



MEMORANDUM

TO: The Kitsap Transit Board of Commissioners
DATE: January 2, 2018
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 Shinnars, 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 January 2, 2018 the Board, by a (unanimous/majority) vote, does approve the following warrants and payments for the period November 1, 2017 through November 30, 2017:

- Warrant numbers transit fund 143214 to 143610 of \$1,933,727
- Warrant numbers ferry fund 600378 to 600431 of \$781,267
- Payroll transfers of \$1,518,382
- ACH clearing account payments of \$29,169

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 2nd day of January 2018.

Robert Gelder, Chair

ATTEST:

Jill A. Boltz, MMC
Clerk of Board



Board of Commissioners Agenda Summary

MEETING DATE: January 02, 2018

AGENDA ITEM: Resolution No. 18-01, 1st Quarter Approval of Capital and Operating Procurements

SUBMITTED BY: Paul Shinnors

TITLE: Director

DEPARTMENT: Finance

**EXHIBITS/
ATTACHMENTS:** Resolution No. 18-01

BUDGETARY IMPACT *(if applicable)*

BUDGETED: _____

EXPENDITURE REQUIRED: _____

FUNDING SOURCE: Capital/Operating

REVIEWED BY: Executive Director

MEETING DATE: _____

RECOMMENDATION: Approve

COMMENTS:

**SUMMARY
STATEMENT**

In order to improve Kitsap Transit's procurement processes, we are requesting permission to go to bid for the projects/procurements listed in the attached resolution for the first quarter of 2018. All projects included on the list are in the approved capital and/or operations budget for 2018 and the awards for these projects will be brought forth to the Kitsap Transit Board of Commissioners for final approval.

**RECOMMENDED
ACTION/MOTION:**

MOTION: Move to Adopt Resolution No. 18-01, authorizing staff to go to bid for the items listed in the first quarter procurement list.

RESOLUTION NO. 18-01

A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS AUTHORIZING STAFF TO ADVERTISE AND SEEK BIDS FOR PROJECTS AND PROCUREMENTS DURING THE FIRST QUARTER OF 2018

WHEREAS, in an effort to streamline and expedite procurement processes, staff proposed a method for providing a list of quarterly procurements for Board approval; and

WHEREAS, the Board concurred that a quarterly procurement approval process will allow staff to work within construction windows, publishing and notification deadlines, and schedule for bid openings with greater flexibility; and

WHEREAS, a list of procurements will be submitted to the Board for review and approval through a single resolution on a quarterly basis; and

WHEREAS, all procurements are contained within the 2018 Capital and Operating Budgets as approved by the Board of Commissioners through Resolution No. 17-75; and

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

WHEREAS, staff is requesting permission to seek bids for the following procurement project during the 1st quarter of 2018:

- Bus Tires,
- Kingston Back Up Vessel Lease,
- Wheaton Way Transfer Center Construction,
- Mobile Column Lifts,
- Harborside Building Pressure Washing,
- RP1 Security Cameras,
- Park and Ride IP Cameras,
- Passenger Tenting System,
- Ambassador Office on B Float,
- Underwater Diving Services,
- Keycard System Replacement

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners hereby authorizes staff to go to bid for the item listed in the third quarter procurement list.

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting held on the 2nd day of January, 2018.

Robert Gelder, Chairperson

ATTEST:

Jill A. Boltz, MMC
Clerk of the Board

DRAFT



Board of Commissioners Agenda Summary

MEETING DATE: January 02, 2018

AGENDA ITEM: Resolution No. 18-02, Approving the 2018 WSTIP Insurance Premium

SUBMITTED BY: Paul Shinnors

TITLE: Finance Director

DEPARTMENT: Finance

**EXHIBITS/
ATTACHMENTS:**

Resolution No. 18-02 Exhibit A: Kitsap Transit Insurance Coverage Summary - 2018

BUDGETARY IMPACT *(if applicable)*

BUDGETED: \$910,000.00

EXPENDITURE REQUIRED: \$903,307.00

FUNDING SOURCE: Operating

REVIEWED BY: Executive Director

MEETING DATE: _____

RECOMMENDATION: Approve

COMMENTS:

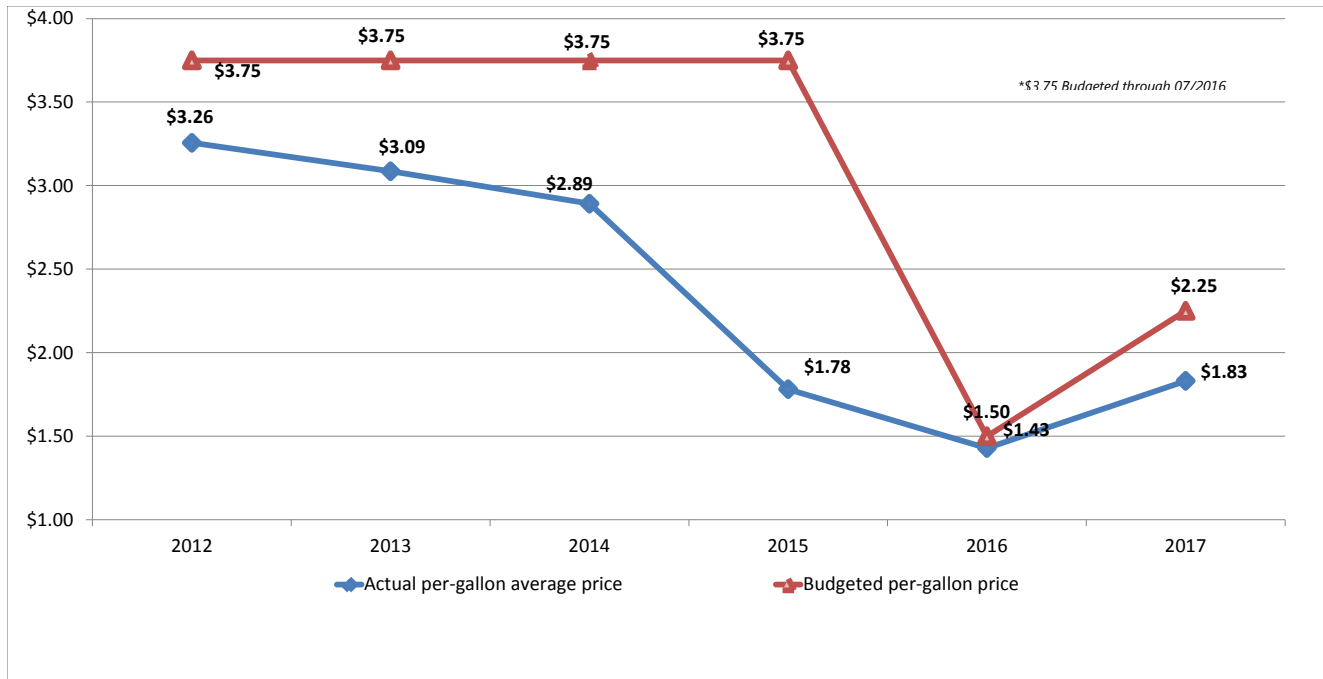
**SUMMARY
STATEMENT**

<p>This resolution approves the 2018 annual Liability and property insurance premium placed with the Washington State Insurance Pool (WSTIP). The policy period is January 2018 through December 2018. The 2018 annual premium reflects an increase of approximately \$37,000, or approximately 4.3%, as compared to the 2017 WSTIP premium. This premium does not include coverage for Kitsap Transit marine operations and facilities. Kitsap Transit insures marine operations and facilities with commercial insurance policies separate from its WSTIP policies due to WSTIP's marine exclusions.</p>
--

**RECOMMENDED
ACTION/MOTION:**

<p>MOTION: Move to Adopt Resolution No. 18-02, approving the 2018 annual liability and property insurance premium.</p>
--

Kitsap Transit Diesel Costs Updated through December 2017



Per-gallon average price	2012	2013	2014	2015	2016	2017
January	\$3.09	\$3.01	\$2.93	\$1.61	\$1.05	\$1.78
February	\$3.33	\$3.29	\$2.99	\$1.90	\$1.04	\$1.75
March	\$3.60	\$3.10	\$3.05	\$1.89	\$1.15	\$1.64
April	\$3.66	\$3.10	\$3.04	\$1.86	\$1.16	\$1.78
May	\$3.44	\$3.13	\$3.07	\$2.19	\$1.57	\$1.70
June	\$2.79	\$2.98	\$3.10	\$2.24	\$1.76	\$1.58
July	\$2.99	\$3.10	\$2.98	\$1.97	\$1.59	\$1.61
August	\$3.36	\$3.11	\$3.03	\$1.63	\$1.45	\$1.81
September	\$3.37	\$3.13	\$3.03	\$1.65	\$1.52	\$2.12
October	\$3.29	\$3.16	\$2.75	\$1.60	\$1.61	\$2.04
November	\$3.21	\$2.95	\$2.64	\$1.62	\$1.63	\$2.20
December	\$2.94	\$2.97	\$2.09	\$1.22	\$1.62	\$1.96
Monthly Avg. Cost YTD	\$ 3.26	\$ 3.09	\$ 2.89	\$ 1.78	\$ 1.43	\$ 1.83
Budgeted Per-Gallon Price	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 1.50	\$ 2.25

PROPANE	July	August	September	October	November	December
Propane Average Cost YTD:	\$0.94	\$0.94	\$0.95	\$0.98	\$1.00	\$1.02
Propane Average Cost MTD:	\$0.81	\$0.96	\$1.03	\$1.17	\$1.20	\$1.22
2017 Budgeted Per-Gallon Price	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65



Memorandum

60 Washington Ave., Suite 200, Bremerton, WA 98312 | P 360.478.6931 | F 360.377.7086

To: John Clauson
From: Steffani Lillie
Date: December 27, 2017
Re: Silverdale Transit Center

The Silverdale Transit Center project is short on funding due to the increased amounts of the appraisals. This memo is to explain the options and the choices that need to be made regarding this project.

Project shortfall is \$8,684,067

Secured funding (less match) is \$10,776,631 through Regional Mobility Grants and Federal Grants.

KT has to determine how to proceed with processing the funding as a first step of moving forward on the project.

Regional Mobility Grant obligation has already been delayed and KT must obligate the funds no later than March 1, 2018 to keep them (although the State would prefer an earlier execution). The federal funds have already been obligated to the project.

The subsequent pages are the financial story for the current project and the identified strategies to move forward as well as a potential segment phasing. A phasing schedule could be completed upon determination of funding timelines as what can be done will be determined based on when funds are available.

**SILVERDALE TRANSIT CENTER
PRELIMINARY COST ESTIMATE**

Right-of-Way (ROW)			
Parcel Number	Acres	Owner	Amount
162501-4-102-2007	7.90	CHI (Harrison)	\$2,455,000
152501-3-089-2007	0.68	Sound West Holdings	\$700,000
152501-3-088-2008	0.66	Arnold	\$1,400,000
152501-3-016-2005	1.19	Sound West Holdings	\$1,050,000
162501-4-067-2000	0.02	Silverdale Water District	\$22,575
Total	10.45	Subtotal	\$5,627,575
Construction			
Sid Uhinck Drive Realignment			\$2,346,963
Drop Off and Turnaround			\$277,035
Transit Center			\$4,401,541
Canopy Structure and Comfort Station			\$2,249,100
		Subtotal	\$9,274,638
Design and Permits			
Sid Uhinck Drive Realignment	30%		\$704,089
Drop Off and Turnaround	30%		\$83,110
Transit Center	30%		\$1,320,462
Canopy Structure and Comfort Station	10%		\$224,910
		Subtotal	\$2,332,572
Construction Management	10%		\$927,463
Project Management	10%		\$927,463
Construction Contingency	4%		\$370,985
		GRAND TOTAL	\$19,460,698

- Notes:
1. All costs escalated to 2019 dollars (5%/yr).
 2. ROW costs do not include relocation
 3. Total ROW does not include County ROW

(Current Sid Uhinck and Chena Rd. Partial Takes)

**SILVERDALE TRANSIT CENTER
FUNDING SOURCES**

SECURED FUNDING

Preliminary Engineering			
Year	Project	Funding Program	Amount
2017	KT-38	5307	\$1,027,167
		Subtotal	\$1,027,167
Construction			
2017	KT-38	5307 ADJ	\$403,347
2017	KT-38	5339 ADJ	\$46,117
2017	KT-38	RMG	\$5,300,000
2019	KT-38	RMG	\$1,700,000
2027	Pending	LEAP	\$2,300,000
		Subtotal	\$9,749,464
		Local RMG Match	\$3,500,000
		GRAND TOTAL	\$14,276,631

Notes:

1. ROW assumed to cost \$3.5M for RMG local match
2. 5307 and 5339 using toll credits for local match

PENDING GRANTS

Construction & ROW			
Year	Project	Funding Program	Amount
2017	STIP Pending	5339 Competitive	\$3,000,000
2017	STIP Pending	TIGER	\$5,100,000

Notes:

1. Each pending grant above requires 20% Local Match

Estimated Project costs	\$19,460,698
Funding Secured includes PE (Less Match)	\$10,776,631
RMG Match	\$3,500,000
Current Shortfall (Less Match)	\$8,684,067

Project Funding Options	Description	Pro	Con
All Property Parcel's Purchased with KT General Reserve funds (1)	Fund with KT Transit General Fund reserves. The purchase of property parcels will act as match on grant funds.	Most affordable option as compared to financing option or options that defer all or part of parcel purchase given presumed appreciation of property in Silverdale.	Based on appraised value of \$5.6 million, the immediate draw for the purchase of parcels will decrease general reserves to (or below) minimum reserve levels. This, coupled with future funding needs for construction, may not be a viable option without offsetting decreases to KT capital program or operations.
Shifting grant fund timing - (General Reserve finance just the match portion of grant) (1)	Shifts timing of grants from construction to the purchase of property parcels. This requires a smaller local match contribution initially. But it essentially defers a large local contribution to construction in two or three years.	This option allows KT to plan for a more reasonable local contribution in 2018. But it essentially defers the capital funding challenge out a couple of years.	The capital funding challenge is not resolved. Rather, it is shifted out a couple of years where the cost of capital is likely to have increased. Ten (10) year clock starts on completing project if using grant funds to purchase property.
Defer project (1)	Defer the purchase of parcels / project	Short-term delay of the capital funding challenge	Cost of property parcels and cost of capital are both likely to increase with time. May be at risk of losing grant funding if funds are not obligated within required period of time.
Bond funding (1)	Issue public or private placement bonds between \$3.0 and \$6.0 million.	This option allows KT to maintain reserve levels at or above minimum reserve policy amounts. Bond funding sooner rather than later likely to be more affordable than outlook years.	Cost of capital and bond issuance costs. Also potential political considerations of asking for additional bond funding.

Memorandum

Forgo build of new Silverdale transit center	Abandon all plans of a new Silverdale transit center. Not a desirable option, but an option nonetheless	No capital outlay or need for additional bonding	A new Silverdale transit center is part of KT's long term planning. The current location facilitates possible BRT planning along Hwy 303. Additionally, KT would lose a substantial amount of grant funding awarded for this project.
Consider other Silverdale location	Consider other locations including current location located on County property next to the Trails shopping center or reconsider previously property along Hwy 3 considered within previous study.	Potentially more affordable alternatives	Other locations are less desirable from a perspective of size and/or location. The current location is the only suitable location for potential future BRT. The current location is convenient for riders that are in need of public transit for health care purposes.
(1) Each option may require a corresponding offset within KT's capital program and operations for general reserve levels to remain viable in the long term.			

Potential Phasing for Project –

These phases DO NOT take into account the contingency funding, construction/project management funding, relocation for property procurement or purchase of County Right of Way. The funding here does take into account design and permitting expenses for each segment.

Complete Design	\$1,027,167 (Federal Funding)	Phase 1
Procure Property	\$5,627,575 (RMG Funding)	Phase 1
Build Sid U. Realignment and Turnaround	\$3,411,197 (RMG Match – Local Funding)	Phase 2
Build Transit Center	\$5,722,003 (\$1,821,889 RMG funding - \$3,900,114 Local or unknown funding)	Phase 3
Build Canopy and Comfort Station	\$2,474,010 LEAP (Access WA funding – 2027-2029)	Phase 4