

PIERCE TRANSIT BOARD MEETING

Training Center, Rainier Room

May 12, 2014

Agenda

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

(Citizens wishing to provide comment will be given five minutes to comment on any transit-related matters regardless of whether it is an agenda item or not.)

p. 1 PUBLIC HEARING

(Citizens wishing to provide comment will be given three minutes to comment on the public hearing topic(s).)

- Sale of Surplus Property

Bill Spies
Fleet Manager

PRESENTATIONS

- p. 3 • Quarterly Financial Update (First Quarter of 2014)

Kathy Sullivant
Finance Manager

CONSENT AGENDA

(Items listed below were distributed to Commissioners in advance for reading and study and are enacted with one motion. Item(s) may be moved to the Action Agenda at the request of a Commissioner.)

- p. 19 1. Approval of Vouchers

- p. 31 2. Minutes: Regular Board Meeting of April 14, 2014

- p. 35 3. FS 14-020, Amending Section 2.04.020 – Members of the Board of Commissioners; Adding New Section 2.04.030 – Filling Vacancies for At-Large Representation; and Adding New Section 2.08.110 – Executive Sessions to the Bylaws

- p. 45 4. FS 14-032, Authority for Pierce Transit to Invest in the Washington State Local Government Investment Pool

- p. 63 5. FS 14-033, Authorization to Surplus and Sale Vehicles

ACTION AGENDA

- p. 69 1. FS 14-034, Authority to Amend the 2014 Capital Budget and Authorize Change Order to Purchase Additional Fare Box Equipment, Pursuant to Contract No. PT-61-13

Heidi Neideigh
Executive Project Manager
&
Bill Spies
Fleet Manager

INFORMATIONAL BOARD ITEM

- Chair Report ~ None
- Sound Transit Update

Chair Talbert

Commissioners
Strickland/McCarthy

STAFF UPDATES/DISCUSSIONS

- Building 4 Modifications Update
- Fare Policies, Fares and Fareboxes

Jay Peterson
Transit Development Manager

Larry McCarty
Facilities Maintenance Manager

Jay Peterson
Transit Development Manager

p. 73

EXECUTIVE SESSION

ADJOURNMENT

**PIERCE TRANSIT
NOTICE OF PUBLIC HEARING
FOR PROPOSED SALE OF SURPLUS PROPERTY**

Notice is hereby given that a public hearing will be held by Pierce Transit as part of the Board of Commissioners meeting on May 12, 2014. The meeting begins at 4:00 PM and is held in the Pierce Transit Board Room, 3720 - 96th Street S.W., Tacoma, Washington. The purpose of the hearing is to allow public comment on the proposal to declare the following surplus property and to dispose of said property by public sale: Fourteen (14) 2005/2006 Ford E350/E350XL Vans, seven (7) 2003/2005 Chevrolet Vanpool Vans, three (3) 2004/2005 Ford E450 Paratransit Vans, two (2) 2005 Dodge Grand Caravans, one (1) 2006 Dodge Grand Caravan, and six (6) 2000 forty-foot compressed natural gas New Flyer Coaches.

A description of the property to be disposed of is available for inspection at the reception desk on the first floor of Pierce Transit headquarters, 3701 - 96th Street S.W., Tacoma, Washington, or by calling 581-8080.

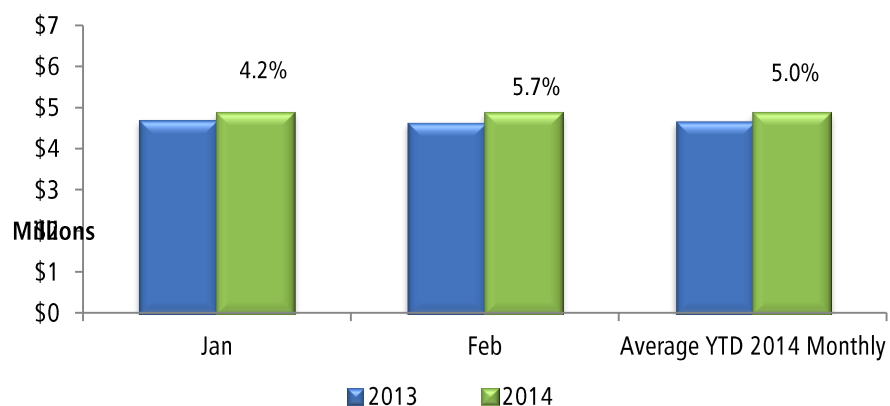
Specialized transportation for disabled persons to and from the hearing can be obtained by calling SHUTTLE at 581-8100 from one to five days in advance of the hearing. An interpreter for the hearing impaired will be provided upon request with a minimum notice of two weeks.

Deanne Jacobson, CMC
Clerk of the Board

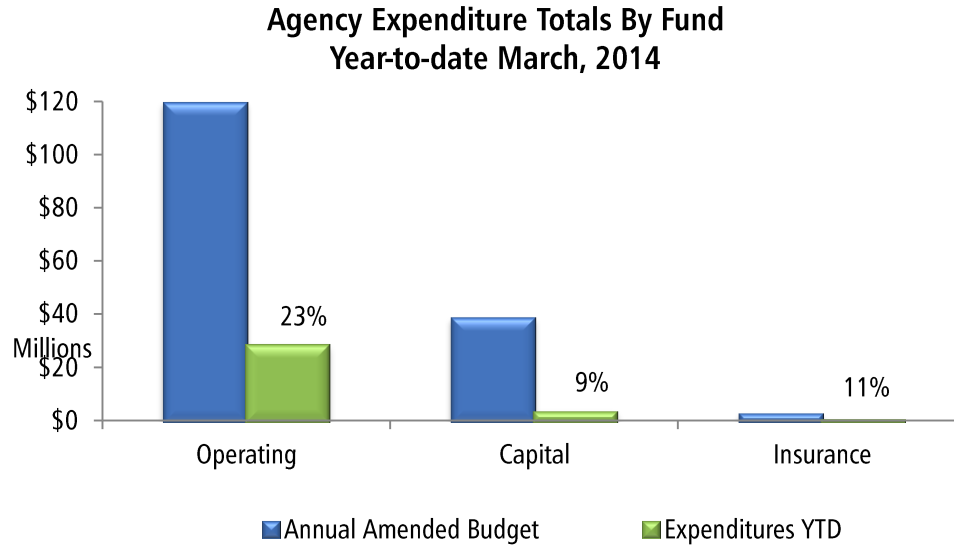
Pierce Transit
Financial Report to the Board of Commissioners
May, 2014



Sales Tax Monthly Actual Collections
& Monthly Percent Change from 2013 - 2014



- The chart shows the percent change in sales tax collections from 2013 to 2014. Collections are shown for January and February because of the two-month lag between collections and distributions from the State Department of Revenue.
- The year-to-date average percent increase is 5.0% over last year's sales tax collections.
- Sales tax projections continue to support the 2014 Budget, the current Six-Year Plan forecast and current service levels.



- The Agency Expenditure Totals By Fund chart shows expenditures through March or 25% of the year.
 - The Operating Fund is expended at \$28.0 million or 23% of its \$119.3 million dollar budget.
 - The Capital Fund is expended at \$3.3 million or 9% of its \$38.6 million dollar budget.
 - The Insurance Fund is expended at approximately \$288,000 or 11% of its \$2.7 million dollar budget.
- Overall Agency 2014 expenditures are projected to be within budget and in alignment with the Six-Year Financial Plan.
- The Agency's financial status will continue to be presented monthly.



FIRST QUARTER 2014

FINANCIAL STATUS

QUARTERLY

STATUS

REPORT

Financial Status at 25%
of Fiscal Year



FIRST QUARTER 2014

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General Disclosure

The report is prepared from the computerized records of the Agency. It is based on available information at the time of preparation. It does not contain all the necessary adjustments, disclosures and statements to be in accordance with generally accepted accounting principles. All numbers are subject to verification or audit. In addition, it should be noted that the receipt of revenues and the payments of expenditures may result in point in time variations. The report reflects actual expenditures using budgeted allocations.

The Financial Status Report expenditures exclude debt service and transfers, and include Sound Transit.

Questions and comments should be submitted to Wayne Fanshier, Chief Finance Officer, Kathy Sullivant, Finance Manager, or Cathie Reid, Budget Assistant Manager at 253.581.8000.

PIERCE TRANSIT

Financial Status Report First Quarter Year-to-Date 2014

Financial assumptions are highly sensitive to economic swings. Review of the financial status on a regular basis provides assurance that budget projections and actual results are aligned. The budget needs to be balanced, sustainable, and supportive of our strategic priorities.

Services are designed to meet customer needs and demands and financial analysis ensures that funds entrusted to Pierce Transit are used in the most effective and efficient manner possible.

Financial information about the Agency's year-to-date fiscal position is provided in this report. It assists in monitoring revenues and expenses and assuring compliance with authorized expenditure levels.

SUMMARY

The 2014 first quarter financial performance is within budget at 25% of the fiscal year. It should be noted that the receipt of revenues and payment of expenditures may result in point in time variations in revenues and expenditures.

OPERATING

Overall revenues and expenditures are at 22% and 23% respectively. Sales tax revenue has shown improvement over budget in the first two months of the year. March collections are projected due to the two month lag in payment from the State of Washington Department of Revenue to Pierce Transit. It is important to recognize that sales tax revenue accounts for nearly 70% of the Operating Budget revenues excluding Sound Transit. Federal/State revenues will be received upon approval. Other revenue categories are on target. Maintenance and operating expenditures for fuel, purchased transportation, parts, and utilities reflect the timing of payments. Other expenditures include annual technology service and maintenance agreements also paid in the first quarter.

CAPITAL

Capital expenditures are shown by the category of expenditure. Performance through the first quarter is within budget. Capital projects underway include the farebox replacement project, acquisition of replacement buses, and the operator lobby project. Capital items are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (longer than one year). Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition. Capital projects typically encompass more than one year. Approved but unspent project balances are carried over to the following budget year. This process may result in the project annual budget not reflecting the project total.

SELF-INSURANCE

The Insurance Reserve Fund for self-insurance is reported for Pierce Transit and Sound Transit expenditures. General Liability claims were self-insured until joining the Washington State Transit Insurance Pool (WSTIP) in 2010. Remaining liability costs are minimal as a result of the settlement and close out of self-insured liability claims. Light Duty expenditures assist workers in returning to full employment following injuries. Workers' Compensation costs are projected based on predicted claims. Unemployment Insurance expenditures are affected by the timing of the billings and payments.

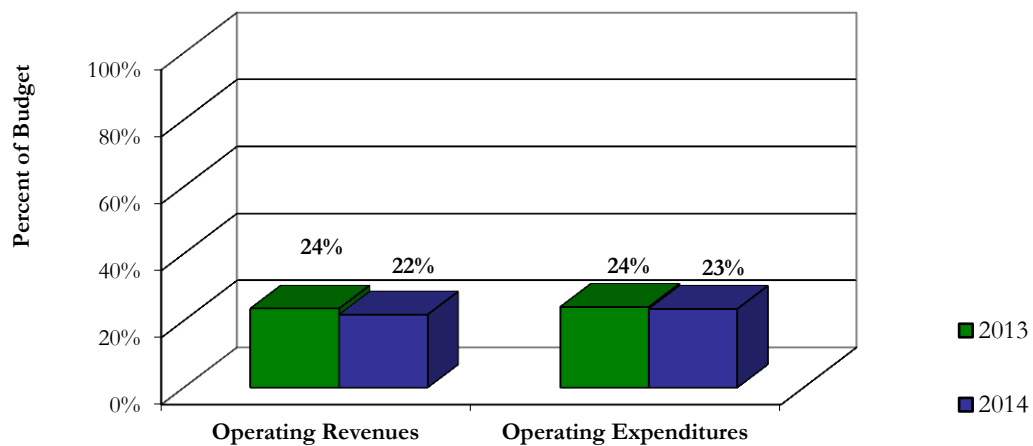


FIRST QUARTER 2014

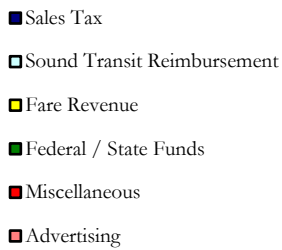
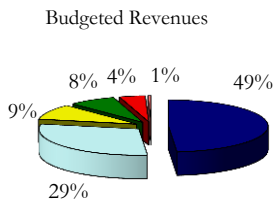
OPERATING

FINANCIAL
STATUS
REPORT

Actual Performance as a Percent of Budget at 25% of Fiscal Year



First Quarter 2014 Revenue

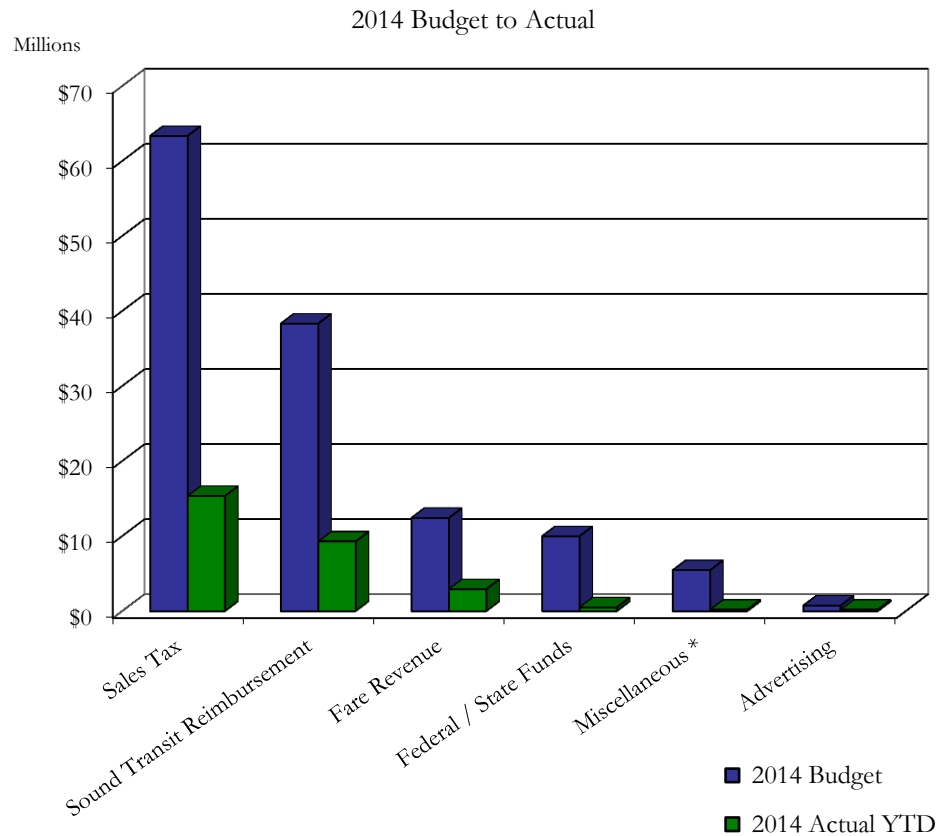


Revenue
collections on
target.

Federal / State
Funds reflect
timing of
collections.

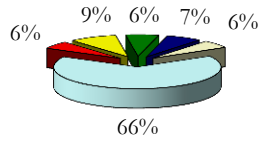
	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Sales Tax	\$ 63,348,980	\$ 15,333,767	24%
Sound Transit Reimbursement	38,330,681	9,270,664	24%
Fare Revenue	12,429,612	2,923,519	24%
Federal / State Funds	9,990,243	501,839	5%
Miscellaneous *	5,450,846	173,842	3%
Advertising	725,000	176,250	24%
	<u>\$ 130,275,362</u>	<u>\$ 28,379,882</u>	22%

* Sale of land \$4,800,000, security reimbursement \$119,485, Lakeland Hills service contract revenue \$214,400, interest on investment \$137,961, and miscellaneous non-transportation \$179,000.



First Quarter 2014 Expenditures by Object

Budgeted Expenditures



- Wages & Benefits
- Supplies
- Services
- Fuel
- Purchased Transportation
- Other

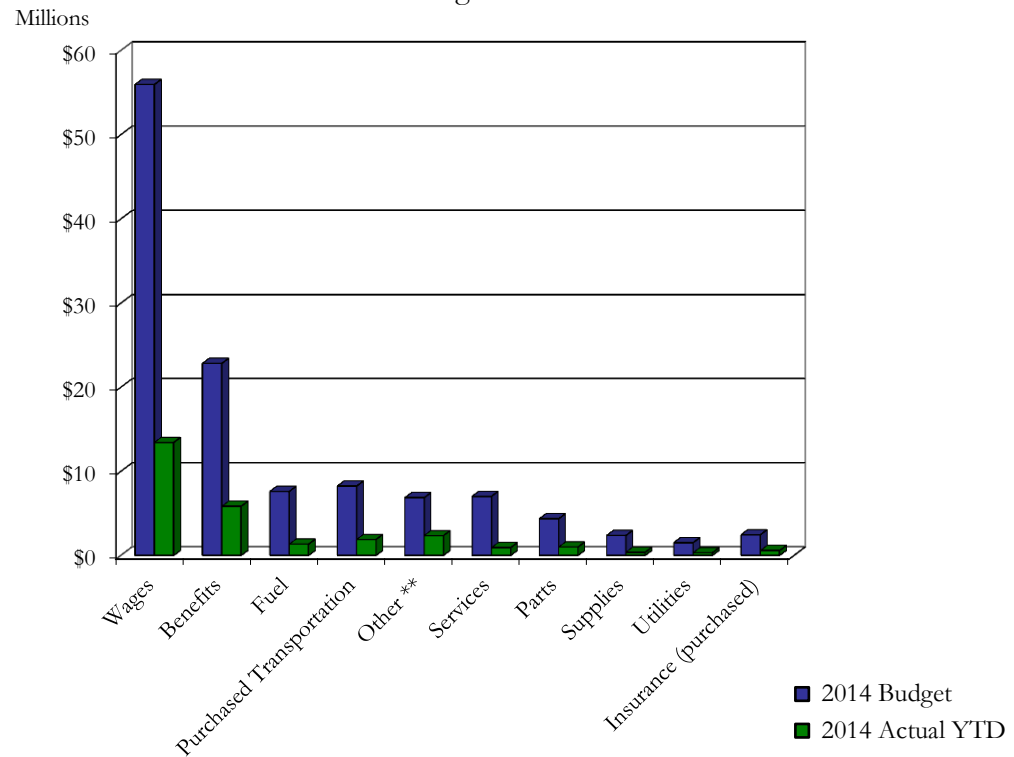
Total
expenditures on
target.

Contractual
service
agreements paid
in 1st quarter.

	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Wages	\$ 55,965,496	\$ 13,441,193	24%
Benefits	22,847,011	5,839,996	26%
Fuel	7,617,717	1,334,857	18%
Purchased Transportation	8,244,499	1,889,956	23%
Other **	6,857,747	2,347,529	34%
Services	7,025,487	919,373	13%
Parts	4,360,586	990,146	23%
Supplies	2,366,174	370,415	16%
Utilities	1,522,476	310,130	20%
Insurance (purchased)	2,457,000	572,485	23%
	<u>\$ 119,264,193</u>	<u>\$ 28,016,079</u>	23%

**Facilities repairs and maintenance, rentals, contractual services, other miscellaneous.

2014 Budget to Actual



See Self-Insurance report for self-insurance fund expenditures.

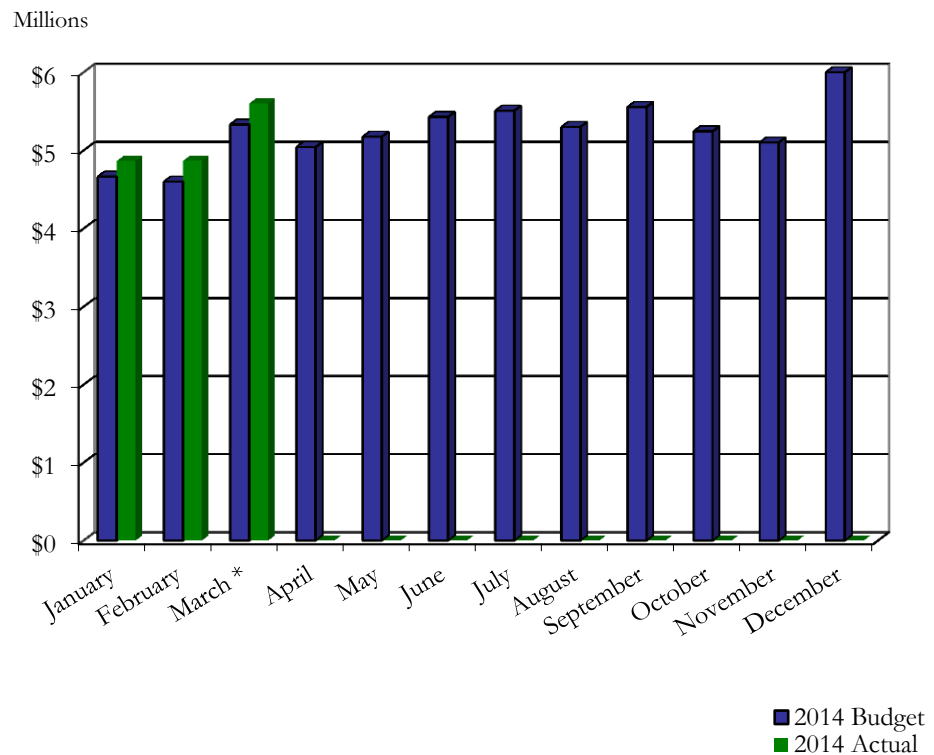
First Quarter 2014 Sales Tax Summary

Sales tax
collections are
above budget.

March collections
are projected.

	2014 Budget	2014 Actual	Variance
January	\$ 4,663,919	\$ 4,865,697	\$ 201,778
February	4,600,446	4,866,421	265,975
March *	5,332,418	5,601,649	269,231
April	5,042,601	-	-
May	5,176,518	-	-
June	5,429,156	-	-
July	5,508,500	-	-
August	5,300,218	-	-
September	5,555,899	-	-
October	5,244,471	-	-
November	5,102,715	-	-
December	6,392,119	-	-
	<u>\$ 63,348,980</u>	<u>\$ 15,333,767</u>	<u>\$ 736,984</u>

2014 Sales Tax Monthly Budget to Actual

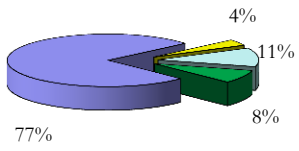


* Projected sales tax revenue collections due to two month gap between tax collection and payment to Pierce Transit.

Source: Pierce Transit sales tax report

First Quarter 2014 Expenditures by Division

Budgeted Expenditures by
Division



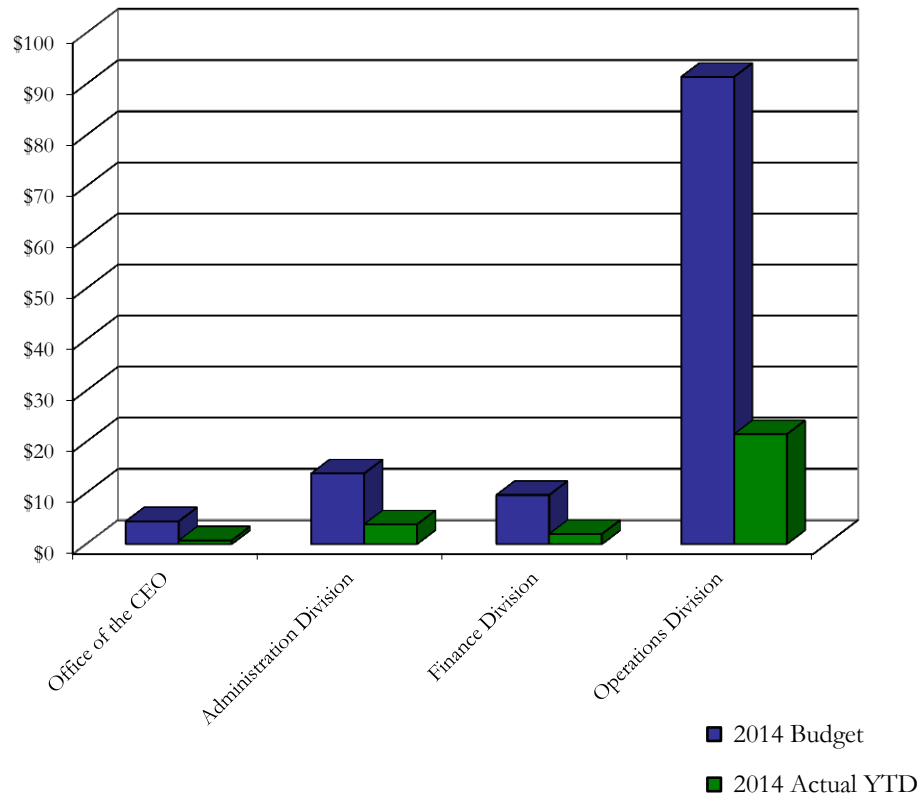
- Office of the CEO
- Administration Division
- Finance Division
- Operations Division

Total
expenditures
within budget.

