

**SOUND TRANSIT BOARD MEETING
Summary Minutes
December 8, 2005**

Call to Order

The meeting was called to order at 1:21 p.m. by Chair John Ladenburg, in the Sound Transit Board Room, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) John Ladenburg, Pierce County Executive

Vice Chairs

(P) Greg Nickels, City of Seattle Mayor

(P) Mark Olson, Everett City Councilmember

(P) Julie Anderson, Tacoma City Councilmember	(A) Julia Patterson, King County Councilmember
(P) Fred Butler, Issaquah Council President	(A) Dwight Pelz, King County Councilmember
(P) Jack Crawford, Kenmore City Councilmember	(P) Larry Phillips, King County Council Chair
(P) David Enslow, City of Sumner Deputy Mayor	(P) Aaron Reardon, Snohomish County Executive
(P) Doug MacDonald, WSDOT Secretary	(P) Ron Sims, King County Executive
(P) Connie Marshall, City of Bellevue Mayor	(A) Claudia Thomas, Lakewood City Councilmember
(P) Richard Marin, Edmonds Council President	(A) Pete von Reichbauer, King County Council Vice Chair
(P) Richard McIver, Seattle City Councilmember	

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

Report of the Chair

Mr. Ladenburg announced that he had no report other than procedural comments. He reported that Board member Greg Nickels would be participating by telephone and Board operating rules allow members to attend meetings by teleconference by motion prior to consideration of action items and require a two-thirds affirmative vote of the members who are physically in attendance.

It was moved by Mr. Crawford, seconded by Mr. Marin, and carried by unanimous vote of all members present that Board member Nickels be allowed to participate in the meeting via teleconference.

Chief Executive Officer's Report

Ms. Joni Earl stated that her report pertained to specific agenda items and she would comment at the appropriate time.

Public Comment (Comments are on file with the Board Administrator)

Will Knedlik

Mr. Ladenburg announced that the Board would move to the action items on the agenda, and resume public comment afterward.

Action Items

Resolution No. R2005-25 – Amending the Adopted 2005 Budget

Chair Ladenburg reminded the Board that amending the budget requires a two-thirds affirmative vote of the entire Board membership (12 members).

It was moved by Mr. Crawford and seconded by Mr. Butler that Resolution No. R2005-25 be approved.

It was moved by Mr. Crawford and seconded by Mr. Butler to amend Resolution No. R2005-25, to add three sections (6, 7, and 8).

Section 6 is to increase the Fare Integration Project Adopted 2005 Budget for operating expenses in 2005 from 3,660,143 to \$6,091,015. Section 7 is to create a new capital project “DSTT Related Capital Costs” within Link light rail for payment to King County Metro for debt service related to the transfer of the Downtown Seattle Transit Tunnel, and set up payments over a three-year period. Section 8 is to add budget to administrative capital for lease of equipment.

The motion to amend Resolution No. R2005, to add sections 6, 7, and 8 carried by unanimous vote of all members present.

The motion to approve Resolution No. R2005-25, as amended, carried by unanimous vote of thirteen members present.

Resolution No. R2005-26 – Adopting an annual budget for the period from January 1 through December 31, 2006

Chair Ladenburg reminded the Board that adopting an annual budget also requires a two-thirds affirmative vote of the entire Board membership (12 members).

Mr. Crawford asked Ms. Earl to present the proposed 2006 budget. She reported that the Finance Committee had spent five meetings reviewing the proposed budget. The total \$928,000,000 budget is fully compliant with subarea equity.

Negotiations are still underway with the transit partners who provide Sound Transit Regional Express bus service. At this time, there is a \$2.3 million gap due to rate increase proposals from transit partners. Until negotiations are finalized, a provisional Transit Services budget is in place. The Service Implementation Plan adoption will be held until final determination is made on the rate increases.

Ms. Earl stated that the Project Delivery budget reflects the most significant change, \$739,000,000 for all capital programs. Link light rail will have the entire 15.7 miles, both Initial Segment and Airport Link in construction next year. She stated that the North Link Supplement Environmental Impact Study (SEIS) will be published in the in first quarter of 2006. The Sounder capital program is approximately \$150,000,000, which marks construction starts and final design of stations throughout the corridor.

The Regional Express program is \$58,000,000 and is one of the smallest programs, with eight new transit facilities in the initial design phase and 12 under construction.

The Transit Vision budget reflects major activities, such as furthering research and technology projects such as CCTV and beta testing for the Smart Card program. It also reflects increased expenses related to ST2, with a \$6,000,000 increase over 2005 related to increase spending for engineering and planning services program.

Ms. Earl stated that staffing for the proposed 2006 budget will reflect reduction in FTEs. She noted one new FTE, the rail activation senior manager for Central Link. The position will report to Ms. Earl which will enable her to monitor everything that is required to begin operations in 2009 and report to the federal government.

Ms. Earl confirmed that Sound Transit is in good financial position, tax receipts are exceeding forecasts; and a minimum net debt coverage ratio has been achieved. She reported that the subareas are all solvent and compliant with agency policies and confirmed that existing loans will be paid off by the end of this year.

It was moved by Mr. Crawford, seconded by Mr. Marin, and carried by unanimous vote of fourteen members present (including Board member Nickels via telephone) that Resolution No. 2005-26 be approved.

Items Referred by the Finance Committee

Motion No. M-2005-120 - A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract amendment with Kinkisharyo International, L.L.C./Mitsui & Co. Inc. Joint Venture to eliminate the existing economic price adjustment for inflation and its associated inflation index and substitute a negotiated, fixed inflation price of \$11,000,000 for the base contract (procurement of 31 light rail vehicles) to be paid in three equal payments at each of the next three scheduled progress payments. The amendment does not change the previously Board authorized total not-to-exceed contract amount of \$131,798,794

It was moved by Mr. Crawford, seconded by Mr. Marin, and carried by unanimous vote of all members present that Motion No. M2005-120 be approved.

Motion No. M2005-117 - A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract amendment with Kinkisharyo International, L.L.C./Mitsui & Co. Inc. Joint Venture, through exercise of an existing option, to manufacture and deliver four additional low floor light rail vehicles to support operational requirements for the Airport Link project, in the amount of \$13,892,426 with a 5% contingency of \$694,621, for a new total authorized contract amount not to exceed \$146,385,841

Mr. McIver inquired about M/W/DBE participation. Ms. Earl confirmed that this action is consistent with contracts for the prior thirty-one vehicles. Mr. Steve Proctor, Systems Engineer for Link confirmed that federal government standard of 10%, applicable throughout the United States, does apply to this contract.

It was moved by Mr. Crawford, seconded by Mr. Butler, and carried by unanimous vote of all members present that Motion No. M2005-117 be approved.

Motion No. M2005-132 - A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a sole source contract with EarthCorps to provide wetland restoration services for the Everett-to-Seattle Commuter Rail Project Golden Gardens Track Improvements for a total authorized contract amount not to exceed \$168,800

It was moved by Mr. Crawford, seconded by Mr. Butler, and carried by unanimous vote of all members present that Motion No. M2005-132 be approved.

Mr. Ladenburg announced that public comment would be continued at this time.

Public Comment

Walter Scott

Items Not Referred by the Finance Committee

Motion No. M2005-137 - A motion of the Board of the Central Puget Sound Regional Transit Authority electing the Chair of the Sound Transit Board for a two-year term commencing January 1, 2006.

Mr. Ladenburg announced that the Board's rules and operating procedures require Secretary of Transportation, Doug MacDonald, to chair the part of the meeting for the election of officers. He turned the meeting over to Secretary MacDonald.

Secretary MacDonald announced that the Executive Committee did not hold a November meeting, so the Board must suspended the rules to elect officers. Resolution 1-1 prescribes that the rules may be temporarily suspended by an affirmative vote of two-thirds of the Board members in attendance, to facilitate consideration of an action by the Board in the event of emergencies or other special circumstances.

It was moved by Mr. Sims, seconded by Ms. Marshall, and carried by unanimous vote of all members present that the rules be temporarily suspended.

Motion No. M2005-137 - A motion of the Board of the Central Puget Sound Regional Transit Authority electing a Chair of the Sound Transit Board for a two-year term commencing January 1, 2006

Secretary MacDonald asked for nominations for Board Chair. Mr. Nickels nominated John Ladenburg as Chair of the Sound Transit Board. There were no further nominations.

Mr. Ladenburg asked that the rules be suspended to allow him to serve a one-year term, enabling him to add continuity to the ST2 program.

It was moved by Mr. Crawford, seconded by Mr. Nickels, and carried by unanimous vote to suspend the rules, thereby allowing Mr. Ladenburg to serve a one-year term as Chair.

It was moved by Mr. Nickels, seconded by Ms. Marshall, and carried by unanimous vote of all members present electing Mr. Ladenburg as Board Chair for a one-year term.

Motion No. M2005-138 - A motion of the Board of the Central Puget Sound Regional Transit Authority electing a Vice Chair of the Sound Transit Board for a two-year term commencing January 1, 2006

Secretary MacDonald asked for nominations for Board Vice Chair. Mr. Sims nominated Connie Marshall as Board Vice Chair. There were no further nominations.

It was moved by Mr. Sims, seconded by Mr. Ladenburg, and carried by unanimous vote of all members present electing Connie Marshall as Board Vice Chair for a two-year term.

Motion No. M2005-139 - A motion of the Board of the Central Puget Sound Regional Transit Authority electing a Vice Chair of the Sound Transit Board for a two-year term commencing January 1, 2006.

Secretary MacDonald asked for nominations for Board Vice Chair. Mr. Marin nominated Mark Olson as Board Vice Chair. There were no further nominations.

It was moved by Mr. Marin, seconded by Mr. Ladenburg, and carried by unanimous vote of all members present electing Mark Olson as Board Vice Chair for a two-year term.

Motion No. M2005-128 - A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Board Chair to execute a third amendment to the employment agreement with Joni Earl, Sound Transit Chief Executive Officer

Mr. Ladenburg presented the motion and explained that it extends Ms. Earl's employment agreement for two years, through June 2007, and provides salary increases and discretionary performance awards consistent with overall performance awards in the agency. A performance report has been provided.

It was moved by Mr. Ladenburg and seconded by Mr. Crawford that Motion No. M2005-128 be approved.

Mr. Ladenburg indicated that the amount for a future contribution and performance award was blank. He made a motion to amend Motion No. M2005-128.

It was moved by Mr. Ladenburg, seconded by Mr. Crawford, and carried by unanimous vote of all members present to amend Motion No. M2005-128 to set a maximum amount for a bonus at \$5,000.

The motion to approve Motion No. M2005-128, as amended, carried by unanimous vote of all members present.

Motion No. M2005-121 - A motion of the Board of the Central Puget Sound Regional Transit Authority adopting the Sound Transit 2006 State Legislative Program and directing staff to continue to evaluate issues for impact to the agency as it continues to successfully implement the regional transportation system

It was moved by Mr. Crawford, seconded by Mr. Marin, and carried by unanimous vote of all members present that Motion No. M2005-121 be approved.

Motion No. M2005-135 - Amending Resolution No. 81 to revise the ethics code governing political campaign contributions

It was moved by Mr. Crawford, seconded by Mr. Marin, and carried by unanimous vote of all Board members present that Motion No. M2005-135 be approved.

Consent Agenda

Voucher Certification from October 1 through October 15, 2005

Voucher Certification from October 16 through October 31, 2005
Voucher Certification from November 1 through November 15, 2005
Minutes of October 13, 2005 Board Meeting
Minutes of October 27, 2005 Board Meeting

Motion No. M2005-122 - Authorizing travel and approving payment of expenses for Board Chair Ladenburg to attend the Greater Seattle Chamber of Commerce 2005 Leadership Mission in San Diego, California from April 20 through April 22, 2005

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

Motion No. M2005-107 - Authorizing the Chief Executive Officer to execute a sole source contract with Rail Systems, Inc. for the procurement of a new turbocharger for Sounder locomotives, for a total authorized contract not to exceed \$147,633

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

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

Motion No. M2005-131 - Authorizing the Chief Executive Officer to execute an Interlocal Agreement to accept funding from the City of Everett for the cost of improvements requested by the City, estimated in the amount of \$8,680,874

It was moved by Mr. Phillips, seconded by Ms. Patterson, and carried by unanimous vote of all members present that the Consent Agenda be approved as presented.

