



PIERCE TRANSIT BOARD MEETING
Training Center, Rainier Room
3720 96th Street SW, Lakewood, WA
September 14, 2015, 4:00 PM

A Special Study Session meeting will be held prior to this meeting at 3:00 PM

AGENDA

CALL TO ORDER

ROLL CALL

PRESENTATIONS

- September Operator of the Month ~ Raymond Jones
Scott Gaines
Transit Operator Assistant Manager
- Employee(s) of the Month ~ Liz Passmore, Finance Assistant Manager; and Max Henkle, Planner Assistant
Kathy Sullivant, Finance Manager & Peter Stackpole, Planning Asst. Mgr.
- Financial Report (Quarterly Update)
Wayne Fanshier
Chief Financial Officer

PUBLIC COMMENT

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

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.)

1. Approval of Vouchers, September 1, 2015
2. Minutes: Special Study Session Meeting of June 8, 2015; Regular Board Meeting of August 10, 2015
3. FS 15-052, A Resolution Adopting the 2015-2020 Transportation Development Plan
4. FS 15-053, A Resolution Authorizing the Execution of a Five-Year, Sole Source Maintenance and Support Agreement for Pierce Transit's Current Computer Aided Dispatch and Automatic Vehicle Location (CAD/AVL) System with Xerox Transportation Solutions, Inc.

5. FS 15-054, A Resolution Adopting Various Revisions and Amendments to Pierce Transit code Section 3.32- Investment Policy; Adopting a New Revised Investment Policy and Superseding Resolution Nos. 84-110, 90-085, 92-133, and 02-006

ACTION AGENDA

1. FS 15-055, A Resolution Approving the Transit Service Monitoring Results Contained Within the 2015 Title VI Program Submittal to the Federal Transit Administration
Janine Robinson
Senior Planner
2. FS 15-056, A Resolution Approving the 2015 Title VI Program Submittal to the Federal Transportation Administration
Janine Robinson
Senior Planner
3. FS 15-057, A Resolution Authorizing the Amendment of the 2015 Operating Budget to Increase Five Transit Operator Positions and One Relief Transit Operator Position for the Operation of Sound Transit Route 580 and Service Increases to Sound Transit Routes 567, 577, 586, and 598
Doug Middleton
Chief Operations Officer

STAFF UPDATES/DISCUSSION

- Real Estate Update
Janine Robinson
Senior Planner
- CEO Report
Sue Dreier
Chief Executive Officer

INFORMATIONAL BOARD ITEMS

- Chair Report
Chair Talbert
- Sound Transit Update
Commissioners Strickland/McCarthy
- Commissioners' Comments
Commissioners

EXECUTIVE SESSION

ADJOURNMENT

American Disability Act (ADA) accommodations are available with a 72-hour notice. An interpreter for the hearing impaired will be provided upon request with a minimum notice of two weeks. Please contact the Clerk's office at 253-581-8066 for special accommodations. Meeting room is wheelchair accessible. Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE at 253-581-8000 from one to five days in advance of the hearing.

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
SPECIAL STUDY SESSION
MINUTES**

June 8, 2015

CALL TO ORDER

Vice Chair Vermillion called the meeting to order at 3:12 PM.

Commissioners present:

Steve Vermillion, Vice Chair, City of Puyallup Councilmember
Daryl Eidinger, City of Edgewood Mayor (*representing Fife/Milton/Edgewood*)
Pat McCarthy, Pierce County Executive
Nancy Henderson, Town of Steilacoom Councilmember
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)
Don Anderson, City of Lakewood Mayor
Marilyn Strickland, City of Tacoma Mayor (arrived at 3:36 PM)
Kent Keel, City of University Place Councilmember (arrived at 3:38 PM)

Commissioners excused:

Rick Talbert, Chair of the Board, Pierce County Councilmember
Lauren Walker, City of Tacoma Councilmember

Staff present:

Sue Dreier, Chief Executive Officer
Alberto Lara, Chief Administration Officer
Wayne Fanshier, Chief Financial Officer
Doug Middleton, Chief Operations Officer
Dana Henderson, General Counsel
Angela Woods, Deputy Clerk of the Board
Jay Peterson, Transit Development Manager
Daphne Tackett, ORCA Admin

DISCUSSION

Fare Review and the Future of ORCA:

Transit Development Manager Jay Peterson introduced ORCA Administrator Daphne Tackett who was present to discuss the future of ORCA later in the discussion.

Fare Review

Mr. Peterson provided a PowerPoint presentation and discussed interest in adopting potential fare policies, reviewing paratransit fares, and reviewing fixed route fares. The potential fare policies would include a comprehensive review at least every two years, a twenty percent farebox recovery

goal and a paratransit fare increase. (*Commissioner Strickland arrived at 3:36 pm and Commissioner Keel arrived at 3:38 pm*)

Mr. Peterson responded to various questions from the commissioners pertaining to potential fare changes, paratransit boardings, and current farebox recovery. He provided information on fares in the region for comparison.

Conversation ensued about SHUTTLE fares and boardings.

The Board agreed for Mr. Peterson to bring forward potential fare change scenarios to the July Board Meeting for discussion.

Future of ORCA

Ms. Tackett discussed the future of ORCA and the strategic planning process. She provided information on ORCA 2 and described the future system as being more flexible.

Ms. Tackett responded to various questions pertaining to the proposed project structure and the transition into the new system.

ADJOURNMENT

Vice Chair Vermillion adjourned the meeting at 4:08 PM.

Angela Woods
Deputy Clerk of the Board

Rick Talbert, Chair
Board of Commissioners

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
MINUTES**

August 10, 2015

CALL TO ORDER

Chair Talbert called the meeting to order at 4:02 PM.

Commissioners present:

Rick Talbert, Chair of the Board, Pierce County Councilmember
Steve Vermillion, Vice-Chair, City of Puyallup Councilmember
Marilyn Strickland, City of Tacoma Mayor
Kent Keel, City of University Place Councilmember (arrived 4:10 pm)
Daryl Eidinger, City of Edgewood Mayor (*representing Fife/Milton/Edgewood*)
Lauren Walker, City of Tacoma Councilmember
Nancy Henderson, Town of Steilacoom Councilmember
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)

Commissioners excused:

Don Anderson, City of Lakewood Mayor
Pat McCarthy, Pierce County Executive

Staff present:

Sue Dreier, Chief Executive Officer
Wayne Fanshier, Chief Financial Officer
Doug Middleton, Chief Operations Officer
Deanne Jacobson, Clerk of the Board
Angela Woods, Deputy Clerk of the Board

PRESENTATIONS

Rewards and Recognition Awards for August 2015

Human Resources Specialist Barb Cieslak provided an overview of the Rewards and Recognition Program. She reviewed the four categories of awards. The following people were recognized for being recipients of the Rewards and Recognition Awards:

April ~ Tina Lee, Service Innovation Administrator
May ~ Jeff Forslund, Revenue Supervisor
June ~ Barb Hiatt, Senior Executive Assistant
July ~ Clint Steele, Project Manager

Transportation Manager Dena Withrow honored Scott Gaines, Transit Operator Assistant Manager, and Paratransit Supervisor Sherry Culvert for earning the employee of the month awards for August 2015. She detailed their contributions to the organization.

Various commissioners thanked the past and current recipients (Commissioner Keel arrived at 4:10 pm) who received awards and all Pierce Transit employees for their work and contributions to the Agency and public service.

Financial Update

Chief Financial Officer Wayne Fanshier reviewed the financial portion of the Financial & Ridership Report Card for August 2015. He announced that staff would like to begin providing the financial update on a quarterly basis; however, the monthly report will continue to be distributed monthly at the Board meetings and staff can answer questions if needed.

Service Planning Assistant Manager Peter Stackpole reviewed the ridership portion of the Report Card, focusing on the statistics relating to ridership. He discussed the various variables that staff believes is contributing to the reduction in ridership.

PUBLIC COMMENT

- Jim Emiley, University Place, discussed the idea of re-routing a portion of Route 53 that currently drives past his house.
- Reed Ezra, Tacoma, thanked Pierce Transit the transportation service that it provides to the community.
- Tammy Cox, Tacoma, talked about the inappropriate behavior that occurs on the bus relating to storage of bags and strollers. She discussed concerns about ridership and requested another bus shop in Lakewood.
- Mark Feddersen, Pierce Transit Contract Law Enforcement Lead, provided comments relating to the proposal to end the off-duty program within the Public Safety Department. At the end of the discussion, he recommended keeping the Public Safety Department model in its current form through December of 2016. He requested that all stakeholders be given the opportunity to give input on any new proposal. He submitted written comments to the Clerk of the Board.

PUBLIC HEARING ~ Proposed 2015-2020 Transit Development Plan

Principal Planner Darin Stavish presented on the proposed 2015 Transit Development Plan (TDP) and noted that this plan is required by Washington State Law. He noted the proposed plan highlights work achieved in 2014 and 2015 and the Plan will be scheduled for adoption at the September 14, 2015 Board Meeting.

At 4:37 pm, Chair Talbert opened the public hearing and provided instructions relating to the comment period.

No public comments were provided.

Chair Talbert closed the public hearing at 4:38 pm.

CONSENT AGENDA

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

Commissioners Vermillion and Walker **moved** and seconded to approve the consent agenda as presented.

Motion **carried**, 7-0.

1. Approval of August 3, 2015 Vouchers
Operating Fund #10
Self-Insurance Fund #40
Capital Fund #90
Voucher Numbers CK 344082 through CK 344625
Wire Numbers 1522 through 1535
Total \$5,370,271.74
2. Second Quarter 100k/Sole Source Report
3. Minutes: Regular Board Meetings of April 13, June 8 and July 13, 2015
4. FS 15-047, approved Resolution No. 15-046, ratifying Change Order No. 2 and to make final payment to close the contract with Tucci & Sons for construction of the 112th and Pacific Transit Access Improvements in an amount not to exceed \$34,967.36.
5. FS 15-048, approved Resolution No. 15-047, authorizing the execution of Order No. 6 for nine (9) twenty-five foot buses from the existing multi-year contract with Schetky Northwest Sales, Inc., in an amount not to exceed \$783,720.

ACTION AGENDA

None.

STAFF UPDATES/DISCUSSION

- Fare Change Proposal ~ Transit Development Manager Jay Peterson discussed fare change scenarios that considers fare increases for Senior/Disabled and Youth Fares beginning in March of 2016 with incremental increases through 2020. Regular Adult fares would not increase until 2018.

Commissioner Keel noted that he thinks Pierce Transit needs to be talking about vanpool costs and whether the Agency can recover a larger percentage from the participants. He noted that he isn't opposed to the fare increases discussed earlier by Mr. Peterson.

Mr. Peterson noted that staff had provided information on vanpool costs to the Board in June.

Chair Talbert requested an update at the next Board Meeting on the status of the vanpool program.

Commissioner Walker noted that she appreciates the information provided and she will be supportive of the proposed fare increase.

Chair Talbert noted that the Board supports the proposed schedule to move forward with the fare increases.

- CNG Fueling Update ~ Chief Financial Officer Wayne Fanshier reported that PT recently locked in the cost for Compressed Natural Gas (CNG) fuel. He discussed the savings CNG fueling has provided the Agency over the years and future years to come.

- CEO's Report ~ Chief Executive Officer Sue Dreier announced that the following information:
 - The Executive Finance Committee will be considering a contract to upgrade the Audio/Visual System in the Pierce Transit Training Center and other conference rooms in Building 5 at their August 20, 2015 meeting.
 - The Federal Highway Trust Fund was extended through October 2015.
 - The Transit Team Appreciation Day (TTAD) is back and is scheduled for September 2, 2015. She encouraged the commissioners to attend.
 - She discussed a complimentary email from Washington State Department of Transportation Regional Mobility Grant Programs Department that acknowledged staff members Barb Hunter, Monica Adams, and JoAnn Sargent for their exceptional work on the SR7 and 112th project Regional Mobility Grant submittal.

INFORMATIONAL BOARD ITEM

- **Chair Report** ~ None
- **Sound Transit Update** ~ None
- **Commissioners Comments** ~ None

EXECUTIVE SESSION

None.

ADJOURNMENT

Chair Talbert adjourned the meeting at 5:05 PM.

Deanne Jacobson, CMC
Clerk of the Board

Rick Talbert, Chair
Board of Commissioners

FACT SHEET

TITLE: A Resolution Adopting the 2015-2020
Transit Development Plan

DEPARTMENT: Transit Development
ORIGINATOR: Darin Stavish, Principal Planner

PRECEDING ACTION: N/A

COORDINATING DIVISION:

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Exhibit A, Proposed TDP ([*provided electronically*](#))

BUDGET INFORMATION

2015 Budget Amount
N/A

Required Expenditure
N/A

Impact
0

Explanation: This document represents the Agency's annual update and six-year plan for the time period of 2015 through 2020.

BACKGROUND:

The proposed Transit Development Plan (TDP) outlines Pierce Transit's intermediate operating and capital plans for the period extending from 2015 through 2020. As such, it will ensure compliance with the Revised Code of Washington (RCW) Chapter 35.58.2795, which requires public transportation benefit areas, such as Pierce Transit, to prepare and adopt a Six-Year Transit Development Plan. The TDP is based upon the 2015 Budget adopted by the Board of Commissioners on December 8, 2014.

This six-year year plan reports on Pierce Transit's annual operating budget, capital investments, and business strategies, and is submitted to the Washington State Department of Transportation, Puget Sound Regional Council, Pierce County, and each jurisdiction within the Public Transportation Benefit Area (PTBA) annually. This year's TDP highlights agency work accomplished in 2014; provides a general outline of services and facility changes anticipated for 2015-2020; and financial elements (both operating and capital) budgeted for 2015 and projected for 2016-2021. Once finalized, Pierce Transit

will use the TDP to guide specific development of upcoming service designs, business strategies, and budget considerations.

This action follows a public hearing that was held at a regular Board of Commissioners meeting on August 10, 2015, where the draft TDP was presented for initial review and comment. Financial projections contained in the TDP are based on projected future revenues and costs. As with past plans, future updates will include any new funding sources and the financial impacts of the Puget Sound region's changing economic environment.

ALTERNATIVES:

- 1) Modify the list of programmed projects.

RECOMMENDATION:

Approve Resolution No. 15-046, adopting the Agency's 2015-2020 Transit Development Plan as presented in Exhibit A.

RESOLUTION NO. 15-046

A RESOLUTION of the Board of Commissioners of Pierce Transit
Adopting the 2015-2020 Transit Development Plan

WHEREAS, the 2015-2020 Transit Development Plan provides guidance on issues related to service and capital facilities development, regional coordination, system performance standards, and a financial implementation strategy; and

WHEREAS, the Revised Code of Washington (RCW) Chapter 35.58.2795 requires that municipal corporations, including public transportation benefit areas such as Pierce Transit, prepare and approve a Six-Year Transit Development Plan; and

WHEREAS, the Pierce Transit Board of Commissioners held a public hearing on the proposed 2015-2020 Transit Development Plan at their regular meeting on August 10, 2015; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit that the 2015-2020 Transit Development Plan is adopted substantially in the same form as presented in Exhibit A and constitutes Pierce Transit's Six-Year Transit Development Plan for the period 2015-2020.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof, held on this 14th day of September, 2015.

Rick Talbert, Chair
Board of Commissioners

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: Authority to Execute a Five-Year, Sole Source Maintenance and Support Agreement for Current Computer Aided Dispatch and Automatic Vehicle Location (CAD/AVL) System with Xerox Transportation Solutions, Inc.

DIVISION: Administration/Information Technology

ORIGINATOR: Keith Messner, Information Technology Manager

PRECEDING ACTION:

Resolution No. 06-004, Authority to Negotiate and Execute a Master Agreement for a Mobile Communications System, Task Order No. 1 for Voice and Data Radio and Task Order No. 2 for CAD/AVL with Motorola and Amendment of the 2006 Capital Budget

Resolution No. 10-016, Authority to Execute a Sole Source Maintenance and Support Agreement for our Current Computer Aided Dispatch and Automatic Vehicle Location System with ACS Transportation Management Solutions

COORDINATING DEPARTMENT: Information Technology

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2015 Budget Amount	Required Expenditure over five years	Impact
\$0	\$2,006,550	None

(2016-2020 budget years)

Explanation: The current five year Maintenance and Support Agreement for the Computer Aided Dispatch and Automatic Vehicle Location (CAD/AVL) System expires on December 31, 2015. This Agreement locks in maintenance and support costs for the CAD/AVL System for the next five years. Years 2016 through 2020 fees will be budgeted in the 2016, 2017, 2018, 2019, and 2020 budgets. The total 5-year value of the agreement is \$2,006,550 (including tax).

BACKGROUND:

This resolution requests authority to execute a sole source five-year Maintenance and Support Agreement for the Agency's current CAD/AVL system with Xerox Transportation Solutions, Inc.

Pierce Transit uses the CAD/AVL System to manage its fixed route bus service, Paratransit SHUTTLE service, maintenance services, and facilities activities. It is also used to coordinate emergency and other Public Safety activities. This system allows Pierce Transit to optimize the use of staff and equipment throughout our service area. This system is critical to the operation of our business.

The CAD/AVL System provides the capability for two-way communication via pre-formatted text messages to Agency vehicles via a radio data channel to a driver display unit on each vehicle - allowing an enormous reduction in voice radio traffic. A majority of the daily communications activities is handled by this system which frees up the voice radio for essential-only communications and allows for increased effectiveness of our communications center personnel. Vehicle location is presented on a system map which is updated frequently so communications systems controllers, management, and maintenance staff have an up-to-date location of each vehicle in the Agency fleet. All vehicle activity is tracked and stored by the system for reporting and analysis purposes.

The system was purchased from ACS in 2006, and was fully implemented and accepted in August 2009. Xerox Transportation Systems, Inc. subsequently acquired ACS. The current five year maintenance and support agreement expires on December 31, 2015. We have negotiated a five-year maintenance and support agreement that locks in maintenance and support costs for another five-year period, contingent upon approval from the Board of Commissioners.

Xerox is the proprietary vendor for this software and is the only firm that can provide maintenance and support for the CAD/AVL System. Staff conducted a price comparison with other users and has found that the price proposed for the Maintenance and Support Agreement is fair and reasonable.

ALTERNATIVES:

Enter into a more costly single-year maintenance agreement; however, savings realized from a multiyear agreement would be lost.

RECOMMENDATION:

Approve Resolution No. 15-047, authorizing the Chief Executive Officer to enter into and execute a five-year, sole source, five year Maintenance and Support Agreement for Pierce Transit's CAD/AVL System with Xerox Transportation Solutions, Inc., from 2016-2020 for an amount not to exceed \$2,006,550.

RESOLUTION NO. 15-047

A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing Execution of a Five-Year, Sole Source Maintenance and Support Agreement for Current Computer Aided Dispatch and Automatic Vehicle Location (CAD/AVL) System with Xerox Transportation Systems, Inc.

WHEREAS, by Resolution No. 06-004, the Board of Commissioners authorized the master agreement for a Mobile Communications System, Task Order No. 1, for voice and data radio; and Task Order No. 2 for Computer Aided Dispatch and Automatic Vehicle Location (CAD/AVL) with Motorola and amendment of the 2006 Capital Budget; and

WHEREAS, by Resolution No. 10-016, the Board of Commissioners authorized a sole source Maintenance and Support Agreement for Pierce Transit's current CAD/AVL System with ACS Transportation Management Solutions; and

WHEREAS, the proposed 2016 Budget includes funds to execute a maintenance and support agreement for our current CAD/AVL System; and

WHEREAS, the current five year maintenance and support agreement expires on December 31, 2015; and

WHEREAS, ongoing maintenance and support is needed to keep the systems operating effectively; and

WHEREAS, Xerox Transportation Solution's proposal to provide systems maintenance and support for five years in the amount of \$374,185 in 2016, \$387,281 in 2017, \$400,836 in 2018, \$414,865 in 2019, and \$429,386 in 2020 has been evaluated by staff, is considered to be fair and reasonable and is by this reference incorporated herein; and

WHEREAS, the CAD/AVL System software is proprietary and maintenance can only be supported by Xerox Transportation Solutions; and

WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to execute a sole source contract for maintenance and support for Pierce Transit's CAD/AVL System with Xerox Transportation Solutions; and

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

Section 1 The Chief Executive Officer is hereby authorized to enter into and execute a five-year, sole source contract with Xerox Transportation Solutions, Inc., in the amount of \$374,185 in 2016, \$387,281 in 2017, \$400,836 in 2018, \$414,865 in 2019, and \$429,386 in 2020 for a support and maintenance agreement for the CAD/AVL for a total amount not to exceed \$2,006,550.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of September, 2015.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: A Resolution Adopting Various Revisions and Amendments to Pierce Transit Code Section 3.32 – Investment Policy; Adopting a New Revised Investment Policy and Superseding Resolution Nos. 84-110, 90-085, 92-133, and 02-006

DIVISION: Finance

ORIGINATOR: Wayne Fanshier, Chief Financial Officer

PRECEDING ACTION:

Resolution 84-110, adopted April 23, 1984, Adoption of Investment Policy
Resolution 90-085, adopted June 18, 1990, Revision of the Investment Policy
Resolution 92-133, adopted October 12, 1992, Revision of the Investment Policy
Resolution 02-006, adopted February 11, 2002, Revision of 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, Proposed Policy, Clean Version
Exhibit B, Proposed Revisions Redlined Version

BUDGET INFORMATION

2015 Budget Amount	Required Expenditure	Impact
Explanation: n/a	n/a	n/a

BACKGROUND:

Pierce Transit invests its available cash. State law sets forth the types of instruments in which municipalities are permitted to invest. Pierce Transit's Investment Policy provides guidance regarding the specific types of instruments and their maturities. The policy will be reviewed on an annual basis. Changes to the policy must be approved by the Investment Officer and the Board of Commissioners.

The current investment policy establishes that investments will be made on a competitive bid basis. However, the policy doesn't provide specific guidance on how investments will be bid. The new revised Investment Policy adds a section on bidding of investments, removes unnecessary procedural language, and reorganizes the document to a more commonsensical manner. The proposed changes are identified in Exhibit B.

The new bidding language states the following:

"Bidding. The Agency will make its best effort to obtain three bids for the purchase of investment securities, other than new issues. If circumstances dictate that fewer than three bids are obtained due to the volatility of the market, lack of bids etc., the Investment Officer, or designee, has the authority to waive this requirement. In comparing bids, not all bidders will have the same inventory to sell, but should be able to offer comparable alternatives. An investment quote sheet will be used. Information will include the amount, the offering institution, maturity, investment instrument, and the price and yield to maturity. If the highest yield security is not purchased, the reasons for another selection must be documented."

The policy will be reviewed on an annual basis. Changes to the policy must be approved by the Investment Officer and the Board of Commissioners.

ALTERNATIVES:

Do not revise the policy. However, the revised policy clarifies bidding requirements.

RECOMMENDATION:

Approve Resolution No. 15-048, adopting revisions and amendments to Pierce Transit Code Section 3.32 – Investment Policy as presented in Exhibit A, adopting a new revised Investment Policy, and Superseding Resolution Nos. 84-110, 90-085, and 92-133 and 02-006.

RESOLUTION NO. 15-048

A RESOLUTION of the Board of Commissioners of Pierce Transit Adopting Various Revisions and Amendments to Pierce Transit Code Section 3.32 – Investment Policy; Adopting a New Revised Investment Policy and Superseding Resolution Nos. 84-110, 90-085, 92-133, and 02-006

WHEREAS, by Resolution Nos. 84-110, 90-085, 92-133, and 02-006 the Board of Commissioners of Pierce Transit adopted and revised the Agency's Investment Policy; and

WHEREAS, management responsibility for the investment program is delegated by the Chief Executive Officer to the Chief Financial Officer; and

WHEREAS, the Chief Financial Officer has been appointed the Agency's Investment Officer; and

WHEREAS, the investment of the Agency's available funds is guided by the Investment Policy; and

WHEREAS, the Chief Financial Officer has reviewed the Investment Policy and recommends that the Investment Policy be revised to provide guidance on how investments will be bid, to remove unnecessary procedural language, and reorganize the policy to a more commonsensical manner; and

WHEREAS, Said policy will be reviewed on an annual basis. Changes to the policy must be approved by the Investment Officer and the Board of Commissioners; and

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

Section 1. The Board of Commissioners hereby adopts various revisions and amendments to Pierce Transit Code Section 3.32 – Investment Policy, as presented in Exhibit A; and

Section 2. This new revised policy shall supersede all other Investment Policies that were adopted by Resolution Nos. 84-110, 90-085, 92-133, and 02-006.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of September, 2015.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

Chapter 3.32 - INVESTMENTS

Sections:

3.32.010 - Purpose.

The purpose of this chapter is to identify policies and procedures for the investment of Pierce Transit (Agency) funds that support a prudent and systematic approach for the investment of funds.

3.32.020 - Scope.

This policy applies to the investment of operating, self-insurance, debt, and capital funds. Cash balances from all funds will be consolidated to maximize investment earnings. Investment income will be allocated to the funds based on their respective participation and in accordance with generally accepted accounting principles.

3.32.030 - Objectives.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

- A. **Safety.** Safety of principal is the foremost objective of the investment program. The objective is the preservation of principal and the safeguarding of public funds by mitigating credit risk and interest rate risk.
 1. **Credit Risk.** The agency will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - a. Limiting investments to the safest types of securities.
 - b. Diversifying the investment portfolio in accordance with the policy in order to avoid incurring unreasonable and avoidable losses regarding specific security types or individual financial institutions.
 2. **Interest Rate Risk.** Pierce Transit will minimize the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates, by:
 - a. Structuring the investment portfolio so that securities mature to meet operating cash requirements, avoiding the need to sell securities prior to maturity.
- B. **Liquidity.** Pierce Transit's investment portfolio shall remain sufficiently liquid to meet all operating requirements that maybe reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet operating requirements. Since all cash needs cannot be anticipated, a portion of the portfolio may be placed in the local government investment pool which offers same day liquidity for investment funds.
- C. **Yield.** The investment portfolio will be designed with the objective of attaining a market rate of return, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives. Investment shall be limited to relatively low risk securities earning a fair return relative to the risk being assumed. Securities shall generally be held to maturity.

3.32.040 - Standards of Care.

- A. **Prudence.** Pierce Transit adheres to the guidance provided by the "prudent person" standard and shall be applied in the context of managing the portfolio. The "prudent person" standard dictates that investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with the procedures in the investment policy shall be relieved of personal responsibility for an individual security's risk or market price changes, provided deviations are reported in a timely fashion and the liquidity and sale of security is carried out in accordance with the terms of this policy

- B. Delegation of Authority. Management responsibility for the investment program is delegated by the Chief Executive Officer to the Chief Financial Officer. The Chief Financial Officer will act as the Agency's Investment Officer. A list of Pierce Transit employees who are authorized to purchase, sell, wire funds, or transfer custodianship on behalf of the Agency shall be maintained by the Investment Officer.

Responsibility for the operation of the investment program is delegated to the Investment Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this policy. Procedures include references to safekeeping, investment accounting, repurchase agreements, wire transfer agreements, and collateral agreements. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions and shall establish a system of controls to regulate activities of subordinate officials.

- C. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the execution and management of the investment portfolio, or that may impair their ability to make impartial decisions. Investment officials shall disclose to the Clerk of Board any personal financial/investment interests in financial institutions with which they conduct business on behalf of Pierce Transit. Investment officials must comply with Pierce Transit's Ethics Policy.

3.32.050 - Custody.

All security transactions, where applicable, will be executed by delivery vs. payment (DVP). Securities will be held by a third party custodian designated by the Investment Officer or his designee as evidenced by confirmations in the Agency's name. Custodian banks will be members of the Federal Reserve System.

3.32.060 Authorized Investment Instruments.

The following investments will be permitted by this policy and are those defined by state and local law (RCW 39.58, 39.59, and 43.84.080) where applicable:

1. U.S. government obligations.
2. U.S. government agency obligations.
2. Certificates of Deposit issued by commercial banks and thrift institutions that are public depositories in the State of Washington.
3. Repurchase Agreements, provided that the agreements are collateralized by instruments of the U.S. government. Securities used for collateralization shall be segregated in the name of Pierce Transit and held in safekeeping by the counterpart's trust department or a third party safekeeping agent. Pierce Transit shall enter into a master repurchase agreement with each financial institution with which it makes repurchase agreements. The market price of securities purchased under a Repurchase Agreement shall be at least 102 percent of the repurchase price. Purchase of Repurchase Agreements shall be limited to primary dealers reporting the Federal Reserve or creditworthy commercial financial institutions.
4. Banker's Acceptances issued by the top 30 foreign and domestic banks as listed by the American Banking Association or any qualified depository in the State of Washington.
5. Money market accounts which are insured by the Federal Deposit Insurance Corporation.
6. Washington State Local Government Investment Pool.

3.32.070 - Authorized Financial Dealers and Institutions.

- A. Approval. The Investment Officer, or designee, will approve financial institutions eligible to conduct investment business with the Agency. Brokers/dealers and other financial institutions will be selected based on their expertise in cash and financial management and on their ability to provide service to the Agency's account.
- B. Authorized Financial Dealers and Institutions. A list of broker/dealers authorized to provide investment services will be maintained. Each authorized dealer or institution will make available annual reports, including audited financial statements, and other information as requested. Authorized dealers and institutions will acknowledge that they have received and read Pierce Transit's Investment Policy.

Authorized broker/dealers and financial institutions will be limited to those who meet one or more of the following:

- Financial institutions that are approved by the Washington Public Deposit Protection Commission (RCW 39.58);
 - Primary dealers recognized by the Federal Reserve Bank or non-primary dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-4, the Uniform Net Capital Rule.
- C. Purchase of Securities. All securities will be purchased on a competitive bid basis. Selection of financial institutions and securities will be based on parameters established within this policy. The Investment Officer, or designee, must approve all investments and institutions at the time of investment.
- D. Bidding. The Agency will make its best effort to obtain three bids for the purchase of investment securities, other than new issues. If circumstances dictate that fewer than three bids are obtained due to the volatility of the market, lack of bids etc., the Investment Officer, or designee, has the authority to waive this requirement.

In comparing bids, not all bidders will have the same inventory to sell, but should be able to offer comparable alternatives. An investment quote sheet will be used. Information will include the amount, the offering institution, maturity, instrument, and the price and yield to maturity. If the highest yield security is not being purchased, the reasons for another selection must be documented.

3.32.080 - Investment Parameters.

- A. Diversification. The investments shall be diversified by:
1. Limiting investments to no more than 50 percent of the agency's portfolio in any single type of security.
 2. No more than 50 percent of the agency's total portfolio will be purchased from a single financial institution with the exception of the Washington State Local Government Investment Pool, which is a diversified portfolio actively managed by the State of Washington.
 3. No more than 25 percent the agency's portfolio will be invested in any securities on a specific maturity.
- B. Maturities. To the extent possible, Pierce Transit shall attempt to match its investment maturities with anticipated cash flow requirements. As a general rule the time to maturity of securities purchased shall not exceed two years. Securities underlying a repurchase agreement may have maturity of more than two years.

3.32.090 - Reporting.

Investment reports will be prepared at least quarterly in sufficient detail to provide an accurate representation of the portfolio, showing its compliance with the Investment Policy.

3.32.100 - Policy considerations.

This policy shall be reviewed on an annual basis. The Investment Officer and the Board of Commissioners must approve any changes.

3.32.110 - List of authorized investment personnel.

Chief Financial Officer

Finance Manager

Finance Assistant Manager

Chapter 3.32 - INVESTMENTS*

Sections:

~~3.32.010 - List of authorized investment personnel.~~~~Wayne Fanshier, Vice President of Finance and Administration~~~~Kathy Sullivan, Finance Manager~~~~Liz Passmore, Accounting Supervisor~~

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Comment [KS1]: Moved to 3.32.110

(Res. 02-006 § 1 (part))

~~3.32.0210 - Introduction. Purpose.~~

The purpose of this chapter is to identify policies and procedures ~~that enhance opportunities for a prudent and systemic investment process. The first step toward prudent investment is to organize and formalize investment-related activities. Activities, which comprise good cash management, include forecasting and tracking capabilities, control of revenues and disbursements, and cost-effective banking relations for the investment of Pierce Transit (Agency) funds that support a prudent and systematic approach for the investment of funds.~~

~~(Res. 02-006 § 1 (part))~~~~3.32.0320 - Scope.~~

This policy applies to the investment of operating, self-insurance, debt, and capital funds. Cash balances from all funds will be consolidated to maximize investment earnings. Investment income will be allocated to the funds based on their respective participation and in accordance with generally accepted accounting principles.

~~(Res. 02-006 § 1 (part))~~~~3.32.0430 - Objectives.~~

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

- A. Safety. Safety of principal is the foremost objective of the investment program. ~~Investments shall be undertaken in a manner that seeks to ensure. The objective is the preservation of principal and the safeguarding of public funds by mitigating credit risk and interest rate risk in the portfolio. The objective will be to mitigate credit risk and interest rate risk.~~

1. Credit Risk. The agency will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- a. Limiting investments to the safest types of securities.

- ~~b. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the agency will do business.~~

Comment [KS2]: See Section 3.32.070

~~eb.~~ Diversifying the investment portfolio in accordance with the policy in order to avoid incurring unreasonable and avoidable losses regarding specific security types or individual financial institutions.

2. Interest Rate Risk. Pierce Transit will minimize the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates, by:

a. Structuring the investment portfolio so that securities mature to meet operating cash requirements, avoiding the need to sell securities prior to maturity.

~~b. Investing funds in short-term authorized securities or the Washington State Local Government Investment Pool.~~

B. Liquidity. Pierce Transit's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet operating requirements. Since all cash needs cannot be anticipated, a portion of the portfolio may be placed in the local government investment pool which offers same day liquidity for investment funds.

C. Yield. The investment portfolio will be designed with the objective of attaining a market rate of return, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives. Investment shall be limited to relatively low risk securities earning a fair return relative to the risk being assumed. Securities shall generally not be sold prior to maturity with the following exceptions: be held to maturity.

~~1. A security with declining credit may be sold early to minimize loss of principal.~~

~~2. Operating cash needs require that the security be sold.~~

~~3. A security swap would improve quality, yield, or liquidity needs in the portfolio.~~

Comment [KS3]: Utilization of the State Investment Pool is a strategy to meet operating requirements stated above. No need to restate

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Comment [KS4]: The diversification requirements should preclude having to sell before maturity.

~~(Res. 02-006 § 1 (part))~~

3.32.0540 - Standards of ~~c~~Care.

A. Prudence. Pierce Transit adheres to the guidance provided by the "prudent person" standard and shall be applied in the context of managing the portfolio. The "prudent person" standard dictates that investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with the procedures in the investment policy shall be relieved of personal responsibility for an individual security's risk or market price changes, provided deviations are reported in a timely fashion and the liquidity and sale of security is carried out in accordance with the terms of this policy. ~~Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.~~

~~B. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the execution and management of the investment portfolio, or that may impair their ability to make impartial decisions. Investment officers shall disclose to the Clerk of Board any personal financial/investment interests in financial institutions with which they conduct business on behalf of Pierce Transit. Investment officers shall refrain from~~

Comment [KS5]: Moved from following paragraph. Added for clarification

~~undertaking personal investment transactions with the same individual with which business is conducted on behalf of Pierce Transit. Officers shall report quarterly to the Clerk of the Board any meals, entertainment, gifts, or other items of monetary value in excess of \$40 received from any person employed by an institution with which the Pierce Transit places investments.~~

Comment [KS6]: Moved to C below.

~~CB. Delegation of Authority. Management responsibility for the investment program is delegated by the Chief Executive Officer to the Chief Financial Officer. The Chief Financial Officer will act as the Agency's Investment Officer. A list of Pierce Transit employees who are authorized to purchase, sell, wire funds, or transfer custodianship on behalf of the Agency shall be maintained by the Investment Officer. Pierce Transit will appoint and maintain two Investment Officers: The Vice President of Finance and Administration, and the Finance Manager.~~

Comment [KS7]: Moved from paragraph below.

Comment [KS8]: See 3.32.11

Responsibility for the operation of the investment program is delegated to the Investment Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this policy. Procedures include references to safekeeping, investment accounting, repurchase agreements, wire transfer agreements, and collateral agreements. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Investment Officer. The Investment Officers shall be responsible for all transactions and shall establish a system of controls to regulate activities of subordinate officials.

C. ~~Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the execution and management of the investment portfolio, or that may impair their ability to make impartial decisions. Investment officials shall disclose to the Clerk of Board any personal financial/investment interests in financial institutions with which they conduct business on behalf of Pierce Transit. Investment officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of Pierce Transit. Officers shall report quarterly to the Clerk of the Board any meals, entertainment, gifts, or other items of monetary value in excess of \$40 received from any person employed by an institution with which the Pierce Transit places investments. Investment officials must comply with Pierce Transit's Ethics Policy.~~

Comment [KS9]: Reordered from B. above.

~~(Res. 02-006 § 1 (part))~~

~~3.32.0650 - Safekeeping and Custody.~~

Comment [KS10]: The Ethics Policy is the governing document and is more specific than what was previously included here.

Comment [KS11]: Custody and safekeeping combined.

~~All security transactions, where applicable, will be executed by delivery vs. payment (DVP). Securities will be held by a third party custodian designated by the Investment Officer or his designee as evidenced by confirmations in the Agency's name. Custodian banks will be members of the Federal Reserve System.~~

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~~3.32.060 Authorized Investment Instruments.~~

Comment [KS12]: Moved from 3.32.070

~~The following investments will be permitted by this policy and are those defined by state and local law (RCW 39.58, 39.59, and 43.84.080) where applicable:~~

- ~~1. 4. U.S. government obligations.~~
- ~~2. and U.S. government agency obligations~~
- ~~2. Certificates of Deposit issued by commercial banks and thrift institutions that are public depositories in the State of Washington~~
- ~~3. Repurchase Agreements, provided that the agreements are collateralized by instruments of the U.S. government. Securities used for collateralization shall be segregated in the name of Pierce Transit and held in safekeeping by the counterpart's trust department or a third party safekeeping agent. Pierce Transit shall enter into a master repurchase agreement with each financial institution with which it makes repurchase agreements. The market price of securities purchased under a Repurchase Agreement shall be at least 102 percent of the repurchase~~

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price. Purchase of Repurchase Agreements shall be limited to primary dealers reporting the Federal Reserve or creditworthy commercial financial institutions.

4. Banker's Acceptances issued by the top 230 foreign and domestic banks as listed by the American Banking Association or any qualified depository in the State of Washington.

5. Money market accounts which are insured by the Federal Deposit Insurance Corporation.

6. Washington State Local Government Investment Pool.

7. Commercial Paper limited to 15 percent of total portfolio, with no more than 5 percent with any one individual issuer.

B. Purchase of Securities. All securities will be purchased on a competitive bid basis. Selection of financial institutions and securities will be based on policies and procedures within this policy. All financial institutions and brokers/dealers will be approved based on review of audited financial statements and the institutions credit worthiness. The Investment Officers must approve all investments and institutions at the time of investment.

Comment [KS13]: Pierce Transit has never invested in commercial paper and doesn't intend to invest in it.

In purchasing securities an investment quote sheet will be used. Information will include amount, offering institution, maturity, instrument, and price and yield to maturity. If the highest yield security is not being purchased, the reasons for another selection must be documented.

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Comment [KS14]: Moved to 3.32.070C

Comment [KS18]: Moved to 3.32.070C

3.32.070 Authorized Financial Dealers and Institutions.

A. Authorized Financial Dealers and Institutions. Approval. The Investment Officer, or designee, will approve financial institutions eligible to conduct investment business with the Agency. Brokers/dealers and other financial institutions will be selected based on their expertise in cash and financial management and on their ability to provide service to the Agency's account.

Comment [KS15]: Moved to B below.

B. Authorized Financial Dealers and Institutions. A list of broker/dealers authorized to provide investment services will be maintained. of financial institutions and approved security dealers authorized to provide investment services. Each authorized dealer or institution will make available annual reports, including audited financial statements, and other information as requested. Authorized dealers and institutions will acknowledge that they have received and read Pierce Transit's Investment Policy. An annual review of the financial condition and registration of qualified financial institutions and dealers will be conducted by the investment officer or their delegate.

Comment [KS16]: Added to ensure that dealers and financial institutions are aware of the Investment Policy's restrictions.

Authorized broker/dealers and financial institutions will be limited to those who meet one or more of the following:

- Financial institutions that are approved by the Washington Public Deposit Protection Commission (RCW 39.58);
- Primary dealers recognized by the Federal Reserve Bank or non-primary dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-4, the Uniform Net Capital Rule.

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C. Purchase of Securities. All securities will be purchased on a competitive bid basis. Selection of financial institutions and securities will be based on parameters established within this policy. The Investment Officer, or designee, must approve all investments and institutions at the time of investment.

Comment [KS17]: In accordance with best practices documents recommended by the Government Finance Officers Association (GFOA).

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D. Bidding. The Agency will make its best effort to obtain three bids for the purchase of investment securities, other than new issues. If circumstances dictate that fewer than three bids are obtained due to the volatility of the market, lack of bids etc., the Investment Officer, or designee, has the authority to waive this requirement.

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In comparing bids, not all bidders will have the same inventory to sell, but should be able to offer comparable alternatives. An investment quote sheet will be used. Information will include the

amount, the offering institution, maturity, instrument, and the price and yield to maturity. If the highest yield security is not being purchased, the reasons for another selection must be documented.

Comment [KS19]: Added this section to clarify competitive bidding requirements.

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B. ~~Internal Controls. The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Pierce Transit are protected from loss, theft, or misuse. An annual review will be completed by an external auditor to assure compliance within this policy. Internal controls shall include the following:~~

- ~~1. Separation of transaction authority from accounting and record keeping~~
- ~~2. Custodial Safekeeping~~
- ~~3. Avoidance of physical delivery securities~~
- ~~4. Clear delegation of authority to subordinate staff members~~
- ~~5. Written confirmation of transactions for investments and wire transactions~~
- ~~6. Wire transfer agreement with lead bank and third party custodian~~

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C. ~~Delivery vs. Payment. All trades where applicable will be executed by delivery vs. Payment (DVP) to ensure that securities are deposited with the authorized third party custodian prior to the release of funds. The securities will be held by the custodian as evidenced by safekeeping receipts.~~

Comment [KS20]: Eliminated this section. This is more procedural in nature and is covered in Section

Comment [KS21]: Moved to 3.32.050

(Res. 02-006 § 1 (part))

~~3.32.070 Legally authorized investment instruments.~~

A. ~~Investment Types. The following investments will be permitted by this policy and are those defined by state and local law (RCW 30.58, 30.59, and 43.84.080) where applicable:~~

- ~~1. U.S. government obligations and U.S. government agency obligations~~
- ~~2. Certificates of Deposit issued by commercial banks and thrift institutions that are public depositories in the State of Washington~~
- ~~3. Repurchase Agreements, provided that the agreements are collateralized by instruments of the U.S. government. Securities used for collateralization shall be segregated in the name of Pierce Transit and held in safekeeping by the counterpart's trust department or a third party safekeeping agent. Pierce Transit shall enter into a master repurchase agreement with each financial institution with which it makes repurchase agreements. The market price of securities purchased under a Repurchase Agreement shall be at least 102 percent of the repurchase price. Purchase of Repurchase Agreements shall be limited to primary dealers reporting to the Federal Reserve or creditworthy commercial financial institutions.~~
- ~~4. Banker's Acceptances issued by the top 20 foreign and domestic banks as listed by the American Banking Association or any qualified depository in the State of Washington.~~
- ~~5. Money market accounts which are insured by the Federal Deposit Insurance Corporation.~~
- ~~6. Washington State Local Government Investment Pool.~~
- ~~7. Commercial Paper limited to 15 percent of total portfolio, with no more than 5 percent with any one individual issuer.~~

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B. ~~Purchase of Securities. All securities will be purchased on a competitive bid basis. Selection of financial institutions and securities will be based on policies and procedures within this policy. All financial institutions and brokers/dealers will be approved based on review of audited financial statements and the institutions credit worthiness. The Investment Officers must approve all investments and institutions at the time of investment.~~

Comment [KS22]: Moved to 3.32.060

Exhibit B

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~~In purchasing securities an investment quote sheet will be used. Information will include amount, offering institution, maturity, instrument, and price and yield to maturity. If the highest yield security is not being purchased, the reasons for another selection must be documented.~~

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~~(Res. 02-006 § 1 (part))~~

3.32.080 - Investment ~~p~~Parameters.

A. Diversification. The investments shall be diversified by:

1. Limiting investments to no more than 50 percent of the agency's portfolio in any single type of security.
2. No more than 50 percent of the agency's total portfolio will be purchased from a single financial institution with the exception of the Washington State Local Government Investment Pool, which is a diversified portfolio actively managed by the State of Washington.
3. No more than 25 percent the agency's portfolio will be invested in any securities on a specific maturity.

B. Maturities. To the extent possible, Pierce Transit shall attempt to match its investment maturities with anticipated cash flow requirements. As a general rule the time to maturity of securities purchased shall not exceed two years. ~~and the average life of the total portfolio shall be less than one year.~~ Securities underlying a repurchase agreement may have maturity of more than two years.

Comment [KS23]: Eliminated as overly restrictive.

~~(Res. 02-006 § 1 (part))~~

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3.32.090 - Reporting. ~~Investment reports will be prepared at least quarterly in sufficient detail to provide an accurate representation of the portfolio, showing its compliance with the Investment Policy.~~

~~A. Methods. The investment officer's delegate shall prepare an investment report monthly, including an analysis of the status of the current investment portfolio and transactions made during the month. The report will be prepared in a manner which will ascertain whether investments have conformed to the investment policy. The report will include the following:~~

- ~~1. Portfolio listing by maturity.~~
- ~~2. Portfolio listing by securities.~~
- ~~3. Portfolio listing by fund type.~~
- ~~4. Average investment yield.~~
- ~~5. Investment Activity, including all securities purchased and matured; average yield of securities purchased; securities purchased from each authorized institution, with the exception of the Local State Government Investment Pool which is a diversified portfolio managed by the State of Washington.~~
- ~~6. Average life of portfolio.~~

~~Additionally, the Vice President of Finance & Administration, or his/her delegate, will report annually the investment earnings to the Board of Commissioners.~~

~~B. Performance Standards. The investment portfolio will be managed in accordance with parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Benchmarks shall be established against which portfolio performance shall be compared on a regular basis.~~

~~(Res. 02-006 § 1 (part))~~

Exhibit B

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3.32.100 - Policy considerations.

This policy shall be reviewed on an annual basis. The Investment Officers and the Board of Commissioners must approve any changes.

~~(Res. 02-006 § 1 (part))~~ 3.32.110 - List of authorized investment personnel.

Chief Financial Officer

Finance Manager

Finance Assistant Manager

Comment [KS24]: Moved from 3.32.010. Titles only.

FACT SHEET

TITLE: A Resolution Approving the Transit Service Monitoring Results Contained Within the 2015 Title VI Program Submittal to the Federal Transit Administration

DIVISION: Finance

ORIGINATOR: Janine Robinson, Senior Planner, Transit Development

PRECEDING ACTION: Resolution 13-003 Approval of Major Service Change Policy, Disparate Impact Policy, and Disproportionate Burden Policy

Resolution 14-008 Amendments to Chapter 1.60 – Public Hearing Procedures – of the Pierce Transit Code

COORDINATING DEPARTMENT: Transit Development

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, 2015 Title VI Program Submittal to FTA ([electronically only](#))

BUDGET INFORMATION

2015 Budget Amount	Required Expenditure	Impact
\$0	\$0	\$0
Explanation: N/A		

BACKGROUND:

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin. Federal Transit Administration (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients" was issued on October 1, 2012. The Circular directs any FTA recipient that operates 50 or more fixed route vehicles in peak service serving a population of 200,000 or more to conduct monitoring of its transit service at least every three years. The monitoring is intended to examine how well the agency is achieving its standards and policies as they apply to routes serving areas with higher minority and low-income populations.

FTA requires that the governing body of the agency consider and approve the Title VI Transit Service Monitoring Results.

Pierce Transit monitors the performance of its transit system relative to performance standards on a monthly basis. At least every three years, the agency monitors these standards specifically to gain a measure of performance against certain standards in areas with higher minority and low-income populations. To implement this monitoring procedure, Pierce Transit identified each route as either minority/non-minority and low-income/non-low-income. **Routes where at least one-third of the revenue miles passed through or adjacent to minority/low income Census block groups were designated “minority route”/“low-income route”.** The detailed table showing the classification of each of the Agency’s 39 routes is provided in Appendix H of the 2015 Title VI Program Submittal (Transit Service Monitoring table).

Standards measured against include passengers per hour, headways, overcrowding and on-time performance (OTP). Table 1, below, displays the standards.

Table 1: Monitored Performance Standards

Route Classification	PAX/Hour (minutes)	Peak Headway (minutes)	Off-Peak Headway (minutes)	Peak Loads	Off-Peak Loads	OTP
Local Services:						
Trunk Routes	15	15	30	150%	100%	85%
Urban Routes	10	30	60	100%	100%	85%
Suburban Routes	10	60	60	100%	100%	85%
Express Service:						
Commuter (Local Feeder) Routes	20	30	n/a	100%	100%	85%

Table 2, below, shows the results of the monitoring. Pierce Transit has a total of 39 routes. There are a total of 27 minority routes, making up 69% of all routes, and 33 low-income routes, comprising 85% of all routes in the system. The majority of Pierce Transit’s minority and low income routes are meeting the standards.

Table 2: Transit Service Monitoring Results

Route	Minority Route	Non- Minority Route	Low Income Route	Non- Low Income Route	PAX/ Hour	Peak Headway	Off-Peak Headway	Peak Loads	Off- Peak Loads	OTP
System	69%	31%	85%	15%	90%	64%	90%	100%	100%	64%
Minority	-	-	93%	7%	85%	70%	93%	100%	100%	59%
Non-Minority	-	-	67%	33%	100%	50%	83%	100%	100%	75%
Low Income	76%	24%	-	-	91%	64%	97%	100%	100%	67%
Non-Low Income	33%	67%	-	-	83%	67%	50%	100%	100%	50%

Disparate Impact Analysis

Minority routes are within 10% of system averages for all standards monitored in this analysis. Two standards have a lower achievement by minority routes – Passengers per hour (efficiency) and On-Time Performance. System-

wide, 90% of routes meet the passengers per hour standard while only 85% of minority routes meet the standard. Since this difference is only 5%, and is not greater than the agency's 10% established disparate impact policy threshold, there is no disparate impact. Similarly, for on-time performance, 64% of all routes are meeting the standard, yet only 59% of minority routes meet the standard. This difference of 6% is not enough to warrant a determination of disparate impact.

Disproportionate Burden Analysis

None of the standards have a lower achievement by low-income routes – all are either the same or higher than the system as a whole. Therefore, the service standards monitoring does not result in a determination of disproportionate burden to low-income populations.

Distribution of Transit Amenities

Another element of the monitoring is an examination of how well transit amenities – benches, bus schedules, shelters, lights, as well as the number of ADA-accessible stops – are distributed throughout the system and in minority and low-income areas. Table 3 shows the results, below. Throughout all five categories, there were a higher percentage of bus stops with respective amenities within census blocks identified with high minority/low-income populations than the overall system and non-minority/non-low-income census blocks.

Table 3: Distribution of Transit Amenities

Amenity	Low Income	Non-Low Income	Minority	Non-Minority	System
% accessible	99.6	99.7	99.6	99.7	99.6
% benches	41.4	35.2	39.1	36.8	38.1
% with schedules	24.3	20.3	23.6	20.4	22.2
% with shelters	28.0	23.7	26.7	24.5	25.7
% with lights	15.2	13.7	14.7	14.1	14.4
Number of Bus Stops	1105	1231	1323	1013	2336

Overall Conclusion:

Pierce Transit is serving minority and low-income populations in a manner consistent with how the agency provides service to everyone.

ALTERNATIVES:

None.

RECOMMENDATION:

Approve Resolution No. 15-049, approving the 2015 Title VI Transit Service Monitoring Results Submittal to the Federal Transit Administration in substantially the same form as Exhibit A.

RESOLUTION NO. 15-049

A RESOLUTION of the Board of Commissioners of Pierce Transit Approving the Transit Service Monitoring Results Contained Within the 2015 Title VI Program Submittal to the Federal Transit Administration

WHEREAS, pursuant to Title VI of the Civil Rights Act, the Federal Transit Administration (FTA) prohibits discrimination based on race, color or national origin; and

WHEREAS, Pierce Transit seeks to ensure that the level and quality of public transportation service is provided in a non-discriminatory manner without regard for race, color or national origin; and

WHEREAS, Pierce Transit is a recipient of federal funds and operates more than 50 fixed-route vehicles in an area with greater than 200,000 population and is therefore required to demonstrate compliance with FTA Circular 4702.1B by conducting Transit Service Monitoring every three years; and

WHEREAS, Pierce Transit conducts Transit Service Monitoring to gain a measure and an understanding of how the agency is performing against certain standards in areas with higher minority and low-income populations; and

WHEREAS, the 2015 Transit Service Monitoring results show that the agency is serving minority and low-income populations in a manner that does not result in a disparate impact to minority populations nor disproportionate burden to low-income populations; and

WHEREAS, Circular 4702.1B requires the Title VI Transit Service Monitoring results to be considered and approved by the Pierce Transit Board of Commissioners; and

WHEREAS, the Board of Commissioners considered the contents of the Title VI Transit Service Monitoring results at its meeting held September 14, 2015; and

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

Section 1. The Board of Commissioners approves Transit Service Monitoring Results contained within the 2015 Title VI Program Submittal to the Federal Transit Administration.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of September, 2015.

Rick Talbert, Chair
Board of Commissioners

1 ATTEST/AUTHENTICATED

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5 Deanne Jacobson, CMC
6 Clerk of the Board
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FACT SHEET

TITLE: A Resolution Approving the 2015 Title VI Program
Submittal to the Federal Transit Administration

DIVISION: Finance

ORIGINATOR: Janine Robinson, Senior Planner,
Transit Development

PRECEDING ACTION:

Resolution 13-003 Approval of Major Service Change Policy, Disparate Impact Policy, and Disproportionate Burden Policy

Resolution 14-008 Amendments to Chapter 1.60 – Public Hearing Procedures – of the Pierce Transit Code

COORDINATING DEPARTMENT: Transit Development

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, 2015 Title VI Program Submittal to FTA ([electronically only](#))

BUDGET INFORMATION

	2015 Budget Amount	Required Expenditure	Impact
	\$0	\$0	\$0
Explanation:	N/A		

BACKGROUND:

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin. Federal Transit Administration (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients" was issued on October 1, 2012. The Circular directs any FTA recipient that operates 50 or more fixed route vehicles in peak service and serving a population of 200,000 or greater to submit a Title VI Program once every three years.

FTA requires that the governing body of the agency consider and approve the Title VI Program.

The Title VI Program demonstrates to FTA that Pierce Transit is working hard to ensure that all our customers and potential customers have access to our services in a non-discriminatory manner. The Title VI program includes the Agency's:

- Notification to the public of their Title VI rights;
- Title VI complaint process;
- Title VI investigations, claims and lawsuits (over the past three years);
- Public Participation Plan (and outreach over the past three years);
- Limited English Proficiency Access Plan;
- Minority representation on advisory boards (CTAG);
- System-Wide Service Standards and Policies;
- Demographic data (distribution of minority and low-income populations in the PTBA);
- Transit service monitoring (how we are serving minority and low-income populations);
- Public engagement process for setting Title VI policies; and
- Service and fare equity analyses (conducted over the past three years).

ALTERNATIVES:

None.

RECOMMENDATION:

Approve Resolution No. 15-050, approving the 2015 Title VI Program Submittal to the Federal Transit Administration in substantially the same form as Exhibit A.

RESOLUTION NO. 15-050

A RESOLUTION of the Board of Commissioners of Pierce Transit Approving the 2015 Title VI Program Submittal to the Federal Transit Administration

WHEREAS, pursuant to Title VI of the Civil Rights Act, the Federal Transit Administration (FTA) prohibits discrimination based on race, color or national origin; and

WHEREAS, Pierce Transit seeks to ensure that the level and quality of public transportation service is provided in a non-discriminatory manner without regard for race, color or national origin; and

WHEREAS, Pierce Transit is a recipient of federal funds and operates more than 50 fixed-route vehicles in an area with greater than 200,000 population and is therefore required to demonstrate compliance with FTA Circular 4702.1B by submitting a Title VI Program every three years; and

WHEREAS, Circular 4702.1B requires the Title VI Program Submittal to be considered and approved by the Pierce Transit Board of Commissioners; and

WHEREAS, the Board of Commissioners considered the 2015 Title VI Program Submittal at its meeting held September 14, 2015; and

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

Section 1. The Board of Commissioners approves Pierce Transit's 2015 Title VI Program Submittal to the Federal Transit Administration in substantially the same form as Exhibit A.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of September, 2015.

PIERCE TRANSIT

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: A Resolution Authorizing the Amendment of the 2015 Operating Budget to Increase Five Transit Operator Positions and One Relief Transit Operator Position for the Operation of Sound Transit Route 580 and Service Increases to Sound Transit Routes 567, 577, 586 and 598

DIVISION: Operations

ORIGINATOR: Doug Middleton, Chief Operations Officer

PRECEDING ACTION:

Resolution No. 14-067, Adoption of the 2015 Budget

Resolution No. 15-016, Amending the 2015 Budget to Increase Fixed Route Service Hours, Operating Expenses, Revenues, Use of Reserves, and Staff Position

Resolution No. 15-038, Authorizing the Chief Executive Officer to Enter Into and Execute a New Multi-Year Interlocal Agreement with Sound Transit for ST Express Bus Operations and Maintenance, Effective July 1, 2015

COORDINATING DEPARTMENT: Operations, Finance

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2015 Budget Amount
\$0

Required Expenditure
\$116,073

Impact
N/A

Explanation: The costs associated with the hiring of these additional positions will be reconciled and reimbursed by Sound Transit.

BACKGROUND:

Pierce Transit operates and maintains Sound Transit's express bus service and related equipment in accordance with an Interagency Agreement which requires reimbursement from Sound Transit. Pierce Transit and Sound

Transit negotiated the addition of the operation of Route 580 service as well as service increases to Sound Transit Routes 566, 577, 586 and 598. An agreement to operate the service has been approved by the Sound Transit Board of Directors beginning September 28, 2015. Sound Transit has agreed to fund Pierce Transit's operation of these routes.

Staff now requests that the Pierce Transit Board of Commissioners approve the increase in the Operating Budget to accommodate this new service.

ALTERNATIVES:

Reject the agreement with Sound Transit and the amendment to the 2015 Budget.

RECOMMENDATION:

Approve Resolution No. 15-051, amending the 2015 Operating Budget to increase five (5) transit operator positions and one (1) relief operator position for the operation of Sound Transit Route 580 and other additional service hour increases to Sound Transit Routes 567, 577, 586 and 598.

RESOLUTION NO. 15-051

1 A RESOLUTION of the Board of Commissioners of Pierce Transit
2 to Amend the 2015 Operating Budget to Increase Five Transit Operator Positions and One Relief Transit
3 Operator Position for the Operation of Sound Transit Route 580 and Service Increases to Sound Transit Routes
4 567, 577, 586 and 598
5

6 WHEREAS, by Resolution No 14-067, approved on the 8th day of December 2014, the Board of
7 Commissioners of Pierce Transit adopted the 2015 Agency Budget; and

8 WHEREAS, Pierce Transit and Sound Transit are authorized to contract for public transportation
9 services pursuant to RCW 36.57.080 and RCW 39.33.050; and

10 WHEREAS, by Resolution No 15-038, approved on the 8th day of June 2015, the Board of
11 Commissioners of Pierce Transit authorized the Chief Executive Officer to enter into a multi-year interlocal
12 agreement with Sound Transit for ST Express Bus Service Operations and Maintenance pursuant to which
13 Sound Transit reimburses Pierce Transit's costs associated with Sound Transit service; and

14 WHEREAS, Sound Transit's Board of Directors has authorized the addition of Route 580 and other
15 additional service hour increases to their express service beginning on September 28, 2015; and

16 WHEREAS, the addition of Route 580 and additional route increases equates to 10,600 additional
17 annual Sound Transit service hours; and

18 WHEREAS, the additional service hours require five additional full-time operators and one additional
19 relief operator to support the service increases; and

20 WHEREAS, Sound Transit's Board of Directors has agreed to fund Pierce Transit's operation of Route
21 580 and other additional service hour increases which defrays the cost of the additional staff; and

22 WHEREAS, the Board of Commissioners of Pierce Transit considers it in the best interest of
23 Pierce Transit to amend the 2015 Operating Budget to include the additional positions to support the service
24 increases; and

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

26 Section 1. The 2015 Operating Budget is hereby amended to increase five (5) transit operator
27 positions and one (1) relief operator position for the operation of Sound Transit Route 580 and other
28 additional service hour increases to Sound Transit Routes 567, 577, 586, and 598.
29
30

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 14th day of September, 2015.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board