	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Office of the CEO	\$ 4,462,782	\$ 713,361	16%
Administration Division	13,793,320	3,856,570	28%
Finance Division	9,589,435	1,971,808	21%
Operations Division	91,418,656	21,474,340	23%
	<u>\$ 119,264,193</u>	<u>\$ 28,016,079</u>	23%

Millions

2014 Budget to Actual



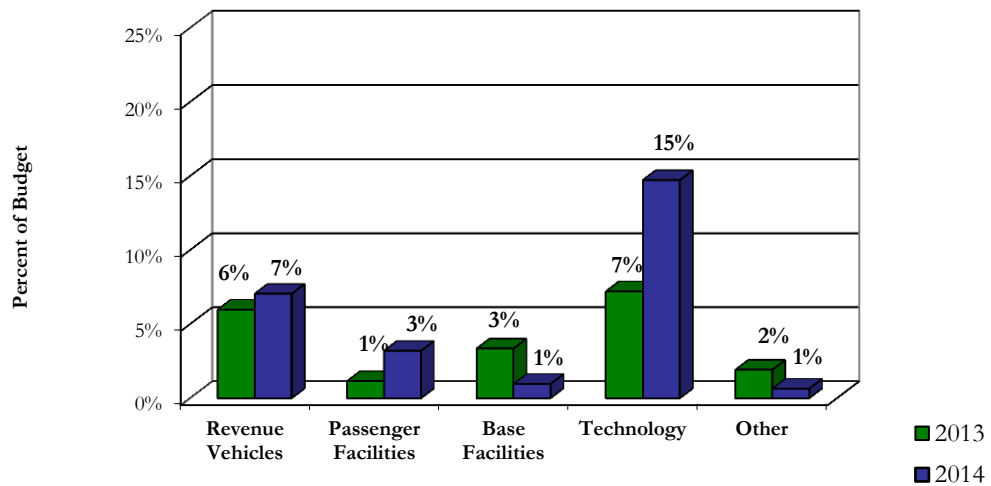


FIRST QUARTER 2014

CAPITAL

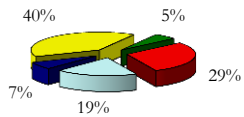
FINANCIAL STATUS REPORT

Actual Performance as a Percent of Budget at 25% of Fiscal Year



First Quarter 2014 Capital Expenditures

Budgeted
Expenditures by
Category

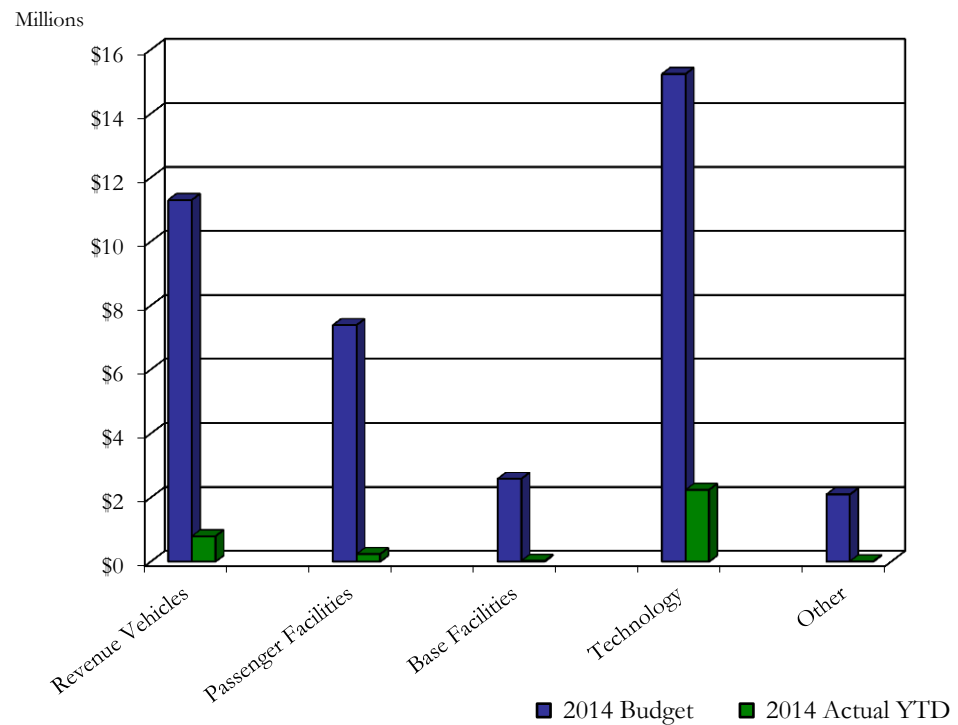


- Revenue Vehicles
- Passenger Facilities
- Base Facilities
- Technology
- Other

Project
portfolios on
target.

	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Revenue Vehicles	\$ 11,303,382	\$ 796,199	7%
Passenger Facilities	7,390,890	236,277	3%
Base Facilities	2,588,139	24,768	1%
Technology	15,245,039	2,244,465	15%
Other	2,098,593	13,409	1%
Total Capital Expenditures	\$ 38,626,043	\$ 3,315,118	9%

2014 Budget to Actual



Capital projects may encompass more than one year.

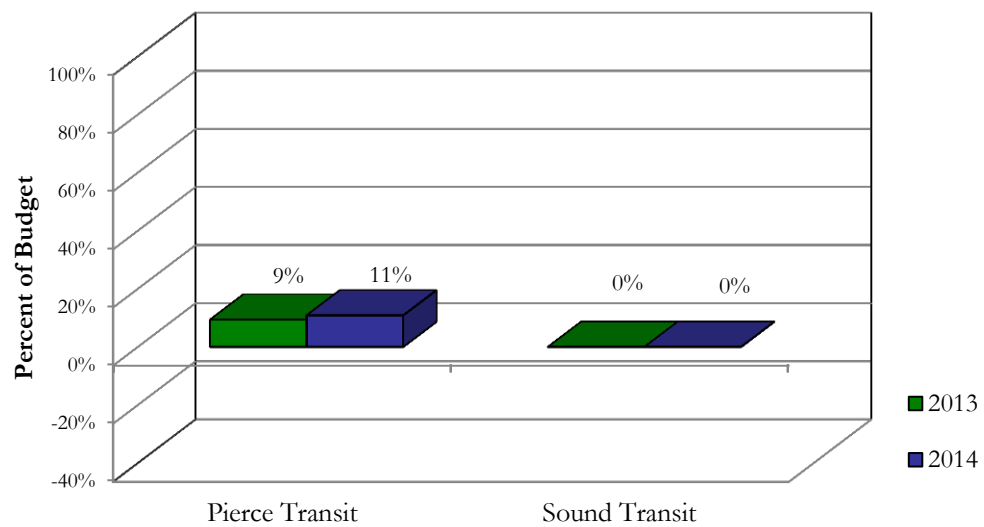


FIRST QUARTER 2014

SELF-INSURANCE

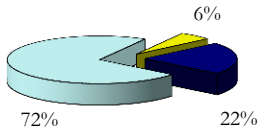
FINANCIAL
STATUS
REPORT

Actual Performance as a Percent of Budget at 25% of Fiscal Year



First Quarter 2014 PT Self-Insurance Expenditures

Budgeted
Expenditures by
Category



■ Liability & Other Insurance

■ Workers' Comp. Insurance

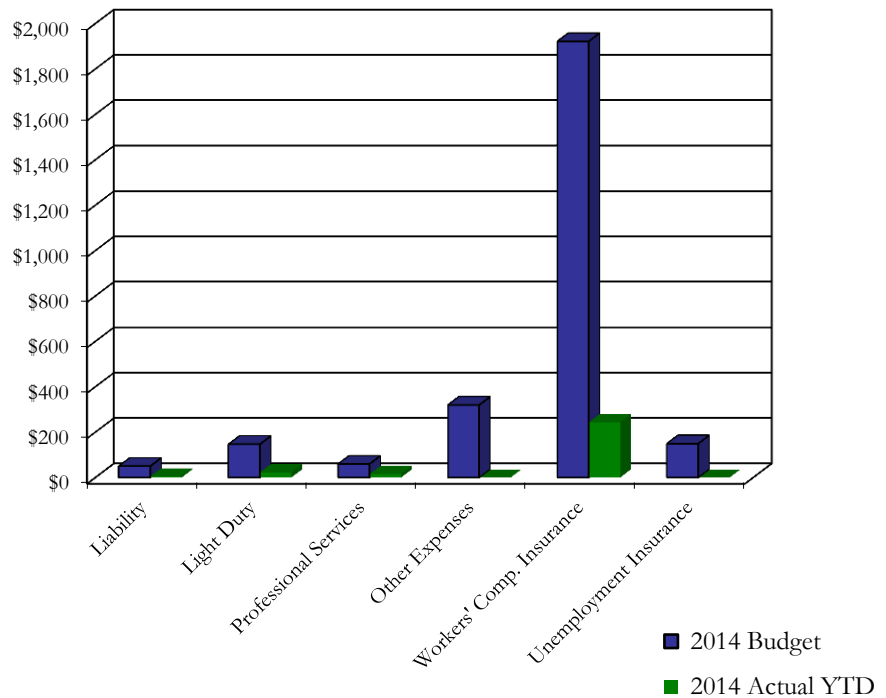
■ Unemployment Insurance

Self-Insurance
expenditures
under budget.

Pierce Transit (PT)	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Liability & Other Insurance			
Liability	\$ 50,000	\$ 5,000	10%
Light Duty	147,000	23,231	16%
Professional Services	60,000	15,600	26%
Other Expenses	320,000	236	0%
Liability & Other Insurance	577,000	44,067	8%
Workers' Comp. Insurance	1,922,000	243,598	13%
Unemployment Insurance	150,000	-	0%
Total PT Self-Insurance Expenditures	\$ 2,649,000	\$ 287,666	11%

2014 Budget to Actual

Thousands

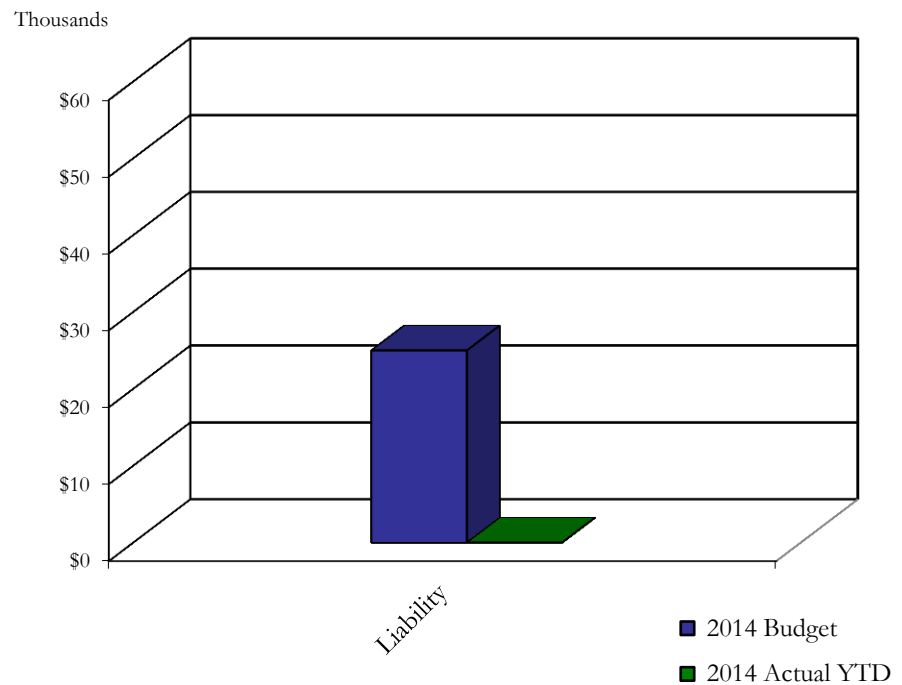


First Quarter 2014 ST Self-Insurance Expenditures

Sound Transit (ST)	2014 Budget	2014 Actual YTD	2014 YTD % of Budget
Liability Insurance			
Liability	\$ 25,000	\$ -	0%
Total ST Self-Insurance Expenditures	<u>\$ 25,000</u>	<u>\$ -</u>	0%

No liability
claims paid.

