

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
June 22, 2009**

ROLL CALL: Roll Call was taken at 6:05 p.m. PRESENT: Directors Dickinson, Hammond, Hume, MacGlashan, Miller, Morin, Nottoli, Pannell, Sander, Tretheway and Chair Cohn.

CONSENT CALENDAR

1. Motion: Action Summary - Board Meeting of June 8, 2009
2. Motion: Rejection of Claim: *Whitney, D.* *Durrill, W.*
3. Resolution: Awarding a Contract to C.E. Harris, Inc. dba Harris Electric for North East Corridor Fiber Optic Backbone Installation (Thorn)
4. Resolution: Awarding a Contract to Smith, Watts & Company LLC for State Lobbying Services (Noble)
5. Resolution: Approving the First Amendment to the Contract with Robert E. Kershaw for the Bridges and Structures Engineering Support of the South Sacramento Corridor Phase 2 Project (Abansado)
6. Resolution: Approving the Release of a Request for Proposal for 457 Deferred Compensation Plan Services (Bonnel)
7. Resolution: Approving Amendments to the FY 2009 Capital and Operating Budgets (Tyler)
8. Resolution: Approval of Subrecipient Agreement with SACOG for Caltrans Planning for the TransitAction Implementation Project (Marx)
9. Resolution: Awarding Contract for Janitorial Services to Pride Industries (Cain)
10. Resolution: Authorizing the General Manager/CEO or His/Her Designee to Establish Just Compensation for the Acquisition of Real Property Interests for District Use (Arnold)
11. Resolution: Authorizing the Issuance of a Note with Wells Fargo Bank in a Principal Amount Not to Exceed \$25.0 Million with an Effective Date on or after July 1, 2009 and a Final Maturity Date of June 30, 2010 (Bernegger)

12. Resolution: Approving an Easement Agreement and Project Agreement with Capitol Station 65, LLC for the Richards Boulevard Light Rail Station of the Downtown-Natomas-Airport Minimal Operating Segment (MOS1) (Arnold)
13. Resolution: Setting a Public Hearing for July 27, 2009 to Receive Public Comment on Service Changes Proposed for January 2010 (Covington)
14. Resolution: Approving Warehouse Space Lease with Fischer Family Revocable Trust for Warehouse Space at 2541 Land Avenue (Arnold)
15. Resolution: Delegating Authority to the General Manager/CEO to Execute a Three Year Agreement with Sacramento State University - Sacramento for a Discount Student and Employee Pass Program (Bernegger)
16. Resolution: Amending Exhibit A and Exhibit B of Resolution No. 09-02-0032, and Approving the District's Authorized Classifications, Positions and Salary Grades, and the District's Authorized Salary Grade Values (Bailey)
17. Whether or Not to Approve Transfer Agreements with the City of Roseville, City of Folsom, City of Elk Grove and Yolo County Transportation District (Bernegger)
 - A. Resolution: Delegating Authority to the General Manager/CEO to Execute a Transfer Agreement with the City of Roseville; and
 - B. Resolution: Approving Transfer Agreement with the City of Folsom; and
 - C. Resolution: Approving Transfer Agreement with the City of Elk Grove; and
 - D. Resolution: Approving Transfer Agreement with the Yolo County Transportation District

Speaker: Dr. Pamela Stern

Director Sander noted an amendment to the June 8 minutes stating that he suggested that staff look into routes that we run specifically to benefit Sacramento City schools and whether it is an opportunity for savings, instead of buses lingering at the schools.

ACTION: APPROVED - Director Pannell moved; Director Dickinson seconded approval of the consent calendar with the exception of items 4, 13, 15 and 17C and with the amendment, as stated above, to the minutes of June 8. Motion was carried by voice vote.

4. Resolution: Awarding a Contract to Smith, Watts & Company LLC for State Lobbying Services (Noble)

ACTION: CONTINUED - Director Tretheway moved; Director Pannell seconded continuing this item to July 27th. Motion was carried by voice vote.

13. Resolution: Setting a Public Hearing for July 27, 2009 to Receive Public Comment on Service Changes Proposed for January 2010 (Covington)

ACTION: APPROVED - Director MacGlashan moved; Director Dickinson seconded approval of this item as written. Motion was carried by voice vote.

15. Resolution: Delegating Authority to the General Manager/CEO to Execute a Three Year Agreement with Sacramento State University - Sacramento for a Discount Student and Employee Pass Program (Bernegger)

Speakers: Terry Bassett Dr. Pamela Stern

ACTION: APPROVED - Director Dickinson moved; Director Tretheway seconded approval of the item with the condition that staff re-evaluate this contract once the Smart Card is implemented. Ayes: Directors Dickinson, Hammond, MacGlashan, Miller, Nottoli, Pannell, Tretheway and Chair Cohn. Noes: Directors Hume, Morin and Sander. Motion was carried by roll call vote.

17. Whether or Not to Approve Transfer Agreements with the City of Roseville, City of Folsom, City of Elk Grove and Yolo County Transportation District (Bernegger)

C. Resolution: Approving Transfer Agreement with the City of Elk Grove

Director Hume requested that the resolution for this item be amended to delegate authority to the General Manager/CEO to approve transfer agreement.

ACTION: APPROVED - Director Hume moved; Director MacGlashan seconded approval of this item as written. Motion was carried by voice vote.

GENERAL MANAGER'S REPORT

18. General Manager's Report
- a. Federal Updates
 - b. State Updates
 - c. International Rail Roadeo
 - d. Monthly Performance Report (May 2009)
 - e. RT Meeting Calendar

Mike Wiley verbalized his written report. He also noted that he, along with 6 other transit systems, participated in conversation with the Senate Banking Committee regarding the New Starts program and potential for changes to the program.

Mark Lonergan introduced the APTA International 2009 Rail Rodeo winners: William Collard, Danai Lambert, and John Gomez took first place in the operations portion of the rodeo in Chicago, Illinois.

Speaker: Jeffrey Tardaquila

INTRODUCTION OF SPECIAL GUESTS

UNFINISHED BUSINESS

19. Information: Pilot Program to Charge for Parking (Mattos)

Chair Cohn asked that this item be brought back on July 27th for action to implement the program.

Director MacGlashan requested diagrams or aerial photographs of the surrounding areas of the proposed stations.

Director Pannell requested a report back on the program in approximately 6 months. Mike Wiley indicated that the first report would come much earlier than 6 months, or may be included in the monthly GM Performance Report.

Chair Cohn requested a report back, if the pilot program were successful, that included a timeline for further direction from the Board.

Director Nottoli requested additional information on the parking counts at the Cordova Town Center park and ride.

Chair Cohn asked that the Executive Board Committee be briefed at its next meeting on the pilot program.

ACTION: NONE - Mike Mattos provided the Board with an update on the pilot program to charge for parking at three light rail stations.

PUBLIC HEARING

At this time, Items 20 - 23 were combined and processed together. (See all notes/actions under Item #22).

20. Fare Increases to Revise Fiscal Year 2010 Budget and the Proposed FY 2010 Budget (Brookshire)*

The Board members called a recess at 9:55 p.m. for five minutes.

NEW BUSINESS

21. Resolution: Approving the September 2009 Service Changes (Covington)
22. Amending the Fare Structure for Fixed Route and Complementary Paratransit Service (Brookshire)
 - A. Resolution: Amending Resolution No. 07-12-0157 Setting Forth the Fare Structure for Fixed Route Service; and
 - B. Resolution: Amending Resolution No. 08-10-0148, Establishing Fares for Complementary Paratransit Service

Director MacGlashan noted a correction to the Agenda Item #20 Handout (Current and Proposed Fare Structure) indicating that the 10 Discount Fare Ticket Booklets should be marked as having a \$1.25 increase instead of the \$1.50 as indicated.

Speakers:	Regina Alridge	Kathleen Mello*	Kirk Harvey
	Helen Cunningham	Zylo Marshall	Trude Ross
	Shayana Mendes	Eve Maitland	Wendy Melton
	Leslie Thom*	Conrado Baltazar*	Dr. Pamela Stern
	Elizabeth Wagner	Julie Henry	Kenneth Johnson
	Sabrina Hawker	Jessica Meinke	Rashida Felix
	Lisa Gorden	Joan Patche	Sheila Gunn-Cushman
	Bonnie Trottot	Rick Hodgkins	Seiha Hong
	William Roark	Leslie Bisetti	Mike Barnbaum*
	Michael Dunne	Carin Martin	Bob Denton
	Terry Bassett	Barbara Stanton	Chris Jensen
	Deborah Rafter	Pat Soberanis*	Eric Hoover
	Flo Horton	Conny Anderson*	Kurt Klemencic
	Sharon Wilkinson	William Lowell	Elvera Diaz
	Bill Blado	Marian Ender	Linda Deavens
	Jeffrey Stephens	Helena Bustillos	Vaughn Cotton
	Rev. Dr. Hicks		

Filled out speaker cards, but did not speak:

Virginia Fambro	Karen Malone	Jeffrey Tardaguila
Arthur Ketterling	Karen Willstatter	Joan Toomire
Jan Whipple		

Provided written comments:

Lorren Tucker	Dennis Russak	Carol Moss
Kathleen Berman	John Anderson	

After much discussion from Board members on the various topics at hand, the following motion was made:

Director Miller moved; Director Tretheway seconded approval of the item as follows:

Adopt the staff recommendation with the following changes:

Fares: Grandfather the Lifetime Pass for those who already have it; Create a Super Senior Pass effective September 1, 2009 for those riders (75+) who wish to take advantage of the, to be determined, super senior discount fare; and have no limit to the number of rides for the Paratransit Monthly pass.

Service: Remove Routes 54 and 65 from the recommended changes; Add route 63 to the recommended changes; modify the recommended change on Route 83 to increase headways to 60 minutes and place this item on the recommended changes list.

Other: Factor in the revenue for the pilot parking program.

ACTION: APPROVED - Ayes: Directors Hammond, Hume, MacGlashan, Miller, Morin, Nottoli, Pannell, Sander and Tretheway. Noes: Director Dickinson and Chair Cohn: Motion was carried by roll call vote.

23. Adoption of the FY 2010 Operating and Capital Budgets (Brookshire)

- A. Resolution: Approving the Sacramento Regional Transit District Fiscal Year 2010 Operating and Capital Budgets and Vote Allocation; and
- B. Resolution: Authorizing the Filing of the Fiscal Year 2010 Transportation Development Act Claim Based on the Adopted Budget

ACTION: APPROVED - Director MacGlashan moved; Director Sander seconded approval of the item with the changes noted in Items 21 and 22 to balance the budget. Ayes: All Directors. Noes: None. Motion was carried by roll vote.

REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

24. Capital Corridor Joint Powers Authority Meeting – June 10, 2009
(Cohn/Dickinson)

No additional comments were provided.

25. Chair's Report (Cohn)

There was no report at this time.

PUBLIC ADDRESSES THE BOARD ON MATTERS NOT ON THE AGENDA

Eric Hoover - Mr. Hoover asked people to be careful when crossing the light rail tracks.

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS TO CLOSED SESSION

CLOSED SESSION

RECONVENE IN OPEN SESSION

CLOSED SESSION REPORT

ADJOURN

*Handout

As there was no further business to be conducted, the meeting was adjourned at 11:10 p.m.

STEVE COHN, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	07/27/09	Open	Action	06/24/09

Subject: Rejection of Claim

ISSUE

Whether to reject the following claim against Regional Transit.

RECOMMENDED ACTION

Adopt a motion to reject the following claim:

<u>Claimant</u>	<u>Amount Claimed</u>	<u>Description</u>
Neely Jennifer	\$3,750,000.00	<u>Rejection of Claim:</u> Claim is for injuries and property damage allegedly sustained when vehicle driven by claimant was involved in a collision with a RT bus.

FISCAL IMPACT

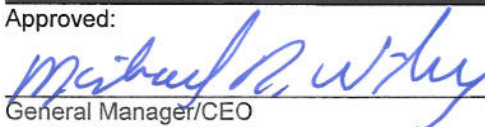
Budgeted:	Yes	This FY:	\$	N/A
Budget Source:	Operating	Next FY:	\$	N/A
Funding Source:	Local	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or Capital Project #:	N/A	Total Amount:	\$	N/A
Total Budget:	\$ See Below			

DISCUSSION

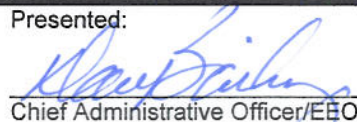
Regional Transit establishes reserves in an aggregate amount sufficient to cover losses for all claims up to the self insurance limit.

The above referenced claim is currently under investigation to determine if RT has any liability. Therefore, staff recommends the Board adopt a motion rejecting the above claim.

Approved:


General Manager/CEO

Presented:


Chief Administrative Officer/EEO

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	07/27/09	Open	Action	06/16/09

Subject: Rejection of Amended Claim

ISSUE

Whether to reject the following amended claim against Regional Transit.

