

RECORD OF THE PROCEEDINGS SKAGIT TRANSIT BOARD OF DIRECTORS

Board Workshop November 9, 2018

The Skagit Transit Board of Directors met in a Board Workshop on Friday, November 9, 2018. Board Chair Ken Dahlstedt called the meeting to order at 10:00 a.m. followed by the Pledge of Allegiance and introductions.

Present: Mayor Lauri Gere, City of Anacortes; Mayor Jill Boudreau and Councilperson Mary Hudson, City of Mount Vernon; Mayor Julia Johnson, City of Sedro Woolley; Councilperson Rick DeGloria, City of Burlington; Skagit County Commissioner Ken Dahlstedt; Skagit County Commissioner Lisa Janicki; Skagit County Commissioner, Ron Wesen; Melinda Hunter, Labor Representative.

Skagit Transit Representatives: Dale O'Brien, Executive Director; Motoko Pleasant, Manager of Finance and Administration; Penny Roodzant, Human Resources Manager; Al Schaner, Maintenance & Facilities Manager; Chris Chidley, IT Manager; Mark Kennedy, Operations Manager; Joe Macdonald, Safety Supervisor; Brad Windler, Planner; Whitney Fernandes, Clerk to the Board;

Mr. O'Brien stated the regular November Board meeting may be cancelled if a quorum will not be present, and in such case, the 2019 draft budget would be sent to the Board members individually for review prior to the December meeting and the public comment period would be opened.

Mr. O'Brien stated this workshop would cover three items that are critical to the future of the agency and that staff would like direction from the Board on.

Mr. O'Brien stated Skagit Transit' mission statement was approved in 1994, however staff feels it still represents what the agency strives for. Mr. O'Brien stated if the Board would like, staff would look at reevaluating the mission statement.

Mr. O'Brien stated he wanted the workshop to be an open discussion with the objective of making sure the Board members have complete understanding of the items that staff will be discussing at this meeting.

Fares:

Charging Fares on Paratransit:

Mr. O'Brien stated Skagit Transit has been asked a question for the reasons not to charge a fare for paratransit during the last two FTA Triennial reviews. Mr. O'Brien stated it has been the decision of the Board that the agency does not charge a fare on the paratransit service, but accepts donations. Mr. O'Brien stated paratransit donations received in 2018 year to date is \$6,670.27. Mr. O'Brien stated it costs the agency \$62 per ride, per client on the paratransit service. Mr. O'Brien stated staff would like to ask the Board to consider charging a fare on the paratransit service. Mr. O'Brien stated staff's proposal would be to place a \$2 fare on paratransit, which would be double the fare price for a one-way ride on fixed route service and is in compliance with ADA law. Mr. O'Brien stated an expected implementation of July 2019 would

give staff the opportunity to take this proposal to public meetings in order to inform the public of the fare implementation and explain the anticipated changes. Mr. O'Brien stated, in 2019, the imposed fare would amount to \$71,000 revenue for the agency, and in 2020 the anticipated revenue from paratransit fares would be \$119,000.

Mr. Kennedy stated there has been a 10% increase in ridership on the paratransit service in the last 2-3 months, which equates to 400-500 rides per month and requires six and a half full time employees to cover the increase in rides. Mr. Kennedy stated there have been some denials because there are not enough resources to accommodate every request. Mr. Kennedy stated it is the goal of the agency to reach the statewide standard of 2 rides per hour from the current 1.97 rides per hour. Mr. Kennedy stated the efficiency of the service has increased by 10% with the addition of a new software scheduling system in July. Mr. Kennedy stated staff expects to see more small efficiency increases as the system is utilized more effectively.

Mr. Kennedy stated in the month of October, the cost of one client's rides was \$1,800. Mr. Kennedy stated the agency has experienced an increase in requests for long distance rides. Mr. Kennedy stated more riders in Concrete, La Conner and other areas that require up to two hours for round-trip transportation decrease the efficiency of the service.

Mr. Wesen inquired why there was such a dramatic increase in ridership in the last few months. Mr. Kennedy stated statistically ridership numbers spike every couple years, followed by a smaller 10% increase and then level out. Mr. Kennedy stated the demand never decreases. Mr. Windler stated in 2013 Skagit Transit provided 55,000 rides on paratransit, in 2014 ridership reached 60,000 which carried through 2015, in 2016 ridership jumped to 64,500 which carried through 2017 and now the agency is experiencing another increase.

Ms. Hudson asked to clarify that paratransit service is measured as the number of rides for every client. Mr. Kennedy stated prior to the implementation of the new software in July, manifests or trips were hand built and may have anywhere from 1-5 people on board at a time. Mr. Kennedy stated the efficiency of the new system has increased how many clients are on the coach for each trip, and the rides are not limited to one client at a time. Mr. Kennedy stated when rides are provided into outlying areas such as Concrete, it's not always possible to combine riders and those requests turn into very expensive rides. Ms. Hudson inquired if the agency was acting similar to a taxi service. Mr. Kennedy confirmed the paratransit service operates similarly to a taxi service. Ms. Hudson inquired if clients called needing rides to several places if Skagit Transit accommodated those requests. Mr. Kennedy stated clients can get several rides throughout the day, it may not be on the same coach, but they can get rides to multiple locations. Mr. O'Brien stated the previously mentioned individual client that cost the agency \$1,800 was a Mount Vernon resident and rode strictly in the urban Mount Vernon area.

Mr. O'Brien stated all paratransit clients are required to fill out an application and go through an eligibility screening. Mr. O'Brien stated paratransit service is curb-to-curb service and Skagit Transit has tightened the eligibility standards to match the ADA requirements. Mr. O'Brien stated if the Board directs staff to add a fare to the paratransit service, staff would like to propose allowing paratransit clients free ridership on the fixed route service for six months during the transition period to charging fares. Mr. O'Brien stated this would encourage clients to use fixed route service and help alleviate demand on the paratransit service. Mr. O'Brien stated clients could come in to town using the paratransit service, ride the fixed route service in town to run errands, and then ride home using the paratransit service. Mr. O'Brien stated this could eliminate 3-4 paratransit rides per person, per day.

Fare Increase on Fixed Route:

Mr. O'Brien stated the year to date revenue from fares from the fixed route service are \$359,529.00. Mr. O'Brien explained that currently passengers can receive a transfer pass with the purchase of a one-way ride that is valid for 90 minutes so passengers could get two or more

rides for \$1. Mr. O'Brien stated Skagit Transit drivers' issued 5,742 transfers in September 2018, and 5,481 of those were used leaving 261 unused. Mr. O'Brien stated staff would like to propose discontinuing transfers. Mr. O'Brien stated the year to date transfers issued would have been \$55,006 in revenue. Mr. O'Brien stated this change would increase fare revenue. Mr. O'Brien stated the agency needs to seek every opportunity for revenue available as the cost of doing business is increasing and the recent ridership surveys have revealed more demands that the agency needs to address. Mr. O'Brien stated after a six month to one year period of no transfers, staff would like to propose raising fares on fixed route service. Mr. O'Brien stated Skagit Transit has the lowest fares of any transit agency in the state. Mr. O'Brien stated currently a day pass is \$2, and staff would like to increase the fare of day passes to \$3 which would include unlimited rides for the day. Mr. O'Brien stated generally the agency could expect to lose about 15% ridership with the fare increase. Mr. O'Brien stated when Skagit Transit first initiated fares, 40% of ridership was lost, but was quickly recovered as generally ridership returns even after raising fares.

