

KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING MINUTES OF March 19, 2024

Board of Commissioners Present:

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

Erickson, Becky, Mayor, City of Poulsbo

Garrido, Charlotte, Kitsap County Commissioner

Mockler, Anna, Councilmember, City of Bremerton

Moriwaki, Clarence, Councilmember, City of Bainbridge Island

Putansuu, Robert, Mayor, City of Port Orchard, **Vice Chair** - *Absent*

Rolfes, Christine, Kitsap County Commissioner - *Virtual*

Stern, Ed, Councilmember, City of Poulsbo

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; Dennis Griffey, Vehicle and Facilities Maintenance Director; 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

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. Resolution No. 24-20, Award Seattle Environmental Study Contract

Executive Director Clauson stated that the resolution is asking for authority to award a contract to KPFF for the required environmental study of the three locations for a new passenger-only ferry terminal in Seattle. The Federal Transit Administration (FTA) required Kitsap Transit to include three possible locations for this project; selected locations are Pier 46, Pier 48, and Pier 57. Clauson shared that Kitsap Transit sent out the RFP and KPFF was the only submitter. Staff performed an evaluation of their qualifications and agreed they were fair and reasonable. Kitsap Transit did reach out to other potentials to find out why they did not submit a bid. Clauson stated that the

response was that KPFF is the resident expert and that a few of the potentials will be working as subs for KPFF.

Discussion:

Mayor Erickson stated that this is a \$5 million contract and asked if it is in the ferry budget.

Executive Director Clauson stated that it is in the Capital budget.

Mayor Erickson asked if Kitsap Transit's vision for the ferry terminal will be a Kitsap Transit-only terminal or are they talking about partnering with other interests. She stated that the ferry fix that just came out of the Legislature talked about passenger-only ferry and how to fund that. Mayor Erickson asked if Kitsap Transit will be having a conversation about partnering with people in a common terminal or whether that was premature question.

Executive Director Clauson stated that it is not a premature question and that he has had discussions with other interests and transit agencies. Clauson shared that the Federal Transit Administration (FTA) requires them to look at what Kitsap Transit's needs are for this project. He added that his vision for the project is to move forward, designing the facility for Kitsap Transit's needs but planning for it to be expandable in the future.

Mayor Erickson asked if Kitsap Transit anticipates King County in the venture.

Executive Director Clauson stated that Kitsap Transit has had discussions with King County on what their plans are for the future. They have ideas of what they want to do with their maintenance dock and existing docks. He shared that there will be more discussions in the future.

Councilmember Stern asked Executive Director Clauson for a review of how KPFF has been utilized in the past.

Executive Director Clauson shared that KPFF was the consultant that helped develop the original business plan that was taken to the voters. He stated that Kitsap Transit has used KPFF in several situations, most recent being getting Kitsap Transit in the current position with the Seattle waterfront. KPFF has helped Kitsap Transit in the process of locating the preferred location for this project and are the regional experts in water transportation.

Councilmember Moriwaki stated that the current Seattle facility is impressive; everything is together and accessible. He shared that it would be advantageous to have the passenger-only ferry terminal close by so it could be a one-stop for all water travel. He asked if Kitsap Transit's plan is to keep the two terminals together for passenger connectivity with the Seattle ferries.

Executive Director Clauson stated that there will be an area that will separate Pier 48 and Pier 50. The City of Seattle is developing an artificial beach on the water side and on the land side there will be a sidewalk connection. Clauson shared that the connection to other transportation options

in Seattle is of major interest. He added that Pier 48 is the preferred site location and that the connections to light rail, transit or other ferry services will be close by.

Councilmember Moriwaki asked if Des Moines and other locations were to partner with Kitsap Transit, would that involve a process of contracting and licensing? He asked if they should do this type of service and how would that work.

Executive Director Clauson shared that this would be dependent on the final design. He stated that there would more than likely be an interlocal agreement. Kitsap Transit and King County have a lease agreement to use their dock and contribute to common expenses. He added that those details have yet to be developed.

Councilmember Mockler stated that during the Bremerton Ferry Coalition meeting, there was a call to restore the 4:20 PM and 4:40 PM ferry routes and that there were constraints due to the needs of King County at their docks. She asked if Kitsap Transit will have complete flexibility with route times at all three locations.

Executive Director Clauson stated yes, and the idea of Kitsap Transit having its own terminal means they will not be restricted by others trying to use their floats. The vision is that Kitsap Transit would have its own floats and would be completely independent of impacts from others, other than vessels traveling in and out.

Councilmember Mockler asked for clarifications on what a "plan holder" is and to explain how the proposal deviated.

Executive Director Clauson stated that a plan holder is someone who has expressed interest in bidding and requests the specifics, so they know how to develop their price.

Service and Capital Development Director Steffani Lillie shared that the proposal deviated \$1.8 million more than the original cost analysis because circumstances changed from the start of this project. After conversations with the proposer, the cost was negotiated down and determined to be fair and reasonable.

Mayor Erickson shared that she envisioned this to be something like an airport with gate fees and services but is a ferry port with gate fees and services. She asked if there are going to be fares coming from all areas, and would there be a need to charge each jurisdiction for boat access and services. The responsibility of Kitsap Transit is to manage this in the most effective way possible. Mayor Erickson shared that she agrees the facility would need to be near the Washington State Ferry terminal and supports this action.

Executive Director Clauson stated that the goal is for the Federal Government to pay at least 80 percent of the cost. He shared that when they start talking to other government agencies who could take advantage of the Federal investment, they will protect their interests, looking at more of a shared investment.

Commissioner Walters shared that the new schedule with the highlighted ferry route that will go away has been very effective. She has had a couple of people reach out to her saying that they want the ferry to stay; there is a real community interest in this.

Executive Director Clauson shared that the reason for doing the schedule that way was to let the public know what they are paying for and what the State is paying for.

Councilmember Mockler shared that, at recent City Council and PSRC meetings, the consensus was to continue showing the voters exactly how much there is to lose.

Councilmember Stern stated that this discussion came up in their City Council meeting because of pulling back from the Sunday service. The public had quite a bit of commentary which was healthy and painful.

Councilmember Moriwaki moved and Councilmember Stern seconded the motion to adopt Resolution No. 24-20, authorizing staff to award a contract to KPFF Consulting Engineers, Inc. for the environmental phase of the Seattle Terminal environmental project for five million one hundred forty-seven thousand five hundred fifty-eight dollars (\$5,147,558).

Motion passed unanimously.

b. Climate Commitment Act Discussion

Executive Director Clauson shared that Kitsap Transit has done an internal analysis of what the impacts will be if the Climate Commitment Act (CCA) Initiative is successful. He stated that this is an example of why we do not want to put service on the road dependent on grant dollars. Grants are here today, gone tomorrow, and Kitsap Transit has not put service in place that is dependent on the CCA funds. Clauson shared that there will be an impact to transit if the initiative is successful, but they will continue moving forward with Sunday service. He stated that the impact will start showing up a few years out and they will have plenty of time and different options between now and then to adjust.

Executive Director Clauson stated that they will discuss the transit side of the ledger first. The reason for doing this separately from the ferry side is that Kitsap Transit must track ferry operations separately because of sales taxes and CCA funds received. Much of the funding is allocated to the transit side with a percentage going to the ferry operation.

Executive Director Clauson shared that Director of Finance Paul Shinnars created a five-year outlook using the 2023 budget and 2024 proposed budget to forecast the potential impact of the Climate Commitment Act Initiative passing. He stated that the five-year outlook is based on the assumptions of rate of operation growth and rate of sales tax growth.

