

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

Wednesday May 20, 2020

The Skagit Transit Board of Directors met in regular session via teleconference in Burlington, WA. Chair Dahlstedt called the meeting to order at 1:04 p.m. followed by Roll Call, and Introductions.

**Members Present:**

Kenneth Dahlstedt, Skagit County Commissioner (Chair)  
Soren Jensen, Labor Representative (non-voting member)

**Members Present via Teleconference:**

Jill Boudreau, City of Mount Vernon, Mayor (Vice Chair)  
Laurie Gere, City of Anacortes, Mayor  
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

**Members Absent:**

Mark Hulst, City of Mount Vernon, Councilmember

**Staff Present**

Dale O'Brien, Executive Director  
Arden Flores, Manager of Finance & Admin  
Allan Schaner, Maintenance/Facilities Manager  
Chris Chidley, IT Manager  
Whitney Davis, Clerk to the Board

**Members of Public via Teleconference:**

Joe Kunzler  
Katie Bunge, SCOG

**Providing Legal Counsel:**

None

**I Public Comment:**

Mr. Kunzler requested a ballot measure in the fall to protect Skagit Transit from harmful cuts due to the COVID-19 economic recession. Mr. Kunzler suggested a sales tax increase of \$3 per \$1,000 spent in Skagit County. Mr. Kunzler recalled 2008 was the last time Skagit Transit received a sales tax increase which saved the agency from cuts during that recession.

**II Consent / Action Items:**

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

April Payroll Direct Deposit and Checks #16418 – 16433 .....	\$884,139
April Direct Federal withholding transfer .....	\$150,410
April Claims Checks and ACH #38985- #39170 .....	\$292,229

**Mr. Wesen 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 Report for April

Mr. Flores read the Budget Update as presented in the agenda packet. Items of note include Skagit Transit received \$834,303 in sales tax revenue for the month of April as well as \$262,347 in federal grant reimbursements. Notable expenses included \$17,264 for design services for a Sedro Woolley food bank pullout and \$77,849 for TouchPass readers on the Paratransit fleet. The current reserve account balance is \$4,920,728.

Mr. Flores reminded the Board that during the February 2020 meeting, the Board approved a \$4.3 million transfer from the reserves which included a temporary transfer of \$3 million to pay for the nine (9) Buses received in March 2020. The grant requests for reimbursements have already been sent to the grantors

and the \$3 million will be replenished upon receipt of the grant payments. After replenishment the reserve accounts are expected to total \$4,920,728.00.

Mr. Sexton inquired what the budgeted sales tax increase was for 2020 over the prior year. Mr. Flores stated staff budgeted 3% increase over the prior year actuals. Mr. Sexton requested to see the 2020 budget in comparison to the 2019 collections. Mr. Flores stated he would send the comparison to Board members later in the week as he continues to check sales tax collections. Mr. Dahlstedt stated he hopes next month will better show potential forecasting based on actual revenue.

**Ms. Janicki moved to approve the April Monthly Budget Update. Ms. Gere seconded the motion. The motion passed unanimously.**

b) Fiscal Year 2020 CARES Act Supplemental Public Transportation Apportionment – Federal Transit Administration Section 5307 Funding Program

Mr. O'Brien read the report as presented in the agenda packet. Notable information included Skagit Transit received \$5,882,521 of FTA Section 5307 funding apportioned to the Mount Vernon UZA and \$1,114,290 apportionment from the Seattle UZA to support operating expenditures to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency.

Mr. Wesen inquired if the funds received would be enough to cover costs. Mr. O'Brien stated staff has been very frugal with funding and following all requirements and has had two drawdowns for \$2.5 million out of the \$7.2 million total.

Mr. Dahlstedt suggested staff show how the revenue is coming in and its potential use as this will have an impact on the budget with accounting for sales tax as well as backfill. Mr. Flores stated at the end of the month when the March collections are received, it will give a clear picture of what the finances for the rest of the year will look like and make sure the funds received is adequate.

