

**Finance Committee Meeting
Summary Minutes
May 1, 2003**

Call to Order

Chair Kevin Phelps called the meeting to order at 12:14 p.m.

Roll Call

(P)	Kevin Phelps, Chair	(P)	Chuck Mosher
(P)	Jack Crawford, Vice Chair	(P)	Dave Enslow
(P)	Mary Gates	(A)	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.

Report of the Chair

None.

Chief Financial Officer's Report

None.

Action Items

Budget Action for Recommendation to the Board

Resolution No. R2003-08 – Amending the Adopted 2003 Budget to provide for a reduction in expenditures for capital projects

Brian McCartan, Deputy Finance Director, presented Motion No. R2003-08.

Mr. McIver requested holding Resolution No. R2003-08 to give members time to review the materials which weren't available until two days prior to the meeting.

Mr. Phelps suggested continuing with the presentation to the Finance Committee so committee members could make a decision on whether to hold the item to the next meeting.

Mr. McCartan indicated that the presentation was to provide the committee with an update to reflect the improved schedule, issues, and project status concerning the adopted 2003 budget.

Mr. Mosher indicated that local jurisdictions have had similar delays due to unanticipated changes during construction that have caused them to make budget adjustments.

Ms. Gates stated that there is no lifetime budget change to the projects, rather there are changes due to schedule caused by unanticipated factors.

Ahmad Fazel, Link Light Rail Director, gave an overview of the proposed changes to the Link Light Rail 2003 budget. He indicated that staff proposes a reduction of approximately \$32 million.

The proposed reductions include approximately \$10.6 million to the North Link project due to the recently adopted changes to the schedule and direction by the Board to refine cost estimates.

The Airport Link project reduction of approximately \$2.2 million is due to the suspension of and final design of the alignment. The Port of Seattle is working on plans for relocating existing roadways; therefore, preliminary engineering and final design will be suspended until those plans are complete.

The Tacoma Link project assumed 2003 expenditures to be \$9.7 million and the estimate is increasing to \$17.1 million. However, there is no impact to the total project budget of \$80.4 million.

Mr. McIver requested a breakdown showing the increases and decreases for each project.

Agnes Govern, Regional Express Director, gave an overview of the proposed changes to the Regional Express 2003 budget. She indicated that there was a change in spending assumptions for twenty-one projects. The majority of the changes were related to delays with right-of-way acquisitions and construction. She also noted that the Regional Express projects assumed 2003 expenditures to be \$149 million, and that is being reduced to \$82 million. The total lifetime budgets remain unchanged.

Mr. McIver suggested staff provide copies of the original budgets so members could track the revised budget against the original.

Mr. Phelps requested staff develop a report that would compare the revised budget to the original budget and present that to the Finance Committee in the future.

Marty Minkoff, Commuter Rail Director, gave an overview of the proposed changes to the Sounder Commuter Rail 2003 budget. He indicated that staff is proposing \$26.4 million in adjustments out of a total budget of \$173 million for the 2003 capital program. He noted that the adjustments were based on three categories; station adjustments, expenditures that were estimated to be spent in 2002 that were not spent and will occur in 2003, the delay of final design for the Everett to Seattle and Lakewood to Tacoma segments to 2004.

Paul Matsuoka, Policy and Planning Officer, gave an overview of the proposed changes to the Regional and Technology Capital Program for 2003. He indicated that staff is proposing a reduction of \$1.7 million in expenditures and a reduction in the Smart Card grant of \$1.4 million.

Ms. Gates requested that staff readjust the 2003 Project Update document to show that the lifetime budgets remained the same.

Mr. Mosher requested a project management overview showing whether projects are on time and on budget prior to the next Board Meeting.

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

Items within Finance Committee Authority for Final Action

Minutes of the April 3, 2003, Finance Committee meeting

It was moved by Mr. Mosher, seconded by Mr. Crawford, and carried by unanimous vote of all members present that the minutes of the April 3, 2003, Finance Committee meeting be approved as presented.

Motion No. M2003-46 – Authorizing the Executive Director to execute a contract amendment with KPFF to provide funding to complete environmental review and documentation for the selected site for Issaquah Transit Center in the amount of \$158,300, with a 10% contingency of \$15,830 totaling \$174,130, for a new total authorized contract amount not to exceed \$588,830, and further authorizing that the \$174,130 amount of the amendment be taken from the project contingency phase for PE/ED

Linda Smith, Regional Express Project Manager, presented Motion No. M2003-46.

