferndale, Lynden, Blaine and Birch Bay, Lummi Nation, Sudden Valley, Deming, Kendall, Everson, Nooksack and Sumas with fixed route service. WTA cooperates with Skagit Transit, in neighboring Skagit County, to provide service between Bellingham and Mount Vernon. From Mount Vernon, riders can access Island County and the Puget Sound region, via Island Transit and Skagit Transit.

WTA plays a major role in transporting students to Western Washington University (WWU), to three local colleges, and to high schools throughout the county.

WTA offers 30 **fixed routes**, including a network of four high-frequency corridors within Bellingham. WTA provides service seven days a week, with more limited service on Saturdays, Sundays and evenings.

- In 2016, WTA provided 4.7 million fixed route boardings, or approximately 17,000 per weekday.
- Between 2004 and 2016, fixed route ridership increased by 65%.
- In 2008, WTA was recognized by the Federal Transit Administration for achieving the highest annual ridership increase in the nation.
- With an average of 36 boardings per hour, WTA's productivity is the second-highest in Washington State. WTA's ridership and productivity are also among the highest in the nation, when compared to other small urban transit systems.

WTA's **paratransit** service area and service hours mirror those of fixed routes. WTA provided 212,000 paratransit trips 2016, or 660 trips per weekday.

WTA **fleet and facilities** include 61 full-size buses (including eight hybrid electric buses), 41 paratransit minibuses, and 35 vanpool vans. The agency also operates four transit centers: Bellingham Station, Cordata Station (in North Bellingham), Ferndale Station and Lynden Station. It also serves the Lincoln Creek Park and Ride, operated by WWU.

## Technical Appendices

During the planning process, Technical Appendices were created to provide greater detail in several areas. Many of these appendices are referred to in this plan.



## III. CURRENT CONDITIONS

In order to fully understand WTA's current operating environment, strategic planning consultants conducted a thorough Environmental Scan. Below are the environmental scan's main elements:

- Peer comparisons of fixed route and paratransit service
- Review of planning documents from partner jurisdictions
- Review of demographic trends
- Analysis of travel demand analysis
- Market analysis

### Peer Comparisons

The following table compares WTA's **fixed route** performance for the year 2015 to its peer transit agencies in Washington and Oregon. Several of these peers are recognized nationally as industry leaders. As compared to these peers, WTA provides high levels of both productivity and efficiency.

WTA's fixed route productivity, as measured by riders per hour, is 50% above the peer average. WTA's cost per service hour is 3% higher than the peer average, while the cost per rider is the lowest in the peer group. In contrast to its peers, WTA riders on average make the shortest trips. All of these factors are influenced by WTA's high level of student ridership.

## 2015 FIXED-ROUTE PEER COMPARISON

|                                    | Ben Franklin Transit | Community Transit | C-TRAN       | Intercity Transit | Kitsap Transit | Link Transit | Lane Transit | Skagit Transit | Spokane Transit Authority | Whatcom Transportation Authority | Non-WTA Averages | WTA % Diff. |
|------------------------------------|----------------------|-------------------|--------------|-------------------|----------------|--------------|--------------|----------------|---------------------------|----------------------------------|------------------|-------------|
| Service Area Population            | 248,333              | 555,637           | 383,472      | 171,664           | 258,200        | 109,550      | 302,200      | 107,978        | 413,046                   | 209,612                          | 283,342          | -26%        |
| Revenue Vehicle Hours              | 131,934              | 331,147           | 219,812      | 184,171           | 127,888        | 68,388       | 216,150      | 49,732         | 395,972                   | 131,391                          | 191,688          | -31%        |
| Total Vehicle Hours                | 139,551              | 357,697           | 231,254      | 191,314           | 149,647        | 73,291       | 230,906      | 52,146         | 417,631                   | 139,260                          | 204,826          | -32%        |
| Revenue Vehicle Miles              | 2,148,656            | 4,953,326         | 3,069,796    | 2,342,410         | 1,981,899      | 1,437,454    | 2,742,652    | 754,082        | 5,480,629                 | 1,826,686                        | 2,767,878        | -34%        |
| Total Vehicle Miles                | 2,331,260            | 5,797,571         | 3,339,018    | 2,478,067         | 2,416,322      | 1,513,417    | 3,008,303    | 801,681        | 5,944,531                 | 1,977,926                        | 3,070,019        | -36%        |
| Passenger Trips                    | 2,652,058            | 6,103,118         | 5,114,515    | 4,092,261         | 2,809,535      | 929,572      | 7,841,103    | 646,315        | 10,815,736                | 4,934,429                        | 4,556,024        | 8%          |
| Operating Expenses                 | \$13,201,969         | \$57,839,933      | \$28,916,097 | \$21,161,701      | \$19,155,038   | \$7,987,380  | \$31,411,344 | \$4,858,156    | \$46,841,435              | \$17,335,960                     | \$25,708,117     | -33%        |
| Farebox Revenues                   | \$1,285,120          | \$7,753,747       | \$3,691,806  | \$2,475,078       | \$4,866,090    | \$574,129    | \$5,385,722  | \$328,434      | \$7,988,366               | \$2,537,052                      | \$3,816,499      | -34%        |
| Passenger Trips/ Revenue Hour      | 20.1                 | 18.4              | 23.3         | 22.2              | 22.0           | 13.6         | 36.3         | 13.0           | 27.3                      | 37.6                             | 21.8             | 72%         |
| Passenger Trips/ Revenue Mile      | 1.23                 | 1.23              | 1.67         | 1.75              | 1.42           | 0.65         | 2.86         | 0.86           | 1.97                      | 2.70                             | 1.52             | 78%         |
| Operating Expenses/ Revenue Hour   | \$100.06             | \$174.67          | \$131.55     | \$114.90          | \$149.78       | \$116.80     | \$145.32     | \$97.69        | \$118.29                  | \$131.94                         | \$127.67         | -3%         |
| Operating Expenses/ Revenue Mile   | \$6.14               | \$11.68           | \$9.42       | \$9.03            | \$9.66         | \$5.56       | \$11.45      | \$6.44         | \$8.55                    | \$9.49                           | \$8.66           | 10%         |
| Operating Expenses/ Passenger Trip | \$4.98               | \$9.48            | \$5.65       | \$5.17            | \$6.82         | \$8.59       | \$4.01       | \$7.52         | \$4.33                    | \$3.51                           | \$6.28           | -44%        |
| Farebox Recovery Ratio             | 9.73%                | 13.41%            | 12.77%       | 11.70%            | 25.40%         | 7.19%        | 17.15%       | 6.76%          | 17.05%                    | 14.63%                           | 13.46%           | 9%          |

The Environmental Scan found that WTA's **paratransit** service is efficient compared to its statewide peers. It follows industry best practices and uses state of the art software. The service level conforms with, but does not exceed, ADA requirements.

## 2015 PARATRANSIT PEER COMPARISON

|                                   | Ben Franklin Transit | Community Transit | C-TRAN    | Intercity Transit | Kitsap Transit | Link Transit | LTD*      | Skagit Transit | WTA     | Non-WTA Averages | WTA % Diff. |
|-----------------------------------|----------------------|-------------------|-----------|-------------------|----------------|--------------|-----------|----------------|---------|------------------|-------------|
| Service Area Population           | 248,333              | 555,637           | 383,472   | 171,664           | 258,200        | 109,550      | 247,421   | 107,978        | 209,612 | 260,282          | -19%        |
| Revenue Vehicle Hours             | 150,383              | 85,057            | 92,549    | 71,067            | 85,429         | 18,507       | 210,288   | 27,336         | 62,853  | 92,577           | -32%        |
| Revenue Vehicle Miles             | 2,788,012            | 1,566,883         | 1,308,293 | 938,704           | 1,297,450      | 231,067      | 4,408,741 | 298,078        | 863,946 | 1,604,654        | -46%        |
| Passenger Trips                   | 509,488              | 190,366           | 248,788   | 166,062           | 305,544        | 52,929       | 448,449   | 61,616         | 204,475 | 247,905          | -18%        |
| Passenger Trips/Revenue Hour      | 3.4                  | 2.2               | 2.7       | 2.3               | 3.6            | 2.9          | 2.1       | 2.3            | 3.3     | 2.7              | 23%         |
| Passenger Trips/ Revenue Mile     | 0.18                 | 0.12              | 0.19      | 0.18              | 0.24           | 0.23         | 0.10      | 0.21           | 0.24    | 0.18             | 32%         |
| Operating Expenses/Passenger Trip | \$29.69              | \$38.93           | \$44.25   | \$48.46           | \$33.32        | \$36.95      | \$30.56   | \$49.91        | \$35.70 | \$39.01          | -8%         |

\* includes demand responsive taxi service

## III. CURRENT CONDITIONS *(continued)*

### Review of Planning Documents from Partner Jurisdictions

The key planning documents that influence WTA's operating environment are the Bellingham Comprehensive Plan Update (2016), the Whatcom Transportation Plan (2012), the Whatcom Transportation Improvement Plan (2015) and the Whatcom County Comprehensive Plan Update (2015). Each of these formalizes how each jurisdiction approaches transit planning. Each of these anticipates significant development growth in Whatcom County. Development growth will continue to drive demand for transit in the coming years.

The Bellingham Comprehensive Plan includes a strong emphasis on transit. It calls for transit-supportive land use policy, for example higher density mixed-use development in urban villages, to correspond with WTA's high frequency network (the GO Lines). These efforts are designed to increase transit's mode share.

### Review of Demographic Trends

Below are the main findings with regard to demographic trends that may support higher levels of transit ridership.

WTA's **population densities** are highest in Bellingham, especially surrounding downtown and WWU. The highest population densities outside of Bellingham are along Aaron Drive in Lynden and north and south of Main Street in Ferndale. All of the highest-density areas of Whatcom County are served by WTA.

The areas with the highest projected **household growth** are in Bellingham around WWU, on the waterfront and in the northern section of the city. Outside of Bellingham, there is significant growth planned for areas in Lynden, Birch Bay, Ferndale and Sudden Valley.

The highest **employment densities** in Whatcom County are Peace Health/St. Joseph Medical Center, WWU, and commercial areas along Meridian Street in north Bellingham. The greatest growth in employment is expected to occur in Bellingham, particularly near the airport and near Bakerview Road. Significant employment growth is also projected for Birch Bay.

WTA's service area contains a very low number of **zero-vehicle households**. The areas that exhibit slightly higher zero-vehicle and lower-income households are the York, Sehome, Happy Valley, Roosevelt and Birchwood neighborhoods in Bellingham. The areas near downtown Ferndale and Main Street in Ferndale also exhibit slightly higher zero-vehicle households.

**Young people** are somewhat concentrated near WWU, Whatcom Community College and higher density areas within Bellingham.

**Seniors** are somewhat concentrated in senior or assisted living facilities in communities throughout north Bellingham, Lynden, Blaine and Birch Bay.

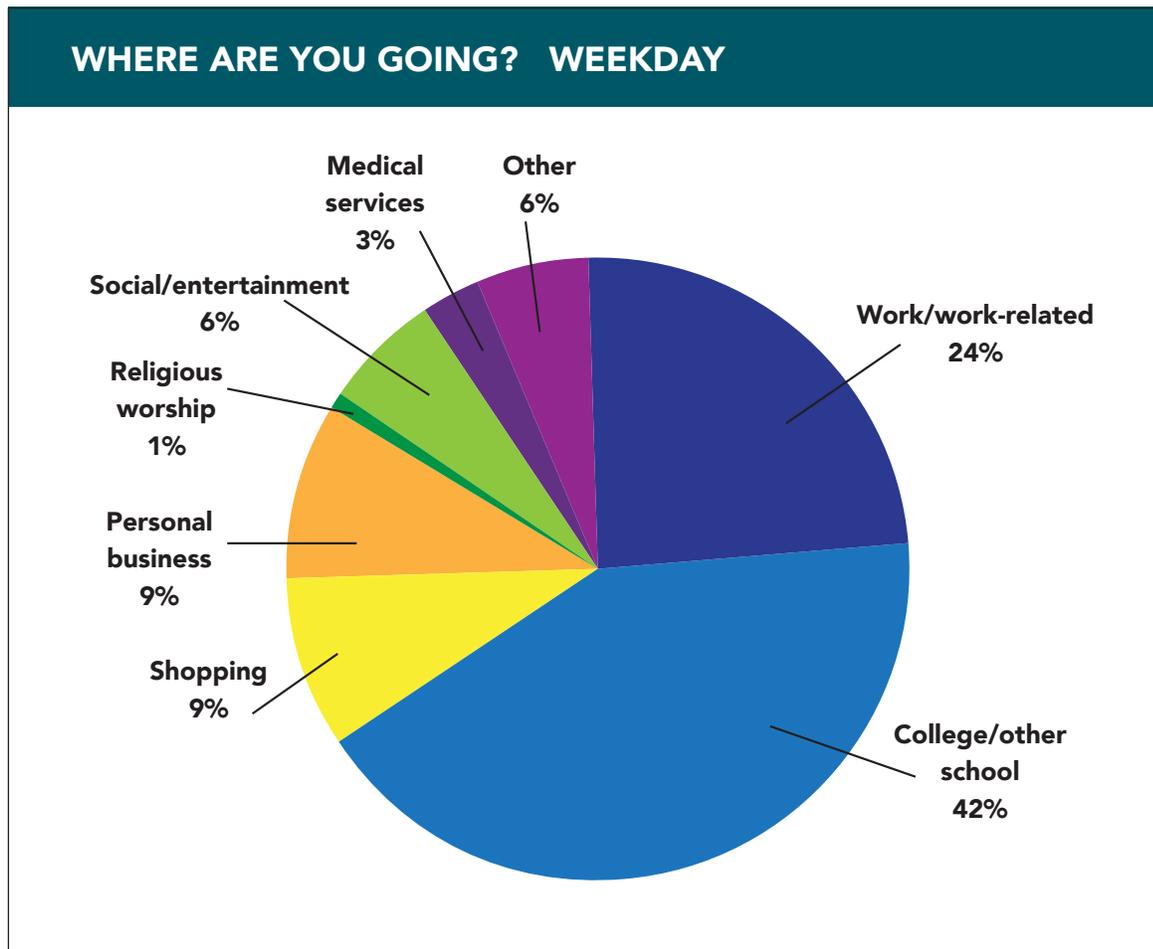
**People with disabilities**, who are more likely to use transit than the general population, are somewhat concentrated in the York, Sehome, Happy Valley and Roosevelt neighborhoods in Bellingham.

### III. CURRENT CONDITIONS *(continued)*

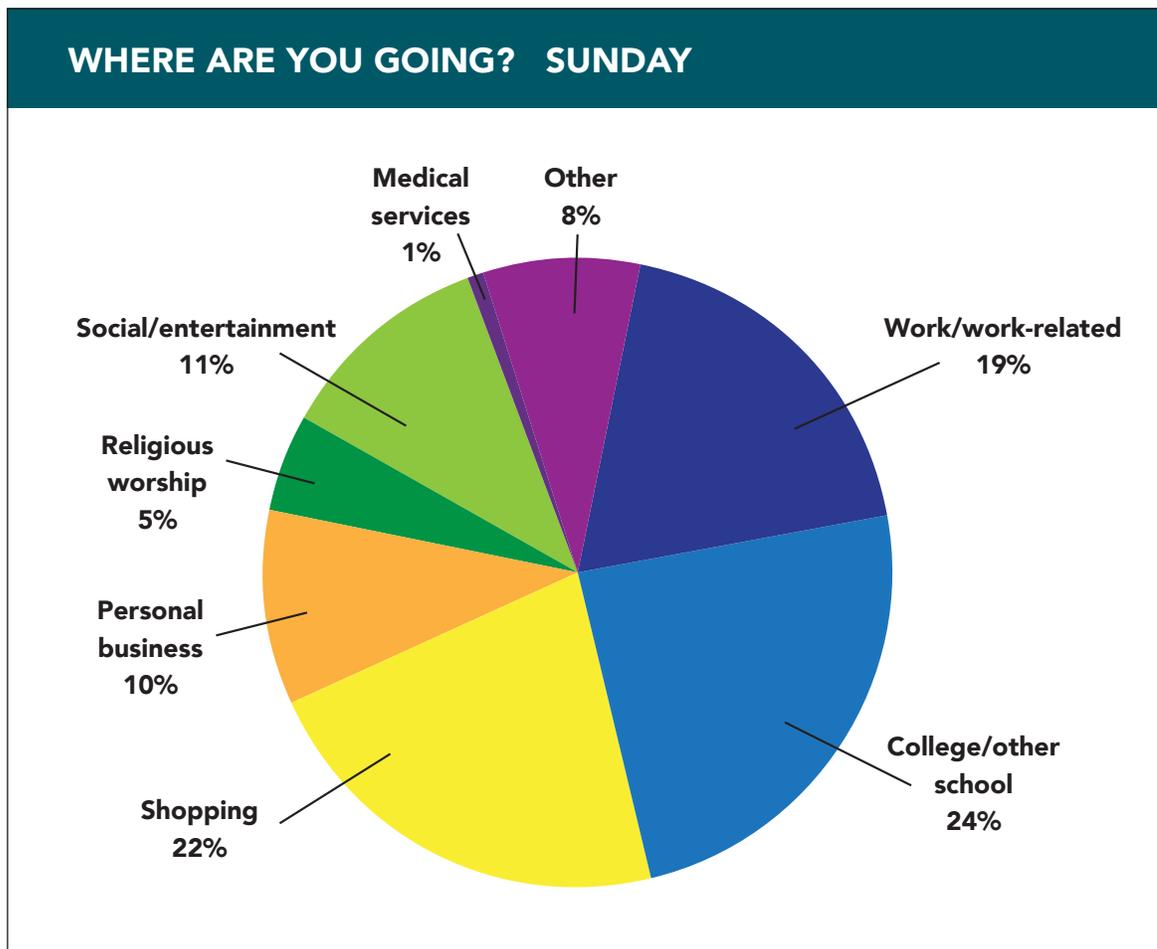
#### Analysis of Travel Demand

In a study of current and future travel patterns, the following were the key findings:

- More than 40% of weekday trips are to college or are school-related.
- 42% of weekday trips are school related. 24% are work related. Shopping and personal business are each 9% of trips.