**Ms. Johnson moved to approve Fiscal Year 2020 CARES Act Supplemental Public Transportation Apportionment – Federal Transit Administration Section 5307 Funding Program. Ms. Gere seconded the motion. The motion passed unanimously.**

c) Federal Section 5307 and 5339 Grant Apportionments

Mr. Flores read the report as presented in the agenda packet. Items of note include the Federal Transit Administration apportioned to Skagit Transit \$307, 397 from Puget Sound Regional Council Section 5307 funds and \$43,227 from Section 5339 funds. Skagit Transit will program the funds for Architect and Engineering Services for bid preparation services for Phase II construction of the Maintenance Operations and Administration Facility Project.

The Federal Transit Administration Section 5339 funds apportioned \$89,872 to Skagit Transit from Washington State DOT. Skagit Transit will program the funds for the replacement of up to three vanpool vehicles. The project and funds will be added to Skagit Transit's 2021 or 2022 annual budget depending upon vehicle replacement rotation.

The Federal Transit Administration Section 5307 funds Annual apportionment to Skagit Transit in the amount of \$2,087,156 will be programmed for operations assistance for fixed route services.

Mr. Flores noted the FTA Section 5307 and 5339 Capital expenditures are an 80/20 match requirement and the project funding will be included in the annual budget in the year of expected expenditure.

The FTA Section 5339 also has an 80/20 match requirement and the project and funds will be added to Skagit Transit's 2021 or 2022 annual budget depending upon vehicle replacement rotation.

The FTA Section 5307 Operating expenditures have a 50/50 match requirement. The project and funding are included in Skagit Transit's 2020 budget.

Mr. Flores stated when staff was deciding how to program these grants, flexibility to shift capital grants to support operations was considered as well as which grants have the least amount of local share in order to make them more tailored to Skagit Transit's needs.

Mr. Sexton inquired if staff had a dollar amount as to how much the budget impact will be with local funds matching requirements. Mr. Flores stated when staff is programming the grants, efforts are made to put the agency in a position to maximize the amount received and then apply it to the projects knowing how much can be allocated due to the 80/20 match requirement. The project costs will change as this is based on an estimate from contractors. Mr. Flores stated when he presents the mid-year budget amendment he will provide more clarification on actual costs.

**Mr. Wesen moved to approve the Federal Section 5307 and 5339 Grant Apportionments. Ms. Gere seconded the motion. The motion passed unanimously.**

d) 2020 FTA 5307 FLEX Funds Grant Award

Mr. O'Brien read the report as presented in the agenda packet. Items of note include the 2020 Federal Highway Administration Surface Transportation Program funds flexed to Federal Transit Administration Section 5307 funds awarded \$180,900 to Skagit Transit from Skagit Council of Government. Skagit Transit will use the funds to assist in delivering the following future projects: \$56,437 for the purchase of bus shelters and bus stop seating to be placed on highly utilized bus stops, \$19,463 for bus shelter solar lighting upgrades and \$105,000 for the digital signage project which consists of the purchase of a hardware and software system for dissemination of real-time bus location information to the public via the website, a smart phone application and digital signs at locations serving two or more transit routes.

Mr. O'Brien noted the funding source requires the agency to provide 13.5% of the project funds. The funds will likely be spent in 2021 or 2022 and only done if the agency can afford to do so with local funds. The Board approval would secure the funds and place them in the surface transportation act that the Skagit Council of Governments needs the agency to obligate.

Mr. Wesen inquired how many shelters the funds would provide. Mr. O'Brien stated the project doesn't break down how many shelters it would afford, it would be regulated by locations in need of shelters as well as where permitting allows them. Some location would get seats in lieu of shelters.

**Ms. Gere moved to approve the 2020 FTA 5307 FLEX Funds Grant Award. Mr. Wesen seconded the motion. The motion passed unanimously.**

e) Approval to Enter into an Interlocal Agreement with the City of Everett

Mr. Schaner read the report as presented in the agenda packet. Notable items include the five-year contract with Cummins, Inc. is expiring soon and piggybacking on City of Everett's contract will have a cost savings of 20% for bus engines due to higher volume discounts. Community Transit and other agencies are also piggybacking on the contract. This will have a budget impact of \$241,000.