Executive Director Clauson shared the following current information for transit:

- Climate Commitment Act funds received are \$10 million every biennium.
- Seventy percent is allocated to the transit operations.
- Thirty percent is allocated to the ferry operations.
- The minimum reserve amount declines but is not below the Board approved minimum reserve.

Executive Director Clauson shared the impact if the CCA Initiative is successful:

- The reserves in 2028 will be \$6 million, falling below the Board approved minimum reserve.
- The reserves in 2029 will be \$18 million, falling below the Board approved minimum reserve.
- Assumptions are that the cost of operations increases annually an average of 5 percent.
- Sales tax growth, on average; is 3.5 percent per year.
- Estimated cost of Sunday service annually for Routed operations is \$607,000 plus 180 hours per Sunday; ACCESS is \$797,000 plus 312 hours per Sunday.
- Possible solutions and options for consideration:
 - Better than expected sales tax growth that could make a difference.
 - Defer Capital projects that are 100 percent funded by local funding and have not started.
 - Offset local funding of Capital projects, releasing some portion of the \$11 million restricted Capital project reserve or \$5 million restricted fleet reserve.
 - Assume some degree of offset from potential overbudgeted operator hours.

Executive Director Clauson stated that Kitsap Transit will need to be cautious on how they grow the agency, taking into consideration future capital and service implementation. He added that they need to ask themselves what is needed right now.

Mayor Wheeler asked if, when Executive Director Clauson stated projected, he was referring to implementing Sunday service or the discussion about potential of adding evening service.

Executive Director Clauson shared that Sunday service and some of the pre-COVID restoration is included in the projection, but not much more than other services being implemented.

Mayor Erickson stated that she would prefer to trim the Capital program than cut transit services. She shared that it is harder to restart the services once they have been cut and for the riders to get back into the routine of riding transit.

Councilmember Moriwaki stated that, in the report, he read "Day and Poulsbo Park and Ride greater than \$1 million each" and asked what that means.

Executive Director Clauson shared that the \$1 million is the local contribution into those projects and could be deferred. It would still be on the project list but would be deferred to the future.

Councilmember Moriwaki shared that, when looking at deferring capital projects, Kitsap Transit should be monitoring what projects are capital opportunities. He added that the estimated cost

for phase one and phase three of Sunday service is the same amount and asked how that amount was determined.

Executive Director Clauson stated that they are implementing Sunday service based on demand versus a fixed route, so they won't send a bus out unless there is passenger that wants to take advantage of the service. Clauson shared that it is a projection on their part of what they anticipate the demand will be.

Councilmember Moriwaki stressed the importance of not deferring the Day Road project. He added that if it comes down to this project or service, service should prevail.

Executive Director Clauson stated that there are different levels of priority in the capital expenditures. He shared that he sees the highest priority as items that are "must haves" such as buses. The second priority are grant funded projects, by the state or other avenue. The lowest priority of capital expenditures are projects that are 100 percent funded by local dollars. Clauson stated that it would be great to have the training facility, but it wouldn't help their operation and could be postponed to sometime in the future. He added that the priority is sitting down to go over the capital projects to determine which ones are funded 100 percent locally and can be delayed.

Councilmember Stern shared that an option that is not listed in the projection is a voter-approved sales tax increase on the transit side. He stated that the voters could help make that decision and could approve a sales tax on the ferry side as well.

Executive Director Clauson stated that a voter-approved sales tax is an option. Kitsap Transit has one tenth of one percent remaining for the transit side and one tenth of one percent remaining for the ferry side. Other agencies have gone to the Legislature, have asked for and were given authority, based on voter approval, to go above that cap. He shared that the limit for transit is nine tenths; they are at one point two tenths, but were given authority to go three tenths beyond the cap. He added that the same can be done for the ferry side, depending on the community's interest. Clauson stated that the universal message he wanted to convey is that Kitsap Transit has time to strategically look at the path forward.

Commissioner Rolfes shared that the Commissioners have been approached for voter-approved tax increases for law enforcement, healthcare, conservation futures and now transit. She stated that they can't keep raising sales taxes. Rolfes added that Kitsap Transit has the reserves and the forecast to safely provide service for the next couple of years. She agreed that they should right size the budget and make significant adjustments if they need to after the initiative vote.

Executive Director Clauson shared that there are funds in the restricted reserves for capital and fleet. He cautioned that this is one-time dollars and not to be looked at as an ongoing source of revenue. The reserve funds are an option to be used if something catastrophic happened and the Board would make that decision.

Councilmember Stern asked if Kitsap Transit has a policy developed around one-time dollars for ongoing expenses.

Executive Director Clauson stated that there is no specific policy in place.

Councilmember Mockler shared that she supports fare-free bus services especially with the cost, maintenance and interactions with the fare boxes. She stated that she supports the call for service over capital and believes in hiring permanent substitutes to be ready when needed. She would like to have drivers ready so that the key routes are staffed and Sunday service becomes something that the community can rely on. Mockler shared that the community has communicated that routed service is not reliable.

Executive Director Clauson shared that there are challenges to reliability in service and that is operator shortages. He stated that, on any given day, approximately 30 percent of the work force is out on some type of leave with little advanced warning, leaving management scrambling to find operators. He shared that Kitsap Transit could hire operators to come in when needed but their response may be limited and routes may need to be shut down or consolidated. Clauson stated that he wants people to understand that they are aware of the issues with reliability and that they are working hard to hire and train more operators.

Councilmember Mockler stated that it will be helpful when the automated passenger counter is onboard reporting ridership data.

Mayor Wheeler asked if Executive Director Clauson has a conclusion to the topic. He stated that the Board had made the decision to pause this topic while more analysis is conducted and that Sunday service will be rolled out with an announcement by Kitsap Transit. Mayor Wheeler shared that, between now and November, each individual project will have a Kitsap Transit business and social equity lens added to it. He stated that the Board can decide to postpone this until there is certainty or continue with the two criteria of business and social equity.

Executive Director Clauson recommended continuing to move forward as planned and wait to see what the initiative does. In the event the initiative is successful, Kitsap Transit must be cautious today and with the future budget.

Executive Director Clauson brought up the topic of free fares, which is part of this money that Kitsap Transit receives from the State at \$5 million a year. The State reimburses the transit side for eliminating the fares for youth, 18 years and younger. If the CCA Initiative is successful, that reimbursement money will go away. He stated that the option to reinstate the fares is there if the Board is interested in doing that, and staff could start working towards that process. Clauson shared that he would not recommend reinstating the youth fares, but it is ultimately the Board's decision.

Mayor Wheeler stated that, compared to other potential equity issues, they might have to weigh against it, but believes that everything is on the table. He would not want to go backwards and

reinstitute the youth fares; it is an equity issue.

Executive Director Clauson shared that this is not something that needs to be decided right now, but it is an option to think about.

Executive Director Clauson continued, sharing the impact on the ferry system if the CCA Initiative is successful:

- Climate Commitment Act funds received are \$3 million every biennium and would go away.
- The reserves in 2028 and 2029 will be at a deficit, falling below the Board approved minimum reserve.
- Ferry system does not have same level of capital expenditures as the transit side.

Executive Director Clauson stated that, in addition to the CCA, they have been working on the ferry budget, projecting out 30 years anticipating when they will need to start replacing vessels. When the ferry operation started, the expectation was to obtain Federal grants for the equipment. When that didn't happen, they were able to use local bonds to purchase vessels. The local bonds will be paid off, presenting another option if the CCA funds are lost. Kitsap Transit purchased the boats about the same time and will need to replace them at the same time. He stated that the vessels need to be replaced at the end of their useful life, which is established by the Federal Government at 25 years. He shared that they have 20 years to plan for replacements and funding in the amount of \$137 million. He added that the process of purchasing new vessels requires starting 4 to 5 years in advance to plan for the design, bid, and build.

Executive Director Clauson shared that when the ferry operation started, the business plan envisioned three vessels: one for Southworth, one for Kingston and a third that would be a shared spare. Opportunities at the time allowed Kitsap Transit to purchase used boats, the *Finest* and *Solano*. The *Finest* will need to be replaced first. Going back to the original business plan of having two primary vessels and one spare shared between the two routes would allow them to sell the *Finest*. We would need to figure out when is a good time to sell the *Finest* while there is still value left. He added that this is an option that would take one of the capital demands off the list.

Mayor Erickson stated that this was why they were talking about Federal funding. Every ferry system in the United States is facing these kinds of numbers. She shared that if they lose ridership, it will be very difficult to get it back and that Kitsap Transit needs to have a second spare. This is a deficit of \$336 million and that local funding in the amount of a quarter of a million is not going to happen. Mayor Erickson stated that they need to start thinking about how to get the funding for the ferry system. The ferry discretionary fund was \$30 million, which is not nearly enough. Kitsap Transit needs to have Federal intervention if they are going to run the ferries. She shared that Kitsap Transit needs to take a trip to Washington DC, show the Feds the numbers and tell them that this is not going to work without Federal funding. She added that they cannot have vessels breaking and have no way to replace them.

Executive Director Clauson shared that Senator Cantwell will be proposing a bill that is going to

increase the funding available for the ferry system.

Mayor Erickson stated that government needs to see the ferry system like the highway system and have routine dollars available every year.

Executive Director Clauson shared that the Senator's Office reached out to Kitsap Transit about how the proposed bill would affect them and input was offered to her. He stated that the National Passenger Vessel Association has contributed to the Senator's Bill as well as another group in the Bay area showing interest in the Bill.

Councilmember Moriwaki asked where the vessel is in its lifespan.

Executive Director Clauson stated that in 2019, Kitsap Transit purchased the vessel used, refurbished it and received the Coast Guard certification, which is different on the East coast than on the West coast and required additional work to receive certification. Clauson stated that the vessel has performed well but we are at the point of either investing a lot of money into it for it to continue to operate or looking for a replacement.

Councilmember Mockler shared that a topic was raised at one of the ferry coalition meetings that the Bremerton/Seattle run is a marine highway and was formerly subsidized by the Department of Defense. She asked if any investigation into seeking funding from the Department of Defense had been done, especially because of the wake and lighter vessels. She mentioned that there is also the expansion plan by the shipyard to be considered.

Executive Director Clauson stated that the direct answer is no, Kitsap Transit has not approached the Department of Defense. He shared that the distinction between marine highway and water-bound public transit is that a vessel able to carry vehicles is considered part of the marine highway and eligible for gas tax dollars; the passenger-only ferry is considered water-bound public transit and not eligible. Clauson stated that he is uncertain of the linkage between Kitsap Transit operations and the shipyard other than a small percentage of shipyard employees that ride the ferry.

Executive Director Clauson shared that the past conversations regarding the fare increase for the passenger-only ferry program involved an increase to \$14 dollars in 2024 and, in a year, increase the fare to \$15 dollars. He stated that, considering the discussion with the ferry issues, he would recommend fares increase to \$15 dollars now, with the additional fare being used towards some of the challenges that they will have with the ferry operation. He added that he would rather increase the fares once rather than do it once and then come back and raise them again.

Mayor Erickson agreed with this recommendation.

Commissioner Walters asked when Kitsap Transit would implement the increased fares.

Executive Director Clauson shared that the fare increase would likely be at the start of next year.

He stated that between now and the end of this year, they will need to do the necessary analysis, public outreach, public hearing, and Board approval.

Mayor Erickson shared that she supports a one-time increase rather than increasing it two times. She stated that the public may come back annoyed that Kitsap Transit did not plan for this and wonder what we are doing.

