

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

Wednesday April 21, 2021

The Skagit Transit Board of Directors met in regular session via teleconference. Chair Boudreau called the meeting to order at 1:00 p.m. followed by the Pledge of Allegiance, roll call, and introductions.

Members Present

Marge Root, Labor Representative (non-voting member)

Members Present via Teleconference

Peter Browning, Skagit County Commissioner
Ron Wesen, Skagit County Commissioner
Lisa Janicki, Skagit County Commissioner (Vice Chair)
Jill Boudreau, City of Mount Vernon, Mayor (Chair)
Steve Sexton, City of Burlington, Mayor
Laurie Gere, City of Anacortes, Mayor
Judy Jones, Community Advisory Committee Chair (non-voting member)

Members Absent:

Julia Johnson, City of Sedro Woolley, Mayor
Mark Hulst, City of Mount Vernon, Councilmember
Chris Loving, City of Burlington, Councilmember

Staff Present

Dale O'Brien, Executive Director
Arden Flores, Manager of Finance & Administration
Whitney Davis, Clerk to the Board

Staff Present via Teleconference:

Members of Public via Teleconference:

Brandon Stone, Skagit Valley Herald
Katie Bunge, SCOG
Joe Kunzler, CAC
Pam Carlson, SCOG

Providing Legal Counsel:

None

1 Public Comment:

None

2 Consent / Action Items:

- a) Approval of March Meeting Minutes
 - b) Approval of Claims and Payroll
- | | |
|--|-----------|
| March Payroll Direct Deposit and Checks #16560 – 16570 | \$735,457 |
| March Direct Federal withholding transfer | \$145,260 |
| March Claims Checks and ACH #40330 – 40497 | \$426,991 |

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

3 Full Discussion/Action Items:

- a) Monthly Budget Update Report for March

Mr. Flores read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,028,007 in sales tax in the month of March, as well as \$14,376 in state grants and \$60,776 in federal grants. Capital expenditures included email messaging system software upgrades and HVAC and generator upgrades. The reserve account balance is \$10,928,925. Mr. Flores noted that the March 2020 reserve accounts were low because the Board agreed to borrow \$3 million from reserves to pre-pay for the purchase of nine buses.

Mr. Wesen inquired about the HVAC and generator purchase for Chuckanut Park and Ride noting he didn't think there was a room there. Mr. O'Brien clarified there are two restrooms, a mechanical room and a server room for computer backup and camera system operations that require the purchase of the generator.

Mr. Browning moved to approve the March Monthly Budget Update. Ms. Gere seconded the motion. The motion passed unanimously.

b) Award of Corona Response and Relief Support Appropriations Act Funds

Mr. O'Brien read the report as presented in the agenda packet. Items of note include Skagit Transit is the recipient of \$3,785,187 in FTA section 5307 funding apportioned to the Mount Vernon UZA from the Coronavirus Response and Relief Support Appropriations Act of 2021. Skagit Transit is also the recipient of \$7,347,458 FTA section 5307 funding from the American Rescue Plan Act of 2021.

The funding is provided at a 100-percent federal share, with no local match required. Skagit Transit will apply the funds to operating expenditures in accordance with the program requirements. Included are operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency.

Mr. Sexton expressed his disagreement regarding accepting this funding stating it is not necessary and accepting it would only encourage more irresponsible spending in Congress. Mr. Sexton confirmed that Skagit Transit would be receiving approximately \$18 million overall, equivalent to one and a half years of expected sales tax revenue. Mr. Sexton stated declining this money would send a message that law makers should think twice before passing large spending packages.

Mr. Wesen inquired if there were expenses to cover the funding. Mr. O'Brien stated staff has been using funds to cover operating costs, keeping employees paid, personal protective equipment and allowing the use of local funds to cover the expenses of construction moving forward.

Ms. Boudreau inquired about the reporting that is required on the expenditures and if the funding can be used on the MOA construction. Mr. Flores stated the FTA clarified that funding can be used for operations and staff has charged payroll for what would have otherwise used sales tax. That sales tax has been added to the reserves since for several years Skagit Transit has been unsuccessful in securing grant funding to pay for the building of MOA-2. Mr. Sexton clarified that these funds will be used to make up for grant funds that the agency has not been awarded.

Ms. Boudreau stated she shares his concerns regarding funding to industries that have weathered the pandemic better than anticipated, however the need of the MOA would require staff to apply for grants in other avenues of funding competing with larger entities. The fact that these funds can benefit the community without creating local debt to obtain something that is needed and has been planned for carefully. Ms. Boudreau stated she does not think returning this funding would make an impact and to use it as wisely as possible is best. Mr. Sexton stated these funds should be used for something critical to the COVID response.