2014 Budget to Actual



**PIERCE TRANSIT
BOARD OF COMMISSIONERS
MINUTES**

April 14, 2014

CALL TO ORDER

Vice-Chair Vermillion called the meeting to order at 4:07 PM.

Commissioners present:

Rick Talbert, Chair of the Board, Pierce County Councilmember (*excused*)
Steve Vermillion, Vice-Chair, Puyallup Councilmember
Nancy Henderson, Town of Steilacoom
Don Anderson, Lakewood Mayor
Marilyn Strickland, Chair of the Board, Tacoma Mayor (arrived at 4:16 PM)
Kent Keel, University Place Councilmember
Pat McCarthy, Pierce County Executive
Lauren Walker, Tacoma Councilmember (*excused*)

Staff present:

Lynne Griffith, Chief Executive Officer
Alberto Lara, Chief Administration Officer
Wayne Fanshier, Chief Financial Officer
Doug Middleton, Chief Operations Officer
Dana Henderson, General Counsel
Deanne Jacobson, Clerk of the Board

PUBLIC COMMENT

Deb (last name inaudible) from Tacoma, posed questions relating to the timing of getting from Point A to Point B, and requested more frequent service.

After comments were provided, Government Relations Officer Justin Leighton assisted her with her questions.

PRESENTATIONS:

- **Operator of the Month December 2013 ~ Dajari Makena**

Transit Operator Assistant Manager Scott Gaines recognized Operator Dajari Makena as Operator of the month for December 2013. Mr. Gaines shared the operator's successes and noted that Mr. Makena has been with Pierce Transit for 33 years and 32 years of accident-free driving,

- **Financial Update/Sales Tax Collections**

Chief Financial Officer Wayne Fanshier reported on sales tax collections through the end of January 2014. He responded to questions from Commissioner Anderson.

CONSENT AGENDA

(Items listed below were distributed to Commissioners in advance for reading and study and are enacted with one motion.)

Commissioners Strickland and McCarthy **moved** and seconded to approve the consent agenda as presented. Motion **carried**.

1. Approval of Vouchers
2. Sole Source Report (1st Quarter of 2014)
3. Minutes: Regular Board Meeting of March 10, 2014
4. **FS 14-022**, Approved Resolution No. 14-016, authorizing the Chief Executive Officer to enter into and execute an Interlocal Agreement with the City of Tacoma for Pierce Transit to provide trip reduction services and outreach to City of Tacoma employers from July 1, 2013 through June 30, 2015.
5. **FS 14-023**, Approved Resolution No. 14-017, authorizing the Chief Executive Officer to enter into and execute an Interlocal Agreement with Pierce County for Pierce Transit to provide Commute Trip Reduction (CTR) services and outreach to CTR affected employers in Pierce County from July 1, 2013 through June 30, 2015.
6. **FS 14-024**, Approved Resolution No. 14-018, authorizing the Chief Executive Officer to enter into and execute an Interlocal Agreement with Metropolitan Park District of Tacoma to provide service for the Point Defiance Pagoda Centennial Celebration on May 18, 2014.
7. **FS 14-025**, Approved Resolution No. 14-019, authorizing the Chief Executive Officer to enter into and execute a Memorandum of Understanding with Pierce County supporting Beyond the Borders for a period of two years and retroactive to January 1, 2014 through December 31, 2015.

ACTION AGENDA

1. FS 14-026, Amending the 2014 Capital Budget and Authorizing the Purchase of Ten (10) Forty-Foot compressed Natural Gas Replacement Coaches

Commissioners Strickland and McCarthy and **moved** and seconded to approve Resolution No. 14-020, authorizing amendment of the 2014 Capital Budget to add the 2014 Bus Replacement Project, and authorizing the purchase of Ten (10) Forty-Foot Compressed Natural Gas Replacement Coaches, pursuant to the Greater Richmond Transit Company in Richmond, Virginia, Contract No. 114-13-07.

Fleet Manager Bill Spies presented on the item. He responded to questions relating to the bus procurement process.

Motion **carried**.

2. FS 14-027, Authority to Purchase Thirty-Nine (39) Replacement Vehicles to Support fixed Route Revenue Service from Washington State Contract No. 03613

Commissioners Strickland and McCarthy **moved** and seconded to approve Resolution No. 14-021, authorizing the purchase of thirty-nine (39) replacement vehicles to support fixed route revenue service from Washington State Contract No. 03613.

Fleet Manager Bill Spies presented on the item and responded to questions.

Motion **carried**.

3. FS 14-028, Authority to Amend the 2014 Capital Budget to Include Replacement of Mobile Radios for Sound Transit Bus Fleet and to Authorize the Purchase of Radio Communications Equipment from Washington State WSCA Contract No. 02702

Commissioners Strickland and Keel **moved** and seconded to approve Resolution No. 14-022, authorizing the amendment of the 2014 Capital Budget to add \$600,000 for replacement of mobile radios for Sound Transit bus fleet and authorizing the purchase of radio communications equipment from Motorola Solutions and Aviat Networks through the existing Washington State Contract No. 02702.

Radio Program Administrator Carlos Davis presented on the item and responded to questions.

Commissioner McCarthy noted that Pierce Transit has done a phenomenal job of establishing the backbone of radio communications for Pierce County and thanked Doug Middleton and Carlos Davis for their efforts.

Motion **carried**.

4. FS 14-029, A Resolution Proclaiming April 2014 as Distracted Driving Awareness Month and April 14-18, 2014 as Distracted Driving Awareness Week at Pierce Transit

Commissioners Strickland and McCarthy **moved** and seconded to approve Resolution No. 14-023, proclaiming April as Distracted Driving Awareness Month and April 14-18, 2014, as Distracted Driving Awareness Week at Pierce Transit.

Chief Operations Officer Doug Middleton presented on the item.

Motion **carried**.

INFORMATIONAL BOARD ITEMS

Chair Report ~ None.

Sound Transit Update ~ Commissioner Strickland briefly talked about future Sound Transit service from Tacoma Dome Station to the Airport.

Legislative Update ~ Government Relations Officer Justin Leighton provided a legislative update. He updated the Board on staff's recent visit to Washington DC.

Gordon Thomas Honeywell Consultants updated the Board on the recent legislative actions that occurred in the last session.

Commissioner Don Anderson discussed a recent meeting he had with Chief of Operation Doug Middleton regarding Joint Base Lewis McChord (JBLM).

EXECUTIVE SESSION

AT 5:03 PM, Vice-Chair Vermillion recessed the Regular Meeting into Executive Session for approximately 30 minutes pursuant to *RCW 42.30.110 (1) (b), Real Estate Matters and 42.30.110 (1)(i), Potential Litigation*. Formal action is anticipated to follow.

At 5:34 PM, the meeting was reconvened into open session.

Commissioners Strickland and Keel **moved** and seconded to authorize the CEO to negotiate a long-term contract with Tacoma Community College for transit service for the terms discussed in Executive Session.

Motion **carried**.

Commissioners Strickland and Keel **moved** and seconded to authorize the Chief Executive Officer to proceed with resolving the CNG Business interruption claim.

Motion **carried**.

ADJOURNMENT

Commissioners Strickland and Keel **moved** and seconded to adjourn the meeting at 5:40 PM.

Motion **carried**.

Deanne Jacobson, CMC
Clerk of the Board

Rick Talbert, Chair
Board of Commissioners

FACT SHEET – EXECUTIVE/FINANCE COMMITTEE

TITLE: Amending Section 2.04.020 – Members of the Board of Commissioners; Adding New Section 2.04.030 – Filling Vacancies for At-Large Representation; and Adding New Section 2.08.110 – Executive Sessions to the Bylaws

DIVISION: Executive Department

ORIGINATOR: Deanne Jacobson, Clerk of the Board; and Dana Henderson, General Counsel

PRECEDING ACTION: March 20, 2014 Executive Finance Committee

COORDINATING DEPARTMENT: None

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Proposed Amendments
Exhibit B, Clean Version

BUDGET INFORMATION

2014 Budget Amount	Required Expenditure	Impact
N/A	N/A	N/A

Explanation: N/A

BACKGROUND: The proposed amendments to the Board of Commissioners' Bylaws described in Exhibit A seek to clarify Board composition and to give guidance for filling vacancies for at-large representation. Furthermore, the language proposed for Section 2.08.110 – Executive Sessions is essential so that Pierce Transit's existing policy relating to Executive Sessions at Board of Commissioners' meetings is consistent with recent case law. The proposed changes are housekeeping in nature and overall are not considered substantive changes.

Pursuant to Section 2.28.070 of the Pierce Transit Code, a 30-day written notice of the proposed amendments shall be sent to all legislative bodies within the jurisdiction of Pierce Transit prior to formal adoption. Staff shall provide notice of these proposed Bylaw changes subject to a "do pass" to the April 14, 2014 Regular Board Meeting.

Update: At the March 20, 2014 Executive Finance Committee, staff reviewed the proposed changes to the Bylaws. After discussion, the Committee recommended a "do pass" to the May 12, 2014, Board of Commissioners' meeting.

On April 10, 2014, notice of the proposed Bylaw changes was sent to the 14 jurisdictions within the Pierce Transit Boundary. No written comments were received from the jurisdictions concerning the proposed Bylaw changes by the April 30, 2014 comment period deadline.

ALTERNATIVES: Do not approve the proposed amendments. [Impact: This would prevent Pierce Transit's Executive Session policy from being consistent with recent case law and would also prevent some necessary "housekeeping" revisions.]

RECOMMENDATION: Approve Resolution No. 14-026, approving the Bylaw changes as described in Exhibit A of the Resolution.

RESOLUTION NO. 14-026

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Amending
2 Section 2.04.020 – Members of the Board of Commissioners; Adding New Section
3 2.04.030 – Filling Vacancies for At-Large Representation; and Adding New Section
4 2.08.110 – Executive Sessions to the Bylaws and Repealing Resolution No. 10-008
5

6 WHEREAS, by Resolution No. 79-4, approved May 21, 1979 Pierce Transit adopted
7 Bylaws; and

8 WHEREAS, those bylaws were amended and codified as part of the Pierce Transit
9 Code in 1983 and subsequent amendments have occurred; and

10 WHEREAS, on June 11, 2012 the Pierce Transit Board of Commissioners approved
11 Resolution No. 12-020, which amended Sections 2.04.020 and 2.16.020 of the Pierce
12 Transit Code as a result of the April 12, 2012, Public Transportation Improvement
13 Conference; and

14 WHEREAS, Pierce Transit desires to amend Section 2.04.020 of the Bylaws to clarify
15 Board composition and term expirations; and

16 WHEREAS, Pierce Transit also desires to add new Section 2.04.030 of the Bylaws to
17 give guidance for filling vacancies for at-large representation and to provide for more
18 flexibility in filling vacancies; and

19 WHEREAS, Pierce Transit further desires to repeal Resolution No. 10-008, and add
20 new Section 2.08.110 – Executive Sessions to the Bylaws to align its existing policy with
21 recent case law; and

22 WHEREAS, in accordance with Section 2.28.070 of the Pierce Transit Code, a 30-
23 day written notice of the proposed changes has been sent to all legislative bodies within
24 the jurisdiction of Pierce Transit.

