

**Sound Transit  
Finance Committee Summary Minutes**

**September 2, 1999**

**Call to Order**

The meeting was called to order at 12:05 p.m. by Committee Chair Greg Nickels.

**Attendance**

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

**Report of the Chair**

None.

**Citizen Oversight Panel Six-Month Evaluation**

Mr. Nickels introduced Mr. Reid Shockey, Chair of the Citizen Oversight Panel (COP), to give the panel's six-month evaluation.

Mr. Shockey began by saying that Diane Carlson, Vice Chair of the COP, was unable to be present. He stated that the major concern found by the panel was the regional vision and keeping Sound Transit (ST) on mission, on budget, and on schedule. Conveyed in the report, were the accomplishments of ST during the 1999 time period, as well as caution regarding issues that could halt progress of the mission the voters had approved back in 1995. Mr. Shockey went over the achievements during the first six months of 199 and added that the agency staff was viewed by the COP as meeting the demand and expectations despite strenuous conditions.

Mr. Shockey noted some of the COP's concerns and cautions including board attendance and lack of quorums and the rise in administrative costs as the realization of the project comes to view. He mentioned the importance of achieving resolution on the Tukwilla issue.

In closing, he stated that overall the ST project was on track.

Mr. Nickels commended the COP with its scrutiny, thoughtfulness, commitment, and insight.

**Link Light Rail & Regional Express Budgets**

Mr. Paul Bay, Director of Link Light Rail, presented an update on the budget for Link Light Rail. He stated that the Tacoma Link final design began in late spring and was proceeding well. He added that a contract for the Tacoma vehicles would be brought to the committee for approval in the coming months. He advised that as of July 31, \$26 million had been expended with \$56 million expected to be spent by year-end. Mr. Bay commented that the planning and construction were slow to start, but were catching up and would be completed within the action plan, with final design beginning in October.

Mr. Nickels inquired as to the overall status of the project. He questioned how the figures regarding the federal, local, and land/real-estate dollars were looking like.

Mr. Bay indicated that there was a continuing concern with construction costs. He stated that it was currently a "sellers market" for construction companies which may mean deferring some aspects until later to keep the project within budget until the construction market looks more favorable.

Mr. Nickels expressed his belief that communities needed to see the progress of where their money was going.

Mr. Bay noted that future workshops would be held to inform the public.

Mr. Nickels made a request to be able to have more choices and have the information earlier.

Ms. Jan Henrikson, Director of Finance and Administration, remarked that she would provide more information regarding federal funding, local tax collections, and revenue forecasts so that board members would have the information necessary for more options and better decisions in advance.

Ms. Agnes Govern, Director of Regional Express, reported that Regional Express was on schedule. She stated that after September 19, half of the ST Express Route would be in service. She advised that this was made possible by the Board passing motions for fleet procurement, service and maintenance, and agreements with all transit services. She noted that the Transit Integration Group (a collection of the five participating transit agencies) was implementing customer and operation service. She stated that environmental and engineering decisions had allowed for construction and planing of the infrastructure over varied areas from Pacific Avenue and the Overlake overpass. She advised that the introduction of the Puget Pass would significantly help with the integration of all the transit systems.

Ms. Govern stated that another milestone was the Sound Transit fare policy. She reported that ten trips were funded by ST in February for a total of 36 trips in the Pierce Transit system, and ST continued to fund the 16 trips with King County Metro from Bellevue to Seattle. Ms. Govern advised that 74% of the budget was expected to be spent; no contingency would be spent. She stated that additional FTEs would be allocated to the year 2000 budget.

### **Finance Director Report**

#### **2000 Budget Process**

Ms. Henrikson explained that on September 16, the final budget message would be presented. She stated that examination of the departments and risk would be part of the financial planning effort and this would culminate in a Board retreat at the end of October. The Board consideration would be expected by November 18. She stated that she would welcome any questions or meetings with individual members during the coming weeks to clarify any budget/financial questions.

