

- 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 2-6
- b) Approval of Claims and Payroll
 - December Payroll Direct Deposit and Checks #16372 – 16381 \$754,711
 - December Direct Federal withholding transfer..... \$155,461
 - December Claims Checks and ACH #38342 – #38500..... \$239,646

6. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Report for December..... Page 7
- b) Federal Fiscal Year 2019 Federal Section 5339 Grant Award Page 8
- c) Award Construction Management and Inspection Services #19-013-F for MOA-2 facility.. Page 9-10

- 7. COMMUNITY ADVISORY COMMITTEE REPORT**
- 8. EXECUTIVE DIRECTORS REPORT**
- 9. INFORMATION ITEMS**
- 10. UNFINISHED BUSINESS**
- 11. NEW BUSINESS**
- 12. ADJOURNMENT**

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

Wednesday, December 18, 2019

The Skagit Transit Board of Directors met in regular session in Burlington, WA. Chair Gere called the meeting to order at 1:00 p.m. followed by the Pledge of Allegiance, Roll Call, and Introductions.

Members Present:

Laurie Gere, City of Anacortes, Mayor (Chair)
Kenneth Dahlstedt, Skagit County Commissioner (V. Chair)
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
Erin Moberg, City of Mount Vernon, Councilmember
Soren Jensen, Labor Representative (non-voting member)

Staff Present

Dale O'Brien, Executive Director
Arden Flores, Manager of Finance & Admin
Allan Schaner, Maintenance/Facilities Manager
Mark Kennedy, Operations Manager
Tiffany Guwin, Administrative Supervisor
Whitney Davis, Clerk to the Board

Members Absent:

Jill Boudreau, City of Mount Vernon, Mayor

Members of Public:

None

Providing Legal Counsel:

None

I Public Comment:

None.

II Consent / Action Items:

- a) Approval of November Meeting Minutes
- b) Approval of November Workshop Minutes
- c) Approval of Claims and Payroll

November Payroll Direct Deposit and Checks #16361 – 16371	\$765,252
November Direct Federal withholding transfer	\$161,992
November Claims Checks and ACH #38219 - #38371	\$238,688

Mr. Dahlstedt 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 for November 2019

Mr. Flores read the Budget Update as presented in the agenda packet. Items of note include Skagit Transit received \$1,090,556 in sales tax revenue for the month of November, Skagit Transit did not receive any State or Federal Grant reimbursements and the total reserve account balance is \$6,270,494.

Mr. Wesen moved to approve the November Monthly Budget Update. Ms. Johnson seconded the motion. The motion passed unanimously.

b) Approve Resolution 2019-11 Authorizing the Surplus of Equipment

Mr. Schaner read the report as presented in the agenda packet. Items of note included seven vehicles that have met their useful life benchmark and are now considered surplus. They will be prepared for sale through auction.

Ms. Johnson moved to approve Resolution 2019-11 Authorizing the Surplus of Equipment. Mr. Dahlstedt seconded the motion. The motion passed unanimously.

c) Approve Resolution 2019-12 Appointing the Current Manager of Finance and Administration as the Equal Employment Opportunity (EEO) Program and Title VI Program Officer for Skagit Transit

Mr. O'Brien read the report as presented in the agenda packet. Mr. O'Brien stated Skagit Transit is an Equal Opportunity Employer and complies with Title VI of the Civil Rights Act of 1964. The responsibility for implementation and compliance were assigned to the previous Manager of Finance and Administration. This resolution authorizes the current manager to assume those duties and responsibilities.

Mr. Dahlstedt moved to approve Resolution 2019-12 Appointing the Current Manager of Finance and Administration as the Equal Employment Opportunity (EEO) Program and Title VI Program Officer for Skagit Transit. Ms. Moberg seconded the motion. The motion passed unanimously.

d) Approve Resolution 2019-13 Appointing a Trustee for 401(a) and 457 Plans

Mr. O'Brien read the report as presented in the agenda packet. Mr. O'Brien stated Skagit Transit provides its employees with a Governmental Defined Contribution Plan 401(a) and 457 Plan through Empower Retirement. The plan requires appointing a trustee and authorized signer. This resolution will transfer those duties and responsibilities to the current Manager of Finance and Administration from the former.

Mr. Wesen moved to approve Resolution 2019-13 Appointing a Trustee for 401(a) and 457 Plans. Ms. Johnson seconded the motion. The motion passed unanimously.

e) Approve Resolution 2019-14 Fiscal Year 2020 Budget

Mr. Flores stated the 2020 Draft Budget was presented to the Board in November. Mr. Flores read the report as presented in the agenda packet.

Mr. Flores stated revenue highlights include \$12,748,147 expected from sales tax revenues, a \$200,000 increase in fare revenues due to an approved 2019 fare increase and first year collections of Paratransit fares and \$10 million in State, Federal and local grant revenues. Expense highlights include five new full time employees, replacement of nine buses, six Paratransit vehicles and phase one of construction on the new Maintenance, Operations and Administration (MOA) building.

Mr. Flores stated changes from the original proposed budget include the removal of State Grant revenues in the amount of \$244,200 from the State Vanpool Investment Program, removal of the purchase of 10 vans for the Vanpool program in the amount of \$309,906 and a 2% cost of living increase for all non-represented employees in the amount of \$95,410.

Ms. Janicki requested clarification on the change in sales tax for the amount budgeted vs the amount forecasted. Mr. Flores clarified that the 3% increase is in comparison to the 2019 budgeted amount and is a decrease over the actual collections. Ms. Janicki stated it is more relevant for managing bodies to look at what the next year's budget is in comparison to figures at the end of the year.

Mr. Sexton stated he has concerns regarding the budget including sales tax revenues plateauing, the effects of I-976 which will eliminate grant funding, the budget is predicting an increase in ridership even though it is going to trend downward especially with the increased fare prices and his biggest concern is adding five full time employees (FTE) while facing a lot of unknowns. Mr. Sexton stated Skagit Transit has spent down the reserve accounts by \$2.4 million in 2019 and anticipates spending an additional \$1.9 million in reserves in 2020 which means in two years, Skagit Transit will have spent half of the reserves and the balance will diminish from \$8.7 million down to \$4.3 million. Mr. Sexton stated this is not a sustainable trend and with the future outlook on revenues being unclear, now does not seem like the time to add five new full time employees.

Mr. O'Brien explained the request for two FTE's are a result of no longer using the Skagit County Jail inmates to help clean the vehicles due to issues with theft. The Facilities Technician position request is a result of eliminating the contract with the landscape company as the work being done was not of acceptable standards and this work has been taken in-house creating a larger workload for the Facilities department. The Lead Security position at Skagit Station is due to safety issues that have been happening on the weekend when the regular Security Supervisor is off and the development of new businesses across the street bringing additional activity requiring a higher level of security. Lastly the request for a Lead Mechanic position is to help oversee weekend production, provide administrative assistance as well as provide hands-on training and assistance as needed.

Mr. Sexton stated he prefers to find a new contractor for the landscaping duties as hiring a new employee is a long term decision in uncertain financial times. Mr. Sexton inquired if this was something that could be done with current staffing levels. Mr. O'Brien stated Skagit Transit is currently using temporary employees from Express Personnel to help get the work done. Mr. Schaner stated it would cost more to contract out a new vendor due to the amount of work required by that position. The Facilities Technician also maintains stops across the entire service area and works on all Skagit Transit facilities. Mr. Schaner stated the shop staff has gone over 900,000 miles since 2015 without increasing staff. Mr. Schaner stated with the increase in mileage and vehicles, staff is overwhelmed with work and there is concern that service gets overlooked.

Mr. Dahlstedt moved to approve Resolution 2019-14 Approving the Fiscal Year 2020 Budget. Ms. Moberg seconded the motion. The motion passed with Mr. Sexton opposed.

IV Community Advisory Committee Report

Mr. O'Brien stated the Community Advisory Committee (CAC) met in December and elected new officers. Chris Jones is the new Chair, Judy Jones is the new Vice-Chair and Joe Kunzler is the Special Project Coordinator. The CAC has invited Heidi Wills will speak with them in March regarding work she has done with the University of Washington and the U-Pass as well as the promotion of youth transit passes in Seattle. She will discuss the positive impacts that these promotions have had on transit as well as how their efforts were achieved.

Mr. O'Brien stated the CAC will also assist staff with the testing of the new touch pass system in January. Members of the CAC will ride Skagit Transit buses throughout the County and report back on any problems or concerns that they encounter.

V Executive Directors Report

Mr. O'Brien stated that Skagit Transit was very fortunate with the effects of I-976. \$3.4 million was at risk, however Skagit Transit had five out of nine Fixed Route coaches under contract so the funding for them is secure. Mr. O'Brien shared that six Paratransit buses and the IVR system that calls Paratransit clients and texts them the night before to remind them of their ride were also covered with secured funds. Skagit Transit was also awarded the Special Needs Formula funding. The Vanpool program funds were cut and expansion vans will not likely be purchased in 2020. Staff was also notified that Skagit Transit was unsuccessful in receiving FTA 5339 funds in the amount of \$10 million for the new MOA. Mr. O'Brien

stated Skagit Transit has the funding to complete phase I of the project and is obligated to spend that money in 2020 and staff will continue to pursue grants in the future.

Mr. O'Brien shared nationwide there were 318 projects that applied for the 5339 grant, 188 of those were picked as highly recommended – of which Skagit Transit was included. 94 projects were funded. 45% of the money went to large urban systems, 27% went to small urban systems and 28% went to rural systems.

Mr. O'Brien stated in a debriefing, the individual responsible for the scoring of the grant program stated Skagit Transit was very close to getting the funds however combining phase II and Phase III made the request larger and had the request for funding been separated the money would have been awarded.

Mr. O'Brien stated he met with Commissioner Dahlstedt and Congressman Rick Larsen last week and asked if there would be a continuing resolution for the transportation bill. Congressman Larsen stated they would pass the transportation bill and there should be some information coming in the next few weeks as to how much money will be obligated out to transportation. Mr. O'Brien stated if that is the case, there will be a new grant program that staff can pursue additional grant funding from.

Mr. O'Brien stated staff is currently negotiating phase I of the construction for the new MOA with the contractor and their quote came back higher than anticipated so staff is meeting with them to negotiate the price. February would be the earliest that staff would go out to bid for construction of phase I with work starting in April.

Mr. Sexton stated five of the nine Fixed Route coaches were under contract so the agency is receiving funding for those, and inquired what the plan was for funding the remaining four coaches. Mr. O'Brien stated Skagit Transit signed a contract with Gillig and is obligated to order those remaining buses or pay a fine. Mr. O'Brien stated the funding for that was included in the 2019 budget. Mr. Flores clarified that five of the buses were state funded which staff was concerned of losing funding for and the other four are federally funded.

VI Information Items:

None.

VII Unfinished Business:

None.

VIII New Business:

Election of Vice Chair

Ms. Gere informed the Board her term as Chair ends on December 31, 2019 and stated Commissioner Dahlstedt will become the new Chair. Ms. Gere requested nominations for Vice Chair for 2020.

Mr. Sexton nominated Ms. Boudreau. Ms. Janicki seconded the nomination. The motion passed unanimously.

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

Mayor Gere adjourned the meeting at 1:29 p.m.

Mayor Laurie Gere, 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 December 2019

INFORMATION:

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

Revenues:

Skagit Transit received \$1,124,835 in sales tax revenue for the month of December 2019. This is 5.22% higher than the \$1,069,068 collected in December of 2018. Total sales taxes collected for the year amounted to \$13,094,838 which is 1.52% higher than the \$12,898,829 in total collections for 2018. Skagit Transit did not receive any State or Federal Grant reimbursements this month.

Expenses:

- ◆ Capital Expenditures
 - Shop forklift - \$26,554
 - Server Hardware - \$17,267
- ◆ Fuels within budget for the year
- ◆ All other expenses were as expected

The Reserve Accounts currently are:

	<u>December 2019</u>	<u>December 2018</u>
Operating	\$ 2,214,092	\$ 2,164,260
Facilities	400,000	400,000
Capital Replacement	2,376,696	4,001,937
Non-Designated	<u>1,289,007</u>	<u>2,238,225</u>
Total Reserves:	\$ 6,279,795	\$ 8,804,422

RECOMMENDATION:

Staff recommends the Board approve the monthly budget reports.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Arden Flores, Manager Finance and Administration
SUBJECT: Federal Fiscal Year 2019 Federal Section 5339 Grant Award

INFORMATION:

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. The following is presented for Board approval for the programming and award of 2019 Federal Section 5339 awarded to Skagit Transit.

Federal Fiscal Year 2019 Federal Transit Administration Section 5339 funds apportioned to Skagit Transit from Washington State DOT - \$112,310.

Skagit Transit will program these funds to assist in the construction of the new Maintenance Operations and Administration facility located at 11784 Bay Ridge Drive, Burlington.

RECOMMENDATION:

Staff recommends the Board approve the grant projects and budgets, and authorize the programming of the funding and the Executive Director to execute the grant agreements.

BUDGET IMPACT:

FTA Section 5339 has an 80/20 match requirement.
Expenditures financed with this grant will be shared as follows:
80% Federal/20% local, with a maximum budget impact of \$28,074.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Dale O'Brien, Executive Director

SUBJECT: Award Construction Management and Inspection Services #19-013-F for MOA-2 facility

INFORMATION:

On July 11, 2019, we advertised a Request for Qualifications (RFQ) for Construction Management and Inspection Services for MOA-2, Phase 1 at the Port of Skagit. Skagit Transit does not have sufficient or experienced staff to meet the required commitment for Construction Management Services of this facility, therefore it is advisable and desirable to obtain the necessary Construction Management and Inspection Services for this project from a professional Consultant.

Pursuant to 40 USC 1102 (The Brooks Act) and RCW 39.80 governing contracts and procedural requirements for the procurement of A/E services, including Construction Management Services, Skagit Transit published Request for Qualifications (RFQ) #19-013-F on July 11, 2019 by posting the documents on its website, Skagit Valley Herald, Office of Minority & Business Enterprises, etc. This process results in negotiating the most highly qualified consultant. If a fair and reasonable price cannot be negotiated with the top ranked firm, negotiations with that firm will terminate and Skagit Transit will enter negotiations with the second highest ranking firm.

The legal ad for the RFQ was published in the Skagit Valley Herald. Notices were posted at Skagit Station, the existing MOA facility, and sent to numerous A/E firms. Six firms were present at the Pre-Submittal Meeting held at MOA2 on July 30, 2019.

The first step included scoring and ranking the submittals. The evaluation criteria consisted of the following:

- Firm's qualifications, experience and History (10)
- Qualifications and experience of key individuals (30)
- Approach to complete the work (20)
- Capacity and availability (20)
- Previous Municipal Work Experience (20)

Three responsive submittals were received by the September 4, 2019 deadline. A five member Selection Committee consisting of four Skagit Transit staff and one member from the Whatcom Transportation Authority (WTA). The Selection Committee scored and ranked the proposals and the results of the first round were as follows:

KPFF	406
KBA	402
ROEN & ASSOCIATES	369

The second step consisted of inviting the top scoring firms to an interview with a maximum of 100 points available. The Selection panel agreed to interview both KPFF and KBA. Interviews were held with both KPFF and KBA on October 2, 2019, immediately followed by evaluations by a 5-member Selection Committee: Final scores determined by the Selection Committee are as follows:

KBA	478
KPFF	401

After the interviews were complete, we requested a cost proposal from KBA, the highest scoring firm. We negotiated an amount not to exceed \$241,000. Staff believes the cost is fair and reasonable, based on the cost estimate we received from TCF, the A&E Firm that did the design for MOA2, research we conducted with another transit property and review of past Skagit Transit projects.

RECOMMENDATION:

Skagit Transit recommends that the Construction Management & Inspection Services #19-013-F be awarded to KBA in an amount not to exceed \$241,000.

BUDGET IMPACT:

FTA Section 5339
Grant No. WA-2019-079 and WA-2019-078 (80% of the project cost)
Total not to exceed: \$241,000
Grant(s) funds: \$192,800
Local funds: \$ 48,200