

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
November 15, 2007

Call to Order

The meeting was called to order at 12:08 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) Richard McIver, Seattle Councilmember

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) Dow Constantine, King Co. Councilmember

(P) Dave Enslow, Sumner Mayor

(P) Richard Marin, Edmonds 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 was working from a revised agenda; Motion No. M2007-120 was added to the agenda as item 6G. He also announced that a public hearing regarding the 2008 Service Implementation Plan is scheduled for December 4, 2007 from Noon – 12:30p.m. in the Ruth Fisher Boardroom.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan presented the 2008 draft Financial Plan. Boardmember Marin requested a list of the "shopping cart" of goods that is used by Global Insight to determine the Building Cost Index.

Discussion Item – Fare Integration and Smart Card

Project Manager Brian Brooke gave a staff presentation. He gave a background history of the project and provided an update on the performance of the vendor that is designing the smart card system.

In response to questions from Boardmember Enslow, Mr. Brooke and Chief Executive Officer Joni Earl discussed Sound Transit's sunsetting of subsidies for intersystem transfers as mentioned in Motion No. M2003-26.

Boardmember McIver asked Mr. Brooke to provide a followup report on the following questions: Where is Sound Transit in the completion of the contract with ERG, what percentage of the budget for the contract has been spent, how much will the delays cost Sound Transit, how is Sound Transit handling fare increases proposed by its partner

agencies, will those fare increases affect our subsidies, and how much negotiating does Sound Transit have? Mr. Brooke advised that the total amount of subsidies is capped at \$15.8 million.

Mr. Brooke provided a status report and timeline for the ORCA card program; the system is expected to be fully operational by December 2008. Ms. Earl discussed lessons learned during the course of designing and testing the system. During a discussion of the ORCA program budget, she emphasized that the vendor only gets paid when deliverable milestones are reached.

Mr. Brooke discussed risks and challenges, which include regional coordination, operations, and the vendor's performance and financial stability.

Items within Finance Committee Authority for Final Action

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

Motion No. M2007-118 – Authorizing the chief executive officer to execute a three-year contract with two one-year options to extend with Hallcon Corporation to provide station agent services in the amount of \$2,660,000, with a 10% contingency of \$266,000, for a total authorized contract amount not to exceed \$2,926,000

Ms. Earl introduced new Transportation Services Director Bonnie Tood.

Ms. Todd and Sounder Commuter Rail Program Manager Martin Young presented the staff report. The committee discussed the difference in costs between outsourcing the station agent services versus hiring staff in-house.

Board member Enslow requested Mr. Young for a followup on plans for station agents along the Sounder south line and coordination with local law enforcement agencies. Safety and Security Officer Ken Cummins provided an update on coordination with local law enforcement agencies and discussed the role of the station agents and how it fits with the new station safety and security strategy.

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. M2007-118 be approved as presented.

Motion No. M2007-119 – Authorizing the chief executive officer to execute a contract with Dodd Consulting to provide contracting and diversity expertise consulting services for a total authorized contract amount not to exceed \$275,000

Diversity Program Manager Leslie Jones presented the staff report. In response to questions from Chair Butler, Ms. Jones stated that the contract is for on-call services and that the vendor is being paid based on a negotiated hourly rate.

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. M2007-119 be approved as presented.

Items for Recommendation to the Board

Resolution No. R2007-25 – Adopting an annual budget for the period from January 1 through December 31, 2008

Budget Manager Pete Rogness presented the staff report. He presented a proposed revision to budget amendment #4, which is printed with tracked changes on purple paper (on file with Board Administration). Chair Butler described the budget review process undertaken by the Finance Committee.

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. R2007-25 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2007-26 – Establishing a Capital Replacement Reserve

Mr. McCartan presented the staff report.

It was moved by Board member Marin and seconded by Board member Burleigh to forward Resolution No. R2007-26 to the Board with a do-pass recommendation.

Ms. Earl and Board member Marin provided comments on why the creation of a capital replacement reserve program in the agency budget is a prudent move for the agency.

It was moved by Board member McIver and seconded by Board member Marin to amend Resolution No. R2007-26 by adding “any deferment of capital replacement contributions from the schedule necessary to fully fund asset replacement and major maintenance requirements will require approval by two-thirds of the entire membership of the Sound Transit Board.”

The motion to forward Resolution No. R2007-26 as amended to the Board with a do-pass recommendation was approved by the unanimous vote of all members present.

Motion No. M2007-117 – Authorizing the chief executive officer to execute a contract amendment with URS Corporation to provide construction management services for the Downtown Seattle Transit Tunnel Expansion and Retrofit project in the amount of \$300,000, for a new total authorized contract amount not to exceed \$6,873,633

Link Deputy Construction Manager Stephanie Kirby presented the staff report. In response to a question from Chair Butler, Link Executive Director Ahmad Fazel stated that funding for the proposed action will come from surplus budget in other phases of the Central Link Initial Segment project.

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. M2007-117 be forwarded to the Board with a do-pass recommendation.

Motion No. M2007-120 – Authorizing the chief executive officer to execute a contract amendment with PB Americas, Inc., formerly known as Parsons Brinckerhoff Quade & Douglas, Inc., to provide high-capacity transit planning, engineering and cost estimating services for Sound Transit’s Phase 2 Program in the amount of \$1,480,000, with a 10% contingency of \$148,000, for a new total authorized contract amount not to exceed \$13,548,000

Policy and Planning Officer Greg Walker and Program Development Manager David Beal presented the staff report.

In response to questions from the committee, Mr. Beal and Ms. Earl emphasized that the proposed action does not presuppose the Board’s future decision on ST2. Staff will not take on any work related to ST2 until further direction is given by the Board. Ms. Earl advised that staff will be performing some post-election survey work to gather information on public opinion, which will help the Board discuss and make a decision on ST2 in the future.

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. M2007-120 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, December 6, 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 2:07 p.m.


Fred Butler
Finance Committee Chair

ATTEST:


Jason Suzaka
Board Coordinator