

MINUTES
LINK TRANSIT BOARD OF DIRECTORS

Feb. 21, 2023

3:00 p.m.

Columbia Station 3rd Floor, 300 South Columbia Street, Wenatchee, WA

ATTENDANCE

Board members attending in person: Chair Marc Straub, Kevin Overbay, Randy Agnew, Bob Goedde, Mark Kulaas, Anne Hessburg, Clay Brandenburg, Jim Fletcher, Rob Tidd, Tiffany Gering, Paul Parmley.

Board members attending through ZOOM on-line internet program: Joyce Huber

Link Transit Staff: Richard DeRock, Nick Covey, Howard Johnson, Lynn Bourton, Brenda Lamb, Justin Brockwell, Samantha Miller, Cristina Barone, Rudy Espinoza, Gabby Walker, Julie Shipman, Jessica Huerta and Selina Danko

Legal Counsel: Erin McCool

Absent / Excused: Kyle Steinburg

1. CALL TO ORDER

Chair Marc Straub called the meeting to order at 3 p.m. A quorum was established with 11 board members present at that time.

Agenda amendments:

- Chair Straub indicated that the board would adjourn into a closed session from 4 to 4:30 pm to discuss labor matters to take advantage of the availability of labor attorney John Lee (This is referenced as Item 8.3 on the original agenda).
- Following the closed session, the board will reconvene in open session before the scheduled executive session to discuss items 8.1 and 8.2 (potential litigation and the evaluation of the General Manager/CEO..
- The board will reconvene in open session following the executive session to adjourn the meeting.

BOARD ACTION:

Clay Brandenburg motioned to approve the agenda with the amendment of the closed session timing and executive session procedure. Rob Tidd seconded the motion.

VOTE: All in favor with 11 voting members present for this vote.

Motion carried unanimously

2. DECLARATION OF CONFLICT OF INTEREST WITH AGENDA ITEMS

General Manager Richard DeRock explained that the placement of this agenda item was to remind board members of their responsibility to announce conflict of interests with any agenda items. There were no declarations of conflict of interest with agenda items from board members.

3. PUBLIC COMMENT ON NON-AGENDA ITEMS

Paul Schmidt of Wenatchee addressed the board with questions regarding the purchase of new electric buses and battery temperature control issues. He was told that those questions would be addressed later in the meeting.

Schmidt requested that Link Transit provide to him in writing information regarding the cost of putting Link Transit's sales tax increase initiative on the general vs. the primary election ballot. He also wanted to know the actual cost to Link Transit of having the ballot initiative placed on the ballot and the difference of cost between running the election in the primary election versus the general election. Schmidt indicated a response via email would be fine and agreed to leave his contact information with the board clerk.

4. CONSENT AGENDA

The following Consent Agenda items were submitted for approval:

4.1 Minutes of the January 17, 2023 board meeting

4.2 Accounts Payable Vouchers from January 2023 totaling \$1,995,665.20

Payroll Vouchers from January 2023, totaling \$690,808.51.

Board Action:

There were no requests for corrections or changes to any of the Consent Agenda items.

Jim Fletcher moved to approve all Consent Agenda business items as presented.

Kevin Overbay seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

5. BOARD ADMINISTRATION & COMMUNICATIONS

5.1 Star Performers Rudy Espinoza and Trisha Chang were recognized for their outstanding service. Star Performer winners demonstrate their commitment to Link's principles of guest service, safety, efficiency, innovation and teamwork. They are nominated twice a year by fellow Link Transit employees. Winners are given the opportunity to attend and represent Link Transit at the annual State Transportation Conference's "Wall of Fame" recognition event.

5.2 Board members were asked to comment on the best way to deliver board packet information. All were interested in exploring the idea of having an indexed electronic copy available as a reference during meetings. Most agreed that an email with a web

site link or email with an attachment was sufficient and there was not a need to send the entire packet through the U.S. Postal Service. The following additional requests were made:

- Joyce Huber would like to continue to have a packet mailed to her
- Randy Agnew would like a printed copy of the board packet available for board meetings

5.3 March 23 long-term planning workshop: General Manager Richard DeRock reported that this workshop is necessary for the board to understand the implications of whether or not to collect, delay or repeal the implementation of the second tenth of a phased two-tenth-of-a-cent voter-approved sales tax increase. The timing of the workshop allows the board time to consider before a potential vote on the issue in April. Delay or repeal could impact Link Transit's ability to qualify for state grants. Legal Counsel Erin McCool said it was likely a delay was possible without penalty, but that she had not reached out to the state Attorney General's Office for a formal opinion. The board consensus was to not ask for a formal Attorney General opinion at this time, but to rely on Link legal council's opinion that a delay to collect the second tenth is possible without significant risk of litigation.

