

**Sound Transit
Finance Committee Summary Minutes**

June 17, 1999

Call to Order

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

Attendance

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

Report of the Chair

None.

Finance Director's Report

Ms. Jan Hendrickson, Director of Finance and Administration, introduced the 1998 Annual Report for Sound Transit to the Committee.

Motion No. M99-26 – Authorizing the Executive Director to execute a contract with OTAK for Professional Civil Engineering Design services for the Tacoma Link Light Rail Project in the amount of \$2,885,970, and an additional contingency reserve (to cover changes in the scope of the work) of \$577,194, for a total amount not to exceed \$3,463,164

Mr. Miller reminded the Committee that this contract award is subject to the Board's adoption of the Tacoma Link light rail alignment.

It was moved by Mr. Enslow and carried by unanimous vote of members present that Motion No. M99-26 be approved as presented.

Motion No. M99-35 – Establishing policy governing the use of the Great Hall at Union Station

Ms. Hendrickson explained that the revised motion included comments the Committee had suggested from the last meeting (copy on file).

Mr. Miller expressed concern with the sixth item regarding rental fees. He indicated that a sinking fund needs to be addressed for future maintenance, with enough flexibility to ensure that over time it can be adjusted.

It was moved by Mr. Miller, seconded by Ms. Gates, and carried by unanimous vote of members present to amend the motion to add item #8 that "Sound Transit will generally charge fees for Great Hall use that will offset the direct and indirect cost of the use of the Hall, and include the establishment of a sinking fund for future maintenance and replacement."

It was moved by Mr. McKenna, seconded by Ms. Gates and carried by unanimous vote of members present to amend the motion by replacing “adjacent neighborhood” with “neighborhoods in the Sound Transit district.”

It was moved by Mr. McKenna and carried by unanimous vote of members present to amend the motion by adding item #9, stating that these policies shall be reviewed by the Sound Transit board one year after occupancy of the Great Hall and revising item #5 to read “rentals will be limited to weekends during the first year of operation or earlier if experience suggests a change.”

The motion to forward Motion No. M99-35, as amended, with a do pass recommendation was carried unanimously by all members present.

Motion No. M99-38 – Authorizing the Executive Director to execute a contract change order for commuter rail station design services for the Sounder Commuter rail station in Puyallup

Mr. Nickels explained that the cost change was due to changes in the design of the station.

It was moved by Mr. Enslow, seconded by Ms. Gates and carried by the unanimous vote of members present that Motion No. M99-38 be adopted.

Motion No. M99-39 - Authorizing the Executive Director to execute a contract change order for commuter rail station design services for the Sounder Commuter rail station in Sumner

Mr. Nickels explained that the motion was that of a scope change.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of members present that Motion No. M99-39 be adopted as presented.

Motion No. M99-40 - Authorizing the Executive Director to execute a contract change order for commuter rail station final design services for the Tacoma Dome Sounder Commuter rail station

Mr. John Hubbard, Project Manager for commuter rail stations in Pierce County, explained that this station was on a different environmental track than the other stations on the Tacoma-Seattle route. It had its own environmental review process that was recently completed, and this motion marks the first step in final design.

It was moved by Mr. Enslow, seconded by Mr. Miller and carried by the unanimous vote of members present that Motion No. M99-40 be adopted as presented.

Motion No. M99-37 - Authorizing the Executive Director to execute a contract change order for services in connection with the Lakewood-to-Tacoma commuter rail and the 512 Park-and-Ride expansion combined environment impact statement process

Mr. John Hubbard, Project Manager for commuter rail stations in Pierce County, stated that this is a new precedent for Sound Transit in that two separate departments within the agency are combining forces to prepare one environmental document. The Commuter Rail department initiated the process; a community mandate suggested having the two facilities looked at together; thus, the current implementation.

Mr. McKenna stated there was a question among staff about whether the change in scope and the inclusion of the SR512 project makes this a sole-source procurement. He asked the staff to address this issue.

Mr. Hubbard replied that staff came to the conclusion that the Request for Proposal had a built-in flexibility that

allowed staff to not only increase the scope but to respond to other community concerns, including the SR512 project.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of members present that Motion No. M99-37 be adopted as presented.

Motion No. M99-42 - Authorizing the Executive Director to exercise the option with New Flyer of American for the purchase of twenty-nine (29) 60-foot buses

Ms. Agnes Govern, Director, Regional Express, began the discussion by speaking of procurement strategies begun in 1998 by Sound Transit with other agencies regarding bus specifications. These actions have led to service that will begin in September 1999 with Sound Transit's new fleet. Ms. Govern noted that two Sound Transit buses are now in service on the Tacoma-Seattle Express route.

Ms. Govern went on to explain fleet requirements in the 1999 Service Implementation Plan (SIP), which resulted in an exact number of 193 buses. She then brought up issues of funding; specifically, funding deficits in several subareas. These deficits in Snohomish and South King subareas are expected to be managed over the life of the program by looking for operating program savings, utilizing potential savings in maintenance facility budgets, and additional revenues from advertising. For the East King subarea, service commitments in Sound Move can only be met by using additional tax revenues currently being generated by this subarea.

Ms. Govern pointed out that quantity and delivery schedule is consistent with the service needs outlined in the SIP. Luggage racks and reading lamps are included in the scheduled delivery. Retrofitting is in the works for the first 25 buses ordered earlier. Other amenities requested and received include air conditioning and low-floor buses. Standard height buses could be ordered if the Committee so desired.

Ms. Govern stated there have been minimal complaints from the new low-floor, articulated buses for Pierce County riders on the Tacoma-Seattle express route. Community Transit has been consulted as to complaints from their riders; to date, none have been received. The first order of 70 Gillig buses are scheduled to be delivered from July through December.

Ms. Govern noted to the Committee that the motion should read "1999 Service Implementation Plan" and not "1999 budget."

Mr. Miller suggested doing an outreach program to all riders recording their comments. He asked of the consequences of holding off purchase of the buses for a short time.

Ms. Govern replied that New Flyer would need to be notified within four weeks and suggested doing an informal survey of bus riders on the Seattle-Tacoma Express.

Mr. Miller stated that he would dislike the notion of moving forward on this item with these concerns clouding over the issue. He also stated that he would like to know the cost differential between two articulated buses and three 40-foot buses, including ridership count.

Mr. Nickels asked Mr. Miller if he wanted to hold over this item until the next meeting, and Mr. Miller agreed, since complaints are being generated by riders who will use these buses.

Mr. Enslow asked if this was an acceptable bus to purchase.

Ms. Govern replied that Community Transit specifications were followed by Sound Transit. She stated there will definitely be more outreach and research on the buses, especially in the area of moving to a low-floor bus.

Mr. McKenna stated that it would be helpful in the future if charts presented would show the status of acquisitions. He also asked why the total amount of buses went up, from 169 to 175 to 193.

Ms. Govern replied that the increase was due to buses providing service on the actual routes that will be run in the future by Sound Transit. The 169 figure from Sound Move also did not include spare buses, assumed at 20%.

Mr. Nickels stated that Motion No. M99-42 would be held over until the next meeting.

Mr. Miller stated that he needed an explanation of charts that were handed out at the meeting in regards to fleet differentials between subareas.

Ms. Govern explained that the discrepancies were due to contingency monies.

Motion No. M99-43 - Authorizing the Executive Director to exercise the option with Gillig Corporation for the purchase of twenty (20) 40-foot buses

The motion to forward Motion No. M99-43 with a do pass recommendation to the Board was carried unanimously by all members present.

Resolution No. R99-17 – Identifying criteria for the programming of collected local tax revenues that are in excess of the revenues projected by the original Sound Move financial plan

Mr. Nickels suggested holding over this item until the next Committee meeting due to time constraints.

Motion No. M99-32 – Approving a contract change order for commuter rail station design services for the Sounder Commuter rail station in Kent

Ms. Val Batey, Project Development Manager – Sounder Commuter rail, asked to come back before the committee at a future date due to changes in circumstances of the project.

Mr. Nickels asked for any objections; none were received, and the item was deferred to a future Committee meeting.

Resolution No. R99-13 – Amending the adopted 1998 budget to increase the Kent Station budget for Sounder Commuter Rail

Ms. Val Batey, Project Development Manager – Sounder Commuter Rail, started the presentation by stating that the increase for the Kent station would go from \$2.3 million to \$2.9 million, and stated the confusion resulted from Year of Expenditure (YOE) dollars.

Mr. Nickels reiterated that an amendment would be proposed to amend the amount from \$2.3 million to \$2.9 million.

Ms. Batey then presented background on the resolution. It would allow Sound Transit to proceed with the purchase of property which is required for the Kent Station parking garage. Money would be moved from two other commuter rail stations located in the South King subarea at which budget underruns have occurred – the Boeing Access Road and the Tukwila station. Combining design of Link and Sounder at Boeing will result in cost savings. The actual real estate cost for the Tukwila station came in under budget in the amount of nearly \$1 million. Also, \$1.6 million will be received from Amtrak and the State Department of Transportation, who are

partners with Sound Transit at that station. Ms. Batey stated that even with these additional monies, a shortfall is still forecast in the purchase of land for the Kent Parking Garage. Staff is working with the partners at Kent to secure additional funds from additional resources, in addition to cost savings in the design and construction of the garage. If additional funds are not found for the garage, the land could be used as surface parking or other Transit-Oriented Development. Purchase of the property will not commit Sound Transit to building the structure.

Mr. Nickels reiterated that there is not an assumption that whatever financial gap exists will come from Sound Transit.

Ms. Gates stated that she has concerns with the phasing of the projects, resulting in the delivery of a quality product.

Mr. Nickels then introduced Brent McFall from the City of Kent, and invited him to discuss this item.

Mr. McFall agreed, stating that the City of Kent is very committed to funding their part of the garage and supports the motion and requested positive committee action.

Mr. Nickels agreed, but stated that the \$5 million shortfall identified at this point would not be coming from Sound Transit.

Mr. McFall agreed, but pointed out that the original stall count of 150 had risen to 810, which was severely underbudgeted at the time, and not a result of the garage being responsible for the increase; rather, the budget was inadequate to begin with.

Mr. Nickels asked if the City of Kent had committed \$4 million towards the structure.

Mr. McFall replied in the affirmative, which the City of Kent identified as the cost differential between the cost of surface parking and structured parking on a per-stall basis.

Mr. Nickels reiterated two ongoing issues: the \$5 million balance on the garage, which is not a financial commitment for Sound Transit to pay any amount thereof; and \$2.9 million for the property, which Sound Transit is committed to purchasing. He asked for the source of this amount.

Ms. Batey replied that \$2 million come from the Boeing Access Road project and \$900,000 from the Tukwila project. She stated that the Tukwila station property purchase came in under budget and extra funds from partners at the site were tapped. At the Boeing Access Road site, the station has not yet been designed; however, Link and Sounder are designing a combination station, which should result in cost savings for both sides.

Mr. Nickels sought confirmation that the monies are actually there to transfer.

Ms. Batey replied in the affirmative.

Mr. Miller stated his concerns regarding the transfer, especially the fact the Boeing Access Road has not yet even been sited; hence, the cost of station and the land remains purely speculative. He suggested staff develop a tracking system for cost transfers between budgets.

Mr. McKenna stated he was comfortable with the Tukwila situation, but not Boeing Access Road. Many variables are present that could pose a dilemma further down the funding road.

Mr. Nickels asked for a motion to amend the \$2.9 million as indicated in the revised document; Ms. Gates so moved.

Mr. McKenna suggested an amendment to include all changes in regards to underlining and strike-throughs in the resolution.

Mr. Miller asked that any future documents that were revised to be labeled substitute resolutions, which will be clearly marked and easier to adopt.

The motion to forward Resolution No. R99-13, as amended, with a do pass recommendation to the Board was carried unanimously by all members present.

Adjourn

The meeting was adjourned at 1:24 p.m.

Next Meeting

Thursday, July 1, 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.

Recorded by Mike Raines
Board Administration

ATTEST:

Greg Nickels
Finance Committee Chair

Marcia Walker
Board Administrator