



BOARD OF COMMISSIONERS MEETING AGENDA

Date: June 4, 2019

Time: 8:30AM – 10:00AM

Place: The Norm Dicks Government Center – Council Chambers
345 Sixth Street, Bremerton, Washington 98337

	<u>Page</u>
1. CALL TO ORDER	
2. AGENDA REVIEW	
3. CHAIRPERSON'S COMMENTS	
4. CITIZENS' ADVISORY COMMITTEE REPORT	
5. PUBLIC COMMENTS	
<i>Please state your name for the record. You will have 3 minutes to address the Board.</i>	
6. CONSENT / ACTION ITEMS	
a. Warrants for April 2019	1
b. Minutes of May 21, 2019 Board Meeting	2
7. FULL DISCUSSION / ACTION ITEMS	
a. Resolution No. 19-50, Contract Award – Carpet Replacement	9
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c. Resolution No. 19-52, Bid Award – Annapolis Ferry Dock Upgrade Construction	15
d. Resolution No. 19-53, Establishing Capital Reserves in the Ferry Fund and General Transit Fund	18
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9. PROGRESS REPORTS	
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b. Capital Work in Progress	27
c. Fuel Costs Report through the end of May 2019	29

In May, KT paid \$2.34 a gallon for fuel compared to \$2.21 in April. The year-to-date per-gallon average price as of April was \$2.13, compared \$3.00 a gallon for fuel budgeted for 2019.

10. STAFF INFORMATION / EMPLOYEE RECOGNITION:

a. Employee Recognition:

- WSTIP Safe Driving Recognition Award – *Richard Sutton*
- Recognizing April 2019 Driver of the Month in Routed – *David Sandhop*
- Recognizing April 2019 Driver of the Month in ACCESS – *Robert Floyd*
- Recognizing Worker/Driver of the Month – *Daniel Trout*
- Employee Response to ESMS Incident at Charleston Base

* *Employee recognition is scheduled for 9:00AM or as soon thereafter as possible*

b. May 2019 report from KT's state lobbyists

30

11. OTHER PUBLIC COMMENTS

12. FOR THE GOOD OF THE ORDER: Transit Board members' comments

13. ADJOURN

The Transit Board meeting agendas are available prior to the meeting date at local libraries and at Kitsap Transit's main office in downtown Bremerton. The agenda packets are also online at www.kitsaptransit.com and available in large-print format upon request. If you will need accessibility accommodations for this public meeting, please contact the Clerk of the Board at (360) 478-6230 or via email at jillb@kitsaptransit.com by noon on the Wednesday before the meeting.



MEMORANDUM

TO: The Kitsap Transit Board of Commissioners
DATE: June 4, 2019
SUBJECT: Ratification of Cash and Registered Warrants

I, the undersigned, do hereby certify to the best of my knowledge, under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against Kitsap Transit, and that I am authorized to authenticate and certify to say claim.

Paul Shinnors, Finance Director

Warrants audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing that has been made available to the Board of Commissioners.

As of this date June 4, 2019 the Board, by a (unanimous/majority) vote, does approve the following warrants and payments for the period April 1, 2019 through April 30, 2019:

- Warrant numbers transit fund 148790 to 149126 of \$4,191,689
- Warrant numbers ferry fund 601655 to 601776 of \$1,338,184
- Payroll transfers of \$1,766,776
- ACH clearing account payments of \$51,651
- Travel Advances of \$5,018

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 4th day of June 2019.

Kol Medina, Chair

ATTEST:

Jill A. Boltz, MMC
Clerk of Board

KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING

MINUTES OF MAY 21, 2019

Board of Commissioners Present:

Daug, Leslie, City of Bremerton, Council Member
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, City of Port Orchard, Council Member
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; 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

Commissioner Gelder moved and Commissioner Putansuu seconded the motion to approve the agenda as presented. Discussion: None. Motion passed unanimously.

3. CHAIRPERSON'S COMMENTS

None.

4. PUBLIC COMMENTS

None.

5. FULL DISCUSSION /ACTION ITEMS:

a. *May 7, 2019 Board Meeting Minutes*

Commissioner Garrido moved and Commissioner Gelder seconded the motion to approve the minutes of May 7, 2019. Discussion: None. Motion passed unanimously.

b. *Resolution No. 19-48, Contract Amendment – Blue Coast Engineering*

Executive Director Clauson explained this resolution gives staff the authority to enter into a contract amendment with Blue Coast Engineering. When Blue Coast was in Bellingham validating the wake performance for Reliance prior to acceptance, the weather conditions and the vessel settings influenced the results. The net result was that the vessel met the specification; however, there is a need to compare the wake performance of the Reliance with that of the Rich Passage 1 (RP1). This resolution will allow the installation of a wave gauge in Rich Passage. Specific monitoring and testing will be conducted with the RP1 and Reliance to determine the variance between the vessels, if any, as a precautionary measure to understand any impacts.

Commissioner Daug's asked the additional expense because is because the time frame has been extended. Clauson explained the current contract provides for an analysis of the beaches to determine the impact from the number of sailings through Rich Passage. This effort is in addition to the original contract for the performance of the vessels and to compare vessel to vessel.

Commissioner Gelder asked if this will have to be done when the third vessel arrives. Executive Director Clauson stated he did not think so.

Commissioner Putaansuu stated he supports the additional work because of the Washington State Ferries' (WSF) experience with beach damage.

Commissioner Erickson agreed with Commissioner Putaansuu but would like more information on what happens if the vessel [Reliance] does not perform as well the other vessel [RP1]. Clauson stated the expectation is that the similarity between the two vessels will be very close, and the Reliance did meet the specifications when tested in Bellingham.

Chairperson Medina asked if the additional expense is included in the budget. Clauson stated it is not included in the budget but will be part of the capital construction expense.

Commissioner Putaansuu moved and Commissioner Daug seconded the motion to adopt Resolution No. 19-48, authorizing staff to amend Contract KT #17-571 with Blue Coast Engineering for additional wake testing data collections and establishment of optimal operating parameters for Rich Passage Class vessels in an amount not to exceed fifty-one thousand four hundred sixty-eight dollars (\$51,468). Discussion: None. Motion passed unanimously. Commissioner Wolfe was not present for the vote.

c. Resolution No. 19-49, Bid Authorization – Carlisle II Rehabilitation Scope of Work Development

Executive Director Clauson explained staff is moving forward with rehabilitation of the Carlisle II and there is a need to bring in a consultant to develop the scope of work prior to going out to bid.

Commissioner Rosapepe moved and Commissioner Putaansuu seconded the motion to adopt Resolution No. 19-49, authorizing staff to advertise and seek bids for the capital project as presented in this resolution. Discussion: None. Motion passed unanimously. Commissioner Wolfe was not present for the vote.

d. Reserve Balance Overview

Executive Director Clauson reminded the Board of previous discussion on Kitsap Transit's reserve balance. Clauson noted that the overview will include the capital projects to which the funds are committed and the Federal Transit Administration (FTA) requirement to development of a Transit Asset Management (TAM) Plan and provide assurance for maintaining and replacing assets.

Finance Director Shinnors provided a high level overview of the Five Year Outlook including the current year projection compared to budget and basis to adjust the five year outlook. The year began with healthy unrestricted reserves including a set aside of \$4 million for a contingency reserve that will no longer be presented as part of unrestricted reserves. Funding of approximately \$3.4 million was approved for the interfund loan to offset cost in the Ferry Fund, which has not yet occurred but the need is anticipated for the end of 2019 or beginning of 2020. Based upon Kitsap Transit's needs for the Silverdale Transit Center and the need to split out assets for the TAM, staff is proposing \$6 million for the Silverdale Capital Reserve. The current local contribution

for Silverdale is approximately \$9 million with a total project cost of approximately \$20 million. Shinners shared that in the outlook years, planned spending levels in both operating and capital budgets fall below the minimum reserve levels without taking a recession into account. Shinners stated he is generally comfortable with the projected reserve amounts below the minimum reserve levels because it is rare that the entire local contribution to the capital budget is spent within the budgeted year resulting in actual reserve levels that remain above minimum reserve levels.

