

**Sound Transit Board Meeting
Summary Minutes
December 12, 2002**

Call to Order

The meeting was called to order at 1:18 p.m. by Chair Ron Sims in the Sound Transit Board Room of Union Station, 401 South Jackson, Seattle, Washington.

Roll Call

Chair

(P) Ron Sims, King County Executive

Vice Chairs

(P) David Earling, Edmonds City Council President

(P) John Ladenburg, Pierce County Executive

Board Members

(P) Jack Crawford, City of Kenmore Councilmember

(P) Bob Drewel, Snohomish County Executive

(P) David Enslow, City of Sumner Councilmember

(P) Mary Gates, City of Federal Way Councilmember

(A) Jane Hague, King County Councilmember

(P) John Okamoto, representing Doug MacDonald,
WSDOT Secretary

(P) Richard McIver, City of Seattle Councilmember

(P) Chuck Mosher, City of Bellevue Councilmember

(P) Greg Nickels, City of Seattle Mayor

(P) Mark Olson, City of Everett Councilmember

(P) Julia Patterson, King County Councilmember

(P) Dwight Pelz, King County Councilmember

(P) Kevin Phelps, City of Tacoma Councilmember

(P) Cynthia Sullivan, King County Council Chair

(P) Claudia Thomas, City of Lakewood Deputy Mayor

Ms. Marcia Walker, Board Administrator, indicated a quorum of the Board was present at roll call.

The following Board members arrived after roll call:

John Ladenburg

Greg Nickels

Dwight Pelz

Public Comment

Ms. Peggy Gerdes, retired City Councilmember from Lake Forest Park, encouraged the Board to continue to move forward and thanked the Sound Transit staff for keeping the public informed.

(Mr. Pelz arrived at this time.)

Mr. Don Padelford spoke to the possible policy change on the HOV lanes on the eastside of the Puget Sound region.

Mr. Mark Dublin raised the subject of a possible lawsuit to overturn Initiative 776 and his preference to have another election.

Mr. Coe Morgan spoke in support of efforts to overturn Initiative 776 stating that the people in Eastern Washington should have been excluded from the vote. He also mentioned that he has served on the Citizens Accessibility Advisory Committee in the past and thanked the Board for following recommendations of the committee.

Mr. Paul Masten, President of the American Council of Engineering Companies of Washington, encouraged the Board to join the action to overturn Initiative 776.

Mr. Brian Carpenter, Pierce County Building and Construction Trades Council, stated that the diversity numbers for the Tacoma Link project as of November, showed a 37% M/W/DBE participation. He said great things are happening in Pierce County and he encouraged the Board to continue moving forward.

Ms. Terri Lewis spoke as a commuter on Sounder Commuter Rail stating her appreciation for the service and that it is a wonderful contribution to the community.

Mr. Hil Hornung spoke in favor of implementing HOT lanes.

Mr. Jeff Altman, Lake Forest Park Transportation Committee, asked the Board to continue moving forward with Sounder and Link, and stated his community's appreciation for ST Express Route 522.

Ms. Judy Hedden, President of the League of Women Voters of Washington (LWV), stated that the LWV vigorously opposed Initiative 776 and that they encourage Sound Transit to challenge the principle of a statewide vote overturning a local vote.

Ms. Patricia Matteson, League of Women Voters of Washington (LWV) in the Sound Transit area, commended Sound Transit on the progress made in implementing light rail and the success of ST Express bus and Sounder Commuter Rail. She encouraged the Board to proceed with the court challenge of Initiative 776.

Mr. Paul W. Locke spoke in favor of Initiative 776.

Mr. Brad Axel, Conservation Chair for the Cascade Chapter of the Sierra Club, stated that they strongly support the Board's efforts in building a world-class public transportation system and urged the Board to join the lawsuit to throw out Initiative 776.

Mr. Bruce Agnew expressed support for converting HOV lanes on I-405, SR 520, and I-90 to HOT lanes.

Mr. Michael O'Hagen urged the Board to go to court to overturn Initiative 776 and move forward with light rail.

Mr. John Littel, Seattle/King County Building and Construction Trades Council, expressed support for the Board's passage of the 2003 Sound Transit budget and the Council's interest in the PLA regional training fund.

Mr. Dave Russell, President of the Board of 1,000 Friends of Washington, stated that they were prepared to join Sound Transit in a legal challenge to overturn Initiative 776.

Mr. Peter Hurley, Executive Director of the Transportation Choices Coalition, stated that his Board of Directors had voted to join a challenge to Initiative 776 and asked the Board to move forward on the suit.

Mr. Ken Sprague requested the Board move ahead with the light rail project.

Mr. Will Knedlik, Managing Director of the Center for Multiple Gain Solutions, spoke about Initiative 776 stating that the constitutional rights of Sound Transit bondholders must be protected.

Mr. Tim Gould urged the Board to join the legal challenge of Initiative 776 and to push forward with Link light rail.

Mr. Michael Woo encouraged passage of the 2003 Sound Transit budget and stated his support of the PLA training funds included in the budget.

Report of the Chair

Mr. Sims announced appointments to the Performance Audit Committee as Ms. Gates and Mr. Mosher representing the Board and Ms. Virginia Gunby and Mr. Ray Gould representing the Citizen Oversight Panel.

Report of the Executive Director

Ms. Earl reported on the groundbreaking at the Tacoma Dome Station stating that Senator Patty Murray and Pierce County Executive John Ladenburg emceed the event and speakers included Ms. Ruth Fisher, Mr. Earling, Ms. Gates, and Mr. Phelps.

Ms. Earl mentioned that Mr. Okamoto would be leaving the Washington State Department of Transportation to join the Port of Seattle. She thanked Mr. Okamoto for being a strong Sound Transit partner.

Consent Agenda

Minutes from the October 10, 2002; October 24, 2002; November 14, 2002; and November 21, 2002, Board Meetings

Motion No. M2002-130 – Executing a task order with the Washington State Department of Transportation to construct and provide construction management for the I-5 at Lynnwood HOV Direct Access Ramp in the amount of \$17,390,378, with a 5% contingency of \$869,519, for a total authorized amount not to exceed \$18,259,897

Motion No. M2002-136 – Executing a contract amendment with Shannon & Wilson, Inc., to provide geotechnical services necessary for final design of the Link Pine Street Stub Tunnel in the amount of \$200,000, with a 10% contingency of \$20,000, for a total of \$220,000, and a new total authorized contract amount not to exceed \$10,801,601

It was moved by Mr. Ladenburg and seconded by Mr. Phelps that the Consent Agenda be approved as presented.

Mr. Nickels commented on Motion No. M2002-130, stating that while the action was appropriate because there were currently no proposals that would change the I-5 HOV system, in the near

future the Board would be dealing with projects in areas where there are changes being contemplated. Mr. Nickels pledged to work with WSDOT and the Transportation Commission to reach an agreement that protects taxpayers and allows improvements to be made.

The motion to approve the Consent Agenda was carried by the unanimous vote of all Board members present.

Action Items

Items Not Referred by Committee

Resolution No. R2002-22 – Authorizing the Executive Director to join or defend any legal proceeding to determine the legality and application of Initiative 776 to Sound Transit and to defend Sound Transit's interests

It was moved by Mr. Ladenburg and seconded by Mr. Phelps that Resolution No. R2002-22 be approved as presented.

Mr. Sims advised that prior to action being taken on Resolution No. R2002-22, and executive session would be held.

Ms. Earl stated that in 1999, Sound Transit issued \$350 million in bonds to fund ongoing capital projects. In issuing the bonds, Sound Transit pledged revenue collected from the Motor Vehicle Excise Tax (MVET) and the sales tax as security. She said there was no dispute that Sound Transit is legally entitled to collect the MVET until the year 2028. The unresolved issues regarding Initiative 776 include whether revenues can continue to be pledged for future bonds and whether Initiative 776 legally repeals the authority to impose the tax to build additional transportation projects as Phase II is discussed.

Executive Session

Mr. Desmond Brown, Legal Counsel, advised that the Board would be going into Executive Session for approximately 15 minutes to discuss potential litigation to which Sound Transit may become a party. He stated that the discussion would be appropriate to hold in executive session, based on RCW 42.30.110 B, subsection 1.

The Board was recessed into executive session at 2:22 p.m. and was called back to order at 3:42 p.m.

The Board reconvened in open session at 2:55 p.m.

Mr. Ladenburg stated his belief that a motion to join the lawsuit to overturn Initiative 776 was critically important, not only for Sound Transit, but for the region and the voters. Mr. Ladenburg said the constitution states that initiatives and legislative bills may have only one subject. He explained that this rule is to prevent the packaging of more than one idea together which might confuse voters into supporting something they don't want, in order to get something they do want. He went on to say that it is important that the Sound Transit Board, as elected officials, uphold the constitution and protect the voters in the Sound Transit region.

Mr. Drewel agreed that the issue was about voters' rights. He said that the oath of office is to uphold all the laws, not just the laws an official likes.

Mr. Nickels stated his support of Resolution No. R2002-22, stating that the people in the Sound Transit regional area are willing to step up and solve their transportation problems and should not be punished by voters in other parts of the state who are not affected by Sound Transit taxes.

Ms. Patterson announced that she would not be voting for Resolution No. R2002-22. She stated her concern for Sound Transit as a public agency and its ability to rebuild trust with the public. Ms. Patterson felt the challenge to Initiative 776 could be effectively made by the county and the City of Tacoma as well as other private entities.

Ms. Thomas spoke in support of the motion stating that she felt the Board, as leaders, would take a step backwards by not standing up on this issue.

Ms. Gates mentioned that not only have the Board members taken an oath to uphold the constitution, but they have taken a responsibility to provide good management of tax funds. She said Initiative 776 could have an implication on Sound Transit's bonds.

Mr. Sims stated the importance of protecting the people's rights to accomplish something without it being overturned by those not affected by it. He mentioned that when looking at the vote by area, people in the Sound Transit area voted to continue to pay the tax; they want to get moving.

Ms. Walker took a roll call vote on Resolution No. R2002-22, with the following results:

<u>Ayes</u>	<u>Nos</u>
Mr. Crawford	Ms. Patterson
Mr. Drewel	
Mr. Earling	
Mr. Enslow	
Ms. Gates	
Mr. Ladenburg	
Mr. McIver	
Mr. Mosher	
Mr. Nickels	
Mr. Olson	
Mr. Pelz	
Mr. Phelps	
Ms. Sullivan	
Ms. Thomas	
Mr. Sims	

The motion to approve Resolution No. R2002-22 was carried by the majority vote of all Board members present. (Ms. Patterson voted in the minority.)

Items Not Referred by Committee (continued)

Motion No. M2002-138 – Adopting the Rainier Valley Community Development Fund Operating Plan

It was moved by Ms. Sullivan, seconded by Mr. Nickels, and carried by the unanimous vote of all Board members present that Motion No. M2002-138 be approved as presented.

Action Items

Items Referred by Finance Committee

Resolution No. R2002-17 – Adopting an annual budget for the period from January 1 through December 31, 2003

It was moved by Mr. Phelps and seconded by Mr. Crawford that Resolution No. R2002-17 be approved as presented.

Mr. Phelps briefed the Board on Resolution No. R2002-17 stating that the Finance Committee had spent a great deal of time over the prior three months reviewing each section of the budget, including staff operations, transit operations, and capital improvements.

Mr. Sims advised that adoption of the budget requires a two-thirds super-majority affirmative vote of the Board.

The motion to approve Resolution No. R2002-17 was carried by the unanimous vote of all 16 Board members present.

Resolution No. R2002-20 – Ratifying the adoption of amendments to the agency's pension plan as required by tax law changes under Section 401 (a) of the Internal Revenue Code

It was moved by Mr. Phelps, seconded by Mr. Crawford, and carried by the unanimous vote of all Board members present that Resolution No. R2002-20 be approved as presented.

Items Referred by Executive Committee

Motion No. M2002-122 – Establishing policies to define and regulate the uses that are permitted and those that are prohibited at Sound Transit's parking facilities and superseding Motion No. M2001-119 (Sounder Commuter Rail Interim Surface Parking Policy)

It was moved by Mr. Phelps, seconded by Mr. Ladenburg, and carried by the unanimous vote of all Board members present that Motion No. M2002-122 be approved as presented.

Resolution No. R2002-21 – Selecting the corridor improvements, station facilities, train storage facility, and park-and-ride improvements to be built for the Lakewood-to-Tacoma Commuter Rail and SR-512 Park-and-Ride Expansion project

It was moved by Mr. Phelps, seconded by Mr. Drewel, and carried by the unanimous vote of all Board members present that Resolution No. R2002-21 be approved as presented.

Committee Report

Finance Committee

Mr. Phelps reported that at the December 5, 2002, meeting, the Finance Committee had a discussion about minority/women/disadvantaged business enterprises.

The Finance Committee did take action on Motion No. M2002-123 to execute a contract with WSDOT for \$62 million for HOV lanes in Bellevue. This was held over until there is an agreement with WSDOT on HOV lane changes.

The Finance Committee took final action on the following items within its authority: Motion No. M2002-129 – a task order with the Washington State Department of Transportation under the existing agreement covering design coordination and review services for Link Light Rail Tukwila Freeway Route design; Motion No. M2002-133 – a contract amendment with Deloitte & Touche LLP for audit services; Motion No. M2002-134 – a project level agreement with the Washington State Department of Transportation for the completion of final design and preparation of plans, specifications, and estimates for the Kirkland HOV Direct Access Ramp Project; Motion No. M2002-135 – a contract with Gary Merlino Construction Company to provide construction services for Initial Link Segment 705 (E-3 Busway Widening); and Motion No. M2002-137 – a three-year contract agreement with two one-year extensions for comprehensive banking services with Bank of America.


Mr. Phelps added that on December 4, 2002, the Audit and Reporting Subcommittee held a meeting at which time they reviewed the 2002 audit plan, received an update on the state audit to be completed in January, discussed the contract amount with Deloitte & Touche.

Next Meeting

Thursday, January 9, 2003
1:00 to 4:00 p.m.
Union Station Board Room
Seattle, WA

Adjourn

The meeting was adjourned at 3:23 p.m.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator