

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

Wednesday, December 18, 2019

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

**Members Present:**

Laurie Gere, City of Anacortes, Mayor (Chair)  
Kenneth Dahlstedt, Skagit County Commissioner (V. Chair)  
Lisa Janicki, Skagit County Commissioner  
Ron Wesen, Skagit County Commissioner  
Julia Johnson, City of Sedro Woolley, Mayor  
Steve Sexton, City of Burlington, Mayor  
Rick DeGloria, City of Burlington, Councilmember  
Erin Moberg, City of Mount Vernon, Councilmember  
Soren Jensen, Labor Representative (non-voting member)

**Staff Present**

Dale O'Brien, Executive Director  
Arden Flores, Manager of Finance & Admin  
Allan Schaner, Maintenance/Facilities Manager  
Mark Kennedy, Operations Manager  
Tiffany Guwin, Administrative Supervisor  
Whitney Davis, Clerk to the Board

**Members Absent:**

Jill Boudreau, City of Mount Vernon, Mayor

**Members of Public:**

None

**Providing Legal Counsel:**

None

**I Public Comment:**

None.

**II Consent / Action Items:**

- a) Approval of November Meeting Minutes
- b) Approval of November Workshop Minutes
- c) Approval of Claims and Payroll

November Payroll Direct Deposit and Checks #16361 – 16371 .....	\$765,252
November Direct Federal withholding transfer .....	\$161,992
November Claims Checks and ACH #38219 - #38371 .....	\$238,688

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

**III Full Discussion/Action Items:**

- a) Monthly Budget Update for November 2019

Mr. Flores read the Budget Update as presented in the agenda packet. Items of note include Skagit Transit received \$1,090,556 in sales tax revenue for the month of November, Skagit Transit did not receive any State or Federal Grant reimbursements and the total reserve account balance is \$6,270,494.

**Mr. Wesen moved to approve the November Monthly Budget Update. Ms. Johnson seconded the motion. The motion passed unanimously.**

b) Approve Resolution 2019-11 Authorizing the Surplus of Equipment

Mr. Schaner read the report as presented in the agenda packet. Items of note included seven vehicles that have met their useful life benchmark and are now considered surplus. They will be prepared for sale through auction.

**Ms. Johnson moved to approve Resolution 2019-11 Authorizing the Surplus of Equipment. Mr. Dahlstedt seconded the motion. The motion passed unanimously.**

c) Approve Resolution 2019-12 Appointing the Current Manager of Finance and Administration as the Equal Employment Opportunity (EEO) Program and Title VI Program Officer for Skagit Transit

Mr. O'Brien read the report as presented in the agenda packet. Mr. O'Brien stated Skagit Transit is an Equal Opportunity Employer and complies with Title VI of the Civil Rights Act of 1964. The responsibility for implementation and compliance were assigned to the previous Manager of Finance and Administration. This resolution authorizes the current manager to assume those duties and responsibilities.

**Mr. Dahlstedt moved to approve Resolution 2019-12 Appointing the Current Manager of Finance and Administration as the Equal Employment Opportunity (EEO) Program and Title VI Program Officer for Skagit Transit. Ms. Moberg seconded the motion. The motion passed unanimously.**

d) Approve Resolution 2019-13 Appointing a Trustee for 401(a) and 457 Plans

Mr. O'Brien read the report as presented in the agenda packet. Mr. O'Brien stated Skagit Transit provides its employees with a Governmental Defined Contribution Plan 401(a) and 457 Plan through Empower Retirement. The plan requires appointing a trustee and authorized signer. This resolution will transfer those duties and responsibilities to the current Manager of Finance and Administration from the former.

**Mr. Wesen moved to approve Resolution 2019-13 Appointing a Trustee for 401(a) and 457 Plans. Ms. Johnson seconded the motion. The motion passed unanimously.**

e) Approve Resolution 2019-14 Fiscal Year 2020 Budget

Mr. Flores stated the 2020 Draft Budget was presented to the Board in November. Mr. Flores read the report as presented in the agenda packet.

Mr. Flores stated revenue highlights include \$12,748,147 expected from sales tax revenues, a \$200,000 increase in fare revenues due to an approved 2019 fare increase and first year collections of Paratransit fares and \$10 million in State, Federal and local grant revenues. Expense highlights include five new full time employees, replacement of nine buses, six Paratransit vehicles and phase one of construction on the new Maintenance, Operations and Administration (MOA) building.

Mr. Flores stated changes from the original proposed budget include the removal of State Grant revenues in the amount of \$244,200 from the State Vanpool Investment Program, removal of the purchase of 10 vans for the Vanpool program in the amount of \$309,906 and a 2% cost of living increase for all non-represented employees in the amount of \$95,410.

Ms. Janicki requested clarification on the change in sales tax for the amount budgeted vs the amount forecasted. Mr. Flores clarified that the 3% increase is in comparison to the 2019 budgeted amount and is a decrease over the actual collections. Ms. Janicki stated it is more relevant for managing bodies to look at what the next year's budget is in comparison to figures at the end of the year.

Mr. Sexton stated he has concerns regarding the budget including sales tax revenues plateauing, the effects of I-976 which will eliminate grant funding, the budget is predicting an increase in ridership even though it is going to trend downward especially with the increased fare prices and his biggest concern is adding five full time employees (FTE) while facing a lot of unknowns. Mr. Sexton stated Skagit Transit has spent down the reserve accounts by \$2.4 million in 2019 and anticipates spending an additional \$1.9 million in reserves in 2020 which means in two years, Skagit Transit will have spent half of the reserves and the balance will diminish from \$8.7 million down to \$4.3 million. Mr. Sexton stated this is not a sustainable trend and with the future outlook on revenues being unclear, now does not seem like the time to add five new full time employees.

