

**Finance Committee Meeting
Summary Minutes
April 17, 2003**

Call to Order

Chair Kevin Phelps called the meeting to order at 12:10 p.m.

Roll Call

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

Ms. Marcia Walker, Board Administrator, announced that a quorum of the committee was present at roll call and that Board Member Claudia Thomas was also in attendance.

Report of the Chair

None.

Chief Financial Officer's Report

Mr. Hugh Simpson, Chief Financial Officer, announced that the next Audit and Reporting Subcommittee will be April 30, 2003, and Laurie Tish from Deloitte and Touche and the State Auditor will update the Subcommittee on the 2002 audit results. The subarea report will also be presented.

Mr. Simpson reported that the 2003 Project Update discussion would be held later in the meeting today. He also noted that a memo from Agnes Govern, Regional Express Director, was included in the Finance Committee member's packets concerning the no-cost change order with WSDOT for the direct access ramps on I-405 in Renton.

Action Items

Minutes of the March 6, 2003, and March 20, 2003, Finance Committee meetings

It was moved by Mr. McIver, seconded by Ms. Gates, and carried by the unanimous vote of all members present that the minutes of the March 6, 2003 and March 20, 2003 be approved as presented.

Motion No. M2003-38 – Authorizing the Executive Director to execute a contract with HNTB for preliminary engineering and environmental documentation for the Mountlake Terrace In-line Station Project in the amount of \$1,651,751, with a 10% contingency of \$165,175, for a total authorized contract amount not to exceed \$1,816,926

Ms. Agnes Govern, Regional Express Director, and Tina Lee, Regional Express Project Coordinator presented the staff report for Motion No. M2003-38.

Mr. Phelps indicated that Finance Committee packets included two letters regarding the Mountlake Terrace In-line Station. One from Community Transit and one from the City of Mountlake Terrace. (Copy on file with the Board Administrator).

Mr. Phelps announced that Motion No. M2003-38 was within Finance Committee Authority for final approval and invited public comment.

Mr. Philip Grega asked if the project was listed on the RTID list of projects.

Mr. Will Vanry, Mountlake Terrace City Engineer, spoke in support of the motion.

Ms. Edith Duttlinger, Mountlake Terrace Senior Planner, spoke in support of the motion.

It was moved by Mr. Mosher, seconded by Ms. Gates, and carried by the majority vote of all members present that Motion No. M2003-38 be approved as presented. Board Members McIver and Enslow voted in the minority.

(Board Member Olson arrived.)

Motion No. M2003-39 – Authorizing the Executive Director to execute an agreement with Washington State Department of Transportation (WSDOT) for project support services for preliminary engineering, environmental documentation, and design file efforts for the Mountlake Terrace In-line Station in the amount of \$533,640, with a contingency of \$46,811, for a total authorized contract amount not to exceed \$580,451

No one presented public comments.

It was moved by Mr. Mosher, seconded by Ms. Gates, and carried by the majority vote of all members present that Motion No. M2003-39 be approved as presented. Mr. McIver and Mr. Enslow voted in the minority.

Items for Recommendation to the Board

Substitute Motion No. M2003-24 – Authorizing the Executive Director to execute a contract with ERG, Ltd., an Australian systems integration and transit fare collection equipment vendor, to design, implement and operate a regional Smart Card-based fare collection and revenue processing system for Central Puget Sound transit agencies. This contract would include \$3,279,008 for system design and implementation and all equipment, plus \$2,712,854 in payments for operations and maintenance of the system through 2014, and a 11% contingency amount of \$653,069, for a total authorized contract amount of \$6,644,931

Ms. Barbara Gilliland, Office of Policy and Planning Program Manager, and Mr. Brian Brooke, Office of Policy and Planning Project Manager presented the staff report for Substitute Motion No. M2003-24, Motion No. M2003-25 and Substitute Motion No. M2003-26.

It was moved by Mr. Crawford, seconded by Mr. Olson, and carried by the unanimous vote of all members present that Substitute Motion No. M2003-24 be forwarded to the Board with a do-pass recommendation.

Motion No. M2003-25 – Authorizing the Executive Director to execute an interlocal agreement regarding the Smart Card project with partner transit agencies, which may include Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, and Washington State Ferries

Ms. Gates noted that the language “may include” in the motion be changed to “include.”

It was moved by Mr. Olson, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2003-25 be forwarded to the Board with a do-pass recommendation.

Substitute Motion No. M2003-26 – Authorizing the Executive Director to allocate funding from the Regional Fund/Fare Integration Fund budget to provide Smart Card project funding for Sound Transit implementation and operations; to provide funding support to Community Transit, Everett Transit, and Pierce Transit; and to renegotiate the Regional Pass and Fare Reconciliation Program Agreement to reduce and sunset Sound Transit's participation in the Puget Pass program and obligation to subsidize intersystem transfers.

