

**Sound Transit  
Finance Committee Summary Minutes**

**April 20, 2000**

**Call to Order**

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

**Attendance**

|                             |                  |
|-----------------------------|------------------|
| (P) Greg Nickels, Chair     | (A) Ed Hansen    |
| (A) Rob McKenna, Vice Chair | (A) Kevin Phelps |
| (P) Jack Crawford           | (P) Jim White    |
| (P) Ann Kirk Davis          |                  |

**Report of the Chair**

Mr. Nickels announced that the committee had a quorum.

**Finance Director Report**

Mr. Hugh Simpson, Finance Director, reported that he had been working with Mr. Nickels to forecast agenda topics for the Finance Committee. He stated that the Committee would be seeing the following agenda topics during the month of May:

- ◆ Souder start-up
- ◆ Regional Mobility – discussion topic
- ◆ Grants Program Update
- ◆ First Quarter Investment Report
- ◆ Year-to-Date Financial Activity
- ◆ Contracts Reports

Mr. Simpson then introduced the topic of the 1999 Audit performed by Deloitte & Touche. He reminded the Committee that Deloitte & Touche had been competitively procured in 1997 to perform audits over a three-year period.

Mr. Brian McCartan, Finance and Budget Manager, referred committee members to a one-page sheet detailing 1999 Yearend Budget Status (copy on file).

Ms. Lori Tish, Deloitte & Touche, presented a report on the 1999 audit (copy on file). The final report will include an opinion on financial statements, federal compliance, national transit database-agreed upon procedures, and subarea equity. No reportable conditions in internal control have been noted. Ms. Tish went on to review the purpose of the audit, and indicated that the opinion will state that Sound Transit's financial statements conform with Generally Accepted Accounting Principles, or GAAP.

Finally, Ms. Tish indicated that no reportable conditions were found, and stated that Deloitte & Touche will be providing a letter to management but that there was nothing that needed reporting to the Board.

**Minutes of February 17, 2000 and March 2, 2000 Finance Committee Meetings**

It was moved by Ms. Davis, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that the minutes of the February 17 and March 2, 2000 Finance Committee Meetings be approved as presented.

**Motion No. M2000-33 – Authorizing the Executive Director to execute a Supplement to the City of Everett Memorandum of Agreement for Reimbursement of Everett Station Design Services in an amount not to exceed \$200,000**

Mr. Barry Hennelly, Project Manager for Sounder Commuter Rail, presented background information on the proposed motion (copy on file).

It was moved by Mr. Crawford, seconded by Mr. White and carried by the unanimous vote of all members present that Motion No. M2000-33 be approved as presented.

**Motion No. M2000-34 – Authorizing the Executive Director to execute a contract with the Burlington Northern Santa Fe Railway (BNSF) for Preliminary Engineering for \$1,900,000, with an option to add Final Design of Everett-to-Seattle railroad improvements for \$3,300,000, plus a 7% contingency account on both amounts, for a combined total not to exceed \$5,564,000**

Mr. Paul Price, Director of Sounder Commuter Rail, presented background information on the proposed motion (copy on file).

It was moved by Mr. White, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2000-34 be forwarded to the Board with a do-pass recommendation.

**Motion No. M2000-35 – Amending Resolution No. R99-22, to increase the approved expenditures under the Capital Agreement with the Burlington Northern Santa Fe Railway (BNSF) for track and facilities work on the Sounder Tacoma-to-Seattle line by \$85 million (reflecting a \$60 million grant from the Puget Sound Regional Council and approximately \$25 million in earned interest)**

Mr. Price announced that Sound Transit had reached final agreement with BNSF the day prior, and that following Board approval of Motion No. M2000-35, the agreement will be signed and Sound Transit will begin its 40-year relationship with the railroad. He then presented background information on proposed Motion No. M2000-35 (copy on file). Following the passage of Initiative 695 and the subsequent loss of \$60 million from WSDOT, the Board directed staff to renegotiate with BNSF to determine where savings and additional funds could be found to cover this loss. The Puget Sound Regional Council then took action to reprogram \$60 million to Sound Transit. He pointed out that the Board action in Resolution No. R99-22 allowed an agreement up to \$4.6 million per year with BNSF, and that the final agreement is for less than \$4 million per year.

Mr. Nickels congratulated staff and indicated he was very pleased with the work that had allowed this action to take place.

**It was moved by Mr. White, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2000-35 be presented to the Board with a do-pass recommendation.**

Mr. Nickels indicated that the Board should keep in mind that this action would be reflected as an increase in the budget. He stated that while that was technically true, it does not represent an increase in tax dollars, but rather an entrepreneurial effort to fill the loss of funds as a result of the passage of I-695.

**Discussion Items**

**On Call Services for Americans with Disabilities Act**

Ms. Agnes Govern, Director of Regional Express Bus, presented a discussion paper on the topic of on call services for accessibility, wayfinding, and Americans with Disabilities Act (copy on file). She stated that staff wanted to inform the Finance Committee of staff's plans to develop a roster of pre-qualified consultants to support Regional Express, Link Light Rail, and Sounder Commuter Rail in this effort. The action itself is within the Executive Director's authority.

Mr. Jim White stated his expectation that contractors who successfully bid on a project should get it right the first time. He indicated he was concerned about the need to "police" those contractors.

Ms. Govern responded that the consultants on the roster would be used only in cases where a business need really exists.

**Other Business**

None.

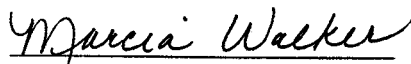
**Next Meeting**


The next Finance Committee meeting is scheduled for Thursday, May 4, 2000, from Noon to 2.

As there was no other business, the meeting was adjourned at 1:25.

Recorded by Amy Ebersole  
Board Coordinator

ATTEST:

  
Marcia Walker  
Marcia Walker  
Board Administrator

  
Greg Nickels  
Finance Committee Chair