

**SOUND TRANSIT OPERATIONS AND ADMINISTRATION COMMITTEE MEETING**  
**Summary Minutes**  
**March 18, 2010**

**Call to Order**

The meeting was called to order at 1:06 p.m. by Chair Dave Enslow, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

**Roll Call**

Chair

(P) Dave Enslow, Sumner Mayor

Vice Chair

(P) John Marchione, Redmond Mayor

Boardmembers

(P) Fred Butler, Issaquah Deputy Council President

(P) Claudia Thomas, Lakewood Councilmember

(P) Dow Constantine, King County Executive

(A) Pete von Reichbauer, King County Councilmember

(P) Paul Roberts, Everett Council President

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

**Report of the Chair**

- Today is the first meeting of the Operations and Administration committee, the committee will focus on Agency Operations.
- Chair Enslow reviewed the committee's roles and responsibilities that were established by the Board: reviewing the Board rules, operating procedures, and governance structure; reviewing agency-wide policies and providing recommendations to the Board; reviewing and monitoring the legislative program; considering public and government relations and communications strategies; reviewing the overall Agency budget upon recommendations of other committees; reviewing and monitoring the Agency's financial plan; reviewing proposed bond issues; and evaluating the performance of the CEO.
- He also noted that the agenda has been revised to correct the language for Motion No. M2010-39.

**Reports to the Committee**

New Agenda Structure

Ron Tober, Deputy CEO reported on the new agenda format, which includes business items, broken out as routine and non-routine, and policy items. Routine items are within Board-approved budgets, have passed through the appropriate Phase/Gate, are a routine procurement and do not establish or revise Board policy or intergovernmental agreements. Routine items will use a simplified staff report format and presentation.

Locomotive Procurement

Mr. Tober announced a locomotive procurement for ST2 service will be brought to the Board for consideration at its next meeting. Three new locomotives are needed to expand Sounder service. South Florida Regional Transportation Authority, or Tri-Rail, is purchasing the same type of locomotive that Sound Transit would like to purchase. Jointly procuring the locomotives will result in cost savings. In order to do the procurement jointly, the 2010 Annual Budget would need to be amended to transfer budget for locomotives in future years to this year's budget. The cost for the locomotives is around \$13 to \$14 million and they would be completed around 2012 to 2013.

Operating Reports

Mr. Tober reviewed the operating reports in Boardmember packets, including the 2009 service delivery quarterly report, the monthly ridership report for January, and a new report on system performance for January. The Committee asked that the operating reports be put on the agenda for the next meeting so the Committee members could review the reports and provide feedback.

### Phase/Gate

Mr. Tober introduced Brian McCartan, CFO, to give a presentation on the Phase/Gate process. Mr. McCartan explained that the Board would be involved in the Phase/Gate process to allow greater project control and more focus on policy decisions as opposed to transactional decisions.

A project passes through eight gates, or milestones, during its lifecycle. Internally, staff will ensure resources are aligned, risks are reviewed, and key deliverables are met before a project passes through a gate. The Board will make the key business decisions for projects at the gates to guarantee a project is meeting the Board's goals for the project. The process for getting Board approval to pass through some of the gates is still being developed.

Mr. McCartan explained that the Operations and Administration Committee will also be able to use the Phase/Gate process to review for maintenance and operations concerns as a project passes through the process. The Phase/Gate process also builds on design standards that help address operations issues.

### **Business Items**

#### Routine Items

Motion No. M2010-36 – Approving the submittal of the Transit Development Plan 2010-2015 and 2009 Annual Report to the Washington State Department of Transportation.

Ron Tober, Deputy CEO gave the staff presentation and noted that a public hearing was held on the Transit Development Plan earlier today.

**It was moved by Boardmember Thomas, seconded by Boardmember Roberts, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-36 be forwarded to the Board with a do-pass recommendation.**

#### Non-Routine Items

Motion No. M2010-32 – Authorizing the chief executive officer to execute an agreement with Community Transit to provide ST Express bus operations and maintenance services for the period of April 1, 2010, through March 31, 2013, with two additional one-year options to extend.

Michael Perry, Deputy Director Transportation Services and David Huffaker, Business Manager Operations, gave the staff presentation. This agreement allows the use of a marginal cost model. Mr. Tober explained that moving to a competitive model for ST Express operations is not possible until Sound Transit owns a maintenance base.

**It was moved by Boardmember Butler, seconded by Boardmember Roberts, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-32 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2010-35 – Authorizing the chief executive officer to execute an agreement with Community Transit to fund 47% of the cost to expand and renovate the Kasch Park Operating Base for a total authorized agreement amount estimated to be \$4,982,000.

Michael Perry, Deputy Director Transportation Services, and Barry Alavi, Project Manager, gave the staff presentation. Boardmember Marchione asked why mileage is used as the basis for cost sharing. Mr. Perry responded that mileage is used to determine when preventative maintenance is performed. The 2009 fleet mileage for each agency was used as a basis for calculating the percentage each agency would contribute toward the project. The expansion will allow Sound Transit to add 13 buses in December 2010 and possibly replace some of the 40-foot buses with 60-foot buses. Chair Enslow asked what maintenance base costs

are included in the operating agreement. Mr. Perry responded that the cost per hour includes only Sound Transit's share of maintaining the base, but does not include capital investment for expanding the base.

**It was moved by Boardmember Roberts, seconded by Boardmember Butler, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-35 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2010-37 – Ratifying the agreement with Harmon Manufacturing from December 19, 2008 through March 25, 2010.

Nancy Bennett, Property Manager gave the staff presentation.

**It was moved by Boardmember Thomas, seconded by Vice Chair Marchione, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-37 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2010-38 – Ratifying the agreement with Asian Market from December 19, 2008 through March 25, 2010.

**It was moved by Vice Chair Marchione, seconded by Boardmember Roberts, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-38 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2010-39 – Delegating authority to the chief executive officer to enter into and to extend lease agreements for terms in excess of five years on properties located within the railroad right-of-way from Tacoma to Lakewood that include a 90-day notice (or less) termination clause, and are located on property for which Sound Transit has no anticipated future needs.

**It was moved by Boardmember Roberts, seconded by Vice Chair Marchione, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-39 be forwarded to the Board with a do-pass recommendation.**

### **Policy Items**

#### Discussion on Fare Policy Changes

Mr. Tober noted that the possibility of a fare increase was raised during the 2010 budget process. Since then, staff has reviewed the Board-adopted fare policies and worked with other transit providers to look at ways to achieve greater fare consistency. Brian Brooke, Program Manager and Sarah Lovell, Project Manager reviewed the fare policy proposal. The proposed policy would consolidate several fare policy documents into one that clarifies the principles, rationale, and general fare structure. The policy would also set forth guidelines for special fares and future fare adjustments.

The policy includes principles that outline the purpose of collecting fares, a goal of coordinating fares with partner agencies, meet federal requirements. A general fare structure is included: ST Express buses will continue to use zones, but under a simplified structure and Sounder and Link light rail will continue to use a distance based fare structure. The policy also includes fare categories for adults, senior and disabled, youth, and children, as well as fare rates for special event services, bulk pass pricing for employers, ride free zones, peace officers, and additional discount fare rates. Guidelines for changing fares are based on minimum farebox recovery rates; 20% for ST Express, 23% for Sounder commuter rail, and 40% Link light rail.

#### Discussion on Fare Increase Proposal

A fare increase is proposed for ST Express in 2010 so that farebox recovery does not fall below the minimum level. A fare increase and simplification for Link light rail in 2011 is also proposed. Mr. Brooke showed a chart comparing Sound Transit farebox recovery with other west coast transit agencies. In 2008, ST Express is average compared to peer agencies, but will fall lower in 2010 without a fare increase. Mr. Brooke also reviewed the fare changes for each of the local transit agencies; Sound Transit has only increase fares once since 1999, the other local transit agencies have each increased fares four times.

Over two years, the proposal for ST Express would convert a one-zone fare to an in-county fare. Sound Transit has worked with the local transit agencies to match fares as closely as possible. An inter-county rate would be established for routes that cross a county line. Youth fares would be adjusted to match Community Transit and King County Metro's target for youth fares. Senior and reduced fare rates would increase from the current one-zone fares, decrease from the current two-zone fares, and would match King County Metro, Community Transit and Pierce Transit rates. By 2011, fare revenues would increase by 22.5% and ridership would decrease a little over 3%.

In 2011, the proposal includes a 25 cent increase for Link fares, and a simplification to remove the distance-based surcharge for youth and senior/disabled. Pricing for passes for youth and seniors would be simpler under this proposal. Central Link is still in start-up phase, but the farebox recovery rate of 40% should be achieved once University Link is running. Brian McCartan, CFO noted that from a finance perspective, the fare increase is a balance between increasing fares, and achieving a simpler fare structure. Boardmember Thomas asked about Board consideration of charging fares on Tacoma Link. Mr. Tober noted that the analysis would come to the Board in conjunction with the 2011 Budget process.

**Executive Session**

None.

**Other Business**

None.

**Next Meeting**

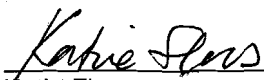
Thursday April 15, 2010  
1:00 to 3:30 p.m.  
Ruth Fisher Boardroom

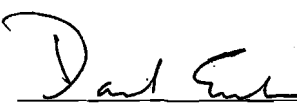
**Adjourn**

The meeting was adjourned at 2:52 p.m.

APPROVED on May 20, 2010.

ATTEST:

  
Katie Flores  
Board Coordinator

  
Dave Enslow  
Operations and Administration Committee Chair