

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
March 20, 2008

Call to Order

The meeting was called to order at 1:33 p.m. by Chair Aaron Reardon in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Aaron Reardon, Snohomish County Executive

Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) Richard Conlin, Seattle Council President

(P) Dave Enslow, Sumner Mayor

(P) Claudia Thomas, Lakewood Councilmember

(P) 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

None.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan announced that the Audit and Reporting Subcommittee had met earlier in the day. Among the highlights of the meeting was that due to the current volatility of the variable rate bond market, staff recommends that it is not in the best interests of Sound Transit to proceed with the planned \$100 million bond transaction at this time.

The subcommittee was also provided with the 2007 year-end financial results. Revenues, capital spending goals, and ridership were all above budget forecasts.

Discussion Item – East and South King County Capital Projects Subarea Update

Capital Projects Director Jim Edwards and Budget Manager Pete Rogness gave the staff presentation. Mr. Edwards provided a project status and milestones report. He also provided a financial assessment, highlighting projects that have a medium to high budget and/or schedule risk. The Washington State Legislature recently passed a \$6 million appropriations bill for the Totem Lake Freeway Station; the project is no longer considered a high budget risk. He also provided a background on the Star Lake Freeway Station, advising that it appears that the project is not feasible based on available funding.

Mr. Rogness provided an update on sources and uses of funds and projected expenditures for the two subareas.

Chair Reardon announced that Boardmember von Reichbauer was unable to attend the meeting, but has requested to participate by telephone. He explained the Board operating rules allowing members to attend meetings by teleconference. Requests to attend are acted on by motion prior to action taken on the first item of business and require a 2/3 affirmative vote of members who are physically in attendance.

It was moved by Vice Chair Butler, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Boardmember von Reichbauer be allowed to participate in the meeting via teleconference.

Items within Finance Committee Authority for Final Action

Minutes of March 20, 2008 Finance Committee Meeting

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that the March 20, 2008 minutes be approved as presented.

Motion No. M2008-31 – Authorizing the chief executive officer to execute a three-year contract with Keeney's Office Plus to provide office supplies for a total authorized contract amount not-to-exceed \$650,000

Contracts Administrator Linda Thomas presented the staff report and answered a question from Chair Reardon regarding the bid process.

Public Comment

None.

It was moved by Vice Chair Butler, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-31 be approved as presented.

Motion No. M2008-35 – Authorizing the chief executive officer to execute a three-year contract with two one-year options to extend with Midvale Electric, Inc. to provide switch and signal maintenance and inspection services for right of way system equipment used by Sounder Commuter Rail for a total authorized contract amount not to exceed \$841,709

Sounder Operations Manager Martin Young presented the staff report. In response to questions from Chair Reardon, he noted that BNSF maintains its own track and signals on the first 39 miles of track going from Seattle to Tacoma.

Mr. Young also answered questions from the committee regarding the competitive procurement process and the cost analysis that was performed to determine whether or not these services should be handled in-house or outsourced. Boardmember Enslow suggested that the motion be set aside until additional information is provided to the committee regarding the cost analysis.

It was moved by Boardmember Enslow, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present to postpone action on Motion No. M2008-35 to the April 3, 2008 Finance Committee meeting.

Resolution No. R2008-06 – Amending the Adopted 2008 Budget to: 1) revise the Everett-Seattle Track and Signal Project lifetime budget from \$303,325,836 to \$300,369,036; 2) revise the Snohomish County Program Reserve Project lifetime budget from \$2,237,910 to \$12,448; and 3) revise the Everett Station lifetime budget from \$28,774,391 to \$33,956,653

Motion No. M2008-32 – Authorizing the chief executive officer to execute a contract with Wilder Construction Company to construct the Everett Station Phase 2 Project in the amount of \$12,320,000 plus a 10% contingency of \$1,232,000 for a total authorized contract amount not to exceed \$13,552,000

Motion No. M2008-33 – Authorizing the chief executive officer to execute a contract amendment with KBA, Inc. to provide construction management services for the Everett Station Phase 2 Project in the amount of \$211,290 with a 10% contingency of \$21,129 totaling \$232,419, for a new total authorized contract amount not to exceed \$1,803,556, contingent upon Board approval of Resolution No. R2008-06

Motion No. M2008-34 – Authorizing the chief executive officer to execute a contract amendment with Zimmer Gunsul Frasca Partnership to provide design services for the Everett Station Project Phase 2 Project in the amount of \$22,938 with a 10% contingency of \$2,294 totaling \$25,232, for a new total authorized contract amount not to exceed \$1,943,437, contingent upon Board approval of Resolution No. R2008-06

Project Manager Val Batey and Capital Projects Director Jim Edwards presented the staff report. They answered questions from the committee about the project budget and the Snohomish County Program Reserve.

It was moved by Vice Chair Butler and seconded by Boardmember Enslow to forward Resolution No. R2008-06 to the Board with a do-pass recommendation.

Ms. Batey and Mr. Edwards answered questions from Chair Reardon regarding the design review and bid process. They also discussed the bid climate and some of the factors that contributed to the bids coming in over the engineer's estimate.

Chair Reardon expressed his concerns with the construction costs and the effects of the proposed budget amendment on the other Snohomish County projects yet to be completed. He suggested postponing the four actions to the next Finance Committee meeting and directing staff to provide more detailed information on the engineer's estimates, explain the steps taken by staff so far to contain costs, and provide more information on the funds available in the Snohomish County Program Reserve.

Vice Chair Butler withdrew his motion.

It was moved by Chair Reardon, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present to postpone Resolution No. R2008-06, Motion No. M2008-32, Motion No. M2008-33, and Motion No. M2008-34 to the April 3, 2008 Finance Committee meeting.

Next Meeting:

Thursday, April 3, 2008, 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 2:52 p.m.



Fred Butler
Finance Committee Vice-Chair

ATTEST:



Jason Suzaka
Board Coordinator