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

27 Section 1. The Bylaws of the Pierce Transit Board of Commissioners are
28 hereby amended as identified in Exhibit A, attached hereto and incorporated herein; and

29 Section 2. Resolution No. 10-008 is hereby repealed in its entirety.

30 ADOPTED by the Board of Commissioners of Pierce Transit at their regular
31 meeting thereof held on the 15th day of May, 2014.

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PIERCE TRANSIT

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

2.04.020 ~~Members of the board of commissioners~~ Board Composition and Terms.

A. The Board of Commissioners (hereinafter referred to as the Board) shall consist of nine members and may include one nonvoting member, ~~who are~~ selected as follows:

1. Two members ~~selected-voted~~ by the ~~e~~City ~~e~~Council of the ~~e~~City of Tacoma;
2. One member ~~selected-voted~~ by the ~~e~~City ~~e~~Council of the ~~e~~City of Lakewood;
3. Two members ~~selected-voted~~ by the Pierce County ~~e~~Council;
4. One member ~~selected-voted~~ by the city ~~e~~Council of Puyallup;
5. One member ~~selected-voted~~ by the ~~e~~City ~~e~~Council of University Place;
6. One at-large member voted on by the Fife, Edgewood, and Milton City Councils;
7. One at-large member voted by the representatives of the city and town councils of Auburn, Fircrest, Gig Harbor, Pacific, Ruston and Steilacoom, the ~~remaining cities and towns within the boundary of Pierce Transit.~~

- a. ~~Pierce Transit shall request the city and town councils of Fife, Edgewood, and Milton; and Auburn, Fircrest, Gig Harbor, Pacific, Ruston, and Steilacoom to nominate a representative to the board of commissioners of Pierce Transit. The request for nomination shall be sent on the second Wednesday in January. The nomination deadline shall be the second Wednesday in February.~~
- b. ~~The list of prospective nominees shall be mailed to the town and city councils for a vote on the second Friday in February. The city and town councils shall have until second Wednesday in March to return the ballots.~~
- c. ~~The ballots shall be accompanied by a certified copy of the council resolution or motion. The clerk of the board of Pierce Transit shall count the ballots and announce the results of the balloting to the board of commissioners.~~
- d. ~~A plurality of ballots cast shall determine the winner.~~
- e. ~~In the event of a tie, the city and town councils shall have an additional thirty-days to reconsider. The ballot procedure will be repeated until a winner is selected by a plurality vote.~~

88. One nonvoting member, pursuant to RCW 36.57.030(5), who may serve on the Board upon recommendation by the labor organization representing Pierce Transit's public transportation employees. If Pierce Ttransit's employees are represented by more than one labor organization, all such labor organizations shall select the nonvoting member by majority vote. The nonvoting member shall comply with all governing bylaws and policies of Pierce Transit.

- B. All voting members of the Pierce Transit Board must be elected officials of the jurisdiction they represent.
- C. The members of the Board of Commissioners of Pierce Transit shall serve a three-year term. Each voting member shall hold office until:
 - (i) The expiration of the term for which he/she is elected;
 - (ii) The appointment or election of a new Commissioner from the member's respective jurisdiction;
 - (iii) The member is no longer an elected official of his or her respective jurisdiction; or
 - (iv) Resignation.

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2.040.030 Filling Vacancies for At-Large Representation

- A. The Clerk of the Board, upon receiving formal notice that a vacancy is expected to occur or has occurred on the Board of Commissioners, shall send a request for nomination along with nominee ballot to the respective at-large cities and towns vacancy.
- B. The respective cities and towns affected by the vacancy ~~shall~~ may formally nominate a candidate from its jurisdiction and return the nomination form to the Clerk of the Board of Pierce Transit. The individual city and town councils are not required to nominate a representative from its respective jurisdiction(s).
- C. After compiling the lists of nominees from all jurisdictions that participated in the nomination process, the Clerk of the Board shall send a ballot letter and formal ballot to the at-large cities and towns affected by the vacancy for formal vote by each respective city or town councils.
- D. The City or Town Councils shall return ballots along with a certified copy of the related Council resolution or motion. The Clerk of the Board of Pierce Transit shall count the ballots and give notice of the results of the balloting to the Board of Commissioners.
- E. Plurality of ballots cast shall determine the winner.
- F. In the event of a tie, the city and town councils shall have an additional thirty days to reconsider. The ballot procedure will be repeated until a winner is selected by a plurality vote.
- G. The newly-elected Commissioner(s)'s term shall begin at the next meeting of the Board.

2.08.110 Executive Sessions.

Exhibit A
Resolution No. 14-026

- A. The Board may hold executive sessions during any regular or special meeting provided that such executive session is held and conducted consistent with the requirements, intent, purpose and procedures set forth in Chapter 42.30 of the Revised Code of Washington.
- B. The Chair of the Board may, at his or her discretion, exclude the nonvoting member of the Board of Commissioners from all or a portion of any executive session.
- C. The nonvoting member of the Board of Commissioners shall, pursuant to RCW 36.57A.050, be excluded from attending executive sessions regarding any matters pertaining to labor negotiations.
- D. This section shall be construed as a supplement to, and may not replace any applicable laws related to open public meetings or executive session. The Board will take prudent measures to fully protect the attorney-client privilege and attorney work product.

2.04.020 Board Composition and Terms.

- A. The Board of Commissioners (hereinafter referred to as the Board) shall consist of nine members and may include one nonvoting member, selected as follows:
1. Two members voted by the City Council of the City of Tacoma;
 2. One member voted by the City Council of the City of Lakewood;
 3. Two members voted by the Pierce County Council;
 4. One member voted by the city Council of Puyallup;
 5. One member voted by the City Council of University Place;
 6. One at-large member voted on by the Fife, Edgewood, and Milton City Councils;
 7. One at-large member voted by the representatives of the city and town councils of Auburn, Fircrest, Gig Harbor, Pacific, Ruston and Steilacoom.
 8. One nonvoting member, pursuant to RCW 36.57.030(5), who may serve on the Board upon recommendation by the labor organization representing Pierce Transit's public transportation employees. If Pierce Transit's employees are represented by more than one labor organization, all such labor organizations shall select the nonvoting member by majority vote. The nonvoting member shall comply with all governing bylaws and policies of Pierce Transit.
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- C. The members of the Board of Commissioners of Pierce Transit shall serve a three-year term. Each voting member shall hold office until:
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- B. The respective cities and towns affected by the vacancy may formally nominate a candidate from its jurisdiction and return the nomination form to the Clerk of the Board of Pierce Transit. The individual city and town councils are not required to nominate a representative from its respective jurisdiction(s).
- C. After compiling the lists of nominees from all jurisdictions that participated in the nomination process, the Clerk of the Board shall send a ballot letter and formal ballot to the at-large cities and towns affected by the vacancy for formal vote by each respective city or town councils.
- D. The City or Town Councils shall return ballots along with a certified copy of the related Council resolution or motion. The Clerk of the Board of Pierce Transit shall count the ballots and give notice of the results of the balloting to the Board of Commissioners.
- E. Plurality of ballots cast shall determine the winner.
- F. In the event of a tie, the city and town councils shall have an additional thirty days to reconsider. The ballot procedure will be repeated until a winner is selected by a plurality vote.
- G. The newly-elected Commissioner(s)'s term shall begin at the next meeting of the Board.

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- C. The nonvoting member of the Board of Commissioners shall, pursuant to RCW 36.57A.050, be excluded from attending executive sessions regarding any matters pertaining to labor negotiations.
- D. This section shall be construed as a supplement to, and may not replace any applicable laws related to open public meetings or executive session. The Board will take prudent measures to fully protect the attorney-client privilege and attorney work product.

FACT SHEET

TITLE: Authority for Pierce Transit to Invest in the Washington State Local Government Investment Pool (LGIP)

DIVISION: Finance

ORIGINATOR: Wayne Fanshier

PRECEDING ACTION: 02-006, Revising the Investment Policy

COORDINATING DEPARTMENT: Finance

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Prospectus
Exhibit B, Authorization Form

BUDGET INFORMATION

2014 Budget Amount
\$0

Required Expenditure
\$0

Impact
\$0

Explanation: N/A

BACKGROUND: The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the State Treasurer. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to [RCW 43.250](#). The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$7-11 billion pooled fund investment portfolio. Investing in the LGIP allows Pierce Transit flexibility in investing options and allows immediate liquidity of funds.

This resolution seeks authority to continue participation in the Washington State Local Government Investment Pool. Pierce Transit currently invests in the Washington State Local Government Pool (LGIP) and the State of Washington is requiring updated resolutions for all participants. Authorization to invest in the LGIP was previously presented to the Board of Commissioners and approved in Resolution 02-006.

ALTERNATIVES: Do not invest in the Washington State Local Government Investment Pool. [Impact: Pierce Transit would lose investments options and ability to liquidate funds for operating expenditures as needed.]

RECOMMENDATION: Approve Resolution No. 14-024, authorizing Pierce Transit to invest in the Washington State Local Government Investment Pool.

RESOLUTION NO. 14-024

1 A RESOLUTION of the Board of Commissioners of Pierce Transit
2 Authorizing Investment of Pierce Transit Monies in the Washington State Local Government Investment Pool
3

4 WHEREAS, by Resolution No 02-006 adopted on February 11, 2002, the Board of Commissioners
5 revised the investment policy; and

6 WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known
7 as the public funds investment account (commonly referred to as the Local Government Investment Pool
8 (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of
9 investment by the Office of the State Treasurer; and

10 WHEREAS, from time to time it may be advantageous for Pierce Transit to contribute funds available
11 for investment in the LGIP; and

12 WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures and
13 prospectus, attached hereto as Exhibit A; and

14 WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of Pierce Transit shall
15 be first authorized by the Pierce Transit Board of Commissioners, or its designee pursuant to this resolution or
16 a subsequent resolution; and

17 WHEREAS Pierce Transit will cause to be filed a certified copy of this resolution with the Office of the
18 State Treasurer; and

19 WHEREAS, Pierce Transit agrees to deposit or withdraw funds with the LGIP in accordance with the
20 Washington Administrative Code, and all other laws or rules related to the LGIP.

21 WHEREAS Pierce Transit has received a copy of the LGIP prospectus, and the designee appointed by
22 Pierce Transit herein, Chief Financial Officer Wayne Fanshier, who is given the authority to contribute or
23 withdraw funds of Pierce Transit has previously received and read a copy of the LGIP prospectus; RCW
24 Chapter 42.250; WAC Chapter 210-10; and has represented that upon information and belief, he understands
25 the risks and limitations of investing in the LGIP;

26 WHEREAS, the Board of Commissioners of Pierce Transit attest by the signatures below that it is duly
27 authorized and empowered to enter into this agreement, to direct the contribution and withdrawal Pierce
28 Transit monies, and to delegate certain authority to make forms to the individuals designated herein and on
29 Exhibit B.

1 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit that Pierce Transit
2 is authorized to participate in the LGIP.

3 BE IT FURTHER RESOLVED by the Board of Commissioners of Pierce Transit that Pierce Transit through
4 its Chief Financial Officer Wayne Fanshier is hereby authorized to make any contributions and withdrawals of
5 Pierce Transit monies in the LGIP in the manner prescribed by law, rule, and prospectus, and that such
6 designated employees may place funds into the public funds investment account for investment and
7 reinvestment by the state treasurer in those securities and investments as set forth in RCW [43.84.080](#) and
8 chapter [39.58](#) RCW.

9 BE IT FURTHER RESOLVED that the Board of Commissioners of Pierce Transit has approved the
10 Local Government Investment Pool Transaction Authorization Form (Form) as completed by Chief Financial
11 Officer and attached hereto as Exhibit B, and incorporates said form into this resolution by reference and
12 does hereby attest to its accuracy.

