

SOUND TRANSIT OPERATIONS AND ADMINISTRATION COMMITTEE MEETING
Summary Minutes
November 2, 2017

CALL TO ORDER

The meeting was called to order at 1:00 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) Joe McDermott, King County Council Member

Boardmembers

(A) Dave Earling, Edmonds Mayor

(P) Mary Moss, Lakewood Councilmember

(P) Kent Keel, University Place Mayor Pro Tem

(A) Pete von Reichbauer, King County

(P) John Marchione, Redmond Mayor

Councilmember

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

REPORT OF THE CHAIR

Board Members Request to Participate via Teleconference

Committee Chair Roberts announced that Board Member Marchione has asked to participate in the meeting by phone. The Board's Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

It was moved by Board Member Earling, seconded by Board Member Keel, and carried by unanimous vote that Board Member Marchione be allowed to participate in the meeting by telephone.

CEO REPORT

Mike Harbour, Deputy CEO, provided the report.

Ticket Vending Machine Outage

Sound Transit's Ticket Vending Machines were down on October 28, 2017, for around four hours. The outage affected riders trying to use the vending machines during that time, including those attending a Husky Game. Sound Transit's staff and contractors were able to restore the system and will work to resolve the issues that led to the outage.

PUBLIC COMMENT

Paul W. Locke
Alex Tsimmerman
Joe Kunzler

REPORTS TO THE COMMITTEE

Ridership and Operations Report

Bonnie Todd, Executive Director of Operations, provided the report.

Overall system ridership increased by 183,000, or 4.7 percent, compared to September 2016. System-wide average weekday boardings increased by 6 percent during the month. Ridership decreases on ST Express, Sounder, and Tacoma Link are due to there being one less weekday this September compared to September 2016.

Sounder ridership decreased 3.9 percent, compared to September 2016. Average weekday boardings on Sounder increased by 3.7 percent compared to the same period last year. Average weekday boardings increased on the South Line by 4.7 percent, while the North Line experienced a 4.5 percent decrease in average weekday boardings.

Tacoma Link ridership decreased slightly by 0.4 percent during the month of September. Average Saturday and Sunday ridership continues to show strong growth, registering 22 percent and 5.2 percent increases, respectively.

Link ridership increased by 244,000, or 13.3 percent, compared to the same period last year. Average weekday boardings were up 12.9 percent. The continued increase in monthly ridership and average daily boardings is due to the opening of the Link extensions in 2016. Fare box recovery for Link is trending above 40 percent.

Vertical conveyances operated by Sound Transit at Sounder and ST Express locations are operating above the 95 percent target rate for availability, while vertical conveyances at Link stations are performing slightly below the target. Staff is continuing to work with contractors and with King County Metro to address that issue.

Board Member Keel commented that he has received complaints from constituents about the on-time arrival of the Sounder south line trains. Ms. Todd replied that the Sounder faces the most obstacles to operate on time consistently due to at-grade crossings and interacting with heavy freight traffic. In addition, the replacement of the Tacoma Trestle has caused ongoing slow orders, which can combine with other factors to slow operations down. That work is scheduled to be completed in December.

Review of the 2018 Operating Budget

Ann Sheridan, Budget Director, and Jenny Stephens, Budget Manager, provided the report. Ms. Sheridan began the presentation by talking about the key drivers behind the 2018 proposed annual budget. The drivers include:

The System Expansion Implementation Plan

- Project work beginning earlier as part of the agency's approach to deliver capital projects faster and more efficiently.
- Early coordination with jurisdictions along with intensive community outreach.
- Co-located project teams from the beginning to the end of the project.

Construction Activity

- Construction has reached its highest level to date.

- Link extensions under construction in 2018 will include East Link, Northgate, Federal Way, Tacoma Link, and the OMF-E.

Right-of-Way Costs

- Property costs are higher than initially anticipated, and are expected to increase.
- Acquisition, management and disposition of surplus property drives the need to for additional procurement, real estate, property management, and Transit Oriented Development (TOD) staff.

Customer Experience Enhancements

- Security:
 - Several closed circuit television (CCTV) installation projects are planned – Kent and Auburn garages.
 - Additional security personnel will be added in anticipation of taking over management of the Downtown Seattle Transit tunnel.
- Digital Passenger Information System project begins to enhance our digital interface with Sound Transit partners and riders.