- The percentage of riders riding to work is nearly the same on weekdays (24%) and weekends (19%). This suggests many riders don't work a typical work week.



## III. CURRENT CONDITIONS *(continued)*

### Market Analysis

#### Rider Survey

In April and May of 2015, WTA's consultant team conducted an onboard rider survey. The survey was distributed on every WTA route over the course of the one-week study. Surveys were collected on weekdays, Saturdays and Sundays.

The following are the key findings:

- Single occupant vehicles are by far the dominant choice for work trips in Whatcom County. Only in Bellingham does a significant percentage of people commute to work by bus (4%).
- Bellingham is the main destination for work trips, including those that originate in Bellingham, Blaine, Everson, Ferndale, Nooksack and Sumas. Only Lynden has a higher percentage of people traveling within Lynden for work than people commuting from Lynden to Bellingham.
- A travel demand model created by Whatcom Council of Governments estimated that in 2013, 86% of transit trips were in Bellingham, 9% were between Bellingham and rural locations, and 4% were between or within rural locations.
- Fixed route ridership is expected to grow by at least 21% over the next 15 years, based on the Whatcom Council of Government's Travel Demand Model.
- Rider satisfaction is high. Over 60% rated service attributes as good or excellent.
- The highest satisfaction ratings were for "information at bus stops/stations (maps, fares, schedule, etc.)." Approximately 90% rated this "good" or "excellent."
- The only attributes that more than 10% of riders rated "poor" or "fair" were "buses arrive and depart on time," (17%) and "bus stop announcements on the bus" (25%).
- More than 80% of all riders walk to the bus stop.

- When asked for desired service improvements, riders requested more bus service late at night (the top choice among weekday respondents) and more Sunday service (the top choice for weekend respondents).
- Riders were asked to name the reason they ride transit, out of four options. The most common response for weekday (41%) and weekend (54%) trips was "I don't have a car available." The second most common response on weekdays (37%) was "I could use a car, but I choose to use transit." On weekends, only 20% of respondents had access to a car but chose to ride transit.

### **2013 Community Survey**

WTA conducted its most recent community survey in 2013. This survey included a general public phone survey and a fixed route on-board rider survey.

Below are key findings from the phone survey of the general public:

- Over one third of Whatcom County residents reported having taken the bus in the last year. Almost half of Bellingham residents reported having taken the bus in the past year, compared with nearly a quarter of rural residents.
- Nearly all (91%) Whatcom County residents had a car available for their use.
- Over half (61%) of Whatcom County residents were either satisfied (44%) or very satisfied (17%) with WTA.
- These were all consistent with findings in a 2009 survey.

Below are key findings from the fixed route on-board rider survey:

- Nearly all riders (93%) were either satisfied (42%) or very satisfied (51%) with WTA service.
- Improvements cited by riders as most likely to cause them to ride more often were increased frequency (70%) and real-time arrival information at stops (66%), on mobile devices (63%) and on personal computers (57%).

### III. CURRENT CONDITIONS *(continued)*

- The most popular requests for new service were for later service on weekday evenings (89%), more service on Saturdays (83%), more service on Sundays, (81%), and earlier service on weekdays (61%).
- About three quarters of riders (77%) had been riding WTA for more than one year. Almost all (96%) rode at least two days per week, including 76% that rode at least five days per week.
- A majority of riders (87%) said they had another way to make their trip.

#### Fixed Route and Paratransit Service

##### Fixed Route Overview

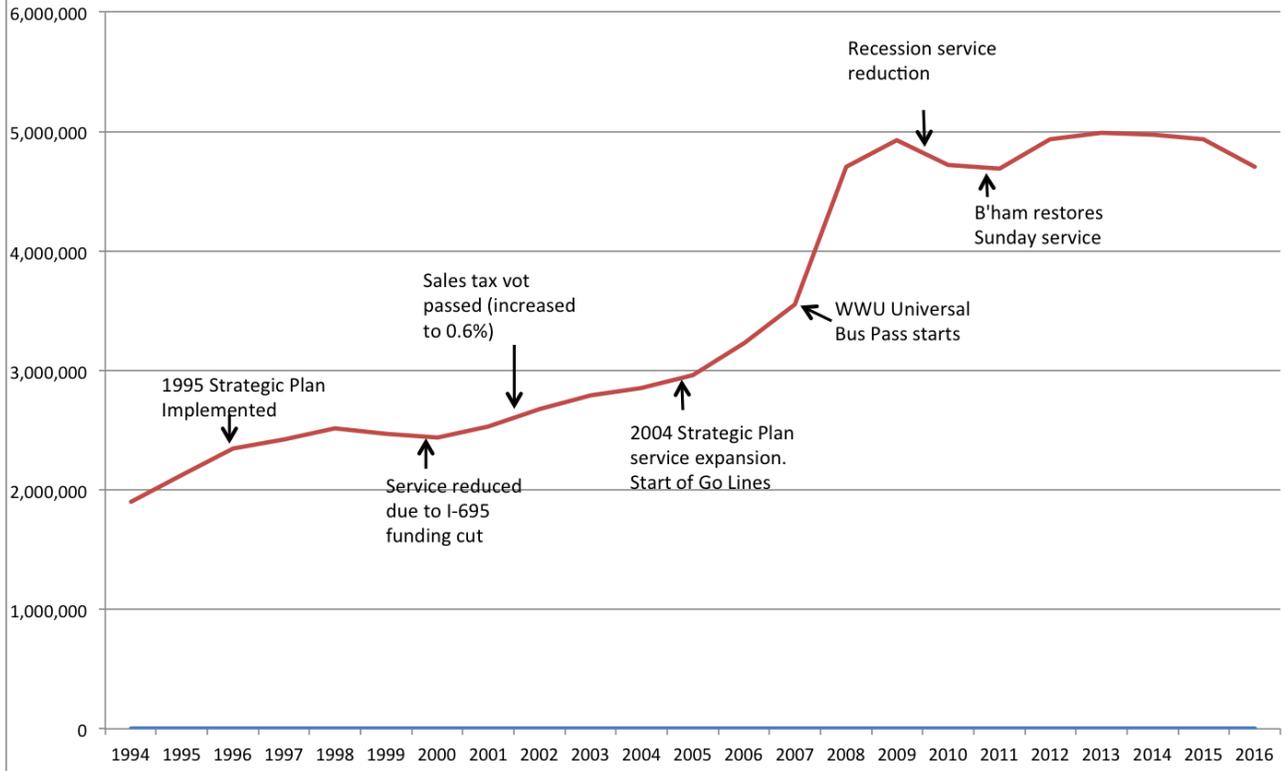
WTA operates 30 fixed routes, including three route-deviated “flex” routes. Some WWU routes also have shuttles that provide extra capacity during peak demand. WTA offers a high frequency transit network, called the “GO Lines.” A GO Line is a route along which a bus is coming every 15 minutes on weekdays.

In general, WTA weekday service begins between 6 a.m. and 7 a.m. and ends between 5 p.m. and 11 p.m. Most routes operate on Saturday from approximately 8 a.m. or 9 a.m. to between 5 p.m. and 11 p.m. Only eight routes operate on Sunday. These operate between approximately 9 a.m. to 8 p.m.

##### Fixed Route Ridership

WTA’s fixed route ridership has nearly doubled since 2000, rising from 2.5 million to approximately 5 million boardings per year. Factors that contribute to ridership growth include a service increase in 2005, the introduction of the GO Lines, and the introduction in 2007 of the WWU Universal Bus pass. Aside from a decline in 2009—when WTA increased fares and temporarily reduced service—ridership has remained largely stable since then, with a slight decline in 2016.

## WTA FIXED ROUTE RIDERSHIP (1994-2016)



### Fixed Route Performance

WTA measures route performance using two measures: boardings per revenue hour and passenger miles per revenue hour. GO Lines and routes serving WWU perform best in boardings per revenue hour while express routes traveling longer distances perform best on passenger miles per revenue hour. Both are important ways to measure productivity.

The following corridors generate the most boardings per revenue hour: Northwest Avenue, Cornwall Avenue to Alabama Street and Sunset Drive, and corridors leading to and from WWU. Together, routes serving these corridors generate an average of nearly 11,000 daily boardings. This is 70% of all weekday boardings.

Routes serving Mount Vernon, Kendall and Blaine/Birch Bay generate the most passenger miles per revenue hour.

### III. CURRENT CONDITIONS *(continued)*

Routes serving Everson, Nooksack, Kendall and Bakerview Spur generate the fewest number of boardings per revenue hour. These routes combined are responsible for less than 2% of weekday boardings. Routes 48 and 49—with by far the lowest ridership—are atypical. These were previously “deadhead” trips (buses driven empty to or from a transit station) put into revenue service.

In all, WTA provides approximately 21,000 fixed route boardings per average weekday (when WWU is in session), and an average of 36.2 boardings per hour.



#### **Paratransit Service Overview**

The Americans with Disabilities Act (ADA) requires WTA to provide accessible fixed route service. This service is intended to be the primary means of serving riders with disabilities.

For those riders whose disability prevents them from using fixed-route service, WTA provides curb-to-curb transportation. In accordance with the ADA, WTA offers paratransit service within three quarters of a mile of all fixed routes.

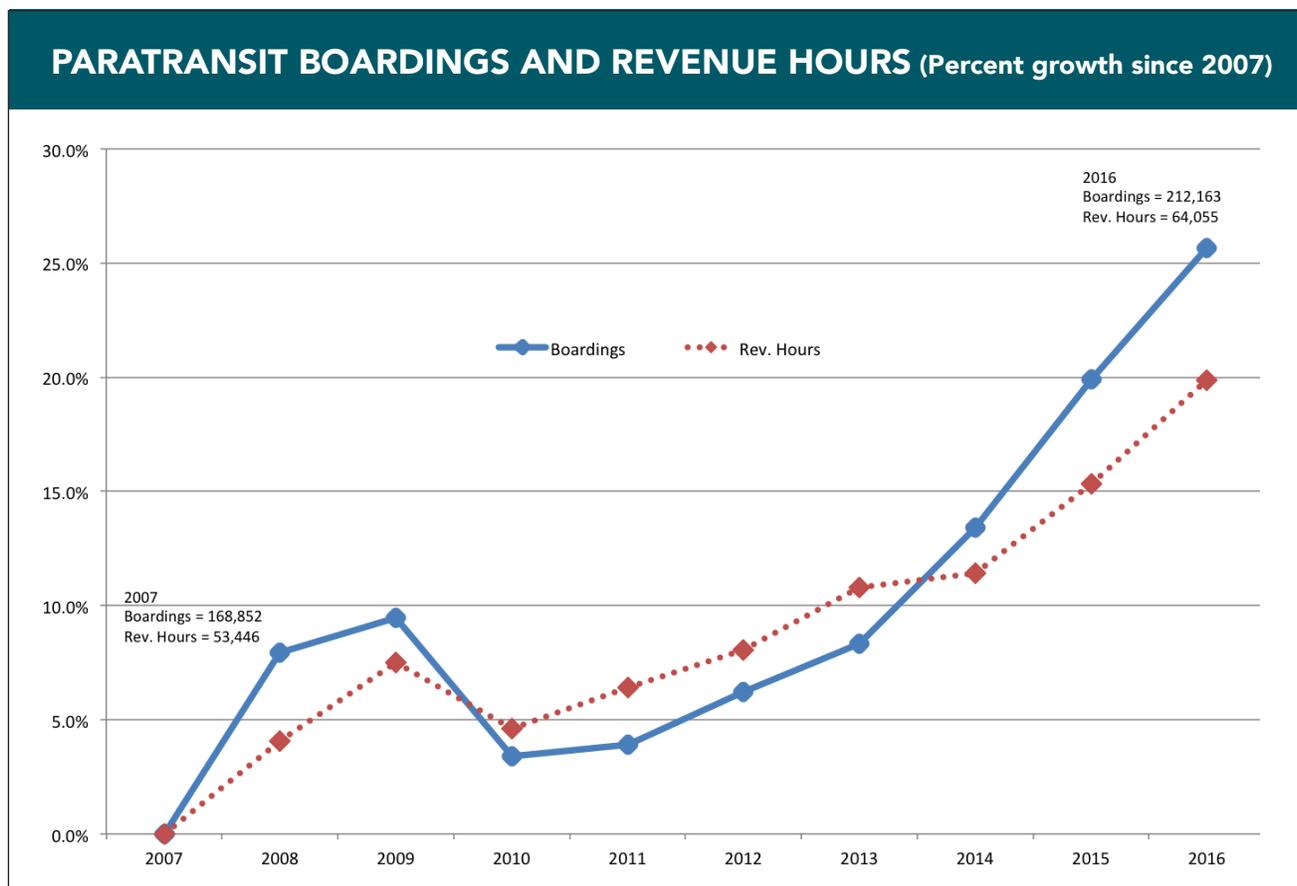
Paratransit is a demand-responsive service; it must be scheduled every day according to the trips that have been requested. WTA adheres to ADA requirements regarding timely pickups and drop-offs, and regarding the length of time riders can remain on a vehicle.

## Paratransit Ridership and Demand

In 2016, paratransit provided 212,163 boardings and averaged 3.3 boardings per vehicle hour. WTA's paratransit productivity exceeds most other systems in Washington State.

For several years leading up to 2008, paratransit demand had been increasing rapidly. Demand grew by 8% in 2008, the highest rate of growth recorded in many years. Demand decreased in 2009 and 2010—for WTA and many other transit agencies—during the recession. Demand began to increase again after the recession, at first at a much lower rate. But by 2014, the growth rate had reached nearly 5%.

Recent ridership growth is due in large part to a new method for serving an Adult Day Health Program. (This new method requires a transfer, so what had been a one-trip journey is now recorded as two trips.)



## IV. COMMUNITY INVOLVEMENT

WTA's strategic planning process presented an ideal opportunity for community engagement. In addition to needing community input to shape the plan, WTA welcomed the opportunity to engage with new and existing partners and stakeholders. Public involvement activities were designed to build and strengthen relationships, incorporate stakeholders in strategic planning decisions, reach out to underrepresented groups and provide multiple opportunities for interaction with riders and the community. Public involvement activities included:

- Interviews with key stakeholders
- Steering committee meetings
- Technical committee meetings
- Onboard survey of riders
- An online "Planning Game"
- Presentations to community groups
- Targeted outreach to underrepresented groups
- A Strategic Plan website
- Community Open Houses
- An online survey to capture feedback on proposed new service
- A "Dream Big" exercise

WTA received approximately 1000 comments regarding the strategic plan, at community meetings, public hearings, through social media, through the Planning Game, and on our website.

Following is the summary of the major community engagement activities.

**Steering Committee:** WTA brought together a 19-person Steering Committee, to represent a wide range of stakeholder interests. Members represented different geographical areas, social and health services, educational institutions, veterans, the business community and others. The role of this group was to provide input and feedback at strategic points in the process.

