The Skagit Transit Board of Directors met in regular session in Burlington, WA. Chair Dahlstedt called the meeting to order at 1:01 p.m. followed by the Pledge of Allegiance, Roll Call, and Introductions.

**Members Present:**
- Jill Boudreau, City of Mount Vernon, Mayor
- Steve Sexton, City of Burlington, Mayor
- Kenneth Dahlstedt, Skagit County Commissioner (Chair)
- Julia Johnson, City of Sedro Woolley, Mayor
- Lisa Janicki, Skagit County Commissioner
- Laurie Gere, City of Anacortes, Mayor (Vice Chair)
- Rick DeGloria, City of Burlington, Councilmember
- Ron Wesen, Skagit County Commissioner

**Staff Present**
- Dale O'Brien, Executive Director
- Motoko Pleasant, Manager of Finance & Admin
- Allan Schaner, Maintenance/Facilities Manager
- Joe Macdonald, Safety Supervisor
- Brad Windler, Service Development Planner
- Whitney Fernandes, Clerk to the Board

**Members Absent:**
- Mary Hudson, City of Mount Vernon, Councilmember

**Member of Public:**
- None

**Providing Legal Counsel:**
- None

I  **Public Comment:**

None.

II  **Consent / Action Items:**

a) Approval of June Meeting Minutes

b) Approval of Claims and Payroll
   - June Payroll Direct Deposit and Checks #15986 – 16001..................................................$730,155.77
   - June Direct Federal withholding transfer..........................................................$150,293.96
   - June Claims Checks and ACH #35562- #35701..................................................$592,305.24

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

III  **Full Discussion/Action Items:**

a) **Monthly Budget Update for June 2018**

Ms. Pleasant stated Skagit Transit received $1,041,903 sales tax revenue in the month of June which compares with $949,114 in June of 2017. Ms. Pleasant stated this is a 3.93% or $35,892 increase over last year with a year to date increase of 7.68 % or $391,543. Ms. Pleasant stated Skagit Transit also received $642,150 State grant reimbursement.

Ms. Pleasant stated capital expenditures were fiber connection project for the park and ride, a 15 passenger van pool van, new MOA design and engineering and mobile lifts. Ms. Pleasant stated fuels are currently within budget and all other expenses were as expected.
Ms. Pleasant stated the Reserve Accounts currently are:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2018</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$2,141,163</td>
</tr>
<tr>
<td>Facilities</td>
<td>400,000</td>
</tr>
<tr>
<td>Capital Replacement</td>
<td>3,954,653</td>
</tr>
<tr>
<td>Non-Designated</td>
<td>2,214,328</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>$8,710,144</strong></td>
</tr>
</tbody>
</table>

Ms. Janicki stated when she was signing off on the monthly expense vouchers there was a check for $3,000 made out to the IRS and inquired what this expense was for. Ms. Pleasant stated the check was for a user fee to file a correction document with IRS due to some errors found in the 401(a) accounts. Ms. Pleasant stated during the review of retirement accounts, Skagit Transit found some errors with 401(a) benefit contributions. Ms. Pleasant stated Skagit Transit is still going through records to identify all errors made. Ms. Pleasant stated once we have the list of missed contributions, we will work with our retirement plan administrator, Empower to calculate the lost earnings on missed contributions. Ms. Pleasant stated after all the information is combined and finalized, Skagit Transit will work with an attorney from Seattle who is specializes in employee benefits such as 401(a) retirement plan to file necessary forms with IRS.

Ms. Janicki stated in the future, items of this nature should be shared with the Board when it is discovered. Mr. O’Brien stated Skagit Transit will update the Board as this issue is resolved.

Ms. Boudreau moved to approve the June Monthly Budget Update. Ms. Janicki seconded the motion. The motion passed unanimously.

b) Approve Resolution No. 2018-06/Fiscal Year 2018 Budget Amendment

Mr. O’Brien stated Skagit Transit is bringing forward needs that have come up since the 2018 budget was established in December of 2017. Ms. Pleasant stated the amendment is needed to update grants, sales tax revenues, operating expenses and capital expenses. Ms. Pleasant stated YTD sales tax revenue is 12% or $678,000 over budget, so Skagit Transit is requesting to increase the sales tax budget to $1,071,588. Ms. Pleasant stated Skagit Transit budgeted $1,700,000 for the 5307 General Operating Grant and would like to transfer those funds into capital expenditures budget to assist in paying for the new MOA. Ms. Pleasant stated the total change for operating revenue is a decrease of $655,793. Ms. Pleasant stated Skagit Transit is requesting an increase of $202,557 in operating expenses for an increase in salaries and wages in the amount of $137,819, an increase in benefits in the amount of $109,007, an increase in computer equipment and internet fees in the amount of $13,984 and a decrease for professional and technical services in the amount of $58,253.

Ms. Boudreau inquired if the increase in salaries, wages and benefits was due to the new positions that the Board had previously approved. Mr. O’Brien confirmed the increase was due to the new security supervisor, safety supervisor, four additional drivers and a safety trainer that Skagit Transit is requesting to hire.

Mr. Sexton inquired if Skagit Transit was transferring the money from grant 5307 from the operations budget to the capital expenditures budget. Ms. Pleasant confirmed that the funds are being transferred from operations to capital expenses and stated the funds from grant 5307 are on a reimbursement basis. Ms. Pleasant stated once construction begins at the new MOA, Skagit Transit can request to have those expenses reimbursed. Ms. Pleasant stated, once the construction begins, the budget will include the grant from the 5307 program.

Mr. Wesen inquired why the benefits expense increase was almost as much as the salary and wage increase. Ms. Pleasant stated it is very difficult to budget the medical premium expense at the beginning
of the year as she does not know how many employees and dependents will be added. Ms. Pleasant stated she uses the previous year’s expense to budget the original budget and then adjusts as necessary.

Mr. O’Brien stated the $70,000 increase in the capital expenses for bus #173 is to add a second door at the rear of the new bus. Mr. O’Brien stated bus #173 was on the road for two months before it was hit in a head-on collision that totaled the vehicle. Mr. O’Brien stated after an incident as Skagit Station involving a dangerous person blocking the exit of the bus and several passengers were trapped in a hostage situation, Skagit Transit and Mount Vernon Police Department feel it is in everyone’s best interest to have two doors on every bus. Mr. O’Brien stated Skagit Transit is being reimbursed the entire cost of the original bus #173 by insurance however the cost to add the second door accounts for the $70,000 increase.

Mr. O’Brien stated Skagit Transit is beyond capacity at the MOA and the Road Supervisor Vehicle that the Board previously approved will serve as a “rolling office” allowing the Road Supervisors to respond to situations quickly and relieves demand for office space. Mr. O’Brien stated the modular building is needed for office and training space for the safety department. Mr. O’Brien stated there is also a need for better camera coverage at Skagit Station and Chuckanut Park and Ride to cover thefts and incidents that have occurred. Mr. O’Brien stated the dispatch radios need to be upgraded to digital to coordinate better with the digital radios on the buses, and the coaches and servers need an upgrade to accommodate the 30 day retention period for camera footage which is currently at 5-7 days. Mr. O’Brien stated as the Board previously approved, the additional three acres next to the new MOA has been purchased and accounts for $200,000 of additional capital expenses.

Ms. Gere moved to approve Resolution 2018-06/Fiscal Year 2018 Budget Amendment. Ms. Johnson seconded the motion. The motion passed unanimously.

c) Approve Purchase of One ADA Full Size Ford Transit-Works-Rear Entry Van (HYBRID)

Mr. Schaner stated the 2018 Capital Budget amendment provides for the purchase of one ADA compliant van in support of Skagit Transits’ Road Supervisor position.

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 State Contract #01617 is available for the purchase of ADA full size van meeting federal requirements and was awarded to 3 contractors. Mr. Schaner stated Skagit Transit intends to purchase 1 HYBRID powered Ford Transitworks Rear Entry, 2 W/C position van optioned with Braun 1000lbs capacity rear mounted wheelchair lift and movable Smart Floor passenger seating allowing the supervisor to reconfigure the seating as needed from Creative Bus Sales, Inc.

Mr. Schaner stated this would be a budget impact of $74,947.46.

Mr. DeGloria moved to approve the Purchase of One ADA Full Size Ford Transit-Works-Rear Entry Van (HYBRID). Ms. Janicki seconded the motion. The motion passed unanimously.

d) Request to Create New Position, Safety/Training Support Technician

Mr. O’Brien stated the Skagit Transit Safety Department is requesting to hire a new employee for the position of Safety/Training Support Technician. Mr. O’Brien stated the Safety Department has a need for this new position to enable and support refresher training and new hire training, as well as to support safety inspections and training in emergency procedures for Supervisors and the Dispatch staff. Mr. O’Brien stated administrative duties including full and timely reporting of all claims issues to WSTIP (Washington State Transit Insurance Pool), have increased to the level where nearly 20 hours per week are required to meet deadlines.
Mr. O’Brien stated Skagit Transit is nearly six years behind in accomplishing needed refresher training in mobility aid securement, four years behind in Customer Service refresher training, and two years behind in first aid/CPR refresher training. Mr. O’Brien stated refresher training for all employees is needed in the areas of de-escalation and in relating with special needs customers as well as mechanics who have never received any refresher training.

Mr. O’Brien stated this discrepancy is due to regular attrition among the driver ranks, which has required the Safety Trainer to spend nearly 90% of his time training new driver employees. Mr. O’Brien stated this attrition has been constant and regular for the past several years and shows no sign of changing and most if not all transit agencies are experiencing similar staffing issues.

Mr. O’Brien stated Skagit Transit is also approximately 18 months behind in meeting TSA (Transportation Safety Administration) guidelines for safety and security, which will require that the Safety Supervisor spend the majority of his time to complete.

Mr. O’Brien stated the Dispatch staff has never had formal emergency management training, and Skagit Transit currently has no established program for training Supervisory staff.

Mr. O’Brien stated all of these trainings will require a minimum of three employees in order to bring Skagit Transit staff up to current training standards and remain current, while still meeting the needs of the regular training of new classes of drivers.

Mr. O’Brien stated Skagit Transit is requesting to hire one full time, non-exempt employee (FTE) at pay scale # 12 or $22.72 hourly. Mr. O’Brien stated this proposal, if adopted by the Board, would allow the Safety Department to fully implement vitally needed refresher training at the earliest possible date while continuing with new hire training and administrative duties. Mr. O’Brien stated it would also enable the Department to maintain refresher training on an annual basis while still performing all required duties in a timely manner.

Ms. Boudreau stated this was shocking, however it seems like a good investment as one claim can cost more than the salary of a full time employee.

Mr. O’Brien stated Skagit Transit is not on the needs improvement list with the insurance pool at this time, however it is close and the Safety Supervisor has a plan to fix this issue.

Mr. Dahlstedt suggested Skagit Transit staff bring a 30 or 60 day progress report back to the Board as well as a time table report showing the proposed training schedule for bringing staff up to standards. Mr. O’Brien stated Joe, the Safety Supervisor has a draft written up and a report will be brought back to the Board.

Ms. Boudreau Moved to approve the Request to Create New Position, Safety/Training Support Technician. Ms. Johnson seconded the motion. The motion passed unanimously.

e) Grant Awards Report

Mr. O’Brien stated that on September 15, 2010, the Board passed Resolution 2010-09 authorizing the Executive Director to sign grant agreements upon Board approval of the project and funding of the grant award. Mr. O’Brien stated the following is presented for Board approval for the programming and award of 2018 Federal Section 5307 and 5339 to Skagit Transit.

Mr. O’Brien stated the Federal Transit Administration Section 5339 funds apportioned to Skagit Transit from Puget Sound Regional Council in the amount of $47,423 will be used for the purchase of vehicles, vanpool and fixed route coaches, to support commuter services linking Skagit County to the Central Puget Sound Region.
Mr. O’Brien stated Federal Transit Administration Section 5307 funds apportioned to Skagit Transit from Puget Sound Regional Council in the amount of $308,943 are available to assist capital and operating projects. Mr. O’Brien stated the FTA places a cap on the amount available for operating assistance.

Mr. O’Brien stated Skagit Transit will program the maximum amount available for operating assistance to support the Everett Connector service in the amount of $124,697. Mr. O’Brien stated federal funding shown is 50% of the project costs.

Mr. O’Brien stated the balance of $184,246 will be programmed for the purchase of vehicles, vanpool and fixed route coaches, to support Commuter services linking Skagit County to the Central Puget Sound Region.

Mr. O’Brien stated Federal Transit Administration Section 5339 funds apportioned to Skagit Transit from Washington State DOT in the amount of $122,607 will be used to assist in the construction of the new Maintenance Operations and Administration facility located at 11784 Bay Ridge Drive, Burlington.

Mr. O’Brien stated $1,764,771 was apportioned to Skagit Transit by the Federal Transit Administration Section 5307 funds. Mr. O’Brien stated the funds were programmed to operations assistance and will be reprogrammed to capital assistance for the construction of the new Maintenance Operations and Administration facility located at 11784 Bay Ridge Drive, Burlington.

Ms. Janicki inquired if FTA 5307 Grant funds had the ability to be transferred from operations to capital. Mr. O’Brien confirmed the funds were transferrable.

Ms. Boudreau moved to approve the Grant Awards Report. Ms. Gere seconded the motion. The motion passed unanimously.

IV Community Advisory Committee Report

Mr. Windler stated the Community Advisory Committee is currently on a summer break and not meeting. Mr. Windler stated committee members participated in the Berry Dairy Days Parade with Skagit Transit staff and will also help cover the Skagit Transit booth at the Skagit County Fair for Family Resource Day.

V Executive Directors Report

Mr. O’Brien stated the sale of the additional property for the new MOA is finalized and the title transfer is being done to give Skagit Transit possession.

Mr. O’Brien stated the Exit Conference with the auditor’s has been rescheduled for Thursday July 24th at 10:30 a.m. and it is at the Skagit Transit MOA.

VI Information Items:

None.

VII Unfinished Business:

None.

VIII New Business:

Mr. Windler stated the Department of Transportation requires an annual update to the Transit Development Plan. Mr. Windler stated Board members received an electronic copy of Skagit Transit’s annual update to the Transit Development Plan. Mr. Windler stated there will be public comment period prior to the August Board Meeting and there will be a public hearing at the August meeting as the Board
considereds adoption of the plan. Mr. Windler stated information can be found on Skagit Transit’s website, and is available in printed and electronic copy. Mr. Windler noted the Transit Development Plan is separate and not affiliated with the Strategic Development Plan.

Mr. Dahlstedt clarified if Board Members had ideas, questions or comments regarding the Transit Development Plan, they should bring those to the next meeting in August. Mr. Windler confirmed Skagit Transit is required to hold a public meeting before adoption, and then the file would need to be submitted to the State by September 1st.

Mr. Windler stated Skagit Transit went out for a procurement to obtain route planning software that would help determine the cost of the resources needed to make fixed route service improvements as well as discover demographic information that determines where services should be operated.

Mr. Windler stated the ReMix software takes GPS data combined with census data to allow Skagit Transit to compare services offered with the demographics of the community. Mr. Windler stated the software also allows Skagit Transit staff to create a schedule and determine the resources necessary to enact that service plan. Mr. Windler demonstrated the 90X route that services Everett, showing route miles operating, the number of vehicles required, the cost of operation and the amount of revenue hours required to operate that route. Mr. Windler stated this allows Skagit Transit to consider statistical data when considering different service options. Mr. Windler stated this program also allows staff to make changes in real time, showing the impact of potential changes. Mr. Windler stated another very useful feature shows different layers of demographics and target populations such as, senior citizen and disabled populations, car free areas, minority and poverty populations as well as job populations. Mr. Windler stated this is an excellent tool for considering financial data, resources needed to operate a transit agency as well as looking at markets and citizens that are served. Mr. Windler stated this software has been very helpful with creating Skagit Transit’s Strategic Plan.

Ms. Boudreau stated this is a great tool and shows how Skagit Transit makes decisions and the reason for making decisions.

Ms. Johnson inquired about the surveys that Skagit Transit put out to the riders and if the survey results would tie in to decisions made using the ReMix software. Mr. Windler stated, as part of the Strategic Plan Skagit Transit staff and Community Advisory Committee members performed a rider survey and received over 350 responses both in person and online. Mr. Windler stated based on Skagit Transit’s average weekday ridership numbers the surveys were statistically valid and provided 95% confidence that the level of survey results reflect the opinions of the ridership population.

Mr. Windler stated when Whatcom Transit Authority was working on their Strategic Plan, they offered two different surveys, and the combined responses they received were 112 completed surveys. Mr. Windler stated Skagit Transit received a really good response rate, and that information will be put through ReMix to determine the best route options available for what the public would like.

Mr. Dahlstedt stated he will be signing all the approved documents that were presented at this meeting.

**Commissioner Dahlstedt adjourned the meeting at 1:42 p.m.**

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Whitney Fernandes, 
Clerk of Skagit Transit Board