

**KITSAP TRANSIT BOARD OF COMMISSIONERS
SPECIAL MEETING
MINUTES OF JANUARY 22, 2019**

Board of Commissioners Present:

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

Staff Present:

Jill Boltz, Clerk of the Board; Darrell Bryan, Marine Services Director; Jeff Cartwright, Human Resources Director; John Clauson, Executive Director; Ellen Gustafson, Operations Director; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Hayward Seymore, Facilities and Maintenance Director; Paul Shinnars, Finance Director.

Also Present: Ron Templeton, Legal Counsel

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

2. AGENDA REVIEW

Executive Director Clauson stated that, if time allows he would like to discuss Peninsula Regional Transportation Planning Organization (PRTPO) future management.

Commissioner Putansuu moved and Commissioner Erickson seconded the motion to approve the agenda as amended with the addition of 5h Discussion on Peninsula Regional Transportation Planning Organization (PRTPO) Future Management. Discussion: None. Motion passed unanimously.

3. CHAIRPERSON'S COMMENTS

None.

4. PUBLIC COMMENT

None.

5. FULL DISCUSSION / ACTION ITEMS

a. *Minutes of January 8, 2019*

Commissioner Gelder moved and Commissioner Erickson seconded the motion to approve the minutes of January 8, 2019 Special Meeting. Discussion: None. Motion passed unanimously.

b. *Resolution No. 19-14, Authorizing Property Purchase in Lieu of Condemnation for Silverdale Transit Center – Sid Uhinck*

Executive Director Clauson reminded the Board of the ongoing negotiations for the purchase of the last large piece of property for Silverdale Transit Center, not including the Harrison Hospital property.

Commissioner Gelder asked what had transpired since the last Board Meeting. Attorney Templeton explained that the Arnold's hired an independent review appraisal which identified key comparable sales not used in Kitsap Transit's appraisal, and increased the fair market value an additional \$300,000. Attorney Templeton recommended accepting the review appraisal.

Commissioner Putaansuu asked if a review of the Arnold's appraisal was done. Executive Director Clauson stated that staff feels the additional amount was justified by the appraiser and with the potential cost of continued negotiations and condemnation, the revised amount is within an acceptable range to move forward.

Commissioner Gelder asked about the lease income previously discussed and not included in the current materials. Templeton explained that rather than dealing with the lease income, closing will not occur until the tenants have been taken care of.

Commissioner Wolfe moved and Commissioner Garrido seconded the motion to approve Resolution No. 19-14, authorizing staff to purchase property in lieu of condemnation located at 1480 Sid Uhinck Drive in the amount of \$1.8 million dollars plus associated closing costs, taxes and assessments as well as negotiate the termination of tenant lease in Suite 200 at 1480 Sid Uhinck Drive. Discussion: None. Motion passed unanimously.

c. *Resolution No. 19-15, Authorizing the Sale of Surplus Property (formerly known as Parker Lumber)*

Executive Director Clauson explained that staff requested permission to solicit bids from perspective buyers for the sale of the former Parker Lumber property. A bid was received in excess of the appraised value and staff is now requesting permission to accept the bid and close on the property.

Commissioner Putaansuu asked about original purchase price. Executive Director Clauson stated that the property was purchased for \$895,000 and the offer is \$1.1 million dollars. Clauson added that this property is one component of a project that the developer is working on. In addition, one of the elements of the project is pedestrian access from the project to the new Wheaton Way Transit Center.

Commissioner Daus asked about the feasibility. Attorney Templeton explained that the developer will most likely hold a preapplication meeting with the City.

Commissioner Daus moved and Commissioner Wheeler seconded the motion to approve Resolution No. 19-15, authorizing the Executive Director or designee to sign all documents and instruments necessary to complete the sale of the property, including a subsequent addendum to address a Pedestrian Access Easement from the property to abutting property owned by Kitsap Transit. Discussion: None. Motion passed unanimously.

d. Presentation: Reservation System Update

Curtis Pierce, Project Manager with Four Nines Technologies, introduced Kathleen Gilligan, Amy Martin and Andrew Amey.

Pierce provided the background on the project including goals and approach.

Key Findings include:

- Supply and demand are imbalanced
 - Specifically on peak sailing
- Reservation system seen as valuable & important
 - Allows certainty and planning; without it the advantage of the fast ferry is lost
- Desired system functionality remains unmet
 - Changes and improvements have been made since implementation, both policy and technical, but more system functionality is needed
- Reservation usage is unique among peers
 - Unable to find a reservation system that is used in the same manner – reservations on a recurring basis
- Fast Ferry services are attractively priced
 - Based on value of time, pricing could be higher
- No existing system meeting KT's needs
 - No "off the shelf" system
- KT Fast Ferry customers have diverse travel needs
 - Commuters, appointments, occasional users, recreation

Pierce provided the alternatives considered and the pros and cons of each.