Commissioner Walters shared that it would take time for families, but also businesses who pay for their employees, to budget for the increased fare.

Commissioner Rolfes stated that they need to think of the public or riders as Kitsap Transit customers and increasing fares from \$12 dollars to \$15 dollars is a significant increase. Most businesses wouldn't propose that big of a fare increase. She shared that she would rather have a conversation about how to phase this in and develop a schedule like Washington State Ferry does.

Executive Director Clauson stated that those are valid considerations and the issue of doing it once and waiting awhile to increase fares again is historically what Kitsap Transit has done. He shared that Kitsap Transit has not changed the fare since service was implemented in 2018. Clauson stated that there are several options to increasing the ferry fares.

Councilmember Mockler shared that she believes this will hit Bremerton hard and it should be a phased increase rather than an increase from \$12 dollars to \$15 dollars all at once.

Mayor Wheeler shared that when the fare increase is all at once the Board knows there is no going back and it is done. With the projected budget, they may need to go back to increase fares. Right now, they are trying to catch up and get back on a revenue cycle that might support operations, continuing at the current level of service and reliability.

Executive Director Clauson stated that he cannot foretell what future Boards will do going forward and that his recommendation would be to increase the fares to \$15 dollars and leave it for a while. He shared that he is not able to look at jurisdictional boundaries and what is good for each of them; he must look at the county wide operation and what is good for it.

Mayor Wheeler shared that this is similar to the two-boat discussion and that the Board wants to maintain the service level, routes, and reliability. He stated that the recommendation is two boats and the fare increase of \$3 dollars. The question is whether to get behind increasing the fares all at once and dealing with sticker shock versus doing it two times.

Councilmember Moriwaki asked for the percentages of the fare increase to be explained.

Executive Director Clauson stated that he does not have the percentages of the fare increases since the implementation of service in 2018. He shared that Washington State Ferries is doing another fare increase this fall and that Kitsap Transit fares will be less than their fares. Kitsap Transit's fare increase was initially proposed at \$14 dollars, which was in line with what Washington

State Ferries had done. To address the discrepancy between Washington State Ferries fares and Kitsap Transit fares, the amount was increased to \$15 dollars. Clauson stated that the \$15 dollar increase would be level with WSF.

Mayor Wheeler asked if they are comparing percentages to percentages.

Executive Director Clauson shared that the initial community outreach indicated the community would be willing to pay \$2 dollars more for a comparable commute and for the convenience of speed. WSF only collects fares in one direction; Kitsap Transit charges \$2 eastbound because WSF charges nothing for walk on. That is where Kitsap Transit charges for the convenience of speed. The return trip was \$8 dollars going westbound, so Kitsap Transit added \$2 making it \$10 westbound and \$12 roundtrip. Over the years, WSF has increased the cost to go westbound, but Kitsap Transit left the fare at \$2 dollars going eastbound.

Mayor Wheeler stated that it made sense seeing how Kitsap Transit is connected to WSF fares and how they do their fares. He shared that making the decision to hold off for 3 to 5 years or do the gradual increases, even if it is 30 cents a year, may be complicated but less impactful on passengers.

Executive Director Clauson stated that it would be a challenge and inconvenient for people if the increase was 50 cents. He shared that the idea was to base the fare increase on WSF fares when they do their next round of increases and follow them. If we increase to \$15 now, WSF will do their annual increases and Kitsap Transit will not respond with increases for a few years.

Mayor Erickson shared that the reality of the fares is that the levels of subsidies are huge, so it is almost not material. She stated that when Kitsap Transit first brought the boats on, she calculated a round-trip ticket was subsidized at \$47 dollars. Mayor Erickson shared that understanding this is an expensive operation and the fares don't come close to running the ferry operation, the conversation to have is how to keep the boats running. Kitsap Transit should be asking how they will handle the subsidy in the future and where is the capital going to come from with five years before replacement vessels are needed. She added that Kitsap Transit needs to find sustainable funding sources for this process.