Moving to Electronic Fare Collection:

Mr. Chidley stated staff has been evaluating the antiquated fare collection system that Skagit Transit is currently using where passengers board the coach, pay with cash, receive a paper fare card and then repeat the process with every coach they get on. Mr. Chidley stated there is not currently an option for purchasing passes electronically to use the system. Mr. Chidley stated staff is hoping to introduce electronic fare to Skagit Transit in 2019.

Mr. Chidley stated Skagit Transit maintenance department has incurred \$63,762.95 direct cost dealing with the current fare system in a one year period between October 31, 2017 and October 31, 2018. Mr. Chidley stated 80% of one full time employee's hours are devoted to working on the GFI system repairing fare boxes on coaches and repairing point of sale machines at Skagit Station and the business office in Burlington. Mr. Chidley stated there were 45 road calls from the maintenance department during this time, which averages to 3.75 calls per month. Mr. Chidley stated calls that require the maintenance department are for more complex issues and are not a simple fix. Mr. Chidley stated Operations Supervisors go out 5-6 times a day for simple card miss-feed errors, which increases in the colder winter months as the cards warp in cooler temperatures. Mr. Chidley stated these calls typically average an hour of supervisor's time for each call.

Mr. Chidley stated each fare box, on each coach costs \$17,000 and the costs continue to rise. Mr. Chidley stated the point of sale machines that are located at the station and at the administrative office cost \$18,000 each and Skagit Transit is currently spending \$21,000 on fare cards annually. Mr. Chidley stated the maintenance of the GFI system costs the agency 18% of the revenue earned from sales, not including fare boxes, point of sale machines, operations road calls or the time it takes administration staff to count the money and sell fare cards. Mr. Chidley stated most smart phone solutions that staff has looked into collect a 10% fee of the sales. Mr. Chidley stated that would be an 8% decrease in the cost of selling bus fares.

Mr. Wesen inquired if staff expected this transition to a smart phone system to eliminate repairs and call outs. Mr. Chidley stated once more people begin using the electronic fare system, it will be less wear on the hardware of the current GFI system and therefore will result in less road calls and repair.

Mr. Chidley stated some of the concerns or problems staff face with the current system are increasing support costs, issues with equipment, an antiquated system that is out of date and the inability to track where cards are being used. Mr. Chidley stated the two most recent point of sale machines that were purchased for \$18,000 did not work right out of the box. Mr. Chidley stated one machine's touch screen didn't work and the other could not print receipts so staff had to return them for a full refund. Mr. Chidley stated GFI no longer provides free support for their products and Skagit Transit would have to purchase a maintenance plan or pay for each repair

that requires the assistance of a GFI technician. Mr. Chidley stated Skagit Transit had the opportunity to upgrade to smart cards, however staff feels that is not the direction the industry is going in. Mr. Chidley stated transit is moving in the direction of smart technology. Mr. Chidley explained an account based system allows passengers to log into their account, purchase several fare cards and have them stored in their account for use whenever they need them. Mr. Chidley stated when passenger get on the bus, the system would automatically deduct the fare from their account. Mr. Chidley stated with the GFI system staff can track how many cards are used, but cannot track where they are used.

Mr. Chidley displayed photos that show the issues with fare cards warping in cooler temperatures and explained that the warping causes the fare cards to jam in the GFI machines. Mr. Chidley explained that when the GFI is jammed, drivers are unable to sell additional fare cards until an operations supervisor or a maintenance employee is available to meet the coach on the road to clear the jam. Mr. Chidley also explained that the dust and trimmings of the cards jam the machines. Mr. Chidley stated roughly 10% of all fare cards are thrown away because of miss-feed issues and fare cards cost \$.10 each.

Mr. Chidley stated moving forward staff would like an account based system where customers can have an account that allows them to purchase fare cards and use them whenever they need them. Mr. Chidley stated staff could use the central account management for finance tracking and reporting. Mr. Chidley stated currently in order to gather receipts, staff has to collect a paper report from the point of sale machines at MOA and Skagit Station, hand calculate all the sales and record them in the books. Mr. Chidley stated the system that staff is looking into would print a report that shows all the accounts purchasing fare cards and track when and where the cards are being used. Mr. Chidley stated each coach has a \$17,000 fare box, but the system that staff has been looking into would include a basic cash fare box that money can be dunked into and an on-coach validator and would cost the agency \$5,000 per fare box. Mr. Chidley stated the point of sale units would become the website and customer's smart phones which would allow any person with the app on their phone to purchase a bus pass from anywhere, eliminating the need to purchase them from customer service offices at Skagit Station and the MOA. Mr. Chidley stated road calls for GFI fare boxes would be reduced as market penetration increases and more passengers begin using electronic fares. Mr. Chidley stated the GFI's would still breakdown for the same reasons, but electronic fares would help to minimize those occurrences.

Mr. Chidley stated as staff implements an introduction to electronic fares, the agency would keep the GFI fare box on the coaches until the proper replacement for the system is completely implemented. Ms. Johnson inquired what other counties or agencies use as a fare collection system. Mr. Chidley stated he has reached out to other agencies statewide and currently half of the other transit agencies are not using full electronic fare systems. Mr. Chidley stated several agencies are introducing electronic fare collection by using an introductory smart phone system. Mr. Chidley stated the vendors that other agencies are working with supply a smart phone only option for fare collection. Mr. Chidley stated he has been comparing prices and looking into the vendors and systems that different agencies are using for electronic fares. Mr. Chidley stated Whatcom Transit Authority recently signed a contract with Delerrok and are spending \$500,000 of up-front capital to implement the system while still keeping GFI on their coaches for the next few years as they transition to a completely electronic fare system. Mr. Chidley stated WTA is also paying a \$150,000 annual maintenance fee. Mr. Chidley stated Skagit Transit is trying to find the lowest cost option to implement an electronic fare system while still being able to manage the current system in tandem and minimize the issues that could arise. Mr. Chidley stated he will keep the Board members apprised as he continues to gather information on the options available.

