

# KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING

## MINUTES OF JANUARY 16, 2018

### **Board of Commissioners Present:**

Erickson, Becky, Mayor, City of Poulsbo, **Vice Chair**  
Fuller, Mark, Teamsters Local No. 589, *non-voting member*  
Garrido, Charlotte, Kitsap County Commissioner  
Gelder, Robert, Kitsap County Commissioner, **Chair**  
Huddy, Richard, City of Bremerton Council Member  
Medina, Kol, Mayor, City of Bainbridge Island  
Putansuu, Rob, Mayor, City of Port Orchard  
Stern, Ed, City of Poulsbo Council Member  
Wheeler, Greg, Mayor, City of Bremerton  
Wolfe, Edward, Kitsap County Commissioner

### **Staff Present:**

Jill Boltz, Clerk of the Board; Jeff Cartwright, Human Resources Director; John Clauson, Executive Director; Ellen Gustafson, Operations Director; Steffani Lillie, Service & Capital Development Director; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Hayward Seymore, Facilities and Maintenance Director; Paul Shinnors, Finance Director.

**Also Present:** David Weibel, Legal Counsel

**1. CALL TO ORDER:** Chairperson Gelder called the work study meeting of the Kitsap Transit Board of Commissioners to order at 8:30AM.

### **2. AGENDA REVIEW**

No changes.

### **3. CHAIRPERSON'S COMMENTS**

Chairperson Gelder reported on his meeting with Amy Scarton, mostly pertaining to Hwy 104 and Kingston, and rerouting ferry traffic. During the meeting she appreciates working with John and is anxious to move forward and help in any way she can with docking at Southworth and Kingston.

### **4. PUBLIC COMMENT**

Jerry McDonald, Bremerton, stated that there is a parking problem in Bremerton and Kitsap Transit needs to be part of the solution. McDonald questioned progress on additional park and rides, worker/driver ridership and the Commute Trip Reduction law.

Roger Gay, South Kitsap, spoke to the information reported in the quarterly report and the need to report the capacity of the Fast Ferry and which routes are full.

Michael Williams, Bremerton, spoke regarding the use of transfer slips, traffic issues in Poulsbo and his conversation with Darrell Bryan about the Fast Ferry ridership numbers.

## 5. CONSENT/ACTION ITEMS

a. *Minutes of December 19, 2017*

b. ~~*Minutes of January 2, 2018*~~

Commissioner Erickson requested that the minutes of January 2, 2018 be pulled for the addition of the complete text from the seven urgent recommendations provided by Darrell Bryan. Clerk of the Board Boltz recommended pulling the minutes to be reviewed further and brought back to the next meeting.

**Commissioner Stern moved and Commissioner Garrido seconded the motion to approve the minutes of December 19, 2017. Discussion: None. Motion passed unanimously.**

## 6. FULL DISCUSSION/ACTION ITEM:

a. *Presentation: Comprehensive Route Analysis Update*

Tim Payne, Nelson Nygaard, explained this presentation includes an update on public outreach and options for next steps in hope of receiving direction. The three options include: No. 1 – More frequent service on weekdays/Saturdays, No. 2 – Sunday Service and No. 3 – Limited Sunday service and later service on weekday/Saturdays.

Public outreach was held in person through open houses held in Bainbridge, Poulsbo, Silverdale, Bremerton, Port Orchard and Olympic College, and through notifications such as postcards, press releases, social media, email alerts, display ads and an online open house.

All three service improvement options are based on a baseline improved network plan. Payne shared comments received on each of the options and provided the results with Option No. 1 – More frequent service on weekdays/Saturday as the preferred option.

Commissioner Stern asked if the data shows areas of need or interest for Sunday service. Payne explained that, not surprisingly, the largest ridership loss was in Bremerton and likewise is the area of greatest interest.

Payne reminded the Board that Option No. 1 provides the highest increase in ridership. The proposal is to create a hybrid of Option No. 1 and Option No. 3, creating more frequent service on weekdays and Saturdays and longer hours of service on weekdays and Saturdays. Sunday

service is not proposed at this time due to the large component of cost associated with *ACCESS* services. Also, it does not generate as much ridership or benefit as many people in the community as the more frequent weekday and Saturday service. Reestablish *ACCESS* service for Sunday would cost approximately a half million dollars per year because it is not only putting vehicles on the road but also dispatch, customer service and other pieces associated with the operation of the service.

Commissioner Wolfe asked whether the proposed hybrid option would help with the parking problem in Bremerton. Payne suggested that there is an opportunity through improvements and frequency on the mainline routes in Bremerton, finding remote park and rides along the routes and attracting people to the routes to offset people driving into Bremerton and parking. The results would depend on the specific routes, how they are scheduled, promotion and park and ride capacity along the improved routes.

Commissioner Gelder stated it seems as if the focus is on more frequency and longer hours on the same routes opposed to other ways of getting to the service improvements. Gelder asked if there is a way to provide limited circulation services in the communities such as BI Ride, SK Ride, etc., on Sundays as an alternative.

Payne clarified that the foundational route network is considerably different than what exists today, building on the strengths of the current system and strengthening it further. Areas that are not producing have been removed and those resources have been used in other areas to improve productivity.

Executive Director Clauson explained that an option of service different than the current service would require buy-off from the drivers unions, Routed and *ACCESS*.

Service and Capital Development Director Lillie added that the addition of service on Sunday, regardless of the type, requires turning on the other expenses of dispatch, mechanics, supervisors, etc.

Commissioner Huddy clarified that the law prevents running Routed service without *ACCESS* but does not prevent running *ACCESS* without Routed service. And further it is the unions and contracts that is preventing this [running *ACCESS* without Routed service on Sunday].

Commissioner Garrido questioned whether the Citizens' Advisory Committee (CAC) has been involved. Clauson explained that they have not seen this presentation to provide a recommendation.

Commissioner Wheeler asked for an explanation of SK Ride. Clauson explained it is an uber style of bus service; where a person can call or use a smart phone to request service and serves a limited geographic area.

Huddy asked for the definition of skimming. Clauson stated it is taking work from one unit and

giving it to another.

Huddy asked whether the same level of maintenance staff would be necessary for only *ACCESS* service. Lillie explained the same level would not be necessary, but there would still have to be mechanics, supervisors, dispatchers and staff for the operation.

Commissioner Putaansuu stated that for this to be an option, it needs to get into the labor contract to allow implementation at a later date.

Payne noted that on a cost per trip basis, dial-a-ride service that covers the most populated centers of Kitsap County would still be expensive and to keep in mind the that the financial efficiency would not look good.

Chairperson Gelder stated that the Board is aware that public transportation is subsidized to various levels and the conversation needs to be about service and the resources.

Commissioner Huddy stated that if we cannot come to an agreement with the union, perhaps it could be contracted. Clauson stated that would be a labor contract issue subject to binding arbitration.

Putaansuu stated that the conversation regarding service in the future using dial-a-ride is a more cost effective alternative than starting the whole fixed route service.

Commissioner Medina questioned whether the service options are included in the budget. Gelder explained that the local foot ferry service was previously included in the transit funding and is now included in the ferry funding, which provides approximately \$1.5 million in savings to the transit fund.

Payne asked for concurrence to move forward with the hybrid option.

Huddy recommended Option 1 and to go with what we know to yield the greatest increase in ridership.

Commissioner Garrido asked that staff solicit input from the CAC.

Commissioner Wheeler stated that, during his campaign, he committed that those who are transit-dependent would not be isolated on Sundays. Option 3 sounded intriguing for those who are transit dependent and who voiced their concerns during the market research.

Commissioner Putaansuu spoke to Mayor Wheeler's position, but stated the Board has to do what is best for the County as a whole. Putaansuu spoke in support of Option No. 1. While Sunday service is a priority for the future, Option 1 provides more ridership and revenue.

Chairperson Gelder asked for clarification on Commissioner Putaansuu's support of the hybrid

option. Putaansuu clarified his support for the hybrid option of Option No. 1 and Option No. 3.

Commissioner Erickson commented on the thoughtful job done on this project, and that not only are we talking about increasing service, but the services will be organized in a different manner with changes in the routed structure resulting in better transit service. Erickson spoke in favor of the hybrid extension with later hours for the working population. Erickson stated she is excited to see the hybrid option mixed with the new route structure and the improved ridership.

Chairperson Gelder spoke in support of the hybrid option but would like to begin discussions with the labor unions to avoid delay when an option for Sunday can be implemented.

Commissioner Wolfe spoke in support of the hybrid option and would like to continue to look to take care of those underserved in the largest city.

Chairperson Gelder asked for consensus. A majority of the Board concurred with the hybrid option.

Executive Director Clauson spoke in support of the hybrid option to provide the highest likelihood of increased ridership, will open the system to a greater number of Kitsap County residents that have not taken advantage of the service and will help the most toward improving parking by enticing them to leave their car at home and use transit.

Payne provided information on comments heard throughout the county by area. Comments included:

- Have the new Wheaton Way and Silverdale Transit Centers been taken into account?
- Expansion of Kingston Ride to accommodate the riders of the Kingston Ferry without having to expand routed service.
- Has the Silverdale Transit Center been taken into account and the impact of moving it to a different location? Silverdale Transit Center has not been incorporated but was considered in some of the routes to see if they could be easily changed. Wheaton Way Transit Center has been incorporated.

Payne reviewed the next steps including incorporating public feedback and updating the Revised Route Network, moving forward with the hybrid option, creating a preferred option for additional funding, developing a phasing plan and conducting additional public outreach and board engagement/approval. The timeline for Board approval is anticipated for mid-2018.

*b. Update on 2017 Passenger-Only Ferry General Obligation Bonds*

Finance Director Shinnors explained that the bond agreement included a provision. Whereas if and when there was tax reform that reduced the corporate tax rate, the diminished value of those bonds would be preserved. If the corporate tax rate went below 25 percent, then

32/100<sup>th</sup>, or approximately \$82,000 in more debt service would be due each year. The corporate tax rate was 35 percent and went to 21 percent.

*c. Presentation: Quarterly System Performance Report*

Executive Director Clauson provided an overview of the third quarter 2017 ridership and noted that this report includes ridership of the Fast Ferry. While the Fast Ferry is having an impact on the ridership system-wide, ridership began to see a turnaround beginning in May (prior to the Fast Ferry start-up).

Commissioner Huddy suggested providing the statistic without fast ferry.

*d. Presentation: Quarterly Financial Report*

Transit Fund

Finance Director Shinnars presented Transit Fund year to date through September with operating revenue from fare income, parking, advertising and lease income making up 12 percent of the revenue base. Revenues are close to target as compared to the amended budget approved in July. Operating Expenses are approximately 5 percent under the amended budget through 3<sup>rd</sup> quarter 2017. Both Routed and ACCESS are under budget primarily due to operator wages and benefits and conservative budgeting. In comparison, last year KT was paying overtime as a result of the operator shortage. Passenger Ferry is the local ferry service and represents half of 2017 until sales tax revenue was collected for the ferry program. Passenger Ferry is under budget due to no necessary, significant repairs. Service Development and fuel were under budget as well.

Chairperson Gelder asked about the increase in parking fees. Shinnars explained the only paid parking is at Annapolis. Commissioner Putansuu suggested that an increase in parking fees in downtown Port Orchard could account for the increase in parking at Annapolis. Clauson added that new automated equipment was installed that accepts debit and credit cards.

Non-Operating Income (Expense) is approximately 1.8 percent greater than budget, which is conservative because of the two month delay in sales tax reporting.

Ferry Fund

Commissioner Erickson asked about ORCA fare realization. Finance Director Shinnars explained the fares budgeted were based on the projections from the plan. The plan did account for discounts such a seniors and youth, but did not account for the business accounts or Passport within ORCA. The business accounts, depending on the type, may be repriced once or twice a year. It will take a year to reprice all of the contracts. The 2018 budget has taken the business accounts into consideration.

Commissioner Huddy asked what portion of the \$285,000 variance is due to fare realization

versus passenger trips. Shinners explained he did not have those numbers off hand, but the two biggest components are average fare per passenger which is just over \$3.00 per passenger for the Fast Ferry because of the fare realization component, whereas the average fare realization is \$6.00 per passenger round-trip when the program matures.

Huddy asked about the budget for Fast Ferry fares and whether it improved in December. Shinners explained that Fast Ferry fares missed the budget projection but it is expected to increase with a mature program, working through the business accounts, ridership increases and budget projections improve.

Shinners continued with Ferry Fund expenses benefitting from lower fuel costs, an increase in Maintenance and Facilities due to repairs on the Rich Passage 1 and sales tax performing better than budget, similar to the Transit Fund.

Shinners presented the charts and graphs depicting Total Revenue, Total Net Expenditures and Unrestricted Reserves.

*e. Proposed Bylaws Revision*

Executive Director Clauson explained the Board Composition Review process. This is the year the Review is due and suggested changes to the Bylaws, as they relate to the Board Composition, be deferred to the Review process.

Commissioner Erickson concurred with Executive Director Clauson and requested the process start soon.

## **7. OTHER PUBLIC COMMENTS**

Roger Gay, South Kitsap, spoke to the ridership on SK Ride and the good benefit to the public. Gay asked if the *ACCESS* ridership numbers include the BI Ride, SK Ride and Kingston Ride data and questioned what is being done with the savings from the local ferry revenue.

Jerry McDonald, Bremerton, spoke to the need for intra bus service and more frequent and reliable service. McDonald suggested more instructional videos, explanation of guaranteed ride home program, why riders like Kitsap Transit and the Worker/Driver Program and marketing to make riding on Kitsap Transit fun. He also suggested coordination with shipyard and with Navy to fill existing worker/driver program.

**8. FOR THE GOOD OF THE ORDER:** Chairperson Gelder asked if there were any comments.

Mark Fuller, Business Representative for Teamsters Local No. 589, introduced Business Representative Robert Driskell.

**9. ADJOURN:** Chairperson Gelder adjourned the meeting at 10:33AM.

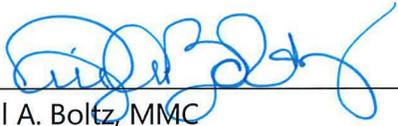
**ADOPTED** by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 6th day of February, 2017.



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Robert Gelder, Chairperson

ATTEST:



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Jill A. Boltz, MMC  
Clerk of the Board