Smart Card project funding from the Fare Integration Fund is as follows:

- Sound Transit project expenses: \$ 7,936,176
- Community Transit project assistance: \$ 2,979,947
- Everett Transit project assistance: \$ 706,036 (plus loan of \$180,447)
- Pierce Transit project assistance: \$ 2,153,136

Total Expenditure Authorization: \$13,775,294 (plus loan of 180,447)

It was moved by Mr. Crawford, seconded by Mr. Mosher that Substitute Motion No. M2003-26 be forwarded to the Board with a do-pass recommendation.

It was moved by Mr. Enslow and seconded by Mr. Mosher to amend Substitute Motion No. M2003-26 by adding Amendment 1 to Substitute Motion No. M2003-26.

The Executive Director is further directed to execute letters of agreement with the General Managers of the partner agencies of Community Transit, Everett Transit, King County Metro and Pierce Transit that acknowledges the phasing out of the intersystem transfer fare subsidy program in exchange for the smart card program assistance adopted herein.

The intersystem transfer subsidies will be phased out as follows:

- For Regional Express Bus, intersystem transfer subsidy payments would sunset at year-end, 2006
- For Sounder Rail, intersystem transfer subsidy payments would sunset two years after system implementation, by year-end 2008
- For Link Light Rail, intersystem transfer subsidy payments would sunset two years after system implementation, by mid-year 2011.
- For King County Metro which does not receive smart card funding support from the Fare Integration Program, intersystem transfer subsidy payments will be phased out through 2011 as outlined above. The budget required to cover these payments will be phased out through 2011 as outlined above. The budget required to cover these payments from 2003-11 is \$7,455,666 million. Of this, \$372,814 million would be reserved for payments to KCM for intersystem transfers between KCM and Sounder for 2007-08; and \$916,114 would be reserved for payments to KCM for intersystem transfers between KCM and Link Light Rail for 2009-11.
- For agencies receiving support from the Fare Integration Program for smart card implementation (CT, ET, PT and ST), the amount of payments received for intersystem transfer subsidies will be reduced by the amount of the smart card support. Through 2011, these agencies would otherwise receive a projected \$15,816,710 in intersystem transfer subsidy payments. Decreasing this by \$10,153,425 (the full amount of smart card support from the Fare Integration Fund to CT, ET and PT plus a roughly proportional amount of the FIF funding used to cover ST's smart card costs) leaves \$5,663,285 to provide intersystem transfer subsidy payments. This is sufficient to maintain intersystem transfer subsidies through the end of the current Regional Pass and Fare Reconciliation Program Agreement, which expires at year-end 2004.

It was moved by Mr. Crawford, seconded by Mr. Olson, and carried by unanimous vote of all members present to amend Amendment 1 to Substitute Motion No. M2003-26 by replacing the word "by" in the second and third bullets with the words "estimated to be."

Mr. Pelz offered a friendly amendment to Amendment 1, as amended, to replace the words "would be reserved" in the third sentence of the fourth bullet with the words "is estimated."

Mr. Phelps stated that the word "million" in the second and third sentences of the fourth bullet was a typographical error and should be deleted.

The motion to amend Substitute Motion No. M2003-26 by adding the language of Amendment 1 as amended was carried by unanimous vote of all members present.

It was moved by Ms. Gates, seconded by Mr. Mosher and carried by unanimous vote of all members present to add Amendment 3 to Substitute Motion No. M2003-26:

Sound Transit shall work in conjunction with Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, and Washington State Ferries to establish a Fare Policy Forum, involving elected officials representing the transit agencies. The Fare Policy Forum will be charged with developing recommended policy guidance on regional fare and intersystem transfer policies, including subsidy levels for riders making intersystem transfers. Policy recommendations will be submitted to the Joint Operating Board and governing bodies of the respective transit agencies, as appropriate.

It was moved by Mr. Mosher, seconded by Mr. Crawford and carried by unanimous vote of all members present to add Amendment 4 to Substitute Motion No. M2003-26:

Sound Transit shall work in conjunction with Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, and Washington State Ferries to establish a Fare Policy Forum, involving elected officials representing the transit agencies. The Fare Policy Forum will be charged with developing recommended policy guidance on regional fare and intersystem transfer policies, including subsidy levels for riders making intersystem transfers. Policy recommendations will be submitted to the Joint Operating Board and governing bodies of the respective transit agencies, as appropriate.

The motion to forward Substitute Motion No. M2003-26, as amended, with a do pass recommendation to the Board was carried by unanimous vote of all members present.

Motion No. M2003-41 – Authorizing the Executive Director to execute an amendment to the Fourth Supplement to the Memorandum of Agreement (MOA) with the City of Seattle reimbursing the City for project-related services in support of the Central Link Light Rail project within City of Seattle's jurisdiction. These services will be provided by the City of Seattle in the areas of public works, public safety, and program management, for a total estimated amount not to exceed \$2,138,937, and a revised total MOA not to exceed \$13,752,684. The effective date of this action will be May 1, 2003

Mr. Ron Lewis, Link Deputy Director, presented Motion No. M2003-41 staff report.

It was moved by Mr. Crawford, seconded by Mr. Mosher, and carried by the unanimous vote of all members present that Motion No. M2003-41 be forwarded to the Board with a do-pass recommendation.

Motion No. M2003-44 – Authorizing the Executive Director to execute an Agreement for Operation and Use of Sound Transit-funded HOV and Direct Access Facilities with the Washington State Department of Transportation

Ms. Agnes Govern, Regional Express Director, presented Motion No. M2003-44 staff report.

Mr. Crawford read the following statement into the record:

“WSDOT will accept HOV Access Improvements and title on State Routes and upon their completion, maintain and operate them consistent with the laws, procedures and policies applicable to the balance of the HOV system and state highway system. WSDOT shall maintain the facilities hereby conveyed in accord with their intended function for a normal useful life (normally 20 years for roadways) and obtain RTA [Sound Transit] formal approval if it becomes necessary to move or otherwise change the function of an RTA-funded facility.”

It was moved by Mr. Mosher, seconded by Mr. Crawford, and carried by the majority vote of all members present that Motion No. M2003-44 be forwarded to the Board with a do-pass recommendation. Mr. Pelz voted in the minority.

Mr. Phelps introduced Miriam Helgeland, new member of the Citizen Oversight Panel (COP).

Motion No. M2002-123 – Authorizing the Executive Director to execute an interlocal agreement with the City of Bellevue and the Washington State Department of Transportation to provide Sound Transit with funds for the construction of the 4th Street – 6th Street Phase of the Bellevue HOV Direct Access project in the amount of \$62,899,097, with a contingency of \$4,916,289, for a total authorized amount not to exceed \$67,815,386

Ms. Govern, Regional Express Director, presented the staff report for Motion No. M2003-123.

It was moved by Mr. Mosher, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2003-123 be forwarded to the Board with a do-pass recommendation.

Motion No. M2003-42 – Ratifying the Airspace Lease Agreement between the Washington State Department of Transportation and Sound Transit for the Regional Express South Hill/Puyallup Park and Ride Lot dated August 9, 2000, for a term of twenty years, and to amend the agreement to revise the legal description and the amount of rent accordingly, for a one time payment of \$51,318 for the term of the lease

Mr. Don Vogt, Sr. Real Estate Representative, presented Motion No. M2003-42 staff report.

It was moved by Mr. Mosher, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2003-42 be forwarded to the Board with a do-pass recommendation.

Motion No. M2003-43 – Authorizing the Executive Director to execute a Cooperative Agreement with the Washington State Department of Transportation (WSDOT) for a term of 40 years for the purpose of operating and maintaining a series of storm water detention vaults located at the WSDOT-owned Lynnwood Park and Ride Lot, to serve three Regional Express projects: the Lynnwood Transit Center, Lynnwood Park and Ride Lot Enhancements, and the Lynnwood Direct Access Interchange

Mr. Vogt, Sr. Real Estate Representative, presented the staff report for Motion No. M2003-43.

It was moved by Mr. Mosher, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Motion No. M2003-43 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2003-05 – 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, operation, and permanent location of the Regional Express Kirkland Direct Access Project, and to execute all documents necessary to convey those interests to the Washington State Department of Transportation consistent with the 1997 Memorandum of Agreement between Sound Transit and the Washington State Department of Transportation

Mr. Vogt, Sr. Real Estate Representative, presented Resolution No. R2003-05 staff report.

It was moved by Mr. Mosher, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Resolution No. R2003-05 be forwarded to the Board with a do-pass recommendation.

Executive Session

At 2:20 p.m. the Finance Committee convened a 10-minute executive session to discuss with legal counsel potential litigation to which Sound Transit is likely to become a party.

The Finance Committee reconvened in open session at 2:35 p.m.

Resolution No. R2003-04 – Authorizing the Executive Director to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation, by settling condemnation litigation or entering administrative settlements, and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the Central Link Light Rail Project

It was moved by Mr. Crawford, seconded by Mr. Mosher and carried by a majority vote of the members present that Resolution No. M2003-04 be approved as presented.

2003 Project Update

The 2003 Project Update was moved to the May 1, 2003, Finance Committee meeting.

Other Business

None.


Next Meeting

Thursday, May 1, 2003, from 12:00 to 2:00 p.m. in the Union Station Board Room, 401 South Jackson Street, Seattle, Washington.

Adjourn

There was no other business, the meeting was adjourned at 2:38 p.m.

ATTEST:


Marcia Walker
Board Administrator


Kevin Phelps
Finance Committee Chair