

- 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 August Meeting Minutes Page 2-13
- b) Approval of Claims and Payroll
August Payroll Direct Deposit and Checks #16161 – 16171..... \$758,769
August Direct Federal withholding transfer..... \$162,489
August Claims Checks and ACH #37712 – #37877..... \$379,248

6. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Report for August..... Page 14
- b) Award Agreement for GVP8 Server Migration and Pass –Email SMS 19-017 Page 15
- c) Fare Free Day for Project Homeless Connect/Point In Time Count..... Page 16

7. COMMUNITY ADVISORY COMMITTEE REPORT

8. EXECUTIVE DIRECTORS REPORT

9. INFORMATION ITEMS

10. UNFINISHED BUSINESS

11. NEW BUSINESS

12. ADJOURNMENT

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

Wednesday, August 21, 2019

The Skagit Transit Board of Directors met in regular session in Burlington, WA. Chair Gere called the meeting to order at 1:01 p.m. followed by the Pledge of Allegiance, Roll Call, and Introductions.

Members Present:

Laurie Gere, City of Anacortes, Mayor (Chair)
Kenneth Dahlstedt, Skagit County Commissioner (V. Chair)
Lisa Janicki, 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
Rick DeGloria, City of Burlington, Councilmember
Soren Jensen, Labor Representative (non-voting member)

Staff Present

Dale O'Brien, Executive Director
Arden Flores, Manager of Finance & Admin
Allan Schaner, Maintenance/Facilities Manager
Mark Kennedy, Operations Manager
Chris Chidley, Information Technology Manager
Brad Windler, Planning and Outreach Supervisor
Whitney Davis, Clerk to the Board

Members Absent:

Erin Moberg, City of Mount Vernon, Councilmember

Members of Public:

Doug Argyle
Chris Jones
Peter Chippala
Christine Magnuson
Joe Kunzler
Jo-Ann Fitzjardens
Earl Magnuson
Lisa Fisher
Les O'Neill
Alan Brooks
Cheryl Willis

Providing Legal Counsel:

None

I Public Comment:

Mr. Argyle stated he is a resident of Mount Vernon and is the parent of a disable adult child. Mr. Argyle stated he attended the July Board meeting and thanked the Board members for listening to his comments and considering the impact of the actions they were discussing. Mr. Argyle stated, regardless of the outcome of today's vote, he wanted to express his thanks for the Board's time, service and leadership in the community. He added he has not received anything other than courtesy and professionalism from the staff at Skagit Transit.

Mr. Jones stated he wanted to support what Mr. Argyle stated and added that everyone associated with Skagit Transit has been phenomenal. Mr. Jones stated one in four people currently in their twenties are going to face a disability and added that it is important that people have a chance to connect with and make contact with people with disabilities so that they can understand that this is a part of community. Mr. Jones he and his wife are both blind, have raised two kids who are both married and living their lives. Mr. Jones stated he can remember many times Pierce Transit was their main lifeline. Mr. Jones stated Pierce Transit exemplified the same kind of attitude he's seen at Skagit Transit. Mr. Jones stated his point is about trying to make a connection about people with disabilities and added life can happen to anyone. Mr. Jones stated not everyone can afford everything, but there has to be way for the Paratransit clients to be able to support the leadership as they attempt to help facilitate their transportation. Mr. Jones stated if there is such a rate increase that it precludes transporting very many people with disabilities you will lose riders which will ultimately lead to cutting staff. Mr. Jones stated this will have economic implications throughout Skagit and surrounding counties. Mr. Jones stated he wishes all of the leadership and all of those in the various strands of authorities well and stated he hopes they will consider some of what he shared and added he appreciated their time.

Mr. Chippala stated he attended the first public meeting for Skagit Transit before they had vehicles. Mr. Chippala stated he was on the Citizen's Advisory Committee from 1993 to 1997 and he was the chair in 1995. Mr. Chippala stated he has history with this organization and feels that a fare increase if instituted will be a big change for the organization and for Paratransit client's in particular. Mr. Chippala added there is a part of the voting population that does not support taxes going to Skagit Transit. Mr. Chippala stated people will vote more for having Paratransit service than the Fixed Routes. Mr. Chippala stated a fare increase has an economic impact and also has a political impact. Mr. Chippala stated the Board should consider the amount of pushback they may receive if initiating a fare. Mr. Chippala continued he wanted to make sure any fare increase that may be instituted be phased in slowly over time so that people have time to get used to it. Mr. Chippala stated what concerns him is the loss of ridership of the Paratransit which is the main support for the organization.

Ms. Magnuson stated she appreciated the opportunity she had to speak at the July Board meeting. Ms. Magnuson stated she is a case manager who works with developmentally disabled adults and she has spoken with some of her clients since last month's meeting and shared one of her clients in particular is concerned about how he will choose between buying food and taking the bus to get to medical appointments and seeing his mental health counselor. Ms. Magnuson inquired if staff has found out more about Medicaid transportation options so that she can determine what she needs to do to help her clients get that benefit so her client's don't have to make such choices.

