

**Sound Transit
Finance Committee Summary Minutes**

September 21, 2000

Call to Order

The meeting was called to order at 12:10 p.m. by Committee Chair Greg Nickels.

Attendance

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

Guest: Mary Gates

Report of the Chair

None.

Executive Director's Proposed 2001 Budget Report

Mr. Bob White stated that Sound Transit was moving ahead. He highlighted that Sounder was running, ST Express had added 13 new routes, and the Federal Transit Administration had transmitted to Congress a \$500 million Full Funding Grant Agreement for Central Link Light Rail. Mr. White stated that the year 2001 would be a real turning point for Sound Transit. Residents throughout Central Puget Sound will see the agency's first big year of construction for all three lines of service; they will experience a full year of riding Sounder Commuter Rail trains from Tacoma to Seattle and ST Express buses throughout King, Pierce, and Snohomish counties.

He stated that themes of construction and service are found throughout the draft 2001 budget and by the end of 2001, Sound Transit will be one-third complete based on the percent of total expenditures.

The 2001 Budget demonstrates the Board's ability to respond to the communities and changing conditions. All departments at Sound Transit had been directed to tighten their operating budgets and to reassess their capital spending plans for 2001. At the suggestion of the Citizen Oversight Panel, agency-wide efforts were put in place to contain costs.

Mr. White ended his report by stating that the budget themes for 2001 will be Service, Construction, and Communities.

Hugh Simpson and Brian McCartan, Budget Manager, discussed the schedule, the process that was started in March, the upcoming Finance Committee workshop, background on the budget policies, and the budget system.

Action Items

Minutes of August 3, 2000, Finance Committee Meeting

It was moved by Mr. Crawford, seconded by Mr. McKenna, and carried by the unanimous vote of all members present that the minutes of the August 3, 2000, Finance Committee meeting be approved as presented.

Motion No. M2000-86 – Authorizing Change Order No. 1 to contract RTA/CR 44-98 with Raul V. Bravo & Associates (Bravo) in an amount not to exceed \$1,052,358. Contract RTA/CR 44-98, with an original value not to exceed \$1,944,250, provided Quality Control, Quality Assurance, and Inspection services for Sound Transit's original order of 38 commuter rail passenger coaches and six locomotives. Change order No. 1 will extend these services to the already Board-approved Sounder Commuter Rail vehicle options of 20 additional passenger coaches and five locomotives and will increase the contract value to an amount not to exceed \$2,996,608

Mr. Noel Peck, Program Manager, gave an overview of the motion.

It was moved by Mr. Crawford, seconded by Mr. Hansen, and carried by the unanimous vote of all members present that Motion No. M2000-86 be approved as presented.

Motion No. M2000-91 - Authorizing the Executive Director to execute a contract with Hewitt Architects for architectural, landscape design and urban design services for Northgate and Roosevelt Stations in the Central Link Light Rail project. The action establishes a contract amount of \$3,355,000, with a 10% contingency of \$335,500, for total authorized amount not to exceed \$3,690,500

Mr. Paul Bay, Director of Link Light Rail, stated that Motion No. M2000-91 would approve the architectural work for the Northgate segment for preliminary engineering and final design. Mr. Bay stated that during the past few weeks, it had been concluded to slow down the work on preliminary engineering pending a resolution of the alignment. Therefore, the preliminary design would be done for only one station at 65th since there would only be one station at this location after the Board makes their selection. He added that work at Northgate would need to proceed to keep pace with the efforts underway by the City of Seattle and King County Metro in connection with the Northgate location. As a result, the budget on page three of the background paper in the motion was incorrect. He stated that he was looking for approval of \$3.2 million, including the contingency, rather than the \$3.69 million shown on the motion.

Mr. Nickels clarified that the motion should read:

“The action establishes a contract amount of \$2,910,000, including a 10 percent contingency of \$290,000 for a total authorized amount not to exceed \$3,200,000.”

It was moved by Mr. McKenna and seconded by Mr. Crawford that Motion No. M2000-91 be approved as amended.

Mr. McKenna asked if there is shelf life for this work.

Mr. Bay answered that realistically it would probably be three to five years.

The motion to approve Motion No. M2000-91 carried by the unanimous vote of all members present.

Motion No. M2000-92 - Authorizing the Executive Director to execute a contract with Loomis, Fargo & Co. for revenue servicing for Sounder Commuter Rail's ticket vending machines and ticket office machines for a total amount not to exceed \$500,000

Mr. Simpson stated that the contract was for revenue servicing for the Sounder operations including transportation of cash, managing ticket and receipt stock replacement, removal and replacement of coin in bill vaults, cash counting, and bank deposits. He noted that since this was cash and ticket stock, efforts have been taken to ensure internal control processes were in place and would pass state audit.

Mr. Hansen stated his concern that there was only one response to the nine requests for proposal that were sent out.

Mr. Simpson explained that in most transit organizations, the ticket servicing side of the contract was done by staff rather than by an armored car service. Sound Transit advised the bidders that this would be part of the contract. Loomis went back to their business model and came up with a process.

Mr. Crawford mentioned that the Motion did not reference the three-year period of time specified in the staff report.

Mr. Nickels clarified that Motion No. M2000-92 would read:

"A Motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with Loomis, Fargo & Co. for revenue servicing for Sounder Commuter Rail's ticket vending machines and ticket office machines for a total amount not to exceed \$500,000, for a three-year period."

It was moved by Mr. Crawford, seconded by Mr. Hansen, and carried by the unanimous vote of all members present that Motion No. M2000-92 be approved as amended.

Motion No. M2000-93 - Authorizing the Executive Director to execute a contract with Modern Transit Constructors (MTC) for conceptual engineering of a large number of design options for the design-build tunnel, with the aim of identifying and evaluating the potential cost-savings for each option. The action establishes a not-to-exceed contract amount of \$1.8 million

Mr. Bay and Mr. Dick Sage, Construction Manager for the north tunnel, briefed the Committee on the motion. Mr. Bay stated that the motion would authorize approval of funds to pay Modern Transit Constructor for conceptual engineering of a large number of design options for the design-build tunnel.

Mr. Nickels clarified that Sound Transit would be jointly exploring potential cost saving concepts with Modern Transit Constructors in the process of negotiating a contract for construction of the tunnel. He added that the value of the cost savings was potentially higher than what was being suggested Sound Transit spend on the process.

It was moved by Mr. Hansen and seconded by Mr. Crawford that Motion No. M2000-93 be approved as presented.

Mr. McKenna asked if the work was not done by November, would that result in a delay of the Board being briefed on the Design Build tunnel in November.

Mr. Bob White replied that it could result in a delay. He stated that three issues needed to come before the Board as a package—the full funding grant agreement (FFGA), the design-build contract, and the plan of finance. He advised that staff was still working on the direction of the Board Chair and the Finance Committee Chair that a 30-day review period of all of these issues will take place.

Mr. McKenna expressed his concern of reviewing the three issues in 30 days. He stated that he felt the design-build contract should be reviewed in executive session. He asked to go on record stating his objection that staff was not planning to brief the Board on the design-build contract or the FFGA until November or December.

Mr. Nickels responded that the Finance Committee would periodically review the plan and keep up on the working assumptions. He added that his hope was that when the finance plan came before the committee in the context of the FFGA and the tunnel contract, members would have a basic working understanding of the finance plan. He mentioned that staff had briefed the Board members on the FFGA process.

Mr. McKenna requested that a timetable be put in writing for the Board.

Mr. White stated that staff would prepare a memo with a timetable and send it to the Board by the following Monday.

The motion to approve Motion No. M2000-93 was carried unanimously.

Motion No. M2000-76 – Approving the allocation of unanticipated east King County revenues in the 2001 Budget to provide \$30.5 million (YOES) to cover 1999 and 2000 Service Implementation Plans (SIPs), Regional Express Bus needs, and \$10 million to the I-405 at Bellevue Direct Access Project

Ms. Govern gave a briefing on the motion. She stated that both Motion No. M2000-76 and Motion No. M2000-77 were affordable and consistent with the original plan.

Ms. Connie Marshall, Bellevue Deputy Mayor, addressed the Finance Committee. She stated that the project was critical for improvement of travel in and out of downtown Bellevue.

It was moved by Mr. McKenna and seconded by Mr. Crawford that Motion No. M2000-76 be approved as presented.

Mr. Crawford introduced an amendment to Motion No. M2000-76 for an additional \$8 million so that the motion would read \$18 million instead of \$10 million.

It was moved by Mr. Crawford and seconded by Mr. Hansen that Motion No. M2000-76 be revised to read “Approving the allocation of unanticipated east King County revenues in the 2001 Budget to provide \$30.5 million (YOES) to cover 1999 and 2000 Service Implementation Plans (SIPs), Regional Express Bus needs, and \$18 million to the I-405 at Bellevue Direct Access Project”.

The motion to amend Motion No. M2000-76 to add state “...and \$18 million to the I-405 at Bellevue Direct Access Project” was carried by the unanimous vote of all members present.

The motion to present the Board with a do-pass recommendation on Motion No. M2000-76 as amended was carried by the unanimous vote of all members present.

Motion No. M2000-77 – Reallocating \$18.6 million (1995\$) from the I-5 at 320th, I-5 at 272nd, and Star Lake/Other Federal Way Park-and-Ride Lot Improvements Projects to the Federal Way Transit Center/City Center Project to cover a funding shortfall in that project. This action will also rename three of these projects to better reflect current project scopes

Ms. Gates stated her support of the motion and explained that the City of Federal Way was contributing \$15 million toward the project.

It was moved by Mr. Hansen, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2000-77 be presented to the Board with a do-pass recommendation.

Discussion Items

Kent and Auburn Parking Garages

The Finance Committee deferred the presentation to the Finance Committee workshop on October 5, 2000.

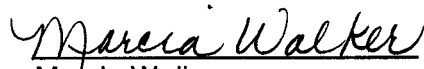
Next Meeting

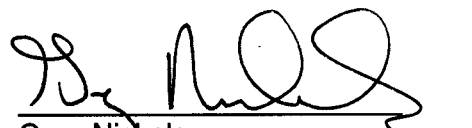
Thursday, October 5, 2000, from 12:00 to 2:00 p.m. in the Union Station Board Room, 401 South Jackson Street, Seattle, Washington.

Adjourn

As there was no other business, the meeting was adjourned at 2:05 p.m.

ATTEST:


Marcia Walker
Board Administrator


Greg Nickels
Finance Committee Chair