

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
December 4, 2008

Call to Order

The meeting was called to order at 1:01 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

Katie Weiss, 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 an issue has arisen around collection of the motor vehicle excise tax (MVET). He explained that some vehicle owners who reside outside the Sound Transit boundary have been incorrectly charged Sound Transit MVET taxes. He reported that the agency has made good progress on identifying those people and will be issuing refunds. The agency is also working with the Department of Licensing and the Department of Revenue to find how the problem occurred and to fix the system so no future errors occur.

Items within Finance Committee Authority for Final Action

Minutes of November 20, 2008 Finance Committee Meeting

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

Motion No. M2008-115 – Authorizing the chief executive officer to execute an agreement with Community Transit to purchase and install a new radio communications system for the Sound Transit bus fleet operated by Community Transit for a total authorized contract amount not to exceed \$1,456,585.

John May, Interim Bus Operations Manager and Michael Perry, Deputy Director Transportation Services presented the staff report.

Joni Earl, Chief Executive Officer, introduced Mr. Perry as a new Sound Transit employee.

Public Comment

None.

It was moved by Boardmember Enslow, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-115 be approved as presented.

Items for Recommendation to the Board

Resolution No. R2008-15 – Fixing and imposing an additional five-tenths of one percent sales and use tax; applying existing approved taxes to implement the Sound Transit 2 Regional Transit System Plan “A Mass Transit Guide” and the Sound Move Regional Transit System Plan as authorized by a vote of the electorate; and authorizing the chief executive officer to contract with the State of Washington for tax collection and administration.

Brian McCartan, chief financial officer, presented the staff report.

Ms. Earl reported the final vote percentages for Proposition 1 by county; Snohomish County voted 54.2% in favor, King County voted 60.5% in favor, and Pierce County voted 49.1% in favor. District wide approval of the proposition was 57.1%.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Resolution No. R2008-15 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2008-14 – Adopting an annual budget for the period from January 1 through December 31, 2009.

Pete Rogness, Budget Manager, reviewed the budget and schedule of milestones. Boardmember Burleigh thanked Mr. Rogness for his guidance through the budget process.

It was moved by Boardmember Thomas and seconded by Boardmember Burleigh that Resolution No. R2008-14 be forwarded to the Board with a do-pass recommendation.

Vice Chair Butler described areas of the budget that have been reduced, including security and fuel costs, and an overall 5% reduction in non-staff budgets. He also described a potential amendment to recognize the economic downturn and to recognize the work of the Transit Operations Task Force in looking for an opportunity for operational cost savings.

It was moved by Boardmember Enslow, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present to amend Resolution No. R2008-14 by:

1) Inserting the following paragraph as paragraph eleven to the resolution:

WHEREAS, a weakening economic climate, that has put increased pressure on agency resources just at the time that demand for service has escalated dramatically, calls for the agency to seek to increase productivity and service while holding down costs; and

2) Inserting the following paragraph as Section 9 to the resolution:

The Board directs the Chief Executive Officer, or her designee, to present to the Sound Transit Board by June 30, 2009 proposals for operational cost containment and efficiency measures based on recommendations from the agency's Transit Operations Task Force.

Vice Chair Butler suggested the committee act on the list of proposed amendments in Attachment B, Amendment Summary to the Proposed 2009 Budget, as a single item. He asked the committee members to review the amendments and identify any to consider separately. Committee members did not identify any.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Attachment B, Amendment Summary to the Proposed 2009 Budget, be accepted as an amendment to Resolution No. R2008-14.

It was carried by the unanimous vote of all members present that Resolution No. R2008-14, as amended, be forwarded to the Board with a do-pass recommendation.

Resolution No. R2008-18 – Adopting the 2009 Service Implementation Plan, authorizing the chief executive officer to implement the 2009 service changes, and approving the use of the preliminary 2010-2014 service changes for planning and forecasting purposes.

Mike Bergman, Program Manager, presented the staff report and described the service changes included in the Draft 2009 Service Implementation Plan (SIP). Mr. Bergman noted that the proposed SIP was developed without any assumptions for ST2. An amendment to the 2009 Service Implementation Plan will be presented in mid-2009 for service increases included in ST2.

It was moved by Boardmember Burleigh and seconded by Boardmember Thomas that Resolution No. R2008-18 be forwarded to the Board with a do-pass recommendation.

Boardmember Thomas suggested changing the order of the paragraphs in the resolution. She proposed amending the resolution by inserting paragraph seven after the fourth paragraph and reversing paragraphs five and six.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present to amend Resolution No. R2008-18 by reordering the paragraphs.

Boardmember Burleigh described the public comment on service changes that were received at the public hearing on the Service Implementation Plan held earlier in the day.

It was carried by the unanimous vote of all members present that Resolution No. R2008-18, as amended, be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-108 – Authorizing the chief executive officer to execute an agreement with King County to provide a capped funding contribution of \$800,000 for construction of the Redmond Transit Center Parking Garage, contingent upon Board adoption of the 2009 Budget.

Vice Chair Butler noted that the Finance Committee received a full staff presentation on this motion and the following two motions at the November 20, 2008 Finance Committee meeting.

Jim Edwards, Director of Capital Projects provided an update on three agreements with King County that are the subjects of Motion Nos. M2008-108, M2008-110 and M2008-111. He noted that the earlier issue with indemnification has been resolved, but a new issue has arisen around insurance coverage of the Totem Lake Facility. He asked the Finance Committee to move forward with a recommendation to the Board and indicated staff will work to resolve the issue before the action is presented to the full Board.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-108 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-110 – Authorizing the chief executive officer to execute an agreement with King County granting a license to use the Totem Lake Transit Center/Evergreen Hospital facility and for King County to reimburse Sound Transit for maintenance and mid-life replacement costs.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-110 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-111 – Authorizing the chief executive officer to execute and implement an agreement with King County to transfer the Sammamish Park-and-Ride lot to King County per the Program Understanding authorized by the Board in Resolution No. R98-9.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-111 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-117 – Authorizing the chief executive officer to increase the contingency for the contract with Obayashi Corporation for construction of the Beacon Hill Station and Tunnel segment of the Central Link Light Rail Initial Segment project in the amount of \$7,288,004, for a new total authorized contract amount not to exceed \$313,000,000, which includes costs reimbursable to Sound Transit from third parties for betterments.

Joe Gildner, Deputy Executive Director Light Rail and Richard Sage, Construction Manager, presented the staff report.

Vice Chair Butler asked about increases due to the wage escalation contractual clause and the project completion date. Ms. Earl explained that the wage escalation has two components, underestimation on the part of Sound Transit, and extensions in the length of the contract. She noted that this action covers the wage escalation costs.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-117 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-118 – Authorizing the chief executive officer to increase the contingency for the contract with PB Americas, Inc. (previously Parsons Brinckerhoff Construction Services, Inc.) to provide continuing construction management services of the Beacon Hill Station and Tunnel civil construction contract, in the amount of \$3,011,427, for a new total authorized contract amount not to exceed \$18,600,000.

Joe Gildner, Deputy Executive Director Light Rail and Richard Sage, Construction Manager, presented the staff report.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-118 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-119 – Authorizing the chief executive officer to increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link Light Rail Initial Segment project in the amount of \$3,800,000, for a new total authorized contract amount not to exceed \$47,904,051, which includes costs reimbursable to Sound Transit from third parties.

Joe Gildner, Deputy Executive Director Light Rail and Gene Overly, Systems Engineering Manager, presented the staff report.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-119 be forwarded to the Board with a do-pass recommendation.

Other Business

Boardmember Thomas asked that the agency pursue grants through any new federal grants program created under the new administration, she also asked that the agency look at areas where Sound Transit could form a funding partnership.

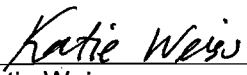
Next Meeting:

Thursday, December 18, 2008, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

Adjourn

The meeting was adjourned at 2:26 p.m.

ATTEST:



Katie Weiss
Board Coordinator



Aaron Reardon
Finance Committee Chair