

**SOUND TRANSIT
TRANSIT OPERATIONS TASK FORCE
Meeting Summary
June 11, 2009**

Call to Order

The meeting was called to order at 11:15 a.m. by Chair Dow Constantine in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Dow Constantine, King County Council Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Dave Enslow, Sumner Mayor

(P) John Marchione, Redmond Mayor

(A) Julia Patterson, King County Council Chair

Minutes of the April 23, 2009 Meeting

It was moved by Boardmember Enslow, seconded by Boardmember Butler, and carried by the unanimous vote of all members present that the April 23, 2009 minutes be approved as presented.

Report of the Chair

Chair Constantine noted that the Task Force will be making final recommendations on which cost containment items the CEO or the CEO designee would present to the Board for their review or possible implementation. This meeting will fulfill the amendment to the 2009 Budget resolution. The amendment resolution directed the CEO to present cost containment and proficiency proposals to the Board by June 30, 2009 based on Task Force recommendations.

Review Operating Cost Containment Policy Issues

Ron Tober, Deputy Chief Executive Officer, and Bonnie Todd, Executive Director for Operations, reviewed past and present operating cost containment measures. Mr. Tober introduced David Huffaker, a Program Manager in Operations, who compiled the operating cost containment details.

Mr. Tober stated that the details came from discussions of the Task Force at the April 23, 2009 meeting and more detailed information would be provided at this meeting. He discussed the remaining nine of the original 13 proposed cost containment items introduced at the April 23, 2009 meeting. He also noted Items 4, 6, 7 and 10 were dropped from consideration due to Board actions and Task Force discussions.

Policy Issues Related to Operating Cost Containment

Items 1 and 13 would accelerate Sounder Maintenance Base development. Implementing the base in 2014 rather than 2023 would save \$20-\$26 million in capital, construction, and operating costs. Chair Constantine asked about tradeoffs if the Sounder Maintenance Base development was accelerated. Mr. Tober responded that savings would need to be found elsewhere to compensate an earlier expenditure and keep the ST2 plan in balance. Mr. Enslow asked if Sound Transit might be better served owning a maintenance base rather than continuing to lease from Amtrak. Ms. Todd answered that would probably be the case because Amtrak's rates are high. Sound Transit service is sometimes compromised due to constraints with Amtrak. Mr. Butler noted the handout shows delaying some Sound Transit projects or saving money in other ways. One way to save money would be to acquire the property next to Holgate now because it might not be available in 2019. Mr. Butler asked about opportunities to partner with other agencies that also need heavy rail rolling stock facilities. Mr. Tober responded that there could be possible opportunities with WSDOT and

Amtrak. Chair Constantine asked if it would be possible to have full maintenance at one location and light maintenance at a second facility. Mr. Tober indicated that it would be possible.

Items 2 and 9 would competitively procure operations and maintenance services for ST Express and require Item 2 to move forward. ST Express operations and maintenance assumes the same timeframe as the ST2 plan and the near-term improvement plan the Board considered. If implemented, \$124 million to \$281 million could be saved. The lesser amount is based on higher wage paid by King County and the higher amount factors in rates being charged uniformly across all counties.

Item 3 would change the business model to competitively procure all new ST Express service.

Item 8 proposes to provide Sounder service for special events only where Sound Transit can recoup marginal costs with Burlington Northern and Amtrak. A higher fee could also be charged for those services.

Item 11 covers the level of Passenger Facility Standards. It is proposed to standardize certain aspects of stations such as materials and lighting.

Item 12 would seek State legislation to exempt Sound Transit from public utility and excise taxes. Sound Transit currently pays \$1.5 million a year, a 2% tax on each fare collected. Other public agencies are exempt from these taxes. Relief of this tax by 2010 would result in a savings of \$17 million by 2023.

Operating Cost Containment Items Dropped

Item 4 proposed to stretch out ST Express improvements and were rejected because the Board felt that new service should be added right away as was promised in ST2. Had the proposal been implemented, a one time savings of \$10 million would have been realized.

Items 6 and 7 would replace some ST Express service that operates seven days a week to routes that don't operate seven days a week or that operate all day long. Items 6 and 7 were dropped based on Board discussions.

Item 10 includes three contracting options: allowing longer contract packages to gain economies of scale, bringing more contracts in house in order to reduce the number of employees needed for oversight, or continuing the current practice, which allows more opportunities for small businesses. It was found through research that it would be more cost effective to utilize private contractors and public agencies for facility maintenance than bringing it in house.

Other Business

None.

Next Meeting:

Until further notice the TOTF meetings have been discontinued.

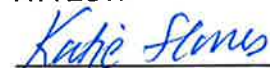
Adjourn

There was no other business; the meeting was adjourned at 12:40 p.m.



Fred Butler
Board Vice Chair

ATTEST:



Katie Flores
Board Coordinator