

Skagit Transit Board of Directors Agenda

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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 December Meeting Minutes..... Page 2-4
- b) Approval of Claims and Payroll
 - December Payroll Direct Deposit and Checks #17047 - 17053 \$971,038
 - December Direct Federal withholding transfer \$213,779
 - December Claims Checks and ACH #43625 - #43762 \$290,695

6. EXECUTIVE SESSION

Discussion of qualifications to hire for Public Employment

7. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Report for December Page 5-6
- b) Approve Resolution 2023-01 Authorizing Participation in Department of Retirement Systems (DRS) Deferred Compensation Program (DCP)..... Page 7-8
- c) Approve Fare Free Day for Point-in-Time Count and Stand Up & Be Counted Day Page 9
- d) Approve Revision to Purchase of 7 Vanpool Replacement Vans..... Pag 10

8. COMMUNITY ADVISORY COMMITTEE REPORT

- a) CAC Meeting Minutes Page 11

9. INFORMATION ITEMS

- a) WSDOT Grants Update
- b) December Ridership Report

10. ADJOURNMENT

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

Wednesday, December 21, 2022

The Skagit Transit Board of Directors met in a regular Meeting in Burlington, WA and via teleconference. Chair Commissioner Janicki called the meeting to order at 11:00 a.m. followed by the Pledge of Allegiance, roll call, and introductions.

Members Present

Lisa Janicki, Skagit County Commissioner (Chair)
Peter Browning, Skagit County Commissioner
Ron Wesen, Skagit County Commissioner
Matt Miller, City of Anacortes, Mayor (Vice-Chair)
Steve Sexton, City of Burlington, Mayor
Soren Jensen, Labor Representative (non-voting member)

Members Present via Teleconference

Jill Boudreau, City of Mount Vernon, Mayor
Julia Johnson, City of Sedro Woolley, Mayor
Judy Jones, Community Advisory Committee (Chair, non-voting member)

Members Absent:

Mark Hulst, City of Mount Vernon, Councilmember

Providing Legal Counsel:

None

Staff Present

Dale O'Brien, Executive Director
Chris Stamey, Manager of Finance & Administration
Mark Kennedy, Operations Manager
Joe Macdonald, Safety & Training Manager
Jennifer Davidson, HR Manager
Nicolas Bergman, IT Technician
Whitney Davis, Clerk to the Board
Les O'Neill, Operations Supervisor
Alan Brooks, Operations Supervisor

Staff Present via Teleconference:

Greg Latham, Maintenance Manager
Brad Windler, Planning & Outreach Supervisor
Abby Bissel, Human Resources Generalist

Members of Public Present

Gary Buchanan, Prothman
Crystle Stidham-Tinges
Brad Tinges

Members of the Public Present via Teleconference:

Chris Jones, CAC
Brandon Stone
Patrick Donnelly

1 Public Comment:

Mr. Jones shared his appreciation for the Board of Director's support regarding the salary survey that was recently approved.

2 Consent / Action Items:

- a) Approval of November Meeting Minutes
 - b) Approval of Claims and Payroll
- | | |
|--|-------------|
| November Payroll Direct Deposit and Checks #17038 - 17046..... | \$878,288 |
| November Direct Federal withholding transfer | \$183,470 |
| November Claims Checks and ACH #43459 - 43624 | \$1,317,077 |

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

3 Executive Session:

Chair Janicki announced that the Board would adjourn for an Executive Session to discuss the proposed AFSCME LOCAL 176-T 2023-2025 Contract and the selection of a new Chief Executive Officer. Ms. Janicki stated the estimated time for the session is 30 minutes and the Board will reconvene in open session at approximately 11:35 a.m.

At 11:35 a.m. Ms. Davidson announced an additional 10-15 minutes was needed in the executive session. At 11:47 Ms. Janicki reconvened the meeting into open session.

Ms. Janicki stated the Board will make a decision in open session and moved to adjourn the public meeting.

Mr. Sexton made a motion to move into contract negotiations with Crystle Stidham-Tinges for the position of CEO of Skagit Transit. Mr. Browning seconded the motion. The motion passed unanimously.

Ms. Boudreau noted her support for the candidate and shared her opinion that she would be a good fit.

Mr. Browning made a motion to approve the three-year contract with AFSME 176. Mr. Sexton seconded the motion. The motion passed unanimously.

4 Full Discussion/Action Items:

a) Monthly Budget Update Report for November

Mr. Stamey read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,326,386 in sales tax in the month of November. Skagit Transit also received \$78,372 in Federal Operating grants. Mr. Stamey noted an incorrect representation in fare collection figures and shared Vanpool Fares for the month of November were not keyed into the financial system at the time the report was calculated. The actual November fare collections were \$46,686 and the Jan-Nov fare collections totaled \$619,304. Currently fare revenue is trending 4.0% or \$26,340 above budget projections for Jan – November 2022. Fare revenue is budgeted at 3.3% of 2022 total operating expense budget. Mr. Stamey stated Capital expenditures included MOA-2 Construction Management Costs. Fuel is currently \$367,005 over the budgeted amount, salaries and wages are \$794,626 under budget and benefits are \$511,630 under budget. The reserve account balance is \$21,141,654. Mr. Stamey provided an update of expenses for the construction of the MOA-2 facility.

Mr. Sexton confirmed the federal funds through the American Rescue Plan Act (ARPA) have been depleted and noted the comparison of fare collections of January through November in 2019 vs 2022 as a good tool to compare pre-covid collections to current.

Mr. Browning moved to approve the November Monthly Budget Update with the adjustments presented. Mr. Miller seconded the motion. The motion passed unanimously.

b) Approve Resolution 2022-15 Fiscal Year 2022 Budget Amendment

Mr. Stamey read the report as presented in the agenda packet. Mr. Stamey noted the Operating Expenses presented are off-set with sales tax revenue as more has been received than budgeted. Mr. Stamey stated staff is requesting to increase the budget \$1,022,000 for expenses including overtime, fuel, lubricants, tires and tubes and software expenses greater than budgeted. Mr. Stamey noted all amendments were made regarding Operations, and the Capital budget will remain as intended.

Mr. Sexton inquired about amending the revenue budget. Mr. Stamey noted staff's intention to convey the revenue off-set, collecting greater revenues than originally budgeted allows staff to off-set overage expenses. Mr. Stamey added that sales tax revenue accounts for 80% of the revenue budget. Mr. Sexton clarified the amendment for salaries and wages would have capacity to cover payroll expenses through December.

Mr. Wesen moved to approve Resolution 2022-15 amending the fiscal year 2022 budget. Mr. Browning seconded the motion. The motion passed unanimously.

c) Public Hearing for 2023 Budget

No public comment was received.

Mr. Browning moved to close the public hearing. Mr. Wesen seconded the motion. At 12:09 the public hearing was closed.

d) Approve Resolution 2022-16 Fiscal Year 2023 Budget

Mr. Stamey read the report as presented in the agenda packet. Mr. Stamey noted Mayor Boudreau submitted an email with questions on the budget and discussed the projected increase in fare revenues, the frequency of use for the parking lot striper included in the budget, operating reserves and an explanation of why the reserves are so flush, dependency on grants and the concern that funding will not sunset, and lastly a decrease in Fixed Route ridership and an increase in Paratransit ridership with consideration of the difference in operational costs on each system.

Mr. Stamey noted a correction under the Operation budget revenues and the correct figure is \$21,648,774.

Mr. Sexton inquired how certain staff was regarding receiving the projected figures for capital revenue projections. Mr. Stamey explained that in years past, capital revenues received were less than budgeted due to an inability to incur the expenses to receive reimbursement through the grants due to supply issues and project delays. Mr. Stamey explained the grants are multi-year.

Mr. Browning moved to approve Resolution 2022-16 fiscal year 2023 budget. Mr. Sexton seconded the motion. The motion passed unanimously.

5 Community Advisory Committee Report

A report of the Community Advisory Committee (CAC) Meeting minutes was included in the agenda packet. Ms. Janicki noted her appreciation of the committee's involvement with the recruitment of the new CEO.

6 Election of Vice-Chair

Ms. Boudreau volunteered to serve as vice-chair. Mr. Sexton noted that if she were not elected for the following term, it would affect her ability to serve as Board Chair in 2024.

Ms. Boudreau volunteered to serve as Board Chair in 2023 and Mayor Miller could serve a second year as Vice-Chair.

Ms. Boudreau nominated herself to serve as Board Chair and Mayor Miller serve as Vice-Chair. Mr. Sexton seconded the motion. The motion passed unanimously.

Mr. O'Brien shared his appreciation for the Board's support over the years and his commendation for the agency's management.

Commissioner Janicki adjourned the meeting at 12:32 p.m.

Attest:

Lisa Janicki, Chair Skagit Transit Board of Directors

Whitney Davis, Clerk of Skagit Transit Board

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Chris Stamey, Chief Financial Officer
SUBJECT: Budget Update for December 2022

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

Revenues:

Sales Tax:

Skagit Transit received \$1,420,986 in sales tax revenues for the month of December 2022.

Fiscal Year 2022 totals are 28% higher than 2021 and 27% higher than 2020.

It is important to note sales tax revenue covered 93% of the agencies total actual operating expense of \$17,872,599. It was budgeted to cover 80%.

	2022	2021	2020
December	1,420,986	1,165,696	1,124,835
Jan-Dec	16,611,527	12,936,313	13,094,838

Grant Revenue Summary for the Year:

2022 Federal Operating Grant Revenue Received \$8,446,232
2022 Federal Capital Grant Revenue Received \$ 641,964

Fare Revenue:

	2022	2021	2020	2019
December	40,911	42,272	43,197	81,984
Jan-Dec	666,174	591,780	553,970	935,050
Budget	592,964	545,000	1,084,850	884,850

Fare revenue was budgeted at 3.3% of 2022 total operating expense budget.

Actuals collections are 3.7% of 2022 actual total operating expense of \$17,872,599.

Expenses:

- ◆ Capital
 - MOA 2 Construction Management Costs for December - \$14,138.
- ◆ Fuel - 2022 total expense \$1,391,442 or \$115,950 per month average
- ◆ Salaries and Benefits combined are \$486,536 under budget.
- ◆ All other expenses were as expected

Ending Cash:

December 2022	December 2021	December 2020
5,906,469	4,672,355	5,752,997

Reserves:

	December 2022	December 2021	December 2020
Operating	5,086,872	5,020,762	5,015,514
Facilities	10,400,000	6,400,000	400,000
Capital Replacement	4,195,706	4,011,760	4,006,803
Non-Designated	1,524,196	1,504,636	1,503,064
TOTAL	21,206,775	16,937,158	10,925,381

MOA2 Phase 1 Construction Finances Update:

Construction Contractor: HB Hansen Construction Inc.

Original Contract Amount: \$2,885,000 + Tax

Total Approved Change Orders: \$1,553,775

1. \$4,458 Electrical, concrete site wall, and slab patching
2. \$17,773 HSS Column in conflict with existing, CFS brackets
3. \$40,136 Slab patch hooks, footing RFI, material cost escalations
4. \$6,408 Gate hardware, roof insulation mockup
5. \$1,485,000 New Roofing

Total payment to Contractor: \$2,448,040

Project % of completion: 40%

RECOMMENDATION: Staff recommends the Board approve the monthly budget report.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Jennifer Davidson, Director of Human Resources

SUBJECT: Approve Resolution 2023-01 Authorizing Participation in Department of Retirement Systems Deferred Compensation Program (DCP)

INFORMATION:

On August 17, 2022, the Board approved resolution 2022-09 which approves transitioning to the Washington State Department of Retirement Systems (DRS).

On January 1, 2023, Skagit Transit became a participating member in the Washington State Public Employee's Retirement System (PERS). Skagit Transit would like to offer its employees the opportunity to enroll in the Department of Retirement Systems Deferred Compensation Program. This is a tax deferred DCP 457 plan administered by DRS.

The DCP lowers taxable income while you are working, and it delays payments of income taxes on your investments until an employee withdraws funds. DCP is a great opportunity for employees to save for retirement.

The Skagit Transit Board of Directors must approve a resolution to authorize Skagit Transit's participation in the DCP.

RECOMMENDATION:

Staff recommends the Board approve resolution 2023-01 for the adoption of the Washington State Department of Retirement Systems (DRS) enrollment into the Washington State Public Employees' Retirement System Deferred Compensation Plan (DCP) to become effective March 1, 2023.

BUDGET IMPACT:

None.

RESOLUTION NO. 2023-01

**A RESOLUTION OF THE SKAGIT TRANSIT BOARD OF DIRECTORS
APPROVING PARTICIPATION IN THE DEPARTMENT OF RETIREMENT SYSTEMS –
DEFERRED COMPENSATION PROGRAM (DCP)**

WHEREAS, it is the responsibility of the Skagit Transit Board of Directors to establish and maintain a competitive benefits package for Skagit Transit employees; and

WHEREAS, Skagit Transit desires to enroll its employees in the Department of Retirement Systems Deferred Compensation Program (DCP);

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED, by the Board of Directors of Skagit Transit System hereby approves the participation in the Department of Retirement Systems Deferred Compensation Program for Skagit Transit employees to become effective 3/1/2023.

PASSED in open public meeting this 18th day of January 2023.

**SKAGIT TRANSIT SYSTEM
SKAGIT COUNTY, WASHINGTON**

By _____
Jill Boudreau, Chair Skagit Transit Board of Directors

By _____
Dale S. O'Brien, Chief Executive Officer

ATTEST TO FORM:

Whitney Davis, Clerk of Skagit Transit

APPROVED AS TO FORM:

Dannon Traxler, Counsel to Skagit Transit

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Brad Windler, Planning and Outreach Supervisor
SUBJECT: Approve Fare Free Day for Point in Time Count and Stand up & Be Counted Day

INFORMATION:

The Point in Time Count Survey Day is a one-day event that aims to engage the local community and build sustainable partnerships to help end homelessness and collect information at five Skagit County cities. Free services will be provided by local non-profits, businesses, and volunteers. The event will take place on Thursday, January 26th, 2023. Event organizers have asked if Skagit Transit will continue support of the event by operating fare free on January 26th. Stand Up and Be Counted in the past offered, 946 individuals from 333 households the opportunity to connect with social and medical services. Fare free transit service removes transportation as a barrier to accessing this event.

RECOMMENDATION:

Skagit Transit recommends operating local routes fare free on January 26th in support of the Point in Time Count and Stand up & Be Counted event.

BUDGET IMPACT:

There will be no budget impact. One day's revenue is approximately \$600 cash not counting monthly passes.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Chris Stamey, Chief Financial Officer
SUBJECT: Approve Revision to Purchase 7 Vanpool Replacement Vans

INFORMATION:

On October 19, 2022, the Board approved the purchase of seven (7), 7 passenger Chrysler Pacifica vans utilizing the Washington State Department of Enterprise Services Contract 05916 for Motor Vehicles to purchase vans from Northsound Dwayne Lane in Everett, WA.

Staff submitted the order on October 25, 2022, however, due to “limited production allocation” the order was cancelled December 1, 2022, by the manufacturer.

Staff was notified by Northsound Dwayne Lane, that there was an opportunity to purchase seven Chrysler Pacifica Touring L with an upgraded trim package for an additional \$3,865 each, increasing the total by \$30,713 after taxes.

RECOMMENDATION:

Staff recommends the Board approve the purchase of seven (7) replacement, 7 passenger Chrysler Pacifica Touring L vans through **Washington State Department of Enterprise Services** Contract # 05916 for Motor Vehicles. Delivery of the vehicles will take place in Burlington so the sales tax will be paid locally.

BUDGET IMPACT:

Cost for Seven (7) Passenger Vans

Total Price	\$344,000.61
Grant funds	\$216,000.00
Local Funds	\$128,713.00

CAC REPORT

JANUARY 10, 2023

There were no guests and no public comments.

An overview of upcoming route changes was given, and the committee deemed Skagit Transit to be quite creative in plans to augment services with minimal driver additions.

The committee will be active this month, with enough volunteer members to undergo two scenario training sessions, plus staff an informational table on January 24 and January 31 from 9:00 AM to 12:00 PM at Skagit Station.

The December 28, 2022 Skagit Transit presentation at the La Conner library during some of our worse winter weather still was an outstanding success, resulting in a new CAC committee applicant, and a return invitation in the near future.

Brad then reported on the status of the board negotiations with the preferred CEO candidate, and the restart of the strategic plan.

There was also quite a discussion regarding the possibility of Micro Transit. Along similar lines, members are going to be presented with several questions on how overall routes and services can be improved with the agency.

The Region Awareness Committee report included kudos to a bus driver, upon observing the professional training of a new hire on the 80X route.

Next CAC meeting: Tuesday, February 14, 2023

Join us on Zoom <https://us02web.zoom.us/j/82998778630>

Meeting ID: 829 9877 8630

Dial by phone +1 253 215 8782 US (Tacoma) Or +1 669-900-6833

Respectfully Submitted,

Judy Jones
CAC Chair