Ms. Gere stated this is not sustainable long-term, however today's vote is not going to make a difference in the big picture. Ms. Gere stated it's a national problem for generations to come, but the work with the transit industry is important and asked how many years will the agency go without what is needed and what has been carefully planned.

Ms. Janicki stated she agreed that this is an important decision and acknowledge the funding put into transit. Investment into transit and better opportunities for the underserved members of the community is important and shared feedback she's received requesting more service on the road. Ms. Janicki stated it is incumbent upon the board to make an investment that will support the community well into the future and this is the funding mechanism that allows the construction of the MOA to provide the efficiency and expansion into one location. Ms. Janicki stated if these funds are accepted, she is not sure why more federal funding would need to be requested. The certainty of this funding will allow for the body of the work to be done that has been long planned. Ms. Janicki inquired if this funding was previously budgeted or is the allocation on top of everything previously budgeted. Mr. Flores clarified this funding is in addition to what was budgeted. Ms. Janicki stated there is always a moral imperative and this funding would be helping the underserved populations in the county with a reliable, expanded transit system. Ms. Janicki shared her support of accepting the funding.

Mr. Wesen inquired if this funding was coming directly to the agency or if it was routed through the state first. Mr. Wesen stated he agrees with Mr. Sexton, however the problem with not accepting these funds lies in the fact that the citizens of the county will be taxed on the money regardless.

Mr. Browning shared his agreement with Mr. Sexton but stated attempting to make a statement by not accepting these funds should be planned so that it would make an impact. This will fund something that will serve a good purpose in the community.

Ms. Boudreau clarified that by accepting this funding, the intention would be to use it for outlying needs to cover expenses but also allowed use to put towards the final funding to complete the MOA construction. Mr. O'Brien stated the agency purchased the additional land for the new MOA in 2015 as staff has far exceeded capacity at the current location, and now staff is able to complete this work without asking for a sales tax increase. If Skagit Transit asked for a sales tax increase, the expectation would be service on the road, not building construction.

Ms. Boudreau stated she supports accepting the funding as it is for a capital investment that will allow the agency to continue serving by completing a project that has been planned for years. Ms. Boudreau stated this is a need to move forward and staff would be requesting funding from the federal government one way or another. It is a broader discussion to have with the elected delegation in the federal government to express concern regarding further spending, as this spending has already been allocated by Congress.

Ms. Janicki moved to approve the Corona Response and Relief Support Appropriations Act Funds. Ms. Gere seconded the motion. The motion passed with Mr. Sexton opposed.

c) 2020 FTA Section 5339 Bus and Bus Facilities Grant Funds Award

Mr. O'Brien read the report as presented in the agenda packet. Items note include Skagit Transit received \$116,891 through Federal Fiscal Year 2020 FTA Section 5339 Bus and Bus Facilities funds passed through Washington State DOT to assist in funding reflective braille bus stops and passenger portal scheduling software.

Mr. O'Brien explained \$40,000 would be used for the purchase of the Braille embossed bus stop signs which will enable sight impaired individuals to recognize the stop. The reflective sign can be spun to draw the transit operator's attention to the waiting passenger. \$68,000 will be used for the purchase of the Passenger Portal Scheduling Software which will work in tandem with existing scheduling software. This will allow clients 24/7 access to schedule their rides as well as verify scheduled ride times and destinations.

Mr. O'Brien explained the projects will be added to future annual budgets and the funding source requires the local agency to provide 20% of the project funds. The Braille bus stops signs will include \$10,000 local funds and \$40,000 federal for a total project cost of \$50,000. The Passenger Portal Scheduling Software will include \$17,000 local funds and \$68,000 federal for a total project cost of \$85,000.

Ms. Gere moved to approve the FTA Section 5339 Bus and Bus Facilities Grant Funds Award. Mr. Browning seconded the motion. The motion passed unanimously.

4 Community Advisory Committee Report

Ms. Jones greeted the Board and expressed her gratitude for the braille bus stop signs as a blind rider. The next meeting will be May 11th at 4:30 and invited the Board to attend via Zoom. The committee has decided to continue meeting throughout the summer.

Ms. Jones stated Ms. Zivarts presented information on the Disability Mobility Initiative which aims to procure sustainable funding for statewide mass transit at the April meeting.

6 Executive Directors Report

Mr. O'Brien stated the bid opening for the phase 1 construction will be held on May 4th and that will be brought to the Board at the May 19th meeting.

Staff is continuing to provide transportation of home food delivery in partnership with the Helping Hands Food Bank on Friday's. Staff is hoping to continue this as long as possible and is using relief money to help fund this community service.

Mr. O'Brien shared the sad news that Skagit Transit lost an employee to the COVID-19 virus.

Mayor Boudreau adjourned the meeting at 1:36 p.m.

Attest:

Mayor Jill Boudreau, Chair Skagit Transit Board of Directors

Whitney Davis, Clerk of Skagit Transit Board