

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
October 19, 2006

Call to Order

The meeting was called to order at 12:00 p.m. by Chair Fred Butler in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Fred Butler, Issaquah Councilmember

Vice-Chair

(P) Julie Anderson, Tacoma Councilmember

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) Dow Constantine, King Co. Councilmember

(P) Dave Enslow, Sumner Mayor

(P) Richard Marin, Edmonds Councilmember

(A) Richard McIver, Seattle Councilmember

(A) Pete von Reichbauer, King Co. Councilmember

Jason Suzaka, Board Coordinator, announced that a quorum of the committee was present at roll call.

Report of the Chair

Chair Butler announced that the committee will go into executive session today after item #5 on today's agenda. A public hearing is scheduled on October 26, 2006 at 12:30 p.m. in the Ruth Fisher Boardroom regarding the Proposed 2007 Budget.

Chief Financial Officer's Report

None.

Discussion Item

2007 Budget

Pete Rogness, Budget Manager, gave a staff presentation on the agency operations budgets.

The Proposed 2007 Staff Budget includes a \$1.8M, or 3%, increase over the 2006 Budget. Of this \$1.8M, \$1.3M is for salary and benefit increases. Approximately \$468,000 of this \$1.3M is in salaries and approximately \$846,000 is in benefits. Chair Butler indicated an interest in discussing how the agency reviews the cost of benefits and possible strategies for controlling those costs.

In response to a question from Chair Butler, Mr. Rogness indicated that the proposed ten additional staff positions in the Link Light Rail department are for the start of design and construction for University Link.

In response to a question from Chair Butler about STArt funding, staff will report back to the committee regarding the amount budgeted in 2006 for STArt operations and if the budgeted amount is expected to be spent by the end of the year.

Vice-Chair Anderson asked for more context to the Transit-Oriented Development and Community Development Fund budgets in order to help her determine the appropriate amount to recommend to the full Board. She would like more information on what has been budgeted for these funds in the past, what is expected in the future, and the purpose of these funds.

The committee discussed the Capital Replacement Fund; staff indicated that a policy item regarding the use of this fund would be presented to the Board later this fall or first quarter 2007.

Mr. McCartan responded to a question from Board member Enslow regarding the status of bond sales. Mr. McCartan indicated that a bond sale would probably take place in third or fourth quarter 2007. Mr. Rogness added that because the current budget plan does not assume there will be a bond sale, a budget amendment would need to be approved if and when the sale is needed.

Executive Session

At 12:31 p.m., Chair Butler announced that the committee would convene a 15-minute executive session pursuant to RCW 42.30.110 (1) (d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs.

At 12:46 p.m., the session was extended another 10 minutes.

At 12:56 p.m., the session was extended another 15 minutes.

Chair Butler reconvened the meeting at 1:04 p.m.

Item within Finance Committee Authority for Final Action

Minutes of October 5, 2006 Finance Committee Meeting

It was moved by Board member Marin, seconded by Board member Anderson, and carried by the unanimous vote of all members present that the October 5, 2006 minutes be approved as presented.

Items for Recommendation to the Board

Motion No. M2006-73 – Authorizing the chief executive officer to execute a sole source contract with Alliance Data Systems to provide network services as the clearinghouse for debit/credit transactions for Sound Transit's ticket vending machines for a total authorized contract amount not to exceed \$222,000

Mary Phelan, Accounting Manager, and Lonna Mascarello, IT Operations Manager presented the staff report. Ms. Phelan answered questions from Board member Enslow regarding the fees Sound Transit pays for ticket vending machine transactions. Currently, the agency pays 4.67% per transaction, which is comparable to other clearinghouses. Board member Enslow asked staff to find out how much it costs the agency to collect revenues from the ticket vending machines.

Ms. Phelan confirmed that the system is compatible with Smart Card; although the contract would only cover about four months after Link Light Rail goes online in 2009, there are plans to continue using the system. She also confirmed that Sound Transit owns the fiber optic cables underneath Union Station and platforms.

It was moved by Board member Marin, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that Motion No. M2006-73 be forwarded to the full Board with a do-pass recommendation.

Motion No. M2006-74 – Authorizing the Chief Executive Officer to increase the contingency for the contract with RCI/Herzog, Joint Venture for the Rainier Valley light rail construction by \$7,500,000, for a new total authorized contract amount not to exceed \$154,449,260

Tony Raben, Construction Manager, and Joe Gildner, Link Deputy Director, presented the staff report. The committee emphasized the need for the contractor to complete its paving work as soon as possible.

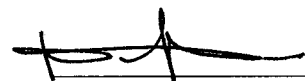
It was moved by Board member Marin, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that Motion No. M2006-74 be forwarded to the full Board with a do-pass recommendation.

Next Meeting:

Thursday, November 2, 2006, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

Adjourn

There was no other business; the meeting was adjourned at 1:20 p.m.


Fred Butler
Finance Committee Chair

ATTEST:


Jason Suzaka
Board Coordinator