

# KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING

## MINUTES OF JULY 19, 2022

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

Deets, Joe, Council Member, City of Bainbridge Island  
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  
Mockler, Anna, Council Member, City of Bremerton  
Putansuu, Robert, Mayor, City of Port Orchard – *absent*  
Schneider, Leslie, Mayor, City of Bainbridge Island  
Wheeler, Greg, Mayor, City of Bremerton  
Wolfe, Edward, Kitsap County Commissioner, **Chair**

### **Staff Present:**

Sanjay Bhatt, Marketing Director; Michael Bozarth, Operations Director; Jill Boltz, Clerk of the Board; John Clauson, Executive Director; Steffani Lillie, Service & Capital Development Director; Mary Pauly, Human Resources Director; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Ray Scott, Marine Services Director; Paul Shinnars, Finance Director; Dennis Griffey, Vehicle and Facilities Maintenance Director.

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

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

Deputy Clerk of the Board Sampson shared the following opening statement: This meeting of the Kitsap Transit Board of Commissioners is being held virtually in accordance with the Open Public Meetings Act. In addition to the numerous resources provided for the public to listen, view, and provide comment for this meeting, in-person attendance for the public is now available. The meeting will also be recorded and available for viewing at the public's convenience on the Kitsap Transit website or through Bremerton Kitsap ACCESS Television. This information was provided to the public through regular distribution of the agenda, posting on Kitsap Transit's website and Rider Alert.

The public was invited to submit written comments to be included in the record by 4:00PM on July 18, 2022, to Jill Boltz, Clerk of the Board. No comments were received. The Board will also take comments from the public at the designated time on the agenda. When called upon, please state your name for the record and you will have (3) three minutes to address the Board.

### **2. AGENDA REVIEW**

None.

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

Chairperson Wolfe shared he is recently back from vacation and was informed he will become a second time grandparent.

### **4. FULL DISCUSSION/ACTION ITEMS**

#### *a. Presentation: Salary Survey*

- Resolution No. 22-45, Salary Survey Implementation

Executive Director Clauson introduced Annette Hoefler, Logic Compensation Group.

Annette Hoefler, Logic Compensation Group, went through a presentation explaining the non-represented salary survey. Hoefler briefed the Board on the objective of the comp study, which was to review and propose changes to the non-represented salary structure to ensure employees are paid consistent with their duties, as well as update the alignment or pay range, so each job is placed in a range that is generally consistent with the average range maximum of the surveyed organizations. This procedure is the same as the previous two survey cycles. The study parameters included credible and valid published survey data, which was included for analysis when sufficient information was not obtained through the survey process. Insufficient information means there were less than five organizations providing a job match to a specific benchmark. If that were the case the Economic Research Institute Salary Database and Mercer West Coast survey were used to supplement the information from the eight organizations. Once the data was collected, it was geographically adjusted to Bremerton as well as time adjusted to the third quarter to 2022, aligning with the intended implementation date of the non-represented pay plan.

Hoefler shared a table with the comparison results. Kitsap Transit continues to improve its position year over year, due in part to the past two survey cycles and updates every year, not just during the survey years. This keeps KT's pay structure in pace with the market and not subject to wide swings between survey periods. Hoefler shared the guidelines for recommendations for pay upgrades, and there were no recommendations for pay downgrades. The survey resulted in only 7 of the 63 jobs included in the study's recommendation for a pay grade increase.

Commissioner Mockler questioned why the data was geographically adjusted to Bremerton specifically. Hoefler explained the adjustment was due to Kitsap Transit's primary geographic location and is the same adjustment made in the previous two cycles, based on the Economic Research Institute.

Mockler questioned why only the Marine portion of King County was included and what happened to data when King County was excluded. Hoefler explained King County was only used for the Marine jobs; it was not included in the data for any of the other benchmarks.

Executive Director Clauson brought up the attached salary information. The salary table adopted with adjustments made to fall in line with Amalgamated Transit Union (ATU) contract was drafted from a salary table in 2020 and did not include some of the positions adopted in the budget. Those highlighted in blue are those previously approved but left out of the table on recent approval. There is no change to budget. Those positions in yellow are positions affected by the compensation study.

**Commissioner Schneider moved and Commissioner Mockler seconded the motion to adopt Resolution No. 22-45, approving the implementation of the 2022 non-represented salary survey effective with the next full pay period beginning July 24, 2022.**

**Discussion: None.**

**Motion passed unanimously.**

Commissioner Mockler noted no changes were made in the lower end of the scale and suggested that Administrative Associates are typically women. Mockler questioned how easy it is for those people at the low end of the scale to move up. Executive Director Clauson explained there are opportunities for all employees to move into open positions and clarified that not all employees in the Administrative Associate positions are women.

Commissioner Mockler suggested considering raising the pay for Customer Service Specialists as they are the face of Kitsap Transit. Clauson explained that all the positions were looked at through this compensation study and compared with peers.

b. *Resolution No. 22-46, Change Order No. 1 – M/V Reliance Foil Repair*

Executive Director Clauson stated this is a large change order that will need a fair amount of explanation. Clauson explained the M/V Reliance hit a deadhead, resulting in damage to the foil. The foil was removed and sent off to the manufacturer. The initial estimate was done based on damage to a different foil; however, upon inspection it was discovered that the damage was significant. Clauson noted the information accompanying the estimate, including an analysis determining the Change Order, is fair and reasonable.

**Commissioner Garrido moved and Commissioner Deets seconded the motion to adopt Resolution No. 22-46, authorizing staff to execute Change Order No. 1 to contract KT 22-756 for the additional work and materials needed to rebuild the M/V Reliance Foil Strut.**

**Discussion: Commissioner Erickson questioned whether the numbers on the cost estimate form are a not to exceed or a fixed cost. Executive Director Clauson stated this is an estimate. The expectation is we would not see additional Change Orders but will continue to follow our normal practice for change orders and the Executive Director's authority would remain at the ten percent (10%).**

**Motion passed unanimously.**

*c. Resolution No. 22-47, Bid Award – 2022 Marketing Campaigns*

Executive Director Clauson explained this Resolution authorizes a contract for a marketing consultant. Three projects will be included in the contract: ridership campaigns for BI Ride and Kitsap Fast Ferries and a recruitment campaign for bus operators. In working with the City of Bainbridge Island, KT would come up with a marketing plan and the City will contribute to the cost of the consultant.

**Commissioner Erickson moved and Commissioner Gelder seconded the motion to adopt Resolution No. 22-47, authorizing the contract award to JayRay for three marketing campaigns in an amount ~~not to exceed~~ three-hundred forty-three thousand four hundred seventy dollars (\$343,470).**

**Discussion: Executive Director Clauson explained the need to remove the “not to exceed” language that was invertedly included and asked that the Board to consider modifying the motion to delete “not to exceed” for consistency with purchasing policies.**

**Strike “not to exceed” language.**

**Commissioner Erickson mentioned the recent adoption of the youth 18 and under ride free and that it is not common knowledge in the community. In an effort to increase ridership, KT should concentrate on ride free for 18 and under to get the word out. Erickson thanked the City of Bainbridge Island for putting up the money.**

**Commissioner Schneider questioned what stood out with JayRay. Marketing Director Bhatt stated that, in general, they have experience working with transit agencies with a real interest and passion in working with KT. JayRay worked for six years with Intercity Transit.**

**Executive Director Clauson explained that Kitsap Transit is working with the region on how to collectively promote the free fare program.**

**Motion passed unanimously.**

*d. Resolution No. 22-48, Change Order – Routed Bus Purchase*

Executive Director Clauson stated this is a change order with Gillig Corporation due to supply chain issues and escalating costs seen across the nation. Gillig submitted a request for a price increase on the buses currently on order and staff feels the information provided is adequate to justify the increase. The increases would be covered with grant dollars remaining for the purchase of those vehicles.

Commissioner Gelder questioned whether the amount of the increase is per bus. Service and Capital Development Director Lillie stated it is a cumulative total. While the amount is within the ten percent (10%) threshold, staff wanted to make sure the Board is aware of the situation and the possibility of continuing increases. Lillie added that Gillig has been great to work with on these increases.

Clauson noted that staff will be back in September with another change order for the small buses on order.

**Commissioner Gelder moved and Commissioner Garrido seconded the motion to adopt Resolution No. 22-48, authorizing staff to issue Change Orders to Gillig LLC for the economic price increase adjustments. Discussion: None. Motion passed unanimously.**

*e. Resolution No. 22-49, New Hire Retention Incentive*

Executive Director Clauson stated this is an incentive program to hire new operators and is proposed as a one-year trial. An analysis was done to determine if KT would be unique in providing new hire incentives. The range varies and staff would like to continue working toward a new hire incentive of up to seven thousand (\$7,000). Staff is still working through details of specific allocations but is asking for authority to proceed with development of the allocation through consultation with legal counsel.

Commissioner Deets noted that, in looking at the examples, the highest seems to be five thousand dollars (\$5,000). Deets stated he appreciates the higher amount and taking an aggressive stance. Deets questioned whether there is a certain amount of time required to obtain the full amount. Clauson reiterated that setting the specific milestones is still under development.

Commissioner Mockler commented that, when last discussed, Commissioner Erickson noted hiring incentives were useful, but retention bonuses are also part of the same process for equity with new and current employees. Clauson explained that the retention bonus was approved in conjunction with the Amalgamated Transit Union contract in addition to KT's current step system. Mockler questioned whether this has been confirmed with drivers. Clauson stated the plan is to work with the unions as the program is developed.

Commissioner Erickson stated the City [of Poughkeepsie] did this and spoke in support of the motion. Erickson encouraged working with ATU in a collaborative way to establish milestones.

Commissioner Gelder spoke to the discussion about a new hire "retention" and that perhaps it should be a new hire "incentive". Clauson clarified the thought behind milestones is a retention program and added about 20 percent of our new hires leave after obtaining their commercial driver's license (CDL.)

**Commissioner Erickson moved and Commissioner Deets seconded the motion to adopt Resolution No. 22-49, authorizing the development and implementation of a one-year pilot**

**program for newly hired operators, offering a retention incentive in an amount not to exceed seven thousand dollars (\$7,000) per employee.**

**Discussion: Commissioner Schneider asked what the low end of the pay scale is for incoming operators. Clauson stated he believe it to be \$24.60 per hour. Human Resources Director Pauly stated the range starts at \$23.90.**

**Motion passed unanimously.**

- f. *Resolution No. 22-50, M/V Melissa Ann Lease Termination and Settlement Agreement – Four Seasons*

Executive Director Clauson explained this Resolution is requesting permission to work with the owner of Melissa Ann to terminate the lease agreement and enter into a settlement on vessel repairs. The lease document states the vessel must be returned with a current Certificate of Inspection (COI). The last United States Coast Guard (USCG) inspection identified several repairs that are beyond normal wear and tear of vessel. There are ongoing discussions with the owner on whether KT would be liable for the improvements. The settlement agreement states KT would cease the lease on vessel at the end of the month and mutually share the expense of the vessel repairs on a 50/50 basis. The repairs would be the responsibility of the owner with KT oversight. The repair costs could be upward of five hundred thousand dollars (\$500,000), but it is not expected to be that much. Staff is asking for Executive Director authority up to five hundred thousand dollars (\$500,000) with concurrence from Board Chair.

**Commissioner Gelder moved and Commissioner Schneider seconded the motion to adopt Resolution 22-50, authorizing and delegating authority to the Executive Director to settle with Four Seasons Marine Services in accordance with the Settlement Agreement as presented in this resolution.**

**Discussion: Commissioner Gelder noted that, having ridden the vessel and looking at the list of items, she is a tired vessel but was necessary for the redundancy and back-up. It is a little tough to accept the laundry list of items.**

**Commissioner Erickson commented on the long list of repairs and expressed concern for the dollar amount and questioned the lease structure. Erickson stated she will support the motion but will need to have an independent analysis of this before we go any further.**

**Clauson explained there is an issue between whether the solicitation for a vessel takes precedence over the lease document provided by the vessel owner. The other question is whether the repairs go beyond simple wear and tear of the vessel. The five hundred thousand dollars (\$500,000) is an estimate based on the total repairs. In our negotiations with vessel owner, we agreed to share 50/50.**

**Marine Services Director Scott explained that an independent engineering specialist was hired to look at the work required by the United States Coast Guard (USCG). The five hundred thousand dollars (\$500,000) is above KT's fifty percent (50%) share. There have been in-depth discussions with the owner, as well as with USCG, to have the repairs completed and return the vessel to the owner. This was unexpected and the USCG is being more stringent as of late for inspections.**

**Commissioner Erickson questioned Clauson's statement about the solicitation not being reflected in the lease. In the solicitation, the lease expectation was clear; but the agreement was provided by the owner, so the priority of the documents is in question. Staff has been working with legal counsel; however, it is estimated that the cost of legal fees would be close to what is being proposed for the settlement and damage the relationship with the owner. The document states we must return vessel with current COI, which we do not have.**

**Legal Counsel Weibel stated this has been looked at not only statewide but nationally regarding controlling documents. What was found supports the terms and conditions of the request for proposal, but the contract signed states opposite. In the absence of strong authority, no cases have been found in Washington state.**

**Executive Director Clauson stated this is a mutually agreeable way to move forward, getting the vessel repaired and part the relationship.**

**Erickson asked, when researching case law, were other entities looked at besides ferries, such as commercial vessels such as fishing boats. Weibel stated yes, general contract interpretation was looked at.**

**Finance Director Shinnors added that if KT were to pursue litigation, there would be two financial risks by litigating; the responsibility of the repairs and the risks of owner choosing not to take possession of vessel at end of month, which would mean KT's ongoing expense for charter fee.**

**Erickson stated there is more homework needed and will not support the motion.**

**Commissioner Schneider stated there is a level of comfort knowing the agreement is a 50/50 split and will support the motion.**

**Commissioner Gelder stated that Commissioner Erickson's concern is appreciated but understands that we needed redundancy and a back-up vessel. Gelder stated the hope is KT takes this in mind when we lease a vessel again and this is an expensive lesson learned. We need to get the vessel back [to the owner] and out of our liability and responsibility.**

**Commissioner Erickson and Mockler voting Nay. Motion passed.**

**Clauson agreed that this is a challenging situation.**

## **5. EXECUTIVE DIRECTOR ITEMS**

Executive Director Clauson gave an update on the following:

- Free Fare for Youth effective September 1 – Clauson explained KT would like to allow parents to ride free during September and, while this is within the Executive Director’s authority, wanted to get the Board’s input. Commissioner Garrido stated this is a great idea.
- Trip to Niagara Falls to visit Maid of the Mist – All electric passenger ferry, similar to what KT is wanting to build for Bremerton. Both Mayors Wheeler and Putansuu have been invited. Staff will be looking at the parking infrastructure necessary for individual waterfronts.
- Announcement of new Clerk of the Board, Stephanie Milne-Lane – Staff has gone through the recruitment process to fill the position. Milne-Lane’s first day is August 1. Jill Boltz has agreed and has been participating in the onboarding of the Clerk of the Board replacement. Milne-Lane is coming from Kitsap County Department of Community Development (DCD).
- Officially closed on property acquired from Hospital for Silverdale Transit Center (STC) and KT can now move forward with construction. Clauson thanked Legal Counsel Weibel, Service and Capital Development Director Lillie, Commissioner Wolfe and Norm Dicks.
- Gillig Build Date – Anticipated for October. Clauson asked if there are any Board members interested in attending to please let him know.

Executive Director Clauson apologized to Board for the agenda being as a regular meeting as opposed to study session. Clauson explained there were many resolutions due to not having meetings until September.

## **6. PUBLIC COMMENTS**

No comments.

## **7. GOOD OF THE ORDER**

Commissioner Mockler asked if the reason difficult shifts are given to new drivers is due to rush hours in morning and evening, and senior operators get mid-day shifts. Clauson stated yes, generally the senior drivers get the first pick of packages. Mockler questioned if goal is to have buses every 15-minutes, should we consider purchasing smaller buses for those hours and make probationary period less onerous. Clauson explained this is a challenge due to the federal regulations allowing only a certain number of spare buses. Buses are sized for a route’s peak ridership during the day. Mocker suggested phasing in smaller buses to increase frequency. Clauson stated those are two different issues; frequency could be increased with existing buses. Increased frequency is a goal, but there is still a need for drivers.




Commissioner Erickson reported on the "bumpy" discussions at Puget Sound Regional Council (PSRC) regarding the "earned share" distribution of funding. There has been push back from some of the agencies on how the earned share is distributed. This may not affect KT as much as Washington State Ferries (WSF), but there is an active movement to reallocate funding.

**8. ADJOURN:** Meeting adjourned at 9:58.

**ADOPTED** by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 6th day of September 2022.

  
Edward Wolfe, Chairperson

  
Charlotte Sampson  
Deputy Clerk of the Board