

**Sound Transit  
Finance Committee  
Meeting Highlights**

**July 16, 1998**

**Call to Order**

12:10 p.m. by Committee Chair Greg Nickels.

**Attendance**

(P) Greg Nickels, Chair	(A) Paul Miller
(P) Mary Gates	(A) Sid Morrison
(A) Ed Hansen	(P) Cynthia Sullivan
(P) Rob McKenna	

**Report of the Chair**

Mr. Nickels stated that all Board members had received an e-mail from Ms. Dezarn, ST Government Relations Manager, providing the results of the House Appropriation Subcommittee (copy on file).

**Finance Director Report**

Ms. Hendrickson brought three items to the attention of the committee (copies of the reports are on file in the Board Administration Office):

1. Redrawing the Authority's boundary to exclude the City of Covington, effective January 1, 1999
2. Monthly Financial Report, ending May 31, 1998
3. Progress report on the 1998 action plans

**Citizen Oversight Panel Status Report**

Mr. Steve Goldblatt, Citizen Oversight Panel Chair, reported on the panel's review process for evaluation of Sound Transit's progress for the period January 1, 1998 to June 30, 1998. The process involves a briefing from the agency's directors and reaching out to stakeholders and constituents in the region. He stated that the panel would also be reviewing the progress made on the suggestions for improvement submitted by the panel in their last report.

Mr. Goldblatt also requested that the Board move expeditiously to fill the vacancy on the COP panel created by Ms. Kathryn Rose who recently submitted her resignation.

**Motion No. M98-44 - Authorizing the Executive Director to execute a contract for consultant services for federal government relations to Denny Miller Associates for an amount not to exceed \$149,000 for the period July 1, 1998 through June 30, 1999, with the provision for three one-year extensions and a contract maximum of \$633,000**

Contact: Sheila Dezarn, Government Relations Manager at 206-684-1730

Ms. Dezarn outlined the Background and Comments for Motion No. M98-44 (copy on file).

Committee members who recently visited Washington D.C., said they had delivered a clear message to Denny Miller Associates, our lobbyists in Washington, to stay on top of short-term strategies and tactics in order to obtain necessary government funding. Overall, however, they found DMA's performance very satisfactory.

**It was moved by Ms. Gates, seconded by Mr. McKenna and carried by the unanimous vote of all committee members present that Motion No. M98-44 be adopted as presented.**

**Resolution No. R98-38 - Authorizing the Executive Director to execute a contract with General Motors Corporation, Electro Motive Division (EMD) for the purchase of passenger rail equipment necessary for the operation of the Tacoma-to-Seattle commuter rail segment, conditioned upon the successful resolution of pending issues relating to contract terms and conditions, specifically to supply six (6) locomotives, training and support manuals, at a cost not to exceed a net base proposal price of \$14,978,329.20, including taxes and to provide spare parts associated with this purchase for an amount not to exceed \$350,000.00, resulting in a total contract award amount not to exceed \$15,328,329.20, and authorizing an additional \$748,916.46. (5% of the base proposal price of \$14,978,329.20) as a contingency reserve to cover work order changes.**

Contact: Mr. Paul Price, Director Commuter Rail at 206-689-4760

Mr. Price outlined the Background and Comments for Resolution No. R98-38 (copy on file).

**It was moved by Ms. Gates and carried by the unanimous vote of all committee members present that Resolution No. R98-38 be recommended to the Board for approval, pending successful final negotiations by Mr. Price.**

**Resolution No. R98-36 - Authorizing the Executive Director to execute a project agreement between ST and WSDOT for the Sounder Commuter Rail Department to use WSDOT's architectural services consultant, Otak, Incorporated, for commuter rail station design services at the King Street Station, in an amount not to exceed \$566,000**

Contact: Mr. Paul Price, Director Commuter Rail at 206-689-4760

Mr. Price outlined the Background and Comments for Resolution No. R98-36 (copy on file).

**It was moved by Ms. Gates seconded by Mr. McKenna and carried by the unanimous vote of all committee members present that Resolution No. R98-36 be adopted as presented.**

**Motion No. M98-53 - Authorizing the Executive Director to execute a contract with Harding Lawson Associates (HLA) for the environmental review, public involvement, and preliminary engineering for the development of the Pacific Avenue Overpass in the City of Everett, in an amount of \$874,813, and an additional authorization of \$87,481 in contingent funds to pay for changes in the work, if required, for the development of the Pacific Avenue Overpass**

Contact: Mike Normand, Community Connections Program Manager at 206-689-3528

Mr. Normand outlined the Background and Comments for Motion No. M98-53 (copy on file).

He stated that the Pacific Avenue Overpass is a project identified as having some risk factors. Staff has noted some concern with the program budget. A preliminary cost estimate determined there was a cost differential of approximately \$2.4 million in 1997 dollars between the estimated cost of the overpass and the amount currently programmed in Sound Move.

Some possible remedies:

- Review the overall scope of the project and see if some elements could be reduced.
- City of Everett could pursue some grant funding opportunities.
- Look at other projects currently slated by Sound Move within the City of Everett to see if there are ways to transfer funds between projects.

**It was moved by Mr. Gates, seconded by Ms. Sullivan and carried by the unanimous vote of all committee members present that Motion No. M98-53 be adopted as presented.**

**Motion No. M98-52 - Authorizing the Executive Director to amend Contract RTA/CR 27-97 with Raul V. Bravo & Associates to Refine Public Domain Commuter Rail Vehicle Specifications, by increasing the contract price of \$199,825.53 by \$47,400.00 for a total contract amount not to exceed \$247,225.53, for the purpose of the "Pre-Manufacturing Planning Process for the Manufacture of Rail Transit Vehicles"**

Contact: Mr. Paul Price, Director Commuter Rail at 206-689-4760

Mr. Price outlined the Background and Comments for Motion No. M98-52 (copy on file). He stated that staff has been very satisfied with the work of Raul V. Bravo & Associates. They have done an excellent job and have been very responsive to requests from Board members and staff.

**It was moved by Ms. Gates, seconded by Mr. McKenna and carried by the unanimous vote of all committee members present that Motion No. M98-52 be adopted as presented.**

### **1999 Budget Schedule**

Contact: Jan Hendrickson, Director Finance and Administration at 206-689-3148

Ms. Hendrickson outlined the 1999 Budget Schedule (copy on file). She stated that in terms of the budget process itself, staff is planning to have a similar schedule to that used last year.

Due to the King County Council being in recess from August 10 through August 21, 1998, Mr. Nickels requested an August 27 Finance Committee Meeting. He also requested more specific information on the capital budget and to see the next level of improvement in the capital budget process that was begun last year.

### **Sound Move Economic Impact Study**

Contact: Mr. Alvan E. Ikoku, Economist at 206-689-4936

Mr. Ikoku outlined the Sound Move Economic Study (copy on file) and stated that this is a very

preliminary scope of work. The final scope of work will be negotiated with a successful consultant candidate, probably within the next one to one and a half months.

### **Regional Express Capital Projects Risk Analysis**

Contact: Dale Wydman, Risk Manager at 206-689-7434

Ms. Hendrickson stated staff's intention to begin a discussion on managing Sound Transit's risk and introduced Mr. Wydman. She stated that the Owner Controlled Insurance Program would be brought before the Public and Government Affairs Committee at the June 17, 1998 meeting. It is an item staff is asking be placed on the 1999 legislative agenda.

Mr. Wydman described the Capital Projects Risk as having to do with each line of business, such as fire risk for buses and trains, accidents associated with buses or trains, derailments, tunnel collapses, etc. There are also the harder to define risks but easier to see in today's society, such as the sexual harassment claims, Americans with Disabilities Act (ADA) claims, environmental losses and computer failures.

### **Resolution No. R.98-39 - Implementing a Surety/Support Program for small, local businesses and contractors and Minority/Women/and Disadvantaged Business Enterprise businesses and contractors to provide mentoring, accounting, legal, surety and banking services for such businesses and contractors involved in or desiring to be involved in a construction contract with Sound Transit**

Contact: Alec Stephens, Diversity Program Manager at 206-689-3762

Mr. Wydman, ST Risk Manager, stated that Background and Comments for Resolution No. R98-39, along with slides of today's presentation, were included in committee members packets (copy on file). He introduced Mr. Pat Hideen, broker, Johnson Higgins/Marsh McClellan. Mr. Hideen stated that this surety program is not an insurance program but is designed to work in conjunction with the functions of Mr. Alec Stephens, Diversity Program Manager, and the ST Diversity Program.

Mr. Stephens stated that through the surety program, smaller companies would have increased capacity to take on larger jobs. The hope would also be to increase bonding capacity of smaller firms and by being involved and engaged in the bonding surety program, ST would actually be working with these firms.

Committee members requested a specific performance measurement of how many firms we are helping through the surety program and what we are helping them do.

**Committee members wanted more time to review Motion No. M98-39. Action was deferred to a later meeting.**

### **Other Business**

As there was no other business, the Finance Committee was adjourned at 2:05 p.m.

### **Next Meeting**

Thursday, August 20, 1998 from 12:00 to 2:00 p.m. at the King County Courthouse 10<sup>th</sup> Floor SW Conference Room, 516 Third Avenue, Seattle, Washington.

Recorded by Bernie Wagar  
Board Administrative Assistant