

**PIERCE TRANSIT BOARD MEETING**  
**Training Center, Rainier Room**  
**December 12, 2011**  
**4:00 P.M.**

**AGENDA**

**Pages**

**CALL TO ORDER**

**ROLL CALL**

**APPROVAL OF VOUCHERS**

**PUBLIC COMMENT**

**PRESENTATION**

1. Maintenance Employee of the Quarter – Greg Greer

Van Sawin,  
Fleet Manager

**ACTION AGENDA**

**1-2** 1. Amendment of the 2011 Continuing Budget

Wayne Fanshier, VP of  
Finance

**3-6** 2. Adoption of the 2012 Budget

Wayne Fanshier

**7-9** 3. Adoption of the 2012 Legislative Priorities

Lars Erickson, Public  
Information Officer

**10** 4. Resolution of Appreciation for Commissioner Malloy

Treva Percival,  
Clerk of the Board

**11** 5. Resolution of Appreciation for Commissioner Manthou

Treva Percival

**12** 6. Resolution of Appreciation for Commissioner Thomas

Treva Percival

**INFORMATIONAL/DISCUSSION BOARD ITEMS**

1. Sound Transit Update

Commissioners Thomas, Fey, &  
McCarthy

2. Finance Committee Update

Commissioner Manthou

**STAFF/POLICY DISCUSSION**

**13** Sole Source Disclosure

Wayne Fanshier

**ADJOURNMENT**

## FACT SHEET

TITLE: Amendment of the 2011 Continuing Budget      DEPARTMENT: Finance, Audit & Administration

ORIGINATOR: Wayne Fanshier

PRECEDING ACTION: Resolution No. 10-033, Adoption of the 2011 Continuing Budget 12/13/10

COORDINATING DIVISION: All

APPROVED FOR SUBMITTAL:

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Vice President

APPROVED FOR AGENDA:

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Chief Executive Officer

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Legal Counsel

ATTACHMENTS: Resolution

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### BUDGET INFORMATION

2011 Continuing Budget Amount	Required Increase	Impact
Operating \$128,918,323	\$3,425,311	\$3,425,311

EXPLANATION: The amendment increases the operating budget for fuel expenses resulting from increased Sound Transit service and the Compressed Natural Gas (CNG) fueling station explosion. Funds are available from reserves and Sound Transit reimbursement. Insurance will reimburse for allowable expenditures at a later date.

BACKGROUND: This resolution seeks authority to amend the 2011 Continuing Budget – Operating from \$128,918,323 to \$132,343,634 for fuel expenses not anticipated at the time of the adoption of the 2011 Continuing Budget.

The amended 2011 Continuing Budget – Operating will be \$132,343,634.

ALTERNATIVES: The alternative would be not to amend the 2011 Budget. Pierce Transit could exceed the authorized expenditure level and be subject to an audit exception by the State Auditor's Office.

RECOMMENDATION: Authorize amendment of the 2011 Continuing Budget - Operating

**RESOLUTION NO. 11-028**

A RESOLUTION of the Board of Commissioners of Pierce Transit to  
Amend the 2011 Continuing Budget

WHEREAS, the 2011 Continuing Budget for operating expenses was based on the 2010 Budget for operating expenses; and

WHEREAS, the contracted service for Sound Transit has increased causing the consumption of fuel to increase; and

WHEREAS, the Agency experienced an explosion of the Compressed Natural Gas (CNG) fueling station on February 28, 2011; and

WHEREAS, the fueling station remains out of service resulting in increased costs to fuel buses; and

WHEREAS, fuel costs are now projected to exceed the 2010 Budget for diesel, unleaded and CNG fuels, and

WHEREAS, current estimates are \$3,425,211 over the 2010 Budget used for the 2011 Continuing Budget; and

WHEREAS, funds are available in reserves; and

WHEREAS, Sound Transit reimburses for costs; and

WHEREAS, insurance will reimburse for allowable expenditures at a later date;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

The 2011 Continuing Budget for operating expenses is hereby increased by \$3,425,311 to a total of \$132,343,634.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 12th day of December 2011.

\_\_\_\_\_  
Claudia Thomas, Chairman  
Board of Commissioners

ATTEST: \_\_\_\_\_  
Treva Percival, MMC  
Clerk of the Board

## FACT SHEET

TITLE: Adoption of the 2012 Budget

DEPARTMENT: Finance

ORIGINATOR: Wayne Fanshier

PRECEDING ACTION: Budget Study Session 11/14/11

COORDINATING DIVISION: All

APPROVED FOR SUBMITTAL:

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 Vice President

APPROVED FOR AGENDA:

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 Chief Executive Officer

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 Legal Counsel

ATTACHMENTS: Resolution

### BUDGET INFORMATION

2012 Budget Appropriations		
	Expenditures	Resources
Operating Budget		
Operating	\$ 115,609,650	\$ 44,166,934
Non-Operating	860,301	84,827,766
Operating Contributions	-	2,188,521
Operating Transfers	1,202,336	-
Change in Designated Balances	-	(13,510,934)
	117,672,287	117,672,287
Capital Budget		
Operating	34,960,769	15,509,284
Operating Transfers	-	-
Use of Designated Balances	-	19,451,485
	34,960,769	34,960,769
Insurance Budget		
Operating	3,755,000	109,812
Operating Transfers	-	1,202,336
Use of Designated Balances	-	2,442,852
	3,755,000	3,755,000
<b>Total Appropriations</b>	156,388,056	156,388,056
Less Operating Transfers	(1,202,336)	(1,202,336)
<b>Net Budget</b>	<b>\$ 155,185,720</b>	<b>\$ 155,185,720</b>

Explanation: The 2012 Budget totals \$156,388,056 for the operating, capital, and insurance budgets. Of this amount, \$1,202,336 is internal transfers, which leaves a net budget of \$155,185,720.

**BACKGROUND:** The 2012 Budget is ready for adoption. The most severe economic recession since the 1930's continues to impact Pierce Transit's financial status. The ballot to increase the sales tax dedicated to transit from .6% to .9% in February 2011 failed, necessitating a reduction in service. The 2012 Budget reflects the 35% decrease in fixed route service hours plus the 7.7% reductions taken earlier for a total reduction of 42.7% since 2009. It also includes staff layoffs and postponement of capital needs. This budget anticipates fixed route service hours of 418,835, service miles of 4,704,110, and 10,976,758 in ridership. Specialized Transportation (SHUTTLE) ridership is projected to be 384,111. Vanpool ridership is 848,000. Pierce Transit ridership for all modes is expected to be 12,208,869. Sound Transit anticipates annual service hours of 252,217, service miles of 6,339,336, and 3,783,255 in ridership.

The budget provides the projected levels of service for Pierce Transit and our contracted service for Sound Transit, the Agency's combined budget is \$156,388,056. Of this amount, \$1,202,336 represents internal transfers, which leaves a net budget of \$155,185,720. The three components that make up this amount are the Operating Budget (75%), Capital Budget (22%), and Insurance Budget (3%).

The 2012 Budget includes 866 positions and 842 full-time equivalents (FTEs) and reflects the Organizational Restructure approved by the Board of Commissioners in July 2011.

Capital projects for 2012 are budgeted at \$34,960,769. Included are funds for vehicles, construction, administrative and maintenance equipment, and off-site improvements. Approved but unspent projects are carried over to the following budget year. The 2012 budget contains approximately \$17 million of prior year budgeted funds (carryover) for projects that have been postponed pending the outcome of the ballot and projected revenues.

The insurance budget of \$3,755,000 includes Workers' Compensation costs of \$1,650,000, the Agency's liability claims prior to 2010 of \$350,000, the light duty program of \$185,000 and unemployment costs of \$1,320,000 due to the reduction in staff.

**ALTERNATIVES:** No budget could be adopted for 2012. The Agency is not legally required to have an adopted budget for 2012. Such action would not provide good stewardship of public funds.

**RECOMMENDATION:** Best financial practices would suggest a budget be adopted. The Board may at anytime throughout the budget year, make modifications to the budget.