Mr. Chidley displayed a representation of smart phone fares offered by one of the electronic fare systems that provide a word of the day, color of the day and picture of the day. Mr. Chidley stated as fraud detection, text would scroll across the screen. Mr. Chidley stated if a passenger attempted to take a screen shot, the driver would know it is not a valid pass as the text is not moving. Mr. Chidley stated the system would automatically change the picture, word and color

each day and if drivers see anything that deviates from the daily identifiers they would assume that it is not a valid fare. Mr. Chidley showed an example of stored passes, which is an account based system and provides passengers the ability to purchase multiple fare cards and use them as needed. Mr. Chidley also stated customers can purchase passes on behalf of someone else, so customers can purchase the bus pass and text the link to the recipient. Mr. Chidley stated the system would then prompt them to download the app and provide them the bus pass electronically. Mr. Chidley also displayed what the purchasing screen would look like showing the options to purchase the various types of passes offered.

Mr. Windler stated the vendors that offer the electronic fare collection app for smart phones, have websites that agencies such as Department of Social and Health Services (DSHS) can go to and purchase bus passes for clients and send a pass to a client via text message. Mr. Windler stated this would be an ease on staff as fewer paper passes would be created and mailed, as well as for the agencies purchasing the passes as it would be easier to track purchasing and passes issued. Mr. Windler stated this would also be a convenience to commuter passengers as it would allow them to purchase their fare from home or even as they are waiting for the bus. Mr. O'Brien stated internally this would reduce the amount of money that staff has to handle, the vendor keeps 10% of the fare, and the rest goes to the agency. Mr. Macdonald stated another benefit to an electronic system would be an increase in on-time performance. Mr. Macdonald stated when a passenger gets on the bus all they have to do is flash their screen to the driver, there would be no struggle to get cash into the machine and wait for a pass to print, and would eliminate issues with passes that malfunction due to miss-feed errors. Mr. Macdonald also stated the majority of assaults on drivers across the U.S are over fare disputes and this system would reduce cash handling and make it safer for drivers.

Mr. Wesen inquired if other agencies were using this system, and what happens when the system goes down. Mr. O'Brien stated Clallam Transit and Link Transit are using this service and both agencies have shared the customer service on this type of system has been excellent. Mr. O'Brien stated those agencies shared if an issue arises the vendor takes care of it expediently. Mr. O'Brien stated the individuals that have developed this software previously worked for Apple and Google and are experts in their field. Mr. O'Brien stated they also do not own cars but use their local transit system and have a great understanding of the industry and what the needs are. Mr. Chidley stated they use a cloud based service and are hosted on Amazon web services so they are using redundant servers and the likelihood of their service going down is very small. Mr. Chidley stated there are some unforeseen issues such as cell phone towers going down and smart phones would be unusable, however customers can have fare cards and use them in offline mode. Mr. Chidley stated when the phone service is restored, the system would catch up with the activity that the fare card has been used for. Mr. Chidley stated there is a lot of resiliency built into the system. Mr. Wesen asked if the cell service in Skagit County is accurate and would work for this agency. Mr. Chidley stated the fixed route and paratransit fleet are using on coach devices called rangers which are connected through the 3G Verizon Network. Mr. Chidley stated the agency does not experience dead spots that loose connection or disrupt service except for a small area in Cape Horn where service is poor. Mr. Chidley stated within minutes of leaving Cape Horn, the rangers are back in range and update to resume service. Mr. Chidley stated he is not concerned with regards to blackout areas.

Mr. Chidley stated Skagit Transit currently offers a Skagit Whatcom County Connector Card as the agency shares the 80X route to Bellingham with WTA. Mr. Chidley stated WTA only implemented the GFI system to their agency three years prior and are already transitioning away to accommodate electronic fare collection. Mr. Chidley stated Skagit Transit has been using the GFI system since 2006 and the system is aging very quickly. Mr. Chidley stated as WTA begins transitioning away from GFI, it will affect the County Connector passes and the ability for both agencies to collect fare on a shared route. Mr. Chidley stated there are a few different ways to accommodate a smart phone application, but this would require Skagit Transit to keep GFI on the system until there is a solution to replace GFI. Mr. Chidley stated WTA is moving forward with the Delerrok system which is a six figure investment into electronic fare collection and that is not in

Skagit Transit's budget. Mr. Chidley stated Skagit Transit is hoping to learn from other agencies what systems they are using, what worked well and what didn't in order to avoid pitfalls in the implementation of different systems. Mr. Chidley stated Skagit Transit still needs to be able to take cash as some passengers may not have smart phones. Mr. Chidley stated staff has an ongoing investigation into how to replace GFI with a lower cost alternative. Mr. Chidley stated staff would also like to look into getting a more elaborate electronic system that would augment the smart phone aspect of fare collection. Mr. Chidley stated this would allow printed receipts with QR codes to be scanned on the bus to validate the fare and eliminate dunking and swiping paper cards. Mr. Chidley stated staff is looking into what the best system would be in conjunction with the smart phone app so that the GFI system could eventually be eliminated.

Mr. Chidley stated he has been doing market research and compiled a list of potential vendors that could provide solutions so that staff can continue to research the best option for Skagit Transit with regards to budget and experience from other agencies. Mr. Chidley stated as the agency is not looking to replace GFI at this time and more research will be done to see what options they offer that would work best for the agency. Mr. O'Brien added that Pierce Transit is using Hop Thru.

Mr. Chidley stated Skagit Transit would like to begin phasing into an electronic fare system in 2019. Mr. Chidley stated the first phase would be opening a bid for a smart phone electronic fare system that would have the lowest up-front cost for implementation but collect around 10% share of fares collected. Mr. Chidley stated phase two would implement the new system while keeping GFI active and focusing on market penetration for smart phone electronic fares with feedback from passengers. Mr. Chidley stated beginning in 2020, staff would like to begin bringing recommendations to the Board for GFI replacement systems that would offer on coach validators and take cash payments.

Ms. Hudson inquired if the systems that Skagit Transit is looking into would work in tandem with the Delerrok system that Whatcom Transit is implementing. Mr. Chidley stated when WTA implemented the GFI system three years ago, both agencies were anticipating seamless transitioning between agencies with a common card and system, however that was not the case. Mr. Chidley stated one issue that came up was the Western Washington University card that WTA allowed as a fare card and made accommodations to the university that Skagit Transit could not match. Mr. Chidley stated Skagit Transit did not want to invest more money into a system that was already so troublesome and WTA is already replacing their GFI system. Mr. Chidley stated if Skagit Transit decided to use Delerrok there would be a higher chance of easier facilitation of transferring between agencies, however if Skagit Transit opted for the smart phone option, it wouldn't cost WTA any money to use the system and the transition of agencies to cross counties would be better than it is now. Mr. Chidley stated the matter of facilitating the transfer between agencies is a big concern for staff as they are looking into the different system options. Mr. O'Brien stated Skagit Transit is in a bit of a cross-roads as WTA has invested half a million dollars into their new fare system and in a few years when they no longer accept GFI fare cards. Mr. O'Brien stated Skagit Transit will have to find a way to accommodate WTA rider's electronic fare. Mr. O'Brien stated Skagit Transit does not have the money, and does not want to be in the position of having to spend that much to sell fare cards. Mr. O'Brien stated the smart phone option that Skagit Transit is looking into is an attractive option as there is no up-front cost to implement it.

Ms. Boudreau expressed appreciation that staff is researching the issues and looking into what other agencies are doing, however the demographics should be considered as a large portion of the population that Skagit Transit serves are in poverty. Ms. Boudreau stated she would like to make sure that the transition to electronic fares on smart phones would not affect the ability of cash fare riders or those without smart phones to ride the bus. Mr. Chidley stated that is the main reason the GFI's will remain on the coaches, as well as the grant passes that Skagit Transit issues to agencies to distribute to people who need transportation and cannot afford it. Mr. Chidley stated the main focus when looking into the different options available to Skagit Transit is

making sure we are able to continue to serve the population that does not have a smart phone. Mr. O'Brien stated staff is looking for direction from the Board to move forward with researching options with smart phones and electronic fares that would eliminate the issues faced with the GFI system. Mr. O'Brien stated staff would bring all the viable options back to the Board to make a decision on what system to proceed with. Ms. Boudreau expressed her support of continuing to research and stated it makes sense to look into options that will continue with the advancement of technology and efficiency. Ms. Boudreau stated beginning phase one in 2019 seems aggressive. Mr. Chidley stated the implementation time depends on the type of system Skagit Transit decides to go with. Mr. Chidley stated if the agency chooses a system that only requires smart phones and an app, it would take no time to get signed up and get the system rolling. Mr. Chidley stated that would allow Skagit Transit the time to campaign the transition to electronic fares and to work with agencies such as Chinook and the grant pass program to see how the new system would facilitate them. Ms. Boudreau stated the convenience of the smart phone system sounds great, and inquired if there was a contract that Skagit Transit would be locked into. Mr. Chidley stated the vendors Skagit Transit has reviewed are able to accommodate any sort of contract and Skagit Transit could create the terms and limit the commitment to one year in order to test out the system. Ms. Boudreau inquired as to what the current contracts are with GFI. Mr. Chidley stated Skagit Transit is not paying for a maintenance contract with GFI and Skagit Transit employs in-house technicians that are trained to work on the GFI system. Mr. Chidley stated anything beyond the employee's training is paid on a case-by-case basis. Mr. Chidley stated Skagit Transit is not committed to GFI, however as new coaches are purchased the agency is committed to putting a GFI machine on the coaches in order to keep the coach capable of accepting fare revenue.

Strategic Plan Moving Forward:

2018 Survey Results:

Mr. O'Brien stated Mr. Windler will present the results of the satisfaction survey and the Strategic Plan in order to give the Board a glimpse of what the general public would like to see the agency look like in the near future. Mr. Windler stated staff and volunteers from the Community Advisory Committee members went out over a four day period in early May to distribute surveys to passengers on the busses, at transfer points and Skagit Station. Mr. Windler stated they visited all the facilities and were accessible to all routes including route 750 which operates on Fridays to Marblemount. Mr. Windler stated staff received over 350 respondents which provided a statistically valid response rate based on average daily boarding. Mr. Windler stated these results will provide an accurate description of what the riding population wants. Mr. Windler stated the goal of the survey is to establish a baseline of how satisfied riders are with the service, generate a snapshot of some key demographics and help staff to know the type of service improvements the riders want to see. Mr. Windler stated the survey revealed there are few children on the busses and 70% of the riders do not have children in their household. Mr. Windler stated the survey also revealed a slim majority of riders do not own cars, a large majority do not consider themselves to be disabled, and 68% of riders leave the county at least once a month. Mr. Windler stated the respondents felt the three most important qualities of "good transit" were busses that go where they need them to go, busses that are on time and busses operating when they needed to travel. Mr. Windler stated 94% of riders are overall satisfied with Skagit Transit's service, 95% feel that the drivers provide safe and courteous service and 45% are strongly satisfied with the frequency of service. Mr. Windler stated one of the areas to improve on is the frequency of service in both rural routes and during commuting hours. Mr. Windler stated the survey showed 41% of riders are infrequent riders only using the service in a range of once per month to twice per week. Mr. Windler stated these passengers are willing to ride the bus and understand how to use the bus but don't use it very often. Mr. Windler stated in terms of demographics, staff needs to look into why there is such a low ridership rate in children and the Hispanic population. Mr. Windler stated staff supplied Spanish surveys as 17% of Skagit County is Hispanic, and not many

were needed. Mr. Windler stated a source of ridership growth could be in learning why these riders don't use the service more often. Mr. Windler stated staff would like to look into the 68% of riders that leave the county at least once a month to find out if they are using the County Connector route, and are they using local service to reach the County Connectors. Mr. Windler stated this shows a connectivity between local service and connector routes. Mr. Windler stated it was a recent addition last fall that mid-day connector service is offered on the 90X to Everett.

Ms. Hudson inquired if staff had looked into incorporating the Latino Advisory Committee to better understand the needs of the Hispanic population. Mr. Windler stated he has attended a number of their meetings and feels the agency could utilize that organization better. Mr. Windler stated Skagit Transit did an update to the Title Six Policy and distributed a survey to the frontline staff and discovered there are only about half a dozen Spanish speakers on staff. Mr. Windler stated the agency makes sure to have things translated and is going to look at this from a number of different angles.

Ms. Johnson inquired as to why the bus doesn't start earlier when leaving Sedro Woolley. Ms. Johnson stated the bus leaving Sedro Woolley doesn't make a connection with the busses that go to Bellingham and Everett until late morning so residents of Sedro Woolley have to make late morning or early afternoon appointments if they need to leave the county. Mr. Windler stated this is an observation that staff has made. Mr. Windler stated results from the survey showed the top four service improvement requests were for earlier local service in the morning, later local service in the evening, later evening service to Bellingham and Everett, and an increase of frequency on rural routes.

Mr. Wesen inquired if the survey included questions that asked how much passengers were willing to pay to achieve more frequent service. Mr. Windler stated that questions regarding increasing fare were not included on the survey but is something to ask in 2019 when asking what kind of service improvement passengers want to see.

Ms. Johnson inquired if staff has looked into focusing on major industries, such as Janicki, for opportunities to provide bus service to businesses that have several employees. Mr. Windler stated most of the major work places use Skagit Transit's Vanpool program and employees commute together. Mr. Windler stated there is a large commuting group that rides to Bellingham, Western Washington University and Snohomish offices off Broadway in Everett. Mr. Windler stated, generally speaking people who work at businesses off the I-5 corridor use the Vanpool program. Mr. Windler stated there has been growth in the Vanpool program and staff is happy to have those customers as well. Mr. O'Brien stated discussions of having more direct runs from Sedro Woolley have been happening in planning sessions as it currently takes roughly an hour and 15 minutes to get from Sedro Woolley to Mount Vernon. Mr. O'Brien stated staff is working to reduce that commute time to around half an hour, even if it's only possible during peak hours. Mr. O'Brien stated there will be 25,000 new jobs in Smokey Point and Community Transit is going to create a red line service from Everett to Smokey Point which will put a greater demand on Skagit Transit. Mr. O'Brien stated this change will greatly benefit the agency as there will not be a need to go all the way to Everett any longer, it will be a much shorter trip to go to Smokey Point. Mr. O'Brien stated eventually light rail is going to come to Smokey Point and will provide a 43 minute commute to downtown Seattle. Mr. O'Brien stated there is a lot of future demand that Skagit Transit needs to start planning for. Mr. O'Brien stated there is a balance that has to be found between providing local service and commuter service.

Mr. Dahlstedt stated the baby boomers are a large portion of the population that won't be able to drive long term. Mr. Dahlstedt also stated teaching kids how to use the transit system and getting children to ride the bus now at a young age would provide long term riders. Mr. Dahlstedt stated the older population that is not familiar with riding the bus may have a hard time transitioning, whereas young people who become familiar at a young age could view the transit system as a vital part of their transportation. Mr. Dahlstedt inquired if there was a way to integrate with the schools to get more kids on the busses and familiarize them with transit as they are future

consumers. Mr. Dahlstedt stated with technological advances Uber and Lyft have begun proving transportation even in urban areas for people who have the resources and want to get around more quickly. Mr. Dahlstedt stated focus should be placed on where the future is advancing to. Mr. Windler stated he recently had a staff member from the outreach team speak to the Whatcom Council of Governments which has a program that reaches out to the seventh grade students for bus tours and teach them a bus training program as that is the age demographic where they begin obtaining more independence but are still unable to drive. Mr. Windler stated staff received resources from Whatcom and is going to try to replicate that program in Skagit County. Mr. Dahlstedt stated it would be beneficial to work with the senior centers as well and continue to help those individuals who don't want to lose their mobility but are unable to drive.

Level of Service in PTBA:

Mr. Windler stated the Strategic Plan was recently adopted and one item to point out is the fixed route service plan priority list of projects on page 48. Mr. Windler stated there are \$3,000,000 worth of projects and stated he is going to demonstrate how sales tax equals service. Mr. Windler stated there has been an increase in service levels in local routes, commuter routes, paratransit service as well as the Vanpool program. Mr. Windler stated there was some growth with the introduction of the 202 route and anticipates approval for a grant request to increase service on the rural 513/615 route that goes through La Conner. Mr. Windler stated this route currently runs every 3 hours Monday – Friday and this grant would allow the agency to double the frequency of service on that route to every hour and a half. Mr. Windler stated in 2017 the agency added a grant funded expansion of the connector services that increase the hours by 25%. Mr. Windler stated the agency closed a mid-day gap in service which stopped at 7:30 in the morning and didn't resume until 1:50 in the afternoon. Mr. Windler stated the agency added 3 mid-day trips and has seen a 40% increase in ridership on the 90X route to Everett. Mr. Windler stated there was also a mid-day gap in service on the 40X route that runs between March Point and Skagit Station and Skagit Transit increased the frequency and now runs hourly service. Mr. Windler stated this route meets the Island Transit 411W at March Point on every trip enabling a good connection between Whidbey Island and Skagit County. Mr. Windler stated this increase in service brought a 57% increase in ridership. Mr. Windler stated Skagit Transit introduced weekend service on the 80X and route 90X which provided service between Bellingham and Everett 7 days a week. Mr. Windler stated these service improvements reinforced the service offered on the I-5 corridor and the highway 20 corridor out to Anacortes.

Mr. Wesen asked for clarification of what revenue hours are. Mr. Windler stated a revenue hour is an hour that a bus is in service and someone can board the coach to get a ride. Mr. Wesen clarified that revenue hours do not translate to how many passengers are on a bus, but is strictly an increment of time that the bus is in service to provide transportation. Mr. Windler added a revenue hour measures a cost to the agency.

Mr. Windler stated Skagit Transit is currently authorized at 4 tenths of a percent of sales tax which provide 76,000 hours of fixed route service and 33,000 hours of paratransit service. Mr. Windler stated if Skagit Transit was approved for an additional tax authorization of 2 tenths of a percent, fixed route service could be increased to 100,000 hours and paratransit increased to 42,000 hours. Mr. Windler stated 3 tenths of a percent increase in sales tax would equate to 115,000 hours of fixed route service and 42,000 hours of paratransit service. Mr. Windler stated a 4 tenths of a percent increase would equate to 135,000 hours of fixed route service and 45,000 hours of paratransit service.

Mr. Windler stated going forward, Skagit Transit wants to protect and prioritize paratransit service and meet the demands of increased fixed route service. Mr. Windler clarified the items he is presenting at this meeting are not a recommendation, rather an example of potential service improvements that could be achieved with additional tax authorization. Mr. Windler stated the following examples he is going to go through will be demonstrated at 3 tenths of a percent

increase in tax authorization as it is in the middle and allows everyone to adjust their thought process for more or less service going forward. Mr. Windler stated 3 tenths of a percent increase in sales tax revenue equates to \$10,800,000 on an annualized basis. Mr. Windler displayed a sample usage of funding with a breakdown of service by category of expenditure to show how that money and funding could filter into the agency.

Mr. Windler stated there are fixed route service improvements as well as urban and rural improvements that were called for based on the Strategic Plan. Mr. Windler stated staff wanted to set aside resources for the fixed route future service as the demands on the agency change and the addition of service to Smokey Point will create a larger demand in the coming years. Mr. Windler stated the agency could expand the service area for the paratransit services, but more improvements and growth in the agency will require additional staff and capital costs to continue to replace busses as they reach their state of good repair and the cost of busses is going up. Mr. Windler stated there are several facilities and park and rides that require care and up-keeping such as street lights and paving. Mr. Windler stated the agency also needs to plan for inflation and the cost of doing business over time and need to leave money set aside in reserves.

Mr. Windler stated urban improvements that were considered with the Strategic Plan were 30 minute weekday frequency on the 204 and 207 routes, expanding the 409 and adding Sunday service in Anacortes, and increasing the weekday span of local service which would accommodate requests such as those Mayor Johnson mentioned regarding the 300 Sedro Woolley route starting earlier. Mr. Windler stated rural improvements that were considered were increasing weekday service on the 717, expanding the 185/195, adding weekend service on the 717 to the East county area and a grant expansion on the 513/615. Mr. Windler stated changes to the routes will begin January 2nd and the new 204 route will start from downtown, going by the hospital, by the college, through the highlands, back to the college, back by the hospital and end in downtown. Mr. Windler stated the 204 would run once an hour. Mr. Windler stated the 207 will bring service into North Mount Vernon beginning at Skagit Station, going to Walmart, to the new YMCA facility, down Martin Road to College Way, past Bakerview Park, up to North Laventure, by the college, past the YMCA again, past Walmart and back to the station. Mr. Windler stated this change will send the 207 in both directions to and from Walmart and will allow an 8 minute trip to Walmart and an 8 minute return trip from Walmart. Mr. Windler stated this will likely be a good ridership generator as commuters from Sedro Wooley or Anacortes can come to town and take a quick round trip to Walmart. Mr. Windler stated improvements were made to the stops at Walmart and a shelter was added along Stuart Road to make safer and more convenient locations to catch the bus. Mr. Windler stated the 717 route runs through Lyman and Hamilton out to Concrete. Mr. Windler stated route 185/195 runs to the Bow/Edison area and goes up Old Highway 99 to the Casino and back. Mr. Windler stated the 513/615 runs a semi-circle from Skagit Station to La Conner, to the Swinomish Casino, by the airport and then to Chuckanut Park and Ride. Ms. Boudreau suggested the casino should help pay for the expansion in service to their location. Mr. Windler stated the Swinomish would like to see hourly service from reservation housing to the medical clinic. Mr. Windler stated if the Swinomish were able to secure tribal funds and get a grant, Skagit Transit would be their contractor. Mr. Windler stated the Swinomish tribe is working on securing those funds to increase bus service with Skagit Transit.

Mr. Windler stated other improvements that staff is looking into are a route 30X that would provide limited stop service between Sedro Woolley and Skagit Station with a stop at Chuckanut and be approximately a twenty one minute ride. Mr. Windler stated there would also be an increase of the mid-day connector service on the 90X to Everett, enhance service to the Anacortes Ferry terminal with a 30 minute commute directly from Skagit Station to the Ferry. Mr. Windler stated in considering paratransit growth, 3,100 hours would be a 10% increase over current service in order to maintain the service the agency currently provides. Mr. Windler stated staff would like to consider expanding the boundary of paratransit service and anticipates 6,200 hours which would be a 20% expansion over current service provided today. Mr. Windler stated the older population is losing their mobility and there are 25,000 seniors in Skagit County. Mr. Windler stated only 13,000 or 60% of those seniors live inside the current paratransit boundaries.

Mr. Windler stated according to the office of financial management, in 2030 Skagit County will have 40,000 senior residents. Mr. Windler stated with current percentages that would mean approximately 20,000 seniors would live outside the paratransit boundaries and the agency would not be serving those seniors. Mr. Windler stated there are 12,000 disabled residents and around 10,500 reside within the paratransit boundary. Mr. Windler stated currently the paratransit boundaries are three quarters of a mile from fixed route service and the agency would like to look into how many more senior residents would be included in service if the boundary was extended up to a mile and a half to keep them aging in their own homes.

Mr. Windler stated some factors that would impact the agency are capital costs including higher vehicle costs, vehicle manufacturing timeline and supporting facilities. Mr. Windler stated it takes two years to take delivery of a bus from the time it is ordered. Mr. Windler stated grants operate on a two year cycle and the next opportunity to apply for a grant is 2020. Mr. Windler stated the funding wouldn't be received until 2021, so the agency couldn't expect the bus until 2023 or 2024. Mr. Windler stated transit agencies have to plan for service far in advance. Mr. Windler stated other factors would include staffing agency wide and operating costs of rising paratransit costs, rising labor costs and inflation. Mr. Windler stated these impacting factors need to be considered when looking at the Strategic Plan as well as assisting operations. Mr. O'Brien stated the biggest concern the agency has is balancing service provided between local residents in Skagit County and the County Connector riders. Mr. O'Brien stated if the agency isn't able to provide good service to the people that live in the county, then it will be difficult to ask for an increase in sales tax. Mr. O'Brien stated the agency has one grant that is paying for the increase in the regional bus service for mid-day bus service to Everett, and Skagit Transit is paying for the service to Bellingham.

Sales Tax Increase:

Future Level of Service and Cost of Doing Business:

Mr. O'Brien stated the final item on the agenda is securing funding for the cost of doing business and the future level of service. Mr. O'Brien stated the agency took over the Skagit Station facility in 2005 and began tracking the revenue and expenses of operating the facility in 2007. Mr. O'Brien stated, the total revenue brought in from Skagit Station from 2007-2018 is \$270,435.92. Mr. O'Brien stated the facility has cost the agency \$2,430,846.19 to operate since 2007. Mr. O'Brien stated there is not enough revenues generated to support the operations of the Skagit Station facility, but it is an integral part of Skagit Transit's service, and the service to the area.

Mr. O'Brien stated the agency has received \$25,727,505.00 in grant funds since 2009. Mr. O'Brien stated some grants that were awarded to Skagit Transit are coming to expiration and will no longer support service currently provided. Mr. O'Brien stated Skagit Transit received a regional connector grant that allowed the agency to operate mid-day service on the 90X to Everett. Mr. O'Brien stated there are no other grants the agency can apply for to aid in operating the connector routes to Bellingham and Everett, and when the grant money runs out, the operating costs will fall completely on the agency. Mr. O'Brien stated there may be future grant funding opportunities for the commuter routes when Community Transit adds swift service to the Smokey Point area. Mr. O'Brien stated with that addition in service, Skagit Transit would not likely travel to Everett station and that would help reduce the operating cost of that route. Mr. O'Brien stated Skagit Transit requested a sales tax increase in 2008 and staff feels the regional connector service was an integral part in receiving the increase. Mr. O'Brien said reducing or eliminating the connector routes would be very detrimental to the agency and the residents of Skagit County.

Mr. O'Brien stated Skagit Transit's 2019 operating budget is \$15,808,949.00 and the expected sales tax revenue for 2019 is \$12,376,842.00. Mr. O'Brien stated the \$3,432,107 deficit is currently being funded by grants, fares and rental income. Mr. O'Brien stated the agency was able to balance the 2019 budget with a \$1.7 million operating grant received from the FTA. Mr. O'Brien stated as grants diminish, the agency has concerns in regards to meeting the needs determined by the Strategic Plan and ensuring the ability to meet local and connector needs. Mr.

O'Brien stated staff has been working with lobbyists through Washington State Transit Association (WSTA) to bring awareness to the state that Skagit Transit, as well as Whatcom Transit, are part of the solution to get cars off I-5. Mr. O'Brien stated the agency needs more funding support from the state to provide intercountry transportation and reduce traffic and road-wear.

Mr. O'Brien displayed a map of transit agencies across Washington State. Mr. O'Brien stated Skagit Transit is considered a small urban agency and is an integral part of the Pacific Northwest transportation up and down the I-5 corridor. Mr. O'Brien displayed a map showing sales tax rates of neighboring transit agencies. Mr. O'Brien stated Whatcom Transit is .6%, Skagit Transit is .4%, Island Transit receives .9%, and Community Transit receives 1.2%. Mr. O'Brien stated the state only allows transit agencies to receive .9%, however Community Transit went to the legislators and got approval to receive more than the maximum amount allowed. Intercity in Olympia also recently was awarded 1.2% sales tax. Mr. O'Brien stated many transit agencies operating along the I-5 corridor are increasing their sales tax rates to meet the demand. Mr. O'Brien stated even transit agencies along the peninsula receive .6%, .9% and .7% sales tax. Mr. O'Brien stated this is putting a greater demand on Skagit Transit to keep up and meet the needs. Mr. O'Brien stated as grants begin to sunset, the agency needs to find more ways to bring in revenue in order to fund the service that is needed.

Mr. O'Brien stated Skagit Transit needs to receive direction from the Board to seek approval for more funding through a sales tax increase of the Skagit County residents. Mr. O'Brien distributed a budget information sheet showing a percentage increase in operating costs over the last three years. Mr. O'Brien stated in 2016 Skagit Transit had a 0.79% increase in operating costs, 6.68% increase in 2017, 9.15% increase in 2018 and staff is anticipating a 7.38% increase in 2019. Mr. O'Brien stated a contributing factor in the decrease from 2018-2019 is attributable to the agencies inability to provide some of the level of service with the current revenue stream.

Mr. O'Brien stated in 2017 Skagit Transit had an 88% increase in capital budget, a 92.4% increase in 2018 and anticipates a 35.3% increase in 2019. Mr. O'Brien stated the agency has delayed many improvements and prioritized what projects could be achieved. Mr. O'Brien stated the agency is making improvements to several routes in Mount Vernon and Sedro Woolley. Mr. O'Brien stated there is a large demand and Skagit Transit will not be able to grow without an additional increase in sales tax. Mr. O'Brien stated grants are becoming more competitive and it is very hard to get state funds for capital projects such as the MOA building. Mr. O'Brien stated staff has submitted a \$25 million federal grant application for the new MOA and is competing against all the other transit agencies throughout the United States. Mr. O'Brien stated the agency will be notified if staff was successful in receiving the grant December 18th.

Mr. O'Brien stated the design and engineering consultants will attend the December Board meeting and will give an update and a bid for the cost of construction. Mr. O'Brien stated if the agency receives the \$25 million grant, the agency will move forward with construction and build what can be paid for. Mr. O'Brien stated part of the reason the agency is not using the current reserve funds for service is because the agency can balance the budget with grant funding and that would take away progress that can be made with the new building. Mr. O'Brien stated the consultants informed staff that the initial plan to phase-in work as money becomes available would be more expensive than building as much as possible with funds available.

Mr. O'Brien stated the agency is very conservative and staff makes sure that the agency operates within the revenue stream, but the agency is at a crossroads. Mr. O'Brien stated staff needs to plan for the future, considering the time it takes to get busses, the cost of busses and eventually transitioning to electric busses which cost approximately \$1 million, in addition to the infrastructure necessary to operate them. Mr. O'Brien stated Skagit Transit will continue to purchase low emission busses. Mr. O'Brien stated as technology advances and other agencies implement electric busses, staff will know more about the electric busses and will be able to make

the best decision. Mr. O'Brien stated that when Skagit Transit is ready to purchase electric busses, staff wants to make sure it has the funding to do so.

Mr. O'Brien stated staff feels they can meet the needs of the short term future with a .3% sales tax increase which brings the total sales tax revenue to .7%. Mr. O'Brien stated if staff got the approval from the Board to go out for a sales tax increase in 2019 and it passed, the agency would not receive any money from the increase until June of 2020. Mr. O'Brien stated it takes a while for the collection and distribution of additional sales tax revenues. Mr. O'Brien stated Skagit Transit will only do what the public wants. Mr. O'Brien stated the agency will make improvements to the local service first, and will do everything possible to not cut service on the regional routes. Mr. O'Brien stated staff feels the agency owes it to the people of Skagit County who pay the taxes to make sure their service level is comfortable before spending money on larger service. Mr. O'Brien stated staff will continue to lobby for state money to pay for regional service however short- term, that is not something to plan on. Mr. O'Brien stated the bottom line is the agency needs to look for additional revenue to meet the needs. Mr. DeGloria clarified the agency was limited to asking for \$25 million in federal grants and the decision on that funding would be December 18th.

Mr. O'Brien displayed a photo of the parking situation at the current MOA building and stated there is not enough parking for the employees. Mr. O'Brien stated there are a lot of needs for the agency from the service on the street to the infrastructure for the agency to do business. Mr. O'Brien stated the consultants have done a great job designing the new building with consideration to the specific needs of each department on a tight budget. Mr. O'Brien stated the location of the new facility will bring the agency out of the flood plain and that should help with receiving federal funding.

Ms. Boudreau clarified fixed route service costs the agency \$8 per ride and paratransit service costs the agency \$62 per ride. Ms. Boudreau expressed an appreciation for discussion regarding a fare increase on fixed route service and initiating a fare on the paratransit service. Ms. Boudreau stated it is hard to talk about an increase in taxes for everyone and wants to make sure the agency can articulate everything staff has done to make sure it is as fair as possible.

Mr. O'Brien stated staff will look into every revenue source available. Mr. O'Brien stated the Operations Manager, Mr. Kennedy has shared that many retirement homes are utilizing Skagit Transit's paratransit service when they have their own transportation that residents are paying for. Mr. O'Brien stated there are also clients using the paratransit service that are capable of using the fixed route service and the outreach team at Skagit Transit can educate riders on how to use the fixed route service. Mr. O'Brien stated Mr. Kennedy has implemented a batching system for scheduling paratransit rides that has improved the efficiency of the routes and transports more people with each ride. Mr. O'Brien stated staff saw a 40% increase in requested paratransit rides in one day. Mr. O'Brien stated the FTA tracks how many denials Skagit Transit issues on the paratransit service. Mr. O'Brien stated offering free fixed route ridership to paratransit clients for six months will help encourage paratransit riders to learn and utilize the fixed route service. Mr. O'Brien stated these are all items to share with the public as to why the agency needs to seek more funding.

Mr. O'Brien stated staff requested a sales tax increase in 2002 which was denied and Skagit Transit had to cut 58% of staff. Mr. O'Brien stated staff will not pursue an increase unless there is confidence that it will be awarded. Mr. O'Brien stated that puts a burden on staff to make sure information is presented well and show how a sales tax increase would benefit the residents of Skagit County.

Mr. O'Brien inquired if it would be the direction of the Board for staff to begin bringing reports back to the Board to look for more funding options. Ms. Janicki stated staff should begin bringing reports to the Board to discuss increasing fares and asking for more sales tax. Ms. Janicki stated staff articulated operation needs. Ms. Janicki stated the Board needs to see how much of service

levels will be cut as grant funding decreases and falls off. Ms. Janicki stated it doesn't make sense that the paratransit service is free and is not sure that charging a \$2 fare is enough. Ms. Janicki stated staff should look at the paratransit fare structure more aggressively and look at a range of options. Mr. O'Brien stated managers discussed if the agency introduced a fare on paratransit, eliminated free transfers on the fixed route service, increased the fixed route fare to \$2 per ride, the agency can charge double for paratransit by ADA law. Mr. O'Brien stated staff feels it would be a good idea to transition in steps rather than all at once. Mr. O'Brien stated staff should be able to explain at a public meeting that Skagit Transit is operating in a conservative fashion and looking for every opportunity for revenue that is available to the agency before asking for a sales tax increase.

Ms. Gere inquired how other agencies handle their paratransit service, specifically what Whatcom Transit charges. Mr. Windler stated Whatcom charges considerably more than Skagit Transit and believes they charge approximately \$4. Mr. Kennedy stated ADA regulations allow transit agencies to charge up to double the fare of fixed route for paratransit service. Ms. Gere clarified if Skagit Transit charged \$3 for fixed route, the agency would be able to charge \$6 for paratransit. Mr. Macdonald stated Skagit Transit is one of three agencies in Washington State that does not charge a paratransit fare. Mr. O'Brien stated Mason Transit, Island Transit and Skagit Transit are the agencies not charging a fare for paratransit. Mr. O'Brien stated some transit agencies have different paratransit zones and riders that live in rural areas pay more than riders that live in urban areas and that could be something Skagit Transit could consider. Mr. Windler stated when Skagit Transit institutes a fare, staff anticipates a decrease in usage. Mr. Windler stated staff anticipates that adding a \$2 paratransit fare would equate to a 15% decrease in usage. Mr. Windler stated there would be reduced cost and additional revenue with a fare and staff is considering both of those factors.

Mr. Dahlstedt inquired as to when the last time the agency requested a sales tax increase and what the results were. Mr. O'Brien stated in 2008 the agency went from .2% to .4%. Mr. Dahlstedt stated the agency raised the fixed route fare rates and the vanpool rates and demonstrated that the agency was not just asking the public to pay more, but required the riders to step up and be more responsible for supporting the service they are using. Mr. O'Brien stated Skagit Transit went from \$.50 to \$1. Ms. Boudreau requested a visual representation of current funding sources and asked that it demonstrate when the grant funding will end. Mr. O'Brien stated the agency needs to consider the new MOA and the necessary expansion to be able to continue current service as well as accommodate growth. Mr. O'Brien stated when the light rail is established in Smokey Point providing 43 minute service to Seattle, there will be a large demand on Skagit Transit to provide frequent service to Smokey Point.

Mr. Wesen inquired how much of Skagit Transit's revenue was attributable to fares. Mr. O'Brien stated the agency has 6% recovery on fare boxes. Mr. Wesen shared his concern with asking the public for more funding when the agency is only collecting 6% of costs from the riders. Mr. O'Brien stated in the transit industry, 10% recovery on fares is considered great. Mr. O'Brien stated public transit doesn't pay for itself and is a highly subsidized market. Mr. O'Brien stated Community Transit and Olympia increased sales tax received to 1.2% which is above the .9% maximum because there is such a demand for service up and down I-5. Mr. O'Brien stated Pierce and Sound Transit are very concentrated on light rail in an effort to get more cars off the road and anticipate having service to Lynwood within three years. Mr. O'Brien stated these changes could bring the need for more park and rides. Mr. O'Brien stated Skagit Transit was pro-active when building the Chuckanut Park and Ride with 365 parking spaces, 362 parking spaces at the South Mount Vernon Park and Ride and 55 parking spaces at the Alger Park and Ride. Mr. O'Brien stated if there were a need for additional park and rides, the agency would look to the State for funding. Mr. O'Brien stated the state has considered adding a park and ride off I-5 at the Stanwood exit. Mr. O'Brien stated Skagit Transit has done its due diligence in providing ample park and ride facilities. Mr. O'Brien stated Skagit Transit maintains all of its park and rides in-house and that requires a lot of work. Mr. O'Brien stated the agency eliminated the need for a

contractor to save money. Mr. O'Brien stated the agency has looked into everything available to reduce the bottom line and has put in LED street lights at all the park and rides.

Mr. Dahlstedt stated staff needs to present the reduction of revenue that the agency will be facing as grants end. Mr. Dahlstedt stated the agency is not just considering revenue and costs, but is losing revenue sources and the agency will need to back-fill that lost funding. Mr. O'Brien stated the agency is not just asking for more money, but trying to keep the system going. Mr. O'Brien stated the agency's current grant cycle is paying for the mid-day service on the County Connector routes and that grant will cease in June of 2020 and staff needs to prepare for that. Mr. Wesen clarified that grant funding came from legislative action. Mr. O'Brien stated when the agency requests a grant, it is based on new service or an expansion of service but the grant funding always comes to an end. Mr. O'Brien stated Skagit Transit began service outside the county in 2006 and has been able to secure grants to help pay for the expansion all along. Mr. O'Brien stated the agency has reached the point where there is no service improvements that will fall under the parameters of seeking any additional grants.

Mr. O'Brien stated staff will work to present every bit of information related to all sources of funding and service. Mr. O'Brien stated staff wanted to make sure the Board was aware of the direction staff is working in and assure there would be no surprises. Mr. Dahlstedt stated the general public will first want to know what is expected of the riders. Mr. Dahlstedt stated as grant money is lost, riders should assume more of the burden. Mr. O'Brien stated the agency would like to phase these proposed changes in steps.

Mr. Wesen inquired if Uber or taxi service is available in the area to compare prices. Mr. Windler stated Ben Franklin Transit used a private taxi company to provide night and Sunday service. Mr. Windler stated the company that they were partnering with gave them less than 24 hour notice of closing down service. Mr. O'Brien stated augmenting service with private providers requires those companies to join the random drug pool which is required when operating a transportation service with government funding. Mr. Windler stated partnering with a private taxi company would require that company to purchase new vehicles that are stocked with equipment such as lifts as they would not be allowed to deny ADA rides. Mr. Macdonald stated there is a higher level of care required for paratransit riders. Mr. Macdonald stated Skagit Transit provides necessary training to employees that the average taxi driver would not have. Mr. Windler stated there are many barriers that make this option not viable, however staff has considered all the different perspectives before reaching that decision.

Mr. O'Brien stated staff will go to work to put together a plan with timelines. Mr. O'Brien stated staff feels the agency needs to move forward with asking for a fare increase and inquired if the Board was in support of that decision. Mr. O'Brien stated staff will put together a report of research and planning for a fare increase. Mr. O'Brien stated after a sales tax increase has been presented to the Board in a workshop, the information will be brought forth in a public meeting. Mr. O'Brien stated the agency wants to make sure there is good service on the road.

Mr. O'Brien stated Mr. Macdonald has done a great job with the safety, security and training. Mr. O'Brien stated 3 of the 17 concerns at the station have been handled and refresher training for the drivers is ahead of schedule.

Commissioner Ken Dahlstedt adjourned the meeting at 12:46 p.m.

Ken Dahlstedt, Chair
Skagit Transit Board of Directors

Attest:

Whitney Fernandes
Clerk of Skagit Transit