

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
March 15, 2007

Call to Order

The meeting was called to order at 12:35 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

(P) 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 will be held regarding the 2007 Transit Development Plan. It is scheduled for Thursday, March 22, 2007 at noon in the Ruth Fisher Boardroom. The committee will be working from a revised agenda today; item 6c – Motion No. M2007-39 - has been revised and is printed on green paper.

Chief Financial Officer's Report

None.

Discussion Item – ST2 Financial Policies

Brian McCartan, Chief Financial Officer, began the discussion with an outline of the key planning assumptions and revenue and inflation forecasts of the Sound Transit 2 Financial Plan. A review of the financial plan, along with proposed amendments, is scheduled to be introduced to the full Board at the March 29, 2007 workshop.

Formal action on the adoption of the ST2 Financial Plan is anticipated to be presented to the Executive and Finance committees at their April 5, 2007 meetings, with formal adoption by the full Board anticipated on April 12, 2007.

Page 4 of the powerpoint presentation (on file with Board Administration) shows the revenue and bonding assumptions of the ST2 plan compared to Sound Move and the

Regional Transportation Investment District (RTID) plan. Mr. McCartan stated that the ST2 Plan uses a slightly more conservative bonding assumption than was used in Sound Move; this is reflected in a higher agency net debt service coverage ratio (from 1.3x to 1.5x). The ST2 Plan also reflects an additional 0.5% sales and use tax, which will be used as a funding source for Sound Transit's proposed transit projects.

In response to a question from Board member Enslow, the RTID plan uses a gross debt service coverage ratio instead of net because it only covers debt service; the ST2 plan uses a net ratio because Sound Transit has operating costs that need to be covered in addition to debt service.

Mr. McCartan presented a redlined version of what an amended Resolution 72-1 (which contains the existing financial policies) might look like. He also introduced a document that further details the proposed changes to the agency's financial policies and responds to questions raised by Board member McIver at the previous Finance Committee meeting on March 1, 2007. Both documents are on file with Board Administration.

Mr. McCartan reviewed the proposed policy changes document with the committee. He emphasized that while many of these changes will provide the current and future Boards with the option of more flexibility in planning and building out the mass transit system, the amended financial policies will still adhere to the core principle of subarea equity.

One example that the committee discussed was a proposal to remove the debt service coverage target at the subarea level (proposed change #11), but raise the agency-wide target from 1.3x to 1.5x (proposed change #15). This would give the Board the option to shift bonding allocations between subareas, should adjustments be needed in the future to accommodate changes in the financial capacities of individual subareas.

Item within Finance Committee Authority for Final Action

Minutes of March 1, 2007 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 March 1, 2007 minutes be approved as presented.

Items for Recommendation to the Board

Resolution No. R2007-07 – Authorizing the chief executive officer to execute a purchase and sale agreement with the Korean Women's Association for the parcel located east adjacent to the Federal Way Transit Center for a proposed low-income senior housing transit-oriented development project

Scott Kirkpatrick, Transit-Oriented Development Program Manager, presented the staff report. He advised that the Federal Way City Council is preparing a letter to the Board in support of the proposed TOD project.

It was moved by Board member Marin, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that Resolution No. R2007-07 be forwarded to the Board with a do-pass recommendation.

Motion No. M2007-39 – Authorizing the chief executive officer to (1) increase the contingency for GCA 3361 Task Order Agreement A-5 with the Washington State Department of Transportation for the Totem Lake Freeway Station/NE 128th project in the amount of \$2,178,519, for the purpose of funding corrective work required because of design errors, for a new total authorized agreement amount not to exceed \$57,221,094, and (2) seek reimbursement of the repair costs through the established contractual process in accord with Federal Transit Administration grant requirements

Christine Engler, Construction Manager, presented the staff report. A letter was received from the Washington State Department of Transportation stating its position related to the repair costs of the project (on file with Board Administration). The committee discussed the letter and what the agency should do in order to move forward with the project.


It was moved by Board member Burleigh, seconded by Board member Marin, and carried by the unanimous vote of all members present that Motion No. M2007-39 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, April 5, 2007, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

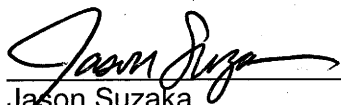
Adjourn

There was no other business; the meeting was adjourned at 1:48 p.m.



Fred Butler
Finance Committee Chair

ATTEST:



Jason Suzaka
Board Coordinator