Commissioner Erickson shared the discussion approximately a year ago at Puget Sound Regional Council (PSRC) and the first look at the TAM. Most of the numbers regarding useful life were reasonable but she objected to the useful life for Washington State Ferries (WSF) of 30 years. Erickson expressed the need to watch the established benchmarks, and noted she has not seen the useful life of the smaller vessels.

Shinners reiterated that staff will be bringing back a resolution to the next meeting setting aside a capital reserve of \$6 million that includes the capital portion of the current minimum reserve thresholds calculated as twenty-five percent annual depreciation. A separate capital reserve sets funds aside for future capital projects such as the Silverdale Transit Center as well as serving as a reserve for the purpose of Kitsap Transit's TAM. Shinners shared information on an anticipated recession in summer 2020 or early 2021 and provided a recession sensitivity with a worst case scenario where reserve levels are insufficient for the level of planned local funding in capital projects.

e. Legislative Update

Dylan Doty provided a recap of the 105-day legislative session in Olympia. The session was highlighted by revenue discussions, and tax increases with approximately a 17% increase in the 2017-19 biennial budget totaling \$52.4 billion in the Operating/General Fund. The transportation budget was a bare bones package with culvert funding and I-976 as the main issues. Transit received \$350,000 for Puget Sound Regional Council to conduct a regional passenger-only ferry study, up to \$3 million in toll credits to Kitsap Transit, \$3 million for East Bremerton Transfer Center, and \$2.3 million for Silverdale in the 2027 biennium with the best bet in advancing the project would be to trade with someone else who is not ready yet to advance their project.

Commissioner Erickson asked where the toll credits fit in the Capital budget and suggested using the toll credits for Kingston.

Doty provided an overview of the bills of interest including Park & Ride Management, Ferry Vessel Procurement, Driving Record Abstracts, Local Government Procurement, Green Transportation, HOV Lane Penalties, Camera Enforcement of Intersections &

Transit Lanes, Transportation Electrification, Urban Residential Building Capacity, Clean Fuel Standards, and Pedestrian & Bicycle Safety.

Doty discussed I-976, which will be on the November ballot, and the impacts to ferries, Washington State Patrol and Transportation Benefit Districts (TBD's).

f. Day Pass Update

Executive Director Clauson reported on the Day Pass sales from May 1-16 as even more successful than initially anticipated with 53 passes sold.

g. Service Changes Update

Executive Director Clauson reported on the service changes, stating the first round was focused primarily in Bremerton/Central Kitsap area with expanded service between the ferry terminal and Silverdale with half hour headways and restructuring and renumbering of routes.

Operation Director Gustafson shared service change information provided to the public on the Kitsap Transit website, illustrated the details of the changes and provided additional information on the next phases for the remainder of 2019 and into 2020.

Public Information Officer Bhatt presented the Upgrade Campaign concept created by Kitsap Transit's marketing consultant DH. The purpose is to communicate the service expansion to riders and perspective riders and encourage use of transit.

Clauson added that this effort is Kitsap Transit's commitment to the community to use the additional funds as a result of the Fast Ferry program to provide increased frequency and service.

h. Bus Advertising Update

Public Information Officer Bhatt reminded the Board of the presentation provided in February and shared a brief update on the expiration of the advertising contract, revenue, expenses, alternative options and the decision of other agencies to eliminate advertising. Staff's recommendation is to discontinue transit advertising.

Executive Director Clauson suggested that perhaps there could still be opportunities for community advertising on the inside of the bus using car cards.

Commissioner Daugs asked why other transit agencies have elected to discontinue advertising. Bhatt explained there are several reasons including the threat of getting sued for political advertising, they were unhappy with quality of advertising they were attracting and the impact of the association with their brand.

Commissioner Putaansuu spoke in support [of eliminating advertising] due to damage to the buses and maintaining Kitsap Transit's branding and image.

Commissioner Wolfe spoke in support of a reset and refresh but questioned what it would require to perform the advertising internally. Clauson explained the in-house advertising would require staff to sell, produce and install the advertising; however, Kitsap is not a big market from the advertiser's perspective.

Chairperson Medina asked for consensus. The Board concurred to eliminate bus advertising.

At 10:17AM, Chairperson Medina called for a brief break.

At 10:22AM Chairperson Medina resumed the regular meeting.

At 10:22AM Commissioner Wheeler left the meeting.

6. OTHER EXECUTIVE DIRECTOR ITEMS

Executive Director Clauson provided clarification on the resolution brought forward at the last Board meeting authorizing the bid for M/V Finest Dry Dock & Repairs. Clauson noted that the M/V Finest will in fact, need repairs to the water jets in addition to the on-call shipyard needs as presented.

Executive Director Clauson continued briefing the Board on the following:

- The Waterman arrived and Kitsap Harbor Tours is conducting training.
- Silverdale Transit Center – thank you to Commissioner Wolfe and his leadership the project is moving forward with roadway realignment, and the hospital has verbally agreed to work out the details. The realignment frees up a portion of the property owned by the hospital needed for the transit center; and
- A tentative Shared Use agreement had been received from King County for use of the float in Seattle.
- Discussions with Amy Scarton for use of Southworth Dock are moving along well with designation of the Chief of Staff to work with Kitsap Transit on the Shared Use Agreement. Funding has been identified through Senator Murray's office for the engineering of a second car slip at Southworth.
- Preliminary analysis on the feasibility of running a Southworth schedule that can operate out of Seattle with consensus for a schedule including the five routes.

7. OTHER PUBLIC COMMENTS

Roger Gay, South Kitsap, commented on Dylan Doty's legislative report specifically related to carbon tax and clean fuel standard. The Puget Sound Clean Air Agency has their own proposal for a four-county clean fuel standard and questioned the effect on Kitsap Transit and the effect on the legislature when four counties have their own clean fuel standard.

8. FOR THE GOOD OF THE ORDER

Kitsap Transit's Bus Rodeo will be held on June 9th.

9. ADJOURN: Meeting adjourned at 10:35AM.

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 4th of June, 2019.

Kol Medina, Chairperson

Jill A. Boltz, MMC
Clerk of the Board



Board of Commissioners Agenda Summary

MEETING DATE: June 04, 2019

AGENDA ITEM: Resolution No. 19-50, Contract Award - Carpet Replacement

SUBMITTED BY: Steffani Lillie

TITLE: Director

DEPARTMENT: Capital Development

**EXHIBITS/
ATTACHMENTS:** Resolution No. 19-50

BUDGETARY IMPACT *(if applicable)*

BUDGETED: \$220,000.00

EXPENDITURE REQUIRED: \$194,432.13

FUNDING SOURCE: Operating

REVIEWED BY: Citizen Advisory Committee

MEETING DATE: May 30, 2019

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

Carpet at the Harborside 2nd Floor Building, CSO Office at BTC and Charleston Base Main Entry, Stairs and 2nd Floor has met its useful life and is showing wear and tear. The wear is becoming a liability and therefore needs to be replaced.

**RECOMMENDED
ACTION/MOTION:**

Move to Adopt Resolution No. 19-50 authorizing staff to award Great Floors a contract for the KT 19-630 Carpet Replacement project which includes the Harborside Building 2nd Floor, CSO Office at BTC and Charleston Base Main Entry, Stairs & 2nd Floor in an amount not to exceed \$194,432.13.

RESOLUTION NO. 19-50

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS AUTHORIZING STAFF TO AWARD A CONTRACT TO GREAT FLOORS FOR THE KT 19-630 CARPET REPLACEMENT PROJECT

WHEREAS, at its regular meeting on January 8, 2019, the Board approved Resolution 19-01, authorizing Kitsap Transit to advertise and seek bids for projects and procurements during the first quarter; and

WHEREAS, the KT 19-630 Carpet Replacement project was included in the first quarter procurements; and

WHEREAS, staff solicited bids through the formal procurement process and only received one (1) bid; and

WHEREAS, staff determined that Kitsap Transit would receive a better value using an existing Cooperative Procurement Contract; and

WHEREAS, staff sought quotes from different vendors using Washington State Contract #03916 and Sourcewell Contract #121715-TFU; and

WHEREAS, staff received four (4) quotes in response to its solicitation and has determined that the pricing for the Tandus carpet through the Sourcewell Contract is the best value to Kitsap Transit; and

WHEREAS, this quote was the lowest price and the Tandus carpet matches the existing carpet recently installed in multiple offices in the Harborside building; and

WHEREAS, staff has performed a price analysis and has determined that the pricing offered by Great Floors off of the Sourcewell Contract is fair and reasonable; and

WHEREAS, each vendor that has offered a quote on this project is an Awarded Vendor on the respective Cooperative Purchasing Contracts; and

WHEREAS, Kitsap Transit has statutory authority granted by RCW 39.34 to utilize Cooperative Purchasing Contracts; and

WHEREAS, Great Floors quote for the KT 19-630 Carpet Replacement project off of the Sourcewell Contract is one hundred ninety four thousand four hundred thirty two dollars and thirteen cents (194,432.13) and included within the approved 2019 operating budget; and

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorize staff to award Great Floors a contract for the KT 19-630 Carpet Replacement project which includes the Harborside Building 2nd Floor, CSO Office at BTC and Charleston Base Main Entry, Stairs & 2nd Floor in an amount not to exceed one hundred ninety four thousand four hundred thirty two dollars and thirteen cents (\$194,432.13).

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting held on the 4th day of June, 2019.

Kol Medina, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board

DRAFT



Board of Commissioners Agenda Summary

MEETING DATE: June 04, 2019

AGENDA ITEM: Resolution No. 19-51, Contract Award - Highway 16 Park & Ride Planning

SUBMITTED BY: Steffani Lillie

TITLE: Director

DEPARTMENT: Service and Capital Development

**EXHIBITS/
ATTACHMENTS:** Resolution No. 19-51, Highway 16 Park & Ride Planning

BUDGETARY IMPACT *(if applicable)*

BUDGETED: \$311,250.00

EXPENDITURE REQUIRED: \$311,250.00

FUNDING SOURCE: Capital

REVIEWED BY: Citizen Advisory Committee

MEETING DATE: May 30, 2019

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

In the 2018 Puget Sound Regional Council (PSRC) Regional Funding program Kitsap Transit was awarded \$249,000 of Surface Transportation Program funds to conduct planning for a future park & ride along the Highway 16 corridor. Kitsap Transit has budgeted \$62,250 of local funds to match the awarded funds for a total of \$311,250.

This study will determine the most practical location to construct the new park & ride. The study will examine several alternative locations, identify stakeholders, and develop conceptual concepts for the park & ride.

Kitsap Transit staff has reviewed 2 qualification submittals and recommends selecting Parametrix to lead the study.

**RECOMMENDED
ACTION/MOTION:**

MOTION: Move to adopt Resolution No. 19-51, authorizing contract award to Parametrix for the Highway 16 Park & Ride Planning in the amount of three hundred and eleven thousand two hundred fifty dollars (\$311,250).

RESOLUTION NO. 19-51

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS AUTHORIZING STAFF TO AWARD A CONTRACT TO PARAMETRIX FOR THE HIGHWAY 16 PARK & RIDE LOCATION STUDY

WHEREAS, at its meeting on July 3, 2018, the Board approved Resolution No. 18-43 authorizing and directing staff to advertise and solicit bids for the Highway 16 Park & Ride Planning; and

WHEREAS, Kitsap Transit was awarded \$249,000 by the Puget Sound Regional Council (PSRC) of Surface Transportation Program (STP) funds with local required matching funds of sixty-two thousand two hundred fifty dollars (\$62,250) for an available total of three hundred and eleven thousand two hundred fifty dollars (\$311,250); and

WHEREAS, staff advertised Request for Qualifications (RFQ) KT 19-636 on April 9, 2019 in accordance with federal and state requirements for the Highway 16 Park & Ride Location Study; and

WHEREAS, staff received two qualification submissions in response to its RFQ and statements were evaluated on firms experience and qualifications, project understanding and approach, proposed cost and key personnel experience and qualifications; and

WHEREAS, Parametrix scored the highest based on evaluation criteria and has been determined responsive and responsible; and

WHEREAS, Parametrix proposed price, including tax, is in the amount of three hundred and eleven thousand two hundred fifty dollars (\$311,250); and

WHEREAS, the adopted 2019 Capital Budget includes the Highway 16 Park & Ride Location Study in the amount of three hundred and eleven thousand two hundred fifty dollars (\$311,250)

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorizes staff to award a contract for Highway 16 Park & Ride Location Study to Parametrix in an amount not to exceed three hundred and eleven thousand two hundred fifty dollars (\$311,250).

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting held on the 4th day of June, 2019.

Kol Medina, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board

DRAFT



Board of Commissioners Agenda Summary

MEETING DATE: June 04, 2019

AGENDA ITEM: Resolution No. 19-52, Bid Award - Annapolis Ferry Dock Upgrade Construction

SUBMITTED BY: Steffani Lillie

TITLE: Director

DEPARTMENT: Capital Development

**EXHIBITS/
ATTACHMENTS:** Resolution No. 19-52

BUDGETARY IMPACT *(if applicable)*

BUDGETED: \$4,902,492.00

EXPENDITURE REQUIRED: \$3,584,600.00

FUNDING SOURCE: Capital

REVIEWED BY: Citizen Advisory Committee

MEETING DATE: May 30, 2019

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

This resolution allows staff to award a construction contract to American Construction Company to construct the Annapolis Dock Upgrade project. The work consists of demolition of a section of existing pier and float, construction of a section of pier, gangway, access ramps, floating dock and shoreline restoration. This contract in an amount not to exceed \$3,584,600 is funded with Federal Transit Administration discretionary grant funds and local match.

**RECOMMENDED
ACTION/MOTION:**

MOTION: Move to adopt Resolution No. 18-52, authorizing staff to execute the construction contract for the Annapolis Dock Upgrade project with American Construction Company in an amount not to exceed three million five hundred eighty-four thousand six hundred dollars (\$3,584,600).

RESOLUTION NO. 19-52

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS AUTHORIZING STAFF TO AWARD A CONSTRUCTION CONTRACT FOR THE ANNAPOLIS FERRY DOCK UPGRADE PROJECT TO AMERICAN CONSTRUCTION COMPANY

WHEREAS, at its regular meeting on April 2, 2019, the Board approved Resolution 19-27 authorizing staff to solicit bids for construction of the Annapolis Ferry Dock Upgrade Project; and

WHEREAS, the work consists of demolition of a section of existing pier and float, construction of a section of pier, gangway, access ramps, floating dock and shoreline restoration; and

WHEREAS, staff publicly advertised Invitation for Bids (IFB) KT 19-635 for construction and received eight (8) bids in response to the solicitation; and

WHEREAS, American Construction Company was the lowest responsive and responsible bidder in the amount of three million five hundred eighty-four thousand six hundred dollars (\$3,584,600); and

WHEREAS, staff has determined the bid pricing received from American Construction Company to be fair and reasonable; and

WHEREAS, this project was included in the approved amended 2019 Capital Budget - Ferry Fund using proceeds from Federal Transit Administration Discretionary Grant funding including local match totaling four million nine hundred two thousand four hundred ninety-two dollars (\$4,902,492) for Annapolis Ferry Dock construction; and

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorizes staff to award a construction contract for Annapolis Ferry Dock construction to American Construction Company in an amount not to exceed three million five hundred eighty-four thousand six hundred dollars (\$3,584,600).

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting held on the 4th day of June, 2019.

Kol Medina, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board

DRAFT



Board of Commissioners Agenda Summary

MEETING DATE: June 04, 2019

AGENDA ITEM: Resolution No. 19-53, Establishing Capital Reserves in the Ferry Fund and General Transit Fund

SUBMITTED BY: Paul Shinnors

TITLE: Finance Director

DEPARTMENT: Finance

**EXHIBITS/
ATTACHMENTS:** Resolution No. 19-53

BUDGETARY IMPACT *(if applicable)*

BUDGETED: _____

EXPENDITURE REQUIRED: _____

FUNDING SOURCE: _____

REVIEWED BY: Citizen Advisory Committee

MEETING DATE: May 30, 2019

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

This resolution establishes capital reserves within the Ferry Fund and the General Transit Fund. The intent of the capital reserves are to better demonstrate financial readiness for Kitsap Transit's local contribution to large planned capital projects and the overall preservation and replacement of its fleet and facilities in accordance with its federal Transit Asset Management Plan (TAM). The capital reserves minimum funding threshold remains 25% annual depreciation consistent with current minimum capital funding thresholds of the minimum reserve policy established by resolution in 2009. Staff recommends initially funding the capital reserves with \$1.0 million for the Ferry Fund and \$6.0 million for the General Transit Fund. These initial funding levels exceed current minimum reserve thresholds. Amounts in the reserves in excess of minimum reserve thresholds are based on planned project local funding needs and availability of funding.