Alternatives Considered:

- Modify current system
 - Pros: Riders and Staff understand the system, meets basic need, capable of accommodating incremental improvements, existing vendor relationship, limited investment, scalable vendor, leveraged hardware investment, integration opportunities
 - Cons: Cost of continued enhancements, not built for KT's specific use case, some rider dissatisfaction likely to persist
- Replace with Commercial Off-The-Shelf (COTS) system
 - Pros: Demonstrated track record with other clients, keeps up with technology changes, public perception of more modern approach
 - Cons: Ongoing operating costs likely higher, does not leverage previous investment, potentially limited customization opportunities, customers would need to familiarize with new system
- Replace with custom system
 - Pros: System built to KT's specific needs, improved customer interaction experience, potential for ngORCA and/or other integration
 - Cons: Highest overall cost option, lengthy schedule to implement, requires staff time and effort, ongoing maintenance costs likely to be high, including KT personnel
- Proceed without a reservations system
 - Pros: Lowest cost option, potentially greater perception of fairness
 - Cons: Likely higher KT customer service resources initially, potential for poor behavior in queues (e.g.: greater line jumping, saving a place for friends), lack of reservations negates time and certainty benefits of a fast ferry, creates a potential for additional out of pocket costs for riders
 - Discussion:

Putansuu asked if there was an analysis with the second vessel coming on line. Pierce answered, yes it will be touched on later and in the report on demand/supply imbalance and recommendations. Executive Director Clauson added that during Washington State Ferries operation, those who use other transit (local ferry or bus) to the terminal had difficulty getting on the boat and the bus schedule had to be adjusted. People were then showing up even earlier ahead of the bus riders who were then again not able to get on the boat.

Commissioner Erickson spoke to purchasing tickets in advance and allocation of a limited number of seats. Pierce explained the ticketing approach was ruled out because it was a significant change in all of the systems, and created complexities with monthly passes. Other issues include determining what happens when a passenger does not show up for the purchased sailing but then shows up for the next sailing, and the use of ORCA and employer pass programs would not be possible.

- Increase fares on peak sailing to manage demand
 - Pros: May better balance supply and demand for service

- Cons: Does not currently fit with KT policy, different fares for different routes may cause confusion, may be perceived as catering to wealthy/elite customers, requires study and public consultation which takes time, may discourage participation among employers
- Add a reservation fee
 - Pros: Likely to decrease “no shows,” likely to reduce multiple peak period reservations, customer financially accountable for “no show,” responds to some customer requests, potentially shifts demand to other sailings
 - Cons: Requires study, public consultation and possibly Title VI study, more walk-ons could potentially delay sailings, potentially result in a loss of customers, administrative time and costs may increase
 - Discussion:

Erickson asked about the reservation fee and whether there is a recommendation for the target price. Pierce explained it needs more consideration but initially the thought is in the range of \$1.50 per reservation. Erickson asked about the fee and ability of ORCA. Pierce added that those who use an employer pass to as payment to ride on the ferry do not (currently) have a personal stake in the reservation. A fee would give them some “skin in the game” as they make a reservation.

Recommended Alternatives – Near Term

- Retain the current reservation system and seek prioritized enhancements from current vendor
- Charge a non-refundable reservation convenience fee

Pierce provided additional alternatives, longer term alternatives and high-level cost estimates for the Board’s consideration.

Commissioner Putaansuu asked if there is technology that could count the number of people in line for online viewing. Executive Director Clauson stated that it is possible with the right technology.

Commissioner Erickson spoke to the Washington State Ferries’ application and the use of webcams.

Commissioner Gelder asked about the differential in the additional sailings and schedule. Clauson explained that, conceptually, staff is looking at vessels leaving with 30-minute frequency during peak periods, which will depend on docking in Seattle.

Erickson asked about the recommended policy decisions and changes. Pierce explained that recommendations have been made on the policies but not Board actions and are located in the Recommendations document. The Fit Gap Analysis and Alternatives Analysis have been finalized and provided but the Peer Analysis, Vendor Landscape, Recommendations and Draft Requirements are the next deliverable.

Commissioner Wheeler recommended working on measurables.

e. Presentation: Routed Service Changes Update

Executive Director Clauson explained this is the first implementation of service since the completion of the Comprehensive Route Analysis. The first phase is contained and relatively small with the ability to expand based on the availability of operators and equipment and provides the opportunity to make certain the changes are communicated to the community. The route changes include increased frequency and expanded service.

Transportation Planner Coviello began by noting that the proposed changes will go into effect in March and the routes have been renumbered based on geography with 100 = South Kitsap, 200 = Central Kitsap and 300 = North Kitsap.

Coviello presented changes to the following routes:

- Route 212 replaces Route 12. Will provide 30-minute frequency, earlier Silverdale start time at 5:30 a.m., and a later evening trip from Bremerton to Silverdale at 9:15 p.m.
- Route 217 replaces Routes 13 and 17. Will provide 30-minute frequency and operated from Silverdale earlier at 5:30 a.m.

Executive Director Clauson clarified that there will be routes eliminated, such as Route 11 which is covered by other routes that have been extended and will exist in the renumbered system with increased frequency. Olympic College has a new stop and staff is working with the City of Bremerton to improve the intersection to allow for bus maneuvering. And lastly, increasing the headway to every 30-minutes helps with the high ridership demand between Bremerton Transportation Center and East Bremerton.

Commissioner Daugs asked about community outreach. Clauson explained there will be marketing efforts.

- Route 225 replaces Route 25. Replaces Route 17 on Riddell and Pine. The Ricky, Sheridan, and Sylvan Road service is removed due to low ridership.

Daugs clarified that it is just the portion where Ricky connects to Sheridan that will be removed.

Commissioner Wheeler asked about the calculation of using ¼ mile to stops. Coviello clarified that, in regard to areas where stops have been removed, riders should not have to travel more than ¼ mile to get to the new adjusted service.

Executive Director Clauson added there are areas that are not serviced. The changes looked at the current structure, who is riding and who is not riding, restructuring the service to maintain

service for those who are using it and cover other areas where there are potential new riders. The ¼ mile is used industry-wide as a reasonable walking distance to a particular route and coincides with *ACCESS* requirements.

Wheeler asked about whether density is part of the formula for determining routes and stops. Clauson explained there is for new areas; however, other aspects are taken into consideration. Clauson used McCormick Woods as an example of high density with limited need for use of a bus route.

Wheeler asked when the Board would review routes for additional projects with housing density. Clauson added that plan for expansion is based on consultant recommendations and availability of equipment and drivers over the next couple years.

Coviello added that he works closely with the Planning Departments from all of the jurisdictions and receives the State Environmental Policy Act (SEPA) notices. In reviewing the projects, proximity to routes, future routes, frontage improvements and connections are looked at to ensure they are met through the SEPA process.

Chairperson Medina asked about the process for making changes or additions to routes. Clauson reiterated that Kitsap Transit receives notification and is aware of the projects prior to their approval. In addition, Kitsap Transit has a Run Committee that includes operators, customer service and planning staff involved in reviewing requests from other operators and the community on a monthly basis.

Clauson provided a summary of the marketing and outreach to the community to inform the public of the upcoming changes.

Medina asked when the next round of changes would occur. Clauson explained the changes will be made in coordination with the labor contracts and driver bids which occur four times a year. The next round of changes are anticipated in June.

f. Kingston Fast Ferry Service Update

Executive Director Clauson provided the media overview of the launch, social media, ridership, and fares, as well as the associated bus routes averages.

Commissioner Garrido left the meeting at 10:06AM.

g. Discussion: Bylaws

Executive Director Clauson stated this is a follow-up to a prior Board discussion on language proposed by the Composition Review Committee.

Commissioner Gelder questioned whether there was an opportunity where the Board could have provided input or changes. Clauson stated that once the Composition Review Committee made their decisions and adopted the Resolution, that portion of the bylaws was finalized.

Chairperson Medina questioned whether the Board could have reviewed the recommendations. Attorney Templeton stated that could be a possibility.

Commissioner Erickson spoke to the differences in the legislative and executive branch of city government.

h. Peninsula Regional Transportation Planning Organization (PRTPO)

Executive Director Clauson explained the PRTPO is the regional planning organization for transit agencies on the Olympic Peninsula. Up until now the group has been staffed by Washington State Department of Transportation and they are now backing out of the responsibility. The PRTPO is looking for a member agency willing to take on the responsibility. Jefferson has indicated they are willing to take on the financial responsibilities but have approached Kitsap Transit with the possibility of taking on the remaining duties. There is annual funding for the administration. Currently, Transportation and Land Use Planner Coviello participates in the group and could assist with staffing along with a part-time employee for the administrative support. Clauson stated he wanted to get the Board's input on whether to move forward with looking into the scope of the responsibilities.

Commissioner Putansuu noted it is worth investigating to make certain Kitsap Transit is not subsidizing the operation.

Commissioner Gelder questioned what Kitsap Transit receives from the PRTPO. Clauson explained KT applies for and receives funding every few years. There is a benefit to participating in the organization but not necessarily in the administration; however, someone needs to do it.

Commissioner Erickson spoke in favor of moving forward.

Commissioner Wolfe spoke in support but questioned the use of staff resources. Clauson stated further research is necessary before entering into an interlocal agreement. The money KT would receive would help fund the hiring of a part-time person, if needed.

Erickson commented on the old bowling alley/transfer center looking bad and questioned whether something can be done to clean it up. Executive Director Clauson explained the property is city right-of way and the new owner is making some changes and improvements that are unknown.

6. OTHER PUBLIC COMMENTS:

Roger Gay, South Kitsap, spoke to Silverdale Transit Center property purchase and the budget stating there was no discussion on where the project is going and time-frame for construction. Gay also questioned the cost per passenger on Kingston and Bremerton, and how much extra the reservation system is adding to the cost.

7. GOOD OF THE ORDER

Commissioner Wheeler asked about when the new routes would be added. Executive Director Clauson stated he would estimate August for adding a second boat but to not hold him to that because there is a lot of work that needs to be done between now and then.

Commissioner Putaansuu questioned whether routes would be added with the second boat or third boat. Clauson clarified that the additional routes would be added after delivery of the third boat as a spare.

8. ADJOURN: Meeting adjourned at 10:30AM.

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting thereof, held on the 5th of February, 2019.



Kol Medina, Chairperson



Jill A. Boltz, MMC
Clerk of the Board