

RESOLUTION NO. 24-79

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS APPROVING A RESTRICTED FUEL STABILIZATION RESERVE FOR THE FERRY FUND

WHEREAS, the Board of Commissioners adopted Resolution No. 15-81 at its regular meeting on December 1, 2015, establishing a restricted fuel stabilization reserve for the Transit Fund; and

WHEREAS, the primary objective of the fuel stabilization reserve is to mitigate the risk of fuel price volatility and adding greater certainty to Kitsap Transit's budgeted annual cost of fuel; and

WHEREAS, the Marine Services operations consumes in excess of one million (\$1,000,000) gallons of fuel annually and is especially vulnerable to volatility in fuel pricing; and

WHEREAS, establishing a similar fuel stabilization reserve for the Ferry Fund would help mitigate some of the risk of fuel price volatility; and

WHEREAS, staff recommends that a restricted fuel stabilization fund is established for the Ferry Fund that mirrors the restricted fuel stabilization reserve of the Transit Fund whereby funds are either added to or drawn from the fuel stabilization reserve at the end of each year based on the actual cost of fuel as compared to the budget; and

WHEREAS, the policy will cap the balance of the fuel stabilization reserve at twice the most recent calendar year fuel expenditure; and

WHEREAS, staff recommends that the fuel stabilization reserve for the Ferry Fund becomes effective for the 2024 calendar year and would result in initial funding to the reserve of approximately four hundred thousand dollars (\$400,000).

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorizes a restricted fuel stabilization reserve for the Ferry Fund effective for the 2024 calendar year to mitigate the risk of fuel price volatility as presented in this resolution.

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

Signed by:

Greg Wheeler

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Greg Wheeler, Chairperson

ATTEST:

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Jackie Bidon

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Jackie Bidon, Clerk of the Board