**RECOMMENDED
ACTION/MOTION:**

MOTION: Move to Adopt Resolution No. 19-53, authorizing staff to establish capital reserves in the Ferry Fund and the General Transit Fund as presented within this resolution.

RESOLUTION NO. 19-53

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS
AUTHORIZING STAFF TO ESTABLISH CAPITAL RESERVES IN THE FERRY
FUND AND THE GENERAL TRANSIT FUND

WHEREAS, the Board of Commissioners adopted resolution 09-66 at its regular meeting on December 15, 2009 establishing a minimum reserve policy of two (2) times its average monthly operating expense and debt service plus capital funding no less than twenty-five percent (25%) annual depreciation; and

WHEREAS, staff now recommends that Kitsap Transit establish separate capital reserves in the Ferry Fund and General Transit Fund to better demonstrate financial readiness for Kitsap Transit's local contribution to large planned capital projects and the overall preservation and replacement of its fleet and facilities in accordance with its federal Transit Asset Management (TAM) Plan; and

WHEREAS, staff presented the merits of establishing separate and distinct capital reserves at the regular meeting of the Board of Commissioners on May 21, 2019; and

WHEREAS, the separate and distinct capital reserves within the Ferry Fund and the General Transit Fund will continue to have a minimum funding threshold of twenty-five percent (25%) annual depreciation consistent with the reserve policy established in resolution 09-66; and

WHEREAS, staff will add funding to the capital reserves of the Ferry Fund or the General Transit Fund as planned capital projects require and general unrestricted reserve funding levels allow; and

WHEREAS, staff recommends initially establishing capital reserves of one million dollars (\$1,000,000) in the Ferry Fund and six million dollars (\$6,000,000) in the General Transit Fund; and

WHEREAS, based on the minimum capital funding requirement of twenty-five percent (25%) annual depreciation, the approximate current minimum capital funding

requirements of the Ferry Fund is seven hundred thousand dollars (\$700,000) and one million seven hundred thousand dollars (\$1,700,000) for the General Transit Fund; and

WHEREAS, staff is currently recommending funding amounts in excess of minimum capital reserve thresholds based on a growing ferry fleet for the Ferry Fund and the planned Silverdale Transit Center for the General Transit Fund; and

WHEREAS, no less than once each year during preparations of the annual budget, staff will continue to monitor and adjust minimum capital reserve levels of the Ferry Fund and General Transit Fund based on minimum capital reserve thresholds, capital project funding needs, and the availability of funding within the general unrestricted reserves of the Ferry Fund and the General Transit Fund; and

WHEREAS, staff must receive approval from the Board of Commissioners in the event transfers from the capital reserves will decrease the Ferry Fund capital reserve or the General Transit Fund capital reserve below minimum capital reserve thresholds or are for purposes other than capital expenditures; and

WHEREAS, the twenty-five percent (25%) minimum capital reserve threshold will be measured as a percent of depreciation within the current year budget of the Ferry Fund and General Transit Fund.

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorize staff to establish capital reserves in the Ferry Fund and the General Transit Fund as presented within this resolution.

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting held on the 4th day of June, 2019.

Kol Medina, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board



Board of Commissioners Agenda Summary

MEETING DATE: June 04, 2019

AGENDA ITEM: Resolution No. 19-54, Bid Authorization - Rich Passage 1 Haul Out & Repair

SUBMITTED BY: Paul Shinnors

TITLE: Director

DEPARTMENT: Finance

**EXHIBITS/
ATTACHMENTS:** Resolution No. 19-54

BUDGETARY IMPACT *(if applicable)*

BUDGETED: _____

EXPENDITURE REQUIRED: _____

FUNDING SOURCE: Operating

REVIEWED BY: Citizen Advisory Committee

MEETING DATE: May 30, 2019

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

This resolution will allow Kitsap Transit staff to advertise and seek bids for the listed procurement. This procurement is contained in the 2019 Amended Capital and Operations budget as approved April 2, 2019 and award of this projects will be brought forth to the Kitsap Transit Board of Commissioners for final approval in accordance with the procurement policy and procedures

**RECOMMENDED
ACTION/MOTION:**

MOTION: Move to Adopt Resolution No. 19-54, authorizing staff to advertise and seek bids for the capital and operations project as presented in this resolution.

RESOLUTION NO. 19-54

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS AUTHORIZING STAFF TO ADVERTISE AND SEEK BIDS FOR THE LISTED PROCUREMENTS

WHEREAS, staff asks for authorization of the Board of Commissioners to seek bids for budgeted capital and operations projects each quarter in the months of January, April, July, and October; and

WHEREAS, in the event of time sensitive projects, staff will seek Board of Commissioner authorization on as needed basis; and

WHEREAS, staff is requesting permission to advertise and seek bids for the following procurements:

- Rich Passage Haul Out and Repair

WHEREAS, all procurements are contained within the 2019 Amended Capital and Operating Budgets as approved by the Board of Commissioners through Resolution No. 19-28; and

WHEREAS, bonding requirements for each project is one hundred percent (100%) unless staff otherwise reviews and requests alternate bonding levels with the Board of Commissioners; and

WHEREAS, authorization to award bids will subsequently be brought forward to the Kitsap Transit Board of Commissioners for final approval in accordance with the procurement policy and procedures.

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorizes staff to advertise and seek bids for the capital and operation projects as presented in this resolution.

ADOPTED by the Kitsap Transit Board of Commissioners at a regular meeting held on the 4th day of June, 2019.

Kol Medina, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board

Kitsap Transit

Income Statement - Transit Fund

April 2019

	Current Month		Year to Date		Year to Date Variance	
	Actual	Budget	Actual	Budget	Dollar	Percent
OPERATING REVENUE						
Routed Fare	\$214,792	\$224,500	\$830,074	\$877,000	(\$46,926)	(5.35)%
Worker Driver Fares	\$118,484	\$126,500	\$465,954	\$506,000	(\$40,046)	(7.91)%
Van Pool Fares	\$38,444	\$43,500	\$154,359	\$174,000	(\$19,641)	(11.29)%
Access Fare	\$20,163	\$20,900	\$79,840	\$83,600	(\$3,760)	(4.50)%
Parking	\$14,780	\$14,500	\$62,145	\$58,000	\$4,145	7.15 %
Advertisement	\$2,150	\$6,000	\$10,910	\$33,000	(\$22,090)	(66.94)%
Lease Income	\$32,885	\$31,400	\$134,144	\$124,600	\$9,544	7.66 %
Other Operating Income	\$3,061	\$2,000	\$7,486	\$8,000	(\$514)	(6.43)%
OPERATING REVENUE	\$444,759	\$469,300	\$1,744,913	\$1,864,200	(\$119,287)	(6.40)%
OPERATING EXPENSES						
General Administration	\$270,214	\$341,959	\$1,164,005	\$1,387,324	(\$223,319)	(16.10)%
Capital Development	\$38,249	\$53,955	\$160,811	\$215,438	(\$54,626)	(25.36)%
Customer Service	\$55,833	\$64,949	\$250,009	\$258,310	(\$8,301)	(3.21)%
Routed	\$879,819	\$895,948	\$3,556,007	\$3,582,287	(\$26,281)	(0.73)%
Worker Driver	\$87,994	\$92,269	\$345,042	\$366,201	(\$21,158)	(5.78)%
Rideshare	\$34,682	\$35,329	\$140,796	\$140,334	\$462	0.33 %
Access	\$634,711	\$643,583	\$2,499,396	\$2,569,072	(\$69,676)	(2.71)%
Vehicle Maintenance	\$568,332	\$679,413	\$2,466,369	\$2,714,634	(\$248,265)	(9.15)%
Facilities Maintenance	\$203,970	\$239,986	\$956,846	\$959,055	(\$2,209)	(0.23)%
Service Development	\$139,530	\$167,973	\$535,319	\$682,284	(\$146,965)	(21.54)%
Total Operating Expense	\$2,913,335	\$3,215,363	\$12,074,600	\$12,874,939	(\$800,339)	(6.22)%
OPERATING INCOME (LOSS)	(\$2,468,576)	(\$2,746,063)	(\$10,329,687)	(\$11,010,739)	\$681,052	(6.19)%
NON OPERATING INCOME (EXPENSE)						
Sales Tax	\$3,133,000	\$3,356,000	\$12,628,000	\$13,133,000	(\$505,000)	(3.85)%
State Operating Grant	\$6,667	\$6,667	\$26,668	\$26,668	\$0	0.00 %
Other Operating Grant	\$0	\$0	\$114,000	\$0	\$114,000	0.00 %
Interest Income	\$45,431	\$40,000	\$185,812	\$165,000	\$20,812	12.61 %
Misc Income / (Expense)	(\$1,625)	\$0	(\$17,040)	\$0	(\$17,040)	0.00 %
Interest Expense	(\$4,800)	(\$4,500)	(\$19,200)	(\$18,000)	(\$1,200)	6.67 %
Depreciation Expense	(\$547,155)	(\$507,833)	(\$2,189,538)	(\$2,031,333)	(\$158,204)	7.79 %
Amortization Expense	(\$5,527)	(\$5,527)	(\$22,107)	(\$22,108)	\$1	0.00 %
Sales Tax Collection Fee	(\$31,330)	(\$33,560)	(\$126,280)	(\$131,330)	\$5,050	(3.85)%
Gain/Loss Disposition of Assets	\$2,140	\$0	\$59,736	\$0	\$59,736	0.00 %
Total Non Operating Income (Expense)	\$2,596,801	\$2,851,247	\$10,640,051	\$11,121,897	(\$481,846)	(4.33)%
NET INCOME (LOSS)	\$128,225	\$105,183	\$310,364	\$111,158	\$199,206	179.21 %

Kitsap Transit

Income Statement - Ferry Fund

April 2019

	Current Month		Year to Date		Year to Date Variance	
	Actual	Budget	Actual	Budget	Dollar	Percent
OPERATING REVENUE						
Local Ferry Fares	\$55,228	\$46,300	\$209,671	\$185,200	\$24,471	13.21 %
Bremerton Fast Ferry Fares	\$94,724	\$89,550	\$396,520	\$358,200	\$38,320	10.70 %
Kingston Fast Ferry Fares	\$67,150	\$72,000	\$264,272	\$288,000	(\$23,728)	(8.24)%
Total Operating Revenue	\$217,102	\$207,850	\$870,463	\$831,400	\$39,063	4.70 %
OPERATING EXPENSE						
General Administration	\$112,443	\$174,768	\$608,769	\$697,043	(\$88,274)	(12.66)%
Local Ferry Operations	\$93,793	\$97,167	\$370,824	\$388,667	(\$17,842)	(4.59)%
Bremerton Fast Ferry Operations	\$116,426	\$174,910	\$446,161	\$694,769	(\$248,608)	(35.78)%
Kingston Fast Ferry Operations	\$191,231	\$349,836	\$748,341	\$1,391,145	(\$642,804)	(46.21)%
Maintenance and Facilities	\$126,574	\$202,584	\$415,311	\$806,738	(\$391,427)	(48.52)%
	\$640,467	\$999,265	\$2,589,406	\$3,978,362	(\$1,388,956)	(34.91)%
OPERATING INCOME (LOSS)	(\$423,365)	(\$791,415)	(\$1,718,943)	(\$3,146,962)	\$1,428,019	(45.38)%
NON OPERATING REVENUE (EXPENSE)						
Sales Tax Revenue	\$1,270,000	\$1,257,000	\$4,945,000	\$4,896,000	\$49,000	1.00 %
Operating Grants	\$0	\$29,583	\$0	\$118,333	(\$118,333)	(100.00)%
Interest Income	\$64,291	\$44,000	\$262,675	\$214,000	\$48,675	22.75 %
Interest Expense	(\$98,150)	(\$96,667)	(\$392,600)	(\$386,667)	(\$5,933)	1.53 %
Depreciation	(\$180,235)	(\$213,491)	(\$720,939)	(\$800,649)	\$79,710	(9.96)%
Amortization	(\$1,013)	(\$1,013)	(\$4,053)	(\$4,052)	(\$1)	0.03 %
Sales Tax Collection Fee	(\$12,700)	(\$12,570)	(\$49,450)	(\$48,960)	(\$490)	1.00 %
Total Non Operating Income (Expense)	\$1,042,193	\$1,006,843	\$4,040,633	\$3,988,006	\$52,627	1.32 %
NET INCOME (LOSS)	\$618,828	\$215,428	\$2,321,689	\$841,044	\$1,480,645	176.05 %

**Kitsap Transit
Balance Sheet
April 30, 2019**

	<u>Bus Fund</u>	<u>Ferry Fund</u>	<u>Consolidated</u>
		ASSETS	
Cash and Cash Equivalents	3,560,660	2,258,945	5,819,605
Investment - General Fund	16,170,962	4,286,002	20,456,964
Investment - Contingency Reserve	4,000,000	-	4,000,000
Investment - Capital Funds	-	25,281,100	25,281,100
Investment - Fuel Reserve	1,029,425	-	1,029,425
Investment - ORCA Fare Reserve	205,136	-	205,136
Investment - Debt Service Reserve	131,228	1,370,331	1,501,559
Tax Receivable	6,662,895	2,705,405	9,368,300
Capital Grants Receivable	1,397,246	683,778	2,081,024
Operating Grants Receivable	844,022	-	844,022
Accounts Receivable	365,151	33,871	399,022
Due from Transit	-	651,515	651,515
Inventory	935,217	450,744	1,385,961
Prepaid Expenses	1,156,283	291,342	1,447,625
TOTAL CURRENT ASSETS	\$ 36,458,225	\$ 38,013,033	\$ 74,471,259
Fixtures & Equipment, Net of Depreciation	1,620,079	57,073	1,677,153
Facilities, Net of Depreciation	30,662,428	7,904,862	38,567,289
Rolling Stock, Net Depreciation	10,994,976	31,800	11,026,776
Passenger Ferries, Net Depreciation	-	19,604,304	19,604,304
Capital Work in Progress	16,468,136	19,133,219	35,601,355
Leasehold Improvement, Net Amortization	1,434,049	-	1,434,049
Leased Facilities, Net Amortization	468,190	1,481,724	1,949,915
Land	17,432,386	-	17,432,386
Intangible Assets, Net Amortization	372,851	-	372,851
TOTAL CAPITAL ASSETS	\$ 79,453,096	\$ 48,212,982	\$ 127,666,078
TOTAL ASSETS	\$ 115,911,321	\$ 86,226,016	\$ 202,137,337
		LIABILITIES AND NET POSITION	
		LIABILITIES	
Accounts Payable	1,573,928	2,277,188	3,851,115
Due to Ferry	651,515	-	651,515
Payables to Other Transits	315,710	-	315,710
Deferred Revenues	353,904	14,871	368,775
Accrued Wages Payable	1,586,523	84,740	1,671,263
Employee Benefit Payable	327,051	15,514	342,565
Interest Payable	33,632	119,093	152,726
Short-Term Debt	242,481	3,234,976	3,477,457
Long-Term Debt	1,452,756	40,794,977	42,247,732
TOTAL LIABILITIES	\$ 6,537,500	\$ 46,541,358	\$ 53,078,858
		NET POSITION	
Invested in Capital Assets, Net of Related Debt	77,757,859	27,005,384	104,763,243
Restricted	5,365,789	26,651,431	32,017,221
Unrestricted	26,250,173	(13,972,158)	12,278,015
TOTAL NET POSITION	109,373,821	39,684,657	149,058,478
TOTAL LIABILITIES AND NET POSITION	\$ 115,911,321	\$ 86,226,016	\$ 202,137,337

Remaining Bond Proceeds - 2017 Ferry Bonds

April 30, 2019

Projects with 2017 Bond Funds	2017 Bond Funds (1)	Cumulative Interest Earned	2017	2018	2019	2020	2017 Bond Funds (Remaining)
RP1 spare engines	310,000		(310,000)				-
Waterman Construction (Hybrid Vessel)	2,000,000			(789,081)			1,210,919
Fast Ferry- Bow Loading Class (Two Vessels)	16,267,247	1,093,617		(2,018,362)			15,342,503
Fast Ferry - Rich Passage Class (Two Vessels)	17,380,876			(11,463,035)			5,917,841
Finest (Kingston Vessel)	7,545,753		(258,210)	(6,936,452)			351,091
Kingston Dock Refurbishment	1,496,124			(1,496,124)			-
Total Bond Funds	45,000,000	1,093,617	(568,210)	(22,703,054)	-	-	22,822,354

(1) Planned bond funding amounts generally do not reflect total cost of the project given that projects can have multiple sources of funding (grants, sales tax revenue, bond proceeds). Planned funding amounts are also subject to fluctuate between projects based on funding needs.

