

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
October 5, 2006

Call to Order

The meeting was called to order at 12:03 p.m. by Chair Fred Butler in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Fred Butler, Issaquah Councilmember

Vice-Chair

(P) Julie Anderson, Tacoma Councilmember

(A) Mary-Alyce Burleigh, Kirkland Councilmember

(P) Dow Constantine, King Co. Councilmember

(P) Dave Enslow, Sumner Mayor

(P) Richard Marin, Edmonds Councilmember

(P) Richard McIver, Seattle Councilmember

(A) Pete von Reichbauer, King Co. Councilmember

Marcia Walker, Board Administrator, announced that a quorum of the committee was present at roll call.

Chair Butler announced that the committee will be discussing the action items first today, with the Chair and CFO reports and discussion items to follow.

Items within Finance Committee Authority for Final Action

Minutes of September 21, 2006 Finance Committee Meeting

It was moved by Board member Marin, seconded by Board member Anderson, and carried by the unanimous vote of all members present that the September 21, 2006 minutes be approved as presented.

Motion No. M2006-70 – Authorizing the Chief Executive Officer to execute an agreement with Seattle Housing Authority to reimburse Sound Transit for the betterments of Seattle Housing Authority facilities and environmental remediation costs as part of the light rail construction along Martin Luther King Jr. Way South, estimated at \$2,212,317.

Tony Raben, Construction Manager, presented the staff report. He answered a question from Board member McIver on the provisional sum, which is money budgeted for the project that would be reimbursed to Sound Transit once the actual costs are known and the work is done. Link Light Rail Director Ahmad Fazel confirmed that the money Sound Transit is receiving from Seattle Housing Authority is for reimbursements for work that was in the original contract scope.

Public Comment

None.

It was moved by Board member Marin, seconded by Board member Anderson, and carried by the unanimous vote of all members present that Motion No. M2006-70 be approved as presented.

Items for Recommendation to the Board

[Board member Enslow arrived at this time.]

Resolution No. M2006-18 – Authorizing the Chief Executive Officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement), condemnation litigation, or by administrative settlement, and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the Sounder Commuter Rail Mukilteo Station Project.

Don Vogt, Sr. Real Estate Representative, presented the staff report. In response to a question from Chair Butler, Capital Projects Director Agnes Govern stated that the goal was to get the north platform constructed so that service could be offered to residents as soon as possible. The south platform still needs work, mainly coordination with other agencies. Advertising for construction bids should go out soon, with service anticipated to begin around mid-2007.

It was moved by Board member Marin, seconded by Board member McIver, and carried by the unanimous vote of all members present that Resolution No. R2006-18 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2006-20 – (1) Authorizing the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement), by condemnation litigation, or by administrative settlement; and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the North Link - Roosevelt Station; and (2) amending the Adopted 2006 Budget to include acquisition of properties described in Exhibit A as an authorized use of the Regional Fund Contingency.

Roger Hansen, Real Estate Manager, presented the staff report. Budget Manager Pete Rogness answered Vice Chair Anderson's questions regarding remaining capacity in the regional fund. If this action is approved, there would be approximately \$2 million left in the fund after this transaction and two other transactions previously approved by the Board have been completed. The budget in the regional fund is a lifetime budget.

It was moved by Board member Marin, seconded by Board member Enslow, and carried by the unanimous vote of all members present that Resolution No. R2006-20 be forwarded to the Board with a do-pass recommendation.

Report of the Chair

None.

Chief Financial Officer's Report

Mr. McCartan announced that the agency's senior lien bonds (which are backed by sales and motor vehicle excise tax revenues) have been upgraded from double-A to a triple-A rating (the highest rating given by Standard & Poor's); the 2005 bonds, which are backed by sales tax revenues, were also raised to the double-A level. This translates to both lower borrowing and insurance costs for Sound Transit.

In response to a request from Chair Butler at an earlier Finance Committee meeting, Mr. McCartan then gave a presentation on how the agency calculates project costs and forecasts inflation. He emphasized the difficulty in trying to predict inflation rates in future years and discussed strategies for managing risk.

In response to a question from Vice Chair Anderson, Policy and Planning Director Paul Matsuoka provided the next steps for incorporating the new inflation forecasts into the ST2 scenarios. The work will be completed in early October – late November.

Discussion Items

2007 Budget

Transit Vision Budget

Mr. Matsuoka gave a presentation on the agency's 2007 transit vision budget. He mentioned that the agency was recently awarded a number of Homeland Security grants to provide additional security measures at various Sound Transit facilities. In order to take advantage of these grants, work will be focusing on implementing these security measures instead of the corridor technology initiative as originally planned in the budget. As a result, a budget amendment will be presented to the Board in a few weeks and work on the corridor technology initiative will be postponed about three to six months.

Among the other programs being proposed for funding include smart card implementation, East Link planning, and the election costs for ST2.

Service Delivery Budget

Marty Minkoff, Senior Special Projects Manager, Ellen Gustafson, Acting Director of Transportation Services, and David Huffaker, Financial Analyst, presented the 2007 Service Delivery Budget.

Mr. Minkoff noted that price proposals from each of Sound Transit's transit partners are due on October 31, 2006. These proposals will be incorporated into the Service Implementation Plan, which is scheduled for adoption on December 14, 2006.

Sounder's accomplishments in 2006 include: an increase of nearly 50% in ridership compared to 2005 and a decrease of nearly 25% in cost per boarding. In 2007, a fifth and sixth trip will be added in the south corridor, including the first "reverse commute" trip from Seattle to Tacoma in the morning and Tacoma to Seattle in the afternoon. Service to Mukilteo is expected to begin in the north corridor.

In response to Board member McIver's question about the mudslides along the north corridor earlier this year, Mr. Minkoff stated that Sound Transit does not pay BNSF for any trains that did not run. The committee also discussed the challenge of parking capacity at the train stations along the south corridor.

Ms. Gustafson discussed the Regional Express bus system. Among the accomplishments for 2006: ridership is up 10% and cost per boarding has decreased 7%. In addition, about \$200,000 has been saved on fuel costs due to a new midday bus storage program partnership. Among the enhancements planned for 2007 are the reopening of the Downtown Street Transit Tunnel and additional service to Federal Way, and between Seattle and Tacoma.

Regarding Tacoma Link, ridership continues to exceed 2010 forecasts, and on-time performance has exceeded 99%. Security camera enhancements have been added, as well as some special service for events at the Tacoma Dome. One of the challenges for the upcoming year is parking capacity at the Tacoma Dome station. The committee discussed possible strategies to accommodate the increased student population at the UW-Tacoma branch as well as redevelopment in the area that has resulted in additional condominiums and restaurants.

Vice Chair Anderson asked for a follow up report on ridership and consider including a sampling of increased hours over an extended period to show that ridership for Tacoma Link is increasing.

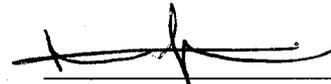
Ms. Gustafson then discussed the Mobility Implementation Plan and Capital Projects budgets.

Next Meeting:

Thursday, October 19, 2006, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

Adjourn

There was no other business; the meeting was adjourned at 2:10 p.m.



Fred Butler
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator