

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
August 7, 2008

Call to Order

The meeting was called to order at 12:26 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

(P) Richard Conlin, Seattle Council President

(A) 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

Chair Reardon announced that the committee was working from a revised agenda. Motion No. M2008-82 has been added and listed on the agenda as item 6J.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan announced that the ST2 Financial Plan has been finalized, making it consistent with all of the system plan amendments adopted by the Board at its July 24, 2008 meeting. The total cost of the ST2 program from 2009-2023 in year of expenditure dollars is \$17.832 billion.

Discussion Item – Mountlake Terrace Freeway Station Update

Capital Projects Director Jim Edwards and Project Manager Paul Cornish gave a staff presentation.

Mr. Edwards provided an update on the project, which at the 100% design stage, is estimated to be \$15.3 million over the project lifetime budget. He described the measures taken to reduce project costs, which included modifying, reducing, or eliminating station elements and consulting with the Association of General Contractors.

He also described factors contributing to the cost overruns; including design changes, additional project contingency, and inflation of construction materials, such as asphalt and steel. In addition to the existing project budget, proposed funding sources include unutilized financial capacity in the Snohomish County subarea, Snohomish County Regional Express program reserve funds, and potential construction grants from the State of Washington.

During the committee's discussion on whether to move forward with the project, Mr. Edwards noted that it is the last of the Regional Express projects in Snohomish County under Sound Move.

Theresa Grecko from the Washington State Department of Transportation answered questions from Chair Reardon regarding the feasibility of and challenges associated with locating stations in a freeway median.

Staff was directed to take the project through a lessons learned review and report back to the Finance Committee with its findings. Instead of having a discussion on whether to move forward with the project at the full Board meeting on August 14, 2008, the discussion will take place as part of the 2009 budget process later this year.

Items within Finance Committee Authority for Final Action

Minutes of July 17, 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 July 17, 2008 minutes be approved as presented.

Motion No. M2008-74 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Blumenthal Uniform Company, Inc. to procure uniforms and protective clothing for a total authorized contract amount not to exceed \$499,000

Motion No. M2008-75 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Aramark Uniform Services to provide uniform rental and laundry services for a total authorized contract amount not to exceed \$299,000

Program Manager Charles Joseph introduced Project Manager Gary Aviles, who presented the staff report.

In response to questions from Vice Chair Butler, Mr. Aviles stated that the proposed funding requests include replacement costs and assume a certain employee turnover rate. The costs are comparable to other transit agencies.

Public Comment

None.

It was moved by Vice Chair Butler, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-74 be approved as presented.

It was moved by Vice Chair Butler, seconded by Boardmember Conlin, and carried by the unanimous vote of all members present that Motion No. M2008-75 be approved as presented.

Motion No. M2008-76 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Public Financial Management, Inc. to provide financial advisory services for debt management, asset-liability management, public private partnership and innovative financing for a total authorized contract amount not to exceed \$650,000

Motion No. M2008-77 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Kraght Snell, P.S. to provide accounting and internal control services for a total authorized contract amount not to exceed \$750,000

Motion No. M2008-78 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Davidson Fixed Income Management to provide investment advisory services for a total authorized contract amount not to exceed \$500,000

Motion No. M2008-79 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Protiviti, Inc. to provide accounting and internal control services for a total authorized contract amount not to exceed \$350,000

Chief Financial Officer Brian McCartan presented the staff report. Of the 13 total firms that Sound Transit will be executing contracts with for various financial advisory services, nine will be executed under the Chief Executive Officer's authority; the other four are being brought before the Finance Committee today for approval.

In response to a question from Boardmember Conlin, Mr. McCartan described the procurement process that staff goes through when services are needed.

Public Comment

Motion No. M2008-76 – None.

Motion No. M2008-77 – None.

Motion No. M2008-78 – None.

Motion No. M2008-79 - Will Knedlik (comments on file with Board Administration)

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-76 be approved as presented.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-77 be approved as presented.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-78 be approved as presented.

It was moved by Boardmember Burleigh, seconded by Boardmember Conlin, and carried by the unanimous vote of all members present that Motion No. M2008-79 be approved as presented.

Motion No. M2008-81 – Authorizing the chief executive officer to execute a contract with RailWorks Tracks System, Inc. for construction of the L Street Layover Expansion project for Sounder commuter rail in the amount of \$1,971,674 with a 10% contingency of \$197,167 for a total authorized contract amount not to exceed \$2,168,841

Construction Manager Jerry Dahl and Rail Program Manager Eric Beckman presented the staff report.

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. M2008-81 be approved as presented.

Items for Recommendation to the Board

Motion No. M2008-80 – Authorizing the chief executive officer to increase the contingency for the contract with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$264,734, for a new total authorized contract amount not to exceed \$13,645,672, including reimbursements of approximately \$666,048 to Sound Transit from third parties for betterments

Link Deputy Executive Director Joe Gildner and Link Executive Director Ahmad Fazel presented the staff report.

In response to questions from Vice Chair Butler, Mr. Fazel described the types of punchlist items to be completed. He added that staff considered other options, such as using in-house staff, to manage the remaining work. However, this would have removed staff from other ongoing projects. In addition, the current construction management team has an extensive history of the project and knowledge of the punchlist work that needs to be completed.

It was moved by Boardmember Burleigh, seconded by Boardmember Conlin, and carried by the unanimous vote of all members present that Motion No. M2008-80 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-82 – Authorizing the chief executive officer to increase the contingency related to the Airport Link portion of the contract with PCL Construction Services, Inc. in the amount of \$697,000 for a total authorized amount of \$39,647,000 for Airport Link C410 construction. This will result in a new total authorized contract amount for both the Tukwila segment and Airport Link portions of the contract in an amount not to exceed \$294,489,874

Airport Link Project Director Ron Lewis presented the staff report. During discussion of the contract closeout process, Mr. Fazel announced that project will have approximately \$13 million of contingency remaining after the contract is closed out.

It was moved by Vice Chair Butler, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-82 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-69 – Ratifying a contract amendment with Securitas Security Services to provide unarmed security services in the amount of \$324,544.34 for a new total authorized contract amount not to exceed \$8,089,288.34

Chief Safety, Security and Quality Assurance Officer Hamid Qaasim presented the staff report. Chief Executive Officer Joni Earl provided additional background information on the proposed action and described additional project controls that are being implemented.

Chair Reardon asked staff to provide a list of lessons learned on the operations side and how they will be implemented, in addition to the report on lessons learned on the Mountlake Terrace Freeway Station Project.

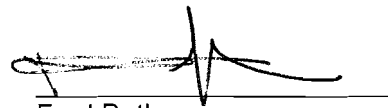
It was moved by Vice Chair Butler, seconded by Boardmember Conlin, and carried by the unanimous vote of all members present that Motion No. M2008-69 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, August 21, 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 1:53 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Jason Suzaka
Board Coordinator