

**Sound Transit
Finance Committee Summary Minutes**

December 3, 1998

Call to Order

The meeting was called to order at 12:15 by Committee Chair Greg Nickels.

Attendance

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

The following Committee members arrived after the meeting was called to order:

Cynthia Sullivan, King County Councilmember
Rob McKenna, King County Councilmember

Report of the Chair

None.

Finance Director Report

Ms. Hendrickson, Director of Finance and Administration, referred to a memorandum notifying the Committee of a budget transfer of \$1.8 million from the Legal and the Public and Government Affairs Departmental budgets to the Finance and Administration Department. The memorandum states that "per the Budget Policies, this transfer will not increase the expense authority for the entire agency beyond that designated in the 1998 Budget Resolution" (copy on file).

In addition, Ms. Hendrickson indicated that reports detailing contract awards in excess of \$100,000 and sole source contract awards in excess of \$10,000 were included in Committee members' packets of materials (copies on file).

Lastly, Ms. Hendrickson announced that Sound Transit has received its bond ratings from Standard and Poors and Moody's. The S&P rating is "Aa" and Moody's is "A1, with a positive outlook." These ratings are very positive. Ms. Hendrickson indicated that ST is currently scheduled to price bonds on December 9, and she anticipated pricing \$3 million, although the actual number will depend on investor demand. If there is a much higher demand, the Board has given staff authorization to go up to \$4 million. Staff is currently meeting with local brokers as part of a local market outreach program.

Mr. Miller requested that the contract reports be sorted by the date on which they were awarded, so the most recent contracts can be easily identified.

Consent Agenda Items

- A. Minutes of November 5, 1998 Finance Committee meeting
- B. Motion No. M98-84 - Authorizing the Executive Director to execute a contract for system-wide signage design services with Two Twelve Harakawa, Inc., for a total amount not to exceed \$450,000
- C. Motion No. M98-85 - Authorizing the Executive Director to execute the intergovernmental agreement with King County Metro for the Regional Express Bus Contract Management Project for an amount not to exceed \$577,500

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of all members present that the Consent Agenda be approved as presented.

Resolution No. R98-51 - Authorizing the Executive Director to execute a project agreement with the Washington State Department of Transportation (WSDOT) for design and construction services for the South Hill Park and Ride Lot Project in the amount of \$5,607,000

Mr. Mike Normand, Community Connections Program Manager for Regional Express, presented the proposed Resolution to the Committee. He pointed out a misprint on the agenda and in the Resolution itself: the contract amount should read \$5,607,000, not the \$5,530,000 stated in the Resolution.

It was moved by Ms. Gates, seconded by Mr. Miller and carried by the unanimous vote of all members present that Resolution No. R98-51 be forwarded to the Board with a do-pass recommendation from the Committee.

Motion No. M98-88 - Amending contract RTA/CR 22-97 with Huckell/Weinman Associates, Inc., for the Everett-to-Seattle commuter rail environmental impact statement (EIS), in an amount not to exceed \$1,396,686

Mr. Barry Hennelly, Project Manager for Sounder Commuter Rail, presented the proposed Motion to the Committee.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of all members present that Motion No. M98-88 be approved as presented.

Sound Transit Fare Policy

Ms. Agnes Govern, Director of Regional Express bus, introduced the discussion topic. She indicated that discussions with the Board and the Committees would help staff develop the public review process.

Ms. Barbara Gilliland, Systems Integration Program Manager, and Mr. Don Billen, Systems Integration Project Coordinator, presented a series of slides detailing options for Sound Transit's fare policy (copy on file).

Two zone structure options were presented: the urban centers option and the subarea zones option. Under the major urban centers option, a single trip on Regional Express would cost \$1.25, \$1.75, or \$2.50, depending on whether the trip consisted of one, two or three zones. Under the subarea zone option, a

single trip on Regional Express would cost \$1.25, \$2.00 or \$2.50.

Two Sounder price options were offered for discussion as well. Under Price Option I, a single trip would cost \$2.00, \$3.00, or \$4.00, depending on the length of the trip. Under Price Option II, the single trip fares would be \$3.00, \$3.50, or \$4.00.

Lastly, two options were offered for senior/disabled and youth discounts. Option 1 would offer a 50% senior/disabled discount in the off-peak hours only, and no youth discount. Under Option 2, a 50% senior/disabled and 25% youth discount would be offered all day.

Mr. Nickels asked for an analysis of the effects of applying the fares listed in the major urban centers option to the subarea zones.

Mr. Miller indicated that he was in favor of the major urban centers option. He mentioned that he was concerned about Sounder fares being priced higher for a trip within one zone, which discourages commuter rail among riders taking short trips. In Pierce County, part of the appeal of Sounder is the ability to take short trips.

Regarding discounted fares, Ms. Gates pointed out that the translation of 25% or 50% to the actual fares needs to be reasonable.

Ms. Gilliland indicated that staff would propose that the fares be rounded to the most logical number. She then laid out the next steps leading to a January 28 Board decision.

Mr. McKenna questioned why a decision on fare policy would be made before the Board makes specific route decisions. He expressed concern for the proposed public process, indicating that it would be preferable to integrate fare and routing decisions for the purpose of having one, comprehensive public process.

Ms. Gates disagreed with Mr. McKenna, stating that the Board was seeking feedback from the public on fares. If the two issues are mixed, the Board might not get any feedback at all on the fare policy.

Adjourn

The meeting was adjourned at 1:30 p.m.

Next Meeting

Thursday, December 17, 1998 from 12:00 to 1:00 p.m. at the King County Council Chambers in the King County Courthouse, 516 Third Avenue, Seattle, Washington.

Recorded by Amy Ebersole
Board Coordinator

ATTEST:

Greg Nickels
Finance Committee Chair

Marcia Walker
Board Administrator