

**Central Puget Sound
Regional Transit Authority - Sound Transit**

June 11, 1998

Board Meeting Summary Minutes

Call to Order

Board Chair Bob Drewel called the meeting to order at 2:03 p.m. The meeting was held in the Olympic Room of the Tacoma Public Library, 1102 Tacoma Avenue South, Tacoma, Washington.

Roll Call

Chair

(P) Bob Drewel, Snohomish County Executive

Vice Chairs

(P) Paul Miller, City of Tacoma Councilmember

(P) Greg Nickels, King County Councilmember

Board Members

(A) Sarah Casada, Pierce County Councilmember

(P) Ann Davis, City of Lakewood Councilmember

(P) Dave Earling, City of Edmonds Councilmember

(P) Mary Gates, City of Federal Way Councilmember

(P) Jane Hague, King County Councilmember

(P) Ed Hansen, City of Everett Mayor

(P) Richard McIver, City of Seattle Councilmember

(P) Rob McKenna, King County Councilmember

(A) Sid Morrison, WSDOT Secretary

(P) Dave Russell, City of Kirkland Councilmember

(P) Paul Schell, City of Seattle Mayor

(A) Ron Sims, King County Executive

(A) Cynthia Sullivan, King County Councilmember

(P) Doug Sutherland, Pierce County Executive

(P) Jim White, City of Kent Mayor

The Board Administrator announced that a quorum of the Board was present.

The following Board members arrived after roll call:

Jane Hague, King County Councilmember

Ed Hansen, City of Everett Mayor

Sid Morrison, WSDOT Secretary

Paul Schell, City of Seattle Mayor

Public Comment

The following individuals presented comments to the Board:

Mr. Paul W. Locke

Ms. Connie Epperly, Kent City Councilmember

Ms. Sandy Amodt, Kent City Councilmember

Mr. Jim Betondo, Kent business and property owner

Mr. Gary Stewart, Kent business owner and Eastside resident

Mr. John Kay, Kent business owner, property owner and resident

Ms. June McElron, Kent business owner, property owner and Kent resident

Mr. Michael Keys, Kent business owner and property owner

Ms. Frankie Keys, Kent resident and property owner
Mr. John Nason, architect
Mr. Walter C. Hazen, 11235 137th Avenue SE
Ms. Linda Anderson, Amalgamated Transit Union
Ms. Sharon Sinn, Kent business owner
Mr. Bill Dinsdale, 13700 SE 266th, business owner and taxpayer in Kent
Mr. Fred Shamsheldon, business owner at 108 S. Railroad Avenue
Mr. Brummel Guthmiller
Mr. Richard Tate, Vice President of the Eastside Transportation Committee

Comments are on file with the Board Administrator.

Report of the Chair

Mr. Drewel expressed his appreciation to everyone for their concern during his recent health problems.

Secondly, he reported that item 8A on the agenda, Approach to Operations of Regional Express Bus Service, has been deferred.

Executive Director Report

Mr. White expressed appreciation for recent assistance by FTA staff and the King County Transit Division staff. He described two examples of government agencies working together in effective partnership.

Last February, Mr. Drewel, Mr. Earling and Mr. Miller, while in Washington, DC updating the legislative team regarding Sound Transit's project and schedules, met with the Federal Transit Administration (FTA) Deputy Director and described our ambitious schedule, specifically for commuter rail. That communication has had significant impact. Last evening the FTA staff worked until 7:00 p.m. to provide data to their counterparts in Washington DC, and were back in their offices early this morning (to work with the staff on the east coast), in order to issue Sound Transit's Finding of No Significant Impacts (FONSI). That is an example of bureaucracy putting in extra effort to get the job done in partnership with other agencies.

(Board member Schell arrived at this time.)

A second example is that while the bid deadline for the commuter rail cars was extended by 12 calendar days by action of the Executive Committee, the contract award is before the Board for action today; the originally scheduled date. One of the reasons it's on schedule is intergovernmental cooperation. The King County Transit Division, through an agreement, supplied Sound Transit with an auditor to go to Bombardier the day after bids were received to begin the audit of price and cost information and Buy America compliance. It was that cooperation that provided the resources to allow the schedule to be met.

Those are examples of the partnerships being created and the good work that can be done to accomplish the objectives of this project.

Consent Agenda

Minutes of April 9 and 23, 1998

It was moved by Mr. Miller, seconded by Mr. Russell and carried by the unanimous vote of all Board members present that the Consent Agenda be approved as presented.

Motion No. M98-43 - Identifying a Kent Station location, and directing staff to begin the property acquisition process and station design process for the Tacoma-to-Seattle Commuter Rail Project upon receipt of a Finding of No Significant Impact (FONSI) from the Federal Transit Administration (FTA)

Ms. Val Batey, Sounder Commuter Rail Project Development Manager, presented the staff recommendation that the north site be selected for Kent's commuter rail station location. She indicated that there hasn't been much change in the information collected and analyzed on the two sites since the Board workshop in March. The recommendation for the north site is based on:

- 1) There is easy access to the site via the existing east/west arterials that would serve the site. These already carry traffic to SR-167 or Kent-Kangley, and the Metro park-and-ride lot on James Street. Those travelers would be intercepted at the commuter rail station. It is assumed that they would be headed to the commuter rail station. There is proximity to those streets.
- 2) At the north site, staff believes that there would be more options for future expansion. At the north site there are fewer buildings and more undeveloped area. Property for surface parking would be used initially, and, if needed, could be expanded to build structured parking in the future.

(Board members Hague, Hansen and Morrison arrived at this time.)

It was moved by Mr. White and seconded by Mr. Miller that Resolution No. M98-43 be approved selecting a north site as the preferred commuter rail station site in Kent, and also including a parking structure at the north site.

Mr. Miller stated that the Board was clear in its approval of Sound Move, about having a set amount of surface parking from jurisdiction to jurisdiction. He asked Mr. White to clarify that his intent in the motion is for Sound Transit to fund that portion up to the cost of the surface parking, with Kent funding an additional \$4 million for structured parking.

Mr. White confirmed that was his intent.

Mr. Desmond Brown, Sound Transit's legal counsel, noted that the pending motion includes a parking structure at the north site and that the environmental analysis conducted so far has not included a north site parking structure. That analysis could be done rather quickly. If the Board were to approve the motion, it should include a statement about pending environmental review of the parking structure.

Mr. White said he would accept that as a friendly amendment to his motion.

Mr. Drewel acknowledged Kent City Council member, Ms. Amodt, who requested time to make an additional comment to the Board.

Ms. Amodt explained that she possessed documents with the assessed values of the properties, which were developed by commercial realtors for both the north and south sites, and would be happy to share them with the Board. She commented that there is more vacant space at the north site, but if the Board chooses that site the property around it will be purchased quickly. And the same problem would occur with the south site. People will buy the land and ten years from now it will cost just as much to develop the north site as it would the south site. She stated that the access is much better at the south site. It would be much cheaper and less expensive to develop at the south site. The parking garage is in Kent's comprehensive plan. It is an ordinance in Kent. The City has found the funding for its portion of the cost.

Mr. Drewel acknowledged Kent City Council member, Ms. Epperly, who asked to speak to the Board. She noted that a letter, signed by six city council members, was being circulated to the Board. The letter states that the council will not change the comprehensive plan and allow surface parking in the downtown area.

The motion to approve Motion No. M98-43, with the addition of an environmental review of structured parking at the north site, was carried by the majority vote of all Board members present. (Those voting in the minority were Mr. Nickels, Mr. Russell and Ms. Davis.)

Policy Issues for Discussion and Deliberation

Commuter Rail Stage 1, Analysis Report

Mr. David Beal, Sounder Commuter Rail Project Development Program Manager, reviewed a report entitled "Sound Move's Stage I" (copy on file) and a four-page background sheet analyzing staff findings (copy on file), with the Board.

Committee Reports and Action Items

Finance Committee

Report of June 4, 1998 Meeting

Resolution No. R98-25 - Authorizing the execution of the contract with Bombardier Transit Corporation (Bombardier) for the purchase of passenger rail equipment necessary for the operation of the Tacoma to Seattle commuter rail

It was moved by Mr. Nickels and seconded by Ms. Gates that Resolution No. R98-25 be approved as presented.

Mr. Nickels reported that the Finance Committee is recommending approval of a contract with Bombardier Transit Corporation for the purchase of passenger rail equipment necessary for the operation of the Tacoma to Seattle commuter rail. The contract will supply 18 cab cars and 20 coaches, training and support manuals, at a cost not to exceed a base bid price of \$72,651,536, including taxes. Additionally, this resolution authorizes up to \$1.9 million for spare parts associated with this purchase, resulting in a total contract award amount not to exceed \$74,551,536. An additional \$1,453,030 (2% of the base bid price of \$72,651,536) is requested to be authorized as a contingency reserve to cover work order changes.

He reported that Sound Transit received nine letters of interest in this contract, and a single bid was received. While there is a concern about receiving only one bid, he expressed support for the action for the following reasons:

- 1) A single bid was received, which triggered a cost/price analysis to be sure the prices were fair and reasonable. The King County Transit staff conducted this analysis.
- 2) There was a Buy America pre-award audit. The audit has been conducted and the manufacturer is in compliance.

When it became clear that Sound Transit expected to receive a single bid, there was a request by the Board for a delay to allow time for other potential bidders to participate and compete. The Board has gone the extra mile to be sure the price and quality are the same as would have been received through the competitive bid process.

The contract award is within budget for the ten-year budget and it allows for late 1999 start up of commuter rail service.

The motion to approve Resolution No. R98-25 was carried unanimously.

Public and Government Affairs Committee

Report of June 5, 1998 Meeting

Mr. Earling reported that TEA21 was signed into law this last Monday. Many of the Board members have heard that the Senate is holding the technical correction bill at bay. Washington's Senators are holding firm on the bill. In speaking to Sound Transit's lobbyist in Washington, D.C. the issues are close to being resolved and the situation rectified. The next step is Senate Appropriations for the 1999 mark-up, which is scheduled for June 16, 1998.

Motion No. M98-34 - Providing an agency performance rating for 1997

Mr. Drewel reminded board members that within the past few weeks he sent each member a memo outlining his thoughts and recommendations on the agency performance rating.

He suggested that the Board focus on five significant elements related to agency performance, as well as consideration of the Citizen Oversight Panel annual performance report and the independent financial audit. The elements are:

- 1) being on time;
- 2) being on budget;
- 3) being accountable to our public;
- 4) collaborating with citizens, stakeholders and local jurisdictions; and
- 5) effectiveness.

Based on Board concurrence with the performance standards outlined in the memo, and based on the annual performance report of the Citizen Oversight Panel and the Deloitte-Touche independent financial audit, he recommended rating the agency-wide performance for 1997 as "expected efforts are exceeded with few significant or critical issues" and approving performance awards for staff at the mid-range of that category at 9% (within a range of 0 to 15%).

Mr. Paul Matsuoka reviewed the philosophy of Sound Transit's human resources system. In August 1997 Sound Move set forth an ambitious agenda to perform to meet commitments made to the public. Sound Transit wanted a human resources system to reinforce the commitment to perform as promised. This meant the agency couldn't rely on or create a traditional public sector human resources system, which has COLA built in, plus ultimate step advances. Rather, Sound Transit's human resources system was developed with annual performance goals for staff to meet, a performance review on an annual basis, and without COLA or automatic step advancing. It was developed with the ability to provide performance awards that would not be added to base salary and therefore compound over time. It was developed so that the Board would establish the agency performance award.

It was moved by Mr. Miller, seconded by Mr. McIver and carried by the unanimous vote of all Board members present that the Board of the Central Puget Sound Regional Transit Authority determines that the agency's performance for 1997 is "expected efforts are exceeded with few significant or critical issues," and approves performance awards for staff at the mid-range of that category at 9%.

Convene Executive Session

Review performance of Sound Transit Board employees

Discuss negotiations on long-term headquarters location

The Board adjourned into executive session at 4:05 p.m.

The Board reconvened at 4:27 p.m.

It was moved by Mr. Miller, seconded by Mr. Nickels and carried by the unanimous vote of all Board members present that the Board Chair be authorized to amend the employment agreement with the Executive Director establishing a total compensation of \$137,425, effective January 1, 1998. The Board Chair is also authorized to amend the employment agreement with the Board Administrator, establishing an annual salary of \$75,000 effective January 1, 1998. The Board Chair shall direct staff to implement the Board's performance evaluation decisions in a manner consistent with the Sound Transit human resources system.

Resolution No. R98-30 - Delegating to the Finance Committee all such powers as enumerated in Resolution 78-1, Section (s) 12 and 13, as are necessary to acquire, dispose of, lease or otherwise authorize any real property transactions(s) necessary to secure long-term office headquarters space

It was moved by Mr. Nickels and seconded by Mr. Miller that Resolution No. R98-30 be approved as presented.

Mr. Nickels explained that the Finance Committee has been reviewing and evaluating alternatives for long-term headquarters for the last several months. This has been driven by a July 23 deadline to provide termination notice or trigger a seven-year lease at the current location. The Board has been kept up to date on that work and has concurred with the Committee's actions. Approving Resolution No. R98-30 would allow the Finance Committee to take action on behalf of the Board to trigger that June 23 deadline and seek an alternative that would provide long-term headquarters. This is necessary because of the continuing nature of the negotiations and the fact the June 23 deadline occurs prior to the Board's next meeting on June 25. The Committee's next meeting will be on June 18 to take those actions.

The motion to approve Resolution No. R98-30 was carried by the unanimous vote of all Board members present.

Other Business

None.

Next Meeting

Thursday, June 25, 1998 - 2 to 5 p.m.

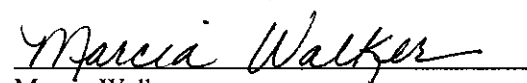
Adjourn

The meeting was adjourned at 4:43 p.m.



Bob Drewel
Board Chair

ATTEST:



Marcia Walker
Board Administrator