13 BE IT FURTHER RESOLVED that the Board of Commissioners of Pierce Transit designates the Chief
14 Financial Officer, Wayne Fanshier as the "authorized individual" to authorize all amendments, changes, or
15 alterations to Exhibit B or any other documentation including the designation of other individuals to make
16 contributions and withdrawals on behalf of the Pierce Transit.

17 BE IT FURTHER RESOLVED that this authority and delegation ends upon the written notice, by any
18 method set forth in the prospectus, of the Pierce Transit Board of Commissioners to the Office of the State
19 Treasurer that the authorized individual has been terminated or that his or her delegation has been
20 revoked. Pierce Transit acknowledges that the Office of the State Treasurer will rely solely on the Pierce
21 Transit Board of Commissioners to provide notice of such revocation and is entitled to rely on the
22 authorized individual's instructions until such time as said notice has been provided.

23 BE IT FURTHER RESOLVED that Exhibit B, the form incorporated into this resolution or hereafter
24 amended by delegated authority, or any other documentation signed or otherwise approved by the
25 authorized individual shall remain in effect after revocation of the authorized individual's delegated
26 authority, except to the extent that the authorized individual whose delegation has been terminated shall
27 not be permitted to make further withdrawals or contributions to the LGIP on behalf of Pierce Transit. No
28 amendments, changes, or alterations shall be made to Exhibit B or any other documentation until Pierce
29 Transit passes a new resolution naming a new authorized individual; and

30 BE IT FURTHER RESOLVED that the Board of Commissioners of Pierce Transit acknowledges that it
31 has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In
32 addition, the Board of Commissioners of Pierce Transit agrees that a copy of the prospectus will be

1 provided to any person delegated or otherwise authorized to make contributions or withdrawals into or
2 out of the LGIP and that said individuals will be required to read the prospectus prior to making any
3 withdrawals or contributions or any further withdrawals or contributions if authorizations are already in
4 place.

5 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
6 the 15th day of May, 2014.

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8 PIERCE TRANSIT

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11 Rick Talbert, Chair
12 Board of Commissioners
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15 ATTEST/AUTHENTICATED

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17 _____
18 Deanne Jacobson, CMC
19 Clerk of the Board
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**LOCAL GOVERNMENT
INVESTMENT POOL**

Prospectus

January 2014



James L. McIntire
Washington State Treasurer

Contents

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II.	Local Government Investment Pool – Money Market Fund	4-9
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I. The LGIP

The Local Government Investment Pool (the "LGIP") is an investment pool of public funds placed in the custody of the Office of the Washington State Treasurer (the "State Treasurer") for investment and reinvestment as defined by RCW 43.250.020. The purpose of the LGIP is to allow eligible governmental entities to participate with the state in the investment of surplus public funds, in a manner that optimizes liquidity and return on such funds. In establishing the LGIP, the legislature recognized that not all eligible governmental entities are able to maximize the return on their temporary surplus funds, and therefore it provided a mechanism whereby they may, at their option, utilize the resources of the State Treasurer to maximize the potential of their surplus funds while ensuring the liquidity of those funds.

The State Treasurer has established a sub-pool within the LGIP whose shares are offered by means of this Prospectus: The LGIP-Money Market Fund (the "LGIP-MMF" or the "Fund"). The State Treasurer has the authority to establish additional sub-pools in the future.

The Fund offered in this Prospectus seeks to provide current income by investing in high-quality, short term money market instruments. These standards are specific to the Fund, as illustrated in the following table. The LGIP-MMF offers daily contributions and withdrawals.

FUND SNAPSHOT

The table below provides a summary comparison of the Fund's investment types and sensitivity to interest rate risk. This current snapshot can be expected to vary over time.

Fund	Investment Types	Maximum Dollar-Weighted Average Maturity for LGIP-MMF
LGIP-Money Market Fund	Cash	60 days
Current Investments (as of November 1, 2013)	Bank Deposits US Treasury bills Repurchase agreements US Government agency obligations	

Fees and Expenses

Administrative Fee. The State Treasurer charges pool participants a fee representing administration and recovery costs associated with the operation of the Fund. The administrative fee accrues daily from pool participants' earnings prior to the earnings being posted to their account. The administrative fee will be paid monthly. In the event that there are no earnings, the administrative fee will be deducted from principal.

The chart below illustrates the operating expenses of the LGIP-MMF for past years, expressed in basis points as a percentage of fund assets.

Local Government Investment Pool-MMF
Operating Expenses by Fiscal Year (in Basis Points)

	2006	2007	2008	2009	2010	2011	2012	2013
<i>Total Operating Expenses</i>	<i>1.12</i>	<i>0.96</i>	<i>0.84</i>	<i>0.88</i>	<i>0.64</i>	<i>0.81</i>	<i>0.68</i>	<i>0.87</i>

(1 basis point = 0.01%)

Because most of the expenses of the LGIP-MMF are fixed costs, the fee (expressed as a percentage of fund assets) will be affected by: (i) the amount of operating expenses; and (ii) the assets of the LGIP-MMF. The table below shows how the fee (expressed as a percentage of fund assets) would change as the fund assets change, assuming an annual fund operating expenses amount of \$800,000.

Fund Assets	\$6.0 bn	\$8.0 bn	\$10.0 bn
Total Operating Expenses (in Basis Points)	1.33	1.0	.80

Portfolio Turnover: The Fund does not pay a commission or fee when it buys or sells securities (or “turns over” its portfolio). However, debt securities often trade with a bid/ask spread. Consequently, a higher portfolio turnover rate may generate higher transaction costs that could affect the Fund’s performance.

II. Local Government Investment Pool – Money Market Fund

Investment Objective

The LGIP-MMF will seek to effectively maximize the yield while maintaining liquidity and a stable share price of \$1.

Principal Investment Strategies

The LGIP-MMF will seek to invest primarily in high-quality, short term money market instruments. Typically, at least 55% of the Fund’s assets will be invested in US government securities and repurchase agreements collateralized by those securities. The LGIP-MMF means a sub-pool of the LGIP whose investments will primarily be money market instruments. The LGIP-MMF will only invest in eligible investments permitted by state law. The LGIP-MMF will not be an SEC-registered money market fund and will not be required to follow SEC Rule 2a-7. Investments of the LGIP-MMF will conform to the LGIP Investment Policy, the most recent version of which will be posted on the LGIP website and will be available upon request.

Principal Risks of Investing in the LGIP-Money Market Fund

Counterparty Credit Risk. A party to a transaction involving the Fund may fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategies.

Interest Rate Risk. The LGIP-MMF’s income may decline when interest rates fall. Because the Fund’s income is based on short-term interest rates, which can fluctuate significantly over short periods, income risk is expected to be high. In addition, interest rate increases can cause the price of a debt security to decrease and even lead to a loss of principal.

Liquidity Risk. Liquidity risk is the risk that the Fund will experience significant net withdrawals of Fund shares at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss.

Management Risk. Poor security selection or an ineffective investment strategy could cause the LGIP-MMF to underperform relevant benchmarks or other funds with a similar investment objective.

Issuer Risk. The LGIP-MMF is subject to the risk that debt issuers and other counterparties may not honor their obligations. Changes in an issuer's credit rating (e.g., a rating downgrade) or the market's perception of an issuer's creditworthiness could also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Also, a decline in the credit quality of an issuer can cause the price of a money market security to decrease.

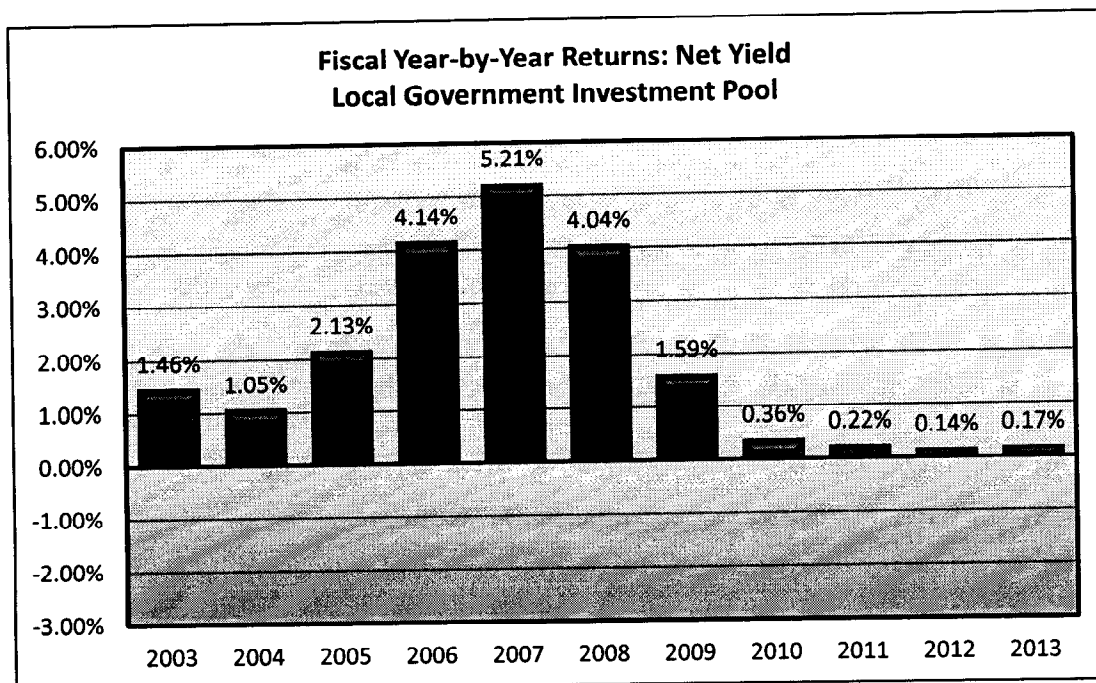
Securities Lending Risk and Reverse Repurchase Agreement Risk. The LGIP-MMF may engage in securities lending or in reverse repurchase agreements. Securities lending and reverse repurchase agreements involve the risk that the Fund may lose money because the borrower of the Fund's securities fails to return the securities in a timely manner or at all or the Fund's lending agent defaults on its obligations to indemnify the Fund, or such obligations prove unenforceable. The Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or a decline in the value of any investments made with cash collateral.

Risks Associated with use of Amortized Cost. The use of amortized cost valuation means that the LGIP-MMF's share price may vary from its market value NAV per share. In the unlikely event that the State Treasurer were to determine that the extent of the deviation between the Fund's amortized cost per share and its market-based NAV per share may result in material dilution or other unfair results to shareholders, the State Treasurer may cause the Fund to take such action as it deems appropriate to eliminate or reduce to the extent practicable such dilution or unfair results.

An investment in the LGIP-MMF is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of investments at \$1 per share, pool participants could lose money by investing in the LGIP-MMF. There is no assurance that the LGIP-MMF will achieve its investment objective.

Performance

The following information is intended to address the risks of investing in the LGIP-MMF. The information illustrates changes in the performance of the LGIP-MMF's shares from year to year. Returns are based on past results and are not an indication of future performance. Updated performance information may be obtained on our website at www.tre.wa.gov or by calling the LGIP toll-free at 800-331-3284.



Local Government Investment Pool-Money Market Fund			
Average Accrued Net Yield			
<u>1 Year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>
0.17%	0.19%	.52%	1.94%

Transactions: LGIP-MMF

General Information

The minimum transaction size (contributions or withdrawals) for the LGIP-MMF will be five thousand dollars. The State Treasurer may, in its sole discretion, allow for transactions of less than five thousand dollars.

Valuing Shares

The LGIP-MMF will be operated using a net asset value (NAV) calculation based on the amortized cost of all securities held such that the securities will be valued at their acquisition cost, plus accrued income, amortized daily.

The Fund's NAV will be the value of a single share. NAV will normally be calculated as of the close of business of the NYSE, usually 4:00 p.m. Eastern time. If the NYSE is closed on a particular day, the Fund will be priced on the next day the NYSE is open.

NAV will not be calculated and the Fund will not process contributions and withdrawals submitted on days when the Fund is not open for business. The time at which shares are priced and until which contributions and withdrawals are accepted is specified below and may be changed as permitted by the State Treasurer.