RECOMMENDED ACTION

Adopt a motion to reject the following amended claim:

<u>Claimant</u>	<u>Amount Claimed</u>	<u>Description</u>
Mickow, Deborah	\$118,651.31	<u>Rejection of Amended Claim:</u> Claim is for injuries allegedly sustained while claimant was boarding a bus and door closed on hand. Claim is amended to identify "bus" rather than "lrv" as alleged in previous claim.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	N/A
Budget Source:	Operating	Next FY:	\$	N/A
Funding Source:	Local	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or Capital Project #:	N/A	Total Amount:	\$	N/A
Total Budget:	\$ See Below			

DISCUSSION

Regional Transit establishes reserves in an aggregate amount sufficient to cover losses for all claims up to the self insurance limit.

The above referenced amended claim is currently under investigation to determine if RT has any liability. Therefore, staff recommends the Board adopt a motion rejecting the above claim.

Approved:


General Manager/CEO

Presented:


Chief Administrative Officer/EEO

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	7/27/09	Open	Action	07/13/09

Subject: Approving the First Amendment to the Agreement for Operation of McClellan Shuttle Service with the McClellan Park TMA

ISSUE

Whether or not to approve the First Amendment to the agreement with the McClellan Park TMA to operate bus shuttle service within McClellan Park.

RECOMMENDED ACTION

Adopt Resolution No. 09-07-_____, Approving the First Amendment to the Agreement for Operation of McClellan Shuttle Service with the McClellan Park TMA.

FISCAL IMPACT

The cost of the service will be reimbursed by the McClellan Park TMA per the terms of the agreement resulting in no fiscal impact to the District.

DISCUSSION

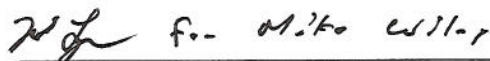
In 2008 the McClellan Park TMA approached RT regarding the possibility of operating a shuttle bus service within McClellan Park, connecting to the Roseville Road light rail station. RT staff developed a service proposal based upon one bus and one driver operating the shuttle service during commute hours Monday through Friday. The shuttle has been in operation since December 1, 2008.

McClellan Park TMA has asked that RT continue to provide the shuttle service, and has secured funding that would allow them to pay RT through December 31, 2011.

RT proposes that the service continue to be operated by the Community Bus Service (CBS) Division and that RT be reimbursed at a rate of \$30.00 per revenue hour. The \$30.00 per hour rate is a direct cost rate based on the much lower CBS operator hourly rate plus the cost of fuel and maintenance. This rate also assumes that the service will be operated with existing staff and equipment. If approved, the existing agreement would be extended to end on December 31, 2011.

Staff recommends that the Board approve the First Amendment to the Agreement with the McClellan Park TMA to extend existing shuttle bus service between McClellan and RT's Roseville Road Light Rail Station.

Approved:



General Manager/CEO

Presented:



Chief Operating Officer

RESOLUTION NO. 09-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 27, 2009

**APPROVING THE FIRST AMENDMENT TO THE AGREEMENT FOR OPERATION
OF MCCLELLAN SHUTTLE SERVICE WITH THE MCCLELLAN PARK TMA**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Agreement entered into on November 24, 2008 between Sacramento Regional Transit District, therein referred to as "RT," and McClellan Park TMA, therein referred to as "TMA," wherein RT agrees to extend the shuttle service at McClellan Park through December 31, 2011 is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment.

STEVE COHN, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	07/27/09	Open	Action	07/14/09

Subject: First Amendment to the Agreement Regarding Plan Reciprocity

ISSUE

Whether to approve the First Amendment to the Agreement Regarding Plan Reciprocity.

RECOMMENDED ACTION

Adopt Resolution No. 09-07-____, Approving the First Amendment to the Agreement Regarding Plan Reciprocity.

FISCAL IMPACT

There is no fiscal impact as a result of approving this action.

DISCUSSION

On June 28, 1999, the District entered into an Agreement regarding Retirement Plan Reciprocity with the Non-Contract Employee Group (NCEC), Amalgamated Transit Union, Local 256 (ATU), and International Brotherhood of Electrical Workers, Local 1245 (IBEW) ("Reciprocity Agreement"). The Reciprocity Agreement is an exhibit to each Retirement Plan Document. The NCEC, subsequent to this action, has been renamed the Administrative Employees Association (AEA).

The Reciprocity Agreement between the District and the AEA, ATU, and IBEW was entered prior to AFSCME representing the Bus, Light Rail and CBS Supervisors. Section 3 of the Salaried Employees Retirement Plan addresses Service. The parties entered into the Reciprocity Agreement to recognize any service performed by an employee, regardless of whether the employee is non-represented or represented by a Union or Employee Association prior to separation from RT. AFSCME desires to become a party to the terms of the Reciprocity Agreement.

The First Amendment to the Reciprocity Agreement adds AFSCME as a signatory to the Reciprocity Agreement and clarifies that all references in the Reciprocity Agreement to NCEC mean AEA and is attached hereto as Exhibit 1. Staff recommends that the Board approve the First Amendment to the Agreement Regarding Plan Reciprocity.

Approved:


General Manager/CEO

Presented:


Director, Labor Relations

RESOLUTION NO. 09-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 27, 2009

**APPROVING THE FIRST AMENDMENT TO THE AGREEMENT
REGARDING PLAN RECIPROCITY**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Agreement Regarding Plan Reciprocity, dated June 28, 1999, between the Sacramento Regional Transit District and the Administrative Employees Association (AEA), the Amalgamated Transit Union (ATU), the International Brotherhood of Electrical Workers (IBEW), and the American Federation of State, County, and Municipal Employees (AFSCME), wherein AFSCME is added as a signatory to the Principal Agreement and it is clarified that all references to NCEC mean AEA, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment.

STEVE COHN, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

**1st AMENDMENT TO THE AGREEMENT
REGARDING PLAN RECIPROCITY**

THIS FIRST AMENDMENT to the Principal Agreement made and entered into on June 28, 1999, by and between **SACRAMENTO REGIONAL TRANSIT DISTRICT ("RT")**, the **NON-CONTRACT EMPLOYEE COMMITTEE (NCEC)**, **Local Division 256 of the AMALGAMATED TRANSIT UNION, AFL-CIO ("ATU")**, and **LOCAL 1245 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO ("IBEW")** is made and entered into by and amongst RT, ATU, IBEW, the **ADMINISTRATIVE EMPLOYEES ASSOCIATION ("AEA")** and **AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, District Council 57, Local Union 146, AFL-CIO ("AFSCME")** on this _____ day of _____, 200___. RT, ATU, IBEW, AEA and AFSCME are referred to herein individually and collectively as the "Parties."

RECITALS

WHEREAS, subsequent to the execution of the Principal Agreement, employees represented by the NCEC voted to change the NCEC's name to AEA; and

WHEREAS, subsequent to the renaming of the NCEC to AEA, a group of AEA employees voted to break away from the AEA and join AFSCME; and

WHEREAS, AFSCME desires to become subject to the terms of the Principal Agreement; and

WHEREAS, RT desires to amend the Principal Agreement to add AFSCME as a signatory to the Principal Agreement.

NOW THEREFORE, THE PARTIES DO AGREE AS FOLLOWS:

Section 1: PARTIES

The Parties are bound by the terms and conditions of the Principal Agreement including this Amendment, and may enforce the terms thereof.

Section 2: DEFINITION

All references in the Principal Agreement to the NCEC are deemed to mean the AEA.

Section 3: EFFECT

The effect of this First Amendment to the Principal Agreement is to add AFSCME as a signatory to the Principal Agreement and to clarify that all references in the Principal Agreement to NCEC mean the AEA.

Section 4: AMBIGUITIES

The parties have each carefully reviewed this Amendment and have agreed to each term of this Amendment. No ambiguity will be presumed to be construed against either party.

Section 5: FULL FORCE AND EFFECT

To the extent not inconsistent herewith, all other terms and provisions of the Principal Agreement will remain the same and in full force and effect.

Section 6: AUTHORITY TO BIND

Each of the signatories to this amendment represent that they are authorized to sign this Agreement on behalf of such party and that all approvals, resolutions and consents that must be obtained to bind such party have been obtained and that no further approvals, acts or consents are required to bind such party to this Agreement.

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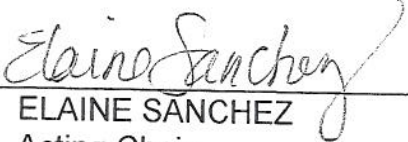
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IN WITNESS WHEREOF, the parties have entered into this First Amendment to the Principal Agreement on the day and year set out in the last line of the first paragraph hereinabove appearing.