### **Action Items**

#### **Minutes of June 17, 1999, Finance Committee**

It was moved by Mr. Miller, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that the minutes of June 17, 1999, be approved as presented.

**Motion No. M99-57 - Authorizing the Executive Director to execute a Memorandum of Agreement with Community Transit to transfer \$2 million for capital investments in support of ST Express bus services and fleet to be operated and maintained by Community Transit**

Ms. Govern explained that money was allocated for maintenance facilities for the agencies that would be operating and maintaining the fleet. She stated that Community Transit had already made capital improvements to their maintenance facilities that would enable ST to operate out of their facilities. She asked that the dollars originally allocated be transferred to various upgrades to the buses over the next seven to eight years.

Mr. Nickels gave a hypothetical situation where Community Transit would cut their maintenance service and asked what would happen.

Ms. Govern explained that if such an event were to occur, ST would be refunded on a pro-rata basis as stipulated in the contract.

**It was moved by Ms. Gates, seconded by Mr. Miller, and carried by the unanimous vote of all members present that Motion No. M99-57 be approved as presented.**

**Motion No. M99-58 - Authorizing the Executive Director to execute a contract with Lumpkin General Contractor for construction of the Souder Sumner commuter rail station in the amount of \$3,580,700 plus a contingency amount of 10% (\$358,070) for a total amount not to exceed \$3,938,770**

Mr. John Hubbard, Project Manager, stated that there have been questions concerning a possible budget shortfall with the Sumner Station. He explained that there had been a lot of work with the Sumner community. The station is a basic station and is acceptable to the community. He proposed taking approximately \$1 million from the rather large contingency fund for the Tacoma Dome station and transferring it to the Sumner Station project. He explained that final design for the Tacoma Dome station has begun. The budget numbers were nearly completed and would allow this transfer of funds without detracting in any way from the Tacoma Dome station. In addition, funds would not be taken from any area outside of the Pierce County subarea.

**It was moved by Mr. Enslow, seconded by Mr. Miller, and carried by the unanimous vote of all members present that Motion No. M99-58 be approved as presented.**

**Motion No. M99-59 - Authorizing the Director to execute a contract for construction of the Souder Kent commuter rail station to Gary Merlino Construction Company, Inc. in the amount of \$3,178,395 plus a contingency amount of 15% (\$476,759) for a total amount not to exceed \$3,655,154**

Ms. Val Batey, Project Development Manager, announced that bids for the Kent station were opened on August 12. She stated that Merlino Construction Company was the lowest responsive and responsible bidder in the amount of \$3,178,395, plus a contingency amount of 15% for a total not to exceed \$3,655,154. She explained the contingency was larger because of varied environmental factors that were still unknown regarding demolition.

Mr. Nickels inquired to whether it was in budget and under the engineer's estimate.

Ms. Batey confirmed and noted that this is where they expected to be.

**It was moved by Ms. Gates and seconded by Mr. Miller that Motion No. M99-59 be approved as presented.**

Mr. Jim White, Mayor of Kent and ST Board member, stated his support for Merlino Construction.

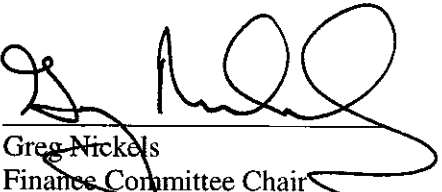
**Motion 99-59 was carried by the unanimous vote of all members present.**

**Adjourn**

As there was no other business, the meeting was adjourned at 1:23 p.m.

**Next Meeting**

Thursday, September 16, 1999 from Noon to 1:30 p.m. at the King County Council Chambers in the King County Courthouse, 516 Third Avenue, Seattle, Washington.



Greg Nickels  
Finance Committee Chair

ATTEST:

Marcia Walker  
Marcia Walker  
Board Administrator