KITSAP TRANSIT BOARD OF COMMISSIONERS
MEETING MINUTES
DEC. 20, 2011

Board of Commissioners Present:

Brackett, Kim, Proxy for Mayor, City of Bainbridge Island
Brown, Josh, Kitsap County Commissioner
Coppola, Lary, Mayor, City of Port Orchard, **Vice-Chair**
Erickson, Becky, Mayor, City of Poulsbo
Gelder, Robert, Kitsap County Commissioner
Lent, Patty, Mayor, City of Bremerton
Maupin, Will, Bremerton City Councilmember, **Chair**
Putaansuu, Rob, *At-Large Board member & Port Orchard City Councilmember*
Witte, John, Teamsters Local 589, *non-voting member*

Board of Commissioners Absent:

Garrido, Charlotte, Kitsap County Commissioner

Staff Present:

Bergman, Helen, KT Driver of the Month for September for *ACCESS*
Cartwright, Jeff, Human Resources Director
Clark-Getzin, Wendy, Capital Development Director
Clauson, John, Service Development Director
Freer, Jack, Routed Operations Manager
Gustafson, Ellen, Operations Director
Hayes, Richard, M., Executive Director
Harrison, John, KT Driver of the Month for October for *ACCESS*
Knox-Browning, Cathie, Clerk of the Board
Seymore, Hayward, Vehicle & Facilities Maintenance Director
Shinners, Paul, Finance Director
Templeton, Ron, General Counsel
Thomson, Gayle, Deputy Clerk

Visitors Present:

Sanders, Gregory, ATU No. 1384
Friedrich, Ed, Kitsap Sun
Myers, Larry
Arends, Carol

1. CALL TO ORDER: Chairperson Maupin called the regular meeting of the Kitsap Transit Board of Commissioners to order at 9:37 a.m.

2. CHAIRPERSON'S COMMENTS / DISCUSSION:

a. Recognizing the 2011 Drivers of the Month for September & October in Routed and *ACCESS*

Mr. Freer said there were five drivers to introduce today, and he began with Helen Bergman, the September Driver of the Month (DOM) for *ACCESS*. He said Ms. Bergman has been with KT since 2002 and that this is her fourth time as DOM. Mr. Freer said Ms. Bergman receives a lot of comments from her passengers about what a caring, pleasant person she is and that she is always there to take care of them. He also said Ms. Bergman recently received her eighth safety award. Mr. Freer said that in her free time, Ms. Bergman enjoys traveling in her recreational vehicle and reading.

Applause followed these remarks.

Ms. Bergman said she appreciated this honor and said hers is the best job in the world.

She is one of our best *ACCESS* drivers, Mr. Freer said.

Mr. Freer then introduced John Harris as the October DOM for *ACCESS*. He said Mr. Harris has been with KT since 2006 and that this is his second time as DOM. Mr. Freer said a customer wrote in recently to thank Mr. Harris for finding her wallet and going out of his way to return it to her. He said this is an example of Mr. Harris' penchant for making passengers feel better, laugh and having a good day. Mr. Freer said Mr. Harris is gregarious, outgoing and is never at a loss for words.

Applause followed these remarks.

Mr. Harris wished the group a Merry Christmas and he thanked the board for the recognition.

Mr. Freer said the Routed DOMs for August, September and October were not able to be at today's meeting, but that he wanted to recognize them.

He said that the August Routed DOM, Marvin Jackson, has been with KT nine years and recently received his eight-year safety award. Mr. Freer said Mr. Jackson has been DOM twice previously and that today was his regular day off and that he believed Mr. Jackson's wife had him out Christmas shopping. He said Mr. Jackson's motto is to take baby steps in life and always try to be a better person than you were the day before. He also said Mr. Jackson's advice to other drivers is to be prepared when you come to work with the proper attitude, always express yourself well and if you are positive the outcome will be great. Mr. Freer said Mr. Jackson also noted that one of the most important things to remember about KT is one's work ethic and getting to work on time.

Applause followed these remarks.

Mr. Freer said the agency's September DOM in Routed was Mac McClard, who has been with KT for 18 years, was Driver of the Year in 1998 as well as DOM two previous times. Mr. Freer said that when supervisors see something positive that a driver has done, they send "attaboy" notes, and he noted that Mr. McClard has 35 of those in his file. He said Mr. McClard has been

a real godsend for KT and that the agency appreciates his work. Mr. Freer said Mr. McClard is a pm driver and that 9 a.m. was just too early for him.

Applause followed these remarks.

Mr. Freer said the October DOM for Routed is Teri Chaussee, and that this is her first time as DOM. He said Ms. Chaussee is active in several committees; currently the Safety and Run committees, and is a constant source of suggestions. Mr. Freer said he appreciates that Ms. Chaussee is involved and interested making KT the best it can be. He said she was unable to be at today's meeting as she was on vacation this week, out of state, visiting her children.

Applause followed these remarks.

b. Board Sub-Committee (SC) reports:

- Josh Brown, Chair of the Planning SC, which met Oct. 21 and Dec. 2

Commissioner Brown said the SC has been working to support the budget effort, including reviewing the materials discussed in this morning's study session. He said there have been general conversations regarding the resolution on the agenda about the partnership with KRCC. Commissioner Brown asked if other SC members wished to add any other comments? They did not.

- Becky Erickson, Chair of the Finance & Personnel SC, which met Nov. 9 and Dec. 8

Commissioner Erickson said this SC has been very busy and has spent a substantial amount of time reviewing the proposed 2012 budget. She said KT staff have provided SC members with wonderful information charts, and that the SC went through the budget documents line by line with KT staff, especially regarding capital equipment. She also said the SC had long conversations about what to cut and what not to cut as well as the philosophy about where KT is going in the future, with the idea there will be challenging times in the next three to four years. Commissioner Erickson said that in addition to this heavy lifting, the SC was also part of the panel that interviewed the five candidates for executive director. She said it was a controlled, deliberate and insightful process put together by Mr. Cartwright, and that four candidates were local and one was interviewed via Skype. Commissioner Erickson said the interviews took all day and that the interview panel, along with SC members, included several members of the KT staff and the board's union representative. She said it was a great process, that she is proud to have been a part of it and that this will be discussed later in the meeting.

- Rob Putaansuu, Chair of Passenger-Only Ferry SC, which met Nov. 2 and Dec. 9

Commissioner Putaansuu said the SC's recent meetings were all about boats. He said KT has conditional acceptance of the Rich Passage I (RP1), which is out of the water in Port Townsend until spring. Commissioner Putaansuu said there is a punch list for the RP1 before it goes back into the water. The next boat is the Admiral Pete, which is to be completed in the next couple of weeks and back in service by the end of January or the

first of February. Commissioner Putaansuu said there is also a preliminary design underway for the sister ship for the Admiral Pete and that the SC discussed the budgeted contract with Art Anderson & Associates and recommended that staff move forward with that.

Chairperson Maupin asked if there were any questions or comments on the SC reports. There were none.

c. Election of officers for 2012

Chairperson Maupin said the position of Transit Board chair has traditionally been alternated between city and county board members. He said that Commissioner Charlotte Garrido, a Kitsap County commissioner, has agreed to serve as chair for 2012, provided the rest of the board agrees. Chairperson Maupin said he has not discussed the position of vice-chair for 2012 but suggested that Commissioner Putaansuu would be interested.

Chairperson Maupin said then called for nominations for chair.

Commissioner Brackett nominated Commissioner Garrido and Commissioner Brown seconded that nomination.

Chairperson Maupin called for other nominations. Seeing none, he called for those in favor of the nomination on the floor.

All voted yes.

Commissioner Brown nominated Commissioner Putaansuu as vice-chair of the Transit Board for 2012 and Commissioner Lent seconded the nomination.

Chairperson Maupin called for other nominations. Seeing none, he called for those in favor of the nomination on the floor.

All voted yes.

Commissioner Brown said he would like to recognize the council members on the transit board as they are often balancing full-time jobs or other responsibilities, which he noted is different from the county commissioners or city mayors. He said he wanted to thank Commissioners Putaansuu and Brackett, who serve on the Transit Board as city council representatives from Port Orchard and Bainbridge Island, respectively, for their service. Commissioner Brown said he was impressed by Commissioner Putaansuu chairing of the POF SC and said he believed Commissioner Putaansuu would serve well as vice chair.

3. CITIZENS' ADVISORY COMMITTEE ISSUES:

Mr. Clauson said the CAC reviewed the agency's proposed budget and had no comments.

4. PUBLIC COMMENT:

Chairperson Maupin called for public comment. There was none.

5. CONSENT / ACTION ITEMS:

a. *Approval of MINUTES of Oct. 18, 2011 Board Meeting*

b. *Approval of KT VOUCHERS for October, 2011*

c. *Approval of KT VOUCHERS for November 2011*

d. *RESOLUTION 11-51B approving the extension of the Avue Technologies Corporation Lease in the Harborside Office Building for an additional five-year term*

e. *RESOLUTION 11-52 authorizing Kitsap Transit staff to increase the award amount of the construction contract for sewer utilities at the North Base in Poulsbo to $43,300*

f. *RESOLUTION 11-53 authorizing Kitsap Transit staff to delegate alternate responsibility for executing grants and signing Kitsap Transit's Annual Certifications and Assurances document in the Transportation Electronic Award and Management system in the Executive Director's absence to Wendy Clark-Getzin, Capital Development Director as specified in Kitsap Transit Board of Commissioners Resolution 06-18 dated April 18, 2006 and signed by Kitsap Transit's Executive Director Richard M. Hayes and Kitsap Transit General Counsel Ronald C. Templeton*

g. *RESOLUTION 11-54 authorizing Kitsap Transit staff to extend Annual Maintenance Agreement with the Trapeze group for one additional year*

h. *RESOLUTION 11-55 authorizing Kitsap Transit staff to extend the special services agreement with the City of Bremerton for after-hours police services at the Bremerton Transportation Center and for other services as requested for a period of one year*

i. *RESOLUTION 11-56 authorizing Kitsap Transit staff to extend the transit advertising agreement for six months*

j. *RESOLUTION 11-57 authorizing Kitsap Transit staff to issue an Invitation for Bid for vehicle towing services*

Commissioner Coppola moved to approve the consent agenda and Commissioner Gelder seconded the motion. Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

6. EXECUTIVE SESSION:

At 9:51 a.m., Chairperson Maupin said the board would go into executive session for 30 minutes to

discuss personnel, property and pending litigation.

Mr. Templeton suggested the chair be more specific about the subjects to be discussed in the closed session.

Chairperson Maupin said the board would be discussing the performance of an employee and the evaluation of candidates for executive director. He also noted that as the board's bylaws indicate that the union representative not attend the executive sessions, he was inviting Mr. Witte, who was part of the executive director interview panel, to participate in the first part of the closed session.

Chairperson Maupin emerged from the executive session at 10:21 a.m. and said the board was extending the executive session for ten additional minutes to continue discussing personnel matters.

The board exited the closed portion of the meeting at 10:29 a.m. and resumed the open portion of the meeting.

Chairperson Maupin said the board had discussed the process for evaluating the candidates for executive director, and he then asked Mr. Cartwright to summarize the process to interview candidates.

Mr. Cartwright said the human resources staff was asked in April of 2010 to conduct an executive director recruitment using both internal and external resources, and that the staff was also asked to work on that with the Finance & Personnel (F&P) SC. He said that by June, staff had prepared an extensive outline of the executive director recruitment process and that was approved by the F&P SC. By mid-August, KT had advertised the position in the Kitsap Sun, Tacoma News Tribune, Seattle Times and the American Public Transit Association's Passenger Transport publication and on the agency's own website. Mr. Cartwright said KT also maintains a database of more than 240 public, private, advocacy and other entities statewide, including more than 50 transit agencies in western Washington. He said the initial closing date for applications was Oct. 7, but that the agency had not, at that time, received a sufficient number of applicants to warrant going further. Mr. Cartwright said the application deadline for the recruitment was extended to Oct. 14 and netted a total of 10 applications. He said the applications ranged from transit experience to public experience, that one application was from outside the United States, that there were others from Colorado and Virginia and the rest were from Washington State. Mr. Cartwright said the number of applicants was reduced from 10 to six, and that during the scheduling of interviews for these six applicants, one dropped out, reducing the number of individuals who interviewed for the job to five. He said that on Nov. 30, a panel consisting of the F&P SC, Mr. Witte and the agency department heads interviewed the five candidates identified to that point.

Chairperson Maupin said the board had discussed the results of the interviews and the qualifications of the candidates and he then called for a motion.

Commissioner Coppola moved that the board offer a contract to John Clauson to become the new executive director of Kitsap Transit, subject to acceptable negotiations covering salary, terms and employment conditions, and outlining all transitional issues, subject to final board approval. Commissioner Erickson seconded the motion.

Chairperson Maupin called for discussion. There was none.

Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

Chairperson Maupin congratulated Mr. Clauson.

Thank you very much, Mr. Clauson said.

Chairperson Maupin said the board went through this process of advertising nationwide and making sure it brought in the best candidates possible so that this did not appear to be an inside job. We all knew we had an outstanding candidate right here, but after the comparison with other candidates from around the country, he stood head and shoulders above the rest and the board is very happy with the results of this process, Chairperson Maupin said.

Commissioner Brown said that as board members reviewed the applicants and the finalists, it was clear that Mr. Clauson was head and shoulders above the rest, and he said that is to the credit of Mr. Hayes and the organization he and his team built here. He said it is not always the case where the strongest candidate is an internal one and he said this shows KT is a transit agency that is working, despite the challenging times with the economy, and is able to provide basic levels of service. Commissioner Brown said KT has a great team here and that he looks forward to adopting a contract with Mr. Clauson and put a transition plan into effect early next year. He said he looks forward to great things.

Commissioner Lent said this bodes well for the mentorship and that she is trying do same thing in the City of Bremerton; to mentor transitional and succession planning. She said it does not surprise her that Mr. Clauson came out on top, noting he had had a number of years to learn the process. Commissioner Lent said the board looks forward to working with Mr. Clauson and to the transition period leading to the retirement for Mr. Hayes. She said it appears Mr. Clauson has the support of the board and the staff at KT.

Commissioner Erickson said she first wanted to reiterate her thanks to all the candidates who applied for this position and also to thank the staff for its tremendous support through both the development of this process and the interview process. She said she also wanted to reiterate that this was a very fair, open, impartial process and that the interview panel was comprised of several board members, Mr. Witte as the labor representative and the department heads from the agency. Commissioner Erickson said there was a mixture of interviewers and a good response with a fair cross section of applicants. She said this was a very deliberate and thorough process, and that Mr. Clauson was the best, and interviewed beautifully. Commissioner Erickson said she is pleased KT is moving forward in an expeditious way.

Commissioner Erickson said she wanted to thank Mr. Hayes for all his years of service and that she is looking forward to a very smooth transition, considering that Mr. Hayes and Mr. Clauson have worked together for a number of years. She said this is a good move forward for both of these men and she thanked them both.

Commissioner Coppola said he wanted to note that, as the board knew Mr. Clauson was an internal candidate, those on the SC tended to score him harder than other candidates and that he still rose to the top. He said Mr. Clauson should be proud.

Mr. Clauson said that as a candidate, he was very impressed with the work Mr. Cartwright and his staff did. He said the questions candidates were required to answer were not easy and took a long time to fill out, and he also said the interview questions were excellent. Mr. Clauson said he is glad the process is over and that he appreciates the support and kind words. He also said it is a relief that he and Mr. Cartwright can start talking again when they meet in the hallway.

Mr. Clauson said that he is very proud to accept this position on the conditions outlined. He said the staff at KT is excellent and make an excellent team, and he said he credits Mr. Hayes for that. Mr. Clauson said Mr. Hayes has been a wonderful teacher and that he must be a slow learner as it took him more than 28 years to get to this point. Mr. Clauson said Mr. Hayes has been a wonderful mentor throughout this process and that there will be some very tough shoes to fill and that he would do his best.

Mr. Hayes said he also wanted to thank everyone and to thank the board for its decision. He said he believes this is a great choice and that he is looking forward to helping any way he can.

7. FULL DISCUSSION / ACTION ITEMS:

a. RESOLUTION 11-58 expressing appreciation to retiring Transit Board member Kim Brackett

Mr. Hayes said Commissioner Brackett will appreciate the farebox he had for her today as she is an aficionado of all things transit. He also said he wanted Commissioner Brackett to accept this farebox as one of the people responsible for asking the great question of 2010-2011: how many people are we really carrying and how are we counting them? Mr. Hayes said a fare box is an integral part of counting passengers, so this is particularly significant for her. He also said that KT will stay in touch with Commissioner Brackett as it tries to solve the problem of accurately counting passengers, and he noted that she has already volunteered, as a Bainbridge Island resident, to help with the ongoing POF cross-sound process.

