

Join the meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/805653781>

You can also dial in using your phone.
United States: +1 (872) 240-3212
Access Code: 805-653-781

Skagit Transit Board Of Directors Agenda

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

-
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 August Meeting MinutesPage 2-5
- b) Approval of Claims and Payroll
August Payroll Direct Deposit and Checks #16475 – 16487 \$744,283
August Direct Federal withholding transfer \$154,538
August Claims Checks and ACH #39499- #39651..... \$217,235

6. FULL DISCUSSION/ACTION ITEMS

- a) Monthly Budget Update Reports for AugustPage 6
- b) Resolution 2020-03 Amend Spending Limits and Procurement Policy and Procedures Page 7 - 9
- c) Design and Engineering of the Sedro Woolley Driver Relief Station Page 10
- d) Authorize Sole Source Procurement for Trapeze MyRide Module and Associated Hardware.....
..... Page 11 – 12
- e) Resolution 2020-05 Amending the Fiscal Year 2020 Budget Page 13 - 14

7. COMMUNITY ADVISORY COMMITTEE REPORT

8. EXECUTIVE DIRECTORS REPORT

9. INFORMATION ITEMS

Draft Copy of Procurement Policy and Procedures

10. NEW BUSINESS

Composition Review Update

11. ADJOURNMENT

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

Wednesday August 19, 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

Jill Boudreau, City of Mount Vernon, Mayor (Vice Chair)

Lisa Janicki, Skagit County Commissioner

Julia Johnson, City of Sedro Woolley, Mayor

Steve Sexton, City of Burlington, Mayor

Mark Hulst, City of Mount Vernon, Councilmember

Dave Thomas, Skagit County Assessor

Jackie Brunson, Skagit Country Treasurer

Members Absent:

Kenneth Dahlstedt, Skagit County Commissioner (Chair)

Ron Wesen, Skagit County Commissioner

Laurie Gere, City of Anacortes, Mayor

Rick DeGloria, City of Burlington, Councilmember

Staff Present

Dale O'Brien, Executive Director

Arden Flores, Manager of Finance & Administration

Whitney Davis, Clerk to the Board

Staff Present via Teleconference:

Joe Macdonald, Manager of Safety & Security

Brad Windler, Planning and Outreach Supervisor

Chris Chidley, IT Manager

Members of Public via Teleconference:

Joe Kunzler

Pam Carlson, SCOG

Providing Legal Counsel:

None

I Public Comment:

Mr. Kunzler stated he submitted his comments on the Transit Development Plan via email.

II Consent / Action Items:

a) Approval of July Meeting Minutes

b) Approval of Claims and Payroll

July Payroll Direct Deposit and Checks #16462 – 16474 \$806,667

July Direct Federal withholding transfer \$152,061

July Claims Checks and ACH #39349 – 39530 \$255,459

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

III Full Discussion/Action Items:

a) Monthly Budget Update Report for July

Mr. Flores read the report as presented in the agenda packet. Items of note include Skagit Transit received \$1,157,851 in sales tax in the month of July and \$797,135 in federal grant reimbursements from the Federal CARES Act. The reserve account balance is \$7,418,479.

Mr. Flores also presented an updated revenue projection/comparison. Mr. Sexton inquired what the Federal Cares Act funds were being used for. Mr. Flores stated staff is using those funds to pay salaries, benefits, additional cleaning of buses and facilities and PPE's.

Mr. Sexton stated funds are coming in higher than expected at 5% more than in July of 2019 and Skagit Transit is still receiving approximately \$800,000 of Federal Cares Act funds. It seems odd that Skagit Transit is receiving and carrying over federal funds when sales tax is more than the prior year.

Mr. Flores stated these funds were funneled through the FTA Federal 5307 Operating Grant and anything happening after January 20th that is COVID related qualifies as approved expenses.

Ms. Boudreau inferred the municipalities have different rules from transit that are more specific regarding how the funding is received and what it can be used for. Mr. O'Brien stated when staff submits for a reimbursement, they must submit a detailed report of what the reimbursement funds are being used for. Ms. Boudreau and Mr. Sexton shared their feelings of frustration that transit receives more federal funds and has more flexibility in how to use them.

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

b) Resolution 2020-03 Amend Spending Limits and Procurement Policy and Procedures

Mr. O'Brien read the report as presented in the agenda packet. Items of note include increasing the Executive Director's spending limit from \$50,000 to \$100,000 and increasing the micro-purchase threshold from \$5,000 to \$10,000.

Ms. Boudreau stated reaching spending limits can take a lot of time and she likes the micro-purchase increase from \$5,000 to \$10,000. Mr. Hulst stated he is also in favor of increasing the micro-purchases, and requested some specific examples of purchases that exceed the \$50,000 threshold. Mr. Hulst stated he feels purchases that exceed \$100,000 should require Board approval.

Mr. Flores stated other transit agencies, such as Island Transit, have a bid purchase threshold limit of \$250,000 which is far beyond the needs of Skagit Transit. Staff would like to expedite the purchase and procurement process going forward by increasing agency limit to \$100,000.

Mr. Chidley stated a few examples would include a storage server, camera upgrades for park and ride locations and the digital repeater on Alger Mountain all of which approach the \$50,000 procurement threshold. Ms. Boudreau clarified these purchases would be items previously approved in the authorized budget that has been passed by the Board. Mr. Sexton acknowledged purchases would be for budgeted items already approved but shared his concern for eliminating the competitive bid process for any purchases under \$100,000. Mr. O'Brien stated this puts the burden of due diligence on staff to get quotes and detailed information.

Mr. Flores clarified that any purchase under \$10,000 is a micro-purchase and does not require staff to get quotes, those purchases only need to be deemed fair and reasonable. Any purchases over \$10,000 up to \$100,000 require staff to get quotes but does not require the formal bid process with advertising in the newspaper and holding a public bid opening. Mr. Sexton stated that information is not reflected in the resolution. Mr. O'Brien stated that would be in the procurement policy. Ms. Boudreau stated the resolution could use some additions to clarify.

Ms. Johnson made a motion to table Resolution 2020-03 Amending the Spending Limits and Procurement Policy and Procedures until the September Board meeting. Mr. Hulst seconded the motion. The motion passed unanimously.

c) Public Transportation Agency Safety Plan

Mr. Macdonald read the report as presented in the agenda packet and presented Skagit Transit's complete Safety Plan with processes and procedures to implement Safety Management Systems.

Mr. Sexton moved to approve the Public Transportation Agency Safety Plan. Ms. Johnson seconded the motion. The motion passed unanimously.

d) Resolution 2020-04 Approve the 2020-2025 Transit Development Plan

Mr. Windler read the report as presented in the agenda packet and presented Skagit Transit's 6 year Development Plan. Ms. Johnson requested staff elaborate on the plans that will impact Sedro Woolley. Mr. Windler stated staff plans to create an express route 30X with a 21 minute connection from Sedro Woolley to Burlington and Mount Vernon, a re-design of route 300 to facilitate better restroom access for drivers and a more populated layover point, a new stop on Fruitdale Road for access to the Helping Hands Food Bank and lastly a stop at the new Library. Mr. Windler stated work on the stop at the food bank is set to begin early of next year with grant funding in place and design and permitting already complete.

Ms. Boudreau opened the Public Hearing for the Six Year Transit Development Plan and asked for any additional public comments. Mr. Kunzler stated he emailed his comments and emphasized his requests for staff and Board members to begin work on the new Maintenance, Operations and Administration (MOA) building and Sedro Woolley connections. Ms. Boudreau closed the public comment period.

Ms. Johnson moved to approve Resolution 2020-04 Approving the 2020-2025 Transit Development Plan. Mr. Sexton seconded the motion. The motion passed unanimously.

IV Executive Directors Report

Mr. O'Brien stated funding is in place for phase I of the new MOA building, but construction has been put on hold until Skagit County moves into phase III of the safe start plan. Staff would then go out for bid putting construction beginning in 2021.

Skagit Transit submitted two grant requests for \$10 million each to fund the future phases of the MOA II building project. One request was unsuccessful, and staff should know the outcome of the second grant submission in November.

Mr. O'Brien reminded the Board the Skagit Transit is leasing space in the new MOA building to Legends for \$11,000 per month.

Skagit Transit partnered with Helping Hands Food Bank for the "Stuff the Bus" food drive on August 8th at the Cascade Mall. Over 4,000 pounds of food was donated and the food bank received approximately \$30,000 in monetary donations.

Skagit Transit has also partnered with the Sedro Woolley Food Bank and is providing a van and driver every Friday to deliver food donations to residents' homes. Mr. O'Brien added some of the Federal Funds for COVID relief are helping fund this community outreach.

V Information Items:

None.

VI Unfinished Business:

None.

VII New Business:

None.

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

Mayor Boudreau adjourned the meeting at 1:38 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 August 2020

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

Revenues:

Skagit Transit received \$1,183,385 in sales tax revenue for the month of August 2020. This is 2.17% lower than the \$1,209,693 collected in August 2019. Total sales taxes collected so far for 2020 are \$8,100,945 which is 5.39% lower than the \$8,562,884 collected from January through August of 2019.

We also received a total of \$984,520 in federal and state grants for the month including \$812,087 from the federal CARES Act. Of the \$6,996,811 in total CARES Act funds allocated to Skagit Transit, \$4,857,450 has been reimbursed through August 2020.

Expenses:

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

The current Reserve Account balances are:

	Aug 2020	Aug 2019
Operating	\$ 4,011,906	\$ 2,199,815
Facilities	400,000	400,000
Capital Replacement	2,005,112	2,358,740
Non-Designated	<u>1,002,575</u>	<u>1,280,778</u>
Total Reserves:	\$ 7,419,593	\$ 6,239,333

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: Approval of Resolution #2020-03: Amend Executive Director Spending Limit and Procurement Policy and Procedures

INFORMATION:

Executive Director Spending limit

The current \$50,000 spending limit of Skagit Transit's Executive Director was authorized by Resolution #2016-10 and passed in an open public meeting on November 16, 2016. All purchases that exceed this threshold requires approval by the Board of Directors.

Procurement Policy and Procedures

This noted \$50,000 Executive Director spending limit is also inline with the current bid threshold as stated in our Procurement Policy. All purchases that exceed this threshold must be solicited by a formal competitive process. The current procurement thresholds stated in our policy are as follows:

- Micro-purchase threshold: \$5,000 – no quotes or bids necessary if total doesnt exceed this amount
- Small acquisition thresholds: \$5,001 to \$50,000 – requires informal quotes
- Formal bid threshold: Over \$50,000 – must be procured using a formal competitive process

As Skagit Transit grows and market prices continually rise, this \$50,000 Executive Director spending limit, and formal bid threshold has become restrictive as the Agency strives to conduct timely procurements while seeking the best price or best value with taxpayer dollars. This formal bid threshold as well as the Micro-purchase threshold are also significantly less than the current thresholds used by adjacent Transportation Agencies.

RECOMMENDATION:

Staff recommends the Board approve Resolution 2020-03 authorizing an increase in the spending limit for the Executive Director from \$50,000 to \$100,000, which shall also become the new threshold requiring a formal competitive bid process. In addition, we also recommend the micro-purchase threshold be increased from \$5,000 to \$10,000.

NOTE – Copy of draft policy that reflect the proposed changes are included in the Informational items section.

RESOLUTION NO. 2020-03

A RESOLUTION OF THE SKAGIT TRANSIT BOARD OF DIRECTORS AUTHORIZING REVISION OF THE SPENDING LIMITS AND PROCUREMENT POLICY AND PROCEDURES

WHEREAS, Skagit Transit's current spending limits allow for the Executive Director to approve purchases up to \$50,000; all purchases that exceed this threshold require approval by the Board of Directors and such procurements must be solicited by a formal competitive process; and

WHEREAS, Skagit Transit's current micro-purchase threshold is \$5,000; and

WHEREAS, the need has been shown to improve the Agency's procurement efficiencies by increasing the bid and micro-purchase thresholds and the spending authority of the Executive Director; and

WHEREAS, each year the Board of Directors reviews and approves a yearly budget for operating and capital expenditures; and

WHEREAS, approved increases in thresholds and spending limits must be amended in Skagit Transit's Procurement Policy and procedures.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED THAT, the Skagit Transit Executive Director is authorized, within the adopted yearly budget, to approve individual capital and operating purchases up to \$100,000; the Board of Directors must approve individual capital and operating purchases costing over \$100,000; procurements costing over \$100,000 must be made through a formal competitive process; the micro-purchase threshold shall be increased to \$10,000; and the Procurement Policy and procedures be amended accordingly.

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

SKAGIT TRANSIT SYSTEM
SKAGIT COUNTY, WASHINGTON

By _____
Kenneth A. Dahlstedt, Board Chair

By _____
Dale S. O'Brien, Executive Director

ATTEST TO FORM:

Whitney Davis, Clerk of Skagit Transit

APPROVED AS TO FORM:

Dannon C. Traxler
Counsel to Skagit Transit

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors
FROM: Brad Windler, Planning and Outreach Supervisor
SUBJECT: Design and Engineering of the Sedro Woolley Driver Relief Station

INFORMATION:

Skagit Transit is in need of a bathroom facility at the Sedro Woolley Park and Ride Lot for drivers who are assigned to routes in this area. Currently, access to restroom facilities is not always available to these drivers. That has impacted when and where we can operate our routes. This facility will enable Skagit Transit to make routing changes that will improve service in Sedro Woolley and in the east county area.

Additionally, this project will enable the placement of security cameras and a future digital kiosk for the display of real time arrival information.

Staff would like to purchase a pre-cast building off of the state contract similar to other bathroom facilities we have purchased such as the one at the South Mount Vernon Park & Ride Lot. In order to accomplish that, a concrete pad needs to be prepared and utilities need to be extended to the site. Skagit Transit has an engineering firm, Pertect Engineering, under contract to assist with capital projects. Completing the design phase will enable staff to obtain an accurate cost estimate for the work necessary to complete this project.

RECOMMENDATION:

Approve the completion of the design and engineering of the Sedro Woolley Driver Relief Station. The Budget will be amended in order to reflect this additional capital expenditure.

BUDGET IMPACT:

Local Funds: \$58,698.00 (includes tax)

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Brad Windler, Planning and Outreach Supervisor
Chris Chidley, IT Manager

SUBJECT: Authorizing Sole Source Procurement for Trapeze MyRide Module and associated hardware

INFORMATION:

Skagit Transit has used Trapeze hardware and software products for over 20 years. Trapeze products are proprietary and solely owned by the Trapeze Group who has the exclusive right to maintain and enhance their software and hardware products and control all associated costs thereto. Skagit Transit currently has the Streets and Next Stop Announcement System on our Fixed Route Fleet.

The Board has approved, and Skagit Transit has established, procedures for the purchase of goods and services through non-competitive negotiated sole source procurements. Our policy requires Board approval on purchases in excess of \$50,000.00.

More and more transit systems are using technology to provide “Real Time Arrival Information” for their riders. Large transit systems have provided this service for over 10 years and it has shown positive results. As this technology has proven itself, small and medium sized agencies have started to adopt it.

Studies show that over 90% of riders are reporting that real time information improved their satisfaction with their local transit system. One study showed over 70% of riders reported that they had to wait less because they knew when the bus was going to arrive. Transit agencies have reported a 2-4% increase in ridership just due to the presence of real time information.

This procurement will provide the required software, 2 digital display kiosks for the bus islands at Skagit Station and Chuckanut P&R, an internal display for the lobby at Skagit Station, a website page showing our buses moving on a map, and will establish a connection to the TRANSIT smartphone app. The TRANSIT app is an open source app that shows the real time arrival info for over 200 agencies including our regional partners Community Transit, Everett Transit, King County Metro, Sound Transit, and WA State Ferries. Skagit County citizens going to Seattle area destinations can use this app to plan trips using more than one transit agency.

Ben Franklin Transit located in the Tri-Cities of WA uses this system. Staff has been in communication with BFT to find out any lessons learned and best practices.

RECOMMENDATION:

Skagit Transit staff recommends that the Board approve the procurement of the Trapeze MyRide Module and associated hardware. The cost for this project is not to exceed \$126,000. Upon approval, the budget will be amended in order to reflect this additional capital expenditure.

BUDGET IMPACT:

Skagit Transit has been awarded \$105,000 in federal grants to pay for this project through the Skagit Council of Governments. \$21,000 in local funds will be required to fund this procurement.

SKAGIT TRANSIT

TO: Skagit Transit Board of Directors

FROM: Dale O'Brien, Executive Director
Arden Flores, Manager of Finance and Administration

SUBJECT: Approve Resolution No. 2020-05 Fiscal Year 2020 Budget Amendment

INFORMATION:

The FY 2020 Budget was approved by the Board of Directors during the December 2019 meeting. A budget amendment for FY 2020 is needed for the following:

Capital Expense	Details
Sedro-Woolley Driver Relief Station - \$58,698	Design and Engineering costs
Trapeze MYRide Module - \$126,000	Software and associated hardware and equipment to provide Buses real time arrival information for users

RECOMMENDATION:

Staff requests approval of Resolution No. 2020-05 amending the Fiscal Year 2020 Budget.

BUDGET IMPACT: This would increase the total FY2020 capital budget from \$9,959,062 to \$10,143,760.

RESOLUTION NO. 2020-05
A RESOLUTION OF THE SKAGIT TRANSIT BOARD OF DIRECTORS
AMENDING THE FISCAL YEAR 2020 BUDGET

WHEREAS, Resolution 2019-14 approved the annual budget for Fiscal Year 2020, and resolution 2020-02 amended it in July 2020.

WHEREAS, it has again become necessary to amend the Fiscal Year 2020 Capital Budget.

WHEREAS, the Board during this same date, approved the Design and Engineering of the Sedro Woolley Driver Relief Station for \$58,698 and the sole source procurement of the Trapeze MyRide Module and associated hardware for \$126,000. These additional expenses were not included in the original budget.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED, by the Board of Directors of Skagit Transit that the budget for Skagit Transit System for the year 2020 is hereby amended as follows:

Capital Budget	Approved	Amended	Increase
Expenses	9,959,062	10,143,760	184,698

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

SKAGIT TRANSIT SYSTEM
SKAGIT COUNTY, WASHINGTON

By _____
Ken Dahlstedt, Board Chair

By _____
Dale S. O'Brien, Executive Director

ATTEST TO FORM:

Whitney Davis, Clerk of Skagit Transit

APPROVED AS TO FORM:

Dannon C. Traxler, Counsel to Skagit Transit