

**KITSAP TRANSIT BOARD OF COMMISSIONERS  
WORK-STUDY SESSION MINUTES  
JUNE 21, 2011**

*Board of Commissioners Present:*

Brackett, Kim, Proxy for Mayor, City of Bainbridge Island  
Coppola, Lary, Mayor, City of Port Orchard, **Vice-Chair**  
Erickson, Becky, Mayor, City of Poulsbo  
Garrido, Charlotte, Kitsap County Commissioner  
Gelder, Robert, Kitsap County Commissioner  
Lent, Patty, Mayor, City of Bremerton  
Maupin, Will, Bremerton City Councilmember, **Chair**

*Board of Commissioners Absent:*

Brown, Josh, Kitsap County Commissioner  
Putansuu, Rob, *At-Large Board member & Port Orchard City Councilmember*  
Witte, John, Teamsters Local 589, *non-voting member*

*Staff Present:*

Cartwright, Jeff, Human Resources Director  
Clark-Getzin, Wendy, Capital Development Director  
Clauson, John, Service Development Director  
Gustafson, Ellen, Operations Director  
Hayes, Richard, M., Executive Director  
Knox-Browning, Cathie, Clerk of the Board  
Seymore, Hayward, Vehicle & Facilities Maintenance Director  
Shinners, Paul, Finance Director  
Thomson, Gayle, Deputy Clerk

**1. CALL TO ORDER:** Chairperson Maupin called the work-study session meeting of the Kitsap Transit Board of Commissioners to order at 8:09 a.m.

**2. Approval of Minutes of May 17, 2011 Work Study Session**

Chairperson Maupin called for approval of the minutes of the May work-study session.

**Commissioner Gelder moved to approve the minutes of the May work-study minutes and Commissioner Erickson seconded the motion. Chairperson Maupin called for those in favor. Four board members voted yes; Coppola, Erickson, Gelder and Maupin. Chairperson Maupin called for those opposed to the motion. There were none. Chairperson Maupin called for abstentions. Commissioner Garrido abstained, noting she**

**had not attended the May work-study session.**

### **3. Re-classification of items in the 2011 Capital Budget**

Mr. Hayes said this is the result of a number of grants either not being received or cancelled due to the political situation in Washington DC. He said this is thus a presentation of how KT proposes to move funds internally to accomplish the same goals and with more flexibility in several cases. Mr. Hayes said Mr. Shinnors and Ms. Clark-Getzin will present this information

Mr. Shinnors said board members have in front of them, on p. 51-52 of the meeting materials, some narratives about these proposed changes. He said p. 53 is a snapshot of the agency's budget, after a number of the type of reclassifications Mr. Hayes described. Mr. Shinnors said that some earmarks of federal funds as well as federal grants did not materialize for KT.

There was some confusing over page numbers and Mr. Shinnors advised board members to turn to the last few pages of the packet of meeting materials.

Mr. Shinnors said the grant funds not materializing essentially freed up the local match KT had allocated for those grant-funded projects. He said there are also a number of items in the 2011 that KT had itemized as conditional upon receipt of sales tax proceeds higher than the budgeted zero percent growth underlying the agency's 2011 budget. Mr. Shinnors said sales taxes are now coming in at a rate that is approximately 3.5% higher than last year, which has allowed KT to free up some funds for those conditional items as well.

He said the revised capital budget that appears on p. 53 shows the budget with the proposed reclassifications and that staff intend to bring this to the July Board Meeting for approval as a mid-year budget adjustment. He said this revised budget shows the funding source for each project. The first column is the local match or local portion of sales tax or fare revenue to fund the grant for that project. The local-only designation means that project does not involve grant funds and is funded entirely with local dollars. Mr. Shinnors said the local Transit Incentive Pass (TIP) capital projects are those funded by the capital surcharge on the TIP passes and represent enhancements to the service KT provides to military facilities, most importantly the Puget Sound Naval Shipyard (PSNS). He said the ongoing work replacing the Worker/Driver fleet is an example of that type of project.

Mr. Shinnors said that going from left to right on p. 53, board members can see other federal and state grants, noting the federal 5307 formula funds and 5309 earmarks funds along with grants from the federal environmental protection and highways administration agencies and the state Surface Transportation Program Flex funds. He said the agency's year-to-date capital expenses and project progress, through May, appear in the second to last column and that the last column reflects what KT would have left for each of these projects if the reclassifications are approved.

Mr. Shinnors said several of the reclassifications board members are familiar with, such as the interim Silverdale Transfer Center (TC), which was not part of the 2011 budget as it was not planned but was nonetheless needed. He said KT used some of the local match reserved for one of the grants that did not materialize to fund that project, as approved by the board via resolution. Mr. Shinnors said the Automatic Passenger Counter (APC) also is part of the reclassifications as it was originally scheduled to be funded by federal 5307 formula funds, which has led to some implementation issues that caused KT to turn that project into a locally funded effort and move those federal dollars into buses.

Chairperson Maupin said this is a really good layout and that it is easy to understand where all projects are and where the money is coming from.

Commissioner Brackett joined the meeting at this point: 8:18 a.m.

Ms. Clark-Getzin said the narration that precedes this proposed mid-year capital budget provides details on the conditional projects. She said several merit serious consideration now but that KT can defer them if it needs to, until 2012. Examples include the repair of the HVAC at Charleston Base and the agency's asphalt sealant program. Ms. Clark-Getzin said the corridor studies and associated expenses will be delayed until 2012 to allow them to be coordinated with the Kitsap Regional Coordinating Council (KRCC) multi-modal study. She also noted that any project that includes funding from federal earmarks, which are going through a difficult process at this time, are on the deferral list.

Commissioner Lent joined the meeting at this point: 8:19 a.m.

Ms. Clark-Getzin said the line items called miscellaneous environmental studies for design review, under Admin Total-Facilities on p. 53, was a place-holder when KT was developing its 2011 budget. Now, she said, Mr. Hayes is making a proposal for the Greaves Way master plan project that would set the groundwork for the interim Silverdale TC, as a result of KT losing its space at the Kitsap Mall. Ms. Clark-Getzin said that would also include a park-and-ride lot of approximately 250 spaces and she said that facility has already been identified in the long-range plan for the Puget Sound Regional Council (PSRC).

She said large-scale exterior maintenance at South Base was another conditional 2011 project KT is now proposing to do, along with an additional project that became emergent after the inspection of the Charleston Base infrastructure. Ms. Clark-Getzin said the agency has a utility corridor there that runs between the buildings and that the juncture where the new pipe, installed with the new buildings in 2010, meets the old pipe, needs to be replaced. She said this \$40,000 need now appears in the proposed mid-year budget.

Ms. Clark-Getzin said the last item here is good news. The project that began as Olhava is now at Viking Road close to the junction of state routes 3 and 305, and had previously only had part of the funded needed to purchase the right-of-way. Ms. Clark-Getzin said the full funding package has now come through, from countywide Surface Transportation Program funds awarded in January and regional mobility funds provided by the State Legislature this spring. She said this \$1.9 million project includes \$200,000 for design and that if KT can move right into that project, completion is anticipated in 2012.

Commissioner Erickson said the Finance and Personnel SC reviewed this proposal at length and she thanked Mr. Shinnars and Ms. Clark-Getzin for doing such a good job. Commissioner Erickson noted that because KT lost all its federal earmarks, KT cannot move forward on the engine rebuild project for the Worker/Driver (W/D) buses.

Mr. Hayes said that is correct, unless KT decides in 2014 to divert some federal formula funds to that project and/or unless an energy department grant to help agencies upgrade bus fleets and for which KT has applied, comes through. He said the money for that grant fund has so far survived congressional budget cuts.

Commissioner Erickson asked about comment in the narrative on p. 51 that discusses cancelled funding that affects the W/D fleet upgrade and noted that KT has already purchased those buses. She asked whether this means KT will not immediately have a lot of the anticipated funds to rebuild the engines but that KT could get other grants that could assist with this.

Mr. Hayes said that is correct and he asked Mr. Seymore to comment on the good shape of the engines here that puts off any urgent needs. He said the intended use for these cancelled funds was to bring these bus engines up to the current 2007 emissions standards and add particulate traps that then improve the emissions to the best level technology can now offer. Mr. Hayes said the loss of these funds does not mean KT is operating buses on their last legs.

Ms. Clark-Getzin said KT applied for an EPA competitive grant for those engines based on the upgrades reducing pollutants and improving air quality. She said that even bringing those engines up to 2007 standards will produce better emissions.

Mr. Hayes said one of the reasons KT is going after this particular generation of buses is that their engines have had a very long production life and can easily be upgraded to new standards.

Commissioner Brackett said her only concern about freeing up TIP funds comes from a discussion at a KRCC Transportation Policy Committee meeting about jurisdictions competing for these funds.

Mr. Hayes said these Transportation Incentive Pass or TIP funds are associated with the federal commuter passes used by employees at PSNS and the Intermediate Maintenance Facility (IMF) transit improvement funds, not the PSRC-approved Transportation Improvement Program project lists. He said KT earns those at the rate of \$18 a passenger from a local capital surcharge.

Commissioner Brackett said she recalls a discussion about Annapolis design at KRCC TransPOL, that TIP funds were very important for delivery of Kitsap Transit Foot Ferry (KTFF) service. She said that while this is a good solution, her concern is that at KRCC, the jurisdictions make choices as a group and that giving this project precedence would run afoul of that process.

Mr. Hayes said KT did not get these TIP funds through the KRCC process. He said KT has applied through that system for funding for the Annapolis dock several times, but that the agency has not been successful in that.

Ms. Clark-Getzin said KT typically does not include in its mid-year budget any funds for projects it is hoping will appear in the Surface Transportation Improvement Program that PSRC administers. She said these TIP funds are local funds that could be used at Annapolis as matching funds.

Commissioner Brackett said her concern was that KT not get sideways with the other jurisdictions. She said she would speak with KRCC's Mary McClure to clear up her questions.

Ms. Clark-Getzin said the funds KT obtains through competing with other jurisdictions, identified here as Surface Transportation Program flex funds, are the PSRC or KRCC awarded funds that KT has flexed over to the Federal Transit Administration (FTA). She noted those appear in the last column on p. 53.

Mr. Hayes said TIP funds under discussion here are only the capital-surcharge proceeds KT realizes from the passes for federal employees. He said these are local dollars. He also said that KT will raise

this issue again when it talks about 5307 federal formula funds in relation to the agency's 2012 budget, as KT has been trying to obtain a moderate amount of money to do the design and environmental work on the Annapolis Dock. He said KT has not had any luck pursuing funds in other venues so will likely propose using some of the agency's 2012 formula funds for that. Mr. Hayes said that will be part of the discussion a bit later and he noted that KT would like to make the Annapolis project qualify highly for federal Ferry Boat Discretionary funds to do this work.

Commissioner Gelder asked if the budget spreadsheet could also show the change from the 2011 budget. He said that would be easier to see and follow.

Mr. Shinnors said he has prepared that and can either send it out to board members via email or include it in the July Transit Board Meeting materials packet.

Mr. Hayes said KT will be proposing a few additional reclassifications relating to the beach response research on the Rick Passage I project. He said staff will include that in the next round of sub-committee meetings for the next Work-Study session and Transit Board Meeting.

Mr. Shinnors said he wanted to clarify that anything on the proposed budget spreadsheet, specifically the data in the first three columns, that is labeled as local funds comes from sales tax and fares, not grants. He said the local TIP dollars come from fares.

Chairperson Maupin said the local TIP comes from the Navy paying for their riders on the W/D buses.

Mr. Shinnors said that is correct.

Mr. Hayes suggested changing the labels for the local TIP funds to more clearly make that distinction.

Commissioner Erickson said it would be helpful to see that before the next board meeting.

#### **4. Kariotis Flex-Route Pilot Planning Project Update**

Ms. Gustafson said this information has been presented several times now to the Planning sub-committee. She said the agenda for the Board Meeting later includes a request to go out for qualifications to do this work. Ms. Gustafson said she expects the project to continue through the fall, with employee and community meetings, and that one of the goals is to learn about the changes of ridership in different seasons. She said the board will be getting progress reports and she asked if there were any questions. There were not.

#### **5. Automatic Passenger Counters Project Update**

Mr. Hayes said this topic is also on the agenda later today.

Mr. Clauson said he would briefly recap what has occurred on this project to date. He noted the strong interest among board members to install APCS and said KT received two bids for this equipment. Mr. Clauson said the initial project budget was approximately \$500,000 to put APCs on 32 vehicles, allowing KT to move the equipped buses from route to route to capture a more comprehensive ridership picture. He said that when KT opened the bids, the bid apparent low bidder was a Canadian

firm which the agency was concerned would not meet the Buy American requirement that accompanied the federal funds scheduled to pay for this project. Despite the firm's certification that it qualified for Buy American projects, he said KT was concerned the FTA would challenge that. In addition, Mr. Clauson said that because of the delay in the allocation of the agency's federal formula funds, KT actually did not have the funding yet at the time the bids were opened. He said the agency then re-allocated capital funds internally, removing requirement-laden federal dollars and replacing those with actual in-hand local funds. Mr. Clauson said that delay also afforded the agency the time to discover there were other firms with less-expensive and more-comprehensive systems. As a result, he said KT cancelled its first request for bid, and restructured it to include additional options to equip the rest of the fleet with an Automatic Vehicle Location (AVL) system and a real-time texting program. Mr. Clauson said the texting option allows a rider to discover the next real-time bus arrival, includes a kiosk system that shows the movements of buses serving various stops and gives KT the ability in the future to provide real-time information at its major transfer centers that can be updated continuously.

Mr. Clauson said the agency's experience with the first bid caused staff to reduce the project budget to \$210,000 and that this second effort netted four bids. Of those, he said two did not provide complete quotes on all options, which left KT with two final bids separated by a margin of nearly \$2 million. Mr. Clauson said this process produced MV Transportation as the apparent low bidder and he said there is a resolution to award this bid later. He also said that because there was such a large difference in the bids, KT staff researched MV and learned the firm has a number of systems in operation around the country. He then showed a real-time screen shot with the AVL-equipped buses, and he said that if a person places the mouse over a certain bus route number, it will show specific time and destination information. Mr. Clauson said kiosk icons provide information about routes that serve the specific area of the kiosk. He said that if a rider wanted to use the Silverdale TC, the rider could thus easily look for buses serving only that location. Mr. Clauson said he personally used the texting feature during a recent family vacation to Disneyland, by texting the bus stop number to a phone number posted on a bus stop sign, and then receiving on his phone the next three real-time bus arrival times. He said this would be useful in areas like Bainbridge Island where KT often does not have bus stops and allows riders to wave down buses. Mr. Clauson then showed a slide of locations where MV provides this service, including one in Redmond at the Microsoft campus *[attached at the end of these minutes]*.

Commissioner Gelder asked why the two bids were so far apart?

Mr. Clauson said the largest portion of the difference was equipment and software and the labor to install it. In addition, the high bidder also bid a much higher ongoing annual operating cost. He said MV uses off-the-shelf technology and that the AVL portion is nothing more than a standard cell phone and the company developed the software that calls into a computer to send back data to the phone. The other bidder proposed a far more sophisticated system but the low bidder clearly provided what KT needs, he said.