5.4 General Manager's Report

GM Richard DeRock reported on the achievement of 2023 System Performance Goals and proposed 2023 System Performance Goals:

2022 System Performance Goals Report		
Goal type	Standard	Actual
Ridership	876,000	932,889 (13.2 % increase)
Cost Per Hour	Less than \$148.67	\$147.17 (1.1 % better than goal)
Complaints	Less than 90 service complaints for the year	79 received
Class I or higher preventable collisions and incidents	Less than 9	21 – GOAL NOT ACHIEVED

Development of 2023 goals:

2023 Proposed System Performance Goals		
Goal type	Standard	Explanation
Ridership	979,533	Represents a 5 % increase
Cost Per Hour	Less than \$161.18	Less than budgeted cost

Complaints	Less than 90 service complaints for the year	This is the same goal even though ridership is expected to be higher
Class I or higher preventable collisions and incidents	Less than 12	The proposed goal would be a 75 percent improvement from 2022

Energy storage options: DeRock reported observing an energy storage option offered by Ebusco in the Netherlands at a cost of \$1 million for 3 kilowatts of energy. This is a third of the cost of other options Link Transit has explored. DeRock stated that the board may see a proposal from staff to pursue this option for energy storage in the future as it would enable bus charging to occur outside of peak utility use time and result in significant cost savings.

6. DISCUSSION/ACTION ITEMS

6.1 Approval of 2023 Service Achievement Goals (Resolution 2023-05)

Information regarding the development of these goals and the staff recommendation is shared in the General Manager's report and referenced above as "2023 Proposed System Performance Goals." Union representative Paul Parmley asked if Link staff have information regarding how Link compares in accidents to other agencies of similar size. DeRock stated that Link Transit receives a report from the WSTA Insurance Pool, but the report for this year has not yet been issued. For many years, DeRock added, Link Transit was on the "needs improvement" list in terms of at-fault accidents and he suspects Link will be back on that list in the next report. He indicated that the report and how Link compares will be shared with the board.

Board Action:

Randy Agnew moved to approve the 2023 Service Achievement Goals as presented in Resolution 2023-05.

Anne Hessburg seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

6.2 New Updated Purchasing Policies (Resolution 2023-04)

Link Transit contract specialist Samantha Miller presented the new policy. Link transit worked with a consultant from Whatcom Transit to update the proposed Link Transit procurement policies. Highlights of the new procurement policy include:

New Purchasing Thresholds (Pre-Tax)

- 0-\$3,500 – Micro Purchase
- \$3,500-\$100,000 – Small Purchase
- Above \$100,000 – Formal Procurement

This gives staff more flexibility in purchasing items necessary for Link Transit service delivery.

Board Action:

Rob Tidd moved to adopt Resolution 2023-04 adopting new Link Transit Procurement Policies which are consistent with current federal and state regulations.

Clay Brandenburg seconded the motion.

Discussion: Randy Agnew asked that if the motion then implies approval of the 2023-04 reference of the new purchasing thresholds or if the thresholds would actually be higher as allowed by state and federal guidelines. Staff reported that the thresholds could legally be higher, but in the interest of transparency, staff were comfortable with the lower thresholds referenced in Resolution 2023-04 and in the proposed purchasing policy.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

6.3 Management Incentive Program replacing or affirming the one-year modification regarding fare recovery measures (Resolution 2023-03)

Staff is recommending the approval of Resolution 2023-03 which replaces the fare recovery measurement standard in the Link Transit gain-sharing program for executive management staff. Link Transit is now a zero-fare organization, making the measurement standard of fare collection obsolete. The board has approved this change on a temporary basis. Resolution 2023-03 formalizes the practice of measuring executive performance based on the achievement of the agency's annual performance goals (Resolution 2023-05).

Board Action:

Jim Fletcher moved to adopt Resolution 2023-03 rescinding Resolutions 2006-10 and 2021-07 to establish a more current gain sharing program for Link Transit's executive management staff.