Link Ridership Growth

- Ridership is expected to grow by 7.9 percent, increasing to over 25 million riders.
- To meet the demand, revenue vehicle hours are increasing by 4.5 percent, by the use of three car trains, without increasing the number of trips.

The agency is expecting two billion dollars in revenue for next year. The sales tax increase makes up 62 percent of this amount, the Motor Vehicle Excise Tax 16 percent, and other various sources including grants and Federal funding make up the remainder. There will be a gap of \$200 million between expected revenues and expenditures. Sound Transit will address the gap by drawing down from existing cash balances.

The proposed annual 2018 budget is \$2.2 billion. The largest component of this is comprised of project budgets, which make up \$1.7 billion of the total budget. The total 2018 operating budget is \$462 million, which is made up of \$318 million in operating expenses, \$146 million in debt service, and \$144 million in charges to project lines. The proposed 2018 operating budget is \$75 million higher than the 2017 operating budget. The main cost drivers to the increase are salaries and benefits, security, and purchased transportation services.

Total Transit mode budget is \$318 million, an increase of \$35 million, or twelve percent compared to the 2017 Forecast. The increase is made up of:

- \$16 million increase in Link (47 percent of total increase)
- \$13 million increase in ST Express (37 percent of total increase)
- \$5 million increase in Sounder (15 percent of total increase)
- \$342,000 increase in Tacoma Link (1 percent of total increase).

There is a proposed revision to the operations budget, which is for \$850,000 to support workforce development. This increase would fund a trades mentoring program, pre-apprentice training, Rise Up, and support services for existing work. Preparation for Sound Transit assuming security for the Downtown Seattle Transit Tunnel (DSTT) contributes as well, as Sound Transit is paying for training programs for King County Sheriff Office staff ahead of the 2019 shift in management.

Board Member Keel asked about the workforce development amendment that is proposed, and if the positions that have been created by this program will be eliminated after the completion of the capital program. Deputy CEO Mike Harbour replied that the workforce is managed by a long-term look ahead

plan, and that staffing decisions are made between consultants and hiring full-time staff by planning and prioritizing offering long-term employment. Mr. Keel asked again about the increase of staffing that is happening because of Sound Transit 3 (ST3) and Mr. Harbour clarified that the capital program is 25 years, and therefore many of the jobs will offer long-term positions, and attrition will be managed throughout the program.

Board Member Marchione asked about growth in the Executive Department budget, which is planned to be 50 percent. Ms. Sheridan clarified that the Executive Department actually contained a large number of divisions including Human Resources, Equal Employment Opportunity, Office of Small Business Development and Labor Compliance, Board Administration, among others.

Board Member Earling asked about the projected staff count for the end of 2017 being 921, and asked what the current staff count is. Ms. Sheridan commented that there are always open positions, and that recruitment is ongoing. Ms. Stephens commented that currently Sound Transit has just over 800 employees, and will therefore fall short of allotted positions by 100.

Board Member Keel asked about the proposed 2018 Link operating budget, where the cost per boarding number is shown to be higher for 2018 than in 2017. He asked why the cost per Boarding is increasing by so much, considering the increase in ridership. Ms. Sheridan replied that in addition to the additional ridership, the costs of operations are increasing; there was a labor cost increase from King County Metro, and the additional security cost of taking over management of the DSTT.

Committee Chair Roberts asked about the increased cost of recruiting in the current market as the region has experienced significant wage growth. Mr. Harbour replied that there is indeed an increase occurring in hiring wages, and especially so for highly specialized and technical positions. Mr. Roberts also asked what Rise Up, the program referred to in the workforce training budget amendment, is made up of. Mr. Harbour replied that the program is about diversity training for our contractors so they can meet Sound Transit's high requirements for training, diversity, and other workforce goals. CEO Peter Rogoff noted that there will be presentations on this very issue given at upcoming meetings, in addition to a broader discussion about workforce demands and the outlook for the capital program.

ORCA Summer Youth Pilot Promotion

Chad Davis, Senior Financial Analyst, and Lisa Wolterink, Director of Fares and Grants, provided the report. The objectives of the ORCA Summer Youth Promotion were to increase summer youth ridership, encourage young people to ride public transportation to learn about ease of use, and to gather data that can help determine future youth fares. Sound Transit averages more than 75,000 ORCA youth boardings per month during the school year, but this number drops significantly in summer months, as many of those youth are using school provided ORCA cards.

The pilot hoped to test how impactful the fare price is on the rate of youth ridership in summer months. Sound Transit and King County Metro offered reduced fares from June 17 to September 4, 2017. The reduced fare was only available when using an ORCA card, and not available to those paying in cash or purchasing tickets at vending machines. Sound Transit offered a one dollar fare on all modes, and King County Metro offered a fifty cent fare. All youth between the ages of 6 and 18 were eligible.

For the period of the promotion youth ridership was up 53 percent, however it is worth noting that the City of Seattle was running a promotion at the same time. The Sound Transit promotion specifically affected non-passport boardings, as the City of Seattle promotion provided passport cards. Ridership growth of non-passport youth boardings during the promotion period was 37 percent. Comparatively, year to date growth prior to the promotion was 10 percent. This translated into 31,000 more boardings than 2016.

In 2018, there will be two additional youth ridership promotions, both of which are going to be funded by the State. The first, being implemented by Washington State Department of Transportation, will provide 22,390 ORCA cards, pre-loaded with 10 dollars, to high school students throughout the region. This pilot will include mobility educations and outreach for both youth and parents. The second program, funded through the state budget and King County Metro, will be specifically for high school students who receive free or reduced lunches. This program will provide a passport ORCA card, allowing them unlimited trips throughout the summer.

Board Member Keel asked if the program was successful in meeting its outlined goals overall. Ms. Wolterink replied that the program was successful, but the overlapping of several promotions created data that has made it hard to assess if the ridership growth can be specifically attributed to this promotion.

2018 Service Implementation Plan

Michael Couvrette, Service Planning Manager, and David Huffaker, Deputy Executive Director of Operations and Support Services, provided the report. Mr. Huffaker began by explaining the timeline of the adoption of the Service Implementation Plan (SIP), which will include Board briefings throughout the month of November, leading to adoption in December.

Mr. Couvrette introduced the four elements of the SIP—the service plan, a Title Six Analysis, a five year outlook, and ridership and performance analysis (consistent with Sound Transit’s service performance measures). Sound Transit and its service partners manage the transportation network through a bi-annual service change process, usually taking place in March and September. These changes are classified as either major or administrative. A major change would modify service by more than 25 percent of offered service hours, or would move a transit stop by more than one half mile. All changes below this threshold are classified as administrative. Any major change would involve public outreach, and would require Board approval. All administrative changes can be made at the staff level.

The 2018 SIP does not include any major service changes, however there are several ongoing key planning processes that will continue into 2018, including I-90, downtown, and 520 bus service changes. When these processes conclude in 2018 any planned major service changes will be brought back to the Board for approval, either as amendments to the 2018 SIP, or additions to the 2019 SIP.

Board Member McDermott asked if a public hearing is required. Mr. Huffaker replied that in order to communicate with the public about the SIP, staff held an open house, posted the SIP on Sound Transit’s website, and distributed it to stakeholders to solicit feedback.

BUSINESS ITEMS

Items for Committee Final Action

Minutes of the September 7, 2017 Operations and Administration Committee Meeting

It was moved by Board Member Marchione, seconded by Board Member Keel, and carried by unanimous vote that the minutes of the September 7, 2017 Operations and Administration Committee meeting be approved as presented.

Motion No. M2017-121: Authorizes the chief executive officer to execute a three-year contract with two one-year options to extend with FCV USA, Inc. to provide on-call web developer services for a total authorized contract amount not to exceed \$3,432,000.

Jason Weiss, Chief Information Officer, provided the staff report. This proposed action would authorize a contract with an on-call firm for website development. Mr. Weiss explained that with difficulty in recruiting, the web development team has maintained nearly 50 percent vacancy rate of its positions, and this contract is part of a strategy to maintain quality of service and complete the re-development of the website through a contractor.

It was moved by Board Member Keel, seconded by Board Member McDermott, and carried by unanimous vote that Motion No. M2017-121 be approved as presented.

Motion No. M2017-122: Authorizes the chief executive officer to execute a contract amendment to the Fall Restraint Enhancement and Repair Services contract with Gravitec Systems in the amount of \$70,113, with a 10% contingency of \$7,011 totaling \$77,124 for a new total authorized agreement amount not to exceed \$244,599 plus applicable taxes.