He also noted that in his memo accompanying the award resolution, he discusses ongoing costs being somewhat mitigated by KT avoiding the cost of filling the now-vacant position of data surveyor. Mr. Clauson said that KT will still be required, to meet FTA and National Transit Database (NTD) regulations, to calibrate the system and that will require staff time or a temporary employee.

Mr. Hayes said part of the reason KT is comfortable with this firm is that one of the principles is the person who developed the software KT uses in *ACCESS*, and he noted KT was the beta test site for that software. He said that person has a history with KT of producing good results and that he believes the discrepancy between the bids would bother KT more, were it not for that.

Ms. Gustafson said the original developer of the *ACCESS* software sold her company and it became part of a worldwide firm that charges very high fees. She said this person is also able to easily write programs that work very well with the software *ACCESS* uses and that knowledge allows for much less costly development.

Commissioner Brackett said the Planning SC did have a real time demonstration of this system, which she said was quite zippy. She asked why KT is only outfitting 32 buses rather than more of fleet and said she believed more widespread APC installation was planned to get a good handle on ridership system wide.

Mr. Clauson said it comes down to cost. He said it costs more to put APCs on buses than just the AVL technology and that when the board initially expressed interest in APCs, it was not a budgeted item. Mr. Clauson said staff were trying to keep the price as low as it could by asking for bids for APCs only on the limited number of buses it needed to put buses on routes and get detailed information.

Mr. Hayes said the plan was to put the equipment on several different kinds of buses and move them around to generate statistically valid ridership numbers, even at the route level. He said that is important because that is what the NTD requires.

Commissioner Brackett asked who made the decision to only bid out 32 rather than the entire fleet?

Mr. Clauson said KT staff did it internally to keep the cost down. He noted initial project costs were estimated at \$500,000 and when the board expressed interest in moving forward on APCs, it was not a budgeted project. Mr. Clauson said having the equipment on 32 buses would give KT sufficient data to satisfy NTD reporting, which requires only a statistically valid sampling. He said the NTD prefers transits do not go 100% on this. He also said that that also provides route-level data from a sufficient number of vehicles of appropriate sizes to capture the entire day's ridership, or ridership from some other longer period.

Mr. Hayes said nothing precludes KT from purchasing additional units in subsequent budgets.

Mr. Clauson said KT can add to the fleet as time goes on, and get another 10 next year.

Commissioner Brackett said she believed the board gave direction to outfit all of the fleet and that if there is some schedule to get to that point, the board should be informed. She said the bus she rides, Route No. 43, never has near the number of riders that appear in the ridership reports and she said she rides that route at different times of day. Commissioner Brackett said the ridership issue is key for the sustainability of the agency moving forward and that she hopes the number of counters can be expanded.

Mr. Hayes said there will be some automatic expansion as this equipment will be on any new buses the agency orders, specifically the 10 small routed buses the agency is planning to buy next year. He said that as the fleet is replaced, there will be more coaches with this equipment.

Commissioner Erickson asked how many APCs KT would need to have one on each route every day?

Mr. Clauson said the number would need to go from 32 to approximately 113.

Commissioner Erickson said that would amount to additional hardware and installation costs and essentially doubling the MV bid. She said that as a bus rider, she would love to know exactly when the next bus is coming as that is the greatest complaint of bus riders. But, KT could forego the tracking features, and only buy counters. Commissioner Erickson said tracking is a nice-to-have, not a need-to-have item. She said she concurs with Commissioner Brackett that the board had asked for counters on all the buses, so there was some way to verify how many people were riding which routes to plan more effectively in the future. Commissioner Erickson said if KT is only buying 32 APCs, which would equip roughly one-third of KT's routes, she would think the agency needs more. She said she would like to go back to MV and indicate the agency wants to buy more.

Chairperson Maupin said he believed KT was going to put human counters on some of the major routes to obtain data for long-term planning. He said the board needs to have a conversation about what the agency really needs. Chairperson Maupin asked if it is good enough to shuffle 32 units among all KT's buses to obtain normal or average ridership, or does the agency need all-day, every day data.

Commissioner Erickson said to keep track of cash, one needs to know how much one is selling. She said she was reviewing the charges KT pays for the ORCA system and noted that the agency already pays a substantial amount of fees and has no way to verify how many people ride its buses. Commissioner Erickson said any business owner would tell you that the place to start is to figure out what you are selling and right now, KT does not know that. The only way to know that is to put counters in the buses, she said. There is no way to verify the cash counts right now as there is no data to do that, she said.

Chairperson Maupin said the number of people getting on and off buses does not always relate directly to fares, as people transfer and pay other fares.

Commissioner Erickson said there is some relationship, and right now, KT has no way to verify any of it because there is no counting. She said that that experience indicates that a lot of the passenger counts are not accurate, and KT uses that data for all kinds of things, not just current cash, but also for planning and labor negotiations. Commissioner Erickson said the bedrock piece of information for KT is how many people the agency carries and where. She said that if the board is going to spend any money it should be on counters. Commissioner Erickson said the number of counters should be at least doubled.

Mr. Hayes said KT could show the board, in next month's discussion of the capital budget, how KT could reach a number the board might like better, fairly quickly.

Commissioner Coppola said he agreed with Commissioner Erickson. He said knowing what your sales are is Business 101, and for KT to not be able to know what those numbers are exactly, is wrong. Commissioner Coppola said KT needs to know how many people are coming and going. He said he also agreed with Commissioner Erickson that the agency has no way to verify cash at the end of the day. Commissioner Coppola said the board needs to tighten this whole thing up and if putting counters on the buses is going to do that, that is what the board needs to do.

Chairperson Maupin asked if that would do it?

Mr. Clauson said 32 APCs will give KT sufficient data to complete the federal report, and, if there is concern about a particular route, allow KT to gather boarding and alighting information. He said 32 of these units would not equip every route every day. He also said the APC system does use the

automatic vehicle location portion of the equipment, so that portion could not be cut to leave more funds for APCs. Mr. Clauson said the APCs would be installed in addition to the AVL portion.

Chairperson Maupin asked what the staff opinion is here. He asked whether having APCs on all the buses would allow KT to essentially balance the cash register at the end of the day, know how many people rode the bus and therefore how much money should have been taken in each day?

Mr. Clauson said it will not ever get to the penny as there will be boardings, like transfers and children who ride free, who will not correlate to a fare. He said the difference between the reduce fare and the full fare also cannot be determined with the APCs. He said one person could get on a bus and legitimately pay a dollar, while the next rider, who did not qualify for a reduced fare, would have to pay \$2. Mr. Clauson said the counting system come up with some averages that could then be viewed over a longer period of time to arrive at the average amount of fare income KT should be collecting per boarding and then use that as an indicator.

Chairperson Maupin said he did not want to embark upon a program that every day KT would use the APC data to help balance the books. He said that does not sound realistic to him, but that using the data every once in a while to review passenger counts on individual routes would be useful.

Commissioner Brackett said there are a lot of good reasons to have APCs on the buses, including the work KT is doing now on Kariotis to determine whether the agency has the right routes with the right type of bus at the right time and place to provide the best service to constituents. She said she does not know right now if KT does or not. Commissioner Brackett said she was not on board when it was forced to make really difficult decisions to cut service, and she said she would hope that KT would get to the point of being able to restore some service; service that was efficient and would remove some of the inefficiencies that exist now. She said she would like to be able to shift agency capacity to where the needs are as the growth patterns are changing in the county. Commissioner Brackett said she does not believe KT is really addressing that as it does not have the technology, and so what she was hoping the APCs would help KT figure out where the ridership is, where people are and are not boarding and can the agency plan to get to a Bus Rapid Transit, for example, because there are a lot of people going to Olympic College from a certain area. She said KT absolutely does not know that, and that APCs are not just a financial tool, but also a powerful planning tool. Commissioner Brackett said she believes there are tremendous inefficiencies in the system the board needs to address and that she also believes the drivers have great input into where that might be. She said it could be a great team effort to start building a transit system to actually serve where the real needs are in the community, and to do that, KT needs this APC tool. Commissioner Brackett said if nothing else, it can show KT where people are getting on and off buses, where they are going and at what time of day. She said the agency does not have that now. Commissioner Brackett said she is pleased to start with 32 but that she is disappointed as she was under the impression the entire fleet was going to be outfitted with APCs. She also said she understood that the decision to go with 32 was made internally, but as a board member, she said she felt she gave direction to outfit the whole fleet.

Chairperson Maupin said using this equipment as a planning and information tool is the board's goal and why this purchase is before the board today. He said the number needed to accomplish these goals is what is under discussion right now.

Commissioner Erickson said she concurs with Commissioner Brackett that this is about planning and controlling resources as well as about cash. She said it is about figuring out whether the right buses are deployed on the right routes at the right time and when are buses overloaded or not. She said KT

spends \$160,000 a year on ORCA, as its share of the program's \$7 million budget. Commissioner Erickson said KT should be able to combine from ORCA and APCs to really figure out what is going on with the buses. She said this is an absolutely essential management tool, and that Kitsap County is growing in many different ways, in a time of declining revenues, and that the agency needs to be able to target its service where it is most effective. KT cannot do this unless it knows who is on the bus. Commissioner Erickson said she concurs with Commissioner Brackett that the plan was to put counters on every route to obtain a comprehensive picture of what is going on. She said that if KT only installs 32 APCs, the agency cannot see what is really going on in two-thirds of the system, and that there is huge geographic distribution among the routes and service offerings. Commissioner Erickson said she does not believe sampling will give KT the info it needs, and that she believes the board should buy a sufficient number of APCs to have counting equipment on every route.

Mr. Hayes said this discussion yielded at least three set of questions for which KT staff need to provide answers. The first involved balancing out ridership information with fares, and he said this is really complicated but that staff will take a stab at that, based on the work of other transits in this arena. He said the second involved quickly finding how much more APCs would cost and whether the board would feel comfortable with the results if the proposal was doubled to 64 units. Mr. Hayes said the third area involved cost and how long it would take to outfit a larger number of buses.

Chairperson Maupin said that rather than making the board feel comfortable with the number, the issues involve the use of APCs as a planning and financial management tool, and he said staff need to provide the board with a proposal outlining the number of units needed and an explanation of why that is the right number. Chairperson Maupin said if KT puts APCs on every bus, that would give the agency plenty of tools.

Mr. Hayes said it makes good sense to buy a sufficient number to equip the buses the agency knows it will still be operating for some period of time. He also said KT needs to make sure there is redundancy in each sub-fleet to make sure data is not collected because there are not enough units to go on some number of each type of bus the agency uses. Mr. Hayes said KT would like to determine, by sub-fleet, what would provide the best information and a more trustworthy sample. He said the RFP that gave rise to Resolution 11-33 on the Board Meeting agenda included options for more units.

Commissioner Garrido said she appreciates the plan to bring that information back, but she said there is wonderful data being produced electronically and almost immediately, so that more effort will go into analysis than into collection and data management. She said she wants to make sure KT is also looking at personnel to achieve this switch. Commissioner Garrido said that as KT will be collecting data that may have taken great effort to collect, personnel costs should also be factored into this as a change. She also said she would like to see a timeline, the financials and the cost for personnel as well as technology.

Mr. Clauson said he is not arguing against this, as he deals with this information and would be very happy to have data on every route, every day, goes beyond even what board members were mentioning, down to the level of whether stops are in the right place and where shelters are needed.

He said that when KT now needs to know whether the information it is now getting is accurate, that is when a person rides the bus to collect that detailed data. He explained that human data collection is not continuous but does occur over several days, or up to a week, based on the season. Mr. Clauson said KT does not have the staff right now to do that, so that is the position KT would not have to fill if it went with APCs. He also said he would need to consult with the finance department staff about

whether KT could extend the bid as discussed because equipping the entire fleet changes the RFP pretty significantly from what KT went out on the street and asked for, in terms of bids. He said while there are options to add to the APC bid, KT asked for pricing over two years to build up the fleet, and that he needs to make sure going forward now with a much larger purchase would not run afoul of bidding requirements.

Commissioner Brackett said there must be some economies of scale in buying more with this type of technology. She said she also believes there has already been a significant delay in getting this technology on board and she said she would like to see staff come back quickly with what it would cost to outfit the entire fleet and steps down from that. Commissioner Brackett said this would allow the board to make the decision, keeping in line with what the chair said about analysis. She said she would like to see what 110 or 80 or 75 units would cost and what that provides in terms of tools to help us do what we need to do, as a board, to provide the best service possible to the citizens to Kitsap County.

Commissioner Erickson said she figured that these units are approximately \$5,000 each, dividing 32 into \$149,000. She said the board is already making capital reclassification of hundreds of thousands of dollars and that the APCs do not represent huge sums of money relative to this organization's \$30 million budget. She also said the board needs this information to make concise decisions and that KT needs to outfit its entire fleet or at least every route.

Commissioner Lent said if KT has to go out and rebid this, as it is different to bid on 32 rather than 110 units, that would then delay this process, and the units would not be installed until August. She also said there is a need to have APCs sooner than later, so if rebidding is going to delay the project 60 to 90 days, she would like to approve the resolution during the Board Meeting and then take a look at the impact of a larger purchase on the agency's budget. Commissioner Lent said she would like to see something go forward today, as KT does need those figures.

Mr. Hayes said staff will bring back to the board some very rapid steps and options to obtain a minimum of double the number of units if not a sufficient number for the entire fleet. He said KT may have to look at the bid documents to determine if that is feasible. Mr. Hayes said KT has been very conservative about potential year-end cash, discussing 1.5% to 2% sales tax increase after starting the year expecting zero growth. He said this may be something the agency can do fairly quickly.

Commissioner Coppola said if KT is going to outfit 110 buses rather than 32, then the price of those units is probably going to come down significantly. He said he is also hearing from the board a fairly unanimous voice that says outfit all the buses, not double the number or do as many as possible.

Commissioner Lent asked when KT is anticipating receiving the new buses that would automatically come with this equipment on them.

Mr. Hayes said the agency is hoping to get nine more 26-foot, low-floor ARBOCs by the end of the year, and that KT is spec'ing those with these units on them.

Commissioner Lent asked if those would replace current buses?

Mr. Hayes said yes.

Mr. Seymore said KT will be coming to the board next month with a request for nine additional buses to replace some old equipment. He said the replacement coaches would come equipped with APCs.

He also said that APCs can provide simple counts but if the goal is figuring out peak and low-performance areas, the AVL portion needs to come with that. You cannot really split them out, Mr. Seymore said.

Chairperson Maupin said that the staff have direction to proceed.

## **6. Silverdale Transfer Center and Park-and-Ride Project Update**

Mr. Hayes said the last Planning Sub-Committee (SC) reviewed the next steps for the Silverdale Transfer Center, and he noted that this project is not the interim project, but involves the Greaves Way site in a joint arrangement with private property owners. He said the next step, based on that SC discussion was secure a firm, for an initial, modest amount of money, to sit down with KT and the developers and figure out appropriate locations for both a park-and-ride lot and a transfer center. Mr. Hayes said the goal is to make both of these long-term facilities. He said KT can secure those services using the agency's professional services rosters and that staff is proposing to use the same firm that did a good, quick job on siting and designing the interim Silverdale Transfer Center. Mr. Hayes said he wanted to make sure the board was in sync with this set of steps so the agency continues to make the progress it needs to make this a very competitive project for submission to the regional grant funding process.

Chairperson Maupin asked which firm this would be?