Commissioner Brackett thanked Mr. Hayes for the farebox.

Commissioner Brown moved to approve Resolution 11-58 and Commissioner Gelder seconded the motion. Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

Commissioner Brackett said this is very cool and that she plans to put it next to the washing machine so she can collect quarters from family members who want their clothes washed. She said that serving on the Transit Board has been the highlight of her elected career and that she wanted to thank everyone on this great board. Commissioner Brackett said she has loved the DOM program and that it is always so inspiring to hear the drivers' stories, and she also noted that as an elected official, she hears about how great the KT drivers are. She said she would also like to thank the staff, who she said are special and wonderful. She also said she has enjoyed how every meeting, things get more and more solidified and that KT is making such great progress. Commissioner Brackett said she also wanted to thank her fellow board members and she said she knows this agency will continue well into the future to be very successful. She also congratulated Mr. Clauson and she thanked Mr. Hayes for his many years of service to KT.

Commissioner Brackett said that when she worked at Sound Transit on commuter rail projects, and competed with KT with Mr. Hayes' projects for formula funding, the worry always was that Mr. Hayes was going to show up at the Puget Sound Regional Council. She said she and her colleagues worried how they would do competing with him for funds, as he was legendary in bringing money back to KT and for doing well against the big agencies. Commissioner Brackett said her hope for the transition period was that Mr. Hayes and Mr. Clauson could affect a Vulcan mind meld on how that was accomplished as Mr. Hayes is a legend in transit in this region. It has been pleasure to work with Mr. Hayes, Commissioner Brackett said.

Applause followed these remarks.

b. RESOLUTION 11-59 expressing appreciation to retiring Transit Board member Lary Coppola

Mr. Hayes presented Commissioner Coppola with one of the last three remaining fareboxes KT owns, and he thanked him for his part in asking the great question of 2010-2011 about counting passengers and the importance of getting good numbers. Mr. Hayes also thanked Commissioner Coppola for asking the second-best question; about marketing the agency. He said Commissioner Coppola has been enjoyable to work with and that he had been very helpful.

Commissioner Lent moved to approve Resolution 11-59 and Commissioner Brackett seconded the motion. Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

Commissioner Coppola said he wanted to thank the other board members and he said he had been a pleasure to serve with them. He said he came into this with some ideas how KT was run and that he had come to find out that it is run much better than he initially thought. Commissioner Coppola said that was a good thing to find out. He also said that Mr. Hayes' years of service are indeed a legend, and that it has been great working with the KT staff and the other elected officials. It has been an honor, Commissioner Coppola said.

Applause followed these remarks.

c. RESOLUTION 11-60 expressing appreciation to retiring Transit Board member Will Maupin

Ms. Knox-Browning said that Chairperson Maupin is one of the longest-serving board members in the agency's history and that only one or two other local officials completed as much chairmanship duty as he had.

Commissioner Brown moved to approve Resolution 11-60 and Commissioner Rob Gelder seconded the motion.

Mr. Hayes said he wanted to thank Chairperson Maupin for ten years of dedicated and steadfast service, and he presented the chair with a farebox. He said Chairperson Maupin was particularly helpful over the last several years as the board and staff had to figure out a new way to do this

business, noting that the sub-committee structure Chairperson Maupin shepherded was vital to that effort. He said that while it took some time to adapt to and use the sub-committee structure, had immensely helped the agency answer some pressing questions in definitive ways that will be valuable in the long-term. Mr. Hayes said he has appreciated the chair's steadfast support on passenger ferries issues and is part of a storied group of local leaders.

Applause followed these remarks.

Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

Chairperson Maupin said he wanted to note that city council members have a choice about whether they serve on the transit board, unlike mayors and county commissioners, who serve by virtue of their elected office. Chairperson Maupin said he has always asked to remain on the Transit Board, and that the work KT does is very important. He also said in ten years, KT has gone through a lot and he recalled signing $20 million worth of bonds in 2003 to buy new buses and that the agency tried twice to pass a tax measure to support passenger ferries. Chairperson Maupin said there is a lot to note including that KT also built a world-class, high-speed passenger ferry. He also said he was really relieved to walk in today and see the fare boxes. He said he was concerned they would run out and that he was really coveting one. Chairperson Maupin said he plans on displaying this proudly among the icons of his years as an elected official. He also said an official cannot stick around this long if one does not get along well with the staff, and he said Mr. Hayes, Mr. Clauson, Ms. Knox-Browning, Mr. Templeton and the rest of the staff have been wonderful to work with over the years. Chairperson Maupin also recalled that he first began working with Mr. Clauson and Mr. Hayes in the late 1980s when he was still working at PSNS and served on several transit-related committees. Thank you all very much, he said.

Applause followed these remarks.

d. RESOLUTION 11-61 adopting the 2012 Operating and Capital budgets for Kitsap Transit

Commissioner Erickson moved to approve Resolution 11-61 and Commissioner Putaansuu seconded the motion.

Commissioner Brown said he believes he speaks for the board when he says how appreciative they all are to the team at KT that put together what he believed to be the best budget briefing the board has ever had. He also said there was ample time for the sub-committees to review this material and that board members were also given the opportunity for individual budget meetings. Commissioner Brown said he also wanted to thank the F&P SC for all its hard work.

Commissioner Coppola said he too wanted to congratulate the staff on a great job. He said he particularly appreciated the looking forward, two and three years from now, which allowed the board to see what is coming. Commissioner Coppola said that kind of budget forecasting information would be great to have at all the board meetings on which elected officials serve.

Commissioner Gelder said he wanted to clarify that what the board is considering approving is what board members agreed to during the study session earlier this morning, specifically the recommendations.

Mr. Shinners said he also wanted to make sure that Board members understand that staff have developed a new exhibit, called Exhibit G *[attached at the end of these minutes]* which encompasses the items agreed up during the earlier session. He said those savings equal $490,400 for the 2012 budget year and that the recurring savings $266,400 inclusive of all the items recommended both by staff and the F&P SC.

Commissioner Erickson said her understanding is that the board is accepting the recommendations of the SC and incorporating those in the resolution. She said she also wanted to thank the staff for doing a great job answering questions, especially Mr. Shinners, who she thanked for the clever spreadsheets.

Mr. Shinners said the other directors were very much involved in this process and he said he and the rest of the KT management team appreciated busy board members taking the time for one-on-one and other meetings about all this information.

Chairperson Maupin said that one of the things he has seen evolve over his ten years on the Transit Board has been an exponential increase in involvement by the board in all things transit. He said that when he first took over as chair in 2003, he was appalled at how little time board members spent approving all the resolutions before running off to another meeting. Chairperson Maupin said that when the board approved $20 million in bonds, he did not think any board members even read the documents. He said that one of the things he thought was important was for board members to be more involved and to really understand what goes on at KT. He said that in the last several years, especially with the adoption of the sub-committee system, there has been a big difference, and he thanked board members for taking a lot more time with transit business than had occurred in the past.

Commissioner Brackett said she agreed, and that the evolution of the board has been great, not only from the perspective of a citizen but also as an elected official. She said she wanted to thank Mr. Shinners and the other staff for the work they did to generate this budget. Commissioner Brackett said she knows what it takes to produce a budget like this and it is very time-intensive, especially without computer software that supports these efforts. She said she is very pleased that the finance department will soon be getting new, modern software.

Chairperson Maupin called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

e. *RESOLUTION 11-62 authorizing Kitsap Transit's support for and participation in the Kitsap Regional Coordinating Council's multi-modal planning process and authorizing the expenditure of $75,000 for plan activities and $10,357 for routine support of this and other coordinating council activities in which the transit agency participates*

Mr. Hayes said this is another crucial piece of the evolutionary nature of the last couple of years, and he said he wanted to thank another past board member, Steve Bauer, who was very interested in this. He did not always think I was on his side, Mr. Hayes said.

Mr. Hayes said this is the culmination of efforts to integrate planning across several agencies. He said he and Mary McClure, executive director of the Kitsap Regional Coordinating Council, have worked together on the exact nature of this agreement. Mr. Hayes said the key thing it obligates KT to do is to provide the 2017 plan as the basis for discussion with other agencies, which he said will generate a clearer and workable planning process for this whole community.

Commissioner Coppola moved to approve Resolution 11-62 and Commissioner Gelder seconded the motion. Chairperson Maupin called for discussion. Seeing none, he called for those in favor of the motion. All voted yes. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. There were none.

8. PROGRESS REPORTS:

a. Draft Financial Reports for October & November, 2011
b. Monthly Cash Flow and Cash Position charts through November
c. Ridership Reports for October & November2011
d. Fuel Costs Report through the end of November, 2011

Mr. Hayes said these stand as read, but he noted there is an anomaly in fuel prices, which fell back below $3 a gallon. He noted this occurred just after he filled his home's 650-gallon fuel tank and speculated he precipitated the price drop. Mr. Hayes said the ridership reports already show the benefits of the new Worker/Driver buses with higher ridership in that program.

9. STAFF INFORMATION/DISCUSSION ITEM: November report from KT's state lobbyists

Mr. Hayes said this stood as read.

10. FOR THE GOOD OF THE ORDER: Transit Board members' issues/comments

Commissioner Lent said she had a message for the people retiring this year; that it has been an exciting year, seeing the changes that have taken place and the scope of work, attention and focus on what is coming. She said she also recalls the board acting almost like a past rubber stamp in the past, performing its fiduciary duties, but that now board members are paying more attention and drawing out more information when needed before voting. Commissioner Lent said it has been a pleasure working with the three members who were leaving the board.

11. PUBLIC COMMENT

Chairperson Maupin called for public comment. There was none.

12. ADJOURN Chairperson Maupin adjourned the meeting at 10:59 a.m.

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 17th of January, 2012.

Charlotte Garrido, Chairperson

ATTEST:

Cathie Knox-Browning
Clerk of the Board

2012 Budget Options

Explanatory Note: Kitsap Transit will realize either a savings (positive amount) or additional expense (negative amount) from the current budget draft if the board elects to proceed with the budget option. A few of the budget options result in annual recurring savings or additional expenses. The budget that will be adopted at the December board will be adjusted to reflect the budget options elected below.