David Huffaker, Deputy Executive Director of Operations and Support Services, and Bill Glaser, Non-Revenue Vehicles and Facilities Maintenance Administration Manager, provided the staff report. The proposed action is a contract amendment with Gravitec Systems for fall restraint enhancement services at several Sound Transit facilities. The original contract scope included engineering and installation services for repairs and enhancement of existing fall restraint systems, and was approved in June 2016.

The contract amendment will add funds to complete repairs and modifications to the fall restraint system at the Mountlake Terrace Freeway Station, which is near a freeway and has a complex roof alignment.

Board Member Moss asked if this work is outside of the original contract scope. Mr. Huffaker replied that the extent of the repairs and enhancements was greater than anticipated, but that the work is within the contract scope.

It was moved by Board Member Moss, seconded by Board Member Keel, and carried by unanimous vote that Motion No. M2017-122 be approved as presented.

Motion No. M2017-123: Authorizes the chief executive officer to execute a contract with Plantscapes Incorporated, to provide system-wide landscaping maintenance and on-call services for Union Station and Sound Transit facilities for a total authorized contract amount not to exceed \$1,713,228 plus applicable taxes.

David Huffaker, Deputy Executive Director of Operations and Support Services, and Bill Glaser, Non-Revenue Vehicles and Facilities Maintenance Administration Manager, provided the staff report. The proposed action is for a contract with Plantscapes Incorporated for landscaping services across the entire Sound Transit service area. The scope of work includes all aspects of landscape care, removal of trash and debris, and removal of snow on an on-call basis should that be required. Sound Transit has contracted routine maintenance since 1999, when ST Express service first began. The current landscape work contract expires in December of 2017.

Board Member Keel asked if the contractor is the incumbent who held the contract before, or a new contractor. Mr. Glaser responded that the previous landscaping contract was with Total Landscape, which is headquartered in Woodinville. Plantscapes is a Seattle based firm, which has been under contract by Sound Transit before for indoor plant maintenance.

Chair Roberts asked if the contractor has multiple field offices, as the Sound Transit service area is quite large. Mr. Glaser responded that Plantscapes has both a Seattle office and a Tacoma field office, which makes them well equipped to split the service area between offices.

It was moved by Board Member Moss, seconded by Board Member Keel, and carried by unanimous vote that Motion No. M2017-123 be approved as presented.

Motion No. M2017-125: Authorizes the chief executive officer to execute a contract amendment with LTK Engineering Services to provide technical consulting services for Sounder equipment in the amount of \$100,000, for a new total authorized contract amount not to exceed \$1,458,775 plus applicable tax.

Mike Perry, Deputy Executive Director of Transportation and Maintenance Operations, and Martin Young, Commuter Rail Operations Manager, provided the staff report. The requested contract amendment would add funds to a technical engineering consultant services to assist Sound Transit in the purchase of additional locomotives and cab-cars, and to assist in the maintenance of the fleet. This contract has been extended in the past, due to a 12 month delay in delivery of purchased Bombardier locomotives, which was the result of a labor strike in Ontario, Canada.

Chair Roberts clarified that the increased amount is for additional time due to the delay of delivery, and for additional technical consulting services due to new vehicle types requiring new paperwork and ongoing work with the Federal Railroad Administration (FRA).

Board Member McDermott inquired what the new contract termination date would be. Mr. Young responded that the date of the contract is not being extended, and the change is only the additional funds.

Peter Rogoff commented that with the purchase of the new vehicle type from Bombardier, which are more fuel-efficient and not yet in service in other cities, there came additional paperwork and negotiating meetings with the FRA.

It was moved by Board Member McDermott, seconded by Board Member Keel, and carried by unanimous vote that Motion No. M2017-125 be approved as presented.

Motion No. M2017-131: Authorizes the chief executive officer to execute a contract with Macton Corporation to procure and install a second lift in the Link Operations and Maintenance Facility in the amount of \$630,000, with a 10% contingency of \$63,000, for a total authorized contract or agreement amount not to exceed \$693,000 plus applicable taxes, contingent upon the protest period, which will lapse November 1, 2017.

Paul Denison, Light Rail Operations Director, and Barry Alavi, Non-Corridor Projects Manager, provided the staff report. The proposed action would authorize the purchase and installation of a second light rail vehicle (LRV) lift at the Link Operations and Maintenance Facility. The facility was designed with only one lift, and a second is now needed due to an expanding fleet and the approaching mid-life overhaul of the fleet.