ADMINISTRATIVE EMPLOYEES ASSOCIATION

SACRAMENTO REGIONAL TRANSIT DISTRICT

By: 
ELAINE SANCHEZ
Acting Chair

By: _____
STEVE COHN, Chair

By: 
CHRIS PAIR
Treasurer

By: _____
MICHAEL R. WILEY
General Manager/CEO

By: 
LARRY MADURAS
Secretary

APPROVED AS TO CONTENT:

AMALGAMATED TRANSIT UNION LOCAL 256, AFL-CIO

By: _____
DAN BAILEY
Chief Administrative Officer

By: _____
VICTOR GUERRA
President

APPROVED AS TO LEGAL FORM:


By: _____
RALPH NIZ
Vice President


By: _____
BRUCE A. BEHRENS
Chief Legal Counsel

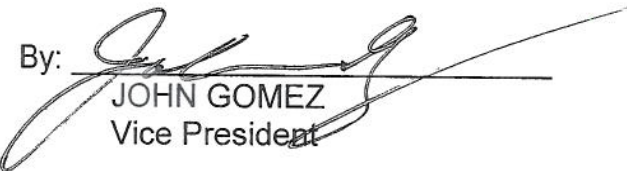
By: _____
CLYDE BECKHAM, JR.
Financial Secretary

By: _____
CORINA DE LA TORRE
Recording Secretary

AMERICAN FEDERATION OF
STATE COUNTY AND MUNICIPAL
EMPLOYEES, DISTRICT
COUNCIL 57, LOCAL UNION 146

By: 
FELIX HUERTA JR.
Business Agent

By: 
DOUG COOK
President

By: 
JOHN GOMEZ
Vice President

By: 
GLENDA MCKINNEY
Recording Secretary

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, LOCAL
1245, ALF-CIO

By: _____
TOM DALZELL
Business Manager

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/27/09	Open	Action	07/16/09

Subject: Approving Second Amendment to the Contract with Wells Fargo Bank

ISSUE

Whether to Approve a Second Amendment to the Contract with Wells Fargo Bank for Banking and Investment Services.

RECOMMENDED ACTION

Adopt Resolution No. 09-07-_____, Approving Second Amendment to the Contract with Wells Fargo Bank for Banking and Investment Services.

FISCAL IMPACT

RT will receive a 10% reduction in the cost of the banking services provided under this contract which is estimated to save RT approximately \$500 per month.

DISCUSSION

The Board initially entered into a five-year contract for comprehensive banking, surplus investment custodian services, and securities brokerage with Wells Fargo Bank on August 1, 2003, and extended the contract for one year on June 23, 2008. RT's contract with Wells Fargo is set to expire on July 31, 2009.

Wells Fargo is the oldest and largest national bank headquartered in California and is recognized as one of the most highly capitalized and well-managed banks in the industry including one of the highest credit ratings of any bank. Their excellent service during the last five and a half years has expedited the payroll process, revenue collection, payables, and ACH/wire transfers through machine-to-machine access through SAP or web-based business interface eliminating repetitive data entry, excessive paper handling and the margin of error.

In 2008, staff planned to extend the Wells Fargo Bank contract for one year in order to undertake the process of issuing a Request for Proposal (RFP) for Banking and Investment Services. Since that time, the regional and national financial and economic climate has declined. The uncertainty in the financial market and specifically in the banking industry has created a level of uncertainty for RT that lends itself to continuing the current banking relationship under certain conditions. Wells Fargo Bank has extended and increased RT's Line of Credit (LOC) under a separate agreement approved by the RT Board in June 2009. In addition, Wells Fargo Bank has continuously extended forbearance on the LOC for conditions related to RT's leveraged lease transactions, also known as SILO/LILO's. Moreover, Wells Fargo Bank has agreed to reduce the cost of their monthly banking service fees by 10% in consideration of RT agreeing to extend the contract for two additional years. The monthly banking service fees represent amounts paid to Wells Fargo

Approved:


General Manager/CEO

Presented:


Director of Finance/Treasury

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/27/09	Open	Action	07/16/09

Subject: Approving Second Amendment to the Contract with Wells Fargo Bank

for processing or monitoring daily deposits, wires, automated clearing house transactions (ACH), fraud services, reconciliation reporting, and general account services.

Staff is seeking Board approval of the second amendment to the contract for Wells Fargo banking and investment services wherein the term is extended by two years until July 31, 2011, and the fee for services is reduced by 10%.

RESOLUTION NO. 09-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 27, 2009

**APPROVING SECOND AMENDMENT TO THE CONTRACT WITH WELLS FARGO
BANK FOR BANKING AND INVESTMENT SERVICES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Second Amendment to the Contract for Banking and Investment Services between the Sacramento Regional Transit District, therein referred to as "RT," and Wells Fargo Bank, therein referred to as "Bank," whereby the term is extended to July 31, 2011, and the fee for certain banking services is reduced by 10%, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to sign the Second Amendment.

STEVE COHN, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary