

**Sound Transit
Finance Committee Summary Minutes**

July 20, 2000

Call to Order

The meeting was called to order at 12:13 p.m. by Committee Chair Greg Nickels.

Attendance

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

Report of the Chair

Mr. Nickels reported that he had participated in the trip to Washington DC to visit with the Congressional delegation and the Federal Transit Administration in preparation for the submittal of the Full Funding Grant Agreement (FFGA). He said that the FFGA should be submitted to Congress within the next two weeks, followed by a 60-day comment period. He indicated that he heard of no substantial issues during his visit to DC.

Finance Director's Report

Mr. Brian McCartan, Finance and Budget Manager, indicated that the FFGA process requires a financial capacity review. He gave an summary of the review.

Lease-to-service transaction for commuter rail cars and locomotives

Mr. McCartan introduced Mr. Murphy McCalley of McCalley Consulting, stating that ST has hired McCalley Consulting and Capstar LLC as co-lease advisors. He stated that staff was seeking guidance from the committee on whether or not to proceed toward a lease-to-service transaction, indicating that staff would return with a motion for authorization to execute a lease-to-service contract.

Mr. Nickels clarified that Sound Transit sought the necessary legislative authority to utilize lease-to-service transactions.

Mr. McCartan agreed, adding that King County and the State of Washington have used this type of transaction in the past.

Mr. Phelps indicated that the question is more the level of risk Sound Transit decides to take on, rather than whether or not to proceed. He stated that he'd like the Finance Committee to give some direction to the staff on the level of risk.

Mr. Nickels agreed that staff should begin putting the instruments together to enter into the transaction and check back with the Finance Committee on the level of risk prior to asking for action on the transaction itself.

Action Items

Items within Finance Committee Authority

Minutes of June 15, 2000, Finance Committee Meeting

It was moved by Mr. Crawford, seconded by Mr. White and carried by the unanimous vote of all members present that the minutes of the June 15, 2000, Finance Committee meeting be approved as presented.

Motion No. M2000-57 - Authorizing the Executive Director to extend the contract with Wackenhut Corporation for temporary private security services through September 30, 2000, at a cost of \$194,000 for a total authorized amount not to exceed \$392,356

Mr. Jeff Benoit, Security Chief, presented background information on the proposed motion.

It was moved by Mr. Phelps, seconded by Mr. Crawford and carried by the unanimous vote of all members present that Motion No. M2000-57 be approved as presented.

Motion No. M2000-61 - Authorizing the Executive Director to execute a contract with Berger/Abam Engineers, Inc. for civil engineering final design services associated with the segment east of the Beacon Hill tunnel portal to the touchdown on Martin Luther King Jr. Way for the Central Link Light Rail Project for an amount of \$1,900,635 with a 15% contingency of \$285,095 for a total authorized amount not to exceed \$2,185,730

Mr. Bill Houppermans, Civil Engineering Manager, presented background information on the proposed motion. He stated that staff is recommending a 15% contingency because of station area design and transit-oriented development opportunities, but that Sound Transit is within budget for this contract.

Mr. White stated that he preferred a 10% contingency.

Mr. Nickels stated that the fact that the station is an aerial one makes it unique, and that it has much more impact than a station at-grade or in a tunnel. He stated that the 15% contingency was reasonable in this case.

It was moved by Mr. White and seconded by Mr. Crawford that Motion No. M2000-61 be approved.

It was moved by Mr. White, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2000-61 be amended to reflect a 10% contingency amount of \$190,064, for a total amount not to exceed \$2,090,699.

The motion to approve Motion No. M2000-61, as amended, was carried by the unanimous vote of all members present.

Motion No. M2000-62 - Authorizing the Executive Director to amend the contract with OTAK for civil final design services associated with the Tacoma Link Light Rail project. The action authorizes a contract amendment amount of \$359,337 for a new total authorized amount not to exceed \$3,822,501

Mr. Houppermans presented background information on the proposed motion and expressed his appreciation to Mr. Tibaldi, City of Tacoma Traffic Manager, stating that he has been very cooperative and that Sound Transit has seen some savings.

It was moved by Mr. Phelps, seconded by Mr. White and carried by the unanimous vote of all

members present that Motion No. M2000-62 be approved as presented.

Motion No. M2000-63 - Authorizing the Executive Director to amend a contract with URS Greiner Woodward Clyde for on-call environmental for the Tacoma Link Light Rail project for an amount of \$132,935 with a 10% contingency of \$13,293, for a new total authorized amount not to exceed \$346,228

Mr. Houppermans presented background information on the proposed motion (copy on file).

It was moved by Mr. Phelps, seconded by Mr. White, and carried by the unanimous vote of all members present that Motion No. M2000-63 be approved as presented.

Motion No. M2000-64 - Authorizing the Executive Director to execute a contract with Ron Wright and associates for \$232,000 with a 10% contingency reserve of \$23,200 for preliminary and final design for a passenger bus shelter and weather protection system for Regional Express facilities for a total authorized contract amount not to exceed \$255,200

Ms. Linda Smith, Community Connections Project Manager, presented background information to the Committee.

Mr. Nickels asked if the Finance Committee or the Board would have an opportunity to review potential designs.

Ms. Smith responded that members would have that opportunity.

It was moved by Mr. McKenna, seconded by Mr. Phelps and carried by the unanimous vote of all members present that Motion No. M2000-64 be approved as presented.

Motion No. M2000-59 – Authorizing the Executive Director to amend the contract with Marsh USA for insurance brokerage services by extending the contract period until September 30, 2001, at an additional cost not to exceed \$200,000, and by increasing the scope of work to include development, placement, and oversight of an Owner Controlled Insurance Program (OCIP) for all Sound Transit construction projects, in an amount not to exceed \$430,000, for a total additional amount not to exceed \$630,000

Mr. Dale Wydman, Risk Manager, presented background to the motion.

It was moved by Mr. McKenna, seconded by Mr. Phelps and carried by the unanimous vote of all members present that Motion No. M2000-59 be approved as presented.

Items for Recommendation to the Board

Substitute Motion No. M2000-56 - Moving the two-year demonstration project for a Trans-Lake Washington ferry service to the 2001 budget and capital plan and directing staff to continue evaluation of the feasibility of this demonstration project in 2001

Mr. Nickels indicated that the original staff recommendation, Motion No. M2000-56, and the Substitute Motion No. M2000-56 were before the Finance Committee at the last meeting. At that time, members deferred action until the next meeting. In the meantime, the Executive Committee took action to recommend Board approval of the Substitute Motion No. M2000-56. Mr. Nickels suggested that the Finance Committee move the Substitute to the full Board without a recommendation.

Mr. Phelps urged the Committee to make a recommendation to the full Board.

Ms. Barbara Gilliland, Systems Integration Program Manager, and Mr. Tony Fuentes, Systems Integration Project Manager, presented background information to the Committee. Ms. Gilliland indicated that the

staff recommendation to date is to remove the existing placeholder for this project and to return to it as part of Phase II planning. The feasibility study conducted by Parametrix suggests that the feasibility of this project increases when the light rail project is completed.

Mr. McKenna asked why the study conducted by JJMA does not change the staff recommendation.

Mr. Fuentes responded that staff believes the JJMA study overlooked key issues surrounding scheduling, ridership, and operations costs.

Mr. Crawford indicated that he understood the Chair did not want to pursue a recommendation, but that he was opposed to the Substitute Motion.

Mr. Phelps agreed, stating that he supported the rowing community. He asked if the East King subarea felt strongly enough about this project to take funds out of that subarea instead of out of the Research and Technology Fund.

Mr. McKenna responded that the City of Kirkland has spoken in favor of the project, but that he has heard no other comments.

Mr. Nickels stated that he was supportive of passenger ferry service, pointing out that the Elliot Bay water taxi has been very successful, serving 600 people per day. He stated that he would express the Committee's skepticism at the Board meeting.

Mr. Crawford asked if the Committee could give a "do not pass" recommendation.

Mr. Phelps suggested that the Committee could take action on the original staff recommendation, Motion No. M2000-56.

It was moved by Mr. Crawford and seconded by Mr. Phelps that the Finance Committee recommend Board approval of the original staff recommendation, Motion No. M2000-56. Mr. Nickels read the motion into the record:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that:

1. The existing placeholder in the 2000 Budget and Capital Plan for the proposed Lake Washington Ferry Pilot Project be removed.
2. The related unanticipated tax revenues from the East King County subarea, \$5.6 million (YOES), will be made available for other agency priorities consistent with the agency's policy for programming unanticipated subarea revenues.
3. Sound Transit staff will reevaluate the feasibility of a Lake Washington Ferry service as a part of Phase II of the Regional Transit Plan.

The motion to recommend Board approval of Motion No. M2000-56 was carried by the unanimous vote of all members present.

Motion No. M2000-60 - Approving an increase in the contract contingency fund for Contract Number RTA/CR 55-99 with Magnolia Contractors, Inc., for construction of the Sounder Commuter Rail Station in Auburn in the amount of \$543,514, (12.7% of the original contract value of \$4,274,950) for a new total contract value not to exceed \$5,459,706

Mr. Bob Sundin, Sounder Construction Program Manager, presented background information on the

proposed motion.

Mr. Crawford noted that the proposed contingency was 12.7%, and indicated that he thought it would be 10%.

In response to a question from Mr. White about the expected contribution from the City of Auburn, Mr. Sundin indicated that they were still in negotiations.

The Finance Committee directed staff to return to the Finance Committee with a specific budget strategy for garages in Kent and Auburn.

Motion No. M2000-65 - Authorizing the Executive Director to execute a Memorandum of Agreement (MOA) with the City of Lynnwood establishing roles and responsibilities as related to Sound Transit's \$2.5 million (YOES) funding contribution toward construction of the SR-99 Improvements Project

The motion was deferred until the next Finance Committee meeting on August 3, 2000.

Motion No. M2000-66 - Authorizing the Executive Director execute agreements to provide up to \$15 million of Sound Transit local funds, including \$3.35 million of Research and Technology funds, to local jurisdictions and transit agencies to complete projects directly relating to Sound Move with repayment from future federal funds or other funding sources


The motion was deferred until the next Finance Committee meeting on August 3, 2000.

Next Meeting

Thursday, August 3, 2000, from 12:00 to 2:00 p.m. in the Union Station Board Room, 401 South Jackson Street, Seattle, Washington.


Adjourn

As there was no other business, the meeting was adjourned at 2:04 p.m.



Greg Nickels
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator