

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
November 6, 2008

Call to Order

The meeting was called to order at 12:07 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 Council President

(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 the passage of Sound Transit Proposition 1 by voters at the November 4, 2008 election.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan called upon University Link Deputy Project Director Ron Endlich and Real Estate Manager Roger Hansen to give a staff presentation on a proposed budget amendment for the North Link – Roosevelt Station project, scheduled for action at the November 13, 2008 Board meeting. Chief Executive Officer Joni Earl announced that this action will be the first related to the ST2 program.

Mr. Endlich stated that this proposed budget amendment is for the acquisition of a real estate property that is needed for construction of the North Link – Roosevelt Station. Mr. Hansen stated that the current owner has received an offer from a major real estate development company to purchase the property. He advised that the Board has previously authorized the acquisition of this property through the Regional Fund Contingency (Resolution No. R2006-14) and that the agency entered into an Agreement to Forebear Construction with the property owner in November 2007 (Motion No. M2007-116).

The proposed budget amendment would amend the Board-Adopted 2008 Budget by transferring funds from the University of Washington–Brooklyn Station project budget to the Northgate–NE 45th Street project budget.

Discussion Item – Proposed 2009 Budget

Mr. McCartan introduced the Draft 2009 Financial Plan Revenue Update. He described the key planning assumptions; including a 0.3% motor vehicle excise tax rate, an economic recession in 2008-09, a borrowing rate of 5.0% through 2009 and 6.0% rate thereafter, a 3.0% interest rate on invested funds, and a 1.3x/1.15x minimum net debt service coverage. He advised that the agency is in a strong financial condition; including a 2.0x net minimum debt coverage and \$400 million in unreserved cash balances.

Mr. McCartan provided an update on sales and motor vehicle excise tax estimates, explaining the methodology used to forecast future estimates. While tax revenues are expected to dip slightly, federal grant money and farebox revenues are forecasted to be higher.

Budget Manager Pete Rogness presented the list of potential budget amendments to the Proposed 2009 Budget (on file with Board Administration).

Items within Finance Committee Authority for Final Action

Minutes of October 16, 2008 Finance Committee Meeting

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that the October 16, 2008 minutes be approved as presented.

Motion No. M2008-103 – Authorizing the chief executive officer to execute an agreement with Mr. Dan Christofferson to build a fill pad on his property in exchange for his agreement to sell his remaining property located in the floodplain of the Snohomish River to the City of Marysville as part of the wetland mitigation package for the Sounder Commuter Rail Everett to Seattle Project

Senior Environmental Planner Ellie Ziegler presented the staff report. She described the work Sound Transit would perform as part of the proposed agreement with the property owner.

Public Comment

None.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-103 be approved as presented.

Motion No. M2008-104 – Authorizing the chief executive officer to execute a contract amendment with J.L. Patterson and Associates to provide final design and construction management services for the Everett Layover Track Extension Project in the amount of \$132,948, with a 10% contingency of \$13,295 totaling \$146,243, for a new total authorized contract amount not to exceed \$668,805

Project Development Coordinator Melissa Flores-Saxe presented the staff report.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, to approve Motion No. M2008-104 as presented.

Ms. Saxe and Rail Program Manager Eric Beckman provided a background history on the project and presented a diagram showing the proposed track design (on file with Board Administration). Ms. Earl suggested that the motion be postponed in order to provide additional information for boardmembers.

Boardmember Burleigh withdrew her motion.

It was moved by Vice Chair Butler, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-104 be postponed to the November 20, 2008 Finance Committee regular meeting.

Items for Recommendation to the Board

Motion No. M2008-105 – Authorizing the chief executive officer to execute a three-year labor agreement with the Amalgamated Transit Union Local 758 covering Tacoma Link Light Rail Vehicle Operators

Ms. Earl introduced Sound Transit's new Human Resources Officer Adrian Byrd-Pina, who presented the staff report. In response to a question from Boardmember Enslow, Senior Human Resources Generalist Jan

Luedtke stated that the new contract for the Tacoma Link LRV Operators contains similar provisions as the Pierce Transit bus operators, who are members of the same union.

It was moved by Boardmember Enslow, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-105 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-106 – Authorizing the chief executive officer to execute a contract amendment with Northlink Transit Partners, Joint Venture to provide bid support and design services during construction for the University Link project in the amount of \$10,479,900, with a contingency of \$968,660 totaling \$11,456,954, for a new total authorized contract amount not to exceed \$50,340,589

Link Civil Engineering Manager John Sleavin presented the staff report. He answered questions from Vice Chair Butler regarding other options that were considered in providing design services and why this approach is being recommended for this project.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-106 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, November 20, 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 1:29 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:


Marcia Walker
Board Administrator