

SOUND TRANSIT EXECUTIVE COMMITTEE MEETING
Summary Minutes
June 7, 2012

CALL TO ORDER

The meeting was called to order at 10:40 a.m. by Board Chair Pat McCarthy, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Pat McCarthy, Pierce County Executive

Vice Chairs

(A) Julia Patterson, King County Councilmember
(P) Aaron Reardon, Snohomish County Executive

Boardmembers

(P) Fred Butler, Issaquah Deputy Council President
(P) Dow Constantine, King County Executive
(P) David Enslow, Sumner Mayor

(A) Paula Hammond, Washington State Secretary
of Transportation
(A) Mike McGinn, Seattle Mayor
(P) Paul Roberts, Everett Councilmember

Marcia Walker, Board Administrator, announced that a quorum of the committee was present at roll call.

REPORT OF THE CHAIR

None.

CEO REPORT

Celia Kupersmith, Deputy Chief Executive Officer, gave the report in the absence of Joni Earl, Chief Executive Officer.

Clean Financial Audit

Sound Transit received another clean financial audit conducted by an independent firm. Annual independent financial audits demonstrate accountability and transparency. A federal audit on the agency's compliance with federal program requirements and internal control over financial reporting will begin in June.

REPORTS TO THE COMMITTEE

Bond Refunding

Brian McCartan, Executive Director of Finance and IT, reported that the agency would be refunding 2005A bonds. 2005A bonds have an interest rate of approximately 5%, while new 2012 bonds have an interest rate of slightly below 3%. Buying bonds in the near future has the potential to lock in historically low interest rates. If the agency refunds some 2005 outstanding bonds and pursues new money issuances, millions of dollars may be saved because of low interest rates. Buying bonds in 2012 would not extend tax collection beyond 2028. The agency has competitively selected a finance team and underwriters for any bond transactions this year.

The agency's S&P rating remains high while Moody's rating may be lowering because its confidence in tax collection has decreased. Regardless, Sound Transit has the strongest transit credit rating in the country. The agency will receive updated ratings before the end of the month.

Board action to approve bond issuance is required. The actions will be on the June Board agenda.

BUSINESS ITEMS

Minutes from the May 3, 2012 Executive Committee meeting

It was moved by Board Vice Chair Reardon, seconded by Boardmember Enslow, and carried by unanimous vote that the minutes of the May 3, 2012 Executive Committee be approved as presented.

Motion No. M2012-33: Authorizing collection of regular Sound Transit Express bus fares and changing fare collection procedures at all times of day for trips taken within the current downtown Seattle Ride Free Area upon the elimination of the Ride Free Area on September 29, 2012.

Joni Earl, Chief Executive Officer, explained operations and maintenance costs of the downtown Seattle Transit Tunnel. Brian Brooke, Research Policy and Development Director, presented the staff report.

It was moved by Boardmember Butler, seconded by Boardmember Roberts, and carried by unanimous vote that Motion No. M2012-33 be forwarded to the Board with a do-pass recommendation.

EXECUTIVE SESSION

None.

OTHER BUSINESS

None.

NEXT MEETING

Thursday, July 5, 2012
10:30 a.m. to 12:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting was adjourned at 11:46 p.m.

ATTEST:



Marcia Walker
Board Administrator



Pat McCarthy
Executive Committee Chair

APPROVED on July 5, 2012, MW