

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL OF MEMBERS**
- 4. PUBLIC COMMENT**
- 5. CONSENT / ACTION ITEMS**

All matters listed within the Consent Agenda have been distributed to each member of the Skagit Transit Board of Directors for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from Consent Action Items and placed on Regular Action Items by request.

- a) Approval of January Meeting Minutes Page 2-4
- b) Approval of Claims and Payroll
January Payroll Direct Deposit and Checks #16382 – 16391 \$684,097
January Direct Federal withholding transfer \$162,569
January Claims Checks and ACH #38501- #38689 \$1,212,140

6. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Reports for January Page 5
- b) Approve the Modification to Board Approval for the Purchase of Six (6) Cutaway Buses Page 6
- c) Approve the Revision to the Community Advisory Committee Bylaws Page 7
- d) Approve the Transfer and Borrowing from Reserves to pay for Vehicle Purchases Page 8-9

7. EXECUTIVE SESSION

8. COMMUNITY ADVISORY COMMITTEE REPORT

9. EXECUTIVE DIRECTORS REPORT

10. INFORMATION ITEMS

- MOA2 Update Page 10-12

11. UNFINISHED BUSINESS

12. NEW BUSINESS

13. ADJOURNMENT

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

Wednesday January 15, 2020

The Skagit Transit Board of Directors met in regular session in Burlington, WA. Chair Dahlstedt called the meeting to order at 1:00 p.m. followed by the Pledge of Allegiance, Roll Call, and Introductions.

Members Present:

Kenneth Dahlstedt, Skagit County Commissioner (Chair)
Jill Boudreau, City of Mount Vernon, Mayor (Vice Chair)
Lisa Janicki, Skagit County Commissioner
Ron Wesen, Skagit County Commissioner
Laurie Gere, City of Anacortes, Mayor
Steve Sexton, City of Burlington, Mayor
Mark Hulst, City of Mount Vernon, Councilmember
Rick DeGloria, City of Burlington, Councilmember
Soren Jensen, Labor Representative (non-voting member)

Staff Present

Arden Flores, Manager of Finance & Admin
Mark Kennedy, Operations Manager
Whitney Davis, Clerk to the Board

Members Absent:

Julia Johnson, City of Sedro Woolley, Mayor

Members of Public:

None

Providing Legal Counsel:

None

I Public Comment:

None.

II Consent / Action Items:

- a) Approval of December Meeting Minutes
- b) Approval of Claims and Payroll

December Payroll Direct Deposit and Checks #16372 – 16381	\$754,711
December Direct Federal withholding transfer	\$155,461
December Claims Checks and ACH #38342- #38500	\$239,646

Ms. Gere moved to approve all Consent / Action items. Mr. DeGloria seconded the motion. The motion passed unanimously.

III Full Discussion/Action Items:

- a) Monthly Budget Update for December

Mr. Flores read the Budget Update as presented in the agenda packet. Items of note include Skagit Transit received \$1,124,835 in sales tax revenue for the month of December, Skagit Transit did not receive any State or Federal Grant reimbursements and the total reserve account balance is \$6,279,795.

Mr. Sexton inquired what the 2020 reserves were projected to be spent down to and inquired what the financial policy states regarding standard amount of maintained reserves. Mr. Flores stated in 2011 after Skagit Transit was awarded an additional .2% in sales tax revenues, staff increased the reserve account to \$8 million which has since accrued interest. Mr. Flores stated the only part of the reserves that staff defines and evaluates is the Operating reserves and as a recognized business practice Skagit Transit maintains two to three months of operating reserves. Mr. Flores stated as far as Facilities, Capital Replacement and Non-Designated reserves staff has not evaluated the reserve balances in accordance with the needs of the agency. Mr. Flores stated as Skagit Transit is approaching a major capital

replacement cycle and Gillig buses are over half a million dollars each. Mr. Flores stated in February he will initiate an informational session with the Board to discuss reserve account balances and where they should remain.

Ms. Janicki moved to approve the December Monthly Budget Update. Mr. Wesen seconded the motion. The motion passed unanimously.

b) Federal Fiscal Year 2019 Federal Section 5339 Grant Award

Mr. Flores read the report as presented in the agenda packet. Mr. Flores stated Federal Fiscal Year 2019 Federal Transit Administration Section 5339 funds apportioned to Skagit Transit from Washington State DOT in the amount of \$112,310 will be programmed to assist in the construction of the new Maintenance Operations and Administration facility located at 11784 Bay Ridge Drive in Burlington.

Mr. Wesen moved to approve the Federal Fiscal Year 2019 Federal Section 5339 Grant Award. Ms. Gere seconded the motion. The motion passed unanimously.

c) Award Construction Management and Inspection Services #19-013-F for MOA-2 Facility

Mr. Flores read the report as presented in the agenda packet. Mr. Flores stated Skagit Transit advertised a request for qualifications for construction management and inspection services for phase I of the new MOA facility. Six firms were present at the pre-submittal meeting and the first step included scoring and ranking submittals based on their firm's qualifications, experience and history, qualifications and experience of key individuals, approach to complete the work, capacity and availability and their previous municipal work experience.

Mr. Flores stated three responsive submittals were received and a five member selection committee consisting of four Skagit Transit staff and one member from the Whatcom Transportation Authority scored and ranked the proposals as KPFF: 406, KBA: 402 and Roen & Associates: 369. Next the firms were interviewed with final scores determined as KBA: 478 and KPFF: 401.

Mr. Flores stated staff then requested a cost proposal from the highest scoring firm, KBA and negotiated an amount not to exceed \$241,000. Grant funding would cover 80% of the project in the amount of \$192,800 and \$48,200 would be required from local funds.

Ms. Janicki noted scores were very close after the first round of scoring and were drastically differentiated after the interview stage. Ms. Janicki inquired who was on the selection committee, and suggested that in the future if a member of the staff is not qualified for services being solicited a professional be a part of the scoring process so there is assurance that all the right questions are being asked. Mr. Flores stated the Executive Director, Mr. O'Brien, The Facilities and Maintenance Manager Mr. Schaner, the Facilities and Maintenance Supervisor Mr. Juarez and a member of WTA were part of the selection committee. Due to the snow, Skagit Transit's Contracts Administrator was not able to attend the Board meeting and Mr. Flores could not confirm the qualifications of the other members present on the scoring committee.

Mr. Sexton inquired about the status of the overall funding for the project. Mr. Flores stated once staff receives approval for this Construction Management Project, staff has secured funding and will be able to go out for bid for phase I of the project. Currently staff is working to obtain grant funding for phase II and III of the MOA-2 project. Mr. Sexton clarified that the \$241,000 included in this contract is to cover phase I of the project.

Mr. Wesen stated he agreed with Commissioner Janicki's comments regarding having a member on the committee with the expertise and construction experience.

Ms. Gere moved to approve the Construction Management and Inspection Services #19-013-F for MOA-2 Facility. Mr. Wesen seconded the motion. The motion passed unanimously.

IV Community Advisory Committee Report

None.

V Executive Directors Report

None.

VI Information Items:

None.

VII Unfinished Business:

None.

VIII New Business:

None.

Mr. Wesen inquired how the buses were operating with the snow and inclement weather conditions. Mr. Kennedy stated all Fixed Routes are operating on snow routes, however no service has been missed. Mr. Kennedy stated the Facilities Department was doing an excellent job of keeping the Park and Ride locations and parking lots clear.

Ms. Janicki requested staff update the Board with details of what Phase I includes at the next meeting. Ms. Janicki stated she would like to see a breakout of the phase I budget and what percentage of the budget will be used for the construction management contract.

Commissioner Dahlstedt stated he will sign all documents that have been approved at this Board meeting.

Commissioner Dahlstedt adjourned the meeting at 1:20 p.m.

Commissioner Ken Dahlstedt, Chair
Skagit Transit Board of Directors

Attest:

Whitney Davis,
Clerk of Skagit Transit Board

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Arden Flores, Manager of Finance and Administration
SUBJECT: Budget Update for January 2020

INFORMATION:

The monthly budget reports are presented for your review. Items of interest are:

Revenues:

Skagit Transit received \$1,032,551 in sales tax revenue for the month of January 2020. This is 2.7% lower than the \$1,061,064 collected in January 2019. Skagit Transit also received 146,246 in State and Federal Grant reimbursements this month.

Expenses:

- ◆ Capital Expenditures
 - Three (3) Paratransit Vehicles - \$405,636
 - Tractor/Mower - \$15,346
 - Zonar Electronic Vehicle Inspection Devices - \$13,020
- ◆ Fuels within budget
- ◆ All other expenses were as expected

The Reserve Accounts currently are:

	January 2020	January 2019
Operating	\$ 2,217,283	\$ 2,168,790
Facilities	400,000	400,000
Capital Replacement	2,380,709	4,011,204
Non-Designated	<u>1,290,843</u>	<u>2,242,912</u>
Total Reserves:	\$ 6,288,835	\$ 8,822,906

RECOMMENDATION:

Staff recommends the Board approve the monthly budget reports.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Al Schaner, Maintenance and Facilities Manager

SUBJECT: Approve to modify information regarding Board Approval for the Purchase of Six (6) Cutaway Buses

INFORMATION:

During the July 2019 Board Meeting, the Board approved the purchase of six (6) Cutaway type buses. The information summarized in the original approval states: *The 2019 Capital Budget provides for the purchase of six (6) Cutaway type buses to replace Paratransit Buses #748/749/750/754/755/756.* This information is not accurate. The correct statement should be: *The 2019 Capital Budget provides for the purchase of three (3) Cutaway type Buses to replace Paratransit Buses #754/755/756 and three (3) additional Cutaway type expansion paratransit buses.*

This purchase has been rolled over to the fiscal year 2020 budget and no other information in regards to this purchase has changed. The vehicles are expected to arrive around March of 2020.

RECOMMENDATION:

Amend the information regarding a July 2019 Board approval for the purchase of six (6) Paratransit buses in order to be consistent with the approved 2019 Capital Budget, and the approved Grant agreement.

BUDGET IMPACT:

Total six (6) Paratransit buses (3 replacements and 3 expansions)
\$838,830.00 (\$139,805/ea)

Note: Grant pays 100% - There is no budget impact

*Paratransit vehicles are tax exempt per RCW 82.12.0282 and 82.44.015.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Brad Windler, Planning and Outreach Supervisor
SUBJECT: Revision of Community Advisory Committee Bylaws

INFORMATION:

The Bylaws of the Skagit Transit Community Advisory Committee (CAC) have been reviewed and revised by the Committee. The revisions include:

- Allows members to take a Leave of Absence if they are going to miss 2 or more meetings in a row. Members on a Leave of Absence do not count towards quorum.

At its January meeting, the CAC moved to revise the Bylaws.

RECOMMENDATION:

Staff recommends approving the revised CAC Bylaws.

BUDGET IMPACT:

None.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Arden Flores, Manager of Finance & Administration

SUBJECT: Approve the transfer and borrowing from the Reserve funds to pay for nine (9) Buses and six (6) Paratransit Vehicles.

INFORMATION:

Reserve transfer

Skagit Transit expects the delivery of nine (9) Fixed Route/Commuter Buses and six (6) Paratransit Vehicles on March 2020. Total payments for the Buses are expected at \$4,805,983, and for the Paratransits at \$838,850, as also noted in the Board approved FY2020 Budget. Federal and State Grants are paying for a majority of the total for the Buses, with the local Agency match expected to be \$1,384,907. The Paratransit Vehicles are 100% Grant funded.

The Agency has established Board approved reserve accounts including a Capital replacement reserve and a Non- designated reserve account. Transfers within and out of these accounts require the approval of the Board of Directors.

We are requesting a transfer out of the Capital replacement reserves and Non-designated reserves in the following amounts to be able to meet our local grant match to be used to pay for the Buses.

Non designated	\$692,454
Capital replacement	<u>692,453</u>
	1,384,907

Reserve borrowing

Although noted that Grants pay for the majority of these capital purchases, all our Grants whether state or federal, are on a reimbursement basis. The Granting Agencies require that the payment has been made for the vehicles prior to requesting for reimbursement. Skagit Transit does not have enough balance in our general operating cash account to be able to prepay this entire amount prior to requesting for reimbursement. We are requesting to borrow a total of \$3,000,000 to come from our total reserves to ensure there is enough cash in our operating cash account to pay for the total purchase. Historically it has taken approximately between two weeks to a month to be reimbursed by the Grantor after submitting the request. The Grant reimbursement will immediately be deposited back to the respective reserve accounts upon receipt.

RECOMMENDATION:

Approve the transfer and borrowing from the reserve funds to pay for nine (9) Buses and six (6) Paratransit Vehicles.

BUDGET IMPACT:

Transfer for the local match was anticipated as part of the FY 2020 Budget.

Skagit Transit Maintenance Operations and Administration Facility Project

Phase I Scope

Phase 1: "Shell Core" of the east portion of the building

Demolish existing interior and exterior building elements in phase 1 scope area only, including walls, doors, window, HVAC, select electrical, exterior siding.

Select rough in for under slab electrical conduit and plumbing

Install demising wall

Install Mezzanine footing but no framing

Install new brace frame in northeast corner

Install canopy footings and columns at the perimeter of the building along the north elevation as well as at the northeast corner

Very limited to no site work

Minimal heating, to keep the space above freezing

Minimal lighting, to meet code

New exterior envelope including insulation, windows, doors, metal siding, vestibules, main public entry and additional interior roof insulation

Frame in fire sprinkler room and add small heater

Ceiling insulation

No work west of demising wall

Skagit Transit Maintenance Operations and Administration Facility Project

Phase 1 Budget (October 28, 2019)

Site work:	\$29,650
Buildings:	\$2,852,426
Sales Tax:	\$249,876
Special Testing:	\$7,500
Permitting/Misc Fees:	\$10,000
Owner's Management Reserve:	\$190,157
Ceiling insulation:	\$186,871
<u>Escalation:</u>	<u>\$61,379</u>
Phase I Construction Total	\$3,587,859
<u>Construction Management</u>	<u>\$241,000</u>
TOTAL	\$3,828,859

Construction Management is 6.3% of total costs

Grant funding will participate in total project costs at an 80/20 ratio. Current project ratio based on information presented above: Grant funds \$3,063,087 Local Match: \$765,772

Maximum amount of grant funding available for this project is: \$3,314,688. That would

Project costs would need to total \$4,143,360 to be able to receive the maximum grant funding available.

MOA II Estimated Project Cost \$ 37,947,045

Federal funding maximum allowable participation in grants and loans based on project budget

Max federal funds allowed in project based on 80% of the above amount: **\$ 30,357,636**
 Max local funds required in project based on 20% of the above amount: **\$ 7,589,409**

		Local Funds	Federal Funds	In-Kind Value Available	
Land and Facility		\$ 5,100,000			\$ 6,080,000
Land Wallace Prop		\$ 980,000			
Land additional		\$ 200,000	\$ 800,000		
A&E		\$ 867,045		TCF A&E Contract	\$ 216,761
Construct	Phase I	\$ 800,000	\$ 3,200,000		
Construct	Phase II		\$ 10,000,000	estimate	\$ 2,500,000
Construct	Phase III		\$ 16,000,000	estimate	\$ 4,000,000
	TOTALS	\$ 7,947,045	\$ 30,000,000	Balance	\$ (420,000)

Maximum amount of loan request allowed
 based on project budget (must be 49% or below of total project costs) **\$ 18,594,052**

As the project budget increases or decreases the maximum amount of federal funds, local funds and loan funds will also increase or decrease.

Example:

		Loan	Grant	Local
If the Project Cost is	\$ 35,000,000	\$ 17,150,000	\$ 28,000,000	\$ 7,000,000
If Project Cost is	\$ 40,000,000	\$ 19,600,000	\$ 32,000,000	\$ 8,000,000

A&E

Property Value used as match	TCF	Federal 80%		20%
Echo #1	\$ 41,320.80	\$ 206,604	\$ 258,255	\$ 51,651
Echo #2	\$ 9,216.00	\$ 46,080	\$ 57,600	\$ 11,520
Echo #3	\$ 11,287.41	\$ 56,437	\$ 70,546	\$ 14,109
Echo #4	\$ 79,054.31	\$ 395,272	\$ 494,090	\$ 98,818
Echo #5	\$ 53,627.46	\$ 162,652	\$ 203,315	\$ 40,663
	\$ 194,505.98	\$ 867,045	\$ 1,083,806	\$ 216,761