

## **KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING MINUTES OF January 16, 2024**

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

Driskell, Robert, Teamsters Local No. 589, *non-voting member*  
Erickson, Becky, Mayor, City of Poulsbo  
Garrido, Charlotte, Kitsap County Commissioner  
Mockler, Anna, Councilmember, City of Bremerton – *Remote Attendance*  
Putansuu, Robert, Mayor, City of Port Orchard, **Vice Chair**  
Rolfes, Christine, Kitsap County Commissioner  
Schneider, Leslie, Councilmember, City of Bainbridge Island – *Remote Attendance*  
Stern, Ed, Councilmember, City of Poulsbo - *Absent*  
Walters, Katie, Kitsap County Commissioner  
Wheeler, Greg, Mayor, City of Bremerton, **Chair**

### **Staff Present:**

Sanjay Bhatt, Marketing & Public Information Director; Jackie Bidon, Interim Clerk of the Board, Public Records Officer; John Clauson, Executive Director; Cyndi Griffey, Worker/Driver Supervisor; Steffani Lillie, Service and Capital Development Director; Mary Pauly, Human Resources Director; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Raymond Scott, Marine Services Director; Paul Shinnars, Finance Director; Jeff Vinecourt, ACCESS Manager

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

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

### **2. AGENDA REVIEW**

Upon review by the Board, the agenda remained unchanged.

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

No Chair comments.

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

- a. Presentation: Fare Change KT Fast Ferries

Executive Director Clauson stated that this is the first Work Study of the year with more in the future; these meetings allow for more in-depth Board discussions. He shared that the first item on the agenda is fares. Past discussions included moving to fare free, but this has never included the fast ferry program. Clauson stated the fast ferry program has the least amount of reserves and has unique challenges. He brought the discussion of a potential fare increase for the fast ferry program before the Board for guidance. Clauson shared that one challenge is that Kitsap Transit is now classified as a Large Urban Transit Agency. This designation has additional requirements

that need to be completed before service changes and fare structure changes are implemented.

Executive Director Clauson shared the timeline and processes in implementing a fare increase. Steps include documenting the need for a fare change, obtaining public comment, presentation to the Board for approval, and implementation. The entire process can take six to eight months.

Mayor Erickson asked if Executive Director Clauson would explain how Kitsap Transit transitioned to a large agency status.

Executive Director Clauson shared that this designation is driven by the population census of the UZA. Once an agency crosses the census threshold, they are automatically moved up to the next designation. In Kitsap Transit's case, the 2020 Census was used by the FTA to determine the current rating of Large Urban Transit Agency. Clauson stated that the rating of Large Urban Transit Agency allows access to more federal funding but also requires more local fund matching, additional regulations, and requirements.

Executive Director Clauson continued with fare calculation, showing a slide with current and proposed fares.

Commissioner Rolfes asked about the elasticity of demand.

Executive Director Clauson shared that because of the unique situation with the ferry service in the Puget Sound, some passengers are limited in their options. Bremerton passengers don't have available options on the Washington State Ferry (WSF) system, and it is too expensive for the drive around option. Clauson stated that the elasticity issue is difficult to project and that there may not be much of an impact to ridership. He added that 30 percent of the ridership has their fare paid for by their employers, and passengers may not notice an increase in fares. He stated that Kitsap Transit may not see a drop in ridership.

Councilmember Schneider asked if Kitsap Transit would consider balancing the fare to be the same amount going east and west.

Executive Director Clauson stated that people are very creative about trying to save money. He shared an example of riders being charged \$5.00 to go eastbound on the Kitsap Transit ferry. Since the WSF fare is zero, they would just ride WSF for free. Others would ride WSF to Seattle and drive around on the return because they wouldn't have to pay the toll on the Narrows bridge. Clauson stated that the rationale for setting the fares going east and westbound was the time savings of not driving around over the cost of the ferry.

Commissioner Rolfes asked if Kitsap Transit knows what the leakage is and are the same number of people going east as going west?

Executive Director Clauson stated that the numbers are pretty much the same. He shared that they have not done an in-depth analysis and will be doing an Origin and Destination Survey in

the next couple of months. He added that in looking at the ridership reports, the number of riders going east and west is pretty much the same. He then continued with a slide depicting an analysis of the financial position.

Mayor Putaansuu asked if what footnotes two and three referenced in the report for fare increase.

Executive Director Clauson stated that two represents no decline in ridership and that three represents annual ridership growth, as projected by Kitsap Transit.

Mayor Putaansuu stated that the projection for 2025 it is about a quarter of a million dollars for each dollar.

Executive Director Clauson stated yes.

Mayor Erickson asked if an analysis on the life expectancy of the vessels has been done. She stated that maintenance is one thing but eventually the vessels will need to be disposed of and new vessels purchased.

Executive Director Clauson shared that Kitsap Transit has performed the maintenance scheduled through the five-year outlook but has not done a vessel life expectancy analysis. He stated that there have been discussions with Marine Services Director, Ray Scott, about replacing the vessels.

Mayor Erickson stated that Kitsap Transit needs to start building reserves to replace these vessels; they are expensive to replace.

Executive Director Clauson stated that they need to work through the schedule on this. Some things that would impact the vessel replacement are changing technology, high speed composite vessels and battery electric vessels. Kitsap Transit would be seeking federal funding to help with a vessel replacement program, looking at the replacement schedule and plan with the replacements around the availability of the federal funding. He shared that when this program was started, Kitsap Transit anticipated a large percentage of the vessel would be covered through federal grants which didn't materialize, so the large bond was done to fund Capital investments of the vessels.

Mayor Erickson stated that WSF is a classic example of an organization not planning for the future and that Kitsap Transit must figure out a plan to replace these boats. She added that there must be cash flow in order to do that.

Executive Director Clauson stated that the car tab initiative really impacted WSF, hitting their Capital program stronger than expected. Clauson agreed that Kitsap Transit needs to start looking forward and planning for vessel replacement.

Mayor Putaansuu stated that \$12.00 may not be enough and if WSDOT is going to do their annual fare increase, he would be comfortable with \$15.00, adding \$3.00 to one side. He shared that with

the additional service in Bremerton, and if WSF gets a second boat in 2028, customers may have grown accustomed to the additional sailings. Putaansuu added that Kitsap Transit needs to be prepared for its customers seeing this as the new normal and for when the additional service is no longer available. Kitsap Transit needs to have sufficient reserves and revenue to consider that in the future.

Executive Director Clauson stated that if the Board wants to increase fares to \$15.00, then Kitsap Transit will move forward with that. He shared his concern for what the new normal may be and the ability to recover revenue even with the fare increase. The cost of running the additional service, without the supplemental funds, would far exceed the increased fare revenue and exhaust the reserve quickly.

Commissioner Walters asked if the Financial Position Analysis chart assumes that Kitsap Transit will be receiving supplemental service payments from the state through 2029.

Executive Director Clauson stated that the chart represents the fare structure only and there is no certainty at this point how long the supplemental service payments will continue. He shared that he has spoken to Patty Rubstello at WSF; she shared that she is working within what the state legislature allows her to do. Clauson stated that WSF wouldn't be getting ferries until 2028 and he asked for a longer commitment from WSF. He shared that Kitsap Transit is doing what can be done with existing staff, but that the additional service is stretching them and impacting time off requests. Clauson stated that if he can get a longer commitment from WSF, he would then bring a plan to the Board for hiring another crew set on the Bremerton route. This would give Kitsap a staff reserve and relieve the pressure on existing staff.

Councilmember Mockler stated that the warning presented by WSF should be the focus of the outreach; riders will understand this.

Mayor Putaansuu shared that he met with the members of the 26<sup>th</sup> District and suggested that Kitsap Transit would benefit from a longer commitment since WSF won't have new boats until 2028. He stated that this idea seemed to be foreign to them and hopes that the Executive Director will follow up on that.

Executive Director Clauson stated that in his conversation with Patty at WSF, he mentioned a longer commitment from them. She agreed and is working with her staff to see what is possible. Clauson reminded everyone that it takes funding to support this type of commitment.

Commissioner Rolfes stated that the Legislature can't promise anything beyond a two-year budget horizon. She shared that they may say it's their intent, but you can't count on that, it's not like other systems. Rolfes added that there haven't been conversations with the Legislators, ferries, or governor's staff with the information that WSF won't be getting their new boat until 2028. She shared that the new ask is for funding through 2025 and they need to be budgeting the funding through. Ideally this year, Legislators should be slipping Kitsap Transit's asked amount into their planning documents.

Executive Director Clauson stated that he would have a tough time hiring anyone if he couldn't guarantee they would have a job for more than a year. Clauson shared that he appreciates the reality of this but would like to have that built into their operating budget. He stated that in his conversation with WSF, they asked the Governor for \$1 million to support the continuation of this route. The Governor put \$2 million in the budget and asked WSF to explore additional passenger-only ferries. WSF is focused on the San Juan routes but could be expanded to include mid-day trips to Vashon with the King County Water Taxi. Executive Director Clauson had asked WSF for a six-month notification so Kitsap Transit can absorb newly hired staff by attrition or somewhere within the system so that they are not laying people off.

Mayor Erickson shared that in 2010, Kitsap Transit was forced to cut Sunday service, lay people off, and had no available reserves. She stated that years of hard work by the Board and Kitsap Transit to not be in that position again was done by creating operating reserves, establishing a policy of having fuel reserves as the price of fuel goes up, and addressing the risk. She shared that this is another example where Kitsap Transit needs to address the risk and learn from WSF. Kitsap Transit needs to have a reserve to replace boats, address the risk of something happening with WSF, or a serious recession. Erickson stated that the only way to establish the reserve is to increase fares, adding that prior Boards have made tough decisions to do that. Kitsap Transit needs to see itself as self-sustaining and only expecting money from alternative sources. She shared that increasing fares to \$15.00 and establish systematic reserves so that Kitsap Transit can plan for the future.

Mayor Wheeler asked if the fares were increased to \$15.00, and the Board determines the additional revenue be placed into the operational reserves, would this give Kitsap Transit stability to do the additional runs and maintain the core services? Wheeler shared that in the financial model for Kitsap Transit, there is a predictable tax collection, fare structure, and grants funding services.

Executive Director Clauson stated that the federal grants are covered at 80% with 20% coming from local dollars.

Commissioner Walters asked what the cost would be if Kitsap Transit added another ferry.

Executive Director Clauson shared that the Board would be making that decision after he presents the feasibility study to them. The study would include the cost of adding routes, vessels, docks, staffing, and operational expenses. He stated that the Board would decide how these items would be covered by existing dollars, options for gaining additional funds, or increased taxes. Clauson shared that once the feasibility study comes back, the Board will know what the issues are: the expenses, the vessel, the staffing, and the potential ridership. At that time the Board will make the decision on which way to go.

Commissioner Rolfes stated that she is opposed to the large increase in fares and would like to focus on the \$2.00 fare proposal. She shared that there is nothing that says Kitsap Transit can't

increase the fares again in 2026 or 2027. When there is a large increase in fares, that will have a negative effect on ridership at some point. Rolfes stated that WSF fare increases are generally minimal because they are trying to keep up revenue without impacting ridership. She shared that she doesn't know how full the boats are, what the elasticity is and how that works with growing the ridership.

Executive Director Clauson shared that the Bremerton route capacity is 118 passengers and is the one most challenged with ridership; the morning and afternoon routes are generally full. Kingston and Southworth vessels are much larger than the others because of the size of boat needed to pull into the Southworth Ferry Dock; their capacity is 255 passengers. Clauson stated that the Kitsap Transit website has a dashboard to view all the ferry routes; it includes ridership per sailing, reliability, performance, and history of sailings. A brief demonstration of the website was shown.

Mayor Putaansuu stated that he would like to consider the higher fare but heard Commissioner Rolfes speak against that. He shared that the needs are not known at this time which makes it difficult to make a decision.

Mayor Erickson stated that knowing the needs would help in building the reserves for acquisition of future vessels. She shared the vessels are expensive now but will be more expensive in the future so she would vote for \$15.00 fares.

Executive Director Clauson shared that the concept of fare increases has two schools of thought; one is to increase a little bit frequently and two is to increase larger and less frequently. He stated that meeting the regulatory requirements, notifications, adjusting the payment system and impacting the passengers less often would be his choice.

Mayor Putaansuu stated that this process may take the entire six months to complete.

Executive Director Clauson shared that whatever the amount is, it will take six months to complete the process. He asked the Board for a consensus on the fare increase amount.

Commissioner Walters asked if it would be \$3.00 one direction and \$12.00 the reverse direction?

Executive Director Clauson shared that to remain consistent, it would be \$2.00 East bound and \$12.00 West bound.

Commissioner Walters, Mayor Wheeler, and Commissioner Rolfes were undecided on the rate increase amount.

Mayor Wheeler shared that he is cautious about rate shock for the passengers. You don't want to get to a level where patterns and behaviors are being changed; that is when the revenue stream becomes unpredictable.

Mayor Putaansuu stated that since there is such a demand in Bremerton and ridership is high,

charge a \$1.00 there.

Councilmember Schneider stated that if the fare was split evenly in both directions, riders may not see it as a big increase, this would give a sense of simplicity and consistency. She added that there is no competition with the Kingston run and the Bremerton ferries are pretty much full.

Executive Director Clauson shared the initial review of fares when the program was created. Kitsap Transit identified that the alternative for Kingston would be to take the ferry to Edmonds and catch the Sounder Train to Seattle. Kingston does have an alternative, but it does take longer.

Councilmember Schneider stated that she is willing to go with the majority but would like to see if there might be a way to soften the increase for the riders.

Councilmember Mockler stated that she is against the proposal of raising fares for Bremerton only. She shared that it would be a harsh imposition on Bremerton households that make less than forty thousand dollars.

Executive Director Clauson shared the need to stay consistent with fares on all routes because of the increased complexity of the changes needing to be implemented with the ORCA system and internally. Clauson stated that a Board consensus on the dollar amount for fares is needed to move forward and take this to the community.

Mayor Putaansuu asked if the Board could be shown the difference the dollar amounts will make in the amount of reserve needed, how long will it take to build the reserve, projected replacement costs for boats, and matched amounts? Putaansuu stated that fares could stay at \$14.00 but the \$15.00 fare would give more options in the future.

Commissioner Rolfes shared that the fares could be \$14.00 in 2024 then increase them to \$15.00 in 2027. Kitsap Transit would do the projections assuming a variance instead of assuming nothing.

Executive Director Clauson stated that is an option, approaching it similar to what WSF does, with phased fare increases.

Mayor Putaansuu asked if Kitsap Transit would need to do the required process again for the second increase.

Director Lillie stated that Kitsap Transit would not be required to do the Title VI again if it has been done, evaluated, and announced that this is what Kitsap Transit is doing.

Executive Director Clauson stated that Kitsap Transit would need to notify the community and ORCA. He shared that, during the notification time, Kitsap Transit wouldn't be able to collect the additional funds but will build up the reserve.

Commissioner Rolfes asked what percentage the increase is.

Director Shinners stated that the fare increase is 16 percent.

Executive Director Clauson shared that with the Board's agreement, Kitsap Transit will move forward with a \$1.00 each way in 2024 and a \$1.00 each way in 2027.

Commissioner Walters asked if the fare increase should coincide with the timing of the new ferry for WSF.

Executive Director Clauson stated that WSF published that Bremerton won't go back to two boats until 2028; we're talking 2027, a full year earlier.

Executive Director Clauson presented a report prepared by Kitsap Transit's Legal Counsel, Dave Weibel, regarding Kitsap Transit's 2016 Fast Ferry Plan, midday service, and use of funds. He summarized that Kitsap Transit must continue to operate as promised to the public. He shared that they could do more service regarding commute routes versus midday, but not less. Clauson proposed looking at implementing a midday bus from Kingston to the Bainbridge Island ferry versus a midday Kingston ferry.

Mayor Erickson stated that there needs to be a bus route from Central Kitsap to SeaTac Airport. She shared two reasons for this: one is that people can't get there, and two, it would connect to the existing light rail, providing an alternative to the ferries.

Executive Director Clauson stated that Kitsap Transit would be competing with the Airporter, which is not allowed since it would be competing with private enterprise. He shared that he would verify the exact miles but believes Kitsap Transit can only travel 14 miles outside the PTBA.

Mayor Erickson stated that she is aware of the increased need for that type of service to the airport and the need to start thinking about connecting into the light rail on the other side.

Executive Director Clauson stated that a lot of people take the ferries to Seattle and catch the light rail to the airport. He shared that we are in discussion with the City of Des Moines, who wants to have a passenger ferry from their waterfront to downtown Seattle.

Councilmember Mockler asked if there would be variable fares or a single fare on the bus? She stated there is a great deal of interest in getting to intermediate points for less than the full fare on the Airporter.

Executive Director Clauson stated that fares would need to be discussed separately.

Commissioner Rolfes stated that people are talking about this more because the service is unreliable.

Executive Director Clauson stated that Kitsap Transit looked at this in the long-range plan for a

route that would run from Silverdale to Tacoma, making a stop at the light rail station.

Mayor Erickson stated that they need to start thinking about how Kitsap Transit can connect into the light rail system.

Commissioner Rolfes stated that a shuttle would be able to connect into the light rail system easier than a bus.

Executive Director Clauson shared that Pierce Transit has numerous Vanpools that connect to the shipyard and Kitsap Transit has a Vanpool from Key Center connecting to the shipyard.

b. Presentation: Bus Shelters and Bus Stops

Executive Director Clauson stated that the question had been raised concerning bus shelters and wanted to give the Board an idea of what is involved with getting them in place. He introduced Kitsap Transit's Land Use Planner, Ed Coviello, to discuss the process and requirements for getting bus stops and shelters in place.

Ed Coviello stated that he spends 25 percent of his time working on bus stops and shelters in the Kitsap Transit service area. His presentation included the following points:

- Four cities in the Kitsap Transit service area permit stops and costs differently.
- Kitsap County has its process.
- WSDOT has its process.
- Kitsap Transit has over 1,100 bus stops.
- In 2016 the Board adopted our bus stop standards.
- Ten or more boardings per day to meet shelter threshold.
- WSTIP checklist for new and moved stops.
- New U.S. Access Board ruling on access issued 8/08/2023.
- Kitsap Transit has 161 shelters.
- Each shelter and bus stop are located in a city, state, or county right of way.

Coviello shared that the U.S. Access Board is an independent body that reports to the Department of Transportation. APTA is the American Public Transit Association and has a presence on that and advocates for the Americans with Disability Act. The U.S. Access Board is independent and enforces the ADA.

Executive Director Clauson shared that while at the APTA Expo, he learned of a company in Portland, Oregon that turns bus shelters into an art statement. He stated that in Kitsap County and King County, it has been noted that vandalism is reduced when there is artwork on the bus shelter.

Mayor Erickson asked if artwork is submitted to the company, and they then etch it onto the shelter.

Executive Director Clauson stated that we would work with the city and possibly the Suquamish Tribe to create the artwork, submit it to this company, and recreate the artwork on the bus shelter.

Commissioner Rolfes stated that the bus stops on Highway 305 are terrible.

Coviello shared that the Highway 305 bus stops are considered legacy stops; they have been there probably from the beginning. He added that the surrounding terrain may have changed since the bus stops were placed there.

Executive Director Clauson stated that every bus stop on the highways is required to receive approval from the state. He shared that the state suggests where a bus stop should go and sometimes those locations are challenging.

Mayor Putansuu asked if Kitsap Transit will be retrofitting the existing stops to meet the U.S. Access Boards requirements.

Executive Director Clauson shared that Kitsap Transit is in the process of installing the Clever Devices system in the buses that will give data as to the bus stops and the number of passengers boarding and alighting. This data will help determine if a bus stop is no longer needed at the location and if the stop requires updating.

Commissioner Walters stated that right now the U.S. Access Board has guidelines to enforce the ADA, but they are not making the upgrades mandatory at this time.

Coviello shared that the U.S. Access Board guidelines are enforceable.

Mayor Wheeler stated that an analysis of the bus stops would be helpful and should include the usage rate versus the potential usage rate if improvements are made.

Executive Director Clauson shared that a lot of the stops became stops by way of drivers sharing that they had picked up passengers at a location. He added that sometimes customers will comment that a stop needs to be at a certain location. Clauson stated that when the new system is fully functional, Kitsap Transit will have the data to make precise decisions on where the bus stops are needed.

Councilmember Mockler stated that the Access Board gave several requirements but then said to do the best you can. She asked if there have been any problems with following that philosophy of doing the best you can? Mockler shared that receiving the ridership data would be invaluable in the planning of bus stops and shelters. She stated that the increase in ridership in King County is directly related to the frequency of the bus service and decisions made by King County. She thanked Mr. Coviello and asked if he would forward the presentation to her.

Mr. Coviello stated that fulfilling the Access Board's requirements, with their recommendation to

do the best we can, has been challenging and is dependent on the jurisdiction. He shared that some are more lenient while other jurisdictions are stricter.

Mayor Wheeler asked if Mr. Coviello would perform analysis for a future proposal to the Board? He stated that every jurisdiction has its own risks but would like to have a streamlined process for this.

Coviello stated that he would do analysis and get back to the Board with the data.

Executive Director Clauson stated that we hope to have this streamlined and a process developed. Clauson stated that Ed referred to the WSTIP checklist for shelters, noting that Kitsap Transit is doing everything they can to make sure the shelters are within the safety requirements.

Commissioner Rolfes stated that streamlining the process is good, but they need to look at and reevaluate the safety of the bus stops along the state highways.

Executive Director Clauson stated that reevaluation of where the bus stops are is part of the process and asked to hold off on that until the technology is in place to collect the data needed for reevaluation.

- c. Presentation: Port Orchard Transit Center – Deferred until 2/20/2024

## **5. EXECUTIVE DIRECTOR ITEMS**

Not presented due to lack of time.

## **6. PUBLIC COMMENTS**

None at this time.

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

Mayor Erickson reiterated that Kitsap Transit needs to explore the possibility of a route to SeaTac Airport. She shared that she is finding that many people do not know how to ride the bus. Mayor Erickson asked if Sanjay Bhatt would be able to put together a video on how to ride the bus for those that don't know how.

Executive Director Clauson shared that there are videos on the Kitsap Transit website that include how to pay the fare, how to read the schedule, what to expect, and more.

Commissioner Walters stated that a social media campaign might reach those that do not know how to ride the bus.

Mayor Wheeler asked if Executive Director Clauson would brief the Board as to what staff are doing in preparation for inclement weather.

Executive Director Clauson shared that there are a lot of preparations going on in advance. Operations is working with Marketing and Maintenance with staff reporting in to cover 24 hours. Kitsap Transit is not increasing service but does offer free rides to shelters and warming centers. He stated there are decisions being made on how to respond, where, and when. Customer Service is ready to respond. The Maintenance Department makes sure the buses have chains and the snowplows are ready.

**8. ADJOURN:** At 10:05 AM, Chairperson Wheeler adjourned the regular meeting.

**ADOPTED** by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 5th day of March 2024.

Attest:

DocuSigned by:  
*Jackie Bidon*  
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Jackie Bidon, Interim Clerk of the Board

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*Greg Wheeler*  
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Greg Wheeler, Chairperson