It was moved by Mr. Pelz, seconded by Mr. Crawford, and carried by majority vote of all members present that debate on Motion No. M2003-46 be closed. Mr. McIver voted in the minority.

No one offered public comment on this action.

It was moved by Mr. Crawford, seconded by Mr. Mosher, and carried by unanimous vote of all members present that Motion No. M2003-46 be approved as presented.

Motion No. M2003-49 – Authorizing the Executive Director to execute a contract amendment with David Evans and Associates, Inc. for Reservation to Freighthouse Square track improvements in the amount of \$141,811, with a contingency of \$14,181, totaling \$155,992, for a new total authorized amount not to exceed \$1,770,937

Eric Kosty, Sounder Commuter Rail Project Manager, presented Motion No. M2003-49.

No one offered public comment on this action.

It was moved by Mr. Enslow, and seconded by Mr. Mosher and carried by the unanimous vote of all members present that Motion No. M2003-49 be approved as presented.

Motion No. M2003-51 – Authorizing the Executive Director to execute the Second Amendment to the Transportation Improvement Agreement (TIA) with the City of Kent for the purpose of delegating the task of completing all remaining street and traffic improvements around the Kent Commuter Rail Station in accordance with, and in satisfaction of all street and traffic improvement mitigation as provided in Sound Transit's Conditional Use Permit for the Commuter Rail Station for \$1,376,000, including \$914,000 as a credit and a \$462,000 payment from Sound Transit

Marty Minkoff, Sounder Commuter Rail Director, and David Beal, Sounder Commuter Rail Project Manager, presented the staff report for Motion No. M2003-51.

Mr. Minkoff indicated that there was a correction on Page 2 of the staff report. The third bullet should read "Upon Sound Transit's \$462,000 payment and conveyance of the specified right of way by Sound Transit to the City of Kent, the City of Kent would grant the occupancy permit for the entire garage."

Mr. Phelps indicated that this action shows a reduction in the construction budget by \$462,000, and should be corrected to show a credit towards the project and a reduction in the overall construction phase.

It was moved by Ms. Gates, seconded by Mr. Mosher, and carried by the unanimous vote of all members present that Motion No. M2003-51 be approved as presented.

Items for Recommendation to the Board

Motion No. M2003-48 – Authorizing the Executive Director to execute a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements in the amount of \$7,386,681 with a contingency of \$738,668, for a total authorized contract amount not to exceed \$8,125,349, and approving schedule incentives of \$10,000 per day, not to exceed \$100,000, to be awarded by change order as prescribed in the Request for Proposal

Eric Kosty, Sounder Commuter Rail Project Manager, presented Motion No. M2003-48.

It was moved by Ms. Enslow, seconded by Mr. Mosher, and carried by the unanimous vote of all members present that Motion No. M2003-48 be forwarded to the Board with a do-pass recommendation.

Motion No. M2003-50 – Authorizing the Executive Director to execute an agreement with the City of Kent for use of the Kent Commuter Rail Station Parking Garage until 2034 with an option to renew until 2040 and create mechanisms for the City of Kent to reimburse Sound Transit for incremental use of the garage by non-commuters

Martin Young, Sounder Commuter Rail Operations Program Manager, presented Motion No. 2003-50.

Mr. Phelps requested a copy of the original construction agreement for comparison of the fixed and variable costs.

The Committee delayed action on Motion No. M2003-50 to the May 15, 2003 Finance Committee Meeting.

Resolution No. R2003-07 – Authorizing the Executive Director of Sound Transit to implement changes to ST Express bus service effective September 2003

It was moved by Mr. Crawford, seconded by Mr. Mosher, and carried by the unanimous vote of all members present that Resolution No. R2003-07 be forwarded to the Board with a do-pass recommendation.

Discussion Items

The discussion on the Operations and Maintenance Agreement with King County for Central Link Light Rail was postponed to the May 15, 2003 Finance Committee Meeting.

Other Business

None.

Next Meeting

Thursday, May 15, 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 2:47 p.m.

ATTEST:



Kevin Phelps
Finance Committee Chair



Marcia Walker
Board Administrator