A competitive procurement was completed with Macton Corporation being the selected bidder, and the Macton Corporation was also the manufacturer of the current life installed in the facility. Once designs are approved for a new foundation for the lift, a separate construction contractor will complete that work, and Macton will install and test the new lift. Work will be carefully coordinated so interruptions to maintenance work are minimized.

It was moved by Board Member Keel, seconded by Board Member Moss, and carried by unanimous vote that Motion No. M2017-131 be approved as presented.

Motion No. M2017-133: Authorizes the chief executive officer to execute a contract with Motor Coach Industries, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes.

Dave Turissini, Bus Operations Manager, and Tim Wagner, ST Express Maintenance Superintendent, provided the staff report. This requested action would authorize a contract for bus repair for a bus damaged in an electrical fire before the bus had entered operation. A procurement for rebuild services was issued in May of 2017, and MCI was the sole responsive bidder.

A cost analysis was completed to ensure the bid to be fair and reasonable, and the rebuild would likely

Board Member McDermott inquired about insurance on the vehicle, Mr. Turissini replied that \$106,000 was received from the insurance on the vehicle, minus the deductible. Mr. Turissini clarified that a cost analysis included the option of purchasing a new vehicle, but the repairs are more cost effective.

It was moved by Board Member McDermott, seconded by Board Member Moss, and carried by unanimous vote that Motion No. M2017-133 be approved as presented.

Motion No. M2017-134: Authorizes the chief executive officer to execute a grant agreement with the Department of Homeland Security for an amount not exceed \$662,138 for a secure radio communication network.

Monica Overby, Grants Manager, and Brad Blackburn, Emergency Management Specialist, provided the staff report. The proposed action would authorize execution of a grant to fund a secure radio network. This network would be in addition to the current radio network used in tandem with King County Metro. The project would be completed through grant funding, and would be used by staff, police, and emergency management.

Board Member Keel asked if the project is related to the national and state level emergency management programs that are ongoing. Mr. Blackburn answered that the projects are not related, but that it will be interconnected with state and national systems.

It was moved by Board Member Keel, seconded by Board Member Moss, and carried by unanimous vote that Motion No. M2017-134 be approved as presented.

Items for Recommendation for the Full Board

Motion No. M2017-130: Authorizes the chief executive officer to execute a lease amendment with Gateway King LLC to extend the term of Sound Transit's office lease for 625 Union Station, and Suite 160 of 605 Union Station, in Seattle, WA for a period of 47 months, with an option to renew for an additional five years, for a total authorized amount not to exceed \$32,850,106 for the extended term and option plus applicable taxes.

David Huffaker, Deputy Executive Director of Operations and Support Services, provided the staff report. This proposed motion requests a do-pass recommendation to the full Board for a lease amendment at three different locations within the Union Station Plaza. This action is in alignment with the current space plan to acquire space for new staff, and to allow for the co-location of project teams. The amendment synchronizes the lease with other properties held by Sound Transit, to better plan for future agency needs.

It was moved by Board Member Keel, seconded by Board Member Moss, that Motion No. M2017-130 be forwarded to the Board with a do-pass recommendation.

Motion No. M2017-132: Authorizing the chief executive officer to execute a two-year labor agreement with the Amalgamated Transit Union Local 758 covering Tacoma Link Light Rail vehicle operators.

Julie Honeywell, Chief Human Resources Officer, provided the staff report. This proposed action would authorize the completion of a two-year agreement with Amalgamated Transit Union Local 758, which includes the eight light rail operators who are employed by Sound Transit and operate the Tacoma Light Rail. These are the only operators employed directly by Sound Transit. The agreement also covers any additional hires that will take place in the next two years.

It was moved by Board Member Moss, seconded by Board Member Keel, that Motion No. M2017-132 be forwarded to the Board with a do-pass recommendation.

EXECUTIVE SESSION

None.

OTHER BUSINESS

None.

NEXT MEETING

Thursday, December 7, 2017
1:00 to 3:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting was adjourned at 1:46 p.m.

ATTEST:

Paul Roberts
Operations and Administration Committee Chair

Katie Flores
Board Administrator

APPROVED on _____, PIA.