Mr. Hayes said it is Perteet, and that this firm is already somewhat familiar with the Greaves Way site.

Commissioner Erickson said she is nervous about this site as it is very wet. She said she has reservations about what she is seeing about the nature and the quality of the site.

Mr. Hayes said anywhere the agency goes now, there will be stormwater issues. He said the next step in identifying sites for KT's part of the project will require stormwater work. He also said KT would expect to manage stormwater issues in concert with the developers.

Commissioner Brackett asked if there is a scope of work for Perteet on this project, so the board knows what the firm's deliverables are?

Mr. Hayes said staff can provide that and he said the deliverables are two or three alternate locations for two facilities; a 250-space park-and ride lot and a transfer center with the capacity for a maximum of four buses at a time.

Commissioner Brackett asked if that would be coming to the board later?

Mr. Hayes said yes. He also said KT is also going to plan, with the Planning SC, the agency's next meeting with the site owner.

Commissioner Brackett asked if KT is signing a contract with Perteet?

Mr. Hayes said yes, noting that the cost is below the minimum and the firm is on KT's professional services roster. He said he wanted to update the board on the progress on this project, particularly the steps the Planning SC had proposed the agency take.

Commissioner Brackett said the Planning SC did not see a scope of work, just a concept.

Mr. Hayes said only a concept was developed at that time and that there is some urgency to this.

Commissioner Brackett asked if KT would be moving forward with this before the next Planning SC meeting?

Mr. Hayes said no. He said there are timing issues with the developers' schedule that dictate KT's meeting with them occur after the next Planning SC meeting. He also said staff will be in discussion with that SC about some of the issues involved.

Commissioner Brackett suggested the scope of work and deliverables go to the Planning SC.

Mr. Hayes said that will be part of the meeting along with other issues, such as water. He said there are water issues on this site and that there may have even once been a wetlands here, before the construction of Greaves Way. Mr. Hayes said the next step may be some characterization of the site.

Commissioner Erickson said she does not want this agency to invest a lot of time and money into a site where it will have a hard time locating what KT needs to locate because of a very large wetlands. She said that gets to be very expensive, and that while she is not a biologist, the site looks very wet to her, and she has been dealing with wetlands for the last four years. Commissioner Erickson said she does not want to invest time and energy if KT can't find a location.

Chairperson Maupin said he understands this entire project hinges on whether it is viable for the private investor.

Mr. Hayes said KT could go ahead with stand-alone permanent facility, with the developers' blessing, with the understanding that the agency would be part of something at a later date. But, he said it will all work better if the private developer is working alongside KT now. Mr. Hayes said this step is essential to determining whether this will work for either KT or the private property owner.

Commissioner Garrido said KT should contact county public works about the wetlands issue before the county built Greaves Way.

Mr. Hayes said in discussions with county staff so far, they have not raised this issue, but he said those discussions did not include public works or stormwater staff, so KT will go back and talk with them. He noted that the county offices have been helpful so far.

## **7. Capital Budget, with a focus on bus fleets**

- A. 10-year bus replacement options
  - 1) Like-Kind
  - 2) Electric or high-hybrid vehicles
- B. Other needs

Mr. Hayes said he wanted to raise this issue now because that even at the census-driven higher level of federal formula funding, approximately \$4.5 million versus the current \$2.6 million, KT may not have enough money for like-kind replacement of the fleet over the next ten years. But, he said this begs the

question of whether KT wants to start buying different, next-generation high-hybrid or battery-powered electric vehicles.

Ms. Knox-Browning said there is information, additional to what was provided beforehand, on the dias.

Mr. Hayes said p. 54 of the work-study packet illustrates that, in this era of declining revenues, KT could have to commit all of its available formula funding in the next ten years just to replacing the fleet with like-kind coaches. He said that based on the board's support of a sustainability program, like-kind coaches are probably not what board members are interested in seeing KT buy. Mr. Hayes said he wanted to raise this in advance of full-fledged discussions on capital funding programming, to show KT is entering an era of scarcer federal resources.

He said the additional information distributed today [*and attached at the end of these minutes*] shows that most of the obligation to replace equipment will occur in 2016 and beyond. That is when the very large \$20 million purchase of 45 replacement Gillig buses is due. Mr. Hayes said this illustrates the need to spread out, over a number of years, the purchase of replacements. He said he does not know if the board is interested in using bonds again, but bonding out major bus purchases was how KT got its fleet entirely up to date. Mr. Hayes said KT could be looking at a number of small items next year, and then there will be a lot more freedom in 2013 and 2014 for initiatives the board may be interested in pursuing.

Chairperson Maupin asked if the transit industry is moving toward hybrids and if the cost of those is coming down?

Mr. Hayes said the industry experience is spotty. When King County Metro and others introduced hybrids into their bus fleet, the increase in fuel mileage was almost universally negligible despite those coaches costing \$200,000 to \$300,000 more than standard diesel buses. He said that fuel mileage improvement was nowhere nearly high enough to justify those additional purchasing costs. Mr. Hayes said he believes that is because the industry merely put hybrid drive trains in regular buses, rather than designing hybrid buses from scratch. He said that over the next seven or eight years, that might improve. Pre-planning is the issue for KT now, he said, looking into what kind of equipment is worth purchasing.

