

**RECORD OF THE PROCEEDINGS  
SKAGIT TRANSIT BOARD OF DIRECTORS**

Wednesday March 16, 2022

The Skagit Transit Board of Directors met in a special session via teleconference. Chair Janicki called the meeting to order at 11:00 a.m. followed by the Pledge of Allegiance, roll call, and introductions.

**Members Present**

Jose Reeves, Labor Representative (non-voting member)

**Members Present via Teleconference**

Lisa Janicki, Skagit County Commissioner (Chair)  
Peter Browning, Skagit County Commissioner  
Ron Wesen, Skagit County Commissioner  
Jill Boudreau, City of Mount Vernon, Mayor  
Julia Johnson, City of Sedro Woolley, Mayor  
Steve Sexton, City of Burlington, Mayor  
Mark Hulst, City of Mount Vernon, Councilmember  
Judy Jones, Community Advisory Committee (Chair, non-voting member)

**Members Absent:**

Matt Miller, City of Anacortes, Mayor (Vice-Chair)  
Rick DeGloria, City of Burlington, Councilmember

**Providing Legal Counsel:**

None

**Staff Present**

Arden Flores, Manager of Finance & Administration  
Mark Kennedy, Operations Manager  
Aggie Juarez, Facilities Manager  
Whitney Davis, Clerk to the Board

**Staff Present via Teleconference:**

Dale O'Brien, Executive Director  
Chris Chidley, IT Manager  
Greg Latham, Maintenance Manager  
Jennifer Davidson, Human Resources Manager  
David Miller, Operations Supervisor  
Les O'Neill, Operations Supervisor  
Alan Brooks, Operations Supervisor  
Jason Tepper, Operations Supervisor  
Brad Windler, Planning and Outreach Supervisor  
Jo-Ann Wynne, Contracts and Procurement  
Josh Klinger, Maintenance Supervisor  
Ryan Long, Maintenance Parts Technician

**Members of Public via Teleconference:**

Joe Kunzler  
Patrick Donnelly  
Michael Serrano  
Chris Jones - CAC

**1 Public Comment:**

Mr. Kunzler noted his appreciation for the salute to the American Flag and the Pledge of Allegiance and offered congratulations for the funding Skagit Transit has been awarded which will support the MOA-2 project. Lastly, Mr. Kunzler shared his appreciation for staff and Skagit Transit with the acknowledgment of National Transit Worker Appreciation Day this Friday.

**2 Consent / Action Items:**

- a) Approval of February Meeting Minutes
- b) Approval of Claims and Payroll
  - February Payroll Direct Deposit and Checks #16671 - 16680 ..... \$866,046
  - February Direct Federal withholding transfer ..... \$175,362
  - February Claims Checks and ACH #42027 - 42187 ..... \$475,602

**Mr. Browning moved to approve all Consent / Action items. Mr. Sexton seconded the motion. The motion passed unanimously.**

### **3 Full Discussion/Action Items:**

a) Monthly Budget Update Report for February

Mr. Flores read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,414,865 in sales tax in the month of February. Skagit Transit also received \$937,374 in Federal grants from the American Rescue Plan Act of 2021 (ARPA). Capital expenditures included MOA2 construction management costs. The reserve account balance is \$16,939,509. Mr. Flores also included a budget update on the MOA-2 project noting 44% of the contract amount has been paid.

**Mr. Wesen moved to approve the February Monthly Budget Update as presented. Mr. Browning seconded the motion. The motion passed unanimously.**

b) Approve Resolution 2022-02 – Adjusting the Board of Director’s Regular Meeting Time

Ms. Davis read the report as presented. This resolution will adjust subsequent meeting times to 11:00a.m. from the original 1:00p.m. meeting time in order to allow sufficient time to present and discuss agency business. Ms. Davis noted at such a time that in-person meetings resume, Skagit Transit Board of Director’s meetings will remain virtual, and in-person meetings will be held at the Burlington City Council Chambers.

Board members discussed delaying subsequent meetings until 1:30 to allow additional time between meetings.

**Mr. Wesen moved to approve Resolution 2022-02 Adjusting the Board of Director’s Regular Meeting Time. Mr. Browning seconded the motion. The motion passed unanimously.**

c) Award Recommendation Bulk Fueling Ultra Low Sulfur Diesel (ULSD) Contract 22-002

Mr. Latham read the report as presented in the agenda packet. Skagit Transit’s existing Ultra Low Sulfur Diesel (ULSD) delivery contract 14-015-F has expired without a renewal option. Staff is proposing to use the Washington State Department of Enterprise Services Contract 08721 with PetroCard to deliver bulk ULSD to Skagit Transit with no budget impact as this was included in the FY 2022 budget.

Mr. Wesen inquired about what determines the fuel prices. Mr. Latham explained that vendors are subject to Opus Rack prices, which are adjusted daily and can be a different price each delivery.

Ms. Boudreau moved to approve the award of Bulk Fueling Ultra Low Sulfur Diesel Contract 22-002. Mr. Browning seconded the motion. The motion passed unanimously.

#### 4 Information Items

Mr. O'Brien presented a visual update on the progress and current status of the construction of the MOA-2 facility.

Mr. Sexton inquired about the addition of columns to the front entrance if there was going to be a change order for this that Skagit Transit will be responsible for. Mr. O'Brien explained that there will be a change order for this item.

Ms. Janicki inquired as to why the smaller awning over the front entrance needed additional support when the much larger awning on the north side of the building. Mr. Serrano of KBA Construction explained the canopy on the north side of the building is supported by columns that are the full height of the building where the front entrance is not. Ms. Janicki requested an update on what each phase of the construction includes.

Mr. O'Brien explained that phase I includes the administrative area, the skin of the building, the demising wall and addresses structural needs for the mezzanine in the Maintenance Department. Phase II includes the completion of the finished Administrative section. Phase III includes the Maintenance area, and the additional three acres for the wash rack, fueling and bus parking.

Mr. Wesen inquired if the need for additional support beams came about during the snow we had recently and if there was an issue with the County building codes not requiring adequate support requirements. Mr. O'Brien and Mr. Serrano explained this was a design flaw as the main support beams for this awning do not span the full height of the building. Mr. Serrano added the total cost of the added support beams is still being determined and there is still negotiations happening with the architects to determine if the financial expense is the responsibility of Skagit Transit.

Ms. Janicki requested additional discussion on the insulation of the building. Mr. O'Brien explained the original design plans included taping insulation on the inside of the building under the roof. This would have an expectancy of 5 years longevity. Staff and the Construction Management team feel that is not a sufficient long-term plan. Mr. O'Brien explained the current roof is in good – to – fair condition and one option being discussed is to add insulation to the top of the roof and add a new roof above the existing. The cost estimate for this was \$22 per square foot, or \$1.5 million. This would provide a roof good for 25-30 years. Ms. Janicki explained the sprinkler system also creates an issue for the taped insulation. Foam insulation is also not an option as the structure of the roof could not support the weight. Mr. O'Brien stated staff will be negotiation with the design team to determine the best plan to move forward.

d) Approve Construction Change Orders 1-4 for the MOA-2 Project

Mr. O'Brien read the report as presented in the agenda packet. Staff met with the Construction Management Firm and the Architect's and have reviewed and authorized four change orders which total \$68,774.74. Staff is requesting the Board approve the change orders for the MOA-2 Construction Contract.

Mr. Sexton inquired about the amount budget contingency and requested a comparison for the Board to see how much is being added to the overall cost. Mr. Wesen requested staff include an update of the construction completion in addition to the update of budget completion for the project.

**Ms. Johnson moved to approve the Construction Change Orders 1-4. Mr. Wesen seconded the motion. The motion passed unanimously.**

e) Approve Waiver of 30-Day Timeframe to Submit a Claim

Mr. Flores read the report as presented in the agenda packet. Staff is requesting the Board's approval for a 30-day extension for the Contractor to submit a claim for all costs associated with Proposal Request #02 which will address issues and costs associated with the MOA-2 construction project. Waiver of the claim deadline will not affect any other terms of the contract agreement.

Ms. Janicki requested clarification of this process. Mr. Serrano explained that if there is a change that is identified, the design team puts together a proposal request which defines the change in the conditions. This is given to the contractors to request a cost estimate based on the revised design. The contractor then submits a change order proposal which is then reviewed by staff to determine if that is to be accepted and to become a change order for the Board to approve. Ms. Janicki clarified that staff is requesting an additional 30-days due to the complexity of issues.

Mr. Wesen inquired about the terms of the contract. Mr. O'Brien explained the items included with PR #02 were unforeseen and there was a lot included in the proposal request. In addition, these items included will have an affect on other projects and later phases. Mr. Flores noted there have been delays in getting quotes and there will be additional requests that staff will bring to the Board for approval.

**Ms. Boudreau moved to approve the Waiver of 30-Day Timeframe to Submit a Claim. Ms. Johnson seconded the motion. The motion passed unanimously.**

f) Approve Amendment to Increase Contract for Management and Inspection Services

Mr. O'Brien read the report as presented in the agenda packet. The original Construction Management and Inspection Services Contract #19-013-F for the MOA-2 project was planned and agreed upon prior to COVID. With many delays and other complications, the project deadline has been extended and additional expenses have been incurred. Staff is requesting to increase the contract to \$357,848. Mr. O'Brien explained that extreme delays in shipping are creating issues for construction progress. Ms. Boudreau noted we are experiencing extraordinary times, and weather complications have only added to that.

Mr. Wesen noted this is being experienced everywhere, delays and increased costs are to be expected, but we have to continue moving forward. Ms. Janicki shared her support for this amendment.

**Ms. Boudreau moved to approve the Amendment to Increase the Contract for Management and Inspection Services. Mr. Browning seconded the motion. The motion passed unanimously.**

g) Approve Amendment to Increase Contract for Amount for Task 3 of the Architecture and Engineering Services

Mr. O'Brien read the report as presented in the agenda packet. Staff is requesting the Board approve an amendment to increase the contract amount for Task 3 for Architecture and Engineering Services with TCF Architecture to \$372,241 for payment of services through December 31, 2021. This is an increase of \$118,797 to the original contract. Mr. O'Brien explained staff is requesting approval to finish phase III because staff is close to securing funding to finish the facility to completion. Mr. O'Brien added Skagit Transit was awarded \$5 million in the state transportation bill. Mr. Flores noted this was included in the budget for the prior year so there is not budget impact for 2022. Staff is making clear the changes that have happened since the original contract was approved by the Board in 2019. Ms. Janicki clarified that this is an amendment to approve the contract, and the funding was approved as a capital line item.

Mr. Sexton requested clarification of the amount that was budgeted. Mr. Flores stated there was an amendment mid-year. Mr. Flores stated additional services were needed and Skagit Transit has paid expenses through 2021. Staff is reviewing invoices for 2022 and expect to bring an additional amendment to the contract to the Board after negotiating the contract for 2022.

**Mr. Browning moved to approve the Amendment to Increase the Contract for Task 3 of the Architecture and Engineering Services. Ms. Boudreau seconded the motion. The motion passed unanimously.**

h) 90-Day Construction Suspension

Mr. O'Brien explained staff met with the Contractor, Design team and the Construction Management Firm to discuss suspending construction for 90-days so Proposal Request #02 can be approved and materials can be received. This would eliminate paying contractors while work cannot be done. If there was no work, and staff didn't suspend construction, Skagit Transit would owe the contractors \$182,250. If the project is suspended and the contractors are given notice, it would cost Skagit Transit \$300 per day or \$32,000.

Mr. Sexton inquired if there was going to be a review of TCF Architecture and the services provided to this point. There have been a lot of change orders already and phase I is not complete. Mr. Sexton shared his lack of confidence and requested to review more efficient options to complete services. Mr. O'Brien stated staff is meeting with TCF to discuss the current situation and discuss a better resolve which will be brought to the Board.

Mr. Wesen inquired if the 90-day delay could be extended further if necessary. Mr. O'Brien stated the timeline could be extended further with Board approval. Staff feels 90 days will provide a good idea of a timeline moving forward.

**Mr. Browning moved to approve the 90-Day Construction Suspension. Ms. Boudreau seconded the motion. The motion passed unanimously.**

**5 Information Items**

The presentation on Skagit Transit Planning Process has been postponed until the April meeting.

**6 Community Advisory Committee Report**

Ms. Janicki made note that the meeting is running long and added that detailed information from the Community Advisory Committee meeting was included. Ms. Jones noted the Community Advisory Committee is asking Skagit Transit and the Board of Director's to consider exterior displays on the buses promoting transit as a viable alternative with rising gas prices as well as sending out a press release on the topic. Lastly Ms. Jones shared her appreciation for staff's support with the North Sound Transportation Alliance.

**7 Executive Directors Report**

None.

**8 Executive Session**

No Executive Session was needed at this time.

**Commissioner Janicki adjourned the meeting at 12:15 p.m.**

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Commissioner Lisa Janicki, Chair Skagit Transit Board of Directors

Attest:

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Whitney Davis, Clerk of Skagit Transit Board