Mr. O'Brien explained the request for two FTE's are a result of no longer using the Skagit County Jail inmates to help clean the vehicles due to issues with theft. The Facilities Technician position request is a result of eliminating the contract with the landscape company as the work being done was not of acceptable standards and this work has been taken in-house creating a larger workload for the Facilities department. The Lead Security position at Skagit Station is due to safety issues that have been happening on the weekend when the regular Security Supervisor is off and the development of new businesses across the street bringing additional activity requiring a higher level of security. Lastly the request for a Lead Mechanic position is to help oversee weekend production, provide administrative assistance as well as provide hands-on training and assistance as needed.

Mr. Sexton stated he prefers to find a new contractor for the landscaping duties as hiring a new employee is a long term decision in uncertain financial times. Mr. Sexton inquired if this was something that could be done with current staffing levels. Mr. O'Brien stated Skagit Transit is currently using temporary employees from Express Personnel to help get the work down. Mr. Schaner stated it would cost more to contract out a new vendor due to the amount of work required by that position. The Facilities Technician also maintains stops across the entire service area and works on all Skagit Transit facilities. Mr. Schaner stated the shop staff has gone over 900,000 miles since 2015 without increasing staff. Mr. Schaner stated with the increase in mileage and vehicles, staff is overwhelmed with work and there is concern that service gets overlooked.

**Mr. Dahlstedt moved to approve Resolution 2019-14 Approving the Fiscal Year 2020 Budget. Ms. Moberg seconded the motion. The motion passed with Mr. Sexton opposed.**

#### **IV Community Advisory Committee Report**

Mr. O'Brien stated the Community Advisory Committee (CAC) met in December and elected new officers. Chris Jones is the new Chair, Judy Jones is the new Vice-Chair and Joe Kunzler is the Special Project Coordinator. The CAC has invited Heidi Wills will speak with them in March regarding work she has done with the University of Washington and the U-Pass as well as the promotion of youth transit passes in Seattle. She will discuss the positive impacts that these promotions have had on transit as well as how their efforts were achieved.

Mr. O'Brien stated the CAC will also assist staff with the testing of the new touch pass system in January. Members of the CAC will ride Skagit Transit buses throughout the County and report back on any problems or concerns that they encounter.

#### **V Executive Directors Report**

Mr. O'Brien stated that Skagit Transit was very fortunate with the effects of I-976. \$3.4 million was at risk, however Skagit Transit had five out of nine Fixed Route coaches under contract so the funding for them is secure. Mr. O'Brien shared that six Paratransit buses and the IVR system that calls Paratransit clients and texts them the night before to remind them of their ride were also covered with secured funds. Skagit Transit was also awarded the Special Needs Formula funding. The Vanpool program funds were cut and expansion vans will not likely be purchased in 2020. Staff was also notified that Skagit Transit was unsuccessful in receiving FTA 5339 funds in the amount of \$10 million for the new MOA. Mr. O'Brien

stated Skagit Transit has the funding to complete phase I of the project and is obligated to spend that money in 2020 and staff will continue to pursue grants in the future.

Mr. O'Brien shared nationwide there were 318 projects that applied for the 5339 grant, 188 of those were picked as highly recommended – of which Skagit Transit was included. 94 projects were funded. 45% of the money went to large urban systems, 27% went to small urban systems and 28% went to rural systems.

Mr. O'Brien stated in a debriefing, the individual responsible for the scoring of the grant program stated Skagit Transit was very close to getting the funds however combining phase II and Phase III made the request larger and had the request for funding been separated the money would have been awarded.

Mr. O'Brien stated he met with Commissioner Dahlstedt and Congressman Rick Larsen last week and asked if there would be a continuing resolution for the transportation bill. Congressman Larsen stated they would pass the transportation bill and there should be some information coming in the next few weeks as to how much money will be obligated out to transportation. Mr. O'Brien stated if that is the case, there will be a new grant program that staff can pursue additional grant funding from.

Mr. O'Brien stated staff is currently negotiating phase I of the construction for the new MOA with the contractor and their quote came back higher than anticipated so staff is meeting with them to negotiate the price. February would be the earliest that staff would go out to bid for construction of phase I with work starting in April.

Mr. Sexton stated five of the nine Fixed Route coaches were under contract so the agency is receiving funding for those, and inquired what the plan was for funding the remaining four coaches. Mr. O'Brien stated Skagit Transit signed a contract with Gillig and is obligated to order those remaining buses or pay a fine. Mr. O'Brien stated the funding for that was included in the 2019 budget. Mr. Flores clarified that five of the buses were state funded which staff was concerned of losing funding for and the other four are federally funded.

**VI Information Items:**

None.

**VII Unfinished Business:**

None.

**VIII New Business:**

Election of Vice Chair

Ms. Gere informed the Board her term as Chair ends on December 31, 2019 and stated Commissioner Dahlstedt will become the new Chair. Ms. Gere requested nominations for Vice Chair for 2020.

**Mr. Sexton nominated Ms. Boudreau. Ms. Janicki seconded the nomination. The motion passed unanimously.**

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

**Mayor Gere adjourned the meeting at 1:29 p.m.**

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Mayor Laurie Gere, Chair  
Skagit Transit Board of Directors

Attest:

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Whitney Davis,  
Clerk of Skagit Transit Board