

KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING

MINUTES OF MARCH 21, 2023

Board of Commissioners Present:

Driskell, Robert, Teamsters Local No. 589, *non-voting member*

Erickson, Becky, Mayor, City of Poulsbo, **Chair**

Garrido, Charlotte, Kitsap County Commissioner

Gelder, Robert, Kitsap County Commissioner, **Vice Chair**

Mockler, Anna, Councilmember, City of Bremerton

Putansuu, Robert, Mayor, City of Port Orchard,

Schneider, Leslie, Councilmember, City of Bainbridge Island

Stern, Ed, Councilmember, City of Poulsbo

Walters, Katie, Kitsap County Commissioner

Wheeler, Greg, Mayor, City of Bremerton

Staff Present:

Sanjay Bhatt, Marketing & Public Information Director; Michael Bozarth, Operations Director; Arnaldo Bustamante Jr., Vehicle Maintenance Supervisor; Edward Coviello, Transportation & Land Use Planner; John Clauson, Executive Director; Jeff Davidson, Grants & Compliance; Dennis Griffey, Vehicle and Facilities Maintenance Director; Michelle Jayroe, Customer Service Manager; Steffani Lillie, Service and Capital Development Director; Stephanie Milne-Lane, Clerk of the Board; Denise Moyle, Smart Card Project Coordinator; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Raymond Scott, Marine Services Director; Paul Shinnors, Finance Director; Christian Vosler, Public Information Coordinator; Sonya Zierden, ACCESS Operations Technical Specialist

Also In Attendance: Dylan Doty, Legislative Liaison; David Weibel, Legal Counsel

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

2. AGENDA REVIEW

Mayor Erickson asked the Board if they would like any changes made to the agenda. No changes were suggested.

3. CHAIRPERSON'S COMMENTS

Mayor Erickson noted that she had been speaking with Mayor Putansuu regarding SB 5466, regarding high-capacity transit and transit oriented development. The bill has passed the Senate, but she was unaware of the status of the companion bill in the House. She indicated there are many issues with this bill that we need to keep an eye on. She brought it up because it will have a direct impact on the future of transit and will influence the type of transit we offer in certain areas.

Mayor Wheeler added that the City of Bremerton is also opposing it, not so much for the size of the structures that may be developed, but that it would extend the boundary into areas where it doesn't fit or create a smooth transition from single family housing to four-story buildings.

Mayor Putaansuu commented that he's not sure how much it affects transit directly, but it affects cities and the county. We all want frequent transit service, but we may end up with BRT lines and HOV lanes that belong next to something like Sound Transit's rail stations. Hopefully the bill gets refined or doesn't pass at all.

Mayor Erickson repeated that we need to keep an eye on this bill, not only as individual jurisdictions but as members of the Transit Board.

Executive Director Clauson stated that he and Steffani Lillie and our Legislative Liaison, Dylan Doty, have been talking about this one a lot and trying to determine how it will impact us. There's some question as to whether Kitsap Transit would fall under the same definition of high capacity. There are several qualifiers that need clarification, including bus stop usage and HOV lanes.

4. FULL DISCUSSION /ACTION ITEMS:

a. Legislative Update

Dylan Doty gave everyone a heads up that this Transit Oriented Development bill is going to change a lot before moving forward, if at all. This doesn't mean they won't pass something this year, but it requires a lot more stakeholder work. He talked with Gib [Morrow] at PSRC and it looks like the Poulsbo corridor was captured by the HOV reference, but the future BRT component is still unclear. If a project is funded but not built, it would still be included. There is question as to what counts as "funded". Regarding the HOV component, there's much work to be done as to whether this can be limited to a quarter mile only as opposed to three quarters or a half mile. For our transit centers, the way the bill is being drafted, we probably couldn't get out of that requirement; the corridors are really what is problematic for the planning component. The AWC is pushing to remove the "bus" component and focus on light rail and high capacity. Doty reiterated that this bill is a work in progress and if it passes, it will look different than it does today. He agreed that even though this bill doesn't directly affect transit, it affects how jurisdictions will view transit when allowing it into their corridors.

Doty continued, reviewing the information provided earlier in the month. He stated that the Senate Capital budget has been released with the Senate Operating budget set to come out Friday and Transportation budgets will be released shortly thereafter. Budget items include:

- Bremerton Backfill to have DOT continue backfilling Bremerton service
- Toll credit proviso increase to \$5 million
- Study request for funding for local POF service around the county

The revenue forecast for the overall operating budget shows the state down approximately \$430 million in the next biennium and \$540 million in the one following, resulting in a four-year budget

outlook of negative \$1 billion. This will impact the project lists. As far as project lists, there is work to be done to reconfigure the lists. The Governor's proposed budget pushed out a lot of the road projects but front-loaded a lot of the green projects in which transit is included, such as the all-electric foot ferry and electric recharging station. There is a lot of work going on in the legislative districts to rephase some of the projects and hopefully move them up for funding. They will probably try to prioritize the Connecting Washington projects ahead of any new ones, as many of these have already been started.

We have a number of bills we are pushing. Our priority legislation includes:

- HB1334 aquatic lease fees with DNR – moving very well. Passed out of House and Senate and awaits Action and Rules Committee
- Bill 1236 authorizing transit agencies to produce/distribute hydrogen – moving well. Passed the House and is in the Senate Energy, Environment and Technology Committee awaiting a vote
- In addition to the Transit Oriented Development bill, the list provided in the report includes a dozen other bills relating to transit or WSF:
 - Update commercial driver's license program
 - Exempt transit from certain ILA requirements for procurement
 - DNR derelict aquatic structures

Councilmember Stern asked about the revenue forecast, wondering how much was anticipated by committees and how much was a surprise? Doty answered it was anticipated. Things are currently going well, but they were predicting a downturn and it is hitting in the next biennium with a larger hit in the following biennium. They were waiting for final forecast numbers before releasing proposed budgets.

Erickson stated that it looks like people are getting jittery regarding the possibility of a "McCleary-like" piece coming out of the Supreme Court regarding construction of schools. She asked if this is starting to play into decision-making. Doty said on the capital side a little. School construction issues are historically challenging because of different buckets of money. It may be difficult in the out years. He noted that his big question is regarding transportation funding. With the dwindling funds from gas tax, the discussion about the road usage charge, and the discussion about how to backfill some of that, the focus has been on vehicle miles traveled or road usage charge model, which is not getting a lot of traction. That leaves things like sales tax or car tabs, and how would that interplay with the property tax issues looming on the education front.

** Technical difficulties with recording **

Steffani Lillie explained toll credits are a transportation development credit. The communities that are serviced by WSF or have toll bridges redeem credits that can be applied to grants as a match. This allows us to match a federal grant with toll credits and not have any local funds expended.

** Technical difficulties with recording **

b. Presentation: Finance Policy Discussion

Executive Director John Clauson introduced Paul Shinners, Finance Director. Shinners explained that the intent is to develop a budget policy that formalizes current practice, facilitating consistency of policy and controls between operating and capital budgets.

** Technical difficulties with recording **

Finance Director Shinners stated that Kitsap Transit presents the budget to the Board each year. Within the budget is the operating budget and the capital budget. After that is approved, it's reported on monthly in the Board packets in the income statement and the Capital Works in Progress. He noted that there is much transparency and control in terms of the Board authorization and monitoring. We are not requesting anything different than what is being done now other than to provide consistency and finalizing things in a formal policy and resolution. There have been inconsistencies in the past in how we handle the operating and capital budgets. In the operating budget, we have line items within each department. If we go over budget in a line item by more than 10 percent, we don't come back to the Board asking for authorization to spend the extra 10 percent. In the capital budget, however, we've performed differently. There have been times when, if we've gone over on a project, we ask the Board for permission to continue spending on it. That became onerous, so we changed it and just moved dollars around to cover overages. That became confusing. What we are proposing now, for consistency, is for the Board to continue to authorize the capital budget on an itemized basis but for staff to simply reflect any changes in the monthly report included in the Board packet. We will continue to be transparent and can provide explanation when necessary. As far as cash flow, we will always include the local portion of the capital budget; we would never ask the Board to approve something that we were not able to fund locally.

Finance Director Shinners continued, stating we have another set of controls for the Board to authorize and monitor the budget and that's through contracts. Within any capital project line, there may be three or four contracts that will require us to come to the Board for approval for that line item. Currently, if we expect to spend more than \$100,000, it must either be budgeted, or we need to have the Board authorize the expenditure. Furthermore, if the expenditure is more than \$500,000, we need to have Board authorization to go out to bid as well as to award the bid.

Executive Director Clauson added that if there are change orders in a project, he has the authority to approve ones up to \$100,000 cumulatively. After reporting to the Board, the authority gets reset to \$100,000 again.

Finance Director Shinners assured the Board that staff wanted to make sure there was as much visibility and control as what they were comfortable with. This discussion provides a preview of the resolution we will be preparing for the budget policy. There will be an opportunity to ask questions later, but he asked if anyone had questions at this point.

Councilmember Stern asked what the existing status quo was in relation to what is being asked. Shinnners explained that we don't have a current policy, and that's where we need to be. When we do formalize it, we want to make sure it's consistent.

Mayor Erickson summarized the three main items regarding the capital budget reporting: one, it's always bottom-line budget; two, there is an internal policy regarding contractual processes; and three, staff will always be presenting the cash flow portion. Shinnners confirmed.

Commissioner Gelder brought up the possibility of receiving grant funds after the capital budget has been adopted and asked how staff would display the receipt of funds and possible shift/reduction in local funds required. Shinnners explained there wouldn't be anything coming back to the Board unless it is unbudgeted. If that is the case, where we would have funding for a project that has not been authorized, we would come back to the Board and request permission to solicit the project.

General discussion on the presentation of the capital budget and inclusion of the timeline, both current and future, for projects. Mayor Erickson suggested having the Transit Development Plan (TDP) on hand when asked to approve the budget. Executive Director Clauson noted that it's a timing issue, where the Board approves the budget in November, but the TDP is not submitted to the state until September of the next year. The prior year's TDP could be used, with the understanding that projects wouldn't be completely up to date. Commissioner Gelder compared the process with what the County currently does, wherein they work with two documents and it's a sequencing issue.

Councilmember Stern asked what the driver is behind this proposed policy. Shinnners stated that the practice has been working well; he's just been concerned about the inconsistencies, which seem to be because of the lack of a policy. Executive Director Clauson added that he would feel better having everything documented for the future.

Finance Director Shinnners continued, bringing up the topic of purchasing cards, or p-cards, noting that this topic is very high-level at this point. Currently, Kitsap Transit issues credit cards to directors and a select few employees as part of our procurement and travel policies. The theory behind moving to a p-card system is instead of having centralized procurement of zero dollars up to whatever, there would be a level of decentralization of up to no more than a certain dollar amount. The autonomy to the department would provide a level of efficiency. Currently, for items under \$5,000, staff must inform the Procurement Department what it is he/she wants and fill out a requisition. The Procurement Department researches the item, using probably the same method staff did, and procures it. There is a lot of administration in the process that is not beneficial, especially if under a certain threshold. There would still be policies and procedures developed and followed: receipts will still need to accompany management's approval of staff purchases, and the Procurement Department will still monitor and provide oversight to the process through a module within the finance system. We're not losing any control; we're just decentralizing a small portion of procurement.

Mayor Putaansuu expressed his support but with staff turnover, he wanted to make sure there were policies and procedures that spelled everything out. Finance Director Shinnars agreed and indicated that, though not as detailed and large as a procurement policy, this will be a substantial policy. He added that we will be coming back to the Board because it will have the same authority level as the procurement policy. We want the Board to have the opportunity to look at the policy and offer any input. This introduction was simply to gauge the Board's comfort level with the proposal.

Finance Director Shinnars quickly reviewed his last topic, surplus policy. We have a practice that used to be part of an earlier procurement policy where, if we were to surplus any equipment or vehicle with a \$500 market value, we would come to the Board and request permission to surplus it. After doing a peer review, it seems other agencies have a higher figure, up to \$5,000, while others delegate the decision to the Executive Director. Again, we will be developing a policy for this, but Shinnars asked the Board what their comfort level was. Mayor Erickson indicated that the Executive Director shouldn't be surplusing buses, so there has to be a dollar figure included. Shinnars reiterated that our peers have a dollar figure of \$5,000, so he suggested items over \$5,000 and all vehicles would be brought to the Board. Board members agreed with this concept.

c. Presentation: Silverdale Transit Center Update

Executive Director Clauson stated that Jeff Davidson would be giving the Board a summary of what has been going on and where we are at. Two videos, produced by our Marketing Department, were shown of the progress being made at the site. The first was a time-lapse video from a camera on-site, and the second was a drone video.

Jeff Davidson, Capital Grants & Compliance Coordinator, reported that SCI Infrastructure is the contractor working on the project and Parametrix is the construction management agency. Work that has been done to date includes:

- Realignment of Sid Uhinck Road and utilities.
- Mass excavation, stormwater utilities, and electrical/plumbing underground work.
- Excavation of the storm detention vault is completed. Comfort Building and Canopy footings are currently being worked on by subcontractor and Disadvantaged Business Enterprise Pacific Coast Concrete. Structural steel and wall structures are currently in review with engineering.

Current and future work includes Comfort Building construction to be performed between now and the end of August; concrete for the bus loop, sidewalks and gutters planned for completion in June and July; and we are looking at a substantial completion some time in November.

Service & Capital Development Director Lillie added that the November date is just for the bus loop.

Mayor Erickson asked if we would be looking at Spring 2024. Executive Director Clauson stated the onramp to the onramp is a separate project that we are working through, with some environmental issues as well as waiting for direction from WSDOT on the matter of lease versus purchase of the ground. With that, the transit onramp will likely not be complete when we open the transit center and may have to be a separate bid contract.

Grants and Compliance Coordinator Davidson noted that we will have to come back to the Board to address the design change order for the electric chargers. We are in negotiations with SCI on the matter and will hopefully come back to the Board in April, possibly May.

Discussion on the increasing costs of stormwater segments in projects.

d. Presentation: Marketing Campaigns Update

Marketing Director Sanjay Bhatt reminded the Board of the contract with JayRay to develop three campaigns: recruitment of bus operators, a ridership campaign for the fast ferry services, and increase awareness and use of BI Ride. The first was operator recruitment. We began our research phase in the third quarter of 2022 with a survey of current and former operators. JayRay put together ads and media content and we started on January 1, 2023, with the campaign launching on multiple digital channels and print advertising. The other two campaigns were developed in tandem and parallel to each other. For the fast ferry campaign, we started with a survey of riders last year. We produced the ads and content and were planning on launching this month but pushed it back a bit to early May. For the BI Ride campaign, focus group research was done in the fourth quarter of 2022. JayRay put together a marketing plan that was presented to Bainbridge City Council this month. The Council unanimously blessed us moving forward, so we are in the process of producing creative assets and media buy with a goal of launching the campaign in May.

Marketing Director Bhatt continued with more detailed information on each campaign:

- Operator recruitment. Goal of net increase of 25 new operators in 2023 to increase service levels and launch Sunday bus service. Benefits are the main reason people looked for a new job. Pay, independence, a sense of belonging, and service to the community are highly valued, while driving in a small town or in scenic areas is a bonus for some. Bhatt showed a video clip that is playing on multiple online channels.

** Technical difficulties with recording **

Notes from presentation (Operator recruitment): Advertising on social media and news media, KT Headways Website and through our application portal. Campaign results to date – 89 applications received through February (compared to 29 in 2022) and 19 hired to start through March (compared to 11 in 2022).

- Fast Ferry Ridership. Goal to increase ridership 20 percent over 2022, with focus on newer Kingston Fast Ferry and Southworth Fast Ferry services. Survey insights reflect reliability as ranking most important service attribute, followed by speed. Campaign included new advertising and media outreach, and a video shown to the Board.

** Technical difficulties cleared **

Marketing Director Bhatt continued, stating that there are three videos developed for the fast ferry campaign. The other two lean more toward the leisure traveler and toward the commuter. He also noted that we have updated our Ferries Dashboard on the website so that people can see the reliability by route.

- BI Ride campaign. Goal to increase ridership on BI Ride by 20 percent and app downloads by 30 percent. Information from the focus group indicated 43 percent of residents haven't heard of BI Ride, and more than 70 percent haven't used it. Reliability and convenience are key factors in attracting riders, but service hours limit the use. We have an interlocal agreement with the City of Bainbridge with the City funding up to \$100,000 for joint marketing. With this, we are enhancing our information tools and making BI Ride more visible, both on our website and signage at the ferry terminal. A big part of this campaign is community outreach.

Mayor Putaansuu stated that, as the Ruby Creek Park & Ride is developed, he would like to see a campaign similar to this for SK Ride.