Mr. Kunzler stated this is the time to address fare reforms. Mr. Kunzler stated everyone needs to realize that every Paratransit trip costs the system \$72.49 and between the hours of 6am and 9pm when a call comes in requesting a ride the trip must be accommodated regardless of capacity. Mr. Kunzler stated all other riders from the Vanpool program, commuters and local Fixed Route do not have that ability and must pay a fare for the services they receive. Mr. Kunzler expressed his hopes that Medicaid and Medicare could help cover some of the cost of the fares but he feels that Paratransit client's should be required to pay a fare as riders on all other modes chip in to help keep the system going. Mr. Kunzler stated the neighboring transit agencies charge a fare and added Community Transit charges a monthly Paratransit fare of \$90 or \$2.50 each trip. Mr. Kunzler stated Everett Transit charges a \$72 monthly pass or \$2.00 each trip and Skagit Transit's plan is in line with the immediate Southward neighbors. Mr. Kunzler stated he supports a summer pass for youth riders. Mr. Kunzler stated youth ridership has plummeted to record lows. Mr. Kunzler stated he also supports Fixed Route reforms and added the agency is asking a lot of Paratransit but the fare reforms will also increase the price on Fixed Route. Mr. Kunzler stated there needs to be fare policy concurrent with a shared sacrifice to right the fiscal share. Mr. Kunzler stated these reforms are vital to bring Skagit Transit to its rightful place as a leader in this community and to stand with it's partners like Translink, Whatcom Transit Authority and Sound Transit. Mr. Kunzler added the additional revenue from the fare increase will only be used to keep Skagit Transit in the black.

Ms. Fitzjardens stated she spoke at the July Board meeting and thanked the Board for taking the time to discuss the fare initiative. Ms. Fitzjardens stated she is a parent of an adult special needs young man who is trying desperately to get out into the real world and have his own home, a job and live independently. Ms. Fitzjardens stated something that is frequently forgotten is many clients who use Paratransit are normally on social security which is not much. Ms. Fitzjardens each roundtrip ride costs \$4 and if a client takes three trips in a week that would cost them \$12 just to get where they need to go. Ms. Fitzjardens stated she understands the dilemma the agency is in, but she feels that there must be a way of solving this for people that are in need. Ms. Fitzjardens shared her concern that the fare initiative would cause Paratransit clients to be house ridden living their lives in front of the television because they can't afford to get to where they need to go. Ms. Fitzjardens stated she would like to say thank you to Skagit Transit staff for offering transportation to this meeting and added that staff was kind and polite. Ms. Fitzjardens added she would like the Board to remember the consequences of their actions.

II Consent / Action Items:

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

July Payroll Direct Deposit and Checks #16150 – 16160\$843,054

July Direct Federal withholding transfer	\$154,011
July Claims Checks and ACH #37548 - #37747	\$482,844

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

III Full Discussion/Action Items:

a) Monthly Budget Update for July 2019

Mr. Flores stated Skagit Transit received \$1,130,995 in sales tax revenue for the month of July which compares with \$1,128,472 in July of 2018. Mr. Flores stated this is a .22% or \$2,523 increase over last year with a year to date increase of 2.63% or \$188,505. Skagit Transit also received \$101,309 in State and Federal grant reimbursements.

Mr. Flores stated capital expenditures included the new MOA Building Design and Engineering in the amount of \$235,281. Mr. Flores stated fuels are currently within budget and all other expenses were as expected.

Mr. Flores stated the reserve accounts currently are: Operating: \$2,195,600; Facilities: \$400,000; Capital Replacement: \$2,353,441 and Non-Designated: \$1,278,345 for a total reserve balance of \$6,227,386 which compares with \$8,724,688 in July of last year. Mr. Flores stated staff recommends the Board approved the monthly budget reports.

Ms. Johnson moved to approve the July Monthly Budget Update. Mr. DeGloria seconded the motion. The motion passed unanimously.

b) Update to Grant Project and Awards FY2017 Federal Section 5339(b) Discretionary Grant Award, FY2018 Federal Section 5307 and 5339 Grant Award

Mr. O'Brien stated on May 16, 2016 and July 18, 2018 respectively, Skagit Transit Board of Directors approved project scope and budgets for three FTA grants: FY2017 5339(b) Discretionary grant and FY2018 5307 and 5339 formula grants. The scope for each grant is for the construction of the MOA II facility, the budgets include their respective grant funds and in-kind match. The project scope and budgets have been revised.

Mr. O'Brien stated Skagit Transit has submitted multiple discretionary grant requests for \$25 million dollars to fully fund the construction of the MOA II which has resulted in one award of \$1,375,000, shown as FY17 FTA Section 5339(b) Discretionary.

Mr. O'Brien stated in an effort to make future requests for funding more competitive Skagit Transit has found it necessary to scale the construction of the project into three phases. This will accomplish the following actions: phasing will put to use the Discretionary FTA 5339(b) funding of \$1,375,000 demonstrating to grantors progress on granted funds, obligate the awarded funding prior to the 2020 deadline for obligation and assist future grant requests to complete the facility more competitive due to the smaller amount of funds requested.

Mr. O'Brien stated these grants will assist in Phase I of the project construction which will complete the energy envelope of the east section of the facility and will lay the foundation for Phase II which will complete the administrative, operations and public spaces of the facility.

Mr. O'Brien stated all grants have a match requirement which is a minimum of 20% of the total project cost and the project cost is estimated at \$4,200,000.

Mr. O'Brien stated Staff recommends the Board approve the revised grant project and budgets, and authorize the Executive Director to sign the grant agreement.

Mr. O'Brien stated the construction for phase I is estimated at \$4.2 million. Mr. O'Brien stated the total available grant funds is \$3,202,378 with a match requirement of \$997,622 from local funds.

Mr. O'Brien stated the breakdown of grants received is as follows: FY 2017 FTA Section 5339(b) Discretionary Grant in the amount of \$1,375,000, FY 2018 FTA Section 5307 Formula Grant in the amount of \$1,764,771 and FY2018 FTA Section 5339(a) Formula Grant in the amount of \$62,607. Mr. O'Brien stated staff recommends the Board approve the revised grant project and budgets, and authorize the Executive Director to sign the grant agreement.

Mr. Sexton confirmed the \$4.2 million project cost was to complete the remodel of the existing facility and does not include the additional land that was purchased. Mr. O'Brien confirmed this \$4.2 million was just to complete phase I of the project. Mr. Sexton inquired what the total overall cost would be when completed. Mr. O'Brien stated the total cost would be approximately \$25 million.

Mr. Dahlstedt moved to approve the Update to Grant Project and Awards FY2017 Federal Section 5339(b) Discretionary Grant Award, FY2018 Federal Section 5307 and 5339 Grant Award. Ms. Johnson seconded the motion. The motion passed unanimously.

c) 2019-2021 Washington State DOT Vanpool Investment Program Funds

Mr. O'Brien stated resolution 2010-09 authorizes the Executive Director to sign grant agreements upon Board approval of the project scope and budget of the award.

Mr. O'Brien stated staff is requesting Board approval for the award of 2019-2021 Washington State DOT Vanpool Investment Program (VIP) funds to Skagit Transit.

Mr. O'Brien stated the 2019-2021 Washington State DOT VIP funds in the amount of \$244,200 which includes expansion Vanpool vehicles in the amount of \$94,050 for the purchase of up to three (3) expansion Vanpool vehicles. Grant funds will make up 95% of the total project costs, not to exceed \$31,350 per vehicle.

Mr. O'Brien stated the replacement Vanpool vehicles in the amount of \$150,150 for the purchase of up to seven (7) replacement Vanpool vehicles. Grant funds will make up 65% of the total project costs, not to exceed \$21,450 per vehicle.

Mr. O'Brien stated staff recommends the Board approve the grant project and budget, and authorize the Executive Director to execute the grant agreement.

Mr. O'Brien stated the budget impact is an estimated local match in the amount of \$85,800. Mr. O'Brien stated the expansion vans estimated total project cost is \$99,000 with \$94,050 or 95% in grant funds and a local match of \$4,950 or 5% of the cost.

Mr. O'Brien stated replacement vans are an estimated total project cost of \$231,000 with \$150,150 in grant funds or 65% and \$80,850 in local funds or 35% of the cost.

Ms. Gere inquired with the expansion vanpool vehicles being purchased, what the total number of vans will be once these are added to the fleet. Mr. O'Brien stated there are currently 58 vans and the added expansion vans will bring the total to 61 vans.

Ms. Boudreau moved to approve the 2019-2021 Washington State DOT Vanpool Investment Program Funds. Mr. Sexton seconded the motion. The motion passed unanimously.

d) Authorize the Executive Director to Sign Change Order #4 Architecture and Engineering Services Agreement #17-013F for MOA2

Mr. O'Brien stated Skagit Transit staff recommends amending the contract to include Task 3, which includes preparing bid documents, bidding & construction administration.

Mr. O'Brien stated TCF Architecture, PLLC is the Architect of record for the A&E portion of the MOA2 project and has provided a scope of services dated July 12, 2019 for Phase 1, Bid Documents, Bidding & Construction Administration for construction. Mr. O'Brien stated phase 1 will complete the energy envelope of the east section of the facility and will lay the foundation for Phase II which will complete the administrative, operations and public spaces of the facility.

Mr. O'Brien stated staff recommends the Board authorize the Executive Director to sign Change Order #4 to Contract #17-013-F in the amount of \$253,444.00. Mr. O'Brien stated the contract amount was \$1,806,440.00 and Change Order #4 is \$253,444.00 bringing the grand total to \$2,059,884.00.

Mr. O'Brien stated one reason staff decided to move forward with phasing the projects is due to the grant received in the amount of \$1,375,000 had to be spent or it would be forfeited.

Mr. Wesen clarified the change order was requesting to phase the projects. Mr. O'Brien confirmed the change order was asking for documents for bidding and construction for phase I, II and III.

Ms. Boudreau moved to approve Authorization for the Executive Director to Sign Change Order #4 Architecture and Engineering Services Agreement #17-013F for MOA2 . Ms. Janicki seconded the motion. The motion passed unanimously.

e) Award Electronic Inspection Devices Contract 19-009F

Mr. Kennedy stated Skagit Transit published Invitation for Bids #19-009F on June 18, 2019 for Electronic Inspection Equipment. This equipment is a GPS tracking system and an electronic verified inspections solution for our fleet. The EVIR technology improves and simplifies the pre-and post-trip inspection process, and entirely eliminates paper-based reporting.

Mr. Kennedy stated it is compliant with all DOT, OSHA and MSHA inspection requirements, and it is a fully electronic way to perform verified inspections. RFID tags are mounted at each inspection zone on the vehicle, the driver simply scans an RFID tag, and responds to the on-screen prompts about the condition of each inspection point in that zone. Once the inspection is complete, the driver electronically signs the inspection, and it is transmitted to HQ automatically.

Mr. Kennedy stated the invitation for bid was advertised in the Skagit Valley Herald, Skagit Transit website, Washington State Office of Minority Women's Business Enterprises (OMWBE) posted at Skagit Transit facilities and sent to vendors.

Mr. Kennedy stated only one bid was received on July 9, 2019 and nobody from the public was present at the bid opening. A responsibility review and price analysis was conducted on the single responsive bid and Zonar Systems, Inc. submittal was determined fair and reasonable.

Mr. Kennedy stated Skagit Transit staff recommends that the Electronic Inspection Devices Contract #19-009F be awarded to Zonar Systems, Inc. with budget impact of \$57,353.10 in Grant Funds and \$14,338.28 in Local Funds for a total of \$71,691.38.