*Steering Committee Members*

- Carol Berry, representing Western Washington University
- Carole MacDonald, representing WTA's Community Advisory Panel, and east county communities
- Guy Occhiogrosso, representing Bellingham/Whatcom Chamber of Commerce
- Isaac Bartick, representing students of Western Washington University
- Jarrett Martin, representing students of Whatcom Community College
- Jeff Kochman, representing Barkley Village
- John-Sean Withrow, representing Lynden
- Manuel Reta, representing Commission of Hispanic Affairs
- Marta Hand, representing Ferndale
- Matt Jensen, representing Lummi Tribe
- Rene Morris, representing Bellis Fair - General Growth Properties
- Rose Lathrop, representing Sustainable Connections
- Ross Cline, representing Nooksack Tribe
- Sandy Brewer, representing Custer
- Shirley Forslof, representing Whatcom Council on Aging
- Stoney Bird, representing WTA's Community Advisory Panel
- Tim Hostetler, representing Bellingham's Transportation Committee
- Tom Modica, representing Veteran community
- Wes Fryszacki, representing Bellingham

## IV. COMMUNITY INVOLVEMENT *(continued)*

**Technical Committee:** WTA's Technical Committee was made up of planning and other professionals from throughout Whatcom County, plus Skagit County and the Washington Department of Transportation. The role of the Technical Committee was also to provide input and feedback at strategic points, and to help align WTA's strategic plan with those of our partner organizations and jurisdictions.

### *Technical Committee Members*

- Bob Wilson, representing Whatcom Council of Governments
- Brad Windler, representing Skagit Transit
- Brian Keeley, representing Whatcom Community College
- Chris Comeau, representing City of Bellingham
- Gary Davis, representing Whatcom County Planning and Development
- Jim McCabe, representing Bellingham's Transportation Commission
- Jori Burnett, representing the City of Ferndale
- Keri Shepherd, representing the Nooksack Tribe
- Kirk Vinish, representing Lummi Nation
- Rick Benner, representing Western Washington University
- Simone Sangster, representing Bellingham Public Schools
- Sylvia Goodwin, representing Port of Bellingham
- Tom Stacey, representing Washington State Department of Transportation

**The "Planning Game."** As was mentioned in the Environmental Scan section, WTA solicited input through an online Planning Game. This allowed people to create a package of service enhancements, for example more frequent evening service in Bellingham, or Sunday service to communities outside Bellingham, based on what they value most. Each enhancement was assigned a cost, and each player's package had to fit within a budget. The Planning Game also included a brief survey.

**Presentations to Community Groups.** WTA made ten presentations to community groups, regarding the strategic plan. The goal was to generate interest and feedback by reaching people at their meetings and events (rather than expecting them to attend a meeting hosted by WTA). In some cases WTA approached meeting organizers; in other cases WTA responded to requests. Groups included neighborhood associations, business organizations and the Community Resource Network, a group of social and health services providers.

**Targeted Outreach to underrepresented groups.** The intent of targeted outreach was to broaden WTA's community engagement to include communities it hadn't worked with in previous efforts, and to hear from groups who may not typically engage in public processes. The consultant team included a member with special expertise in overcoming cultural and other barriers. This team member acknowledged a fair degree of difficulty in this task. Compared to efforts in other communities, he found it hard to make meaningful connections, or to generate significant interest or participation. While some themes were identified, perhaps the most important finding was how much patient, thoughtful effort may be required to expand outreach to these groups.

**Community Open Houses and Online Survey.** WTA hosted community open houses in Deming, Lynden, Ferndale and Bellingham, and at Western Washington University. The open houses were an opportunity for people to learn about the first draft of WTA's proposed service expansion, and to communicate their comments on the plan. An online survey was created for those who wanted to learn about and comment on the plan without attending a meeting.

**The "Dream Big" Exercise.** Midway through WTA's strategic planning process, WTA Board Chair Mel Hansen, requested an addition. Hansen wanted to give WTA's staff, its board of directors and the steering and technical committees the freedom to consider WTA's future possibilities without constraints. While there were over a hundred Dream Big ideas, all of which are captured as part of this plan, a few themes emerged. Specifically, WTA's Steering Committee identified four "Guiding Lights and four "Big Dreams."

## IV. COMMUNITY INVOLVEMENT *(continued)*

### WTA Steering Committee's Four Guiding Lights:

- **Equity.** Participants identified equity and equitable access to WTA services as priorities. This includes providing the underserved with access to education, employment, housing, etc. At the same time, the group agreed that WTA must act in fiscally responsible manner, and acknowledged that providing access to populations with highly individualized needs is expensive.
- **Environmental Stewardship.** Strategic planning participants are strong advocates for environmental stewardship. This means making the streets safer to use by reducing the number of cars, and allowing the public to make environmentally sound travel decisions. It also means reducing the region's carbon footprint by getting cars off the road, using sustainable technology, and building a responsible ecological and economic legacy for future generations.
- **Access to Education.** Another theme was access to education, with a vision to network educational institutions with the communities they serve, and with one another. Access throughout the county is vital, as are frequency and expanded hours, services outside of normal school hours, and non-traditional educational facilities. WTA also needs to demonstrate its services to schools, as it did with the recent Free 7th Grade Bus Pass Program.
- **System and Revenue Growth.** The Steering Committee is adamant that WTA is an outstanding asset. It should work to attract more people, in more ways, and at more times. The Steering Committee had a number of ideas for growing WTA revenue with traditional and non-traditional sources. These include municipal and private parking taxes; fuel and auto registration surcharges; building permit fees; institutional levies such as business and other organization fees; advertising revenues; including website and shelters; tiered fares; a Transportation Benefit District; a carbon tax; new pass distribution and pricing, and personalized stored-value passes to capture data and enable customer targeting."

## WTA Steering Committee's Four Big Dreams:

- **All About Convenience and Technology.** There is widespread agreement that WTA should do everything it can to make transit easy to use. This means regular, frequent and efficient bus service, but it also means that everything about the service is convenient. Technology is deployed to make it easy to find the bus you need, to know when to expect the next bus, to make adjustments to your route and schedule in real time, and to access Wi-Fi on the bus. The rising generation expects information in electronic format. It could mean more GO Lines, more often; bus rapid transit; light rail; and/or increased frequency throughout the system.
- **Hubs and Stations.** Many participants are enthusiastic about offering a wide variety of support services at bus stations, such as dry cleaners, convenience groceries, postal services, car and/or bike sharing, and so forth. They also think it's important that bus shelters are plentiful, well-lit, clean and easy to reach.
- **More than Buses.** There is also widespread support for bike and/or car sharing as a supportive service to transit. Having shared bikes and/or cars available at bus stations and other points along WTA's routes would allow bus riders to get more done without a car. A commuter could get to work a little faster by using a shared bike, or run a mid-day errand using a shared car. This would encourage people to leave their cars at home. There is also interest in electric street cars on the part of some Steering Committee members.
- **One Card Will Travel.** Another idea with broad support is a common pass for many forms of transportation and other services. This might mean the ability to use a student or employee identification card as a bus pass, or information on how to obtain a universal pass from an employer, school or place of residence. It might also mean using the same pass for WTA buses and for transit to Skagit County, all the way to Seattle or Vancouver."

A summary of the Dream Big exercise can be found in the technical appendices.

## Conclusion

Public involvement informed the strategic plan throughout the process. The "planning game" and rider surveys helped to shape the first draft of the proposed service expansion. Conversations with the steering and technical committees, WTA board and WTA staff, including the Dream Big exercise, helped to create WTA's goals and to shape the recommendations in the business plan. And the Community Open Houses and online survey—as well as the public hearing—caused significant improvements to what became the approved Service Plan.

## V. GOALS

These goals reflect the values and priorities of the many stakeholders who helped to shape this plan. They are intended to guide WTA's budget and management decisions, and to help fulfill our mission. Section VI provides examples of how these goals relate to the risks and opportunities WTA is currently facing.



# WTA's 2017 Strategic Plan Goals

## **Increase accessibility, convenience and attractiveness of riding the bus.**

- Improve amenities for riders of all abilities.
- Improve the image of riding the bus.
- Reduce the percent of drive-alone trips in Whatcom County.

## **Actively partner with the community.**

- Increase Transit Oriented Development (TOD).
- Improve relationships with underrepresented groups and underserved communities.
- Increase the number of people using bus passes.

## **Right-size service to match community needs.**

- Improve responsiveness to emerging needs.
- Set, and meet or exceed service standards.
- Protect financial capacity for fixed route and paratransit service, by containing paratransit cost increases.

## **Protect and preserve our environment.**

- Reduce our net carbon output annually.
- Reduce our rate of resource consumption annually.

## **Contribute to Whatcom County's quality of life.**

- Improve people's ability to live independently.
- Improve safety.
- Increase bus trips for leisure and recreation.

## **Cultivate organizational excellence.**

- Maintain or improve employee safety and health.
- Support professional development and strong working relationships.
- Recruit and retain a diverse, high quality work force.

## VI. OPPORTUNITIES AND RISKS

This section discusses the opportunities and risks facing WTA. They are organized into the following categories:

1. **Transit service**
2. **Growth throughout WTA's service area**
3. **Financial capacity**
4. **Capital planning**
5. **Green technology**
6. **Intelligent Transportation Systems (ITS)**
7. **Partnerships**
8. **Organizational structure**
9. **Trends effecting WTA**



**applicable  
GOALS**

- ✓ Right-size service to match community needs
- ✓ Preserve financial capacity for fixed route service (and corresponding paratransit service)
- ✓ Improve people's ability to live independently

### 1 TRANSIT SERVICE

#### Fixed Route

#### Transit Demand and Population Growth

Demand for public transportation tends to grow faster than population. As population density increases, concerns about traffic and parking have a greater negative impact. Population density also makes it easier to provide more convenient transit service.

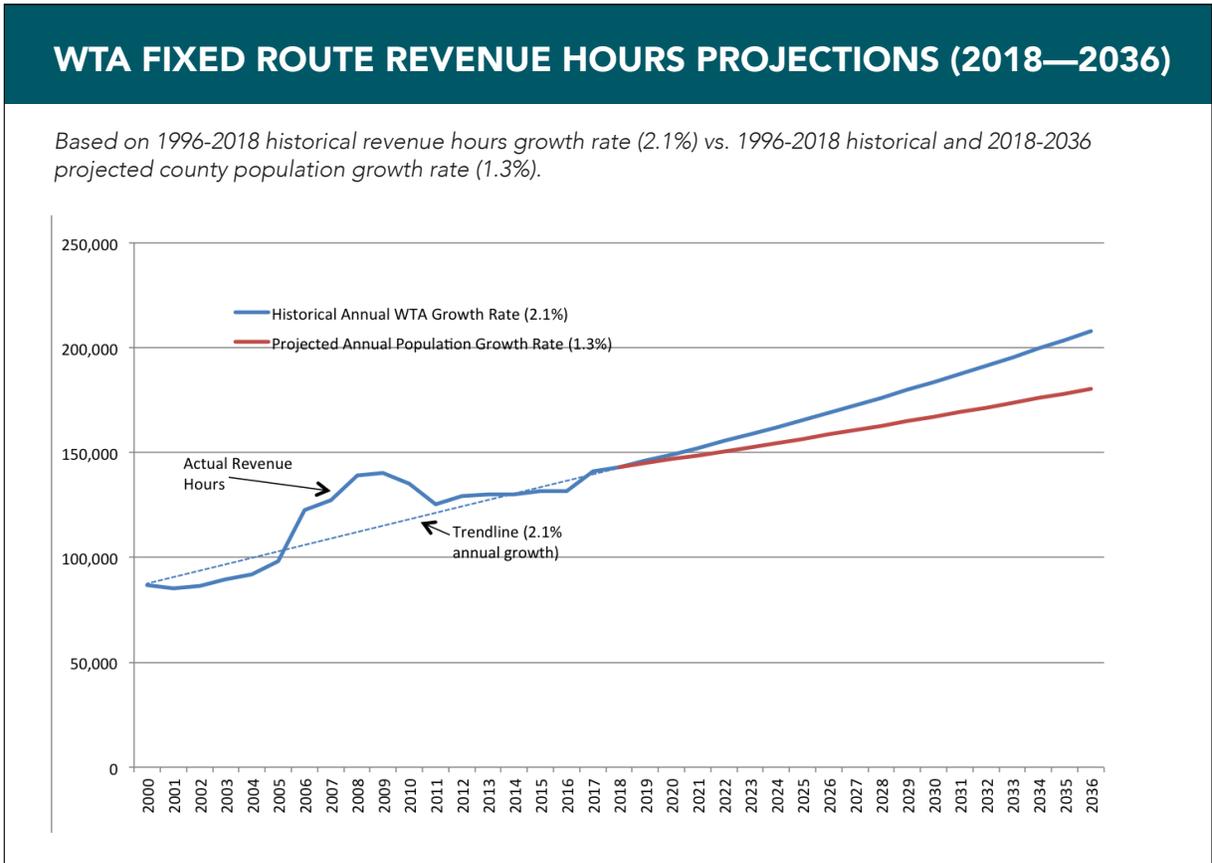
According to the Washington State Department of Transportation, here are Washington State's transit systems' hours of service per 100,000 population, in 2015, by classification:

Rural = 49,992 hours

Small Urban = 62,723 hours (WTA = 62,683)

Urban = 99,957 hours

In Whatcom County the median projection is for a 1.3% annual population growth rate over the next 20 years (the same as it's been for the last 20 years). This translates into a population of 273,911 by 2036. That's an increase of 60,000 people. Below is a chart showing the amount of service WTA would need to provide over the next 20 years if it grows at the projected rate of population growth and at WTA's historical growth rate.



### Recommendation

Monitor population growth and employment trends as part of the two-year planning cycle, and assume transit demand will follow. If WTA's growth rate equals the population growth rate, WTA would need to increase service by approximately 12,000 revenue hours over this six-year plan. Using WTA's historical growth rate would mean adding approximately 18,000 revenue hours of service. By 2036 these targets would be between 35,000 and 55,000 additional hours of service.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### Flex Service

Flex service is a hybrid of fixed route and paratransit service. On a flex route, the bus stops at fixed stops. Within a defined service area, the bus can also divert off the route, to pick up and drop off riders closer to their homes. Riders must call WTA to request this service in advance. Though this advance planning makes it slightly less convenient, it solves what can be a major obstacle to riding the bus in rural areas: how to get from home to the bus, where conditions are often not safe for walking. WTA currently provides flex route service on routes to Kendall, Sumas, and the Blaine/Birch Bay area.

WTA is currently experiencing a challenge with flex service in Blaine/Birch Bay. As requests for flex stops have increased, it's taking longer and longer to accommodate flex trips. This increases the overall trip time and makes the schedule less predictable. (Some trips may only have one or two flexes while others may have five or more.)

Though offering flex service allows WTA to serve an area with one bus instead of two (parallel paratransit service is not required where flex routes operate), flex service can become unmanageable when requests for flex stops reach a certain point.

### Recommendation

Consider developing a maximum ratio for flex requests to total trip time. Once a route reaches the maximum, WTA would start limiting the number of flexes, reduce the flex area, or turn the route into a traditional fixed route and accept the cost of operating a second bus for paratransit.

### Paratransit

Demand for WTA's paratransit service is affected by four factors:

- The size of Whatcom County's population of people with disabilities
- The percentage of that population found to be eligible for paratransit service
- The percentage of those eligible that become active riders
- The number of trips taken by each active rider

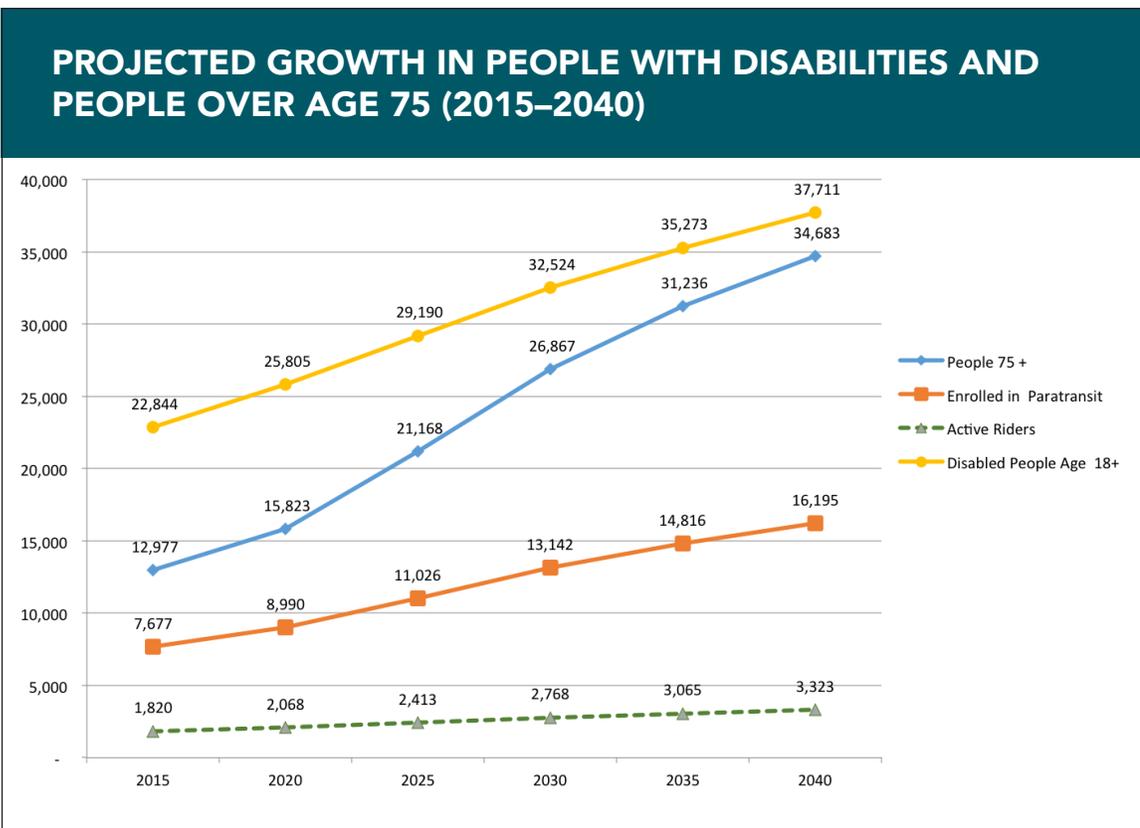
As Whatcom County's population ages, the population of people with disabilities is projected to grow faster than the general population.

This is due to a higher percentage of older people having some form of disability. The population of Whatcom County residents who are 75 and older is expected to grow from 13,000 to 35,000—an increase of four percent annually—between 2015 and 2040.

For this reason, WTA can expect 2.1% annual growth for people with disabilities compared to a 1.3% growth rate in the general population over the same time period. Similarly, due to an aging population, WTA can expect the number of active riders to grow 2.5% per year.

Several factors mitigate the effect of this expected growth on WTA:

- Only a small percentage of the total population of disabled riders (currently 8%) are active paratransit riders
- As people age they make fewer paratransit trips per person
- Many riders make only a few trips per year
- Conversely, the most active riders (10% of total) each make 200 or more trips per year

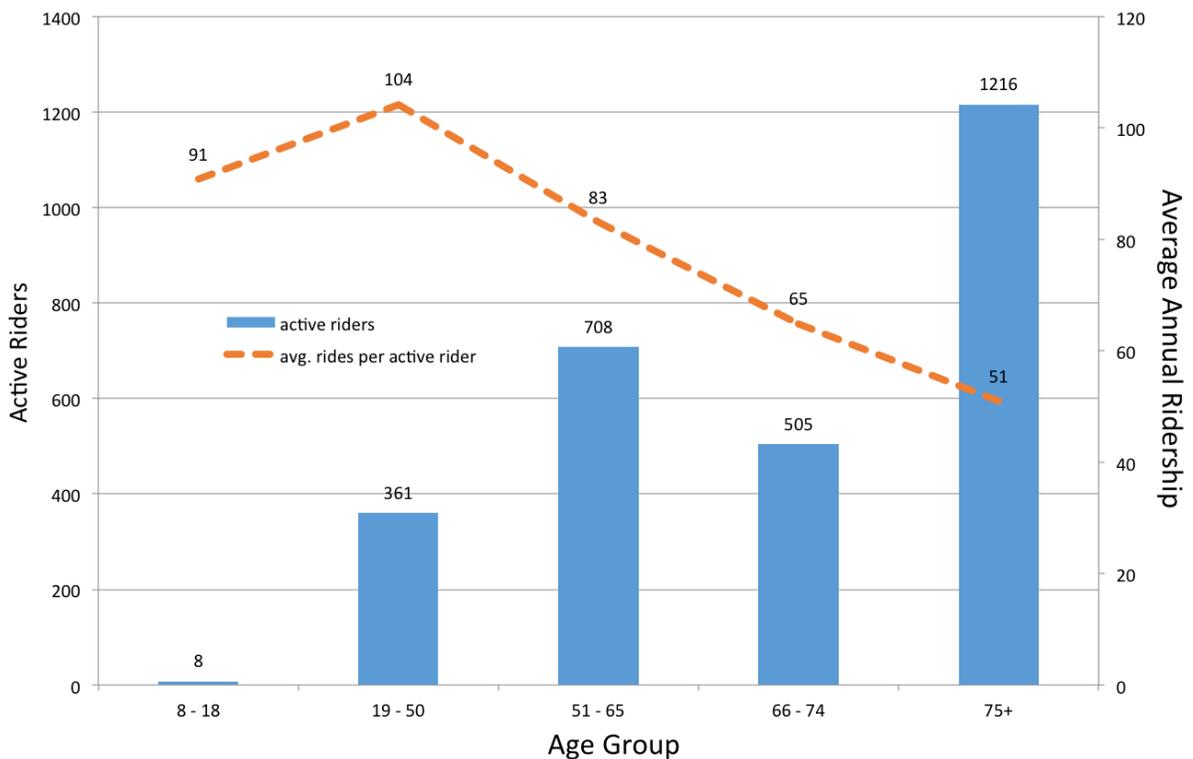


## VI. OPPORTUNITIES AND RISKS *(continued)*

Per boarding, paratransit service is approximately ten times more expensive to provide than fixed route. Paratransit service constitutes 30% of WTA's operating budget. The larger the share of the budget allocated to paratransit the less that is available for fixed route. This in turn can reduce the availability of paratransit, as paratransit only operates in parallel to fixed routes. WTA's financial model includes an allowance for a 3% annual increase in paratransit ridership.

A key component of this plan is to identify ways of containing paratransit cost increases while continuing to meet ADA requirements. WTA can't control the size of the disabled community. WTA has some ability to influence each of the other three factors. WTA has identified a number of measures to respond to growing demand for paratransit services. These measures have modest impacts individually. Taken together over time they will preserve WTA's capacity to provide this service.

### PARATRANSIT ACTIVE RIDERS AND AVERAGE ANNUAL RIDERSHIP BY AGE GROUP



## Recommendation

- Continue to promote fixed route service as the primary mode for people with disabilities.
- Make fixed route service as attractive as possible as an alternative to paratransit.
- Establish a uniform fare collection process for paratransit service.
- Consider raising the paratransit fare. According to the ADA, fares for paratransit can be up to twice that for fixed route. An increase in the cash fare from \$1 to \$1.50 could reduce demand by 10-20%.
- Consider using taxis for the most expensive paratransit trips. According to WTA's current Collective Bargaining Agreement, up to 4% of paratransit trips can be provided by taxis. WTA is currently at approximately 1.5%.
- Expand the travel training program to teach paratransit eligible riders how to use fixed route service. Currently a limited travel training program is administered through the Whatcom Council of Governments (WCOG). Consider expanding its scope, either by bringing it in-house or contracting it out. Focus this program on the people with the greatest potential for diversion to fixed route.
- Continue the strong relationship with community transition programs at local public schools.
- WTA has recently begun to adhere to its conditional eligibility requirements. For example, if a rider is only eligible to ride in hours of darkness, WTA is denying paratransit trips in hours of daylight. WTA should continue to provide service only when conditions warrant the trip, for conditionally eligible riders.
- WTA may be unique in having most drivers, dispatchers and customer service representatives cross-trained for both fixed route and paratransit. One major advantage of this approach is that it maximizes empathy and sensitivity to the needs of people with disabilities. Another is that it makes it makes scheduling more efficient, as there is a larger pool who can cover shifts. WTA should continue to cross train drivers, dispatchers and customer service representatives.

## VI. OPPORTUNITIES AND RISKS *(continued)*

- Advocate for fully accessible walking and biking paths of travel to and from bus stops.
- Build on strong partnerships with the Social and Health service community. An example of the value of these partnerships was demonstrated by the move of the Adult Day Health (ADH) program from Bellingham to Lynden in 2015. WTA was able to work effectively with the new ADH provider and others to create an innovative transportation solution. This allowed dozens of clients to continue to access the services they need.
- Pursue a new, dedicated funding source for paratransit service.
- Explore the possibility of agreements with residence homes, offering resources in exchange for their providing what would otherwise be paratransit trips.
- Review paratransit service metrics and demographics on a more regular basis.
- Based on service information, review and modify paratransit service delivery on the same two-year cycle as fixed route service.

### **Zone Service**

Unlike other transit agencies, WTA provides a basic level of service to everyone in its service area. Zone service provides one or two days of the week on which residents of rural areas can call for a ride into Bellingham.

In 2016, Zone service accounted for 2,404 boardings and 1,611 revenue hours (compared to 64,055 hours for paratransit). Because of the longer trip lengths, (14.8 miles vs. 4.1 miles for paratransit) it is about twice as expensive per trip.

### **Recommendation**

WTA should continue to evaluate the value and effectiveness of Zone Service. As a premium service, WTA should consider increasing the fare to two times the fixed route fare. WTA currently uses taxis to provide Zone Service in Pt. Robert's and Lummi Island. At some point, WTA could consider consulting with Union leadership, to discuss using taxis or Uber to provide more of its Zone Service.

### **Vanpool**

WTA's vanpool program is limited by the geographic constraints of Whatcom County. Unlike the vans of other transit systems, WTA vans can only operate in-county, or travel south. (Mountains, Bellingham Bay, and the Canadian border block the other three directions.)

After the 2004 Strategic Plan, WTA reduced vanpool rates by 25% in an effort to expand the program. A few years later, rates returned to their previous level, at which point ridership decreased. Ridership increased again when the high fuel prices of 2008 caused a major increase in vanpool programs throughout the state. Recently, since a significant drop in fuel prices, WTA has seen a 25% decrease in vanpools, and a 50% decrease in boardings. Virtually all WTA vanpools are subsidized by employers.

### **Recommendation**

WTA should reevaluate the costs versus the potential benefits of continuing the vanpool program.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### 2 GROWTH THROUGHOUT WTA'S SERVICE AREA

#### Growth in Rural Areas

Many of the smaller communities in Whatcom County are growing faster than Bellingham. Between 1990 and 2010, 41.6% of new residents in Whatcom County settled in Bellingham (down from 47.5% in 1990). Between 2016 and 2036, Bellingham is expected to grow at a 1.2% annual growth rate versus 1.5% for Lynden and Ferndale, 1.8% for Blaine and 2.7% for Birch Bay. Unincorporated areas are expected to grow more slowly.

The implication is that more service on longer distance routes will be needed to meet demand in the outlying communities. These routes cost more per trip than in areas where population is more concentrated.

#### Recommendation

Work to communicate the economic tradeoffs involved with transit planning. For example, the qualities that make small cities attractive to many people, such as less dense neighborhoods, also make frequent transit service harder to justify. WTA should work with small cities and their residents, to highlight the connection between population, density and transit service.

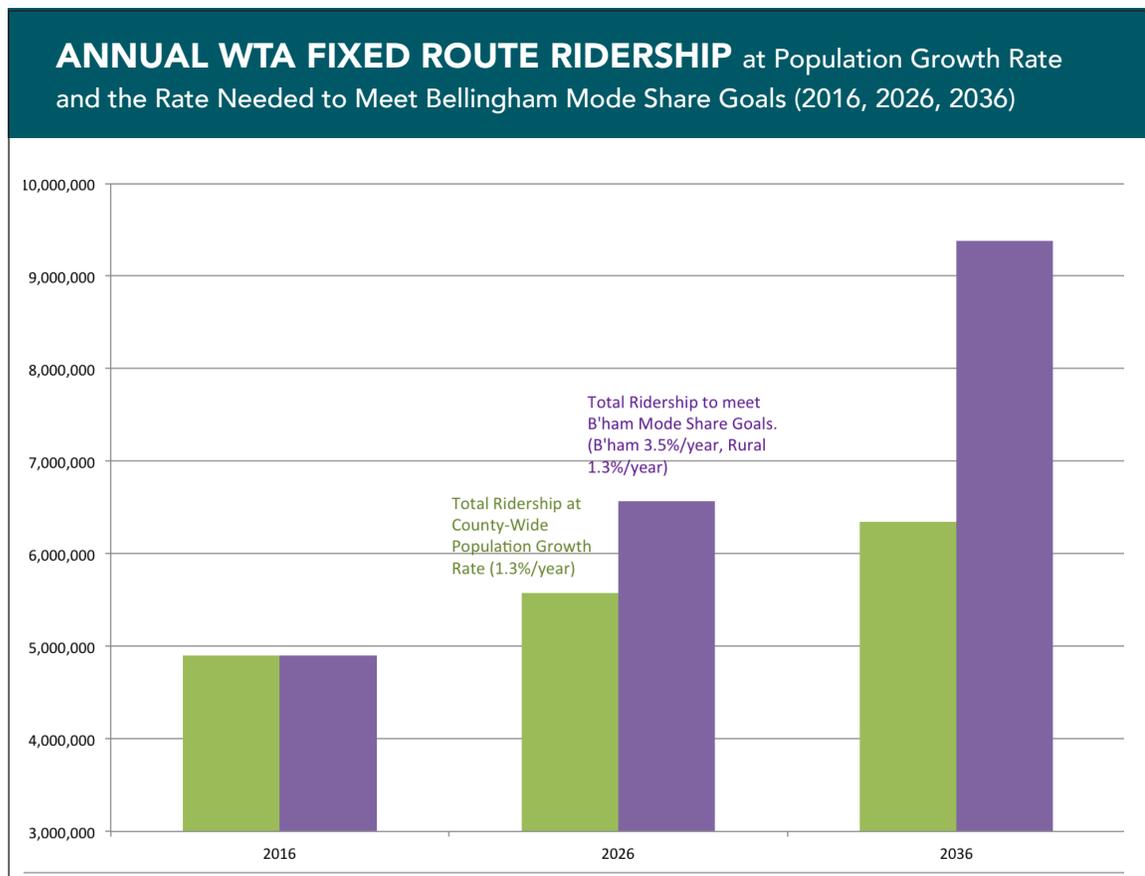


## Growth in Bellingham

The median projection for population growth in Bellingham is 1.2% annually over the next 20 years. This is an increase of 23,000 residents. The 2017 service expansion will accommodate some of the growth over the course of this six-year plan. However, demand is likely to outpace service soon after.

This is especially true when new growth occurs in areas not currently served by WTA. This includes the redeveloping waterfront, King Mountain, the Cordata Neighborhood and other areas that may be annexed in. This will make it difficult for WTA to expand its highly successful GO Line network and to provide greater levels of service within Bellingham.

As the chart below shows, there is a major gap between WTA's expected ridership growth and the growth needed to achieve the transit mode share goals identified in the City of Bellingham's Comprehensive Plan. Achieving these goals will require close cooperation. It will also require policies and innovations that increase transit's ability to compete with other modes of transportation, especially in the level of convenience it provides.



## VI. OPPORTUNITIES AND RISKS *(continued)*

Another critical issue is WTA's difficulty keeping routes on schedule over time. As traffic congestion worsens and the number of controlled intersections increases, WTA must adjust routes and schedules accordingly. The net effect is that it costs more to provide the same level of service.

### **Recommendation**

WTA and City of Bellingham will need to collaborate on ways to pursue new sources of funding, share costs on projects that achieve a shared purpose, increase the convenience of transit, and protect system speed. WTA should continue its working relationship with the City of Bellingham Transportation Commission, to ensure they're aware of current challenges.

### **Balancing Service Needs**

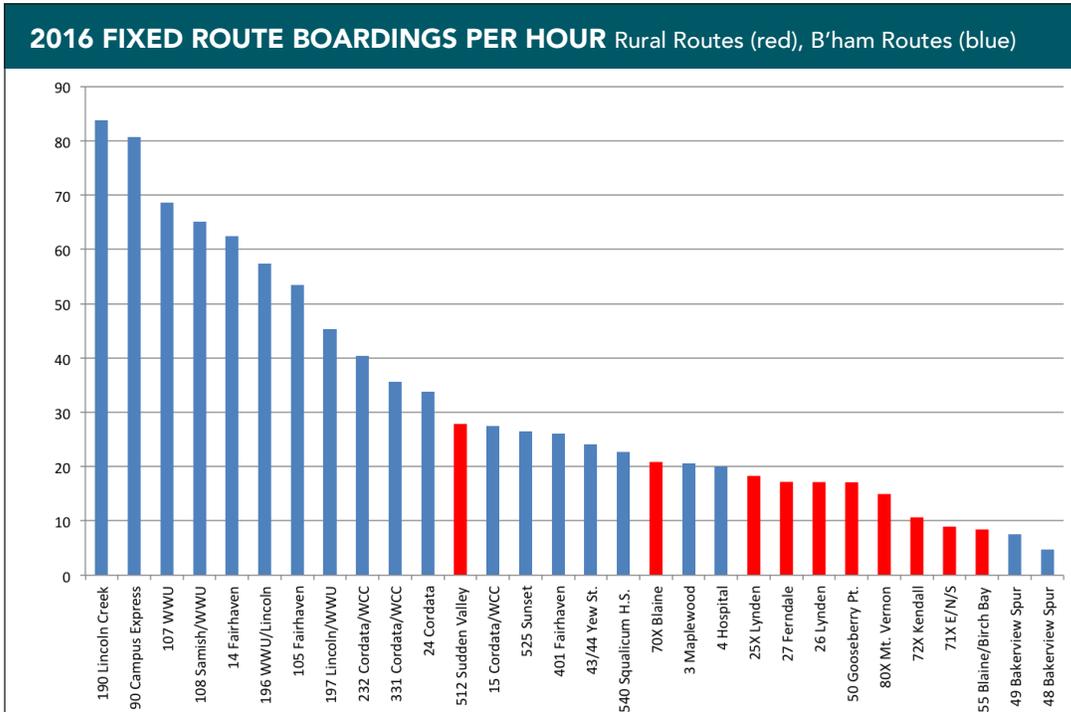
Bellingham is the only community in the county with a numerical goal of growing transit's mode share. It can sometimes appear to residents of Bellingham that "too much" service is going to rural areas that don't share the same commitment to alternative transportation.

By contrast residents in rural Whatcom County often have the opposite view. With 77% of WTA's fixed route service--but only 40% of the population-- in Bellingham, many outside of Bellingham feel they aren't receiving their fair share of transit service.

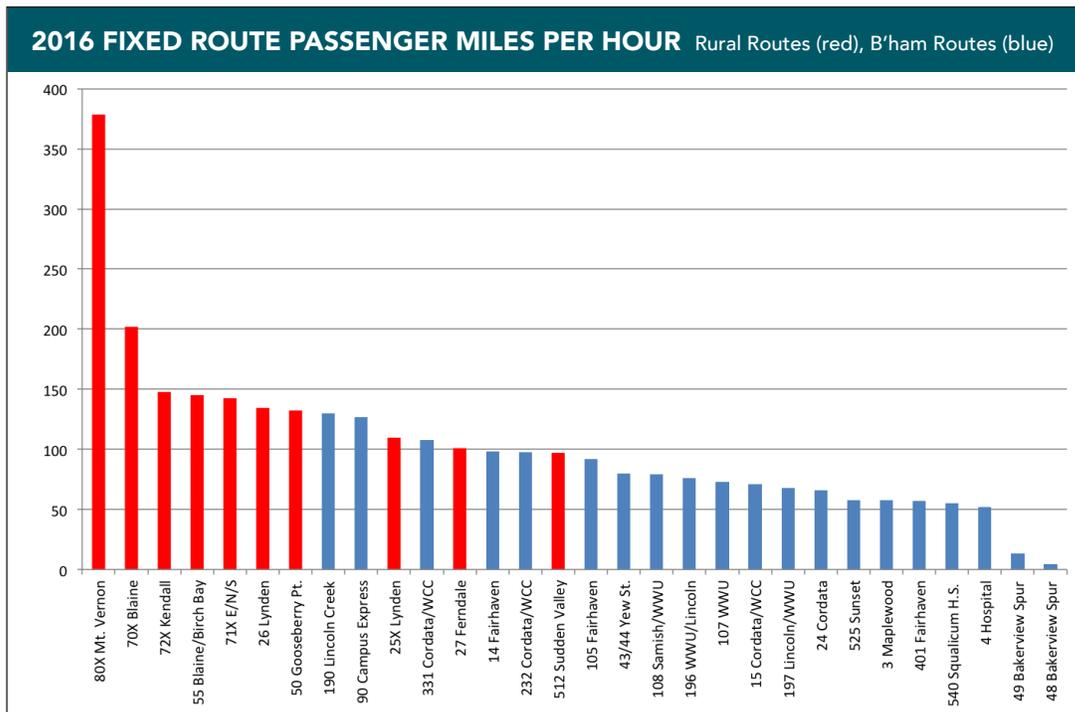
WTA strives to find a balance between these two valid but competing perspectives, while recognizing that offering non-productive service is in no one's interest. To do this, WTA uses two service standards. Successful routes must meet a minimum standard in one or both measures:

- Boardings per Hour is the industry standard. This is a good measure of productivity on urban routes where trip lengths are generally short.
- Passenger Miles per Hour is a good measure of productivity on rural routes. Here, fewer people ride but their trips are longer. So the average number of riders can be equal to—or greater than—many routes in Bellingham.

The following two tables illustrate the point. Routes primarily in Bellingham are in blue. Routes primarily outside of Bellingham are in red.

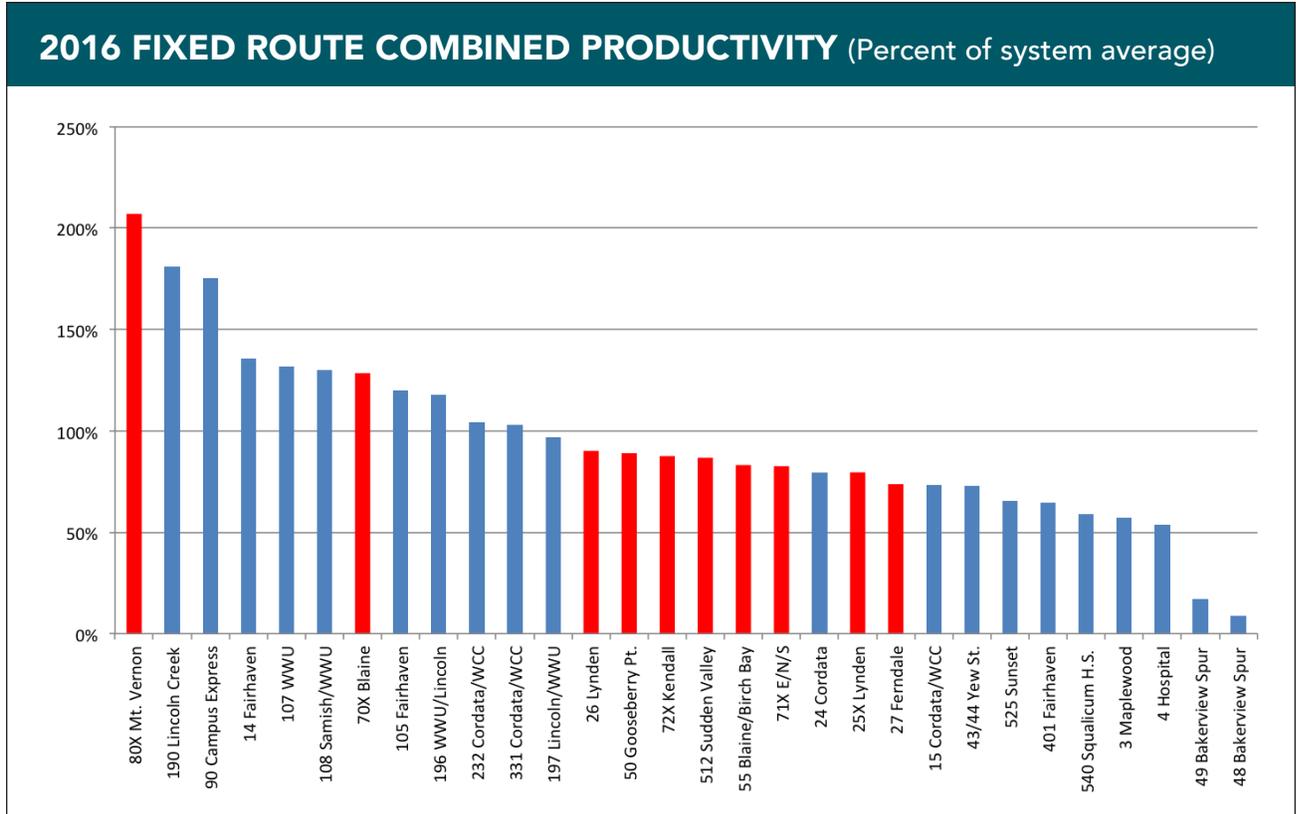


By this measure, Bellingham routes are most productive.



By this measure, rural routes are most productive.

## VI. OPPORTUNITIES AND RISKS *(continued)*



When both measures are combined, productivity by route can be compared more accurately.

These two measures aren't the only useful ways of measuring the effectiveness of WTA's fixed routes. However they are valuable for illustrating the fact that urban and rural routes can be equally productive.

### **Recommendation**

Maintain both fixed route ridership service standards. Continue to explain the value of using both measures, to the Board of Directors and others. WTA should continue to allocate service based on ridership potential—using both measures—rather than on population or geography.

### 3 FINANCIAL CAPACITY

Since the recession in 2008, and the service reduction of 2010, WTA has built up its financial reserves while maintaining its level of service. At the outset of this strategic planning process, the Board of Directors approved staff's recommendation to expand service by 9%, using undesignated reserves. For this reason, the plan projects operating expenses to exceed operating income by 5% annually.



**applicable  
GOALS**

- ✓ Right-size service to match community needs
- ✓ Maintain the fleet, facilities, technology and finances in a state of good repair
- ✓ Preserve financial capacity for fixed route service (and corresponding paratransit service)

WTA's Board of Directors has directed WTA to work within the scope of board-approved revenue sources to support this strategic plan. These include fares, pass programs, partnerships, grants and advocacy. WTA will be actively pursuing new pass revenue, renegotiating its contract with WWU, and considering a future fare increase.

In contrast to some peer agencies, WTA reserves its federal funding for capital purchases rather than to support operations. Thus WTA is less vulnerable to fluctuations in federal funding levels than many of its peers.

The current level of Federal Transit Administration (FTA) 5307 formula funding is sufficient to replace the fleet on an ongoing basis. If Congress eliminates or significantly reduces the 5307 Program, this will create replacement funding shortfalls beginning in 2020-2021.

The capital and IT plans call for new investment in "smart bus" technology, and expanding facilities to prepare for future growth. WTA will be committing to these and other projects over the term of the plan. This will consume some of the remaining undesignated financial reserves.

Nelson/Nygaard staff worked with WTA's historical financial data and trends to develop a financial model. The financial model includes a variety of variables to help project the financial impact on future service expansions and capital projects.

## VI. OPPORTUNITIES AND RISKS *(continued)*

The financial model is sensitive to changes in sales tax revenue and budget lapses. Sales tax revenue is projected to grow 4.1% year over year for the next five years. Current sales tax collection trends indicate growth in the construction and lodging sectors. Retail sales continue to remain steady indicating that the effect of the low Canadian dollar has already been taken into account. These overall trends support the model's modest 4.1% sales tax revenue growth forecast.

Budget lapses occur when actual expenses are less than budgeted expenses. This has occurred for many years at WTA, and has contributed to the current cash surplus. Historic budget lapses have averaged 4.5% of budgeted expenses. The 2017 budget and the projected years of 2018-2022 include a 3% lapse. WTA is examining methods to create leaner budgets and to incur less of a lapse each year in the future.

The reduction in budget lapses will reduce the level of unanticipated cash available annually. This will increase pressure to find new or increased sources of revenue to support future service expansions and capital projects.

Interest on investments is another variable component of the financial model, budgeted at 1.1% for 2017 and 1.4% for 2018 and beyond. While these expected rates are higher than in recent years, they are significantly below 2006 and 2007 when WTA was earning over \$1 million in interest annually on a smaller cash balance. A rise in interest rates would result in additional revenue that WTA could use to increase service. Conversely, continued low interest rates could affect consumers' behavior, prompting them to save more (by reducing discretionary spending) to meet retirement goals.

In order for WTA to break even on operations, operating revenue plus sales tax revenue, must equal projected operating expenses each year. The table below presents the percent of sales tax growth over the prior year required to cover projected operating expenses based on the approved 2017 budget and current projections for 2018-2022:

| YEAR | SALES TAX GROWTH NEEDED TO COVER OPERATING EXPENSES | PROJECTED SALES TAX GROWTH |
|------|---|----------------------------|
| 2017 | 8.80%   | 4.10%                      |
| 2018 | 4.50%   | 4.10%                      |
| 2019 | 3.70%   | 4.10%                      |
| 2020 | 4.00%   | 4.10%                      |
| 2021 | 3.60%   | 4.10%                      |
| 2022 | 4.40%   | 4.10%                      |

The above percentages are achievable for 2018 forward. The 2017 required percentage increase is high and unlikely given the current levels of sales tax revenue. The main sectors of retail sales, construction, and lodging, will need to grow significantly to reach these levels.

### **Recommendation**

WTA will closely monitor undesignated reserve balances in addition to revenues and expenses. WTA will also continue to be diligent in budgeting, and in keeping expense growth below inflation, while pursuing new revenue sources.

In order to preserve financial capacity, WTA will need to contain costs and increase revenue over the course of this plan. WTA will develop a set of ratios to serve as guideposts in this effort.

## VI. OPPORTUNITIES AND RISKS *(continued)*

WTA will be challenged to hold the growth of costs to the level of inflation; this will allow the agency to reserve any revenue increases related to population or economic growth for future service expansion. Inflation growth built into the projections is 3% year over year. Operating expenses are forecasted to grow between 3.2% and 3.9% from 2018 to 2022.

Another challenge for WTA will be to maintain the level of fixed route service while supporting expected 3% annual growth of paratransit service over the coming six-year period.

WTA will strengthen its internal process for evaluating capital development projects to ensure it pursues those that best advance the implementation of this strategic plan while preserving agency reserves. This enhanced process, along with naming key capital projects in the strategic plan, will enhance WTA's ability to compete for grants and to advocate for support.

If WTA can successfully manage these challenges, the agency will have some capacity to increase service during future two-year planning cycles.

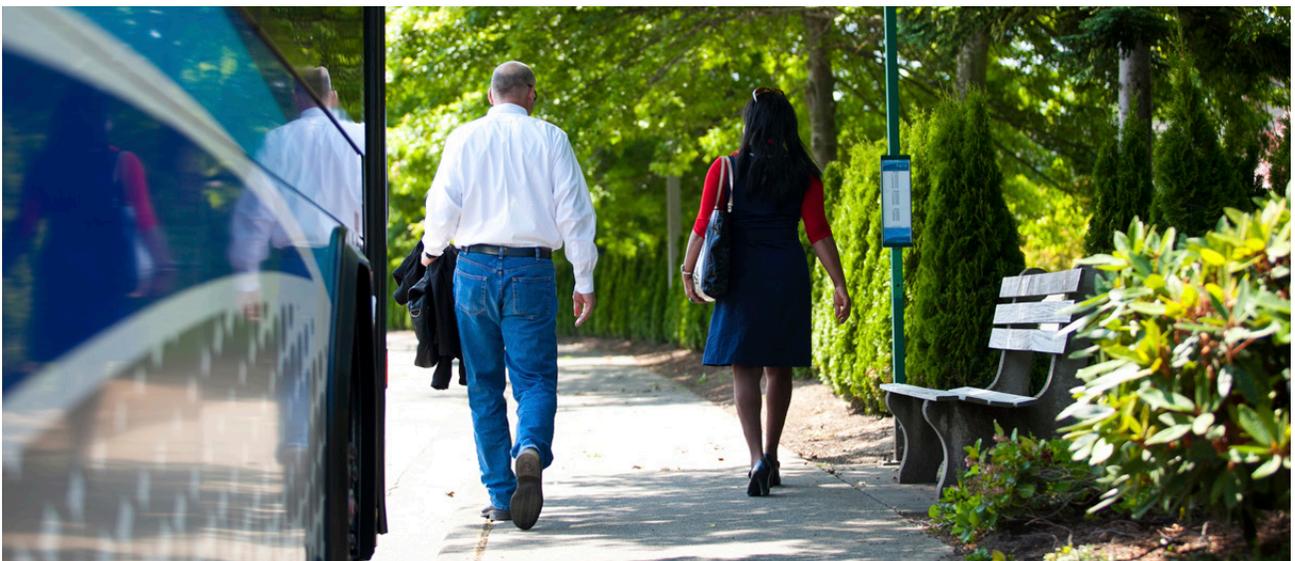
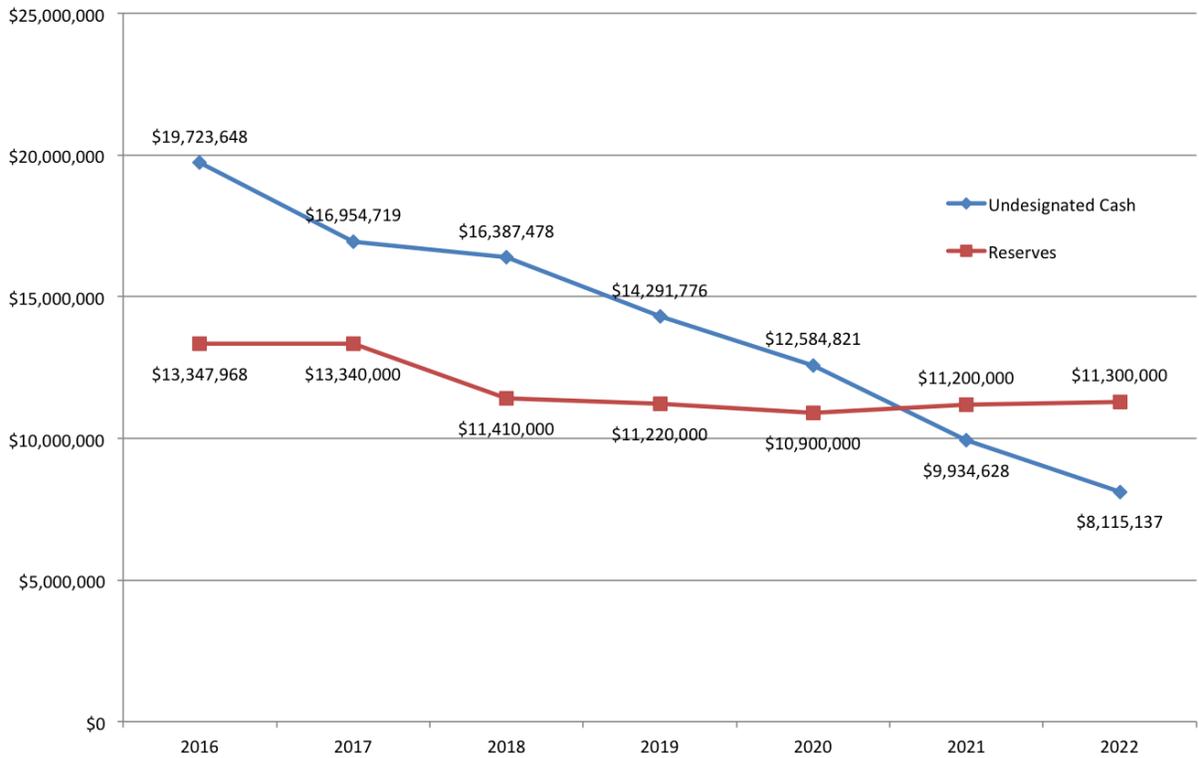


## Whatcom Transportation Authority Cash Flow Projections

|  | <b>2017</b>          |                      |                      |                      |                     |                     |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|  | <b>Approved</b>      |                      |                      |                      |                     |                     |
|  | <b>Budget</b>        | <b>2018 Budget</b>   | <b>2019 Budget</b>   | <b>2020 Budget</b>   | <b>2021 Budget</b>  | <b>2022 Budget</b>  |
| <b>Revenues</b>  |                      |                      |                      |                      |                     |                     |
| Fixed Route Revenue  | \$ 2,834,854         | \$ 2,919,900         | \$ 2,978,298         | \$ 3,037,864         | \$ 3,098,621        | \$ 3,160,594        |
| Paratransit Revenue  | 77,175               | 79,491               | 81,081               | 84,332               | 86,862              | 89,467              |
| Vanpool Income   | 192,960              | 202,560              | 202,560              | 202,560              | 202,560             | 202,560             |
| Operating Revenue  | 3,104,989            | 3,201,951            | 3,261,939            | 3,324,756            | 3,388,043           | 3,452,621           |
| Contract Revenue   | 40,000               | -                    | -                    | -                    | -                   | -                   |
| Other Revenue  | 194,785              | 190,777              | 196,500              | 202,395              | 208,467             | 214,721             |
| Operating Grants   | 584,549              | 440,416              | 440,416              | 440,416              | 440,416             | 440,416             |
| Investment Income  | 328,456              | 388,180              | 354,188              | 314,208              | 278,332             | 237,086             |
| Sales Tax Revenue  | 24,453,811           | 25,456,417           | 26,500,130           | 27,586,635           | 28,717,687          | 29,895,112          |
| <b>Total Revenues</b>  | <b>28,706,590</b>    | <b>29,677,741</b>    | <b>30,753,173</b>    | <b>31,868,410</b>    | <b>33,032,945</b>   | <b>34,239,956</b>   |
| <b>Operating Expenses</b>  |                      |                      |                      |                      |                     |                     |
| Salaries & Wages   | 15,892,183           | 16,495,878           | 16,989,816           | 17,541,978           | 18,069,290          | 18,731,810          |
| Employee Benefits  | 7,744,718            | 7,833,248            | 8,166,427            | 8,546,021            | 8,877,107           | 9,328,905           |
| Outside Services   | 1,605,130            | 1,809,435            | 1,864,074            | 1,922,576            | 1,983,262           | 2,046,228           |
| Parts & Supplies   | 2,378,024            | 2,377,679            | 2,449,477            | 2,526,351            | 2,606,095           | 2,688,836           |
| Fuel   | 1,148,000            | 1,280,332            | 1,304,100            | 1,333,117            | 1,366,988           | 1,408,288           |
| Utilities  | 371,797              | 359,836              | 366,515              | 374,671              | 384,190             | 395,797             |
| Insurance  | 555,678              | 615,076              | 633,650              | 653,536              | 674,165             | 695,569             |
| General Expense  | 146,381              | 157,474              | 162,229              | 167,320              | 172,602             | 178,082             |
| Training & Meetings  | 275,601              | 304,677              | 313,877              | 323,728              | 333,946             | 344,549             |
| <b>Total Operating Expenses</b>                                  | <b>30,117,512</b>    | <b>31,233,635</b>    | <b>32,250,165</b>    | <b>33,389,298</b>    | <b>34,467,645</b>   | <b>35,818,064</b>   |
| <b>Net Operating Loss</b>  | <b>(1,410,922)</b>   | <b>(1,555,894)</b>   | <b>(1,496,992)</b>   | <b>(1,520,888)</b>   | <b>(1,434,700)</b>  | <b>(1,578,108)</b>  |
| Capital Expense  | 4,256,000            | 3,209,880            | 6,463,751            | 4,371,068            | 6,800,959           | 3,463,323           |
| Capital Grants   | 1,986,500            | 1,098,978            | 4,491,001            | 2,775,658            | 4,796,557           | 2,109,091           |
| Net Capital Expense  | 2,269,500            | 2,110,902            | 1,972,750            | 1,595,410            | 2,004,402           | 1,354,232           |
| <b>Net Cash Decrease</b>   | <b>(3,680,422)</b>   | <b>(3,666,796)</b>   | <b>(3,469,742)</b>   | <b>(3,116,298)</b>   | <b>(3,439,102)</b>  | <b>(2,932,340)</b>  |
| Undesignated Cash, January 1                                     | 19,723,648           | 16,954,719           | 16,387,478           | 14,291,776           | 12,584,821          | 9,934,628           |
| Estimated budget lapse - 3%<br>of budgeted operating<br>expenses | 903,525              | 937,009              | 967,505              | 1,001,679            | 1,034,029           | 1,074,542           |
| Reserves Funding   | 7,968                | 2,162,546            | 406,535              | 407,664              | (245,120)           | 38,307              |
| <b>Undesignated Cash,<br/>December 31</b>                        | <b>\$ 16,954,719</b> | <b>\$ 16,387,478</b> | <b>\$ 14,291,776</b> | <b>\$ 12,584,821</b> | <b>\$ 9,934,628</b> | <b>\$ 8,115,137</b> |

## VI. OPPORTUNITIES AND RISKS *(continued)*

### PROJECTED UNDESIGNATED CASH & RESERVE BALANCES AS OF YEAR END



## 4 CAPITAL PLANNING

### Fleet Replacement and Expansion

WTA's top priorities will always be to support existing service, and to maintain the current fleet and facilities in a state of good repair. Over the course of this plan, the agency will also need to plan for expansion.



*applicable*  
**GOALS**

- ✓ Increase the accessibility, convenience and attractiveness of riding the bus
- ✓ Right-size service to match community needs
- ✓ Improve safety
- ✓ Reduce greenhouse gas emissions
- ✓ Maintain fleet and facilities in a state of good repair

#### Existing Fleet

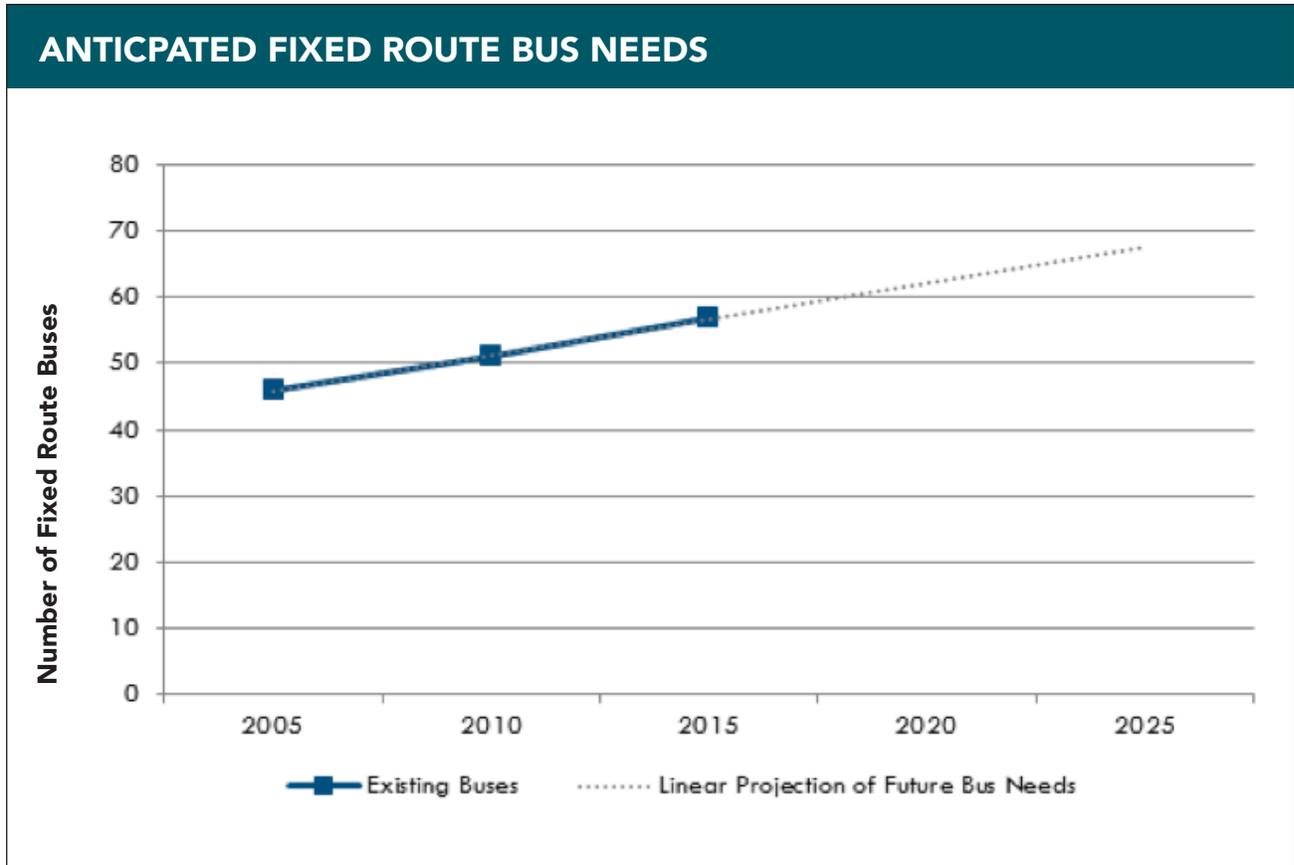
WTA's primary capital commitment is to replace its existing fleet as it becomes due. Timely replacement is foundational to maintaining a state of good repair. Over the next six years projected outlays for "like kind" replacement of the existing fleet total \$18.6 million. WTA's financial plan commits the vast majority of WTA's FTA formula grants towards this purpose, leaving little of the federal money granted under current law for fleet expansion or enhancements such as electric buses. WTA will need to pursue competitive grants at both the state and federal level.

#### Projections for Future Expansion

In order to meet the expected demand from growth in the population overall, and among those 75+ in particular, WTA will need to expand its fixed route fleet by 8 to 12% and its paratransit fleet by 20%. This represents 12 to 16 additional revenue buses and minibuses. This will be required within the six-year scope of this plan.

If the federal funding stream is reduced in future years this will hamper WTA's ability to replace its existing fleet, or certainly to expand it, in a timely manner. This would result in reduced reliability and higher maintenance costs.

## VI. OPPORTUNITIES AND RISKS *(continued)*



### **Recommendation**

WTA should pursue competitive grants to help with the capital cost of expanding the fleet. It should also consider the cost effectiveness of extending the life of the existing fleet through a rehabilitation program. Finally, WTA should advocate for additional bus funding capacity at the state and federal levels.

While introducing articulated buses is not recommended at this time the agency should include improvements to accommodate articulated buses when expanding and upgrading its' facilities. Articulated buses may become a more cost-effective option in the future.

## Bellingham Station

### Limited Capacity at Bus Gates

Once WTA introduces expanded service in 2017, Bellingham Station will be operating at eighty to ninety percent of capacity at its four “pulse” times. If not addressed, this will require WTA to plan future service based not on what is most convenient for riders, or what provides the best system for the community, but on the availability of bus gates.

The need for pulse times is related to WTA’s use of a radial service model. Most riders travel into a transit hub from outer spokes, and make timely transfers at designated pulse times. Ninety-three percent of routes at Bellingham Station depart at one of WTA’s pulse times. This radial service model is most common in small- to mid-sized transit systems, whereas a grid model—with more direct connections between destinations—is common in larger systems.

During the environmental scan process, consultants and WTA evaluated

the possibility of creating capacity at Bellingham Station by introducing more direct connections (a grid model). Both found that based on WTA’s geography and anchor destinations, a radial service model continues to have many more advantages than disadvantages. One notable disadvantage, however, is reliance on available gates at Bellingham Station.

Ideally, WTA service will keep pace with the rate of population growth over the course of this plan. To

do so, WTA would need to introduce approximately 12,000 hours of new revenue service (about four buses). In order to meet its shared commitment to increasing transit mode share in Bellingham, many of those additional buses will require space at Bellingham Station.



## VI. OPPORTUNITIES AND RISKS *(continued)*

### **No Current Capacity for Articulated Buses**

Though articulated buses are not being recommended at this time, WTA will likely benefit from operating them in the future. Articulated buses can be significantly more cost effective, especially for serving destinations like WWU, or for increasing capacity on the GO Lines. Bellingham Station's current design, specifically its saw-tooth loading gates, precludes its use of articulated buses.

### **No Current Capacity for Electric Bus Charging Facilities**

As discussed later in this section, WTA plans to pursue electric buses as soon as the technology is both proven and affordable. It would be significantly more cost effective, and less of an impact to existing operations, to build capacity for multiple charging stations into a new concourse, versus retrofitting the existing concourse at Bellingham Station.

### **Recommendation**

Expanding Bellingham Station will require a significant amount of planning and partnership, especially with the City of Bellingham and the downtown business community. It will also require funding partners, possibly to include the City of Bellingham. Efforts to advance this project should begin in earnest, to ensure WTA can offer service based on what's best for riders and the community, rather than capacity constraints at its central transit hub.

### **Maintenance and Operations Base**

WTA's Maintenance, Operations, and Administration Base (MOAB) is 15 years old. A needed remodel is underway, to improve the utilization of office space. MOAB is also near capacity for bus parking, employee parking and equipment storage. As was mentioned previously, WTA will need up to 16 additional revenue buses and minibuses, to keep up with expected population growth. To address this, WTA is proposing to expand the current facility, or to purchase an adjacent parcel in 2017. This action would secure WTA's ability to expand service well into the future, as well as to support new technologies, such as electric buses and solar power generation.

## Lincoln Creek Park and Ride

WTA provides service to the Lincoln Creek Park and Ride. Owned by WWU, it is primarily for student parking. It's also available for use by the general public. Approximately 800 people board WTA buses at Lincoln Creek on weekdays when WWU is in session. About half of those arrive by car. The other half walk to the stop from nearby apartments. The 2017 service expansion will increase the use of this facility by WTA riders.

WWU is pursuing \$6.2 million in grant funding to improve Lincoln Creek Park and Ride. Capital upgrades could include a bus turnaround to support WTA services and a transit-activated signal—particularly important as traffic on adjacent streets continues to grow. WTA's financial commitments for this effort are uncertain. Aside from these considerations, no additional park-and-ride facilities are proposed in this capital plan.

## Electric Vehicles

WTA could significantly decrease its greenhouse gas emissions by adding electric buses to its fleet. Three of the four GO Lines—the Gold, Green and Plum Lines—are especially conducive to electric bus operations.

Currently, the most common method is to charge the bus frequently throughout the service day, using “short charges.” This may change as “slow charges” become able to power the bus for a longer range on a single charge.

While there are grant opportunities for “No/Low” emissions buses and facilities, the demand is outpacing the availability of funding. As a result, grants are highly competitive. Other potential sources may include the Volkswagon settlement or potential state climate initiatives.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### **Recommendation**

WTA should prepare for electric buses by:

- Conducting a service and scheduling analysis
- Determining a scope and scale of deployment
- Pursuing grant funding opportunities
- Evaluating potential local funding sources, including undesignated cash reserves, Bellingham TBD funds or other partners
- Continuing to work with Puget Sound Energy to achieve a more balanced approach to power costs
- Including whatever is necessary for future charging facilities whenever facilities are built or upgraded.

WTA should continue to explore the possibility of other alternative fuels, including renewable fuels, compressed natural gas and propane. WTA should also explore alternative fuel options for staff vehicles and mini-buses, in keeping with Washington State alternative fuel rules. Finally, WTA should continue to specify vehicles for improved fuel economy.

Additional detail about electric vehicles is available in the technical appendices.



## Solar Power Generation

Many of WTA's facilities could support solar installations—including the large roofs at MOAB and at Cordata Station. Expansion of Bellingham Station may also present an opportunity to expand beyond the limited roof space currently available. There are several grant sources available to either fully or substantially fund this effort, which will support WTA's goal of reducing carbon.

### Recommendation

WTA should begin designing and installing of solar facilities as soon as is practical.

WTA should also pursue the possibility of contracting with an energy service company to lease its facilities for use in solar projects. WTA should consider leasing roof space for solar whenever it constructs new facilities or expands existing ones.

More detail on solar facilities and considerations is available in the technical appendices.

## Route Amenities

Solar powered lighting at bus stops is a low cost way to increase safety and passenger comfort. Installation is straightforward and maintenance consists of an occasional cleaning of solar panels and a three to five-year cycle of changing out batteries. WTA should consider introducing solar powered lighting at bus stops with inadequate lighting.

WTA should also increase its shelters and stop amenities. These not only make riding the bus more convenient and attractive, they improve access for seniors and riders with disabilities. The need for more shelters, and for amenities at bus stops, has been identified in Whatcom County's Coordinated Human Services Transportation Plan.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### 5 GREEN TECHNOLOGY

In addition to wanting to achieve its goal, there are many indications that WTA may soon be mandated to reduce its greenhouse gas emissions. While voters in Washington State rejected a carbon tax initiative in November 2016, the momentum toward requiring reductions in greenhouse gas emissions seems to be increasing.

A number of transit agencies in Washington State are putting a limited number of electric buses into service to assess their reliability and economic feasibility. These include Link Transit in Wenatchee, King County Metro and Everett Transit. Many others are considering it.

WTA staff estimates that replacing twelve diesel buses with twelve electric buses would render our fixed route operations carbon neutral. (There are currently no electric buses on the market for paratransit.) However the cost for an electric bus is approximately twice that of a standard diesel bus. Charging facilities are another major expense. Even with federal grants, WTA would need to use financial reserves to a substantial degree in order to purchase the equipment. As always, these reserves could otherwise be used to expand service.



## Recommendation

As mentioned in the Capital Planning Section, WTA should prepare for electric buses by:

- Conducting a service and scheduling analysis
- Determining a scope and scale of deployment
- Pursuing grant funding opportunities
- Evaluating potential local funding sources, including undesignated cash reserves, Bellingham TBD funds or other partners
- Continuing to work with Puget Sound Energy to achieve a more balanced approach to power costs
- Including whatever is necessary for future charging facilities whenever facilities are built or upgraded.

WTA should continue to explore the possibility of other alternative fuels, including renewable fuels, compressed natural gas and propane. WTA should also explore alternative fuel options for staff vehicles and mini-buses, in keeping with Washington State alternative fuel rules. Finally, WTA should continue to specify vehicles for improved fuel economy.



## VI. OPPORTUNITIES AND RISKS *(continued)*

### 6 INTELLIGENT TRANSPORTATION SYSTEMS (ITS)



*applicable*  
**GOALS**

- ✓ Increase the accessibility, convenience and attractiveness of riding the bus
- ✓ Improve amenities for riders of all abilities
- ✓ Increase the number of people using bus passes
- ✓ Maintain technology in a state of good repair

WTA's IT staff is currently converting WTA to a digital radio network and revamping the dispatch center—both the physical space and business processes. Staff is also supporting rollout of “smart” fare collection technology, which forms the basis for much of WTA's revenue enhancement strategy. Staff is building a resilient IT network. WTA incorporates industry best practices for system security and disaster recovery.

WTA faces technology opportunities and risks in several areas.

- Managing the pace of change
- Incorporating new IT capabilities, especially on-bus technology, into improved business practices
- Selecting the correct level of IT investment and selecting the right projects
- Meeting increased levels of community expectations for customer facing technology
- Maintaining the safety and security of WTA operations

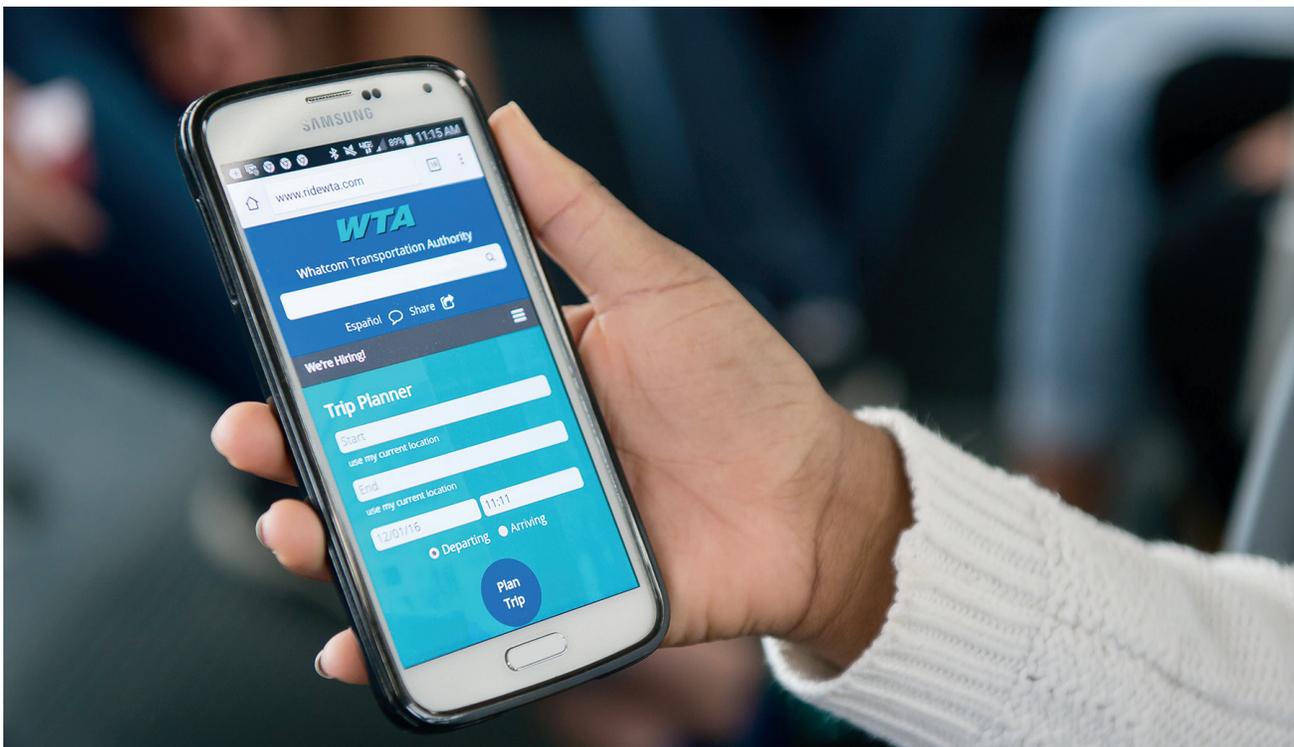
## Recommendation

WTA should provide customer facing enhancements, such as predicted arrival times, bus location information, and automated stop announcements.

WTA should also improve management of transit operations through adoption of computer aided dispatch and bus location applications. These technologies also allow WTA to improve service planning and enhance system safety by speeding up emergency response.

WTA should collaborate with regional transportation initiatives such as traffic cameras and traffic signal management, and regional trip planning.

Finally, WTA should continue to provide sufficient resources to keep technology systems in a state of good repair. This includes efforts to sustain mission critical applications by maintaining a robust, resilient network with strong disaster recovery capability.



## VI. OPPORTUNITIES AND RISKS *(continued)*

### 7 PARTNERSHIPS

#### Local and Regional Planning

WTA's planning partnerships with Bellingham, the small cities and Whatcom County are essential for encouraging the types of development WTA can effectively serve. When major planning documents are being drafted or renewed, WTA should provide input and feedback regarding where development will occur as well what types of development should be encouraged and allowed.

Nurturing these partnerships outside of planning periods is even more important, in order to help manage implementation. This includes reviewing changes to zoning, site plan review, outreach to developers, development plan review, advocating for parking policies, Complete Streets, etc.

As Whatcom County's designated Metropolitan Planning Organization (MPO) and Regional Transportation Planning Organization (RTPO), Whatcom Council of Governments (WCOG) coordinates the federal program of transportation projects for the region. WCOG also ensures coordination of the transportation elements of local comprehensive plans under the State Growth Management Act. WCOG is also the designated "Commute Trip Reduction" (CTR) agency for Whatcom County.

As the CTR agency for Whatcom County, WGOG created an innovative program, called Whatcom Smart Trips (Smart Trips). Unlike many transportation Demand Management efforts, Smart Trips focuses on reducing all drive-alone trips—not just commute trips to work. Based on Smart Trips' success, this is now the recommended model for CTR programs throughout the rest of Washington State.



Smart Trips is a multifaceted program that has proven effective at attracting and retaining new transit riders. It does this in part through highly personalized outreach, such as working with employers, offering guided rides for seniors and providing “how to ride” instruction to middle school students. WTA should continue and expand its role as a key programming and funding partner.

WCOG has the authority to encourage non-automobile travel through countywide planning policies, community design, and the comprehensive plan review process. A continued close partnership with WCOG can help ensure jurisdictions in Whatcom County adopt transit-friendly policies.

WCOG also allocates funding under both the Surface Transportation Program and the Transportation Alternatives Program. WTA should use its voice on the WCOG Board to ensure that these allocations are consistent with WTA’s strategic direction.

Finally, WCOG is responsible for conducting a 20-year transportation plan every four years. The current effort is called Whatcom Mobility 2040 and is expected to be completed in June 2017.

To identify the region’s transportation goals, WCOG relies on the transportation goals listed by the MPO and RTPO’s member jurisdictions in their current plans.

Below are the goals that are most frequently documented and adopted by the region’s jurisdictions through locally based, continuous planning processes.

| <b>WHATCOM REGIONAL TRANSPORTATION GOALS<br/>SELECTED FROM LOCAL TRANSPORTATION PLANS</b> |  |  |
|---|--|--|
| <b>No.</b>  | <b>No. of jurisdictions that identified the goal</b> | <b>Goal</b>  |
| 1   | 10   | Safety   |
| 2   | 8  | A multimodal transportation system                 |
| 3   | 8  | Efficiency, effectiveness, & system sustainability |
| 4   | 8  | Environmental quality                              |
| 5   | 7  | Access & convenience                               |
| 6   | 6  | Maintenance & preservation                         |
| 7   | 6  | Freight transportation                             |

## VI. OPPORTUNITIES AND RISKS *(continued)*

WTA's services are well aligned with the four most common goals:

- Public transportation is far safer by any standard than private vehicles
- WTA is a key component of a multimodal transportation system connecting auto, train, bus, ferry, biking and walking
- Greater use of public transportation equals less congestion and therefore a more effective and sustainable road network
- The more people use public transportation, the greater the reduction in greenhouse gases and other pollutants

This effort provides an opportunity for WTA to fully participate in developing the 2040 plan to ensure planning and funding priorities and WTA services are aligned.

### **Regional Transit**

WTA should continue its active partnership with Skagit Transit. The ability to coordinate pricing, service delivery, pass products, and some of their policies is essential to WTA's and Skagit Transit's ability to improve regional public transportation.

According to a recent report by Washington State Department of Transportation, the baseline for cross-county routes—such as Bellingham to Mount Vernon—is hourly service on weekdays, plus some level of service on Saturdays and Sundays. WTA and Skagit Transit should continue work together, and seek ways to support future service at the recommended level.

### **Transit Advocacy**

WTA will need to continue its productive partnerships with the Washington State Transit Association and the Small and Medium Transit Association. Through national organizations such as the Bus Coalition, WTA will also need to remain active in the political arena, advocating for highly effective small urban transit systems.

WTA's partnership with the City of Bellingham is also relevant

to WTA's funding for capital projects, including the expansion of Bellingham Station. WTA is eligible to compete for capital funding through City of Bellingham's Transportation Benefit District. Because expanding Bellingham Station is necessary for Bellingham to advance its transit targets, WTA and city staff must work closely on this project.

## **Schools, Colleges and Universities**

WTA's pass agreement with WWU allows full time students to ride fixed route services using their student ID. WTA receives quarterly payments from a student approved transportation fee, paid to the university. The pass agreement was originally designed to be revenue neutral. In other words, WTA based its per-student price on how much it was already receiving from pass sales to students. WTA's costs grew significantly as a result of the agreement, however, more so than either party expected. WTA had to add (and has continued to add) service to meet ridership demand.

WTA and WWU's partnership goes beyond the financial: WWU represents nearly 40% of WTA ridership and WTA serves a major role in WWU's Climate Action Plan.

As of January 2017, Whatcom Community College students can now board WTA buses using their student I.D. cards. WTA receives quarterly payments from a student-approved transportation fee, paid to the college. This new agreement is an opportunity to enhance ridership to a location that is extremely well served by transit. This is also an opportunity to increase access for "Running Start" students, from throughout Whatcom County.

Like many school districts around the state, local school districts struggle to meet the demands of student transportation. WTA should work with school districts toward providing supplemental transportation to middle and high school students, for school and for after school activities. WTA should also continue to pursue opportunities for educational programs, such as the 7th Grade Bus Pass Program, offered for the first time in 2016, through a partnership with Smart Trips.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### **Social and Health Services**

The Health Care Authority for Washington State contracts with the Northwest Regional Council (NWRC) as a broker to provide Medicaid transportation within Island, San Juan, Skagit and Whatcom counties. This is non-ambulance transportation for anyone eligible for Medicaid with no other means of transportation to covered medical services and other programs supported by NWRC.

WTA has a contract with NWRC to purchase bus passes for clients to travel to and from medical appointments. Annually, NWRC purchases more than 5,000 bus passes with a value of almost \$100,000. WTA also provides paratransit service for NWRC clients who are unable to travel on fixed route service within WTA's service boundaries. WTA and NWRC should work together on a way to partner that is both simpler and more balanced, with regard to how transportation services are paid for.

### **Lummi Nation**

WTA has worked closely with Lummi Nation over the years in coordinating service. Service has included fixed route, paratransit and a "community use van." WTA was supportive of Lummi Nation receiving federal funds to begin its own Tribal Transit program in 2007, which replaced the community use van. In addition WTA supports Lummi Nation Transit by allowing it to serve in WTA's Public Transportation Benefit Area outside of Lummi Nation boundaries (to Ferndale only) and by permitting joint use of selected bus stops. This allows transfers between the two systems.

### **Nooksack Tribe**

In 2013-2014 WTA worked with the Nooksack Tribe, Community Transportation Association of America, and others to identify gaps in transportation in east Whatcom County, especially for tribal members. In 2014 the

Nooksack Tribe received federal tribal transit funding to address this gap. The Nooksack Tribe contracted with WTA to provide two additional weekday trips (and one Saturday trip) on Route 72X. Unfortunately, this funding has not been stable. As a result, WTA will continue to operate the two additional weekday trips, but using WTA funds. WTA will also modify the schedule, in an effort to increase ridership. The close working relationship will continue.

### **Contracting Service**

Allowing others to purchase service from WTA presents both opportunities and risks. WTA should remain open to the possibility of providing contracted service. Important considerations would include the term of the agreement, who determines the routes and schedules, what are the service standards, who pays for any additional equipment, what to charge and the terms for ending the agreement.

