

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

Wednesday September 21, 2022

The Skagit Transit Board of Directors met in regular session in Burlington, WA and via teleconference. Chair Commissioner Janicki called the meeting to order at 11:02 a.m. followed by the Pledge of Allegiance, roll call, and introductions.

**Members Present**

Lisa Janicki, Skagit County Commissioner (Chair)  
Peter Browning, Skagit County Commissioner  
Jill Boudreau, City of Mount Vernon, Mayor  
Steve Sexton, City of Burlington, Mayor  
Jose Reeves, Labor Representative (non-voting member)

**Members Present via Teleconference**

Ron Wesen, Skagit County Commissioner  
Julia Johnson, City of Sedro Woolley, Mayor

**Members Absent:**

Matt Miller, City of Anacortes, Mayor (Vice-Chair)  
Mark Hulst, City of Mount Vernon, Councilmember  
Rick DeGloria, City of Burlington, Councilmember  
Judy Jones, Community Advisory Committee (Chair, non-voting member)

**Providing Legal Counsel:**

None

**Staff Present**

Chris Stamey, Manager of Finance & Administration  
Mark Kennedy, Operations Manager  
Joe Macdonald, Safety & Training Manager  
Jennifer Davidson, HR Manager  
Chris Chidley, IT Manager  
Nicolas Bergman, IT Technician  
Whitney Davis, Clerk to the Board

**Staff Present via Teleconference:**

Dale O'Brien, Executive Director  
Greg Latham, Maintenance Manager  
Aggie Juarez, Facilities Manager  
Les O'Neill, Operations Supervisor  
Hailie Hotchkiss, Operations Supervisor  
Melinda Hunter, Operations Supervisor  
Jo-Ann Wynne, Contracts & Procurement Coordinator  
Mika Bergman, Maintenance Support Technician

**Members of Public Present**

**Members of the Public Present via Teleconference:**

Joe Kunzler

**1 Public Comment:**

None.

**2 Consent / Action Items:**

- a) Approval of August Meeting Minutes
- b) Approval of Claims and Payroll
  - August Payroll Direct Deposit and Checks #16726 – 17019..... \$1,261,948
  - August Direct Federal withholding transfer.....\$303,997
  - August Claims Checks and ACH #43037 – 43188 .....\$354,644

**Ms. Boudreau 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 August

Mr. Stamey read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,481,083 in sales tax in the month of August. Skagit Transit also received \$1,064,009 in Federal Operating grants. Capital expenditures included MOA-2 Construction Management Costs and permit renewals, and the Sedro Woolley Park and Ride Restroom project. Fuel is trending at \$319,943 over the budgeted amount, salaries and wages are trending at \$7,028 under budget and benefits are trending at \$28,602 under budget. The reserve account balance is \$21,004,403. Phase 1 of the MOA-2 project is 40% complete and construction is currently suspended.

Ms. Janicki shared her appreciation for the information provided and asked the Board to provide feedback and ask responsive questions they may have regarding the information provided. Ms. Janicki noted the discrepancy between August 2019 and August 2022 fare revenues and noted ridership recovery hasn't returned to pre-pandemic levels.

Mr. Sexton noted comparisons should be made in relation to 2019 and noted revenues have been reduced with regards to the recent change allowing youth to ride fare free and added ridership is a key performance indicator that should be reviewed going forward.

Ms. Boudreau requested clearer information that presents all revenues and how they compare to expenses in the budget preparation process. Mr. Stamey stated he would provide a better breakdown of all revenues and expense and noted he has begun budget planning.

Mr. Browning inquired if staff could determine the intent of riders and what their desired destinations are to evaluate route efficiency. Mr. Kennedy explained staff provides customer and rider surveys which is what routes are designed around. Mr. Kennedy also explained staff has a route planning committee and a designated Route Planner that works on that.

Ms. Janicki noted fuel is still trending over budget and recalled that staff had been offsetting that with salary and benefit surpluses and noted that is no longer covering that overage. Ms. Janicki inquired if expenses will be overbudget at year end. Mr. Stamey stated Skagit Transit will not be over budget, even after the generous bonuses the Board recently approved. Mr. Stamey explained revenues exceeded expenses and staff is still seeing positive increases and watching it carefully. Mr. Stamey noted vacant positions are stretching staff thin.

Ms. Janicki requested a subtotal for the Operating budget be included in the Financial Recap that is provided to the Board. Ms. Janicki requested additional information on the staffing issues in the Accounting division. Mr. Stamey stated the current Accounting Supervisor has retired and graciously agreed to help while staff is attempting to recruit for that position, however they have given notice for the end of September. Mr. Stamey explained that staff has not received qualified candidates at the current level posted and explained the importance of the position. Mr. Stamey stated that staff would like to request to change the position to a Manager Title and open the salary schedule to the end of the range without changing the compensation range. Ms. Janicki noted an action item to include the title and salary range with the report could be added and approved by the Board to facilitate that request with urgency. Mr. O'Brien shared his support for this change. Ms. Boudreau inquired if staff budgeted the entire salary range. Mr. Stamey explained that actual salaries are budgeted and explained there are budget capacities as the current Supervisor is further along the pay schedule due to her longevity.

**Ms. Boudreau moved to approve the August Monthly Budget Update as presented with the addition of re-naming the Accounting Supervisor Position and opening the salary range to assist in recruiting qualified candidates. Ms. Johnson seconded the motion. The motion passed unanimously.**

b) Approve Additional Extension to Suspend the MOA-2 Construction Project

Mr. O'Brien read the report as presented in the agenda packet and noted a clerical error. Staff updated the report to reflect a \$10,500 budget impact. Staff is requesting Board approval to extend the construction suspension until October 17<sup>th</sup> when roofing materials are on-site and ready for installation.

**Ms. Boudreau moved to approve the additional extension suspending the MOA-2 construction project with the corrected budget impact as presented. Mr. Browning seconded the motion. The motion passed unanimously.**

c) Report of WSDOT Grant Projects and Awards

Mr. O'Brien read the report as presented in the agenda packet. Items of note include Skagit Transit has been awarded \$214,832 from the 2021-2023 WSDOT Supplemental State Special Needs Formula Funds which will be used for operating assistance. Additionally, Skagit Transit has been awarded \$485,270 in the 2021-2023 Transit Support Grant Program under the Move Ahead Washington and the Climate Commitment Act. Staff will apply these funds to a fleet-wide coach WiFi upgrade, not to exceed \$316,000 and the remaining \$169,270 will be used for operating assistance. Neither of the grants require a match and there is no budget impact.

**Ms. Boudreau moved to approve the grant projects and authorize the Executive Director to sign the grant agreements. Mr. Browning seconded the motion. The motion passed unanimously.**

d) Proposal to Reimburse CDL Permit Testing Fees

Mr. Macdonald read the report as presented in the agenda packet. Mr. Macdonald explained staff's continued efforts to eliminate barriers in attracting and hiring new employees and is requesting approval to reimburse fees incurred by potential employees when securing a Commercial Driver's License (CDL) learner's permit which can range from \$75 - \$146. Mr. Macdonald noted that it is common for some new hires to already have their CDL upon hire.

Ms. Boudreau confirmed this included Coach Operators, Mechanics and Servicer positions. Ms. Boudreau shared concerns of new hires leaving after obtaining their CDL with Skagit Transit and inquired if this could be conditional upon remaining with Skagit Transit for a certain amount of time, or an option that they reimburse the Agency for these fees if they leave within a certain time-frame.

**This report was tabled until the October 19<sup>th</sup> Board meeting when adjustments could be made to include stipulations that would discourage attrition upon completion of Commercial Driver's Licenses.**

e) Fleet-wide Coach WiFi Upgrade

Mr. Chidley read the report as presented in the agenda packet. Items of note include a request to upgrade mobile gateways to 5G in order to stay up to date with cell phone protocols. This project will include 72 dual radios which will assist in separating and adequately supporting both customer WiFi service and Agency data needs. This project is estimated at \$291,000 not to exceed \$316,000 and will be purchased with grant funding.

**Ms. Boudreau moved to approve the fleet-wide coach wifi upgrade. Mr. Browning seconded the motion. The motion passed unanimously.**

- f) Approval of Resolution 2022-11 – Amendment 1 for the Purchase of Microsoft 365 Cloud Migration and Licensing Update

Mr. Chidley read the report as presented in the agenda packet. As staff was placing the previously Board approved order, staff found an error with incorrect licensing quoted. As a result, the purchase approval needs to be updated to reflect the increase of \$29,000. This is an amendment to a previously approved resolution.

**Ms. Boudreau moved to approve Resolution 2022-11 – Amendment 1 for the purchase of Microsoft 365 cloud migration and licensing update. Mr. Browning seconded the motion. The motion passed unanimously.**

#### **4 Community Advisory Committee Report**

The minutes from the CAC meeting were included in the agenda packet. Items of discussion by the committee included free transit service, an upcoming field trip to Concrete, upcoming service changes, ridership, in particular a jump in youth ridership, the upcoming student fair at WWU and the new library in La Conner. Ms. Janicki noted the increase in Youth Ridership. Mr. Kennedy stated Youth ridership has increased seven-fold and there have been very few issues.

#### **5 Information Items**

Ms. Davidson read the provided update to the Board regarding the transition process from Empower to the Department of Retirement Systems (DRS) and informed the Board of options related to purchasing service credits.

Ms. Boudreau inquired if staff has received any employee feedback on the transition plans. Ms. Davidson explained there have been several questions and shared that both Empower and DRS were on-site as a resource for employees at the September 13<sup>th</sup> Wellness and Benefits Fair.

Mr. Wesen asked if there was a cost breakdown for the different options for purchasing service credits as presented. Ms. Davidson stated staff is working to provide that information and stated that DRS shared most organizations choose option C where the member or employee pays all previous service costs (both member and employer contributions) within five years of entry to PERS.

Ms. Janicki inquired if employees could rollover funds from existing retirement accounts to purchase the service credits. Ms. Davidson stated each employee would receive an invoice for their individual service credit cost based on their years of service. Ms. Davidson stated employees then have five years to purchase those service credits.

Ms. Janicki inquired about the target time-frame for the completion of the transition. Ms. Davidson stated she is hoping to have completed information ready to approve in the December 21<sup>st</sup> Board meeting and have changes effective January 1, 2023. Ms. Janicki inquired if there could be a work session to discuss how to find a balance between not harming employees and being fair to the organization.

Ms. Boudreau clarified that employees are not required to purchase service credits. Ms. Boudreau inquired if a DRS representative might be available during a Board meeting to answer questions as they come up. Ms. Davidson stated she would request their attendance for that discussion.

## **6 Executive Directors Report**

Mr. O'Brien stated staff will be setting up a meeting with TCF Architecture, HB Hansen Construction and KBA Construction Management and stated staff will prepare an update on the construction plans for the MOA-2 Facility.

Ms. Janicki inquired about the recruitment status of the new Executive Director. Ms. Davidson stated nine applications have been received so far and Prothman will be completing the first review of applicants on September 25<sup>th</sup>. At that point, Prothman will conduct preliminary interviews to determine adequate qualifications and make recommendations to the Board for interview candidates.

**Commissioner Janicki adjourned the meeting at 11:59 a.m.**

Attest:

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Lisa Janicki, Chair Skagit Transit Board of Directors

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Whitney Davis, Clerk of Skagit Transit Board