

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
November 17, 2005

Call to Order

The meeting was called to order at 12:05 p.m. by Chair Jack Crawford in the Sound Transit Board Room, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Jack Crawford, Kenmore City Councilmember

Vice Chair

(P) Fred Butler, Issaquah Council President

(A) Julie Anderson, Tacoma Councilmember

(P) Dave Enslow, Sumner Deputy Mayor

(A) Richard McIver, Seattle Councilmember

(P) Richard Marin, Edmonds Council President

(A) Mark Olson, Everett Councilmember

(A) Pete von Reichbauer, King Co. Councilmember

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

Report of the Chair

Chair Crawford introduced his wife, Char, who was in the audience.

Chief Financial Officer's Report

There will be an Audit and Reporting Subcommittee meeting on December 7, 2005. The State Auditor will be presenting its results from the audit and KPMG will also be presenting its 2005 audit plan. In addition, staff will present 3rd quarter results to the subcommittee.

Discussion Item – University Link Finance Plan

Brian McCartan, Deputy Chief Financial Officer, and Martin Schachenmayr, Link Project Control Manager, gave a staff presentation to the committee.

Staff reiterated that the dollar figures stated in the federal grant appear to be reasonable. The numbers were compared to other projects around the nation. Chief Executive Officer Joni Earl noted that while on a recent trip to Washington DC, she spoke to a staffer for the Federal Transit Authority Administrator who felt that it was a reasonable amount.

Mr. McCartan explained the debt structure to the committee, and compared it to other similarly structured projects around the state and nation. He explained that the structure itself does not affect the debt rating – the rating is affected by the agency's coverage and ability to pay the debt back.

Chair Crawford asked that Boardmember Enslow be excused at this time to attend to another meeting. Due to time constraints, he asked to temporarily stop the discussion in order to take action on items 8a and 8b, which are scheduled for action by the committee.

Items within Finance Committee Authority for Final Action

Motion No. M2005-124 -- Authorizing the Chief Executive Officer to execute a second amendment to the license agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the license to February 9, 2007, with options to extend the term through February 9, 2010

Joan Coumou, Real Estate Property Manager, presented the staff report.

Public Comment

None

It was moved by Mr. Butler, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Motion No. M2005-124 be approved as presented.

Motion No. M2005-126 – Authorizing the Chief Executive Officer to increase the project contingency by \$260,000 with Clearcreek Contractors Inc., to provide for demolition and remediation for Everett Station, for a new total authorized contract amount not to exceed \$1,336,058.

Jerry Dahl, Capital Projects Construction Manager, and Agnes Govern, Capital Projects Director, presented the staff report. Ms. Govern indicated that the new contract amount is within the projected budget of \$1.5 million.

Public Comment

Paul W. Locke (comments on file with Board Administration department)

It was moved by Mr. Butler, seconded by Mr. Marin, and carried by the unanimous vote of all members present that Motion No. M2005-126 be approved as presented.

Discussion Item – University Link Finance Plan (continued)

Regarding net debt service coverage, the committee asked what the impact on the budget would be if the coverage fell below a 1.3 ratio. They also asked staff to explore options on a fixed amount of time coverage could slip below the proposed 1.15 ratio, if needed.

The committee asked for a peer review of the proposed financial plan; staff estimated that the review should take about a month or two.

Discussion Item – Proposed 2006 Budget

Pete Rogness, Budget Manager, reviewed the 2006 budget process. He described the proposed amendments to the budget, which will be presented to the committee at the November 17, 2005 meeting.

Items for Recommendation to the Board

Motion No. M2005-78 – Authorizing the Chief Executive Officer to execute an agreement with King County to provide for Sound Transit’s contribution of an amount not to exceed \$7,700,000 for the Issaquah Highlands Park-and-Ride/Highland Drive Project and to provide for the joint use of the facility by Sound Transit during its useful life at no additional charge or cost.

Debra Feikema, Capital Projects Project Development Coordinator, and Vicki Youngs, Capital Projects Program Manager, presented the staff report to the committee.

It was moved by Mr. Butler, seconded by Mr. Marin, and carried by the unanimous vote of all members present to forward Motion No. M2005-78 to the Board with a do-pass recommendation.

Motion No. M2005-113 – Authorizing the Chief Executive Officer to execute a contract with DMJM Harris, Inc. to provide construction management services for the Tacoma to Lakewood track and facilities project and a layover track in Lakewood, for an authorized contract amount of \$5,190,711, with a 10% contingency of \$519,071, for a total authorized contract amount not to exceed \$5,709,782.

Jerry Dahl, Capital Projects Construction Manager, presented the staff report.

It was moved by Mr. Butler seconded by Mr. Marin, and carried by the unanimous vote of all members present to forward Motion No. M2005-113 to the Board with a do-pass recommendation.

Motion No. M2005-125 – Authorizing the Chief Executive Officer to execute General Service Agreements with Seattle City Light for the design and installation of system modifications to Seattle City Light electrical facilities necessary to provide power supply infrastructure to the Central Link Light Rail Initial Segment and Service Connection Agreements for the Central Link Light Rail Traction Power Substations for a total authorized amount not to exceed \$5,205,981.

Steve Procter, Link Systems Engineering Manager, presented the staff report.

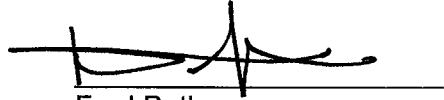
It was moved by Mr. Butler, seconded by Mr. Marin, and carried by the unanimous vote of all members present to forward Motion No. M2005-125 to the Board with a do-pass recommendation.

Next Meeting:

Thursday, December 1, 2005, 12:00 to 2:00 p.m., Union Station Board Room, 401 South Jackson Street, Seattle WA.

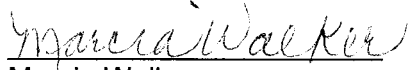
Adjourn

There was no other business; the meeting was adjourned at 1:28 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Marcia Walker
Board Administrator