

**Sound Transit  
Finance Committee Summary Minutes**

**April 15, 1999**

**Call to Order**

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

**Attendance**

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

**Report of the Chair**

Mr. Nickels stated that because there was not a quorum present, the 1999 Financial Plan Overview would be held over to the next meeting. He stated that the items on the agenda requiring Board approval will be moved to the Board without a formal recommendation.

**Finance Director Report**

None

**Citizen Oversight Panel Report**

Mr. Steve Goldblatt, Chair Emeritus, and Reid Shockey, Chair, gave the COP's six-month report to the Committee (copy on file). Mr. Goldblatt mentioned that Diane Carlson of Tacoma has been elected the new Vice Chair for the Citizen Oversight Panel.

Mr. Goldblatt stated that Sound Transit continued to move forward in all areas and that staff has been dedicated in keeping to the commitment to build a regional system even when numerous pressures to satisfy individual communities emerged. He went on to say that the agency has stayed on mission and has focused rigorously to meet the schedules. He mentioned that budget constraints have become evident in almost every area and have begun to require adjustments to facility design and service plans. As a result, citizens in some cases have not been pleased to discover that all of their expectations may not be able to be met. COP members felt that while Sound Transit is committed to its regional mission, the Puget Sound may not have created a culture hospitable to regional thinking. Staff has continued to communicate with and respond to the input of interested parties and effective groups; nevertheless, COP felt that the agency should increase efforts to minimize controversies as the system evolves. The COP urged the board and staff to seek new ways to articulate and build the vision of this regional system.

Mr. Shockey gave examples to illustrate the highlights of the last half of 1998. Regional Express had the successful negotiation of a fare integration agreement, the completion of the Service Implementation Plan for regional bus service, and the adoption of initial policies for contracting with local transit agencies to deliver service. Sounder Commuter Rail formed community based technical advisory committees; began station design in Tukwila, Kent, Auburn, Sumner, and Puyallup; continued to make good progress on the

environmental analysis for the Tacoma/Lakewood and Seattle/Everett corridors; and conducted a major consumer research study and developed a marketing plan in anticipation of service beginning in 1999. Link Light Rail delivered the successful, on-time draft EIS for the Central Link corridor which was widely complemented for its thoroughness and professionalism.

Mr. Shockey stated that the COP felt that in 1998 Sound Transit stepped up its level of communication and outreach considerably. Regarding Financial Policies, Sound Transit has adhered to the adopted policies with regard to budgets, debt management, subarea equity, and the regional fund. Sound Transit was awarded among the highest bond ratings for any transit agency in the nation. The agency also received its second annual unqualified financial audit for 1998 from its independent auditors, Deloitte and Touche.

Mr. Shockey mentioned areas for some improvement. As some communities became aware that they might not get everything that they had hoped for, relationships became fragile. It became evident that existing processes to communicate have not been as effective as they could be in articulating the regional mandate of the *Sound Move* program. The COP posed a challenge to the Board and Sound Transit staff to redouble their efforts to find a way to develop communication with the communities. The COP urged the Board and staff to become involved at the grass roots level in the communities by taking a new proactive role in championing Sound Transit, what it stands for, and what the benefits will be to the region.

Mr. Goldblatt advised that some communities have not felt the processes have always been fair, open, and complete. Some concerns have been raised that the current Board composition is not adequately representative of all parts of the district in King County and suburban King County. The COP suggests that the three County Executives and County councils look into these concerns as they make future Board appointments. Finally, in each of the three modes, serious fiscal constraints are emerging. Community expectations are high, scope changes are being introduced, agency overhead costs are going up, and environmental and real estate costs in some cases are coming in much higher than originally estimated. Citizens and communities are continuing to express strong wishes and even demands for investments above and beyond available budgets. COP has begun to be aware of the long-term financial risks inherent in these factors and to be concerned about the great fiscal restraint necessary to keep budgets from getting out of control. He stated that the COP urges Sound Transit's management to provide early warning about emerging risks, and the COP urges the Board to continue exercising great caution in making future financial commitments.

Mr. Nickels stated that he felt the quantity of communication is very good, but getting back to people with answers to their concerns has not been occurring.

Mr. Shockey advised that this is mentioned in the COP study. He said getting back to people with a response is necessary in order not to appear arrogant. He stressed that through all the controversy, there is still tremendous support regionwide for Sound Transit. The concerns tend to be more on the detail than the overall concept.

Ms. Sullivan stated that everyone understands the suggestions given by the COP and asked if there had been any thought given to the mechanics of responding to individual concerns and suggestions.

Mr. Shockey answered that the COP recommends in the report that the Boardmembers, as elected officials, take on a greater role in communicating the regional vision at the grassroots level.

Mr. Goldblatt suggested that there are a lot of people in the communities that want to be supportive, and the Sound Transit Board and staff need to get them energized.

Mr. Enslow commented that it seems Sound Transit has been very generous in communities and yet often

times is still portrayed as a "bully." Every community would like more, no matter how much you give.

**Motion No. M99-20 - Authorizing the Executive Director to execute a contract for Sounder commuter rail construction management services**

It was recommended by Ms. Sullivan and agreed to by all Committee members present to forward Motion No. M99-20 to the April 22, 1999 Board agenda.

**Motion No. M99-21 - Authorizing the Executive Director to amend the existing contract with Moss Adams for financial (enterprise) systems development and implementation in the amount of \$862,673 for a total contract amount of \$2,683,823; an additional \$268,382 for contingency, for a total amount of \$2,952,205**

**Motion No. M99-22 - Authorizing the Executive Director to execute a contract with JD Edwards for enterprise applications software and support in an amount not to exceed \$2,586,372**

Mr. Hugh Simpson, Controller, went over Motion Nos. M99-21 and M99-23. He gave a history of the existing contract with Moss Adams. He stated that the interim system is functioning, but Sound Transit is outgrowing the system and by the end of the year will be ready to move to a long-term system. An assessment has been done internally to determine the current needs and a very detailed RFP was distributed to the vendor community. Five vendors responded and three were interviewed. It was determined JD Edwards was the best fit for the agency's needs.

Mr. Nickels pointed out that the agenda titles have different numbers than the motion in the packets.

Mr. Simpson stated that the overall approval amount is changing by \$707,000; the contract amount is changing by \$862,000; and the difference is that the contingency is going down.

Mr. Nickels asked to have this corrected on the agenda title. He said that at the next meeting he would like to hear why there is a \$1,000,000 change in the Moss Adams contract.

Ms. Sullivan asked if there are any jurisdictions larger than Sound Transit currently using the JD Edwards system.

Mr. Simpson answered that there are larger jurisdictions, and he has talked with other counties using the system.

Ms. Sullivan stated that since this appears to be a joint venture, she would like to see a breakout of what is JD Edwards and what is Moss Adams and the differences between the two companies.

Mr. Simpson responded that he will define this for the next meeting.

The Committee asked to have these two motions come back to the Finance Committee at their next meeting.

**Motion No. M99-23 - Authorizing the Executive Director to execute a purchase contract with New Flyer of America for the procurement of twenty (20) CNG (Compressed Natural Gas) low floor buses for Regional Express services operating in Pierce County for an amount not to exceed \$8.3 million**

**Motion No. M99-24 - Authorizing the Executive Director to execute a sole source contract with**

**Pierce Transit for procurement of up to twenty-seven (27) 1994 CNG (Compressed Natural Gas) Orion buses for Regional Express services operated by Pierce Transit in the amount not to exceed \$6 million**

It was recommended by Mr. Nickels and agreed to by all Committee members present to forward Motion No. M99-23 and Motion No. M99-24 to the April 22, 1999 Board agenda.

**Resolution No. R99-12 – Authorizing the Executive Director to execute an agreement between Sound Transit and partner agencies Community Transit and Pierce Transit for operations and maintenance of Regional Express bus service**

Ms. Govern went over the resolution and asked that the Finance Committee recommend this Resolution be recommended to the Board. She stated that this would also be taken to the Executive Committee on April 16, 1999.

It was recommended by Mr. Nickels and agreed to by all Committee members present to forward Resolution No. M99-12 to the April 22, 1999 Board agenda.

**Status Report on Service Agreement with King County Metro**

Mr. Nickels encouraged staff to continue briefing Board members individually and bring this back to the Finance Committee for discussion.

**Next Meeting**

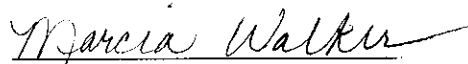
Thursday, May 6, 1999 from 12:00 to 1:30 p.m. at the King County Council Chambers in the King County Courthouse, 516 Third Avenue, Seattle, Washington.

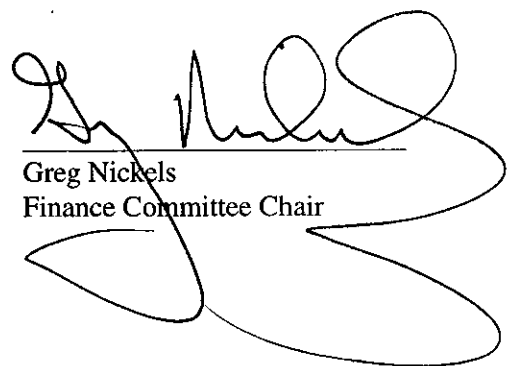
**Adjourn**

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

Recorded by Jane Emerson  
Board Project Assistant

ATTEST:

  
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Marcia Walker  
Board Administrator

  
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Greg Nickels  
Finance Committee Chair