

**Sound Transit  
Finance Committee Summary Minutes**

**September 16, 1999**

**Call to Order**

The meeting was called to order at 12:04 by Committee Chair Greg Nickels.

**Attendance**

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

**Report of the Chair**

Mr. Nickels explained the next few finance meetings would have their first hour dedicated to the budget and finance plan, and the last half-hour would be devoted to business items. He mentioned that ST express would be starting later in the week, with Link light rail and Sounder commuter rail projects would be gearing up next year. He noted that the handling of the 2000 budget would be a defining factor in how the projects proceeded.

**Finance Director Report**

Ms. Jan Hendrickson, Finance Director, advised the committee that there was a July progress report in their packets and that Sound Transit was on its way to meeting the 1999 budget plan. She mentioned that the committee members had also been given an assessment on Sound Transit's readiness to deal with Y2K (copies on file).

Mr. Bob White, Executive Director, thanked the committee and gave a brief overview of the history of Sound Transit's past budget. He stated that the ten-year budget is a compilation of hundreds of projects and services coming together for one system and that the year 2000 budget proposal was simply a snapshot of one piece of the whole puzzle. The budget points out important areas that the Board will need to focus on for related decisions over the next few months. He mentioned that as time goes by, the budget will rely more on financial policies, and as a result, the budget is something of a representation and interpretation of the policies. Mr. White advised that throughout the budget, three themes were focused on: customers, communication, and construction.

Mr. White briefly discussed each theme. Customers: He stated that beginning this week, ST Express will be delivered through contracts with local agencies for over 84,000 hours of annual transit service. He advised that a toll-free number was now in operation to allow customers to call and receive speedy information. Communication: Mr. White stated that communication with stakeholder groups, staff, partners, the financial department, and the public at large were being improved. Construction: He said that in the year 2000 Sound Transit would become a major construction management agency with the construction of seven commuter rail stations, additional stations, monitoring of railways, regional express projects, and beginning work on the Link Light Rail system.

Mr. McKenna stated his appreciation of the budget document and the way the information was presented and broken down. He questioned why the Central Link budget jumped from \$323 million to \$432 million and asked what accounted for the increase for the South King County area.

Mr. White pointed out that the primary changes were the alignment changes through the City of SeaTac and the service to the north air terminal. He stated that the budget reflected the rate and flow of federal funds, bonding, and local revenues. He said that staff needed to be able to identify the requirements from the Board and public that were given in February. For budgetary purposes, he advised that the packet included the numbers given by the committee.

Mr. McKenna asked if Mr. White could explain how those numbers came about.

Ms. Hendrickson explained that the department had developed an affordability test to see if the two subareas could fund the Central Link program. They used the federal funding assumption adopted as part of the motion for the locally preferred alternative, and then they developed a debt capacity for the two subareas based on their revenue forecast. She advised that that number was included in the 2000 budget, but would be updated following the November 18 decision.

### **Financial Plan**

Ms. Hendrickson explained what would be gone over in the Financial Plan for 2000. She stated that on October 14 a combined Finance Committee/Board workshop would be held to go over the 2000 budget. She noted that Sound Transit would become a transit operating agency on September 19, and that fair collections would result in an increase in revenue, as well as some expenses associated with those collections. Ms. Hendrickson stated that the revenue forecast of \$444 million for the year 2000 would mainly consist of excise and motor vehicle tax. She advised that the gross operating budget was at \$59 million for the year and stated that most of that consisted of debt service. Transit operations came in at \$47 million due to new initiatives, marketing, security, real-estate services, and others.

Mr. Nickels asked if the transit operations come out of the gross operating budget.

Ms. Hendrickson responded in the negative.

Mr. Nickels expanded on to note that the gross operating budget is not entirely inclusive of all operating costs. He stated that if transit operations were not included, then he felt it was not an accurate representation.

Ms. Hendrickson advised that the characterization would be changed.

Ms. Hendrickson covered the projected level of spending in the year 2000.

Mr. Nickels asked for Ms. Hendrickson to close there due to a lack of time, and noted that they would continue at their next meeting where they left off.

### **Minutes of July 1, 1999, Finance Committee**

**It was moved by Ms. Gates, seconded by Mr. Miller, and carried by the unanimous vote of all members present that the minutes of July 1, 1999 be approved as presented.**

**Motion No. M99-61 - Authorizing the Executive Director to execute a project agreement with the Washington State Department of Transportation (WSDOT) to conduct preliminary engineering and**

**environmental review/documentation services for HOV Direct Access at I-5 and 164th Street SW (Ash Way), in an amount not to exceed \$1,218,342 to complete the first phase of the project, including preliminary engineering and environmental review through 30%, and an additional contingency of \$31,646 is requested to be authorized to cover possible changes in the work, bringing the total amount being requested for approval to \$1,249,988**

Ms. Agnes Govern, Regional Express Director, gave background on the Ashway HOV direct exit project that would connect the Park & Ride lot with the inside HOV lanes and a ramp to and from the south for buses and carpools. She then gave a risk assessment. She stated that while the 1999 budget allocated 6%, the 2000 budget was looking at 10% for the allocation. She indicated that the project would still be within the budget ranges.

Mr. Miller asked what that extra 4% was for and where the extra money came from.

Ms. Govern explained that the funding came from the construction phase for the preliminary engineering and that it was believed that the project could be completed within the \$11 million allotted.

**It was moved by Mr. Miller, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Motion M99-61 be approved as presented.**

**Motion No. M99-62 - Amending the Environmental Services Consulting contract with Parametrix, Inc., for preparation of environmental studies for the Central and Tacoma light rail transit systems to provide for a contract increase in the amount of \$1,262,000, and authorizing an additional contingency reserve of \$253,000 (20%)**

Mr. Paul Bay, Link Light Rail Director, explained that Motion No. M99-62 would amend the contact with Parametrix for environmental services to provide an additional amount of money for contingency and completion of work. He stated three reasons for the change: (1) additional comments were asked resulting in drafting letters for the EIS taking longer than anticipated; (2) more alternatives have been identified since the time of the contact; and (3) made sense to utilize the environmental people on hand to help with appeals and other legal matters.

Mr. Miller asked Mr. Bay if the remaining \$16.5 million will be adequate for completion.

Mr. Bay affirmed that it would be adequate.

**Mr. Miller moved for, seconded by Mr. Enslow, and was carried by the unanimous vote of all members present that Motion M99-62 be forwarded to the Board with a do-pass recommendation.**

**Motion No. M99-63 - Authorizing the Executive Director to execute six separate contracts for professional services for architecture, landscaping and urban design services for the Central Link light rail project**

Mr. Bay gave the background of the motion stating that it was a proposed approval for six separate contracts for different services.

Mr. Nickels asked Mr. Bay to get come back with additional details of the level of participation of local businesses.

Mr. Miller asked that clarification on how the action would affect the budgetary level was requested for future motions.

The motion was held over for the next meeting on October 7, 1999.

**Motion No. M99-64 - Authorizing the Executive Director to execute a contract for three low-floor light rail vehicles with Inekon Group in the amount of \$7,547,907 plus a 10% contingency of \$816,932, as well as payment of Washington State Sales Tax of \$621,415**

Mr. Bay gave background on the three Tacoma link vehicles. He stated that staff had concluded that piggybacking on work by Portland Streetcar, Inc. would be the best way to purchase the vehicles.

Mr. Miller asked what would happen if the vehicles were leased from a leasing company. He requested to hold this motion until the next meeting.

The motion was held over for the next meeting on October 7, 1999.

**Motion No. M99-65 - Authorizing the Executive Director to execute a contract for Acquisition/Relocation/Project Management Services for Central Link Light Rail with Universal Field Services, Inc., in an amount not to exceed Twenty Five Million Dollars (\$25,000,000)**

Mr. John Goforth, Senior Real Estate Representative, asked for approval of a contract with Universal Field Services for the acquisition and relocation project management service for central link light rail. It would be a three-year term with two, one-year options for a total contract not to exceed \$25 million. He then gave background on how they came about this contract.

Mr. Miller asked for designation of regionality of the individual firms when the motion was presented again.

The motion was held over for the next meeting on October 7, 1999.

**Motion No. M99-66 - Authorizing the Executive Director to execute a contract change order on contract number RTA/CR 97b with Anil Verma Associates, Inc. for commuter rail station design services for the Sounder commuter rail station in Auburn, by increasing the contract amount by \$103,649 to a total of \$629,077, including \$9,423 in contingency**

Mr. Paul Price, Director of Sounder Commuter Rail, gave background of the motion.

Mr. Nickels noted that the amount was an order of magnitude above the contingency set aside, and asked if that was why the motion was before the Finance Committee.

Mr. Price affirmed.

**It was moved by Mr. Miller, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Motion M99-66 be approved as presented.**

**Motion No. M99-67- Authorizing the Executive Director to execute a change order to contract RTA/FA 20-98 for Environmental Assessment Services with Shannon & Wilson Inc, by extending the contract time an additional one year and increasing the amount of the contract by \$313,607, to a total contract amount of \$1,313,607**

Mr. Robert Sundin, Construction Program Manager, presented background to the motion. He noted that Shannon and Wilson, Inc. is 32% minority and plans to use 23% of minority firms in its change order.

**It was moved by Mr. Miller, seconded by Mr. McKenna, and carried by the unanimous vote of all members present that Motion M99-67 be approved as presented.**


**Next Meeting**


Thursday, October 7, 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.

**Adjourn**

As there was no further business, the meeting was adjourned at 1:35 p.m.

ATTEST:

  
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Marcia Walker  
Board Administrator

  
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Greg Nickels  
Finance Committee Chair