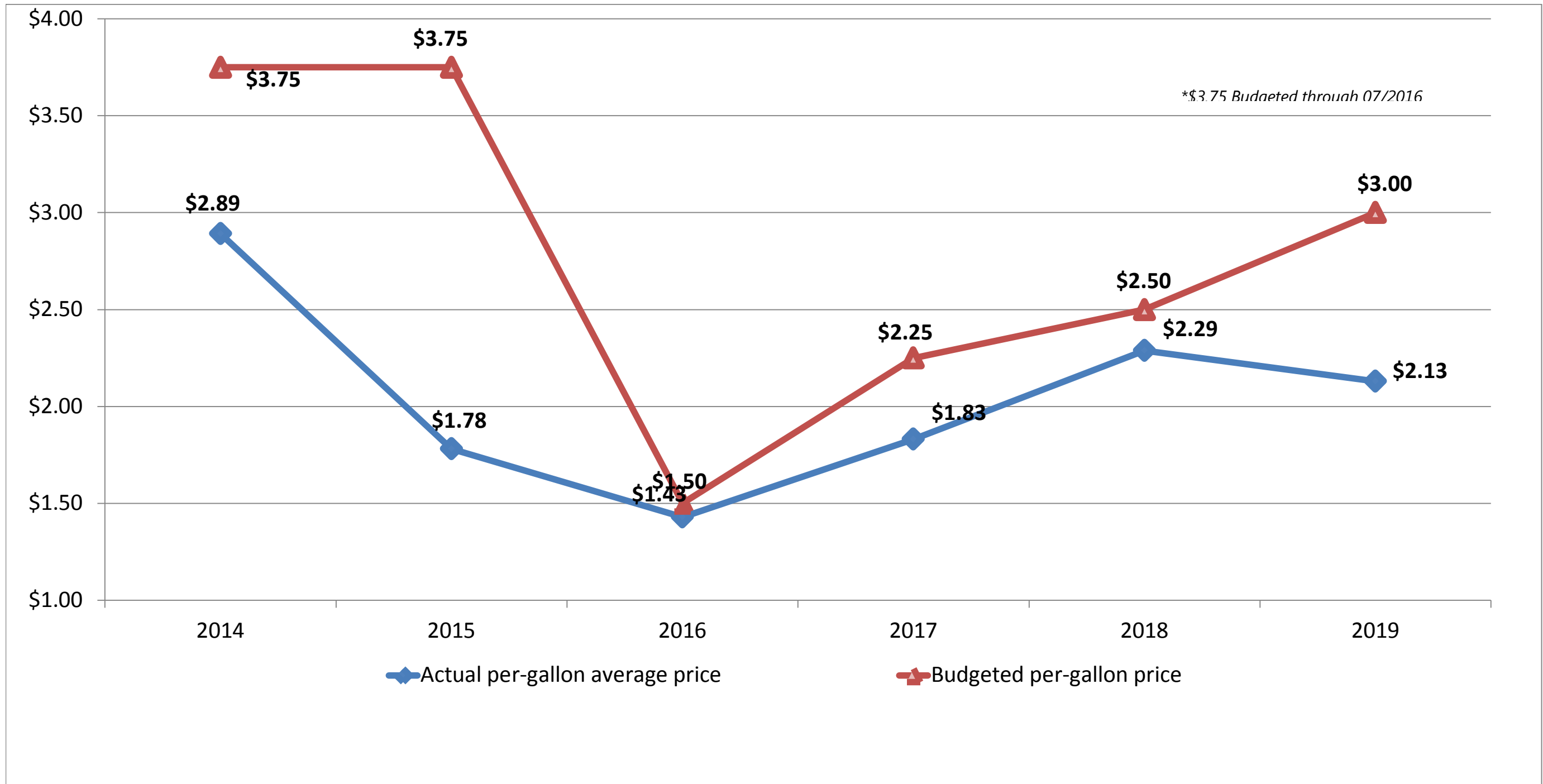
Capital Work In Progress April 2019

	Capital Budget And Expenditures							Capital Funding		
	2019					Budget			Grant	
	Amended Budget	Current Month	YTD Expenditures	Encumbrance	Budget Remaining (\$)	Budget Remaining (%)	Cumulative Expenditures	Local Funds Budget	Funds Budget	Total Funds Budget
Transit Fund										
Routed Coaches	9,065,993	-	61,492	8,420,132	584,369	6%	1,989,701	2,173,125	6,892,868	9,065,993
Electric Bus	1,250,000	-	-	-	1,250,000	100%	959,756	250,000	1,000,000	1,250,000
Access Bus & Van/VanLink Replacements	1,749,623	8,635	1,268,202	466,184	15,237	1%	1,390,960		1,749,623	1,749,623
Access Supervisor Vans (6)	260,000	-	-	-	260,000	100%	215,128	260,000	-	260,000
Scoot Fleet Replacements	65,000	-	-	-	65,000	100%	-	65,000	-	65,000
Non-Grant Funded Vehicle Graphics	10,000	-	-	-	10,000	100%	-	10,000	-	10,000
Vacuum Truck	180,017	-	-	-	180,017	100%	-	180,017	-	180,017
Operations Bases										
Harborside:										
HVAC Replacement	90,000	-	-	-	90,000	100%	-	90,000	-	90,000
Conference Room 3rd Floor Outfitting	45,000	-	-	-	45,000	100%	-	45,000	-	45,000
Harborside Tenant Improvements	50,000	-	-	-	50,000	100%	-	50,000	-	50,000
Other:										
Long Term Base Siting Study	200,000	-	-	-	200,000	100%	-	200,000	-	200,000
Electric Vehicle Bus Infrastructure Study	200,000	-	-	-	200,000	100%	-	200,000	-	200,000
Lockers, Mail Boxes, Cabinetry	15,000	-	-	-	15,000	100%	-	15,000	-	15,000
Upgrade Existing Radio Tower	384,547	-	-	-	384,547	100%	854,555	50,000	334,547	384,547
Charleston Base										
Concrete Ramps in Maint.	26,000	-	-	-	26,000	100%	-	26,000	-	26,000
Bus Wash Gas Heaters	6,000	-	-	-	6,000	100%	-	6,000	-	6,000
Exhaust Plumbing	14,500	-	-	-	14,500	100%	-	14,500	-	14,500
Northbase										
North Base/Park & Ride CN (Plant Retainage)	-	-	-	-	-	-	-	-	-	-
North Base HD Maintenance Facility (Planning)	580,566	-	-	-	580,566	100%	7,838	54,172	526,394	580,566
Entire Site Generator	165,000	-	-	-	165,000	100%	-	165,000	-	165,000
South Base										
South Base Propane Station	90,000	-	20,394	-	69,606	77%	20,394	90,000	-	90,000
South Base (ESA, Permits, CM)	338,576	-	-	-	338,576	100%	-	67,715	270,861	338,576
Transfer Centers / Park & Ride										
Harper Park & Ride Improvements	60,000	-	-	-	60,000	100%	-	60,000	-	60,000
SR 305/Suquamish Way P&R	756,500	901	4,002	-	752,499	99%	4,002	-	756,500	756,500
Hwy 16 Park & Ride Planning	311,250	-	-	-	311,250	100%	-	62,250	249,000	311,250
Bike Barn Upgrades	310,000	-	-	-	310,000	100%	-	62,000	248,000	310,000
Georges Corner Park & Ride	154,155	-	-	61,892	92,263	60%	61,256	33,177	120,978	154,155
Wheaton Way Transfer Center/Park & Ride	11,355,471	5,408	1,932,819	6,306,928	3,115,724	27%	5,557,617	1,300,000	10,055,471	11,355,471
Silverdale Transfer Center	9,296,464	1,811,800	1,812,356	144,866	7,339,242	79%	4,066,065	1,000,000	8,296,464	9,296,464
Shelters/Benches/Amenities	125,000	-	-	11,347	113,653	91%	20,539	125,000	-	125,000
Double Map Kiosks	60,000	-	-	-	60,000	100%	-	60,000	-	60,000
Rental Park and Ride Improvements	62,500	-	-	-	62,500	100%	-	62,500	-	62,500
Gateway Center Planning	240,000	-	-	-	240,000	100%	-	40,000	200,000	240,000
EV Charger for P & R's Upgrades	35,000	-	-	-	35,000	100%	-	35,000	-	35,000
BITC Lighting	62,700	-	-	-	62,700	100%	-	12,540	50,160	62,700

Capital Work In Progress April 2019

	Capital Budget And Expenditures							Capital Funding		
	2019					Budget			Grant	
	Amended Budget	Current Month	YTD Expenditures	Encumbrance	Budget Remaining (\$)	Remaining (%)	Cumulative Expenditures	Local Funds Budget	Funds Budget	Total Funds Budget
Equipment and Systems										
Marketing Camera	4,500	-	-	-	4,500	100%	-	4,500	-	4,500
Marketing Paper Cutter	5,000	-	-	-	5,000	100%	-	5,000	-	5,000
Marketing Laminator	10,000	-	8,796	-	1,204	12%	8,796	10,000	-	10,000
Drive Cameras for Buses	175,000	-	-	-	175,000	100%	-	175,000	-	175,000
ORCA Cap Costs ngO & Equip	1,011,648	1,037	598,617	401,590	11,441	1%	903,695	1,011,648	-	1,011,648
Orca Capital Costs	15,303	-	-	-	15,303	100%	-	15,303	-	15,303
VPN Network	55,000	-	-	-	55,000	100%	-	55,000	-	55,000
Servers and Capitalized Computer Equip.	175,000	-	-	-	175,000	100%	-	175,000	-	175,000
IP Cameras (BTC, South Base, Harper phase 2)	100,000	-	-	89,670	10,330	10%	145,633	100,000	-	100,000
Keycard System Replacement	140,000	-	4,300	129,256	6,444	5%	262,202	140,000	-	140,000
APC's UPS for Servers	60,000	-	-	-	60,000	100%	-	60,000	-	60,000
Marketing Software	5,000	-	-	-	5,000	100%	-	5,000	-	5,000
Cubicles for CSSA's	60,000	-	-	-	60,000	100%	-	60,000	-	60,000
Misc. Equipment	4,983	-	-	-	4,983	100%	-	4,983	-	4,983
DEF Plumbing	25,000	-	-	-	25,000	100%	-	25,000	-	25,000
A/C Machine	-	-	-	-	-	-	-	-	-	-
Riding Mower	10,000	-	-	-	10,000	100%	-	10,000	-	10,000
Transit Fund Total	39,471,296	1,827,780	5,710,977	16,031,865	17,728,454	45%	16,468,136	8,720,430	30,750,866	39,471,296
Ferry Fund										
Ferry Vessels										
Waterman Construction	2,625,174	7,839	369,140	681,151	1,574,883	60%	4,457,852	2,175,000	450,174	2,625,174
Fast Ferry Bow Loading Class	24,375,000	98	2,222	21,456,638	2,916,140.08	12%	2,135,335	24,375,000	-	24,375,000
Fast Ferry Rich Passage Class	11,206,670	52,735	3,077,979	7,249,873	878,818	8%	10,544,357	11,206,670	-	11,206,670
Owner Representation (New Vessels)	1,585,234	58,474	181,652	1,394,032	9,550	1%	517,821	1,585,234	-	1,585,234
Carlisle II Rehabilitation	1,200,000	-	-	-	1,200,000	100%	-	1,200,000	-	1,200,000
CAT Warranty	-	-	-	-	-	-	-	-	-	-
Vessel Graphics (paint stencils)	75,000	-	-	-	75,000	100%	-	75,000	-	75,000
Ferry Terminal										
Annapolis Ferry Dock Improvements (ADA)	4,902,492	-	86,230	148,455	4,667,808	95%	565,449	387,492	4,515,000	4,902,492
A Float / BTC Dock Security	42,298	-	-	-	42,298	100%	-	8,460	33,838	42,298
POF Preventative Maintenance	712,342	-	13,472	-	698,870	98%	26,518	108,000	604,342	712,342
Bremerton Dock Improvements	1,642,000	-	20,443	-	1,621,557	99%	252,722	458,000	1,184,000	1,642,000
Bremerton Dock Ramps	100,000	-	92	-	99,908	100%	92	100,000	-	100,000
POIT Dock Ramps	50,000	-	22,536	-	27,464	55%	36,835	50,000	-	50,000
POF Storage	8,000	-	-	-	8,000	100%	5,777	8,000	-	8,000
Rail Lift for B Float	40,000	-	-	-	40,000	100%	-	40,000	-	40,000
B Float Elevator Upgrade	120,000	-	-	-	120,000	100%	-	120,000	-	120,000
Seattle Terminal	200,000	-	-	-	200,000	100%	-	200,000	-	200,000
Southworth Outfitting	450,000	-	-	-	450,000	100%	-	450,000	-	450,000
POF Terminal Improvements 2018-2020	1,905,408	-	78,611	-	1,826,797	96%	78,611	900,000	1,005,408	1,905,408
Ferry Tools & Equipment										
Truck Box	10,000	-	-	-	10,000	100%	-	10,000	-	10,000
Impellers	142,750	-	-	-	142,750	100%	-	-	142,750	142,750
Proximity Locks on Vessels	80,000	-	-	-	80,000	100%	-	80,000	-	80,000
Marine Specialty Tools	10,000	-	3,535	-	6,465	65%	3,535	10,000	-	10,000
Vessel and Dock IP Cameras	120,000	-	-	-	120,000	100%	-	120,000	-	120,000
Ferry Fund Total	51,602,368	119,146	3,855,909	30,930,150	16,816,309	33%	18,624,901	43,666,856	7,935,512	51,602,368
Grand Total	91,073,664	1,946,926	9,566,886	46,962,014	34,544,763	38%	35,093,037	52,387,286	38,686,378	91,073,664

Kitsap Transit Diesel Costs Updated through May 2019



Per-gallon average price	2014	2015	2016	2017	2018	2019
January	\$2.93	\$1.61	\$1.05	\$1.78	\$2.10	\$1.89
February	\$2.99	\$1.90	\$1.04	\$1.75	\$2.04	\$2.08
March	\$3.05	\$1.89	\$1.15	\$1.64	\$2.02	\$2.13
April	\$3.04	\$1.86	\$1.16	\$1.78	\$2.36	\$2.21
May	\$3.07	\$2.19	\$1.57	\$1.70	\$2.46	\$2.34
June	\$3.10	\$2.24	\$1.76	\$1.58	\$2.58	
July	\$2.98	\$1.97	\$1.59	\$1.61	\$2.39	
August	\$3.03	\$1.63	\$1.45	\$1.81	\$2.29	
September	\$3.03	\$1.65	\$1.52	\$2.12	\$2.38	
October	\$2.75	\$1.60	\$1.61	\$2.04	\$2.58	
November	\$2.64	\$1.62	\$1.63	\$2.20	\$2.36	
December	\$2.09	\$1.22	\$1.62	\$1.96	\$1.90	
Monthly Avg. Cost YTD	\$2.89	\$1.78	\$1.43	\$1.83	\$2.29	\$2.13
Budgeted Per-Gallon Price	\$ 3.75	\$ 3.75	\$ 1.50	\$ 2.25	\$ 2.50	\$ 3.00



To: Kitsap Transit
From: Doty & Associates, Inc. (prepared by J. Dylan Doty)
Date: May 24, 2019
Re: June 11, 2019 Board Meeting – Legislative Report

Interim Update

The final action of the 2019 Legislative Session concluded on May 21 when the Governor took action on all remaining bills prior to the end of the 20-day signing period. Included among the bills signed into law were all budget bills, as well as the revenue-related bills passed during the 105-day session. In all, over two thousand bills and initiatives to the legislature were introduced (not counting House or Senate resolutions), with approximately 20% (over 450 total) passing the legislature.

Attention now turns to interim work groups, planning, and of course the November elections. While local elections are at the forefront this year, two legislative seats are on the ballot as well – Senator Liz Lovelett (D-40, Anacortes) is looking to retain the seat to which she was appointed in February and finish the term originally won by Kevin Ranker, who resigned early in the legislative session, while Rep. Alex Ybarra (R-13, Quincy) is looking to win election to finish the term originally won by Rep. Matt Manweiler, who resigned prior to session. An appointment will also need to be made for the 1st LD Senate seat, where Sen. Guy Palumbo (D-1, Maltby) announced his resignation on May 24. Palumbo will be moving into a public policy position with Amazon. In addition to the legislative-related changes, dozens of candidates are also jockeying for position for the 2020 races for Governor, Attorney General, and all other statewide offices.

The race for a new Speaker of the House is also of great significance this interim. With longtime Speaker Frank Chopp (D-43, Seattle) relinquishing control of the House shortly after session, Representative John Lovick (D-44, Mill Creek) has been selected to serve as Interim Speaker until the end of 2019. A decision is expected on or before July 31 as to who will become the new Speaker-elect. The new Speaker will assume the role formally once the 2020 session is convened.

Lastly, at least one ballot measure will be going to the voters this November. Initiative 976 is the latest effort to reduce car tab fees in the wake of Sound Transit 3, and would re-impose a \$30 cap on all car tabs. Initiative 1000 relating to affirmative action was approved by the Legislature, but faces a possible referendum that could put it on the ballot this November. Several other initiatives have also been filed with the Secretary of State's Office and will be reported on in the coming months should sufficient signatures be gathered to place them on the ballot this November.



Transportation Budget

Governor Inslee signed the Transportation Budget for the 2019-2021 Biennium on May 21. Two significant actions taken by the Governor alter the final budget with respect to transit agency grant programs, and also culvert funding.

Transit Agency Grants

Current statutory language requires WSDOT to consider, among other criteria, energy efficiency issues, and federal and state air quality requirements, in certain grant programs and projects. Section 220 of the Transportation Budget, however, included the following language: “Fuel type may not be a factor in the grant selection process.” Governor Inslee vetoed this sentence from six different budget provisos, stating that the budget language conflicts with the statutory mandate for government entities to transition to zero emission vehicles, as articulated in RCW 43.19.648. The impact of this specific line veto reaches a number of transit agency grant programs, including Regional Mobility, Rural Mobility, Special Needs, and Vanpool Investment Grants.

It is somewhat unclear whether the Governor has the authority to veto specific sentences within a given subsection or appropriation item in a budget bill. Article III, Section 12 of the Washington State Constitution is generally considered to limit the Governor’s veto authority to full subsections or provisos in an appropriation bill; however, at this time, it appears unlikely that a legal challenge will be sought to this veto. Efforts in the 2020 session to potentially address this issue may be expected.

Culvert Funding

The Governor’s proposed budget for fish passage barriers was \$275 million. This amount, in response to the US Supreme Court decision in the *US v Washington* case, was meant to be a down payment on future investments needed to comply with the Court’s 2030 deadline to address the state culvert issues. The Legislature, however, funded only \$100 million in the 2019-21 biennium. In response, the Governor took a somewhat unusual action, ordering WSDOT to begin the immediate ramp-up of culvert repairs around the state by redirecting money from five specific projects to this effort. “I am using budget flexibility provided by the legislature to increase culvert repair spending to \$275 million in the next biennium,” the Governor stated.

Five projects have been identified that will require approximately \$180-230 million less in appropriation in 2017-19.

Project	Appropriated	Projected	Difference
SR 520 Seattle Corridor Improvements - West End	\$214M	\$114-124M	\$90-100M
I-5 JBLM Corridor Improvements	\$152M	\$102-112M	\$40-50M
I-405/Renton to Bellevue - Corridor Widening	\$167M	\$127-137M	\$30-40M
I-5/Marvin Road/SR 510 Interchange	\$51M	\$31-41M	\$10-20M



US-12/Walla Walla Corridor Improvements	\$34M	\$14-24M	\$10-20M
	\$619M	\$492-552M	\$180-230M

The Governor is confident that this redirection of money will not impact the completion of these five projects, or any other projects approved under the 2015 Connecting Washington package.

Initiative 976 – \$30 Car Tabs

Campaign efforts will be gearing up soon regarding I-976. Initial reviews show statewide impacts of just under \$4 billion dollars in lost revenue over 10 years, with the state multimodal account losing \$2.8 million in revenue, ferries losing at least \$2 million per biennium, and the Washington State Patrol losing \$15 million in funding per year. Overall impacts on Transportation Benefit Districts are estimated at roughly \$60 million per year. Below is a summary of initiative.

- **Vehicle Weight Fees.** The annual fees of \$25 to \$72 based on the scale weight of motor vehicles, such as passenger cars, motorcycles, sports utility vehicles, tow trucks, and cabs, are repealed. The \$10 annual fee increase scheduled to go into effect July 1, 2022, is also repealed.
- **License Fee by Weight for Light Duty Trucks.** The annual weight fees for light duty trucks are lowered to \$30. The \$10 annual fee increase on light duty trucks scheduled to go into effect on July, 1, 2022 is not impacted by the initiative.
- **Commercial Trailer Registration Fee.** The initial registration fee for commercial trailers is lowered from \$34 to \$30. The renewal registration fee remains at \$30.
- **Snowmobile Registration Fee.** The initial and renewal registration fees for snowmobiles are lowered from \$50 to \$30.
- **Motor Home Vehicle Weight Fee.** The annual motor home vehicle weight fee of \$75 is repealed.
- **Electric Vehicle Fee.** The \$100 annual electric vehicle renewal fee is lowered to \$30. The \$50 annual fee is eliminated. Therefore, the additional renewal fee required for electric vehicles is effectively lowered from \$150 to \$30 per year.
- **Sales and Use Tax on Vehicles.** The additional 0.3 percent sales tax on vehicles enacted in 2003 is repealed. **Transportation Benefit District Vehicle Fees.** The authority for
- **Transportation Benefit District to impose a vehicle fee is repealed.**
- **Local Motor Vehicle Excise Tax for Passenger Ferry Service.** The authority of PTBAs with a boundary on the Puget Sound, to impose an MVET of up to 0.4 percent, is repealed.
- **Vehicle Valuation & Motor Vehicle Excise Tax.** The authority of Sound Transit to impose a MVET of 0.8 percent is conditionally repealed. The current vehicle valuation schedule for purposes of determining the MVET is conditionally repealed. The value of a vehicle for purposes of collecting an MVET and appealing vehicle valuation must be based on the Kelley Blue Book value.



- Retirement of Sound Transit Debt. To ensure the MVET is no longer imposed or collected, Sound Transit is directed to pay off any outstanding bonds issued with MVET as a pledged revenue source and if the contractual terms allow for early payment or refinancing.
- Contingent Effective Date Provisions. At the time Sound Transit pays off all outstanding MVET pledged to bond repayment, the authority to levy an MVET and the current vehicle valuation schedule are repealed. If this has not occurred by March 31, 2020, the authority of Sound Transit to impose a MVET is lowered from 0.8 percent to 0.2 percent.

Washington State Transit Association (WSTA)

The 2nd Quarter Board Meeting is scheduled for May 30-31 in Blaine at the Semiahmoo Resort.

The 43rd Public Transportation Conference, Vendor Expo, and State Rodeo Program is scheduled for August 16-20 at the Hilton DoubleTree Hotel in SeaTac. Information about the conference, including lodging and directions can be found on the Conference website at watransit.com. Event Key Dates include:

State Rodeo - August 16 - 18

State Rodeo Banquet - August 18

WSTA 3rd Quarter Board Meeting - August 19

Conference - August 19 - 20

Vendor Expo - August 19 - 20

Wall of Fame Banquet - August 20

Washington State Highway Users Federation (WHUF)

The WHUF Interim Briefing is tentatively scheduled for Tuesday, November 19, in Tacoma. While further details will be forthcoming, this annual event brings together transportation leaders from across the state and is likely to include presentations from House and Senate legislative leaders, a review of I-976 and its impacts (if it passes), and more.