**RESOLUTION NO. 11-029**

A RESOLUTION of the Board of Commissioners of Pierce Transit  
Adopting the Annual Budget for Fiscal-Year 2012

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WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2012;  
and

WHEREAS, the Board of Commissioners of Pierce Transit has carefully reviewed the preliminary  
budget; and

WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the  
preliminary budget provides efficient delivery of public transportation services within the financial capacity of  
Pierce Transit for 2012; and

WHEREAS, the 2012 Budget proposes service to provide 15,992,124 passenger trips, and  
the service requires a workforce of 866 positions;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as  
follows:

Section 1. The annual budget for Pierce Transit for Fiscal Year 2012 as determined in the  
preliminary budget which was reviewed and adopted by the Board of Commissioners to its final form and  
content and, by this reference, incorporated herein as though fully set forth, and the same is hereby adopted as  
the annual budget for Pierce Transit for Fiscal Year 2012.

Section 2. The summary of the total estimated expenditures and resources for the  
appropriations are as follows:

2012 Budget Appropriations

	Expenditures	Resources
Appropriations before use of Fund Balance	\$156,388,056	\$148,004,653
Use of Reserves	<u>                    -</u>	<u>      8,383,403</u>
Total Appropriations	156,388,056	156,388,056
Less Operating Transfers	<u>      (1,202,336)</u>	<u>      (1,202,336)</u>
Net Budget	<u>\$155,185,720</u>	<u>\$155,185,720</u>

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Section 3. The Chief Executive Officer is hereby authorized to staff up to 866 positions to meet the objectives of the 2012 Budget.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 12th day of December, 2011.

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Claudia Thomas, Chair  
Board of Commissioners

ATTEST: \_\_\_\_\_  
Trevva Percival, MMC  
Clerk of the Board

## FACT SHEET

TITLE: Adoption of 2012 Legislative Priorities

DEPARTMENT: Executive

ORIGINATOR: Lars Erickson

PRECEDING ACTION: None

COORDINATING DIVISION: None

APPROVED FOR SUBMITTAL:

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Vice President

APPROVED FOR AGENDA:

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Chief Executive Officer\_\_\_\_\_  
Legal Counsel

ATTACHMENTS: 2012 Legislative Priorities and Resolution

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### BUDGET INFORMATION

2010 Budget Amount  
N/ARequired Expenditure  
N/AImpact  
N/A

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**BACKGROUND:** The Washington State Legislature convenes its 2012 session on January 9, 2012. The purpose of this resolution is to adopt the 2012 Legislative Priorities that are attached and to direct staff to continue to evaluate issues for impact to the Agency and to give Pierce Transit staff guidance and direction so that staff can effectively communicate and advocate the Board's positions and policies. This action authorizes Pierce Transit staff and consultants to advocate and/or pursue the positions outlined in the attached 2012 State Legislative Priorities during the upcoming legislative session. As issues develop during session, staff will seek advice and guidance from the Board's Executive Committee and full Board, as appropriate. Staff will send weekly updates via email to the Board during the legislative session.

**RECOMMENDATION:** Adopt the 2012 Legislative Priorities.



## **Pierce Transit 2012 State Legislative Priorities**

Pierce Transit is the State's *partner* in providing public transportation services that connect people to jobs and assist our community's most vulnerable members in using transit to meet basic life needs. Pierce Transit supports state policies and funding that help the agency provide an efficient, effective, and financially-stable public transportation system.

Like any public agency, Pierce Transit is impacted by a number of state policies ranging from open government to pension reform and everything in between. However, the agency has identified its top legislative priorities and asks that the State support our efforts.

### **Legislative Priorities**

- Pierce Transit, in collaboration with WSTA, supports a transportation funding package that recognizes the importance of transit to Washington's citizens and that maintains the good repair of the multimodal state system.
- Defend against state budget reductions that will negatively impact Pierce Transit directly or indirectly. This includes protecting the agency's ability to utilize its remaining sales tax authority.
- Expand local revenue options available to public transportation systems to fund transit operations and capital investments. This includes the authority to implement variable sales tax rates, additional contracting authority with less populated jurisdictions, and the authority to operate a foundation for more private contributions.
- Coordinate funding and policies between public transportation, social service agencies, other transportation providers, and the private sector to provide cost-effective, quality transportation to our most vulnerable citizens.
- Seek an exemption for Pierce Transit's Compressed Natural Gas (CNG) bus fleet for requirements relating to biofuels and electric vehicles.