Mr. Seymore said the development of hybrid bus technology is moving at a rapid pace right now. Nonetheless, fuel mileages increases are miniscule in relation to the \$675,000 price tag for a diesel hybrid compared to the \$370,000 for a standard clean diesel bus. He said most agencies are moving towards hybrids because they are cleaner and greener, but there is no real cost benefit right now. Mr. Seymore said the other challenge is going to be infrastructure, and whether KT is ready for new technology. Right now, we are not, he said.

Commissioner Brackett said that is why the APCs are going to be very important for pre-planning, so KT knows what kinds of buses it needs on what routes. She said she recently saw some of the new double-decker buses Community Transit in Snohomish County is running, and she noted they call them double-talls. She asked if KT would look at that for some of the high-volume commuter routes or routes that serve the ferry terminals, like Route No. 90.

Mr. Seymore said double-deckers for the corridor routes are a part of the long-range plan staff will be bring back to the board.

Commissioner Brackett said once the APCs ridership numbers are available, KT could purchase fewer

buses of different configurations or sizes to meet the need.

Mr. Hayes said double-deckers would work well on Route No. 90, and he said the plans for the North Base include a double-tall building and lift system. He said those are not hybrids but do return fuel consumption that is about 30% lower per passenger than a standard bus. Mr. Hayes said this is akin to KT's predilection for smaller buses, based on the belief that there are more ways to do better by burning less fuel and producing fewer emissions than just going with hybrids.

Commissioner Coppola said that as automotive writer, electric vehicles are of particular interest to him, and that battery tech is advancing by leaps and bounds. He said before KT makes any commitment to electric vehicles, the agency should wait several years and see where the technology goes.

Commissioner Coppola said batteries are getting more powerful, smaller and are lasting longer, and he noted that electric cars being designed now include the ability to be retrofitted as battery life increases and mileage mounts.

Mr. Hayes said the infrastructure issues, such as when and where recharging would occur for electric vehicles, are also a topic of study. He said the small bus fleet on Bainbridge Island is almost an ideal application, but he said land-use rules might even require rezoning. Mr. Hayes said KT would need to start now if it planning to begin using electric by 2015 or 2016. He said an upcoming fleet planning report will cover all of this. Mr. Hayes said he believes there would be a lot of public support for using alternative technologies.

Commissioner Gelder said Agate Pass Bridge height limitation would be a consideration for double-decker buses.

Mr. Seymore said he agreed with Commissioner Coppola that battery technology will be much more advanced in a few years. He said Foothills Transit in southern California is running pure-electric, 40-foot transit buses with a range of 50 miles, and he said that is expected to double in four years.

Mr. Hayes said that in Washington State, Link Transit in Wenatchee is experimenting with a 30-foot, rapid-recharge fully electric bus.

**8. ADJOURN:** Chairperson Maupin adjourned the meeting at 9:28 a.m. He said the board would take a 10-15 minute break and convene its regular business meeting at 9:40 a.m.

**ADOPTED** by the Board of Commissioners of Kitsap Transit at a work-study session thereof, held on the 20<sup>th</sup> of December, 2011.

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Will Maupin, Chairperson

ATTEST:

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Cathie Knox-Browning  
Clerk of the Board

**KITSAP TRANSIT**  
**ADDITIONAL WORK STUDY MEETING MATERIALS**  
**June 21, 2011**

Attached please find additional information for today's meeting on:

7. Capital Budget, with a focus on bus fleets
  - A. 10-year bus replacement options
    - 1) Like-Kind
    - 2) Electric or high-hybrid vehicles

3) Ideas for Capital Projects 2012-2014

| Federal Formula Funds | 2012  | 2013   | 2014  | 2015→ |
|-----------------------|---|--|---|-------|
|                       | <b>\$2.6M-\$2.7M</b>  | <b>\$4.5M</b>  | <b>\$4.5M</b>   |       |
| 1.                    | Ten <i>ACCESS</i> buses<br><br>\$1.5M   | Ten <i>ACCESS</i> buses<br><br>\$1.5M  | Options: Electric Vehicle test program <ul style="list-style-type: none"> <li>▪ BITC/local service</li> <li>▪ EV capability at Silverdale, Port Orchard, Bremerton Transportation Center, Poulsbo and Kingston</li> </ul> |       |
| 2.                    | Silverdale park-and-ride lot and Transfer Center: \$300K                                      | Silverdale park-and-ride lot and Transfer Center<br>Final Design/ROW: \$1M   | Options: Transfer Center locations, planning & upgrades <ul style="list-style-type: none"> <li>▪ East Bremerton</li> <li>▪ Port Orchard</li> </ul>  |       |
| 3.*                   | Annapolis Dock design & environmental work: \$200K-\$300K                                     | Charleston Base sustainability upgrades: \$500K  |   |       |
| 4.*                   | Added funds for new Kitsap Transit Foot Ferry vessel/sister ship to the Admiral Pete: \$400K+ | North Base/Poulsbo park-and-ride lot completion: \$1M<br><br>5. Alternative Sites/Design for EV use and Transfer Centers: \$500K |   |       |

\*These two items were to be funded by TIP funds previously. These allocations would free up TIP funds of approximately \$600,000-\$700,000 for testing the Rich Passage I vessel in Rich Passage.