Mr. DeGloria moved to approve the Electronic Inspection Devices Contract 19-009F. Mr. Dahlstedt seconded the motion. The motion passed unanimously.

f) Award Coach Wireless Routers Contract 19-012

Mr. Chidley stated Skagit Transit published Invitation for Bids #19-012 on June 10, 2019 for Coach Wireless Routers. Mr. Chidley state the AirLink MG90 is a high performance LTE – Advance networking platform, purpose built to provide secure, always on connectivity for mission critical applications in public safety, transit and field services. The MG90 dynamically selects the best available network, based on user-customized systems, using its defined link and, is able to effortlessly switch between WAN connections to provide uninterrupted communications and prevent downtime, performance issues or dead zones.

Mr. Chidley stated the invitation for bids was advertised in the Skagit Valley Herald, Skagit Transit website, Washington State Office of Minority Women’s Business Enterprises (OMWBE) posted at Skagit Transit facilities and sent to vendors.

Mr. Chidley stated three bids were received on July 11, 2019 and nobody from the public was present at the bid opening. The bid amounts are as follows: IC Logic, Inc. DBA USAT Corp. :\$113,216.72; Ergotech: \$123,393.80 and Wireless INV DBA Ensemble Solutions: \$129,659.92.

Mr. Chidley stated a responsive and responsibility review was conducted and IC Logic, Inc. DBA USAT Corp bid submittal was determined fair and reasonable.

Mr. Chidley stated Skagit Transit staff recommends that the Coach Wireless Routers #19-009 be awarded to IC Logic, Inc. DBA USAT Corp with a budget impact of \$113,216.72. Mr. Chidley stated this is part of a pre-approved for \$132,000 so the actual cost comes in at \$18, 783 under budget.

Ms. Boudreau inquired what the expected life of the routers is. Mr. Chidley stated they are expected to be anywhere from 5 years to the life of the vehicle. Ms. Boudreau inquired if the routers were 5G capable. Mr. Chidley stated that is a driving factor in the transition to this upgrade. Mr. Chidley stated the current computers on the coach use 3G which will expire in December of 2019. Mr. Chidley stated when staff was researching replacement options the decision was to use Wi-Fi as that offers more functionality and costs less.

Mr. Wesen clarified this upgrade was for internal function on the coach and was not allowing public access to the Wi-Fi. Mr. Chidley confirmed that and stated this does allow the opportunity to open public Wi-Fi in the future, however that would be something staff would bring to the Board for approval as that would incur extra costs on the cell phone plans. Mr. Wesen confirmed the hardware would be in place if that was something that the Board would like to consider at a later date.

Ms. Boudreau moved to approve the Coach Wireless Routers Contract 19012. Ms. Johnson seconded the motion. The motion passed unanimously.

g) Award Tires and Related Services Contract 19-003

Mr. Schaner stated Skagit Transit’s existing Tire Services Contract 14-008 will expire August 31, 2019. An Invitation for Bid #19-003 for Tires and Related Services was published June 25, 2019 for a new contract. The invitation for bid was advertised in the Skagit Valley Herald, Skagit Transit website, Washington State Office of Minority Women’s Business Enterprises (OMWBE), posted at Skagit Transit facilities and sent to local vendors.

Mr. Schaner stated two vendors mailed bids by the July 16, 2019 deadline: Purcell Tires and Service Center & Les Schwab Tire Centers of WA.

Mr. Schaner stated a public bid opening was held on July 16, 2019 at 11:00 am and nobody from the public was present. After reviewing both submittals, Purcell Tires and Service Center was deemed non-responsive for failing to submit requested documents and conditioning the bid. A responsibility review and price analysis was conducted on the single responsive bid. Les Schwab Tire Centers of WA \$33,170.00 bid was determined fair and reasonable. Les Schwab Tire Centers of WA is also the low bidder. Purcell Tires and Service Center is \$43,044.44.

Mr. Schaner stated there are also additional tire services included in the contract, such as tire rotation and balancing. Mr. Schaner stated the tire usage can vary widely dependent on how many tires are required over the five-year period and it depends on how many tire services they provide. The cost will escalate 3% per year for option years.

Mr. Schaner stated Skagit Transit staff recommends that the Tires and Related Services Contract #19-003 be awarded to Les Schwab Tire Centers of Washington, with a budget impact for the contract estimate of a 5 year Term in the amount of \$250,000.00.

Mr. Sexton moved to approve the Tires and Related Services Contract 19-003. Ms. Boudreau seconded the motion. The motion passed unanimously.

h) Public Hearing for Six Year Transit Development Plan Public Comment

Ms. Gere opened the Public Hearing for the Six Year Transit Development Plan at 1:45 p.m. and asked for public comment. Ms. Gere noted no comments were received. Ms. Gere closed the public comment period at 1:45 p.m.

i) Resolution 2019-10 Approve 2019-2024 Transit Development Plan

Mr. Windler stated no later than September 1st each year, transit agencies in the State of Washington are required to submit a 6-Year Transit Development Plan (TDP) to the Washington State Department of Transportation. The public hearing is scheduled for the August 21st Board of Directors meeting.

Mr. Windler stated Skagit Transit released a draft TDP for a 30-day public comment period on July 17, 2019 and since the Board agenda went out, staff received one written comment and distributed that to the Board members for review.

Mr. Windler stated the Transit Development Plan identifies planned activities for the period 2019 to 2024. Annual updates reflect changing funding realities, policy goals, and new opportunities. Projects must be listed in the TDP to be eligible for state and federal grants.

Mr. Windler stated staff requests that the Board approve Resolution 2019-10 adopting Skagit Transit's 6-Year Transit Development Plan with no impact on the 2019 budget.

Mr. DeGloria moved to approve Resolution 2019-10 to Approve the 2019-2024 Transit Development Plan. Mr. Dahlstedt seconded the motion. The motion passed unanimously.

j) Resolution 2019-08 Authorizing Approval of Policy 080.05 Fare Policy

Mr. Windler gave a presentation on the final fare proposal. Mr. Windler stated a brief history of what has brought the agency to the point of looking at a fare increase includes rising costs for labor, fuel, insurance and the general cost of doing business. Mr. Windler stated Skagit Transit competes for federal and state grants which are getting harder to obtain and more competitive. Mr. Windler added these grants are also temporary and local funds are needed when grants end. Mr. Windler stated when Skagit Transit was recovering from initiative 695 the agency had to cancel weekend service. Mr. Windler stated the agency received many requests to bring weekend service back. Mr. Windler stated Skagit Transit received a grant that funded Saturday service which was very popular. Mr. Windler stated staff then applied for and received an additional grant to add Sunday service. Mr. Windler stated both of those grants have ended and weekend service is being paid for with local dollars.

Mr. Windler stated Skagit Transit's fare history shows Paratransit has been a fare free service for 22 years, and in 2001 the agency introduced fares of \$.50 a ride for adults on the Fixed Route service. Mr. Windler stated in 2006 the fare was increased to \$.75 and in 2008 the fare was increased to \$1 per ride for adults.

Mr. Windler stated Skagit Transit has been able to add a lot of service since the last fare increase in 2008 which was also the last sales tax increase date. Mr. Windler stated in 2008 Skagit Transit operated just under 35,000 hours of Fixed Route service and is not operating over 76,000 hours which more than doubles the Fixed Route service. Mr. Windler continued stating fuel usage has gone up considerably. Mr. Windler stated in 2008 the average cost per trip on the Paratransit service was \$42.05 and is now \$72.49 in 2018. Mr. Windler stated the insurance bill and the wages and benefits paid out to staff has more than doubled since 2008. Mr. Windler stated what Skagit Transit does with more service on the street and more demands on the agency creates rising costs.

Mr. Windler stated in 2017 on the average weekday, Skagit Transit accommodated an average of 222.4 rides. Mr. Windler stated year to date through June 2019 Skagit Transit accommodated an average of 259 trips with the highest being 388 trips. Mr. Windler added Skagit Transit was over capacity and had all Paratransit vehicles in use and had to use Fixed Route coaches to be able to accommodate all the ride requests. Mr. Windler stated the expectation from the FTA is no denial of service based on a lack of capacity. Mr. Windler stated over two years the agency has seen a 10% increase in usage on weekday demand. Mr. Windler stated the trend is very similar on weekends with ridership increasing from an average of 69 rides to an average of 82 rides which is well over the 10% mark.

Mr. Windler stated staff has incorporated efficiencies and in 2018 staff added a computerized dispatching system which allowed Skagit Transit to serve a growing client base with fewer revenue miles. Mr. Windler stated this efficiency will only help so much, and as demand increases the revenue mileage increases. Mr. Windler stated staff is trying to be efficient and control costs. Mr. Windler added another efficiency that staff has employed is as staff is replacing Paratransit vehicles they are replacing diesel vehicles with propane fueled vehicles which is a cheaper fuel to operate.

Mr. Windler stated federal rules stated that transit agencies cannot ask for trip purpose however staff can go back and look at a history of trips and see where people are traveling to allowing staff to determine the intent of the trip. Mr. Windler showed a graph and stated staff can see a rise in dialysis rides and there is a steady even growth in all trip types showing general growth.

Mr. Windler stated some trips are taking more resources to perform. Mr. Windler stated in 2018 Skagit Transit has 180 trips that were a distance greater than 15 miles. Mr. Windler stated year to date in 2019 Skagit Transit has seen that increase to 512 trips that were a distance greater than 15 miles. Mr. Kennedy stated prior to 2019 Skagit Transit had one Paratransit client living in Concrete and now has seven clients living in Concrete. Mr. Kennedy stated every time trip to Concrete requires approximately five hours of labor to accommodate and it is difficult to combine riders and try to create efficiencies. Mr. Kennedy stated trips to La Conner are also longer and more time consuming trips to accommodate. Mr. Windler clarified it takes five hours to go to Concrete to pick up the client and take them to their appointment, and an additional five hours to take them home. Mr. Windler stated these are very consuming trips for both vehicle and driver hours.

Mr. Windler stated staff is proposing fare increases for all modes of travel as there have been no fare increases since 2008. Mr. Windler stated in the July Board meeting, the Board of Directors approved a fare increase for the Vanpool program in the amount of 11% for minivans and 13% for the large full size vans.

Mr. Windler stated staff is not proposing any changes on the County Connector fare or passes as they are already charged a premium fare. Mr. Windler stated the local Fixed Route service will remain \$1 adult cash fare however staff is proposing the free transfers be eliminated. Mr. Windler stated the day pass would go from \$2 to \$3 and the 31 day pass would increase from \$25 to \$30. Mr. Windler stated to comply with federal regulations the senior, disabled and youth passes would be 50% of the adult price.

Mr. Windler stated staff's proposal for Paratransit is for a \$2 per trip fare. Mr. Windler stated the American's with Disabilities Act allows transit agencies to charge double the fare for Paratransit as that of a Fixed Route. Mr. Windler reiterated that the cost per trip on the Paratransit service is \$72.49 so Skagit Transit would still cover \$70.49 or 97.2% of the cost for Paratransit rides. Mr. Windler stated staff is proposing some multi-ride options such as a \$60 monthly pass which would be good for unlimited rides on Paratransit. Mr. Windler stated Medicaid clients can get their pass purchased for them by the Northwest Regional Council. Mr. Windler stated he confirmed this option with staff at Northwest Regional

Council and stated that clients would need to contact the call center and let them know that they need their bus pass paid for. Mr. Windler stated staff shared the Paratransit client list with the Northwest Regional Council and they were able to confirm 22.2% of Skagit Transit's Paratransit clients are eligible. Mr. Windler stated another multi-ride option staff is proposing is a punch card that would have 10 rides available that would cost \$20 to purchase and does not expire. Mr. Windler stated this allows infrequent riders and riders that do not wish to handle cash to have an option to pay for their ride as needed.

Mr. Windler stated new policies that staff has included in the fare policy include free rides on Fixed Route for any Paratransit client for one year. Mr. Windler stated the proposal states beyond that year this policy will be determined by the Executive Director of Skagit Transit. Mr. Windler stated there will also be a minimum six month grace period on fares so once fares are enacted, if someone boards a Paratransit vehicle and does not have the fare needed, Skagit Transit will not abandon them but simply give them a reminder for their next ride.

Mr. Wesen inquired how far the Paratransit boundary reaches. Mr. Windler stated service is available as far west as Anacortes, and as far East as Concrete, except for Tuesdays where service expands to Marblemount. Mr. Wesen inquired if Paratransit clients had to live within a distance of the Fixed Route service. Mr. Windler confirmed the Paratransit service is available up to three quarters of a mile from Fixed Route service and hours of operation must mirror Fixed Route. Mr. Windler stated that since the Fixed Route only operated in Marblemount on Tuesdays, Paratransit would only be available there on Tuesdays. Mr. Windler added this is established by the American's with Disabilities Act.

Mr. Windler stated with the increased operating costs, staff is recommending to the Board of Directors that Skagit Transit increase fares on the Fixed Route service and institute a fare on the Paratransit service. The County Connector services did not have a fare increase as their fares are already higher than local Fixed Route.

Mr. Windler stated Skagit Transit has completed the public participation process, which included eight public meetings and a mailer to all clients of the paratransit service. At the June Board of Directors meeting, all comments received were shared with the Skagit Transit's Board of Directors. Staff presented a Final Fare Proposal modified based on the comments received.

Mr. Windler stated a public comment period was opened at the June meeting to gather additional feedback on the final proposal. Those comments have also been shared with the Board of Directors.

Mr. Windler stated staff's recommendation for fares for the Fixed Route, the standard fare would remain \$1 with youth and reduced fares at \$.50. Free transfers will be eliminated. A one-day pass for local routes including the 40X would increase from by \$2 to be \$3 and the youth and reduced fare would increase from \$1 to \$1.50. A 31-day passes for local routes including the 40X would increase from \$25 to \$30 and increase from \$12.50 to \$15 for youth and reduced. A quarterly pass for students at Skagit Valley College Students would increase to \$30 from the original \$25. Staff is recommending the introduction of a youth summer pass for \$15 valid June, July and August allowing youth to buy a quarterly pass at the price of one monthly pass. Mr. Windler stated this pass would give youth the ability to get around the community when school is not in session.

Mr. Windler stated the County Connector fare structure is currently a standard fare of \$2 for the 80X and 90X to Bellingham and Everett or \$1 for youth and reduced. Mr. Windler stated Skagit Transit entered into a fare reciprocity agreement with Whatcom Transit Authority a few years back and shares the operation of route 80X with Skagit Transit operating the route in the morning, and WTA operating the route in the afternoons. Mr. Windler stated the two agencies recognize each other's fares and currently use magnetic cards that work on both agencies buses. Mr. Windler stated this is the only fare medium that Skagit Transit shares with another transit agency. A Skagit Whatcom one-day pass for the 80X and all Skagit Transit and WTA routes is \$6 or \$3 for youth and reduced. The county connector 31 day pass which covers the 80x, 90x and all Skagit Transit and WTA routes is \$50 or \$25 for youth and reduced.

Mr. Windler stated the Paratransit fare structure as presented in the final proposal would be initiated at a stand fare of \$2, a multi-ride punch card for 10 rides will be \$20 and a 31-day pass that is good for unlimited rides that will be sold for \$60. Mr. Windler added the punch cards would not expire.

Mr. Windler stated it is staff's recommendation that the Board approve Resolution 2019-08 revising Skagit Transit's fare policy 080.05 as it was presented at the June Board meeting. Mr. Windler stated the fare increase, based on current ridership, is expected to generate approximately \$400,000 in additional revenue.

Mr. Sexton inquired if there was a budgetary constraint that staff is trying to fix and asked what the basis for this action is. Mr. O'Brien stated there is an increased cost of operating the service and an increased demand on the service. Mr. O'Brien stated last week the agency received 75 next-day ride requests and Skagit Transit is obligated to accommodate all of those rides. Mr. O'Brien stated he cannot share details, but at a General Manager's meeting with all the General Managers in the State, he was advised that there will be an initiative that will be voted on in November that will have a direct reflection on special need grants. Mr. O'Brien stated staff is hoping to do whatever they can to help in the cost of this service and the increased demand of it.

Mr. Sexton stated with 67,000 rides annually that's an estimated \$134,000 less any additional expenditures. Mr. Sexton stated with an annual \$20 million budget in revenues and this is only 6/10 of 1% of overall revenues. Mr. Sexton stated to make up this money in the budget, it would be an additional \$.05 for a Fixed Route ride. Mr. Sexton stated the Board needs to examine the budget closely before asking those in the community that are the most vulnerable and reliant on the service to cover that cost. Mr. Sexton stated the Board just took action on a \$25 million building that is needed. Mr. Sexton stated this should be a last resort to fixing the budget issue. Mr. Sexton stated Skagit Transit is sitting on \$9.6 million in reserves which accounts for seven months of operating costs or 60%. Mr. Sexton stated the state budgets 15% of expenditures in reserves and that is typical practice. Mr. Sexton stated Paratransit clients also pay the 4/10 of a percent sales tax as well.

Mr. Dahlstedt stated across the state there are 250,000 people turning 65 every day and if there are people who can physically and financially ride the regular Fixed Route service the goal is to get as many people utilizing that so that Paratransit clients that rely on the service can get timely and reasonable response. Mr. Dahlstedt stated otherwise the service will be inundated and there is currently a lot of use that could be moved to the basic system. Mr. O'Brien agreed and stated that is why staff is asking in the proposal to allow Paratransit clients to ride fare free on the Fixed Route service and added that Skagit Transit has Travel Trainers that can train clients how to use the Fixed Route buses. Mr. O'Brien stated clients may find that the Fixed Route is more convenient for them.

Ms. Janicki stated her biggest concern when there is there is an increasing demand on a deeply subsidized system there is a risk of losing the system. Ms. Janicki stated she is very empathetic to the people who absolutely need Paratransit. Ms. Janicki stated that with the growth that is being seen she feels there are likely some people who are have found the Paratransit service to be more convenient and it is free so at the risk of losing an entire system or having to cut back service to keep the transit system afloat the Board needs to do what is fiscally responsible now so that Paratransit is in place for the people who absolutely need that service. Ms. Janicki stated good intentions won't close a budget gap.

Mr. Sexton stated several years prior, he asked staff what the break-even point was on the County Connector service and stated staff informed him the service does not break even. Mr. Sexton stated he would be interested in seeing the same cost per trip as all the other rides. Mr. O'Brien stated fares only cover 6% of Skagit Transit's operating costs. Mr. Flores stated Skagit Transit has an operating budget of \$15 million and fares account for less than \$1 million and the agency could not exist without sales tax. Mr. O'Brien stated over \$12 million comes from sales tax revenue, and the rest is grant funding. Mr. Flores stated it is a very uncertain grant environment and historically the reserves have remained around \$8.8 million and currently the reserves balance is \$6.2 million. Mr. Flores stated the debate is what amount of reserves staff and the Board feel comfortable with to continue to subsidize the Paratransit service.

Mr. Sexton stated the reserve balance could be a timing issue if items such as buses were recently purchased. Mr. Flores stated the reserves decreased from \$8.8 million to \$6.2 million because Skagit Transit needed to replace buses this year and there were no grant funds available so staff decided to use local funds to be able to continue to replace buses.

Ms. Janicki stated it is important to differentiate reserves between what is capital and what is operating and added the County has a two month operating reserve as a policy. Ms. Janicki stated there have been

larger reserve numbers going through due to the accumulation of funding for the expansion and added expansion capital skews those numbers.

Ms. Magnuson stated the reason the full implication of the fare initiative is unknown is due to never having used Medicaid funding. Ms. Magnuson stated every other county that has Paratransit transportation does use Medicaid funding. Ms. Magnuson suggested getting Medicaid funding implemented and incorporating a 90 day trial period to see what the budgetary implications are.

Ms. Gere inquired if Medicaid funding would be something transit would be in charge of. Mr. Windler stated the individual has to apply through their case worker through the call center. Ms. Gere inquired if there was a way staff could track how many clients are able to get Medicaid funding for fare assistance. Mr. Windler stated staff would be able to determine how many passes are being purchased by the Northwest Regional Council however he is not sure staff would be able to track the usage of the passes. Mr. Windler stated staff would need to look into what percentage of usage is accounted for by the percentage of riders that are Medicaid clients.

Mr. Kunzler stated he wanted to address the issue of Paratransit contributing. Mr. Kunzler stated Fixed Route riders are also contributing through sales tax as well as paying a fare. Mr. Kunzler stated the system needs to be kept solvent. Mr. Kunzler stated he is concerned about the future of the agency if there is no control on the growth and get some riders on the Fixed Route system.

Ms. Gere inquired what percentage of the budget is the Paratransit portion. Mr. Windler stated in 2018 the Paratransit system cost the agency \$4.9 million. Ms. Janicki stated it accounts for about one third of the budget.

Mr. Dahlstedt stated if the costs continue to rise and the service is to be maintained the alternative is to ask the tax payers to approve a sales tax increase. Mr. Dahlstedt stated this is a very important service and if we want to make sure that the most vulnerable members of the community are not left without transportation that they can afford. Mr. Dahlstedt stated if the costs and the expansion increase much more on Paratransit and the agency can't move some riders to the basic Fixed Route system the alternative is to try and get more revenue.

Ms. Gere asked for clarification of what portion of the budget came from sales tax revenue. Mr. Flores stated staff is anticipating receiving \$13 million sales tax revenue and runs on a \$15 million operating budget. Ms. Gere stated the majority of the budget is attributed to sales tax. Mr. Jensen stated Skagit Transit receives four tenths of one percent of sales tax in Skagit County however the state allows transit agencies to collect nine tenths of one percent sales tax and added his recommendation that this be an option to consider.

Mr. Magnuson stated he rides the Paratransit service and inquired why the Fixed Route riders were not being charged a larger fare, and the Paratransit clients are being charged \$2. Mr. Magnuson stated this does not make sense to him because Skagit Transit is trying to balance the budget on the backs of Paratransit and that is not right.

