

**Sound Transit  
Finance Committee Summary Minutes**

**February 6, 2003**

**Call to Order**

Chair Kevin Phelps called the meeting to order at 11:40 a.m.

**Roll Call**

(P) Kevin Phelps, Chair	(A) Chuck Mosher
(P) Jack Crawford, Vice Chair	(P) Greg Nickels
(P) Dave Enslow	(P) Mark Olson
(P) Mary Gates	(P) Dwight Pelz
(P) Richard McIver	

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

**Report of the Chair**

Mr. Phelps commented that the next Audit and Reporting Subcommittee meeting would be held on February 20, 2003, immediately following the Finance Committee meeting.

**Chief Financial Officer's Report**

Mr. Hugh Simpson, Chief Financial Officer, reported that a Bonding Market discussion would be on the agenda for the February 20, 2003, Finance Committee meeting.

Mr. Simpson also reported that Deloitte and Touche will be presenting subarea procedures at the February 20 Audit and Reporting Subcommittee meeting. He announced that a workplan for Deloitte and Touche was being developed and that the subarea audit report would be completed in April 2003. There will be a report to the Finance Committee on subarea equity in March 2003.

Mr. Crawford requested that the committee have a discussion on bonding issues for all subareas at the next Finance Committee meeting.

Mr. Phelps requested that staff include a section on the Finance Committee agendas for regular updates on the Audit and Reporting Subcommittee.

**Action Items**

**Items within the Finance Committee's Authority for Final Action**

Minutes of the January 16, 2003, Finance Committee meeting.

**It was moved by Ms. Gates, seconded by Mr. McIver, and carried by the unanimous vote of all members present that the minutes of the January 16, 2003, Finance Committee meeting be approved as presented.**

Motion No. M2002-131 – Authorizing the Deputy Executive Director to execute a contract with Parametrix, Inc. to provide design services for the North Everett Transit Center project in the amount of \$639,280, with a 10% contingency of \$63,928, for a total authorized amount not to exceed \$703,208

In order to ensure the absence of actual or apparent conflict of interest, Ms. Joni Earl, Executive Director, disclosed that her spouse is the President of Everett Community College. Sound Transit's ethics code provides that she must disclose the general nature of the actual or apparent conflict on

the record at the meeting prior to any discussion or vote, recuse herself from any discussion or recommendation and excuse herself from the meeting until the Committee has taken action. She reported that Vernon Stoner, Deputy Executive Director has taken the lead on issues with staff regarding this project.

Mr. Dan Eder, Regional Express Project Manager, presented the staff report.

Mr. McIver asked why Sound Transit was responsible for replacement parking if Sound Transit buses do not serve the Everett Transit center.

Mr. Oslon indicated that the City of Everett will be contributing \$1.9 million toward the additional requirements of this project.

Ms. Agnes Govern, Regional Express Director, responded that Sound Transit analysis shows that the transit center would operate more efficiently when located closest to the Everett Community College campus from a transit service perspective. Sound Transit would have to displace parking on the site that was going to be the future transit center. And to fulfill a requirement of the college to provide parking for the students and faculty Sound Transit would have to build replacement parking for the college.

Mr. Ken Housden, Director of Transportation with the City of Everett, indicated that Everett Community College would provide the land on which the future transit center would be located at no cost.

Ms. Gates offered a friendly amendment asking for a formal interlocal agreement or letter of intent from Everett Community College before proceeding.

Mr. Phelps indicated that he would be supportive of this agreement if a mitigation agreement for temporary traffic impacts, temporary parking, etc., with Everett Community College was executed.

Mr. McIver commented that he would be supportive of this agreement if the mitigation agreement and letter of intent that Ms. Gates proposed were executed prior to this agreement.

Mr. Phelps commented that Chair Sims has asked the Finance Committee to consider developing a policy related to future projects not in Sound Move that are not directly served by Sound Transit.

Mr. Phelps announced that the Committee accepts public comment on items within its authority for final action and asked if anyone from the audience wished to speak on Motion No. M2002-131.

Mr. Phillip Grega spoke about the inclusion of digital clocks at transit centers.

**It was moved by Mr. Olson, seconded by Mr. Nickels, and carried by the unanimous vote of all members present that Motion No. M2002-131 be approved as presented.**

Motion No. M2003-12 – Authorizing the Executive Director to enter into an agreement with Burlington Northern Santa Fe Railway Company (BNSF) specifying the terms and conditions for closure and removal of the BNSF Lakeview Subdivision grade crossing at Pacific Avenue and 17<sup>th</sup> Street in the City of Tacoma, for a lump sum amount of \$2,000,000

Mr. Ahmad Fazel, Link Light Rail Director, presented the staff report.

Mr. Crawford suggested that the committee forward Motion No. M2003-12 to the Board without Finance Committee recommendation to allow time to consult with City of Tacoma staff.

**It was moved by Mr. Crawford and seconded by Mr. Nickels, and carried by the unanimous vote of all members present that Motion No. M2003-12 be forwarded to the Board without the Finance Committee's recommendation.**

## **Items for Recommendation to the Board**

Motion No. M2003-11 – Continuing operation of demonstration Route 586 and to use schedule maintenance hours for additional trips from the schedule maintenance line item in the budget to operate the route through the Summer of 2003

Mr. Jim Moore, Regional Express Project Manager, presented the staff report.

Mr. McIver asked if the route should be made permanent at this time because of its popularity.

Mr. Phelps responded that the extending the demonstration timeframe would allow performance data to be collected during the summer months. The route could be made permanent through the 2004 SIP process this fall.

**It was moved by Mr. Crawford, seconded by Mr. Olson, and carried by the unanimous vote of all members present that Motion No. M2002-11 be approved as presented.**

Motion No. M2003-15 – Authorizing the Executive Director to execute a three-year contract with Pharos Corporation to provide appraisal, acquisition and relocation services for the Sounder Commuter Rail and Regional Express projects yet to be completed under Sound Move, for a total amount not to exceed \$6,165,885, with two one-year options to extend the term of the contract

Mr. Don Vogt, Sr. Real Estate Representative, presented the staff report.

Mr. McIver asked why this work had not been broken up into smaller contracts so that smaller local firms could be considered.

Mr. Vogt responded that the justification is continuity with a large firm.

Ms. Gates indicated that she would like to have a future policy discussion on using smaller local firms for this type of work.

**It was moved by Mr. McIver, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Motion No. M2002-15 be approved as presented.**

Resolution No. R2003-01 – Authorizing the Executive Director to acquire, dispose, or lease certain real property interests by negotiated purchase or by condemnation and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the construction and operation of the Regional Express Federal Way Transit Center Project.

Mr. Don Vogt, Sr. Real Estate Representative, presented the staff report.

**It was moved by Mr. Crawford, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Resolution No. R2003-01 be approved as presented.**

Mr. Hugh Simpson requested that the Finance Committee consider Motion No. M2003-07 and then come back to Resolution No. R2003-02 for action after the motion.

Motion No. M2003-07 – Authorizing the Executive Director to execute a long-term service agreement with the Rainier Valley Community Development Fund (RVCDF) to administer Sound Transit's Supplemental Mitigation Account of the Community Development Fund (the Fund) for a period of one year in the amount of \$528,935, with options to extend annually for a total of five years. This amount is equal to 70% of the projected cost of Fund administration in 2003. The

RVCDF expects to receive the remaining 30% funding from the City of Seattle through a separate contract that has not yet been negotiated. Sound Transit will be reimbursed for the total cost of this contract and contract oversight expenses from the Fund. The execution of this agreement is contingent upon Board adoption of the amendment to the 2003 Board-adopted budget as provided for in Resolution No. R2003-02

Ms. Joann Francis, Chief Administrative Officer, presented the staff report.

**It was moved by Mr. McIver, seconded by Mr. Olson, and carried by the unanimous vote of all members present that Motion No. M2003-07 be approved as presented.**

Resolution No. R2003-02 – Amending the 2003 Board-adopted budget by \$528,935 in staff operating costs relating to service contract payments; \$215,625 in internal administrative staff costs; \$11,000,000 in transfers to the Community Development Fund within Sound Transit's financial structure; \$8,835,000 in mitigation disbursements; and partnership funding from the City of Seattle (\$4,000,000) and King County (\$1,000,000) in the amount of \$5,000,000 in support of the Community Development Fund for Southeast Seattle

Ms. Joann Francis, Chief Administrative Officer, presented the staff report.

**It was moved by Mr. McIver, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Resolution No. R2003-02 be approved as presented.**

### Other Business

Mr. Peiz asked Mr. Simpson to comment on a letter sent to Sound Transit from Mr. Will Knedlik regarding debt limit and obligations made to King, Pierce and Snohomish Counties particularly related to the \$800 million lid on debt limit.

Mr. Simpson responded that the assertions made in the letter were false and misleading. Sound Transit has complied with all applicable state laws and Sound Transit does not have a debt limit of \$800 million. The \$800 million debt limit referenced in Mr. Knedlik's letter was associated with the 1995 plan that failed voter approval. The 1996 plan, the plan approved by the voters, does not have a dollar cap on debt. It has qualitative aspects where debt is managed by debt coverage ratios and different types of debt that can be issued.

### Next Meeting


Thursday, February 20, 2003, from 12:00 to 2:00 p.m. in the Union Station Board Room, 401 South Jackson Street, Seattle, Washington.

### Adjourn

As there was no other business, the meeting was adjourned at 1:05 p.m.

  
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Kevin Phelps  
Finance Committee Chair

ATTEST:

  
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Marcia Walker  
Board Administrator