

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

Tuesday, November 22, 2022

The Skagit Transit Board of Directors met for a Special Meeting in Burlington, WA and via teleconference. Chair Commissioner Janicki called the meeting to order at 12:01 p.m. followed by the Pledge of Allegiance, roll call, and introductions.

Members Present

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

Members Present via Teleconference

Jill Boudreau, City of Mount Vernon, Mayor
Julia Johnson, City of Sedro Woolley, Mayor
Matt Miller, City of Anacortes, Mayor (Vice-Chair)
Judy Jones, Community Advisory Committee (Chair, non-voting member)

Members Absent:

Mark Hulst, City of Mount Vernon, Councilmember

Providing Legal Counsel:

None

Staff Present

Dale O'Brien, Executive Director
Chris Stamey, Manager of Finance & Administration
Greg Latham, Maintenance Manager
Mark Kennedy, Operations Manager
Joe Macdonald, Safety & Training Manager
Jennifer Davidson, HR Manager
Marcy Smith, Grants Coordinator
Brad Windler, Planning & Outreach Supervisor
Nicolas Bergman, IT Technician
Abby Bissel, Human Resources Generalist
Alan Brooks, Operations Supervisor
Les O'Neill, Operations Supervisor
Whitney Davis, Clerk to the Board

Staff Present via Teleconference:

Aggie Juarez, Facilities Manager
Jim Young, Operations Supervisor
Hailie Hotchkiss, Operations Supervisor
Jill Isaacson, Operations Supervisor
Melinda Hunter, Operations Supervisor
Jo-Ann Wynne, Contracts & Procurement Coordinator
Mika-Ela Bergman, Maintenance Support Technician

Members of Public Present

Bonnie Beddall

Members of the Public Present via Teleconference:

Mark Holcombe, Evergreen Solutions, LLC
Chris Jones, CAC

1 Public Comment:

Mr. Jones shared his support for the work being done and his appreciation for support from the Board. Mr. Jones also shared his desire to see individuals with disabilities represented in the agency. Lastly, Mr. Jones suggested staff look into a partnership with other organizations to coordinate addition training for drivers.

2 Consent / Action Items:

- a) Approval of October Meeting Minutes
 - b) Approval of Claims and Payroll
- | | |
|--|-----------|
| October Payroll Direct Deposit and Checks #17029 - 17037 | \$986,381 |
| October Direct Federal withholding transfer | \$181,814 |
| October Claims Checks and ACH #43341 - 43458..... | \$408,600 |

Mr. Wesen 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 October

Mr. Stamey read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,500,300 in sales tax in the month of October. Skagit Transit also received \$320,438 in Federal Operating grants. Mr. Stamey stated Capital expenditures included MOA-2 Construction Management Costs and noted the roof is close to completion. Fuel is currently \$245,249 over the budgeted amount, salaries and wages are trending at \$34,235 under budget and benefits are trending at \$25,043.72 under budget. Mr. Stamey stated he will prepare a budget amendment for the December meeting that will encompass fuel expenses and overtime expenses. The reserve account balance is \$21,087,516.

Mr. Wesen moved to approve the October Monthly Budget Update as presented. Ms. Johnson seconded the motion. The motion passed unanimously.

b) Public Transportation Agency Safety Plan

Mr. Macdonald read the report as presented in the agenda packet. Approval of this plan is an annual requirement, this year however additional requirements per the size of the agency require that the plan is developed in coordination with representatives of frontline employees, and must include strategies to minimize exposure of the public, personnel, and property to hazards and unsafe conditions, and must be consistent with guidelines of the CDC or a state health authority to minimize exposure to infectious diseases.

Ms. Janicki inquired if there was input received on the plan from the committee. Mr. Macdonald stated there were very few recommendations and suggestions from the committee. Most of the update was in regards to the exposure plan.

Mr. Wesen moved to approve the Public Transportation Agency Safety Plan. Mr. Browning seconded the motion. The motion passed unanimously.

c) Resolution 2022-13 Authorizing Approval of Procurement Policy Revision

Mr. Stamey read the report as presented in the agenda packet. State auditors suggested that Skagit Transit modify the procurement policy to clarify that Architectural and Engineering (A&E) services do not have a threshold.

Mr. Wesen inquired if this revision would affect any future or past decisions. Ms. Janicki confirmed that the revision was a request from the auditors for clarification by adding "no threshold" to the title. Mr. Stamey stated he did not think this would affect anything and he believes it was just a suggestion from the auditors.

Ms. Boudreau inquired if there was an electronic procurement option and stated the City of Mount Vernon recently transitioned to electronic procurement. Mr. Stamey stated he was unsure, but would look into that option.

Mr. Browning moved to approve Resolution 2022-13 authorizing approval of the procurement policy revision. Ms. Johnson seconded the motion. The motion passed unanimously.

d) Approval of New Community Advisory Committee Member

Mr. Windler read the report as presented in the agenda packet. The CAC is requesting approval to add a new member, John Norman.

Ms. Johnson shared her appreciation for the individual's willingness to volunteer and serve on the committee.

Ms. Johnson moved to approve the addition of a new Community Advisory Committee Member. Mr. Sexton seconded the motion. The motion passed unanimously.

e) Approve Design and Engineering of New Bus Stops

Mr. Windler read the report as presented in the agenda packet. Staff is looking to construct two new bus stops in locations that will require significant engineering support to be compliant with ADA standards. The bus stop locations will be at the Swinomish Casino and along Marketplace Drive in Burlington. Funding for this project was included in the 2022 budget.

Ms. Janicki inquired if the design of these stops was site-specific and if the design could be utilized in other locations as well. Mr. Windler explained the engineering for these bus stop locations was very site specific and concerns of jurisdiction, storm water management, pedestrian crossing concerns, utilities and the grade of the ground made the design and engineering of these stops very site-specific and would not allow the design to be used elsewhere.

Mr. Sexton clarified that the expense presented only included the engineering costs and noted the excessive expense for these projects. Mr. Sexton inquired how the cost for these projects was calculated. Mr. Windler explained that the former engineering firm provided the figure for the cost and explained that the grant for this project was structured so that any extra funding could support construction costs.

Mr. Wesen inquired who requested these stops be added. Mr. Windler explained that the request came from riders, suggestions from the Operations Department and the Swinomish Casino have requested these stops. Currently, the bus picks up in the parking lot at the Swinomish Casino and it is unsafe and depending on where cars are parked makes it difficult for the bus to get turned around. Mr. O'Brien added that the location jurisdiction requires engineering for the project. Mr. Windler also explained that he met with the Director of Community Development, and this was his recommendation as well. Mr. Wesen clarified that the entrance to the hotel has too small of a turning radius for the buses. Mr. O'Brien noted the Skagit Casino would not allow Skagit Transit to service near the door.

Mr. Sexton inquired if there was any planning or discussion with the Burlington School District regarding the location on Whitmarsh as school buses pick up and drop off students in that location as well. Mr. Windler stated he would contact them regarding the project.

Ms. Johnson moved to approve the design and engineering of new bus stops. Mr. Wesen seconded the motion. The motion passed unanimously.

f) Approve Purchase of One Service Truck

Mr. Latham read the report as presented in the agenda packet. Staff is requesting to purchase a replacement F450 truck for the Maintenance Department. Funds for this purchase were included in the 2022 budget.

Ms. Janicki inquired if there would be any additional expenses to add on any supplementary equipment that might be needed. Mr. Latham explained this price encompassed all the additional equipment necessary, including a 6,000-pound crane and the toolbox.

Mr. Wesen moved to approve the purchase of one service truck. Mr. Browning seconded the motion. The motion passed unanimously.

g) Evergreen Compensation Study Overview

Mark Holcombe presented an overview of the findings from the Evergreen Solutions, LLC. Compensation Study. Mr. Holcombe explained that cost of living was factored into comparisons from different areas and the average response rate was six matches per position. The study determined the average market differential was 15%-18% under market, after cost-of-living factors were considered.

Mr. Holcombe stated the recommendation of Evergreen Solutions included the adoption of an adjusted pay plan and to apply the market adjustment to employees to place them within their newly recommended pay grades and new scales to keep employee's market competitive.

Mr. Sexton noted the weight of the increases are weighted at the top end of the salary schedule. Mr. Holcombe explained the higher positions in the organizations were low comparatively, there was some variation of increases across the agency and some positions did receive larger increases, however most of the adjustments were in lower and mid-level employees. Mr. Holcombe stated they matched positions according to the market in the way that peer agencies are compensating.

Mr. Miller requested information on the overall budget impact and if that was calculated based on being fully staffed.

Mr. Stamey stated the cost of bringing employees to current step at market would cost \$1,539,003, which included FICA and Retirement. Mr. Stamey explained Skagit Transit has received two new, long-term operating grants. The first is a federal formula grant in the amount of \$5.4 million with a 50% match, the other state grant is in the amount of \$1.3 million with no match required. Mr. Stamey explained that would provide \$2.6 million in expense covered with grant funding. The federal grant starts in 2023 and is good for 16 years as a result of offering free youth ridership. Mr. Stamey stated there is stable operating funding to bring employees to market.

Mr. Stamey explained staff is requesting to implement the salary study December 1, 2022 so that employees will be able to see the result of the study, then the result of applying a modest cost-of-living increase in January 2023.

Ms. Boudreau requested clarification on the cost-of-living metric used to compare Pierce and Kitsap counties. Mr. Holcombe stated the cost-of-living information was determined by the Council for Community and Economic Research which is a national cost-of-living provider that determines the cost to purchase a variety of life expenses in a particular area.

Ms. Boudreau stated using 17 comparative agencies seemed like a very large pool. Mr. Holcombe explained some positions were transit specific, but other positions are competing with other markets in addition to those in the transit industry and noted there was an average of six matches per position.

Ms. Janicki noted Skagit County is also going through a compensation study currently, and the cost of living was a very large differential, so to normalize data Skagit County is also evaluating cost-of-living adjustments for the different regional areas.

Mr. Wesen inquired if the positions were all comparing 40-hour work weeks. Mr. Holcombe stated that data was considered and factored that into consideration.

Ms. Janicki noted the budget impact for 2023 but requested information on the budget impact for the December 1, 2022 implementation. Mr. Stamey stated he is going to present a budget amendment for fuel and overtime expenses and will include the \$108,000 impact for the December implementation of the compensation study.

Mr. Sexton noted there is not enough time to absorb the information presented. Ms. Boudreau reiterated the concern of how quickly this would be implemented without enough time to understand everything presented.

Ms. Janicki noted Coach Operators adjustment is roughly 40% and a large amount of this adjustment is due to the Operators being underpaid. Mr. Stamey stated Operators will see an increase of \$3 to \$5 per hour.

Mr. Wesen inquired if implementing the adjustment would affect the MOA-2 project. Mr. O'Brien clarified that grant funding would cover the compensation study. Mr. Stamey noted the grants are Operating grants and the MOA-2 is a capital project. Mr. Sexton noted this is a long-term concern and the Board needs to ensure these Operating funds will not be needed elsewhere down the road. Ms. Janicki noted her support for applying new money into employees, with the risk of losing employees with several options to go somewhere else.

Ms. Janicki noted other points of the report included information regarding benefits and retirement. Mr. Sexton clarified the 2023 preliminary budget included the expense of the wages proposed with the compensation study as well as the expenses included for the transition to Department of Retirement Systems.

Mr. Sexton noted his request for additional time to go over the results. Ms. Boudreau clarified that figures presented today are not projected to keep up with a new budget adopted January 1st and would be adjusted again January 1, 2023, to include a cost-of-living adjustment. Ms. Boudreau shared her preference to adopt all at one time with a January implementation. Mr. Miller echoed his desire to have more time to review this information and noted his understanding of the difficulty of approving the 2023 budget without know the compensation rates prior to the December meeting.

Mr. Reeves stated he has applied for and been offered three different transit jobs in the last month and noted Skagit Transit offers between \$4 - \$7 less per hour. Mr. Reeves also noted he saw several other Skagit Transit employees at the interviews.

Ms. Boudreau noted the Board's support for the retention bonuses and the big effort to let employees know they were appreciated with the intention of making a giant correction in January. Ms. Boudreau echoed her concerns regarding comparisons from Pierce and Kitsap counties. Mr. Holcombe demonstrated removal of the cost-of-living adjustment made approximately a 1% difference. Mr. Miller noted his appreciation for the demonstration and added caution that overtime expenses will still need to be included.

h) Approve Resolution 2022-14 Implementing Compensation Study Findings

Staff is requesting Board approval to implement the compensation schedule as presented and recommended by evergreen Solutions, LLC. Items of note included a review of current compensation policies, practices, and job descriptions and salary market survey and analysis. After reviews of market comparable peer agencies, Evergreen found Skagit Transit was 17-19% behind market and is recommending the adoption of a revised salary schedule as presented.

Mr. Wesen moved to approve the Resolution 2022-14 implementing compensation study findings. Ms. Janicki seconded the motion. The motion passed with Ms. Boudreau opposed.

i) Approve Amendment to Resolution 2022-09 for the Adoption of Department of Retirement Systems

Ms. Davidson read the report as presented in the agenda packet. This amendment includes a request for Board approval to allow Skagit Transit to share in the cost of purchasing previous service credits. Mr. Stamey added the budget impact would be up to \$380,000 over a period of five years if every employee decided to purchase all previous service credits and added that the expense would be eligible for reimbursement by grant funding.

Ms. Boudreau shared her support. Mr. Wesen inquired if this would be a one-time expense. Mr. Stamey clarified individuals have up to five years to purchase service credits and the maximum agency contribution would be \$380,000.

Ms. Boudreau moved to approve the amendment to Resolution 2022-09 for the adoption of Department of Retirement Systems. Mr. Sexton seconded the motion. The motion passed unanimously.

5 Community Advisory Committee Report

A report of the Community Advisory Committee (CAC) Meeting minutes was included in the agenda packet. Ms. Jones noted shared her appreciation for the approval of the new CAC member, noted the officer elections took place, shared the recruitment efforts for additional members which will include CAC members staffing a table at Skagit Station to help recruit members as well as work with Customer Service to assist passengers.

Mr. Stamey briefly noted highlights included in the 2023 Preliminary Budget that was provided to Board members.

Commissioner Janicki adjourned the meeting at 1:41 p.m.

Attest:

Lisa Janicki, Chair Skagit Transit Board of Directors

Whitney Davis, Clerk of Skagit Transit Board