Mr. O'Brien stated there is an increase in the fare on the Fixed Route service by way of eliminating free transfers. Mr. O'Brien stated in July, Skagit Transit issued 5,141 transfers and received 5,033 so that would be an addition 5,033 rides paying a fare where they were not before. Ms. Gere inquired if increasing the standard Fixed Route fare was considered. Mr. O'Brien stated increasing the Fixed Route fare was discussed by staff but it was decided the best way to increase the fare was by eliminating transfers. Mr. Windler added the average cost per ride on Fixed Route is roughly \$8 per ride whereas the average cost per trip on the Paratransit service is over \$72 per ride. Mr. Windler stated the additional \$1 paid by Fixed Route riders covers a considerably larger portion that what will be paid on the Paratransit service.

Ms. Gere stated she would like staff to look into the Medicaid and Medicare options available to Paratransit clients and would like a report back to the Board in a few months' time. Mr. O'Brien stated Skagit Transit staff will help the Paratransit clients in any way they can. Ms. Gere stated there are other agencies that can contribute and buy passes and help supplement the Paratransit service.

Ms. Janicki moved to approve Resolution 2019-08 Authorizing Approval of Policy 080.05 Fare Policy. Mr. Wesen seconded the motion. The motion passed with Mr. Sexton and Mr. DeGloria opposed.

IV Community Advisory Committee Report

Mr. Windler stated the Committee is on summer break and did not meet this month.

V Executive Directors Report

Mr. O'Brien stated on July 30th staff put out a request for individuals that may be interested in construction management on the new MOA and essentially hosted an open house to have interested parties look at the project site. Mr. O'Brien stated six companies attended and are in the process of asking any questions they may have. Mr. O'Brien stated in September staff will put together a panel to look at the different proposals which will then be brought back to the Board.

VI Information Items:

None.

VII Unfinished Business:

None.

VIII New Business:

None.

Mayor Gere stated she will sign all documents that have been approved at this Board meeting.

Mayor Gere adjourned the meeting at 2:28 p.m.

Mayor Laurie Gere, 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 August 2019

INFORMATION:

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

Revenues:

Skagit Transit received \$1,209,693 in sales tax revenue for the month of August. This compares with \$1,200,741 in August of 2018. This is a .75% increase over last year with a year to date increase of 2.36% or \$197,457. Skagit Transit also received \$19,716 in Federal Grant reimbursements.

Expenses:

- ◆ Capital Expenditures
 - Five 15-Passenger Vans for the Vanpool Program - \$188,972
- ◆ Fuels – Currently within budget.

All other expenses were as expected.

The Reserve Accounts currently are:

	<u>August 2019</u>	<u>August 2018</u>
Operating	\$ 2,199,815	\$ 2,221,759
Facilities	400,000	400,000
Capital Replacement	2,358,740	3,969,362
Non-Designated	<u>1,280,778</u>	<u>2,148,345</u>
Total Reserves:	\$ 6,239,333	\$ 8,739,466

RECOMMENDATION:

Staff recommends the Board approve the monthly budget reports.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Chris Chidley, IT Manager

SUBJECT: Award Agreement for GVP8 Server Migration and PASS – Email SMS 19-017

INFORMATION:

Skagit Transit staff recommend moving forward with upgrading our IVR system. Currently we are running one part of our server system on an older operating system and it needs to be migrated to a newer operating system. The other half of this is to add features to our current IVR system to include texting and emailing. At this time, Skagit Transit desires to make a sole source procurement to the Trapeze Group to make the necessary upgrade.

Skagit Transit has been using Trapeze products for over 20 years. These products are proprietary and solely owned by the Trapeze Group who has the exclusive right to maintain and enhance their software products and control all associated costs thereto.

In compliance with Skagit Transit's Procurement Policy, a contract may be awarded without competition when it is determined there is only one single responsible source for the required items, property or services.

The PASS-Email/SMS Software allows for passengers to receive automatic trip notifications through the Email and SMS mediums. Skagit currently utilizes the PASS-Email/SMS Software to send automatic notifications over the phone. Skagit would like to extend the notification offering to their passengers using the PASS-Email/SMS Software.

The PASS-IVR GVP8 Migration upgrade includes Genesys Voice Platform (GCP) Migration to GVP 8.5. Implementation services will include all tasks associated with migrating Skagit Transit's current IVR system from GVP 8.1 to GVP 8.5. Trapeze will provide development, installation and testing to the upgraded system.

RECOMMENDATION:

Skagit Transit staff recommends awarding the Agreement to Trapeze Software Inc.

BUDGET IMPACT:

100% Grant Funded – 101,861.00

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Brad Windler, Planning & Outreach Coordinator

SUBJECT: Fare Free Day for Project Homeless Connect/Point In Time Count

INFORMATION:

Project Homeless Connect is a one-day event that aims to engage the local community and build sustainable partnerships to help end homelessness. Free services will be provided by local non-profits, businesses, and volunteers. This event has been combined with the “Point In Time Count” of homeless citizens in the community. The event will take place on Thursday, January 23rd, 2020. Event organizers have asked if Skagit Transit will continue support of the event by operating fare free on January 23rd. At 2018’s event, 1,192 individuals from 416 households were able to connect with social and medical services. Organizers said many of the adult attendees identified the bus as their transportation to the event. Fare free transit service removes transportation as a barrier to accessing this event.

RECOMMENDATION:

Skagit Transit recommends operating local routes fare free on January 23, 2020 in support of Project Homeless Connect.

BUDGET IMPACT:

One day’s revenue is approximately \$600 cash not counting monthly passes.