

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
March 6, 2008

Call to Order

The meeting was called to order at 12:36 p.m. by Vice Chair Fred Butler in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(A) Aaron Reardon, Snohomish County Executive

Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) Richard Conlin, Seattle Councilmember

(P) Dave Enslow, Sumner Mayor

(P) Claudia Thomas, Lakewood 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

Vice Chair Butler announced that a public hearing regarding the annual Transit Development Plan is scheduled for March 13, 2008 at noon in the Ruth Fisher Boardroom.

He also announced that the next Audit and Reporting Subcommittee meeting is scheduled for March 20, 2008 from 11:30 a.m. to 1:00 p.m. in the Ruth Fisher Boardroom. The Finance Committee regular meeting on March 20 will take place from 1:30 p.m. to 3:30 p.m.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan announced that the variable rate bond market has become very volatile due to the problems in the subprime mortgage market. The variable rate bond sale that the agency has planned is under discussion to determine if and when it should occur; Mr. McCartan will provide a report at the next Finance Committee regular meeting.

Discussion Items

Snohomish County Subarea Capital Projects Update

Capital Projects Director Jim Edwards and Budget Manager Pete Rogness gave a staff presentation. In response to questions from Vice Chair Butler, Mr. Edwards provided a brief history of the Mountlake Terrace Freeway Station project and the financial challenges it has experienced. He noted that Sound Transit staff met with the Association of General Contractors to ask for feedback on ways to cut project costs.

Mr. Edwards advised that a budget amendment and three other action items regarding the Everett Station Phase 2 project will be brought before the committee for consideration at the next Finance Committee meeting.

Mr. Rogness discussed the budget for the Snohomish County subarea, covering the subarea's sources and uses of funds and projected level of expenses related to Sound Move. Boardmember Thomas complimented staff on the format of the budget reports, and suggested it be used in other reports to show residents where their tax dollars are going.

Land Bank Agreement with WSDOT

Real Estate Manager Roger Hansen and Sr. Real Estate Representative Don Vogt gave a staff presentation. Mr. Vogt described how the agreement provides an accounting mechanism to capture the value of the Regional Express program to offset the costs of using Washington State Department of Transportation (WSDOT) properties for various Sound Transit projects.

In response to questions from the committee, Mr. Hansen discussed the section in the agreement in regards to what is considered a "highway purpose."

Mr. Vogt described how improvements are valued, and how debits and credits are applied to the land bank after improvements are completed. One of the advantages of using this mechanism is that Sound Transit can use land bank credits instead of cash, if property needs to be acquired or leased from WSDOT for a project. It is anticipated that approximately \$164 million in credits will remain in the land bank at the completion of Sound Move; these credits could be applied towards future Sound Transit projects located on WSDOT right of way. The land bank agreement continues until 2040.

Agnes Govern, Executive Director of Operations, Projects, and Corporate Services, explained that despite its complexities, the agreement was a prime example of intergovernmental cooperation between Sound Transit and WSDOT.

Consent Agenda

Minutes of the February 14, 2008 Meeting

Minutes of the February 21 2008 Meeting

It was moved by Boardmember Thomas, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that the consent agenda be approved as presented.

Item for Recommendation to the Board

Motion No. M2008-30 – Authorizing the chief executive officer to execute a contract with KBA Inc. to provide construction management services for the Southcenter Boulevard Improvements construction contract for the Central Link Initial Segment Project, and for the Airport Station construction contract for the Airport Link Project, in the amount of \$5,492,404 with a 10% contingency of \$549,241, for a total authorized contract amount not to exceed \$6,041,645, which includes costs reimbursable to Sound Transit from third parties for betterments

Link Deputy Director Ron Lewis and Link Construction Manager Gordon Wellwood presented the staff report.

Mr. Wellwood answered questions from Vice Chair Butler regarding the construction management services staff and the contract scope of work.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-30 be forwarded to the Board with a do-pass recommendation.

Other Business

Chief Executive Officer Joni Earl announced that Board Chair Greg Nickels has appointed Boardmember Richard Conlin to the Finance Committee.

Next Meeting

Thursday, March 20, 2008, 1:30 p.m. to 3:30 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

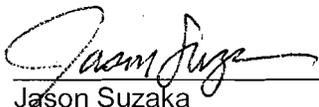
Adjourn

There was no other business; the meeting was adjourned at 1:45 p.m.



Fred Butler
Finance Committee Vice-Chair

ATTEST:


Jason Suzaka
Board Coordinator