

SOUND TRANSIT OPERATIONS AND ADMINISTRATION COMMITTEE MEETING
Summary Minutes
December 4, 2014

CALL TO ORDER

The meeting was called to order at 1:12 p.m. by Chair Paul Roberts, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Paul Roberts, Everett Councilmember

Vice Chair

(P) John Marchione, Redmond Mayor

Boardmembers

(A) Dave Earling, Edmonds Mayor

(P) Dave Enslow, Sumner Mayor

(P) Mary Moss, Lakewood Councilmember

(A) Dave Upthegrove, King County Councilmember

(A) Pete von Reichbauer, King County Councilmember

Katie Flores, Board Coordinator, announced that a quorum of the committee was present at roll call.

REPORT OF THE CHAIR

Chair Roberts announced that the next Operations and Administration Committee is scheduled for January 15, 2015, but may be moved to accommodate Committee members' calendars.

ACTING CEO REPORT

None.

REPORTS TO THE COMMITTEE

Ridership and Operations Report

Bonnie Todd, Executive Director of Operations, reviewed the report on ridership and modal performance. ST Express and Central Link ridership grew at a slower pace in October with increases of 7% and 5%, respectively. ST Express still set an all-time monthly record of 41.4 passengers per trip in October, and both modes saw increased average weekday boardings. Sounder on-time performance was 97% and achieved the year to date target of 95%. However, this metric will be affected by a landslide last week that resulted in a 48-hour moratorium for passenger service, cancelling special service for the Sounders match last week. Bus bridges were used during the four days of interrupted service. North and South lines were operated on a modified schedule the day after Thanksgiving.

Work on the train control systems occurred a few weeks ago, there were some reporting issues that were resolved. Protests at Westlake caused the Downtown Seattle Transit Tunnel to shut down; bus bridges were used for Central Link. Trains were operated outside the normal operations window to keep overhead power lines free of ice from November 14, to 16, 2014. One trip was added to ST Express route 510 to help with morning commute overloads.

BUSINESS ITEMS

Items for Committee Final Action

The committee is scheduled to conclude the review of the Service Delivery and Agency Administration portions of the Proposed 2015 Budget and Transit Improvement Plan and consider Motion No. M2014-93. Committee Chair Roberts asked that Motion No. M2014-93 be read into the record so that the Committee could then review and consider taking action on the six amendments to the budget.

Motion No. M2014-93: Forwarding the Agency Administration and Service Delivery portions of the Proposed 2015 Budget and the Proposed 2015 Transit Improvement Plan, including any amendments approved by the Committee, to the Board of Directors with a do-pass recommendation.

Pete Rogness, Director of Budget and Financial Planning, presented a brief overview of the annual budget process, which begins in March and is scheduled to result in an approved budget in December. He then provided information on each amendment for consideration by the Committee.

Amendment 1: Revenue increase to the Transit Operations budget in the amount of \$1,601,200: Sound Transit's updated ridership forecast has impacted revenue projections for 2015. The increased ridership totals will increase projected fare revenue for Link Light Rail by \$568,000, Sounder by \$315,000 and ST Express by \$718,200 for a total increase of \$1,601,200 in fare revenues.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Moss, and carried by unanimous vote that Amendment 1 to the Proposed 2015 Budget be approved as presented.

Amendment 2: Increased Insurance Premium Cost for the Rail Operations Insurance Program in the amount of \$172,186: The Rail Operations Insurance Program (ROIP) covers the insurance premiums for insuring Sound Transit's heavy rail commuter train operations and light rail operations (Sounder, Tacoma Link, and Central Link). The insurance premium costs of this program are distributed by formula to the modes referenced above – Central Link \$106,239, Tacoma Link \$13,775 and Sounder \$52,172 for a total of \$172,186.

It was moved by Boardmember Enslow, seconded by Committee Vice Chair Marchione, and carried by unanimous vote that Amendment 2 to the Proposed 2015 Budget be approved as presented.

Amendment 3: Increase the Communications and External Affairs Departmental Budget for Agency Administration in the amount of \$115,918: This budget request will fund one term-limited position to support development of a System Plan and a potential future ballot measure. It will support a broad range of public affairs and public involvement communications projects such as events, print, web and social media and responses to stakeholder questions.

Mr. Rogness noted that the request will fund a two-year term limited position as Sound Transit moves toward a potential public ballot in the future. The increase would be in the amount of \$115,918, which would increase the Agency's overall budget from \$107.2 million to \$107.3 million.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Moss, and carried by unanimous vote that Amendment 3 to the Proposed 2015 Budget be approved as presented.

Mr. Rogness noted that Amendment 4 and 5 are interrelated, both results of the United States Golf Association (USGA) announcement of the decision to not use Sounder services for the 2015 US Open.

Amendment 4: Decrease the Miscellaneous Revenue budget in the amount of (\$845,000): The Proposed 2015 Budget includes \$845,000 for reimbursement of Sounder services for the 2015 US Open at Chambers Bay. The United States Golf Association (USGA) has announced its decision to not use Sounder service for the 2015 US Open.

Sound Transit will not receive any reimbursements from the USGA in 2015. The amount budgeted for revenues is higher than the amount budgeted for expenses due to two factors. First, the revenue budget was developed using an early cost estimate. Subsequent negotiations resulted in the amount budgeted for costs being reduced by approximately \$32,000. Second, the reimbursement amount included approximately \$23,000 to be reimbursed for depreciation of the vehicles which reflects wear and tear of the vehicles being used. Vehicle depreciation is not included in the service delivery budget.

It was moved by Boardmember Enslow, seconded by Boardmember Moss, and carried by unanimous vote that Amendment 4 to the Proposed 2015 Budget be approved as presented.

Amendment 5: Decrease Sounder Operational Costs in the Transit Operations Budget in the amount of (\$753,383): As a result of the USGA decision, Sound Commuter Rail will not provide services for the USGA Open at Chambers Bay as presented in the Proposed Budget. The amendment reflects this change by reducing the proposed budget associated with providing services for the event. Sound Transit had budgeted \$753,383 for additional expenses related to train operations, vehicle maintenance, security, and fuel related to this extra service.

As a result of the USGA decision, Sound Commuter Rail will not provide services for the USGA Open at Chambers Bay as presented in the Proposed Budget. The amendment reflects this change by reducing the proposed budget associated with providing services for the event. Sound Transit had budgeted \$753,383 for additional expenses related to train operations, vehicle maintenance, security, and fuel related to this extra service.

It was moved by Boardmember Enslow, seconded by Committee Vice Chair Marchione, and carried by unanimous vote that Amendment 5 to the Proposed 2015 Budget be approved as presented.

Amendment 6: Increase in TIFIA Loan Costs to the Debt Service budget as part of the Agency Administration budget in the amount of \$166,000: This budget request will fund remaining costs for Sound Transit's TIFIA loan application. The 2014 budget includes fees and consulting costs for the TIFIA loan of \$1,265,000. The final TIFIA loan costs will be \$1,431,000 leaving \$166,000 in additional budget authority needed to complete the loan process. The final payment of these costs will occur in 2015.

Sound Transit is in the final stages of the TIFIA loan application process and failure to pay for remaining work would jeopardize its successful completion.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Enslow, and carried by unanimous vote that Amendment 6 to the Proposed 2015 Budget be approved as presented.

Chair Roberts now asked the Committee to consider the approval of forwarding Motion No. M2014-93 to the Board of Directors for consideration, inclusive of the previous six amendments to the Proposed 2015 Budget.

It was moved by Boardmember Moss, seconded by Committee Vice Chair Marchione, and carried by unanimous vote to approve Action and Motion No. M2014-93, inclusive of amendments, be forwarded to the Board with a do pass recommendation.

Motion No. M2014-94: Authorizing the chief executive officer to execute a one-year contract with two one-year options to extend with McBee Strategic Consulting, LLC to provide federal relations consulting services for a total authorized contract amount not to exceed \$1,483,632.

Ann McNeil, Government and Community Relations Director, presented the staff report.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Moss, and carried by unanimous vote that Motion No. M2014-94 be approved as presented.

Motion No. M2014-95: Authorizing the chief executive officer to execute a contract amendment with Questica, Inc. to provide on-going professional services to upgrade and customize the budget system in the amount of \$296,000 for a new total authorized contract amount not to exceed \$1,213,627.

Curtis Small, IT Manager Applications, presented the staff report.

It was moved by Boardmember Enslow, seconded by Boardmember Moss, and carried by unanimous vote that Motion No. M2014-95 be approved as presented.

Items for Recommendation to the Board

Motion No. M2014-96: Authorizing the chief executive officer to extend the existing interagency operations and maintenance agreement regarding Tacoma Dome Station Garage with Pierce Transit through March 31, 2015.

Brian Scott, Acting Operations Business Manager, presented the staff report. Chair Roberts noted that public comment will not be taken on this item, as this motion is actually a recommendation to the board.

It was moved by Boardmember Enslow, seconded by Committee Vice Chair Marchione, and carried by unanimous vote that Motion No. M2014-96 be forwarded to the Board with a do pass recommendation.

Resolution No. R2014-32: Adopting the 2015 Service Implementation Plan, authorizes the chief executive officer to implement recommended service changes in 2015.

Mike Bergman, Service Planning Manager, presented the staff report. On November 6, 2014, Mr. Bergman provided a briefing on the draft of the 2015 Service Implementation Plan (SIP). The proposed service changes for the 2015 SIP were included in the regional transit newsletter, "Regional Transit News," which is the public information document for the SIP. About 2,000 copies of the newsletter have been distributed through open houses, public meetings, Sound Transit stations, and on Sound Transit buses and trains, since its release on October 10, 2014.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Enslow, and carried by unanimous vote that Resolution No. R2014-32 be forwarded to the Board with a do pass recommendation.

Resolution No. R2014-33: Amending the Adopted 2014 Budget in the amount of \$3,089,925 to pay the City of Seattle for operations and maintenance of the First Hill Streetcar Connector, per the terms of the Funding and Cooperative Agreement with the City of Seattle for the Implementation of the First Hill Streetcar Connector Project as amended by the Board through Motion No. M2014-59.

Brian Brooke, Research Policy and Development Director, presented the staff report. Any funds unused for current operating expenses, a reserve for future operations and maintenance expenses or deposited into a capital replacement and repair fund for the First Hill Street car (FHSC). Ethan Malone, City of Seattle Rail Director, responded to questions from the Board; the start of operations has been delayed because the vehicle manufacturer is behind schedule. There are three vehicles on-site in the facility that are in final assembly stage, and three vehicles in the Czech Republic which are in final assembly. One is in the testing and commissioning process and expected to ship this month. Because of the delays, the operations will not start until next year.

It was moved by Committee Vice Chair Marchione, seconded by Boardmember Moss, and carried by unanimous vote that Resolution No. R2014-33 be forwarded to the Board with a do pass recommendation.

EXECUTIVE SESSION

None.

OTHER BUSINESS

None.

NEXT MEETING

Thursday January 15, 2015
1:00 to 3:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting was adjourned at 2:23 p.m.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Acting Board Administrator

APPROVED on March 5, 2015, KWF