

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
November 16, 2006

Call to Order

The meeting was called to order at 12:03 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

(A) 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 a public hearing was held earlier today regarding the 2007 Service Implementation Plan. Comments received at the hearing will be considered as part of the plan adoption at the December 7, 2006 Board meeting.

Chair Butler also announced that he will be allowing public comment on Motion No. M2006-82 at this time. The following people gave public comment on this motion (comments on file with Board Administration):

Doug Wittinger, Councilmember, City of Mountlake Terrace

John Caulfield, City Manager, City of Mountlake Terrace

Chief Financial Officer's Report

Brian McCartan, Chief Financial Officer, presented the Draft 2007 Financial Plan. There are no changes to the key planning assumptions, the agency is in a very strong financial condition, and tax revenues are expected to be higher than forecasted. However, a delay in bus and other capital replacements in the South King County subarea may be necessary due in part to slightly higher program costs and slightly lower than forecasted revenues in that subarea.

In response to a question from Board member Enslow, Chair Butler asked staff to return to the next meeting with a discussion on how project costs are allocated to subareas.

Third Quarter 2006 Financial Highlights

Budget Manager Pete Rogness presented the financial highlights. He added that there was a change in the methodology in forecasting farebox revenues. The contributions to other governments line item is the largest factor in explaining why total expenses are 21% over year to date budget.

Third Quarter 2006 Asset Liability Management (ALM) Report

Sr. Cash and Investment Analyst Jim Block presented the ALM report (on file with Board Administration). Among the highlights was a recent upgrade in Sound Transit's senior lien bond rating to AAA by Standard and Poor's.

Discussion Items

I-90 Stage 1 and Stage 2 Projects

Jim Edwards, Acting Capital Projects Director, and Christine Engler, Program Manager, gave a staff presentation.

Mr. Edwards explained that staff is requesting the reallocation of \$5.1 million from the East King County program reserve to the I-90 Stage 1 budget. The Stage 1 budget needs to be supplemented with additional funds because of cost increases in the project and changes in the cost sharing agreements between Sound Transit and WSDOT.

Mr. Edwards also explained the potential cost risks associated with Stage 2. These risks include the project being only at 30% design and increased scope of work requested by WSDOT. Stage 3 remains unfunded at this time. Chair Butler asked for more discussion on the project sometime over the next few weeks.

2007 Service Implementation Plan

Mike Bergman, Program Manager, presented the draft Service Implementation Plan for 2007. He outlined the proposed changes in service and the public outreach that took place while developing the SIP.

Mr. Bergman gave an update on the partner rate negotiations. All of the proposed rates are within budget, but staff will continue monitoring factors such as fuel prices for budgeting in future years.

The committee asked for a discussion on strategies for controlling the costs of bus service at a future meeting.

2007 Budget – Review Amendments

Pete Rogness presented the proposed budget amendments (on file with Board Administration). The amendments will be considered by the Finance Committee at its December 7, 2006 regular meeting for incorporation into the Proposed 2007 Budget. The budget is scheduled for adoption by the full Board on December 14, 2006.

Items within Finance Committee Authority for Final Action

Minutes of October 19, 2006 Finance Committee Meeting

It was moved by Board member Marin, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that the October 19, 2006 minutes be approved as presented.

Minutes of November 2, 2006 Finance Committee Meeting

It was moved by Board member Marin, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that the November 2, 2006 minutes be approved as presented.

Motion No. M2006-81 – Authorizing the chief executive officer to execute a contract amendment with David Evans and Associates, Inc. to provide design support services during construction for the Reservation Junction to Freighthouse Square Phase 3 Remediation project in the amount of \$63,136, with a 10% contingency of \$6,313 totaling \$69,449, for a new total authorized contract amount not to exceed \$2,265,091, and to extend the contract period to December 31, 2007

Val Batey, Project Manager, presented the staff report. In response to a question from Board member Enslow, Ms. Batey stated that the project continues to be under budget, and is expected to be completed in 2007.

Public Comment

Will Knedlik (comments on file with Board Administration)

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. M2006-81 be approved as presented.

Motion No. M2006-82 – Authorizing the chief executive officer to execute Agreement GCA 3536 task order with the Washington State Department of Transportation for final design services for the Mountlake Terrace Freeway Station/236th SW Project in the amount of \$3,434,749, with a 10% contingency of \$343,475, for a total authorized task order amount not to exceed \$3,778,224

Paul Cornish, Project Manager, presented the staff report. Chair Butler stated his support of the project, but expressed concerns with scope control. Mr. Cornish mentioned that staff from Sound Transit and the City of Mountlake Terrace met to reduce the scope and determine the most critical elements of the project.

The project will be baselined at 60% design, anticipated summer 2007. Board member Enslow expressed his support, but also stated his preference for the project to have been baselined earlier in the process.

Public Comment

None.

It was moved by Board member Marin, seconded by Board member Enslow, and carried by the unanimous vote of all members present that Motion No. M2006-82 be approved as presented.

Motion No. M2006-83 – Authorizing the chief executive officer to execute a contract amendment with Yarisbey Rumbaut and Jose Jauregui, doing business as Buena Vista Cleaning Services, to provide professional janitorial services and exercise two one-year options to extend the term of the contract in the amount of \$380,633, for a new total authorized contract amount not to exceed \$551,823

John Sheldon, Facilities Manager, presented the staff report. He added that the current owners are in the process of receiving their MBE certification.

Public Comment

None.

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. M2006-83 be approved as presented.

Next Meeting:

Thursday, December 7, 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 1:50 p.m.



Fred Butler
Finance Committee Chair

ATTEST:



Jason Suzaka
Board Coordinator