



**PIERCE TRANSIT BOARD OF COMMISSIONERS
EXECUTIVE FINANCE COMMITTEE
3701 96th ST SW, Lakewood, WA 98499
Grand Conference Room
October 26, 2017 – 3:00 PM
AGENDA**

CALL TO ORDER

APPROVAL OF MINUTES: September 28, 2017 Meeting Minutes

ACTION AGENDA:

1. FS 17-073, Authority to Execute a Four-Year Contract for Telephone System Managed Services with Cerium Networks, Inc. Shaney Edington
Assistant Manager, Network & Security

DISCUSSION/UPDATE

1. Review of Proposed 2018 Federal Legislative Agenda Alexandra Mather
Government & Community Relations Officer
2. Review of Proposed 2018 Budget Brett Freshwaters
Executive Director of Finance

COMMISSIONER COMMENTS

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
EXECUTIVE FINANCE COMMITTEE MEETING
3701 96th STREET SW, LAKEWOOD, WA
GRAND CONFERENCE ROOM**

September 28, 2017

MINUTES

CALL TO ORDER

Vice Chair Eidinger called the meeting to order at 3:00 p.m.

ATTENDANCE

Executive Finance Committee Commissioners present:

Daryl Eidinger, Vice Chair, City of Edgewood Mayor
Don Anderson, City of Lakewood Mayor
Nancy Henderson, Vice Chair of the Board, Town of Steilacoom Councilmember
(representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom)

Executive Finance Committee Commissioners excused:

Rick Talbert, Chair, Pierce County Councilmember

Staff present:

Sue Dreier, Chief Executive Officer
Deanne Jacobson, Assistant to the CEO/Clerk of the Board
Kristol Bias, Records Coordinator/Deputy Clerk of the Board
Dana Henderson, General Counsel
Brett Freshwaters, Executive Director of Finance
Jay Peterson, Transit Development Manager
Alexandra Mather, Government & Community Relations Officer
Skip Huck, Executive Director of Maintenance

APPROVAL OF MINUTES

Commissioners Anderson and Henderson **moved** and seconded to approve the July 27, 2017 meeting minutes as presented.

Motion **carried**, 3-0.

ACTION AGENDA ~ None

DISCUSSION/UPDATE

Review of Proposed Amendment to Chapters 3.36 through 3.63 of the Pierce Transit Code Relating to Various Operating Funds, Insurance Funds, Capital Funds, Removing Obsolete Funds, Revising the Reserve Policy, and Removing and/or Clarifying Language

Executive Director of Finance Brett Freshwaters provided a review of proposed amendments to some of Pierce Transit's codes. Mr. Freshwaters noted that many of the Code chapters and sections may be obsolete or require revision due to changing operations, are procedural in nature and should be removed from the Code and included in procedures to be administered by staff instead. While most changes will be made in one action once the full Code review is completed, this item seeks to make Code changes now to allow for some flexibility in planning capital projects in as soon as 2018.

A short discussion ensued with regards to Code terminology and reserve balance dollar amounts.

At the end of the discussion, the Committee agreed that the proposed code changes should be placed on the October 9, 2017 consent agenda for consideration by the full Board.

Exploration of a Fast Ferry in South Sound

Transit Development Manager Jay Peterson updated the Executive Finance Committee on discussions for a feasibility study of a passenger-only fast ferry between the Tacoma area and Seattle. Mr. Peterson noted that this is very preliminary work and outlined a possible scope of work, should the full Board choose to move forward with a Request for Proposal for the study. Partners in the study may include the City of Tacoma, Pierce County, the City of Gig Harbor and possibly others.

A discussion ensued with regards to pros and cons of the item, including possible costs.

Commissioners Eidinger, Henderson and Anderson suggested bringing the item to a regularly scheduled Board meeting for further discussion to allow the full Board to weigh in on the item.

Base Master Plan

Transit Development Manager Jay Peterson updated the Executive Finance Committee on the Base Master Plan, noting that Pierce Transit is focused on Phase 1 of several phases of the study. Mr. Peterson gave a review of what Phase 1 will entail for 2018, which involves renovation of the new Building 6; expanded south base parking; relocation of Building 4 parking; expanding the Building 4 visitor lot to accommodate ADA and Relief Operator parking; and fuel and wash improvements.

Mr. Peterson concluded his presentation noting that all of the Phase 1 projects are included in the agency's 6-year plan, including funding – some of which will come from Sound Transit.

A discussion ensued with regards to various logistics of the Base Master Plan, to which Mr. Peterson clarified using the maps included in his presentation. The timeline of the Sound Transit Contract and whether Sound Transit is aware of the possible re-location was also discussed. Chief Executive Officer Sue Dreier noted that Pierce Transit will renegotiate the Sound Transit Contract this year and that Sound Transit is aware of the possible re-location, as one of several options.

COMMISSIONER COMMENTS ~ None

EXECUTIVE SESSION ~ None

ADJOURNMENT

With there being no further business, Vice Chair Eidinge adjourned the meeting at 3:56 p.m.

Kristol Bias
Records Coordinator/Deputy Clerk of the Board

Daryl Eidinge, Vice Chair
Board Executive Finance Committee

FACT SHEET – EXECUTIVE FINANCE COMMITTEE

TITLE: Authority to Execute a Four-Year Contract for Telephone System Managed Services with Cerium Networks, Inc.

DIVISION: Administration

ORIGINATOR:: Shaney Edington, Information, Technology Assistant Manager

PRECEDING ACTION: Resolution No. 16-047, Adoption of the 2017 Budget

COORDINATING DEPARTMENT: Information Technology

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS: None

BUDGET INFORMATION

2017 Budget Amount	Required 2017 Expenditure	Impact
\$384,000.00 IT Professional Services	\$139,139.99 including tax	None
	Total Agreement Cost 2017-2020	
	\$486,065.45 including tax	

Explanation: The Telephone System Assessment and Managed Services cost of \$139,139.99 will be paid with funds budgeted under Professional Services in the 2017 IT M&O Budget. This is a 4-year agreement, and costs for 2018 through 2020 are \$85,981.36 each year. Funds will be budgeted accordingly in the IT M&O budget for years 2018 – 2020. Total costs for the entire agreement are \$486,065.45. All prices include tax.

BACKGROUND:

In 2016 we contracted with Elert and Associates to fully assess the effectiveness of the IT Department, the services it offers, and all systems and software used in the Agency. A strategic planning session was held with the Executive Team, IT management and several other managers in the Agency. An IT 5-Year Technology Roadmap was developed. Goal 2 of the Roadmap was to revisit telephone system requirements due to problems experienced with the phone system during the initial deployment, investigate and identify issues with the system, determine the best course of action, and implement the selected action.

Options discussed during the strategy sessions were:

- Replace the phone system (cost well over \$1 million) with one that meets Agency needs and is fully vendor managed/supported.
- Contract with a vendor for a full telephone system assessment, mitigation of all identified issues and assume management and support of the telephone system.

Outsourcing management and support of the telephone system for each option was desired due to the complexity of the entire telephone system and the cost of managed services versus hiring several additional IT staff members with the necessary expertise.

After fully considering the options, the Executive Team selected to keep the current telephone system and contract with a vendor with the expertise and skills to conduct the system assessment, correct any issues and assume managed support of the telephone system.

Pierce Transit released an RFP for Telephone Managed Services on June 26, 2017. Proposals were received on July 24, 2017. Cerium Networks, Inc. was the proposer that best met Pierce Transit's needs. The RFP included a complete assessment of our current system, corrections to identified issues and assuming management of the Telephone System. The telephone system is critical to the agency's ability to conduct business.

Upon completion of the assessment and mitigation of identified issues, Cerium Networks, Inc. will take over the responsibility of managing our telephone system. Staff conducted a price comparison with other Cerium Networks users and other vendors, and found that the price proposed for the assessment and managed services is fair and reasonable.

ALTERNATIVES:

The alternative would be to reject Cerium's proposal and release another RFP, however there were no vendor responses to our current RFP that meet the needs of Pierce Transit better than Cerium Networks.

RECOMMENDATION:

Authorize the Chief Executive Officer to enter into and execute a four-year contract for Telephone System Managed Services with Cerium Networks, Inc. for a current Voice over IP telephone system.

Executive/Finance Committee Action:

Approved: _____

Disapproved: _____

Rick Talbert, Chair
Executive/Finance Committee

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

Pierce Transit 2018 Federal Legislative Agenda

The New Administration

- Engage with the new leadership of the U.S. Department of Transportation and the Federal Transit Administration to advance Pierce Transit's current and future federal priorities.
- Work to ensure that any major forthcoming infrastructure proposal from the Administration and Congress will advance interests of public transit to the maximum extent possible, including new funding in support of local and regional projects, recognizing the limitations of public-private partnerships and financing.
- Highlight the transit industry as an engine of job creation with its numerous career pathways to the American middle class.

Federal Budget and Appropriations

- Protect and preserve the FTA Capital Investment Grant program, specifically the Small Starts program. This will be critical to Pierce Transit's High Capacity Transit project.
- Maintain investment in the FTA Bus and Bus Facilities Infrastructure Investment Program and the Low- or No-Emission Vehicle Program at the maximum annual levels authorized in the FAST Act.

Tax Reform

- Preserve the Alternative Fuel Tax Credit.
- Preserve the Transit Commuter Benefit, section 132(f).
- Retain the federal income tax deduction for municipal bonds and state and local taxes (SALT).

Innovation

- Work toward regulatory solutions that will better enable local transit agencies to partner with TNCs and rideshare operators to implement innovative, cost-effective models of service that increase riders' mobility, as appropriate, as Pierce Transit will be testing a pilot from the Limited Access Connections project that is supported by federal funding from the FTA MOD Sandbox Demonstration.
- Support the deployment of new and emerging technologies that can enhance safety for the public.