**Ms. Gere moved to approve Entry into an Interlocal Agreement with the City of Everett. Ms. Johnson seconded the motion. The motion passed unanimously.**

f) Approve Resolution 2020-01 Authorizing the Surplus of Equipment

Mr. Schaner read the report as presented in the agenda packet. This resolution identifies 11 vehicles that are now surplus and will be prepared for sale by process of auction.

**Ms. Gere moved to approve Resolution 2020-01 Authorizing the Surplus of Equipment. Ms. Janicki seconded the motion. The motion passed unanimously.**

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

The Skagit Transit Community Advisory Committee encourages the Skagit Transit Board of Directors to increase the sales tax for transit by three tenths of one percent to support transit. The committee looks forward to supporting efforts to pass the ballot measure at the next regular election.

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

Mr. O'Brien recommended that the Board put the MOA project on hold through the month of June and revisit that decision prior to July. Waiting for the next phase of the Governor's plan will allow time for more quality bids to be received and evaluated. Also, the current Procurement and Contracts Coordinator has resigned after doing a wonderful job for the agency.

Fixed Route ridership is down 76.3% and Paratransit ridership is down 74.5%. Skagit Transit has reduced hours by 2,741.8 each month which translates to \$180,000 savings in operating costs.

Mr. O'Brien stated no employees have reported sick, drivers have good attitudes and are promoting social distancing on the buses and personal protective equipment is available to all employees.

Staff would like to reinstate fares beginning June 1<sup>st</sup> with a system to maintain social distancing. This was discussed during a labor management meeting and the union supports moving forward with charging fares. Mr. O'Brien stated staff also feels this will help with issues of passengers joy riding on the buses.

Mr. O'Brien stated staff will present a request to the Board at the June meeting to delay the implementation of Paratransit fares until August to allow time to rebuild ridership. Skagit Station is open Monday through Thursdays from 8:30a.m. until 4:00p.m. giving people information on fares and current routes. There is no Amtrak train servicing the facility and they have no plans of returning service until the Canadian border is re-opened.

Ms. Janicki inquired if re-instating fares required action from the Board, or if this was planned when fares were suspended. Mr. O'Brien stated it was discussed at the time of suspension and he is following what other agencies in the industry are doing. Community Transit and Sound Transit are reinstating their fares, Whatcom Transit however is not at this time. Ms. Janicki stated she agrees with the process and if action is necessary, she wouldn't mind retroactively approving this at the next meeting.

Mr. Sexton inquired what joy riding issues the agency was experiencing and what the budget impact will be with only 24% ridership. Mr. O'Brien stated the budget impact would be minimal and with the routes operating fare free and passengers boarding through the rear door, passengers are getting on the bus to ride for the day and to stay warm. Mr. O'Brien stated there is a large amount of homeless riders boarding with multiple bags creating a health concern. Mr. O'Brien stated Skagit Transit has had great support from law enforcement and security.

Mr. Jensen thanked Skagit Transit for stepping up and taking care of the drivers and commended that no one has been sick.

#### **VI Information Items:**

None.

#### **VII Unfinished Business:**

None.

#### **VIII New Business:**

None.

## **IX Executive Session**

Chair Dahlstedt announced that the Board would adjourn for an Executive Session to discuss the Local 176T – Dispatcher Collective Bargaining Agreement. Mr. Dahlstedt stated the estimated time for the session is 15 minutes and the Board will reconvene in open session at approximately 1:57 p.m.

At 1:43 the Executive Session began.

Mr. Dahlstedt reconvened the meeting into open session at 1:51 p.m.

**Ms. Johnson moved to approve the Local 176T – Dispatcher Collective Bargaining Agreement. Mr. Wesen seconded the motion. The motion passed with Mr. Sexton opposed.**

Commissioner Dahlstedt stated he will sign all documents that have been approved at this Board meeting.

**Commissioner Dahlstedt adjourned the meeting at 1:53 p.m.**

---

Commissioner Ken Dahlstedt, Chair  
Skagit Transit Board of Directors

Attest:

---

Whitney Davis,  
Clerk of Skagit Transit Board