To the extent that the LGIP-MMF's assets are traded in other markets on days when the Fund is not open for business, the value of the Fund's assets may be affected on those days. In addition, trading in some of the Fund's assets may not occur on days when the Fund is open for business.

Transaction Limitation

The State Treasurer reserves the right at its sole discretion to set a minimum and/or maximum transaction amount from the LGIP-MMF and to limit the number of transactions, whether contribution, withdrawal, or transfer permitted in a day or any other given period of time.

The State Treasurer also reserves the right at its sole discretion to reject any proposed contribution, and in particular to reject any proposed contribution made by a pool participant engaged in behavior deemed by the State Treasurer to be abusive of the LGIP-MMF.

A pool participant may transfer funds from one LGIP-MMF account to another subject to the same time and contribution limits as set forth in WAC 210.10.060.

Contributions

Pool participants may make contributions to the LGIP-MMF on any business day. All contributions will be effected by electronic funds transfer to the account of the LGIP-MMF designated by the State Treasurer. It is the responsibility of each pool participant to pay any bank charges associated with such electronic transfers to the State Treasurer. Failure to wire funds by a pool participant after notification to the State Treasurer of an intended transfer will result in penalties. Penalties for failure to timely wire will be assessed to the account of the pool participant responsible.

Notice. To ensure same day credit, a pool participant must inform the State Treasurer of any contribution over one million dollars no later than 9 a.m. on the same day the contribution is made. Contributions for one million dollars or less can be requested at any time prior to 10 a.m. on the day of contribution. For all other contributions over one million dollars that are requested prior to 10 a.m., a pool participant may receive same day credit at the sole discretion of the State Treasurer. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which no notice is received prior to 10:00 a.m. will be credited as of the following business day.

Notice of contributions may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to State Treasurer's Treasury Management System ("TMS"). Please refer to the [LGIP-MMF Operations Manual](#) for specific instructions regarding contributions to the LGIP-MMF.

Direct deposits from the State of Washington will be credited on the same business day.

Pricing. Contribution requests received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that contribution date.

Withdrawals

Pool participants may withdraw funds from the LGIP-MMF on any business day. Each pool participant shall file with the State Treasurer a letter designating the financial institution at which funds withdrawn from the LGIP-MMF shall be deposited (the "Letter"). This Letter shall contain the name of the financial institution, the location of the financial institution, the account name, and the account number to which funds will be deposited. This Letter shall be signed by local officials authorized to receive and disburse funds, as described in WAC 210-10-020.

Disbursements from the LGIP-MMF will be effected by electronic funds transfer. Failure by the State Treasurer to wire funds to a pool participant after proper notification to the State Treasurer to disburse funds to a pool participant may result in a bank overdraft in the pool participant's bank account. The State Treasurer will reimburse a pool participant for such bank overdraft penalties charged to the pool participant's bank account.

Notice. In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal over one million dollars no later than 9 a.m. on the same day the withdrawal is made. Withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of withdrawal. For all other withdrawals from the LGIP-MMF over one million dollars that are requested prior to 10 a.m., a pool participant may receive such withdrawal on the same day it is requested at the sole discretion of the State Treasurer. No earnings will be credited on the date of withdrawal for the amounts withdrawn. Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

Pricing. Withdrawal requests with respect to the LGIP-MMF received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that withdrawal date.

Suspension of Withdrawals. If the State Treasurer has determined that the deviation between the Fund's amortized cost price per share and the current net asset value per share calculated using available market quotations (or an appropriate substitute that reflects current market conditions) may result in material dilution or other unfair results, the State Treasurer may, if it has determined irrevocably to liquidate the Fund, suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the Fund in an orderly manner. The State Treasurer will distribute proceeds in liquidation as soon as practicable, subject to the possibility that certain assets may be illiquid, and subject to subsequent distribution, and the possibility that the State Treasurer may need to hold back a reserve to pay expenses.

The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if US bond markets are closed, or if the Securities and Exchange Commission declares an emergency. If any of these events were to occur, it would likely result in a delay in the pool participants' redemption proceeds.

The State Treasurer will notify pool participants within five business days of making a determination to suspend withdrawals and/or irrevocably liquidate the fund and the reason for such action.

Earnings and Distribution

LGIP-MMF Daily Factor

The LGIP-MMF daily factor is a net earnings figure that is calculated daily using the investment income earned (excluding realized gains or losses) each day, assuming daily amortization and/or accretion of income of all fixed income securities held by the Fund, less the administrative fee. The daily factor is reported on an annualized 7-day basis, using the daily factors from the previous 7 calendar days. The reporting of a 7-day annualized yield based solely on investment income which excludes realized gains or losses is an industry standard practice that allows for the fair comparison of funds that seek to maintain a constant NAV of \$1.00.

LGIP-MMF Actual Yield Factor

The LGIP-MMF actual yield factor is a net daily earnings figure that is calculated using the total net earnings including realized gains and losses occurring each day, less the administrative fee.

Dividends

The LGIP-MMF's dividends include any net realized capital gains or losses, as well as any other capital changes other than investment income, and are declared daily and distributed monthly.

Distribution

The total net earnings of the LGIP-MMF will be declared daily and paid monthly to each pool participant's account in which the income was earned on a per-share basis. These funds will remain in the pool and earn additional interest unless withdrawn and sent to the pool participant's designated bank account as specified on the Authorization Form. Interest earned will be distributed monthly on the first business day of the following month.

Monthly Statements and Reporting

On the first business day of every calendar month, each pool participant will be sent a monthly statement which includes the pool participant's beginning balance, contributions, withdrawals, transfers, administrative charges, earnings rate, earnings, and ending balance for the preceding calendar month. Also included with the statement will be the monthly enclosure. This report will contain information regarding the maturity structure of the portfolio and balances broken down by security type.

III. Management

The State Treasurer is the manager of the LGIP-MMF and has overall responsibility for the general management and administration of the Fund. The State Treasurer has the authority to offer additional sub-pools within the LGIP at such times as the State Treasurer deems appropriate in its sole discretion.

Administrator and Transfer Agent. The State Treasurer will serve as the administrator and transfer agent for the Fund.

Custodian. A custodian for the Fund will be appointed in accordance with the terms of the LGIP Investment Policy.

IV. Miscellaneous

Limitation of Liability

All persons extending credit to, contracting with or having any claim against the Fund offered in this Prospectus shall look only to the assets of the Fund that such person extended credit to, contracted with or has a claim against, and none of (i) the State Treasurer, (ii) any subsequent sub-pool, (iii) any pool participant, (iv) the LGIP, or (v) the State Treasurer's officers, employees or agents (whether past, present or future), shall be liable therefor. The determination of the State Treasurer that assets, debts, liabilities, obligations, or expenses are allocable to the Fund shall be binding on all pool participants and on any person extending credit to or contracting with or having any claim against the LGIP or the Fund offered in this Prospectus. There is a remote risk that a court may not enforce these limitation of liability provisions.

LOCAL GOVERNMENT INVESTMENT POOL
TRANSACTION AUTHORIZATION FORM

Resolution No. 14-024
Exhibit B

Please fill out this form completely, including any existing information, as this form will replace the previous form.

Name of Entity: Pierce Transit	PO Box 99070
Fax Number: 253 581 8075	Lakewood, WA 98496-0070
E-mail Contact: 253 581 8115	

Do you wish to have your monthly LGIP statements faxed to the number listed above?

Please note – if you choose to receive statements via fax, you will not receive another copy via U.S. mail.

☒ YES, please fax statements


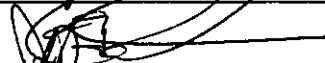

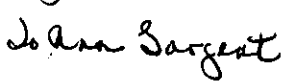
☐ No, please send statements via U.S. mail

Bank account where funds will be wired when a withdrawal is requested.

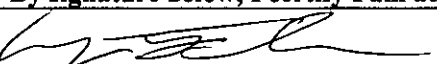

(Note: Funds will not be transferred to any account other than that listed).

Bank Name: <u>Key Bank</u>
Branch Location: <u>Tacoma</u>
Bank Routing Number: <u>[REDACTED]</u>
Account Number: <u>[REDACTED]</u>
Account Name: <u>Pierce Transit</u>

Persons authorized to make deposits and withdrawals for the entity listed above.

Name	Title	Signature	Telephone Number
Liz Passmore	Finance Assistant Manager		253 581 8115
Jeff Forslund	Revenue Supervisor		253 581 8134
Kathy Sullivant	Finance Manager		253 581 8120
JoAnn Sargent	Senior Accountant		253 589 6368

By signature below, I certify I am authorized to represent the institution/agency for the purpose of this transaction.

	Chief Financial Officer	4-18-14
(Authorized Signature)	(Title)	(Date)
	wfanshier@piercetransit.org	253 581 8014
(Print Authorized Signature)	(E-mail Address)	(Telephone number)

Any changes to these instructions must be submitted in writing to the Office of the State Treasurer. Please mail this form to the address listed below:

OFFICE OF THE STATE TREASURER
LOCAL GOVERNMENT INVESTMENT POOL
PO Box 40200

OLYMPIA, WA 98504-0200

FAX (360) 902-8044

STATE OF WASHINGTON
DEANNE M JACOBSON

Commission Expires November 15, 2015

Date Received: ____ / ____ / ____
Fund Number: ____
(for LGIP use only)

State of Washington)
County of Pierce) ss.

Signed or attested before me by Wayne Fanshler.

Dated this 9th day of April, 2014.



Signature of Notary

MY COMMISSION EXPIRES 11-15-2015

FACT SHEET

TITLE: Declaration of Surplus Vehicles for (6) New Flyer CNG buses; Fourteen (14) Ford Vanpools Vans; Seven (7) Chevrolet Vanpool Vans; Three (3) Ford Shuttle Vans; Two (2) Dodge Vanpool Vans, and One (1) Dodge Support Vehicle and Authorization the Sale Thereof

DIVISION: Operations

ORIGINATOR: Bill Spies

PRECEDING ACTION: N/A

COORDINATING DEPARTMENT: Maintenance/Purchasing

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Description of Surplus Vehicles

BUDGET INFORMATION

2014 Budget Amount
N/A

Required Expenditure
N/A

Impact
N/A

Explanation: N/A

BACKGROUND: This resolution requests that the Board of Commissioners declare six (6) New Flyer CNG buses, fourteen (14) Ford Vanpools Vans, seven (7) Chevrolet Vanpool Vans, three (3) Ford Shuttle Vans, two (2) Dodge Vanpool Vans, and one (1) Dodge Support Vehicle as surplus vehicles and authorize the sale thereof.

Staff has verified that these vehicles exceed their useful life requirements, have been replaced by new vehicles, and are no longer required for use by Pierce Transit. A detailed list of the surplus vehicles is attached to the resolution as Exhibit A.

ALTERNATIVES: None.

RECOMMENDATION: Approve Resolution No. 14-025, declaring six (6) New Flyer CNG buses, fourteen (14) Ford Vanpool Vans, seven (7) Chevrolet Vanpool Vans, three (3) Ford Shuttle Vans, two (2) Dodge Vanpool Vans and one (1) Dodge Support Vehicle as surplus vehicles and authorizing the sale thereof.

RESOLUTION NO. 14-025

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Declaring Surplus of Six (6) New Flyer CNG
2 Buses, Fourteen (14) Ford Vanpool Vans, Seven (7) Chevrolet Vanpool Vans, Three (3) Ford Shuttle Vans, Two
3 (2) Dodge Vanpool Vans and One (1) Dodge Support Vehicle and Authorizing Sale Thereof
4

5 WHEREAS, Pierce Transit is a municipal corporation as defined in the Revised Code of Washington;
6 and

7 WHEREAS, and Pierce Transit has complied with the provisions of RCW 39.34.020 Disposal of Surplus
8 Property; and

9 WHEREAS, and Pierce Transit has identified six (6) New Flyer CNG Buses; fourteen (14) Ford Vanpools
10 Vans; seven (7) Chevrolet Vanpool Vans; three (3) Ford Shuttle Vans; two(2) Dodge Vanpool Vans; and one
11 (1) Dodge Support Vehicle (list attached hereto as Exhibit A) that are beyond their useful life requirements and
12 should be declared surplus; and

13 WHEREAS, the New Flyer CNG Buses are of an age and condition where they are no longer
14 economical to maintain and have been replaced; and

15 WHEREAS, the Chevrolet and Dodge Vanpools Vans are of an age and condition where they are no
16 longer economical to maintain and have been replaced; and

17 WHEREAS, the Ford Shuttle Vans are of an age and condition where it is no longer economical to
18 maintain and have been replaced; and

19 WHEREAS, the Dodge Support Vehicle is of an age and condition where it is no longer economical to
20 maintain and has been replaced; and

21 WHEREAS the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to
22 declare the six (6) New Flyer CNG buses, fourteen (14) Ford Vanpools Vans, seven (7) Chevrolet Vanpool Vans,
23 three (3) Ford Shuttle Vans, two (2) Dodge Shuttle Vans; and one (1) Dodge Support Vehicle surplus and
24 authorize the sale thereof to the public; and

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

26 Section 1. Said six (6) New Flyer CNG buses, fourteen (14) Ford Vanpools Vans, seven (7)
27 Chevrolet Vanpool Vans, three (3) Ford Shuttle Vans, two (2) Dodge Vanpool Vans, and one (1) Dodge
28 Support Vehicles, as described in Exhibit A, are herewith declared surplus and authorized for sale to the
29 public.

30 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
31 the 12th day of May, 2014.
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PIERCE TRANSIT

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

Surplus Vehicles - May 2014

40-Foot CNG Buses, Chevrolet, Dodge, & Ford Vans

Equipment Number	Year	Make	Model	LTD Miles	VIN #
146	2000	New Flyer	C40LF	583,720	5FYC2LP14YU021090
147	2000	New Flyer	C40LF	559,543	5FYC2LP16YU021091
148	2000	New Flyer	C40LF	578,434	5FYC2LP18YU021092
149	2000	New Flyer	C40LF	569,082	5FYC2LP1XYU021093
150	2000	New Flyer	C40LF	583,245	5FYC2LP11YU021094
151	2000	New Flyer	C40LF	602,467	5FYC2LP13YU021095
2800	2006	Dodge	Grand Caravan	162,893	1D4GP24R06B749542
4122	2003	Chevy	Astro	112,453	1GNDM19X63B142073
4127	2003	Chevy	Astro	116,507	1GNDM19X33B142077
4129	2003	Chevy	Astro	123,616	1GNDM19X03B142022
4132	2003	Chevy	Astro	101,485	1GNDM19X33B142340
4139	2003	Chevy	Astro	127,097	1GNDM19X73B142020
4151	2003	Ford	E-350	114,386	1FBNE31L63HB48066
4165	2003	Ford	E-350XL	112,160	1FBSS31L63HB48080
5039	2004	Ford	E450	289,053	1FDXE45S74HB26652
5060	2005	Ford	E450	167,849	1FDXE45S95HA04618
5069	2005	Ford	E450	289,661	1FDXE45SX5HA04627
7003	2005	Dodge	Grand Caravan	135,592	2D4GP44L95R183744
7013	2005	Dodge	Grand Caravan	130,333	2D4GP44L15R183754
7014	2005	Ford	E-350	139,848	1FBNE31L85HA87757
7021	2006	Ford	E-350	125,349	1FBNE31L55HA87764
7023	2005	Ford	E-350XL	133,461	1FBNE31L95HA87766
7029	2005	Ford	E-350XL	135,161	1FBNE31L45HA87772
7031	2005	Ford	E-350LX	122,955	1FBNE31L85HA87774
7032	2005	Ford	E-350LX	122,956	1FBNE31LX5HA87775
7040	2005	Ford	E-350XL	138,997	1FBNE31L95HA87783
7044	2005	Ford	E-350LX	123,571	1FBNE31L85HB13211
7046	2005	Ford	E-350XL	139,714	1FBNE31L15HB13213

7047	2005	Ford	E-350LX	123,988	1FBNE31L35HB13214
7053	2005	Ford	E-350LX	142,616	1FBSS31LX5HB07986
7062	2005	Ford	E-350LX	130,345	1FBSS31L05HB07995
7069	2005	Chevy	3500	136,176	1GAHG39U051218410
7075	2005	Chevy	3500	147,740	1GAHG39UX51217989

FACT SHEET

TITLE: Authority to Amend the Capital Budget and
Authorize Change Order to Purchase Additional Fare Box
Equipment Pursuant to Contract No. PT-61-13

DIVISION: Executive

ORIGINATOR: Heidi H. Neideigh

PRECEDING ACTION: Resolution No. 13-037, Adoption of 2014 Budget; Resolution No 13-034, Authorization to Enter Into and Execute a Sole Source Contract with GFI Genfare to Replace Current Fare Boxes; Resolution No. 13-034, Authority to Negotiate and Execute Contract for Fare Box System Upgrade with GFI Genfare; Resolution No. 12-035, Adoption of 2013 Budget.

COORDINATING DEPARTMENT: Project Management Office

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2014 Budget Amount
\$3,000,000

Required Expenditure
\$3,700,000

Impact
\$700,000
Budget Increase

Explanation: Amend the 2014 Capital Budget to increase the project budget by \$700,000 in local funds and approve the purchase of additional fare boxes and related equipment. The funds are available from reserves.

BACKGROUND: This resolution requests an amendment to the 2014 Capital Budget from the Board of Commissioners and authorization to execute a Change Order to contract PT-61-13 to add 32 fare boxes and related equipment. The cost of the change order is \$556,391.99 with the remaining funds of \$143,608.01 going into the project contingency. At the time the original contract was signed, Pierce Transit did not expect the need to upgrade the fare boxes on the reserve fleet, nor the fare boxes on vehicles used on new demonstration services.

ALTERNATIVES: Do nothing. The old fare boxes will not be compatible with the new vault system, so the fare boxes in the reserve fleet and on demonstration routes cannot be dropped into the vault. This will create a major issue as far as money counting and National Transit Database reporting.

RECOMMENDATION: Approve Resolution No. 14-027, authorizing amendment of the 2014 Capital Budget to increase the project budget for the Fare Box Replacement project by \$700,000 to \$3,700,000, and authorizing the Chief Executive Officer to enter into and execute a change order with GFI Genfare to add for fare boxes and equipment, contract no. PT-61-13.

RESOLUTION NO. 14-027

A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing Amendment to the 2014 Capital Budget to add \$700,000 to Fare Box Replacement Project and Authorizing Change Order to Purchase Additional Fare Box Equipment Pursuant to Contract No. PT-61-13

WHEREAS, by Resolution No 13-037, approved on the 9th day of December, 2013, the Board of Commissioners of Pierce Transit adopted the 2014 Budget; and

WHEREAS, by Resolution No 13-034, approved on the 9th day of December, 2013, the Board of Commissioners of Pierce Transit Authorized Staff to Enter Into and Execute a Sole Source Contract with GFI Genfare to Replace Current Fare Boxes; and

WHEREAS, the budget contains funds for the Fare Box Replacement Project; and

WHEREAS, the required expenditure for contracting with SPX Genfare and establishing an adequate project contingency reserve is in the amount of \$700,000; and

WHEREAS, additional vehicles are therefore needed, and fare boxes need to be upgraded in order to be compatible with the new vault; and

WHEREAS, staff has received a quote from SPX Genfare in the amount of \$556,391.99 to deliver the required additional fare boxes and related equipment and provide installations, licenses and cables; and

WHEREAS the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to amend the 2014 Capital Budget to increase the Fare Box Replacement project budget by \$700,000 to \$3,700,000 and authorize the Change Order to Contract No PT-61-13 in the amount of \$556,391.99.

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

Section 1. The 2014 Capital Budget is herewith amended to reflect an increase to the Fare Box Replacement Project Budget of \$700,000 for a new total budget of \$3,700,000 including project contingency of \$143,608 by the Board of Commissioners of Pierce Transit.

Section 2. The Chief Executive Officer is herewith authorized to execute a Change Order Pursuant to Contract No. PT-61-13 to purchase applicable fare boxes and related equipment in the amount of \$556,391.99, which includes sales tax. The Chief Executive Officer is also authorized to execute additional Change Orders up to \$143,608.01 from contingency reserves.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 12th day of May, 2014.

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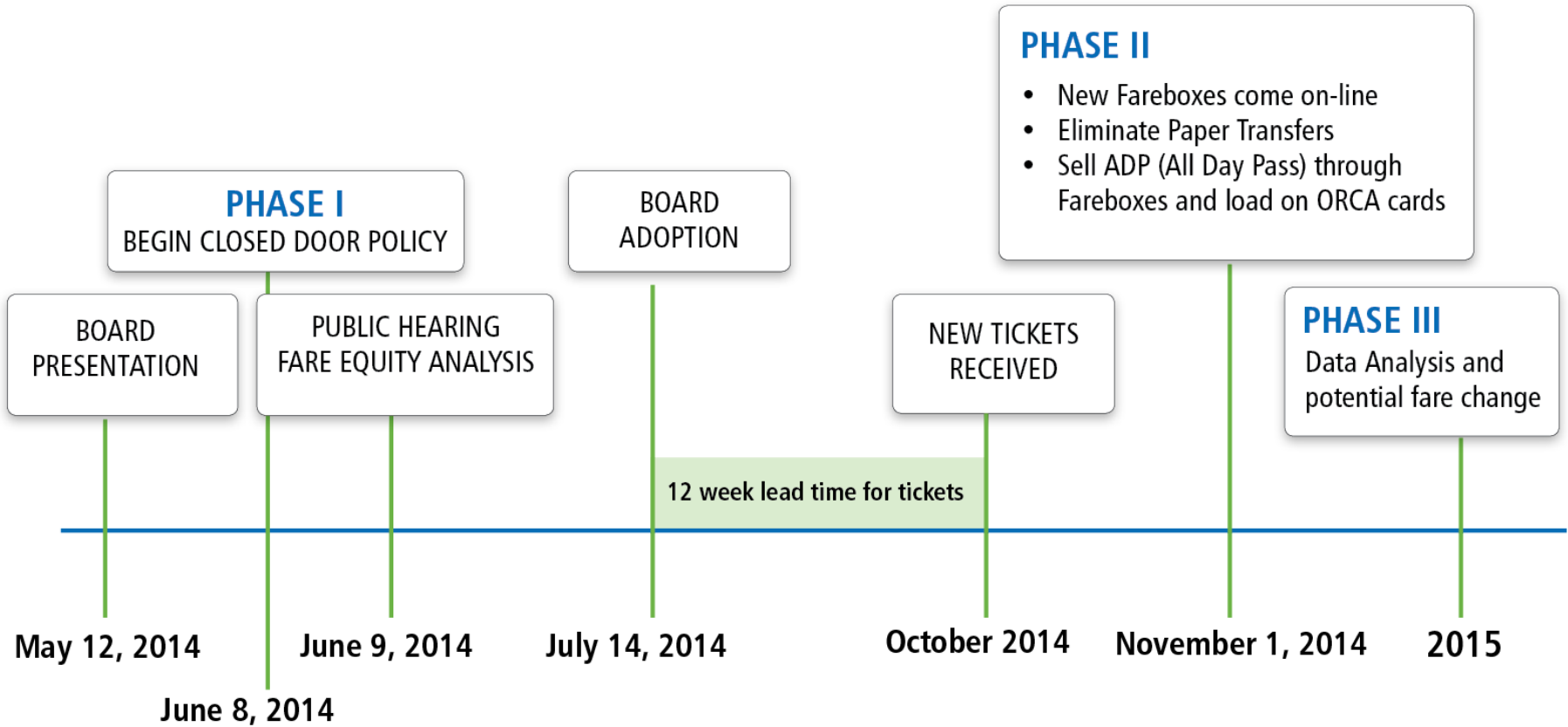
PIERCE TRANSIT

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

Proposed Timeline



Phase II - Fares Recommendations



November 1, 2014:

- New fareboxes operational

- Eliminate paper transfers

- Implement new PT specific All Day Pass (ADP)

 - Adult ADP = \$5.00

 - Senior/Disabled and Youth ADP = \$2.50

- Leave all other fares as is