Expert Review Panel Report - John Howell, Administrator

Mr. John Howell, Administrator for the Expert Review Panel (ERP), presented the findings outlined in the December 2, 2005 letter from ERP Chair Michael Meyer.

The Panel has been meeting to review efforts in the development of a package of improvements (ST2) that will be presented to voters at a future election. Mr. Howell stated that the Panel felt the methodology is sound and consistent with industry standards. An area of discussion at the October meeting was the effect of third party agreements on project cost estimates. Panel members observed that the new contingency estimates use the low end of the previous ranges. The Panel expressed that the revised contingency levels may be low and suggested using contingency cost ranges that allow estimates to be adjusted for project complexity and other factors. With uncertainty regarding final alignment, agreements with adjacent jurisdictions, soil conditions and other environmental factors, the cost estimating methodology should allow for the increase in contingency for particularly complex projects, such as the I-90 corridor.

In describing the lessons learned from implementation of the Sound Move project, Sound Transit staff stated that they intend to get jurisdictions to acknowledge that they understand the descriptions for all ST2 projects' scopes, as a means to better forecast and manage potential third party agreements. The Panel encouraged Sound Transit to secure more formal adoption of the project scopes by jurisdictions and major institutions to better manage unanticipated third party costs.

Three general suggestions for increasing the effectiveness of the evaluation methodology are:

- 1) Test the usefulness with selected Board members in advance of finalizing the methodology. The methodology could be applied to several representative projects to determine its value to Sound Transit Board members in making decisions.
- 2) Consider weighting the criteria, or providing a sense of relative importance among them.
- 3) Quantify as many of the criteria as possible. The more quantifiable the criteria the more useful they will be in making final decisions.

The Panel recommends that Sound Transit conduct sensitivity analysis of the key assumptions that underlie the cost estimation methodology. The Panel suggests that those staff with operating and maintenance responsibilities in Sound Transit and perhaps in other regional transit services, be involved in the process of developing operation and maintenance cost estimates.

The Panel will be conducting meetings on January 5 and 6, 2006 and will report back to the Board if the Board would like.

Discussion Items

Link Light Rail - Status Update on First Hill Work Plan

Mr. Ron Endlich, Program Manager for Link light rail and Don Billen, Transit Options Project Manager, Link light rail presented the discussion item.

Ms. Joni Earl, Chief Executive Officer, clarified that this was a high-level overview to review options or alternatives based upon the Board adopted work plan to delete the First Hill station; Ms. Earl stated that a written report would be forthcoming.

I-90 Two-Way Transit and HOV Operations Project – East Channel Bridge Screening Options for Shared Use Pathway and Pavement Options for Noise Reduction Summary Evaluations

Ms. Christine Engler, HOV Access and Construction Program Manager, Capital Projects and Hank Howard, Project Manager, Capital Projects presented the discussion item.

Finance Committee Report

Mr. Crawford highlighted items that were presented to the Finance Committee. One was the proposed Finance Plan for University Link. The Finance Committee requested a peer review and advised the finance department staff to proceed slowly. Another was the discussion on ST2 financial scenarios.

Chief Executive Officer's Report

Distribution of ST2 Briefing Notebook

Ms. Earl summarized the contents of the ST2 Briefing Notebook and some history leading up to the workshop. Distribution of the notebook marks the beginning of the ST2 process, which builds on the Long Range Plan adopted in July. Ms. Earl reminded the Board that during the environmental review process there were 500 to 600 ideas for projects. After adoption of the Long Range Plan and working with subarea forums, the projects were narrowed to about 82 candidate projects. She distributed a guide to assist with the context and information about the projects contained in the notebook.

Chair Ladenburg reminded the Board that initially that he desires to utilize criteria consistent with the recommendations of the Expert Review Panel, which is cost/ridership, risk analysis and system integration issues to continue the process of narrowing the projects.

Other Business

None.


Next Meeting

Board Workshop
Thursday, December 15, 2005
1:00 to 4:00 p.m.
Union Station Board Room

Adjourn

The meeting was adjourned at 4:00 p.m.

ATTEST:



Marcia Walker
Board Administrator



John W. Ladenburg
Board Chair