Monitor legislation relating to performance measures, accountability and/or governance that might negatively alter the oversight, financing, construction, and/or operations of Pierce Transit.

Pierce Transit has worked collaboratively with local, regional and state partners including, the Washington State Transit Association, the Puget Sound Regional Council, and the Regional Access Mobility Project (RAMP) in developing the 2012 State Legislative Priorities and will support partner agencies' legislative agendas where appropriate.

For any questions regarding Pierce Transit or our legislative priorities, please contact Lars Erickson, Public Relations Officer at [lerickson@piercetransit.org](mailto:lerickson@piercetransit.org) or 253-984-8213.

**RESOLUTION NO. 11-030**

A RESOLUTION of the Board of Commissioners of Pierce Transit  
Authorizing Adoption of the 2012 Legislative Priorities

WHEREAS, The Pierce Transit Board of Commissioners desires to give guidance and direction to its staff and contracted Legislative Liaison; and

WHEREAS, the State Legislature will convene the 2012 legislative session on January 9, 2012; and

WHEREAS, the Pierce Transit Board of Commissioners wishes to assure that its policies and positions are effectively communicated to the members of the Washington State Legislature, Washington State agencies, and the Office of the Governor; and

WHEREAS, the Pierce Transit Board of Commissioners wishes to support the legislative priorities of its transit and other local and regional governmental agency partners; and

WHEREAS, the Pierce Transit Board of Commissioners finds it is in the best interest of Pierce Transit to adopt an agenda of legislative priorities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The Board herewith adopts the Pierce Transit 2012 Legislative Priorities.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 12th day of December 2011.

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Claudia Thomas, Chair  
Board of Commissioners

ATTEST:

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Treva Percival, MMC  
Clerk of the Board

**THERE IS NO  
FACT SHEET  
FOR  
RESOLUTIONS  
OF  
APPRECIATON**

**Commissioner Malloy**

**THERE IS NO  
FACT SHEET  
FOR  
RESOLUTIONS  
OF  
APPRECIATON**

**Commissioner Manthou**

**THERE IS NO  
FACT SHEET  
FOR  
RESOLUTIONS  
OF  
APPRECIATON**

**Commissioner Thomas**

## Sole Source over \$10,000

<b>Change Orders &amp; Amendments</b>					
	<b>Name</b>	<b>Description/Project</b>	<b>Explanation</b>	<b>Contract Amount</b>	<b>Eff. Date</b>
	N/A				
<b>Contracts/Proprietary</b>					
	<b>Name</b>	<b>Description/Project</b>	<b>Explanation</b>	<b>Contract \$ Amount</b>	<b>Eff. Date</b>
1	University of Washington and Brian Ferris	OneBusAway programming services.	Only provider for this service.	\$50,000 plus tax	10/11/2011
<b>Other</b>					
	<b>Name</b>	<b>Description/Project</b>	<b>Explanation</b>	<b>Contract \$ Amount</b>	<b>Eff. Date</b>
2	KL Executive Search, LLC	Recruitment services for vacant VP of Operations position.	Familiarity with Pierce Transit and the transportation industry.	\$35,000	8/1/2011
3	S & A Systems	Annual licensing and service agreement for Fleetwatch equipment.	Service provider for existing systems.	\$25,388	12/1/2011

**Change Orders & Amendments:** Master Agreements sometimes have Change Orders and Amendments. The reason could be for time extensions to a contract, or a situation where changing a contractor before the work is complete could cause delays, hardships, and/or added costs to the project. Change Orders and Amendments most often happen with construction contracts.

**Contracts/Proprietary:** The service or product is not provided by another vendor.

**Other:** A special circumstance when specialized knowledge or skill is needed for a project and there is limited time and vendors with the expertise.