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Skagit Transit Board Of Directors Agenda

Regular Meeting
December 16, 2020
1:00 p.m.

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Access Code: 369-746-101

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF MEMBERS
4. PUBLIC COMMENT
5. CONSENT / ACTION ITEMS

All matters listed within the Consent Agenda have been distributed to each member of the Skagit Transit Board of Directors for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from Consent Action Items and placed on Regular Action Items by request.

- a) Approval of Workshop Meeting Minutes Page 2-4
- b) Approval of November Meeting Minutes..... Page 5-8
- c) Approval of Claims and Payroll

November Payroll Direct Deposit and Checks #16513 – 16521	\$745,442
November Direct Federal withholding transfer.....	\$152,520
November Claims Checks and ACH #39887 - #40034	\$184,720

6. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Reports for NovemberPage 9
- b) Approve Resolution 2020-07 Fiscal Year 2021 Budget..... Page 10-11

7. COMMUNITY ADVISORY COMMITTEE REPORT

8. INFORMATION ITEMS

- | | |
|---|------------|
| Skagit Transit Bus Stop Sign Replacement..... | Page 12-13 |
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9. EXECUTIVE DIRECTORS REPORT

10. ADJOURNMENT

RECORD OF THE PROCEEDINGS SKAGIT TRANSIT BOARD OF DIRECTORS

Board Workshop
November 9, 2020

The Skagit Transit Board of Directors met in a virtual Board Workshop on Monday, November 9, 2020. Executive Director Dale O'Brien called the meeting to order at 10:30 a.m. followed by roll call.

Members Present via Teleconference:

Lisa Janicki, Skagit County Commissioner
Ron Wesen, Skagit County Commissioner
Jill Boudreau, City of Mount Vernon, Mayor
Julia Johnson, City of Sedro Woolley, Mayor
Laurie Gere, City of Anacortes, Mayor
Rick DeGloria, City of Burlington, Councilmember
Sandy Perkins, Skagit County Auditor

Skagit Transit Representatives:

Dale O'Brien, Executive Director
Arden Flores, Manager of Finance & Administration
Chris Chidley, IT Manager
Whitney Davis, Clerk to the Board
Jo-Ann Wynne, Contracts & Procurement Coordinator
Marcy Smith, Grants Administrator

Public Present:

None

2021 Budget Presentation

Mr. Flores read the presentation as prepared. Mr. Flores stated staff is conservatively anticipating to receive \$16,646,118 in total revenues in 2021. Mr. Flores noted that sales tax revenues were not as severely impacted by the pandemic as anticipated and staff is estimating the 2021 budget at 90% of the collections received in 2020.

Staff is budgeting to receive \$4,915,023 in Operating grants in 2020. Skagit Transit received \$5.9 million in CARES 5307 grant funding in FY 2020 and will carryover \$1.1 million in 5307 CARES funds to use on Commuter Routes in 2021. Skagit Transit will also be able to carryover an additional \$1.75 million of the regular 5307 grant funds for use in 2021. Staff is expecting to receive \$545,000 in fare collections for 2021 based on the pattern for the last quarter of FY2020. Mr. Flores noted that Skagit Transit did not begin collecting Paratransit fares until August of 2020 and Vanpools dropped from 47 groups before the pandemic to 31 groups currently.

Mr. Flores stated staff budgeted \$15,990,859 for 2020 operating expenditures, however staff now expects to spend \$13,758,396 creating a difference of \$2,232,463. Mr. Flores stated the biggest savings is fuels listed in the supplies and materials category. Ms. Boudreau inquired if there were layoffs or if any employees were furloughed. Mr. O'Brien explained Skagit Transit had a reduction in service and employees were paid and had benefits through CARES act funding. Employees worked on projects and completed training while not driving.

Mr. Flores stated the highlights for the 2021 Operating Budget include a 2% COLA for employees, three additional FTE positions for janitorial staff and a Pandemic Safety Coordinator, and an increase in medical insurance premiums. Mr. O'Brien clarified that the Pandemic Safety Coordinator is a temporary, required position mandated by state officials.

Ms. Boudreau inquired about staff's decision to hire FTE's rather than increase janitorial contract services. Mr. O'Brien stated these positions are funded through the CARES Act and are temporary positions that will end after the pandemic is over.

Mr. Flores stated the proposed 2021 Capital Budget is \$8.8 million and will include five buses, two Paratransit coaches, phase 1 of construction on the MOA-2 project, the purchase of additional land adjacent to MOA-2, and mechanic tool sets. Mr. Flores stated capital grants fund approximately \$5.9 million of the capital budget.

Mr. Flores stated staff expects to receive \$22.5 million in revenues, \$25.2 million in expenditures leaving a deficit of 2.7 million. Mr. Flores explained staff has been extremely conservative in estimating revenues, and is projecting expenditures based on full operations in 2021, so the deficit staff is planning for is not likely. However if the deficit is accurate, staff plans to use funds from the reserve accounts.

Mr. Flores stated at the end of 2020, Skagit Transit will have approximately \$10.8 million in reserves largely due to CARES funds received. If Skagit Transit needs to cover a deficit with reserves, accounts will return to the levels from 2014-2018 at around \$8 million. Ms. Janicki inquired if staff was including reserves as revenue in the operations grant line item and stated she expected to see an unbalanced budget and spending reserves from the CARES act funds received. Mr. Flores explained Skagit Transit was awarded \$7 million in CARES act funds, staff has spent \$5.9 million and will carryover \$1.1 million into 2021. In addition, the 2020 regular 5307 grant that has not been used yet, will be rolled over as well. Staff is also expecting to receive \$2 million in regular 5307 grant funds for 2021. Ms. Janicki stated the funding that transit agencies received is different as there is no expiration and funds can be carried over into 2021.

Phase I Construction Plans for MOA-2

Mr. O'Brien stated the design for MOA-2 has been done for one year. Skagit Transit's lobbyist has stated there could be earmarks in 2021 for shovel-ready projects. Skagit Transit has the money available to complete phase 1 of the MOA-2 project in the amount of \$3.8 million. Staff would like to get the Board's direction and approval to go out for bid in January and move forward with phase 1. Mr. O'Brien reminded the Board that staff is currently using the building for the facilities department and a training site. In addition, Skagit Transit rents a portion of the facility to Legends for \$11,000 per month. Mr. O'Brien explained that phase 1 will not impact Legends or the rental income Skagit Transit receives from them. Mr. O'Brien stated Skagit Transit has been previously been unsuccessful in receiving two \$10 million grants to fund phase 2 construction. Mr. O'Brien stated if earmarks are available, and Skagit Transit has a shovel-ready project, there is a good possibility to receive additional funds to complete MOA-2.

Ms. Boudreau stated she thinks it is smart to move forward with phase 1 and show action in order to take advantage of potential opportunities available.

Purchase of Land Adjacent to MOA-2

Mr. O'Brien stated staff previously purchased 3 acres from Mr. Wallace for the bus yard. Westland distributors has put in applications to purchase 6 acres adjacent to Skagit Transit's property. Mr. O'Brien stated staff would like Board approval to send an intent to purchase letter for the additional 3 acres to

accommodate future growth and expansion. Mr. O'Brien stated Skagit Transit has been blessed with CARES act funds to cover operating costs which would allow use of local funds to purchase the property.

Mr. Wesen stated the plan looks reasonable and should be explored further. Mr. DeGloria echoed Mr. Wesen. Ms. Boudreau inquired what funding staff would plan to use for this. Mr. Flores stated staff is able to max out on federal grants with an 80/20 match so 80% of the purchase would be grant funded and 20% would come from local funds. Ms. Boudreau inquired if that same funds staff is planning to use to purchase the property could also be used to help fund phase 2. Mr. Flores explained there is flexibility in determining how to spend reserves.

Mr. O'Brien thanked the Board and stated he appreciated their time.

Mr. O'Brien adjourned the meeting at 11:15 a.m.

Mayor Jill Boudreau, Vice Chair
Skagit Transit Board of Directors

Attest:

Whitney Davis, Clerk of Skagit Transit

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

Wednesday November 18, 2020

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

Members Present

Soren Jensen, Labor Representative (non-voting member)

Members Present via Teleconference

Lisa Janicki, Skagit County Commissioner
Jill Boudreau, City of Mount Vernon, Mayor (Vice Chair)
Steve Sexton, City of Burlington, Mayor
Laurie Gere, City of Anacortes, Mayor
Rick DeGloria, City of Burlington, Councilmember
Dave Thomas, Skagit County Assessor
Jackie Brunson, Skagit County Treasurer
Chris Jones, Community Advisory Committee Chair (non-voting member)

Members Absent:

Kenneth Dahlstedt, Skagit County Commissioner (Chair)
Ron Wesen, Skagit County Commissioner
Julia Johnson, City of Sedro Woolley, Mayor
Mark Hulst, City of Mount Vernon, Councilmember

Staff Present

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

Staff Present via Teleconference:

Greg Latham, Manager of Maintenance
Jo-Ann Wynne, Contracts & Procurement Coordinator
Justin Self, IT Technician

Members of Public via Teleconference:

Joe Kunzler
Pam Carlson, SCOG

Providing Legal Counsel:

None

1 Public Comment:

Mr. Kunzler stated he had concerns regarding access to information on the workshop meeting. Mr. Kunzler also asked if Skagit Transit staff had a plan or additional information on the timeline for the completion of the MOA-2 facility. Mr. Kunzler expressed his support of the project completion as a top priority.

2 Consent / Action Items:

- a) Approval of October Meeting Minutes
- b) Approval of Composition Review Meeting Minutes
- c) Approval of Claims and Payroll

October Payroll Direct Deposit and Checks #16502 – 16512	\$841,307
October Direct Federal withholding transfer	\$152,234
October Claims Checks and ACH #39782 – 39915	\$228,542

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

3 Full Discussion/Action Items:

- a) Monthly Budget Update Report for October

Mr. Flores read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,212,647 in sales tax in the month of October and received \$1,054,972 in federal grants. The reserve account balance is \$9,422,778.

Mr. DeGloria moved to approve the October Monthly Budget Update. Ms. Janicki seconded the motion. The motion passed unanimously.

b) Award Card Lock Fueling Contract #20-004-F

Mr. Latham read the report as presented in the agenda packet. With the expiration of the current Card Lock Fueling Contract, staff published solicitation for rebid and received two responsive bids. Bids were evaluated on the lowest margin bid price offered. While fuel prices fluctuate, the margin remains firm-fixed for the life of the contract and is added to a specified benchmark in order to determine fuel contract prices. Mr. Latham stated staff recommends the Board award the Card Lock Fueling Contract #20-004-F to Associated Petroleum Products, Inc. with the approved budget impact of \$212,500 for regular unleaded gasoline.

Mr. Sexton moved to approve the Card Lock Fueling Contract #20-004-F. Ms. Gere seconded the motion. The motion passed unanimously.

c) Approval to Move Forward with Phase I Construction on MOA-2

Mr. O'Brien informed that Board that phase I would include demolition of the interior and exterior building elements including walls, doors, windows, HVAC system, select electrical and the exterior siding. It will also include electrical, plumbing, a brace frame, heating, and lighting. Lastly it will also include a new exterior envelope including insulation, new windows, doors, metal siding, vestibules, main public entry, additional interior roof insulation, a fire sprinkler room and ceiling insulation.

Mr. O'Brien stated that Skagit Transit has been advised by the Washington State Transit Association lobbyist that there may be earmarks available to shovel-ready projects. Staff feels it would be good to have work started and ready to move forward should funds become available.

Mr. O'Brien addressed Mr. Kunzler's concerns and stated the plans for the MOA-2 project hinge on receiving funding. Skagit Transit has the \$3.8 million necessary to complete phase 1 construction. Phases 2 and 3 are \$10 million each. Staff received feedback from WSDOT regarding why previous requests for grant funds were denied which will help staff be more prepared for another application in November.

Mr. O'Brien stated staff is requesting approval from the Board to go out for bid on phase 1 in January with construction beginning in April. Ms. Boudreau clarified that this approval is to go out for the bid process and the Board would have another opportunity to discuss this project prior to awarding a bid.

Ms. Janicki moved to approve Moving Forward with Phase I Construction on MOA-2. Ms. Gere seconded the motion. The motion passed unanimously.

4 Community Advisory Committee Report

Mr. Jones read the following report. The October 2020 minutes were approved as presented.

It was determined that effective January 2021 CAC meetings will begin at 4:30pm and end by 5:30pm.