### **Operating Grants**

Like contracting for service, using grant funding to support transit operations presents both opportunities and risks. On the one hand, it could allow WTA to be more experimental in its approach to addressing unmet needs. When experiments succeed, they could pave the way for innovative solutions. On the other hand, if experimental service does not succeed, it can cause distress to riders who've come to depend on it.

WTA should remain open to the possibility of using grant funds for service. Important considerations would include the severity of the need, the ability to improve service equity, whether or not WTA would continue to fund service after grant funding expired, and how to communicate to users the potentially temporary nature of the service.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### 8 ORGANIZATIONAL STRUCTURE

#### Governance

WTA is organized under the Public Transportation Benefit Area provisions of Washington State. Its Board of Directors represent Whatcom County and the incorporated jurisdictions of Bellingham, Ferndale, Blaine, Lynden, Sumas, Nooksack, and Everson.

WTA's Board is engaged and responsive to community needs. They also provide active oversight of the agency. As WTA moves towards a more frequent service planning cycle (every two years) there will be greater opportunities for Board members to champion public transportation within their respective jurisdictions and beyond.



**applicable  
GOALS**

- ✓ Cultivate organizational excellence
- ✓ Support professional development and strong working relationships
- ✓ Recruit and retain a diverse, high quality work force

#### Succession Planning

WTA's General Manager and two of its six directors have plans to retire in the next few years. This creates a risk of losing some of the culture and historical knowledge that actively support and facilitate WTA's organizational strength. WTA should continue with robust efforts at succession planning, including identifying successors, identifying job requirements and providing opportunities for both job-specific and leadership training.

## Executive Leadership

WTA's current model of leadership requires the General Manager and directors to dedicate most of their time to managing the agency's day-to-day affairs. While this model has been successful by many measures, it leaves little time for the General Manager and directors to cultivate external partnerships. This represents a risk, as active partnerships with the City of Bellingham, the small cities, Whatcom County, the Whatcom Council of Governments and others take significant time to nurture. Such partnerships are crucial to WTA's ability to influence, for example, land use policies. Land use policies determine how efficiently and effectively WTA will be able to serve particular areas, and the region as a whole.

WTA should consider establishing a more formal process for agency governance, modeled after its successful process for IT governance. This could streamline some of the Executive Team's decision making efforts and better balance initiatives throughout the agency. For example, Facilities or IT capital investments would be considered along with enhancement to service. The benefits of each proposal would be weighed based on the strategic priorities of WTA.

WTA should also consider whether or not additional staffing is needed in the executive department. When selecting the additional staff person in the service development department, (recommended below) WTA should select someone with a strong planning background and strong relationship-building skills.

## Operations

The Director of Operations is one of the directors expected to retire in the near future. Because of the complexity of his job and the number of employees he is directly responsible for managing, WTA should continue to working to identify and train potential successors. WTA's ability to maintain its service quality, rated so favorably by its riders, depends on continuing the highly effective leadership in this role.

## VI. OPPORTUNITIES AND RISKS *(continued)*

Another risk in operations is that turnover, along with fairly rapid growth, could threaten what is now a positive work environment for the agency's largest work group. The Human Resources department should continue its proven methods to hire people with both the skills and attitudes that make good operators, good agents of customer service, and good team players.

WTA should also maintain its ratio of supervisors to operators at 1:25, so its operators are well supported. Finally, WTA should continue to emphasize the quality of their training, both for new operators, and throughout an operator's career.

WTA's current staffing level poses a risk in the area of paratransit eligibility. If WTA plans to pursue recommended strategies for limiting paratransit growth, including changes to the eligibility process and possibly offering travel training, it may need additional resources. WTA should also explore ways to provide back-up to the one person currently responsible for all eligibility work.

### **Fleet and Facilities**

WTA's exemplary safety record owes in large part to the quality of the fleet and facilities program. The current state of good repair, as well as high ratings for cleanliness and appearance of buses and stations, also speak well for this department. The risks to the fleet and facilities department relate primarily to anticipated growth.

For example, as WTA grows, the systems for ensuring the security and accountability of agency assets, such as parts and materials, become more complex. WTA should add a store keeper position to assist with inventory control and handling warrantee claims.

Fleet and Facilities will continue to work with the Finance Department to ensure proper segregation of duties regarding the procurement of goods and services for the agency.

## Service Development

The Director of Service Development is another of the key staff members expected to retire in the coming years. High system productivity, an efficiently run vanpool program (as compared with peers around the state) and highly regarded rider information materials (as rated by WTA riders) speak to the many things that are functioning smoothly in this department.

A risk to service development relates to the point made earlier about the need for department directors to actively manage day-to-day operations--at the expense of cultivating relationships with other jurisdictions. This is an important role for service development, as WTA's ability to efficiently and effectively provide service depends in large part on land use decisions being made and implemented throughout the county.

The current staff makes solid efforts to be involved in planning efforts. However in order to fully participate (by reviewing changes to zoning, site plan review, outreach to developers, development plan review, advocating for parking policies, etc.) they should add a new long range planner position.

In addition to long range planning and outreach to other jurisdictions and communities, the long range planner could help with another area of risk for WTA: the lack of a dedicated effort to develop and program capital projects, according to growth projections and potential expansion of service.

## Marketing

WTA's positive standing in the community is due in part to effective marketing, branding and promotional partnerships. According to community surveys, WTA's brands, including the GO Lines, are well recognized and well regarded. It's partnership with Whatcom Smart Trips allows WTA to reach beyond traditional marketing tools to offer motivation, resources and education to potential new riders. Examples of this "high touch" marketing include customized outreach to employer partners, the 7th Grade Bus Pass Program and guided rides for seniors.

## VI. OPPORTUNITIES AND RISKS *(continued)*

WTA's investment in marketing is relatively small. The department has only one staff member, and that staff member has many responsibilities unrelated to marketing. WTA should consider dedicating more resources in this area, either by adding staff or by engaging an outside firm. This firm could assist in creating marketing plans, as well as in implementing promotions and programs aimed at increasing ridership.

WTA should also consider what role it would be willing to play to ensure the continuation of the Smart Trips program. While the program's funding is in question, it's work is extremely valuable to WTA.

### **Information Technology (IT)**

The agency's IT Division is effective and well directed. IT's capable staff, collaborative approach, and formal change management processes provide a firm foundation for critical IT programs and infrastructure.

For now, the IT department seems appropriately staffed to manage its work plan and to take advantage of future opportunities. These include managing the pace of change and meeting increasing expectations, maintaining the safety and security of WTA operations, and incorporating new IT capabilities into existing business practices. WTA will need to add electronics technical skills as its technology portfolio grows to include more customer facing apps.

### **Finance**

As evidenced by external reviews, including state audits and federal triennial reviews, WTA's Finance Division is well-run. The agency currently presents a report to the Board of Directors, including fare revenues, sales tax revenue, operating and capital expenses and reserve balances. It also includes several financial assessment tools. This, along with the annual comprehensive financial report could be shared more broadly with WTA's partners and the community.

One risk facing the division is that several internal systems are due for replacement. These include a payroll and human resources information system, accounting systems, and fare revenue systems—all of which must work across multiple departments. WTA will need to choose replacement systems carefully while accurately assessing staffing needs when new systems are being configured and deployed.

Finance will continue to work with the Fleet and Facilities Division to ensure proper segregation of duties regarding the procurement of goods and services for the agency.

WTA is well poised to maximize opportunities for increasing revenue. While aspects of increasing revenue cross multiple departments, WTA's Revenue Manager acts as the central coordinator, and can analyze data for review by the Revenue Committee and others.

## **Human Resources**

The main challenge ahead for the Human Resources Division will be continuing successful recruitment and retention of employees. This is particularly critical considering the planned retirement of many agency employees, including the General Manager, Director of Operations, and Director of Service Development.

While recruitment efforts for leadership positions should include internal and external applicants, Human Resources should help assure training opportunities for potential internal candidates so they may be prepared to compete effectively.

Also, as mentioned in the Finance section, the selection and implementation of a new payroll and human resources information system presents an opportunity and risk for the Human Resources Division.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### 9. OTHER OPPORTUNITES AND RISKS



*applicable*  
**GOALS**

- ✓ Increase the accessibility, convenience, and attractiveness of riding the fixed route bus
- ✓ Actively partner with the community
- ✓ Increase Transit Oriented Development (TOD)

#### **Political Polarization and Potential Changes in the Federal Role**

The high degree of political polarization in the country could negatively affect WTA. For example federal funding could be significantly reduced, or federal transportation funding programs could fail to pass.

WTA currently relies on the FTA 5307 formula allocation program to replace its fleet as it becomes due. However, this is dependent on Congress continuing to fund the program at current levels.

An additional vulnerability is the uncertainty of trade agreements and the affect this could have on the Canadian dollar and on Canadian spending in Whatcom County.

WTA will need to remain active in the political arena to ensure that the voice of highly effective small urban transit systems is heard, and to ensure public transportation is recognized as a non-partisan, community-wide issue.

#### **Fuel prices**

An increase in fuel prices could not only negatively affect WTA's budget, but could also significantly increase demand for service, especially on longer trips. To be prepared,

WTA should actively pursue ways to consume less fuel, for example by purchasing alternative fuel vehicles. WTA should also ensure it has either spare buses available, or buses to lease, in the event of a major increase in demand. In cases where WTA is unable to purchase alternative fuel vehicles, it should specify vehicles with increased fuel economy.

### **Transportation Network Companies (TNCs)**

Many transit agencies are finding that TNCs, such as Uber or Lyft, help to complete the transportation network. This can enlarge the pool of potential transit riders. Because TNCs are not ADA accessible, WTA should consider partnering with them through co-promotion or by providing a subsidy, rather than by offering to provide services through a TNC.

### **Changes to local labor market**

Employment growth, the type of employment, and the location of employment centers could all have an impact on demand for WTA service. WTA will need to work with local jurisdictions to ensure early notice of major changes and to advocate for transit oriented parking policies and development. WTA and its partners at Smart Trips should expand the bulk pass discount program and possibly add other incentives to help employees ride the bus.

### **Local Infrastructure Investment**

WTA's ability to keep routes running on time depends in large part on traffic conditions. Inadequate funding for infrastructure and deterioration in "level of service" at major intersections presents a significant challenge. WTA should continue to work with the City of Bellingham and other jurisdictions on ways to protect our system speed, including bus pullouts and signal priority.

## VI. OPPORTUNITIES AND RISKS *(continued)*

### **Regional Connectivity**

Washington State's Connecting Washington package provides only a limited solution to the increasing congestion in the I-5 corridor. The northern portion of the greater Puget Sound Region has shifted focus to developing Community Transit and Sound Transit as the primary regional transportation solution. This will increase the need for WTA, and other regional transit providers, to more closely coordinate efforts and to play a larger role in providing regional connectivity.

### **Sales Tax Volatility**

WTA obtains 85% of its revenue from sales tax. This is an ongoing vulnerability; sales tax receipts are inherently volatile, as the last ten years have shown. Being dependent on one revenue source is certainly not ideal. This strategic plan considers other funding sources such as contracting for service, expanding pass programs or raising fares (discussed in the financial chapter and in the technical appendices). However these options are not likely to significantly lower the dependency on sales tax.

### **Expansion of Sales Tax Authority**

WTA is legally able to collect sales tax at a rate of up to 0.9%. This Strategic Plan does not propose an increase in WTA's current 0.6% sales tax rate. However, unless new state or local funding mechanisms are created, WTA is unlikely to be able to increase service--beyond the levels in this six-year plan--without a local sales tax increase.

### **Emerging Technology is Changing Expectations**

The expectations of riders and the community, for new high tech amenities, continue to rise. While useful and attractive, these amenities have a cost to introduce and maintain. WTA will need to continue to seek the appropriate balance between spending on high tech amenities and spending on service.

## VII. FIXED ROUTE SERVICE PLAN

Developing the Fixed Route Service Plan was a major task of the strategic planning process. As they worked to create it, consultants and staff incorporated inputs from the environmental scan, the rider survey and the community engagement activities. The plan represents a nine percent increase to Fixed Route service hours. It was approved by WTA's Board of Directors in October 2016. New service will be introduced March 19, 2017.

### Here is a summary of the major improvements and changes:

**New Sunday service to several small cities.** For the first time, WTA will offer service seven days a week to Lynden, Ferndale, Kendall, Lummi Nation/Gooseberry Point and Sudden Valley.

**Later evening service on weekdays to several small cities.** Based on requests and input from riders and the community, Lynden, Ferndale, Kendall, Lummi Nation/Gooseberry Point and Sudden Valley will gain at least one additional trip on weekday evenings.

**Increased service to Blaine/Birch Bay on weekdays.** Riders from Blaine/Birch Bay worked closely with WTA staff, especially during open houses, to craft changes to service in Blaine/Birch Bay.

**New and expanded service to several areas.** WTA identified several areas that warranted new service. These include Airport Way, Cordata Parkway, Fraser Street/Puget Street, James Street, Lakeway Drive, portions of Telegraph Road, the Silver Beach neighborhood, Walmart, Ferndale, Mount Vernon.

## VII. FIXED ROUTE SERVICE PLAN *(continued)*

**Changes to many routes and schedules, to simplify and improve service.** These changes will occur at WWU, elsewhere in Bellingham, and in small cities and rural areas.

**Elimination of service to Custer and Grandview Industrial Park.** WTA is discontinuing service to these areas due to low ridership, and to redirect resources to other areas.

**Service reductions to some areas,** including 32nd Street, the Target stop at Bellis Fair Mall, Cottonwood Avenue, the Happy Valley neighborhood, Maplewood Avenue, Old Fairhaven Parkway, Samish Way/Ellis Street, State Street/Boulevard, Stuart Road, portions of Telegraph Road, the Tweed Twenty neighborhood, Westerly Road, and Woburn Street.

**Changes to routing and route names for WWU.** While service levels remain largely the same, WTA is introducing changes to make WWU service easier to understand.

**“Downgrading “the Red Line and reinstating the Plum Line.** While the GO Line system as a whole is performing extremely well, ridership on the Red Line does not warrant such frequent service. Route 401 (formerly the Red Line) will be reduced to three trips per hour. The Plum Line will return to its former level of service—a bus every 15 minutes on weekdays.

A full description of the fixed route service plan can be found in the technical appendices.

## VIII. METRICS

By updating its performance measurement process, WTA can improve agency performance, improve alignment with strategic goals, and improve accountability to the public.

WTA issues an annual Service Performance Report to the community. WTA also reports to State and Federal agencies on several key measures. While both of these efforts serve an important purpose, WTA would benefit by expanding its use of metrics.

This expansion would allow the agency to create a new set of standards and targets. It would set control ranges for the measurements it tracks. It would integrate metrics with its budgeting process. And it would standardize performance tracking across the organization. Finally, it would place performance measurement in the context of this strategic plan.



## VIII. METRICS *(continued)*

Staff will report measures wherever possible in a “dashboard” format, for example:



| PERFORMANCE METRICS                             | STATUS       | TARGETS                                | SNAPSHOTS                        |
|---|--------------|--|----------------------------------|
| Fare revenues + sales tax to operating expenses | Accomplished | Target range: 1.00<br>Lower limit: .90 | 9/31/2016 1.07<br>9/31/2015 1.11 |

| WTA WILL TRACK METRICS IN THESE KEY AREAS: |   |
|--|---|
| AREA                                       | MEASUREMENTS  |
| Financial Health                           | Measures that compare WTA's actual financial results to financial plans, industry guidelines and State Auditor's Office standards |
| Service Delivery                           | Measures that allow WTA to compare service performance to expectations, service standards and to transit peers                    |
| Organizational Health                      | Measures that gauge the internal development of WTA's workforce   |
| Safety Management                          | Measures that compare WTA's safety record to industry and transit insurance pool standards  |
| State of Good Repair                       | Industry standard measures of the age and condition of WTA's fleet and facilities   |
| Customer Service                           | Measures of WTA's interaction with customers and community and overall satisfaction with our service                              |

## IX. CONCLUSION

This Strategic Plan incorporates input from a broad spectrum of community members. It builds on the foundation of WTA's 2004 Strategic Plan. And it takes into account emerging conditions, including patterns of growth, changing demographics, new technologies and evolving expectations of our riders and our community.

Throughout this planning period, WTA will evaluate many new initiatives, such as enhanced amenities for riders, green technologies, facilities improvements, and upgraded internal systems. WTA must carefully consider the costs and benefits of each, as compared to the costs and benefits of adding new transit service. It is only through increasing revenues and containing costs that WTA can preserve capacity to meet the needs of its community, in the years to come.



# WTA