Rob Tidd seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

6.4a Interlocal Agreement between Link Transit and the Washington State Department of Transportation to pay for a portion of a Highway 2 and Empire Avenue Roundabout Study.

WSDOT is developing a roundabout feasibility study per request of the Chelan-Douglas Transportation Council and Link Transit on Highway 2 and Empire Avenue for a total of \$39,027. Under this agreement, Link Transit's share would be \$10,000. Completion of

the roundabout will allow Link transit to serve East Wenatchee more safely and efficiently by using a new access to Empire Avenue and eliminating the need to use Sunset Highway.

Board Action:

Jim Fletcher moved to allow Link Transit staff to enter in to an Interlocal agreement with the Washington Department of Transportation in which Link Transit will pay \$10,000 toward the completion of a Highway 2 and Empire Avenue Roundabout Study.

Rob Tidd seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

6.4b Interlocal Agreement between Link Transit and the Washington State Department of Transportation allowing Link Transit to fund the construction of bus pullouts at the Easy Street Roundabout at a price not to exceed the lowest bid amount of \$169,595.09.

The Interlocal agreement allows Link Transit to build bus pullout lanes on the east side of the roundabout at the intersection of Easy Street and Highway 2. The lowest bid came in at \$169,595.09 – less than the \$185,432 budgeted amount.

Board Action:

Mark Kulaas moved to allow Link Transit staff to enter in to an Interlocal agreement with the Washington Department of Transportation in which Link Transit will pay for the construction of bus pullouts at the Easy Street Roundabout at a cost not to exceed \$169,595.09.

Anne Hessburg seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

4 pm Closed Session to discuss labor matters

Mark Kulaas made a motion for the board to convene into closed session for a time not exceed 30 minutes. He noted for the record that legal council would be joining the closed session.

Clay Brandenburg seconded the motion.

VOTE: All in favor with 11 voting board members present for this vote.

Motion Carried Unanimously

The Board reconvened into regular session at 4:30 pm.

6.5 Purchase of three facility trucks

Included in the 2023 Capital Budget is the replacement of two 13-year-old Chevrolet maintenance trucks and the addition of one more truck for plowing and facility maintenance. These purchases would normally be made off of the Washington State Multi-Agency Contract. However, no heavy duty pickups are available and a check with dealers across the state indicate that fleet purchase is not currently available and vehicle allotments are committed.

Due to the unavailability of vehicles, staff is requesting the board waive the formal solicitation requirement of Link's purchasing policy and allow a sole-source purchase of three (3) Ford trucks: (1) F250 club cab single axel, (1) F350 dual axel club cab and a F450 cab and chassis from Pat Armstrong Ford at a cost not to exceed \$179,500 plus tax.

Board Action:

Jim Fletcher moved to waive Link Transit's formal solicitation requirement of Link's purchasing policy to allow a sole-source purchase of three Ford trucks at a cost not to exceed \$179,500 and applicable tax.

Kevin Overbay seconded the motion.

VOTE: All in favor with 10 voting board members present for this vote.

Motion Carried Unanimously

6.6 Approval in change of title for executive

With the upcoming retirement of Richard DeRock, consultants engaged in the recruitment process for his replacement have suggested changing the title of the position of General Manager to that of Chief Executive Officer (CEO). The purpose of this change is to encourage a broad amount of interest from candidates with upper management level backgrounds. The budgeted amount for this position is \$160,000. A salary study completed by the consultant (Prothman) indicates an appropriate range of \$175,000 to \$200,000. Staff anticipate absorbing any additional costs in the current budget without a negative impact. DeRock pointed out that this is a minor change since the bylaws already indicate that the Link Transit general manager serves as the agency's Chief Executive Officer. If necessary, staff will bring a resolution to the board in March to formalize the title change.

Board Action:

The board consensus was to support this title change.

7. STAFF REPORTS In the interest of time, staff reports were contained in the board packet, but not verbally presented.

7.1 Monthly Financial Report (provided in packet)

2022 Sales Tax:

◆ January 2023 sales tax (<i>earned in the month of November 2022</i>)	\$	1,838,296
◆ Over budgeted amount for the month by 7.7%	\$	131,559
◆ YTD sales tax collection	\$	21,579,072
◆ YTD budget amount	\$	16,486,809
◆ Over YTD budgeted amount by 30.9%	\$	5,092,263
◆ Last year's YTD sales tax amount	\$	19,491,227
◆ Over last year's YTD sales tax amount by 10.7%	\$	2,087,845

2023 Operating Budget-to-Actual:

◆ Budget year elapsed = 8%	\$	2,095,361
◆ Operating budget spent = 7%	\$	<u>1,774,374</u>
◆ <Over> Under Budgeted Amount	\$	320,987

2023 Capital:

◆ (3) Three Ride Share Vehicles	\$	124,923
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Cash Accounts:

◆ Cash w/Treasurer – 2023 under 2022	\$	(4,080,825)
◆ Investments – 2023 under 2022	\$	(1,011,809)
◆ Contingencies Reserve – 2023 over 2022	\$	1,591,667
◆ Vehicle Reserves – 2023 over 2022	\$	1,920,971
◆ FTA Vehicle Reserves – 2023 under 2022	\$	(17,061)
◆ Facility/Equipment Reserves – 2023 over 2022	\$	6,103,688
◆ Sales Tax Refund Reserve – 2023 over 2022	\$	916,666

7.2 Monthly Human Resources Report (provided in packet)

Information shared in this report is designed to keep the Board of Directors informed regarding Link Transit hiring status, open positions and hiring and retention strategies employed by the Administrative Services Department of the agency.

Link Transit's current budget calls for 103 coach operators

Despite this, the agency has just 83 coach operators and 81 available to work.

Link Transit is employing the following strategies to retain and attract employees:

- Advertising (TV, billboard, radio, newspaper, social media)
- Employee referral bonus
- Retention bonus

7.3 Monthly Capital Projects Report (Provided in packet)

Link Transit has several capital projects planned for 2023 and beyond. Staff will report monthly to the board of the status of these projects in order for the board to make informed financial decisions related to these projects. Projects include: BYD electric bus orders, purchasing of additional electric buses, East Wenatchee Park & Ride, Easy Street Roundabout pullouts, Empire Avenue and Highway 2 Roundabout feasibility study and a redesign of the Link Transit operations facility.

7.4 Planned Service Changes for April 2023 (this report was delivered verbally with a Power Point presentation to the board by Planning and Development Manager Cristina Barone.

Service adjustments for April 2023 are minor and should have minimal impact on riders. The major focus of the current changes are schedule adjustments to improve reliability. Routes 3, 7 & 9 will be improved to provide 30-minute weekday service. The Route 1S will serve the Boodry Street area and two new stops are planned for the Inbound Route 1S including one stop at Beuzer and Wenatchee Ave. The Route 3 Saddle Rock Trailhead stop will be converted to "on call" and a call box will be installed. Limited electric vehicle testing is planned for Route 22 and the Route 22S shuttle will be eliminated.

7.5 Rideshare update (provided in packet)

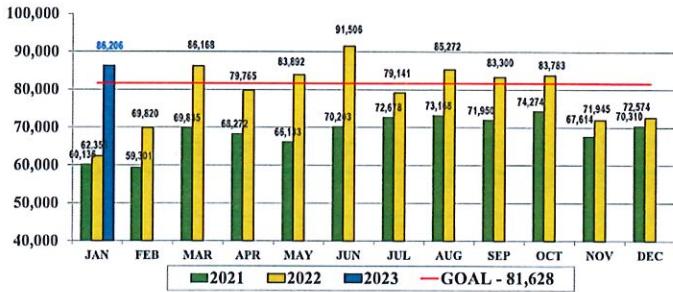
Link Transit's Rideshare program launched in February of 2023 with three Honda Odyssey vehicles destined for Chief Joseph Dam. Eleven individuals are using the service and 22 individuals are pending. Active outreach is ongoing to determine additional Rideshare demands and vehicle needs.

