

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

Tuesday, December 5th, 2023

Video Recording of Meeting: <https://www.youtube.com/watch?v=1hpbh-k0rvU>

The Skagit Transit Board of Directors met in a Special Meeting via teleconference. Board Chair Mayor Boudreau called the meeting to order at 3:01 p.m. followed by the Pledge of Allegiance, roll call, and introductions.

**Members Present**

None, Teleconference only

**Members Present via Teleconference**

Jill Boudreau, City of Mount Vernon, Mayor (Chair)  
Lisa Janicki, Skagit County Commissioner  
Peter Browning, Skagit County Commissioner  
Ron Wesen, Skagit County Commissioner  
Matt Miller, City of Anacortes, Mayor (Vice-Chair)  
Steve Sexton, City of Burlington, Mayor  
Julia Johnson, City of Sedro Woolley, Mayor  
Colleen Kennedy, Labor Representative (non-voting member)  
Judy Jones, Community Advisory Committee (Chair, non-voting member)

**Members Absent:**

Bill Aslett, City of Burlington, Councilmember  
Mark Hulst, City of Mount Vernon, Councilmember

**Providing Legal Counsel:**

None

**1 Public Comment:**

No Public Comment was made.

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Ms. Stidham presented the 2024 Budget Proposal. *The full presentation can be viewed in the meeting recording linked at the top of these minutes.* Items of note include: a surplus of \$2,349,948 expected by the end of 2023, \$2.2 Million in sales tax revenue in 2023, \$2.1 Million in operating grants in 2023, 2024 estimated operating revenues of \$25,393,275, a 4.25% salary increase for all staff in 2024, and \$1,019,695 in currently unfunded projects that could be funded by future grants.

Ms. Boudreau asked to see the line-by-line department budget document that was sent to the board.

Mr. Sexton commented that the presentation was put together with data from different sources, and it was difficult to follow.

Ms. Boudreau asked that the presentation from this meeting be sent to all Board members after the meeting.

Mr. Wesen appreciated the data and the thoroughness of the presentation and agreed with Mr. Sexton that he likes to look at everything ahead of time. He asked if there was anything that the organization needs that is currently unbudgeted.

Ms. Stidham replied that there were challenges balancing the budget and a few projects were set aside in order to have the budget balance. If revenues and expenditures go as planned for 2024, some of those projects may be able to be added back in, such as hiring a consultant to help us find an ERP/HRIS system.

Mr. Sexton reiterated his views on conservative budgeting and the challenges that come with deferring operational projects.

**Staff Present**

None, Teleconference only

**Staff Present via Teleconference:**

Laura Klein, Clerk of the Board  
Marcy Smith, Grants Manager  
Crystle Stidham, Chief Executive Officer  
Chris Arkle, Finance/Accounting Manager

**Members of Public Present**

None

**Members of the Public Present via Teleconference:**

Jesse Jones, "Citizen", "BV"

Ms. Stidham said that the team sat down and evaluated which projects were going to take priority in 2024 and a lot of IT projects came to the front of the list. The executive team is very involved in the development of these projects.

Ms. Janicki asked about the funding sources for replacement capital vs expansion capital. In her experience, she knows the difference and appreciates that being included in the presentation. Ms. Janicki also asked about the increase in expenditures year over year from 2023 to 2024 and how most of it was coming from an increase in salaries and benefits. She noticed that the increase in salaries was higher for operators than admin and wanted clarification on that point and is 2025 will follow that trend.

Ms. Stidham stated that there have been internal discussions on that topic and she hopes that this trend will not flow into 2025. The biggest increase came from step increases, longevity, and COLA.

Mr. Arkle added that the hope for the organization is for the budgeted overtime to come in lower than expected. Overtime was not properly budgeted for in 2023, leading to a drastic overage in that line item. Overtime has been budgeted for in 2024, but the hope is to not use the full amount due to the increased efficiencies in our scheduling systems and being fully staffed.

Ms. Janicki asked for a status update on the project manager position. Ms. Stidham said that this position has been budgeted for and an offer had been made, but the candidate declined the offer and the search continues for a candidate. If one cannot be found, the project will continue with outside contractors until the position is filled.

Mr. Sexton asked about the driver salaries and the future implications of the step increases and longevity and how the projections for these are simple to do.

Ms. Stidham agreed and clarified that Skagit Transit's financial system is very antiquated and many processes are still manual.

Ms. Stidham then went through the projected 2024 budgets by department.

Ms. Boudreau requested that Ms. Stidham makes herself available for questions from the Board until the date of the next Board Meeting.

Ms. Janicki asked about the vanpool budget and a discrepancy in the departmental data. Mr. Arkle discovered that some columns had been mislabeled. This was corrected in the raw data, but did not transfer to the presentation report.

Ms. Stidham stated that the Clerk will send out the finalized information to the Board after the meeting.

**Mayor Boudreau adjourned the meeting at 3:50 p.m.**

  
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Jill Boudreau, Chair Skagit Transit Board of Directors

Attest:

  
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Laura Klein, Clerk of Skagit Transit Board