

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

Wednesday, March 20, 2019

The Skagit Transit Board of Directors met in regular session in Anacortes, WA. Chair Gere called the meeting to order at 1:02 p.m. followed by the Pledge of Allegiance, Roll Call, and Introductions.

Members Present:

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

Staff Present

Dale O'Brien, Executive Director
Motoko Pleasant, Manager of Finance & Admin
Allan Schaner, Maintenance/Facilities Manager
Mark Kennedy, Operations Manager
Brad Windler, Planning and Outreach Supervisor
Whitney Davis, Clerk to the Board
Tiffany Guwin, Accounting Supervisor

Members Absent:

None

Members of Public:

Tom Wooten – Samish Tribe Chairman

Providing Legal Counsel:

None

I Public Comment:

None.

II Consent / Action Items:

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

January Payroll Direct Deposit and Checks #16076 – 16087	\$843,398.72
January Direct Federal withholding transfer	\$158,634.86
January Claims Checks and ACH #36586- #36792	\$853,148.96
February Payroll Direct Deposit and Checks #16088 – 16101	\$723,057.04
February Direct Federal withholding transfer	\$162,091.81
February Claims Checks and ACH #36767- #36949	\$433,751.61

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

III Full Discussion/Action Items:

- a) Monthly Budget Update for January and February 2019

Ms. Pleasant stated in January, Skagit Transit received \$1,061,063 in sales tax revenue, which is a 12.9% or \$120,913 increase over last year with a year to date increase of the same. Ms. Pleasant stated in February, Skagit Transit received \$1,199,658 in sales tax revenue which compares with \$1,164,381 in February of 2018. Ms. Pleasant stated this is a 3.3% or \$35,277 increase over last year and a 7.42% or

\$156,191 year to date increase. Ms. Pleasant stated Skagit Transit also received \$245,000 insurance recovery from WSTIP and \$ 129,071 State and Federal grant reimbursement.

Ms. Pleasant stated expenses included American Eagle ADA compliance work, annual software renewal and Trip Spark-Pass Health Check, ice melt and WSTA membership dues. Ms. Pleasant stated capital expenses included design and engineering for the new MOA building, Mobile Wireless vehicle lift, Simme Seats for bus stops and a portable propane evacuation system. Ms Pleasant stated fuels are currently under budget and all other expenses were as expected.

Ms. Pleasant stated the reserve account balance at the end of February were Operating: \$2,172,921, Facilities: \$400,000, Capital Replacement: \$4,019,658, Non-Designated: \$2,247,186. Ms. Pleasant stated the total reserve account balance is \$8,839,765.

Mr. Wesen inquired why Skagit Transit received an insurance recovery and what it was in regards to. Mr. O'Brien stated one of the 40 foot Gillig buses was hit in a head-on accident on Chuckanut Drive and was totaled. Mr. Wesen asked if the insurance of the individual who hit the bus paid the recovery. Mr. O'Brien stated the reimbursement funds were received from WSTIP as the driver was not insured.

Mr. Dahlstedt moved to approve the Monthly Budget Update for January and February. Ms. Janicki seconded the motion. The motion passed unanimously.

b) Approve Purchase of Six (6) 15 Passenger Vanpool Vans

Mr. Schaner stated Skagit Transits' 2019 budget provides for the purchase of six (6) 15 passenger replacement vanpool vans and the FTA 2018 PSRC UZA 5307 grant will provide for 80% of the funds and Skagit Transit will match 20% local funds to cover all cost.

Mr. Schaner stated Skagit Transit maintains a Master Contracts Usage Agreement (MCUA) with the State Department of Enterprise Services (DES) in order to utilize their competitively let contracts for various items and services, in accordance to State and federal procurement regulations. Mr. Schaner stated this is the preferred method for public agencies procuring property and services as it alleviates the redundancy and cost of the public body conducting its own competitive process for the same items or services, and the State can offer more economical pricing through its multiple awards and expanded purchasing power.

Mr. Schaner stated DES State Contract #05916 is available for the purchase of 15 Passenger vans from Columbia Ford, located in Longview, WA.

Mr. Schaner stated six 15 passenger vans costing \$37,712.33 each would total \$226,274.00 and signage for six vans costing \$1,626.85 each would total \$9,761.10 bringing the total purchase price to \$236,035.10. Mr. Schaner stated \$188,828.08 would be grant funds and \$47,207.02 would come from local funds. Mr. Schaner noted rideshare vehicles are tax exempt per RCW 82.08.0287.

Ms. Boudreau moved to approve the Purchase of Six (6) 15 Passenger Vanpool Vans. Mr. DeGloria seconded the motion. The motion passed unanimously.

IV Community Advisory Committee Report

Mr. O'Brien stated Mark Kennedy, the Operations Manager, and himself attended the March 12th CAC meeting. Mr. O'Brien stated that Mr. Kennedy presented a recap of winter service during the snow storms and reported Skagit Transit had no service cancellations, no accidents and no injuries. Mr. O'Brien stated all departments did a fantastic job working together to deal with the challenges of the snow. Mr. O'Brien stated that typically with snow, staff is required to run chains on the buses which frequently cause damage to the vehicles, however no damage occurred during this storm season.

Mr. O'Brien stated the remainder of the meeting was an open discussion on topics staff has brought to the Board regarding electronic fare collection, initiating fares on the paratransit service and changes to fixed route fares. Mr. O'Brien stated the CAC would like to be involved with the public meetings to discuss these changes.

Mr. Wesen inquired if the CAC members had any initial feedback regarding the fare increases. Mr. O'Brien stated it was very well received. Mr. O'Brien stated staff anticipated the committee members would have concern about putting a fare box on Paratransit however they were all supportive of moving forward with the proposed changes.

V Executive Directors Report

Mr. O'Brien stated the contractors with TCF Architecture have finished the final design documents and will present them to staff in the coming week. Mr. O'Brien stated the next step will be to work on construction documents. Mr. O'Brien stated staff is working to secure funding in the future and will bring any details to the Board for approval. Mr. O'Brien stated Skagit Transit's lobbyist in Olympia suggested obtaining a lobbyist in DC to help the agency secure funding for this project.

VI Information Items:

Mr. Windler stated Skagit Transit staff has previously mentioned the need for an increase in fares to generate revenue to support the agency's operations and Skagit Transit staff will be conducting public outreach to gather public feedback about a proposed fare increase. Mr. Windler stated staff has an initial proposal included in this informational item to inform the board of what will be included in the public meetings. Mr. Windler stated this initial proposal is subject to modification based upon the feedback received during the public outreach process and staff will present a final proposal for a fare increase at the June Board of Director's Meeting and ask that the board open a public comment period.

Mr. Windler stated at the July Board of Director's meeting, staff will ask the board to take action on the final proposal and that action may be to approve, decline, or modify and then approve that final fare proposal. Mr. Windler stated staff is not asking the board to take any action at this time.

Mr. Windler stated the public outreach process will involve multiple public meetings at various dates, times, and locations and all meetings will be advertised in advance. Mr. Windler stated there will also be the opportunity to review the proposal online and written comments will be taken in person and through our website.

Mr. Windler stated fare increases are being recommended for all of the various modes the agency operates and the initial proposal by mode. Mr. Windler stated staff recommends a 13 percent increase for vanpools in minivans and an 11 percent increase for vanpools in full size vans. Mr. Windler stated staff would like to introduce a fare of \$2 per trip on paratransit and introduce a multi-ride punch card at \$2 per trip included on the punch card. Mr. Windler stated there will be no passes for the paratransit service. Mr. Windler stated a fixed route single ride cash fare would remain \$1 for adults but free transfers would be eliminated. Mr. Windler stated local day passes would increase to \$3 for adults, local 31 day passes would increase to \$30 for adults and reduced fares would be half the amounts listed above. Mr. Windler stated County Connector fares would remain at current levels.

Mr. Windler stated Vanpool would generate an estimated \$55,800 annually, Paratransit would generate an estimated \$130,000 annually and Fixed Route would generate an estimated \$200,000 annually.

Mr. O'Brien stated with Board approval, staff would like to ask that Paratransit clients be given a minimum of 6 months of free ridership on Fixed Route to learn how to ride the Fixed Route service and help reduce costs for the Paratransit service.

Ms. Janicki stated her recollection was the cost recovery of the Vanpool program was relatively high and asked what drives the 11% and 13% increase in fares, and what the actual cost of operating a Vanpool is. Mr. Windler stated the cost varies by distance travelled and is split between all the riders. Mr. Windler stated it could cost \$600 a month, but if you have 7 riders, each person's share would be less than \$90 each for a monthly commute. Mr. Windler stated this is what makes Vanpool such an affordable option,

because no one can commute for \$90 per month. Mr. Windler stated 2008 was the last time Skagit Transit had a fare increase for the Vanpool program. Mr. Windler stated the costs for insurance, maintenance and labor costs for maintaining the fleet have increased over time. Mr. Windler stated the increase is needed so that Skagit Transit can add maintenance staff and maintain a high recovery ratio.

Ms. Janicki stated it would be nice for the Board to see what the actual costs are and what the cost recovery is through the 2008 rates and what the difference would be with the proposed increases. Ms. Janicki stated Vanpool is like a mini enterprise within a broader system. Ms. Janicki stated Board members should be able to verbalize the policies of the transit system. Mr. Windler asked if Ms. Janicki would like staff to distribute information on the Vanpool cost recovery. Mr. O'Brien stated staff can do a break-down of the costs from the flat fee per month with considerations to how many people are in each van to determine what the cost would be. Ms. Janicki stated she would like to be able to articulate what the cost recovery is from fares for Fixed Route, Paratransit and Vanpool. Mr. O'Brien stated the demand on Skagit Transit's Vanpool program has grown as Whatcom Transit has reduced their Vanpool program significantly. Mr. Wesen inquired why Whatcom Transit reduced their Vanpool program. Mr. O'Brien stated he's not sure entirely why WTA reduced their Vanpool, however he does know their program coordinator retired.

VII Unfinished Business:

None.

VIII New Business:

Election of Vice Chair

Ms. Gere stated the Board will need to elect a new Vice Chair. Ms. Gere requested nominations for Vice Chair for 2019. Mr. Dahlstedt stated he would be willing to be Vice Chair.

Mr. DeGloria nominated Mr. Dahlstedt. Mr. Dahlstedt accepted the nomination. 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 1:22 p.m.

Mayor Laurie Gere, Chair
Skagit Transit Board of Directors

Attest:

Whitney Davis,
Clerk of Skagit Transit Board