Councilmember Leslie Schneider stated she appreciates Kitsap Transit working with the Chamber to help understand what visitors need and what locals need.

e. Presentation: First Responder Training

Executive Director Clauson stated that we had notified the Board earlier about the QR codes on the buses and how our Maintenance Staff are working closely with the First Responders on this matter. He asked Maintenance Director Dennis Griffey and Vehicle Maintenance Supervisor Arnaldo Bustamante to provide an update.

Mayor Erickson noted for the record that Councilmember Anna Mockler had joined the meeting online at 9:41AM.

Maintenance Director Dennis Griffey started by stating that, in 2019, we established a relationship with the first responders in the county, focusing on electric and propane vehicles and the safety if they are involved in an issue. At that time, we didn't really know what to tell them. Last year, we developed training for the first responders that involves QR codes. He turned the presentation over to Vehicle Maintenance Supervisor and Maintenance Trainer Arnaldo Bustamante to show how he provided this training.

Vehicle Maintenance Supervisor Bustamante stated he had been asked to do a short class on the safety aspects for our Proterra electric bus in 2019. After that, COVID delayed things for a couple of years. In 2022, he was approached again to provide updated training, as we had received our Gillig electric coach. He worked with Kitsap Fire District Trainer Dan Mustard and created a training schedule that covered all the various first responder groups in a two-week period. Part of the training deals with points of entrance for each bus, how to secure the bus, and how to safely shut down the bus. Bustamante asked Mr. Mustard if there was any other information that could be added. He suggested creating a QR code that could be scanned by a first responder that would bring up a one- or two-page document from a safety website with the vital basics. Our Marketing Department worked on creating the codes and they are now printed on metal stickers that are installed on the curbside windows of the various buses. Codes have been developed for the Proterra electric bus, the Gillig battery electric buses, and Gillig diesel buses. The Ford Roush propane vehicles were not on that website, so he talked with Gregory Johnson, Training Manager for Roush, who put together a first responder guide to which the QR code is linked.

Mayor Erickson asked if this had been shared with the other agencies. She stated every bus company should be using this. Executive Director Clauson said we are preparing for the State Maintenance Conference and will be talking with the WSTA Executive Director to have it available there.

Commissioner Rob Gelder brought up that this is good information for the passengers as well. Vehicle Maintenance Supervisor Bustamante agreed and commented that he had been approached by the trainer for the police department regarding the training.

5. EXECUTIVE DIRECTOR ITEMS

Executive Director Clauson updated the Board on the following topics:

- APTA Legislative Conference in Washington DC. It was worth the time going back, even though Congress was not in session. He had 30 minute windows with staff as opposed to the normal 15 minutes. He also had a chance to visit with the FTA Administrator Nuria Fernandez.
- Fare reduction/elimination. There are a lot of issues related to this, so we are looking at having more in-depth discussion with the Board.
- Summer ferry schedule. Normally we start this in May, but we will have to delay until June this year because of the extra service we are running for the Bremerton/Seattle route.
- Change Orders for RP1. Vessel is currently up at All American Marine having engines replaced. While this was going on, they found other items that needed replacing and upgrading that exceeded the Executive Director's 10 percent authority. He assured the Board that he cleared the expenses with the Board Chair on both occasions.

- Energy Summit. We are getting close to the Energy Summit, which will be held on March 30. He encouraged the Board to reach out to their associates and stated that we've also extended the invitation to the Ports and School Districts. The purpose behind this is to get a snapshot of where we are energy wise in Kitsap County – where the demands are and what Puget Sound Energy is seeing as far as moving forward. Councilmember Schneider stated she would not be available and asked if she could delegate this to someone not elected. Clauson stated that shouldn't be a problem but let everyone know this is not a question-and-answer opportunity. Councilmember Schneider also asked if there was going to be a virtual option. Clauson stated that it will be recorded and broadcast by BKAT.

6. PUBLIC COMMENTS

None.

7. FOR THE GOOD OF THE ORDER

Mayor Wheeler stated he has received wonderful feedback from residents regarding the expanded ferry service to fill in for WSF. He requested an update at the next meeting regarding staffing levels for the restoration of Sunday service.

8. ADJOURN: Meeting adjourned by Chairperson Erickson at 9:58AM.

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 4th day of April, 2023.

DocuSigned by:
Charlotte Sampson
3E549828C242429...

Charlotte Sampson
Deputy Clerk of the Board

DocuSigned by:
Rebecca Erickson
77AA4B38C18A4BA...

Rebecca Erickson, Chairperson