Mayor Wheeler stated that the extra \$2 million goes into the replacement fund and gets Kitsap Transit started building that account.

Executive Director Clauson stated that it is a small amount and suggested taking that extra amount and putting it away.

Councilmember Moriwaki stated that there is Federal funding for buses and there is no Federal funding for ferries because they are not car haulers. He shared that he views the buses and ferries as transportation, keeping cars and people off the road. He suggested to possibly amend the definition so that the passenger ferry would be eligible for Federal funding.

Executive Director Clauson stated that he didn't want to have his statement misunderstood. He shared that Councilmember Mockler had asked about the Defense Department dollars; these boats are eligible for Federal funding, not Defense Department funding. He stated that Federal funding is building the new electric boat along with State dollars. There is still time to apply for Federal grants, and Senator Cantwell's bill will hopefully generate more Federal dollars. He added that Kitsap Transit does not get State gas tax for the passenger-only ferry.

Mayor Wheeler shared that there are two ways off the peninsula, one bridge and through Gorst. He stated that Kitsap County is one natural disaster away from being isolated except for Kitsap Transit and the state ferry system. He shared that they don't want to lose sight of the redundancy of being able to get goods and people off the peninsula. If the two exits are lost Kitsap County is stranded.

Executive Director Clauson stated that he had heard a lot of comments on the fares but is still unsure of the direction the Board would like to take. He asked the Board for direction on whether they want the \$15 dollar fare at one time or the \$14 dollar fare with an increase the following year. Clauson stated that the fare would not be implemented at this time but that their decision allows Kitsap Transit to move forward with the proposed increase. He shared that they would take the proposed increase and perform the evaluation of community impact and the Title VI analysis. Kitsap Transit would reach out to the community, schedule the public hearing and the Board would then officially rule on it.

Councilmember Stern stated that he recommends the \$15 fare with the understanding that the public has been well versed in the effects of inflation, personally and broadly, the last two years.

Commissioner Walters shared that she does not want to leave this for a longer period and would like to have a more predictive schedule. She stated that she would recommend \$14 fare or less.

Commissioner Garrido shared that there should be some sort of public discourse about the fares.

Executive Director Clauson stated that it would be more challenging if the increase were \$14 and at the end of the public hearing the Board decided to go with the \$15 fare. He shared that it is much easier at the public hearing to go down to \$14 fares than it is to go up to the \$15 fare.

Commissioner Rolfes stated that when the Board had this conversation before, there was a compromise on the phased in approach; Kitsap Transit would have the public hearing and then not revisit fare increases until 2027.

Executive Director Clauson shared that was the decision, Kitsap Transit did do the analysis which is what was presented today. He stated that the Board can do a public hearing and can propose to increase fares to \$14, but they still need to tell the community what the proposed fare increase is, when the increase will take place and if there is going to be an incremental increase in the future.

Mayor Erickson moved and Councilmember Mockler seconded the motion to direct Kitsap Transit staff to raise the ferry fares to \$14 in 2025 and then to \$15 in 2026.

Discussion:

Mayor Wheeler asked if Kitsap Transit can set up a structured schedule for future fare increases. A structured schedule would provide transparency and predictability for customers on when the fares will increase.

Executive Director Clauson shared that Kitsap Transit would come to the Board with a proposal or schedule that is separate from this action.

Commissioner Garrido asked if there would be an opportunity for the public to respond to the proposed fare increase.

Executive Director Clauson stated yes, Kitsap Transit must take this to the community, do their analysis and then hold a public hearing before the Board can approve the fare policy.

Motion passed unanimously.

c. Ferry Charters

Not presented due to lack of time.

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:

None at this time.

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

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 3rd day of September, 2024.

Attest:

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

Signed by:
Greg Wheeler
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Greg Wheeler, Chairperson