Cheryl stated that the food drive effort at Fred Meyer in Burlington had very positive results and this activity was appreciated and acknowledged by the committee.

Brad indicated that the "My Ride-share" information will be on digital displays at Chuckanut Park and Ride, at the bus island at Skagit Transit's main station and at Customer Service located in the lobby soon.

There will be other kiosks available at other locations such as March's Point in the future as arrangements proceed.

He also indicated that reciprocity in bus passes between Skagit Transit and Whatcom Transit should be available effective February 2021.

Committee elections for Chair and Vice Chair will be held via phone, text message or email with members needing to cast votes by December 8.

During the December 2020 meeting, the CAC Bylaws will be changed to reflect a decision to choose a Special Projects Coordinator for a specific requested need instead of having a static position.

Judy Jones suggested access to kiosk information should also include audible information.

There should be a fillable application for prospective CAC members to complete on the web site.

A member suggested that there be more walker-friendly opportunities to board buses prior to egress at the Skagit Transit main station.

The committee will contact a representative of the Washington State Ferries for a speaker to discuss transit and ferry fares and reciprocity in the future.

5 Executive Directors Report

Mr. O'Brien stated transit agencies received a mandate from the Governor's Office that requires Skagit Transit to have a Pandemic Compliance Coordinator to ensure employees and passengers are wearing masks, following all social-distancing guidelines and completes sanitizing throughout the day at all facilities and on the buses. Mr. O'Brien stated the expenses would come out of the CARES act funds. Staff is required to show compliance to the WSDOT. Mr. O'Brien stated Mr. Schaner has agreed to take this position and clarified this is a temporary position.

Mr. Sexton inquired if there was a plan in the instance passengers refuse to wear a mask. Mr. O'Brien stated staff has PPE's available to give to passengers and has the right to refuse service to individuals who refuse to follow protocols. Mr. O'Brien clarified staff will not leave passengers stranded, but will enforce the rules. Mr. O'Brien added that hand sanitizer dispensers are being installed on all buses as well. Mr. O'Brien stated the Governor's office is discussing reducing the six foot distance rule down to three feet while on the bus as long as masks are being worn. Mr. Jensen stated drivers have not reported issues with passengers wearing a mask when asked.

Mr. Sexton shared his concerns about reducing the distancing limit to three feet on the bus. Mr. O'Brien stated there have been concerns and complaints from transit agencies regarding only having 12 people on a 40 foot bus and needing an additional bus and driver to accommodate any additional passengers. Mr. O'Brien added this has not been issued yet, it is only being discussed at this point. Ms. Boudreau inquired if Skagit Transit would be required to allow the three foot rule, or if staff could still enforce six feet of distancing. Mr. O'Brien stated Skagit Transit will maintain the six foot distance to the best of our ability. Mr. O'Brien clarified that members of the same family or household count as one person.

Ms. Boudreau expressed relief that the report is limited issues from passengers refusing to wear PPEs. Mr. Jensen added in the few instances that drivers have had an issue, Supervisors have arrived on scene to diffuse the situation. Ms. Boudreau stated she did not want to task staff with having to ban passengers from the bus and expressed support for not stranding passengers. Mr. O'Brien stated this is especially true on the commuter routes on the last run of the day. If passengers on the local routes refuse, they may be asked to walk or find another ride. Ms. Boudreau stated she supports enforcement.

6 Unfinished Business – 2021 Draft Budget

Mr. Flores presented the 2021 draft budget and the PowerPoint presentation from the prior week's workshop meeting as it was prepared with the agenda packet and noted the 2021 Budget will be presented for approval in the December Board meeting. Mr. Flores stated he added text boxes to include further explanation on the information presented during the workshop to make it more self-reporting. Mr. Flores added that updates were added to include end of the month figures.

Mr. O'Brien added in the budget there is a line-item for \$1 million for the purchase of the additional property which is not going to take place. Staff is including that line-item to cover change orders or over-runs that may come up as the estimates are over a year old.

Mayor Boudreau stated she will sign all documents that have been approved at this Board meeting.

Mayor Boudreau adjourned the meeting at 1:30 p.m.

Commissioner Ken Dahlstedt, Chair
Skagit Transit Board of Directors

Attest:

Whitney Davis, Clerk of Skagit Transit Board

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Arden Flores, Manager of Finance and Administration
SUBJECT: Budget Update for November 2020

INFORMATION: The monthly budget reports are presented for your review. Items of interest are:

Revenues:

Skagit Transit received \$1,253,814 in sales tax revenues for the month of November 2020. This is 15% higher than the \$1,090,556 collected in November 2019. Total sales taxes collected for 2020 are \$11,770,617 which is 1.67% lower than the \$11,970,003 collected from January through November of 2019.

We also received \$964,494 in federal and state grants for this month.

Expenses:

- ◆ Fuel - well within budget
- ◆ All other expenses were as expected

The current Reserve Account balances are:

	Nov 2020	Nov 2019
Operating	\$ 5,014,882	\$ 2,210,810
Facilities	400,000	400,000
Capital Replacement	2,506,437	2,372,567
Non-Designated	<u>1,502,874</u>	<u>1,287,117</u>
Total Reserves:	\$ 9,424,193	\$ 6,270,494

RECOMMENDATION:

Staff recommends the Board approve the monthly budget reports.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Dale O'Brien, Executive Director
Arden Flores, Manager of Finance and Administration
SUBJECT: Approve Resolution 2020-07 – Fiscal Year 2021 Budget

INFORMATION:

A fiscal year 2021 Budget presentation was given during the November 2020 Special Board Meeting and the proposed 2021 Budget was presented for your review during the November 2020 Regular Board Meeting. Highlights, projections and changes to this budget include:

Revenue Highlights:

- Sales tax revenues estimated at \$11,186,095. This is a 10% reduction from the 2020 budgeted amount.
- Fare revenues estimated at \$545,000 which should be very close to 2020 actual collections.
- Total State, Federal and local grant revenues are expected at \$10.6 million.

Expense Highlights:

- Three (3) new full time employees. Two permanent and one temporary position
- 2% Cost of Living Allowance (COLA) increase
- Total Capital Budget of \$8.8 million including:
 - Five (5) Buses
 - Two (2) Paratransit Vehicles
 - Phase I Construction of new MOA2 facility
 - MOA 2 Land Purchase
 - Mechanic Tool Sets

Changes from the original proposed budget:

- Total Grant revenues should be higher by \$75,800. The correct amount should be \$10,653,947 instead of \$10,578,147. This was due to a spreadsheet error.

RECOMMENDATION:

Staff recommends the Board approve resolution 2020-07 approving the fiscal year 2021 Budget.

RESOLUTION 2020-07

A RESOLUTION OF THE SKAGIT TRANSIT BOARD OF DIRECTORS APPROVING THE FISCAL YEAR 2021 BUDGET

WHEREAS, the required public hearing for the budget is to take place prior to adoption on December 16, 2020; and

WHEREAS, on December 16, 2020 the Skagit Transit Board of Directors did approve and authorize the required expenditures for the operation of Skagit Transit.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED, by the Board of Directors of Skagit Transit, that:

Section 1 The budget for Skagit Transit for the fiscal year 2021 is hereby adopted and approved as follows:

Operating Budget	
Revenues	\$16,637,317
Operating Expenses	\$16,438,024
Capital Budget	
Revenues	\$ 5,966,625
Capital Expenses	\$ 8,799,208

Section 2 If any provision of this Resolution or the application of any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 3 This Resolution shall be in force and take effect on January 1, 2021.

PASSED in open public meeting this 16th day of December, 2020.

ATTEST TO FORM:

**SKAGIT TRANSIT SYSTEM
SKAGIT COUNTY, WASHINGTON**

Whitney Davis, Clerk of Skagit Transit

By _____
Kenneth A. Dahlstedt, Chair

APPROVED AS TO FORM:

Dannon Traxler, Counsel to Skagit Transit

By _____
Dale S. O'Brien, Executive Director

Skagit Transit Bus Stop Sign Replacement

To implement a real time information system, we need to replace our bus stop signs. We need to add a bus stop ID to each sign for the new system. These signs will be 17" wide x 30" tall.

A



**SKAGIT
TRANSIT**

90X

208

409

717

**STOP I.D. #
SKT616**

B



**SKAGIT
TRANSIT**



90X

208

409

717

**STOP I.D. #
SKT616**