7.6 System Performance Report (Provided in packet)

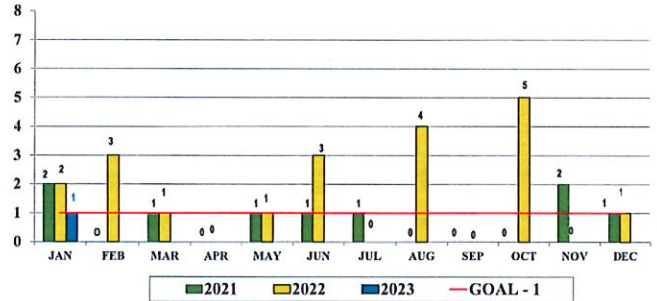
This report provides an overview of how the System performed during January of 2023, which is reflective of how the Agency is meeting the annual performance goals that were developed through the annual budgeting process and formally adopted by Board.

System Performance January 2023

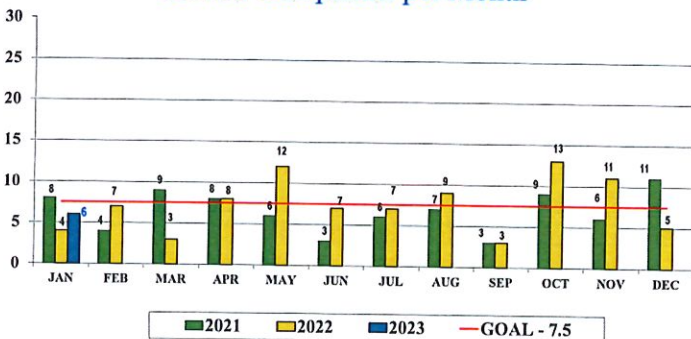
Total Boardings



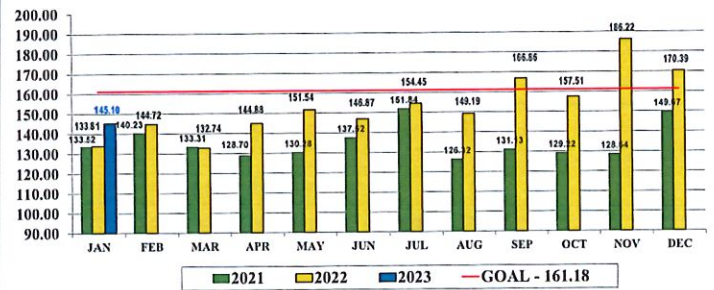
Class 1 or Higher Preventable Collisions & Incidents



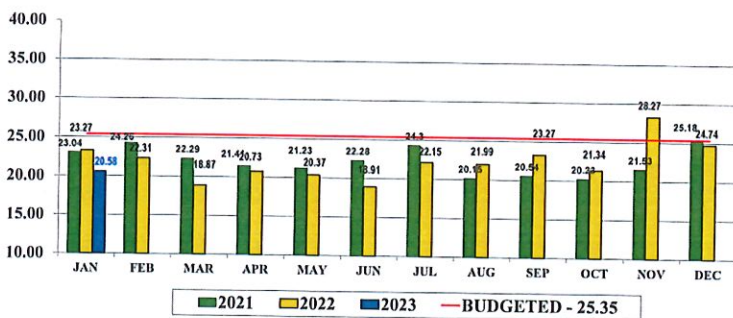
Combined Fixed & Paratransit Service Complaints per Month



Combined Fixed & Paratransit Cost per Service Hour



Combined Fixed & Paratransit Cost per Boarding



8. EXECUTIVE SESSION the board convened in executive session for a period not to exceed 15 minutes to consider potential litigation and the annual evaluation of Link's General Manager (RCW 42.30.110 (1) (i); RCW 42.30.110(1)(g))

Board Action:

Randy Agnew moved to convene into an executive session for approximately 15 minutes to discuss potential litigation and the annual evaluation of Link’s General Manager.

Rob Tidd seconded the motion.

VOTE: All in favor with 10 voting members and 1 non-voting member present for this vote.

Motion Carried Unanimously

Executive Session began at 5 p.m. and ended at 5:15 p.m.

9. The meeting was reconvened into open public session and then the Board took the following actions:

Board Action:

Randy Agnew moved to raise the base salary of the General Manager/CEO to \$25,000 above the second-highest staff member salary. Tiffany Gering seconded the motion.

VOTE: All in favor with 10 voting members and one non-voting member present for this vote.

Motion Carried Unanimously

10. MEETING ADJOURNMENT

All business listed on the Agenda had been addressed and with no further business to conduct, Chair Straub adjourned the meeting at 5:37 p.m.

Minutes Submitted by *Selina C. Danko*

Selina Danko, Clerk of the Board