	Type	Item	Budget Option (Refer To Note Above)	2012 Budget Savings or (Additional Expense)	Recurring Annual Savings	Notes / Impact	Pro (Information in Support of the Budget Option)	Con (Information Counter to the Budget Option)	Staff Recommendation	Finance & Personnel Sub-Committee Recommendation	Board Decision	Budget Effect of Board Decision
1	Ops	Employee Benefits - Employee Group Health premium contribution	Discontinue payment of the employee 7.7% Group Health premium contribution in 2012.	$230,000	$230,000	The 7.7% employee premium contribution was temporarily paid by KT in 2011 in consideration of discontinuing the Premera PPO. Approximately $200K was incorporated within the 2012 budget as a placeholder due to negotiations with ATU.	Annual agency-wide savings of approximately $230K. Payment of employee contribution for only 2011 was clearly communicated to all KT employees during open enrollment last year. The 2012 open enrollment materials already distributed to all but ATU employees clearly notified them that the 7.7% employee contributions will be deducted from payroll in 2012.	Unknown impact if agreement not reached with the ATU. Total cost of continuing to pay the employee share of the premium contribution is approximately $230K annually for all employees, of which 100K is for ATU employees.	As all employees except ATU have been informed that the 7.7% employee Group Health premium contribution is effective Jan 2012. Remove the entire amount from the budget.	Remove from budget		
2	Rev	Transit Advertising	Add a portion of transit advertising revenue back to the budget	$20,000	TBD	Current agreement expires 2011 and 2012 budget assumes no transit advertising revenue. A temporary extension with the current vendor will allow time to assess the future nature and scope of transit advertising.	Annual transit advertising revenue accounts for approximately $60K. Currently, 10 of 17 responding WA transits advertise. Annual advertising for those transits ranges from $10K to $670K.	Potential damage to graphics and bus. Administration of advertising contract can be challenging depending on the service provider.	Staff recommends that the nature and scope of future advertising is assessed in 2012.	Add transit revenue back to budget		
3	Ops	Marketing	Partially fund marketing while assessing scope and nature of future transit marketing.	($20,000)	TBD	The initial impact to the 2012 budget of the one-half of one percent of sales tax for marketing purposes was approximately $134K. The revised option is to partially fund marketing efforts while the future scope and nature of transit marketing is further discussed and developed.	Potential boost to ridership and community awareness.	Additional expense with unknown results.		Add $20,000 to the 2012 budget to develop a marketing plan by June 2012		
4	Ops	*ACCESS* Service - Reduction of Service Hours	Reduction of ACCESS hours based on reduction in demand	$33,000	$0	Reduce *ACCESS* hours due to recent declines in service that are likely attributable to the loss of social service program funding.	No impact on the level of service provided.	If Social Service programs receive increased funding, scheduling additional rides may be affected.	Response to reduction of demand.	Remove from budget provided it is a reduction in demand rather than a planned service reduction.		
5	Ops	Employee Position - Customer Service	Do not fill the half-time Customer Service position	$26,400	$26,400	This position would allow for more public outreaches and transit fairs and would provide assistance during staffing shortages due to vacation and/or illness.			Flexibility to defer	Defer filling position.		
6	Ops	Employee Position - Vehicle Maintenance	Share an existing KT position between departments rather than hire a half-time Vehicle Maintenance administrative associate position.	$10,000	$10,000	This position was eliminated in 2010 but in 2011, it became clear the single remaining full-time VM support position could not handle the workload.	Current full-time support person routinely works overtime/comes in weekends to handle backlog of assignments, which other AA positions are not required to do. Illness and vacations exacerbate this. Volume of work generated by three workgroups and director is not sustainable for a single position.		Add .25 FTE to existing Service Development Dept. position now service as back-up to Veh. Maint. Administration.	Add hours to current KT position rather than filling a separate position.		
7	Cap	*ACCESS* Software upgrades	Defer approximately $20K of the initial $30K budgeted ACCESS system improvements.	$20,000	$0	The $20K reflects a deferral of *ACCESS* upgrades of computers and scheduling software.	There is some flexibility with planned *ACCESS* system upgrades.	Deferral may effect efficiencies and/or performance of *ACCESS* system.	Flexibility to defer a portion	Defer and remove expenditure from budget		
8	Cap	General Computer Software & Hardware	Defer approximately $31K of the initial $150K budgeted for general hardware and software.	$31,000	$0	$31K in deferred hardware & software reduces Windows Server license costs and would result in phased implementation.	There is some flexibility with the quantity of Windows Sever licenses.		Flexibility to defer a portion	Defer and remove expenditure from budget		
9	Cap	Security	Defer additional card system for buildings	$15,000	$0	New key card system throughout the properties will be deferred at Southbase.	The deferral will be best targeted with a larger gate access system project.		Flexibility to defer or cancel	Defer and remove expenditure from budget		
10	Cap	South Base	Defer South Base gate access system	$15,000	$0	Gate access system deferred	See above		Flexibility to defer or cancel	Defer and remove expenditure from budget		
11	Cap	Smart Shelters	Defer smart shelters	$50,000	$0	Kariotis demonstration project	Defer for more competition in suppliers and after service changes are known.	Camera surveillance available at Silverdale Transfer Center, but it is not as interactive or real-time as Smart Shelter options.	Flexibility to defer a portion	Defer and remove expenditure from budget		
12	Cap	Support Vehicles - *ACCESS*	Support Vehicles - ACCESS Service	$40,000	$0	Four wheel drive vehicles are critical to support the medical needs of *ACCESS* riders during poor weather conditions.	Savings of approximately $40K by purchasing standard gas vehicles rather than hybrids.	Purchasing gas vehicles rather than hybrid vehicles strays from KT's sustainability goals.	Flexibility to purchase gas vehicles instead of hybrids	Buy less-expensive gas powered vehicles		
13	Cap	Support Vehicle - Facilities Maintenance	Purchase a standard gas vehicle rather than hybrid.	$20,000	$0	Required replacement vehicle	The proposed support vehicle for vehicle maintenance replaces the current support vehicle that has exceeded its useful life (278,000 miles).	Purchasing gas vehicles rather than hybrid vehicles strays from KT's sustainability goals.	Flexibility to purchase gas vehicles instead of hybrids	Buy less-expensive gas powered vehicles		
Total Savings with Finance & Personnel Sub-Committee Recommendations				**$490,400**	**$266,400**							