

**SOUND TRANSIT FINANCE COMMITTEE**  
**Summary Minutes**  
**May 17, 2007**

**Call to Order**

The meeting was called to order at 12:02 p.m. by Chair Pro-Tem Richard Marin in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

**Roll Call**

Chair

(A) Fred Butler, Issaquah Councilmember

Vice-Chair

(P) Julie Anderson, Tacoma Councilmember

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(P) Dow Constantine, King Co. Councilmember

(P) Dave Enslow, Sumner Mayor

(P) Richard Marin, Edmonds Councilmember

(A) Richard McIver, Seattle Councilmember

(A) Pete von Reichbauer, King Co. Councilmember

Jason Suzaka, Board Coordinator, announced that a quorum of the committee was present at roll call.

**Report of the Chair**

Chair Marin announced that the Audit and Reporting Subcommittee meeting is scheduled for Monday, June 4, 2007 from Noon to 2:00 p.m. in the Ruth Fisher Boardroom.

He also announced the committee will be working from a revised agenda; an executive session is scheduled and added to the agenda as item 5.

Chair Marin commented on the Central Link Oversight Committee meeting that was held earlier today. He reported on cost savings potentially realized through a number of value engineering studies performed on the University Link project.

**Chief Financial Officer's Report**

None.

**Executive Session**

At 12:06 p.m., Chair Marin announced that the committee would convene a 10-minute executive session pursuant to RCW 42.30.110 – to consider the sale of real estate.

Chair Marin reconvened the meeting at 12:15 p.m.

## **ST2 Financial Plan**

Chief Financial Officer Brian McCartan provided an update on the Sound Transit 2 (ST2) Financial Plan, which incorporates all of the amendments approved by the Board at its April 26, 2007 meeting. He explained that the long-term financial plan includes both Sound Move and ST2; the ST2 portion is derived by subtracting out the financial plan for Sound Move.

Mr. McCartan presented an updated ST2 Sources and Uses summary. He discussed the bonding and debt service planned for ST2, including that 41% of the capital costs will be financed by bonds. He presented a table that showed while 41% is slightly higher than what was used in Sound Move, it is within industry norms when compared to other transit programs around both the region and nation. He reported that the lifetime debt service for the agency (including both Sound Move and ST2) would be approximately \$21.5 billion, \$16.3 billion of which is related to ST2.

Office of Policy, Planning and Public Affairs Executive Director Ric Ilgenfritz and ST2 Program Manager David Beal summarized the results of the ST2 Benefit-Cost Evaluation that the agency is required to perform. Mr. Ilgenfritz reported that the Puget Sound Regional Council's (PSRC) Transportation Policy Board met last week and determined that the proposed ST2 plan is consistent with Destination 2030. The Transportation Policy Board also recommended that the PSRC Executive Board make a similar finding when the Executive Board meets next Thursday.

Mr. Beal described the measures used to evaluate the benefits/costs of the ST2 plan; net present value, economic rate of return, and benefit/cost ratio. He summarized that the ST2 plan is expected to provide more benefits than costs over time after the system is built out.

The committee discussed environmental benefits and how those might be calculated in the benefit/cost evaluation. The committee asked for factors that were considered, but not quantified and calculated in the analysis, such as reliability of travel time.

## **Items within Finance Committee Authority for Final Action**

Motion No. M2007-54 – Authorizing the chief executive officer to execute a contract with Bud Clary Chevrolet for the purchase of an initial fleet of seven non-revenue vehicles to support Central Link light rail operations and maintenance activities in the amount of \$203,625 plus \$18,123 in state sales tax, with a contingency of \$22,175, for a total authorized contract amount not to exceed \$243,923

Steve Procter, Link Systems Engineering Manager, presented the staff report. In response to a question from Board member Burleigh regarding policies on fuel efficiency, Chief Executive Officer Joni Earl advised that staff has begun an environmental sustainability initiative to examine all of the agency's internal policies.

The committee discussed the bid request for the non-revenue vehicles, which only one response was received. Mr. Procter advised that staff undertook an analysis and determined that the price was below the state purchase price for similar vehicles.

Public Comment

None.

**It was moved by Board member Enslow, seconded by Board member Burleigh, and carried by the unanimous vote of all members present that Motion No. M2007-54 be approved as presented.**

Motion No. M2007-53 – Authorizing the chief executive officer to execute Agreement GCA 3536 Task Order 18 with the Washington State Department of Transportation for final design services for the I-90 Two-way Transit and HOV Operations, Stage 2 Project in the amount of \$1,954,782 with a contingency of \$195,478, for a total authorized Task Order amount not to exceed \$2,150,260

Hank Howard, Capital Projects Project Manager, presented the staff report.

Ms. Earl advised that a letter was received on May 16, 2007 from WSDOT; the letter describes their strategy for addressing the design issues surrounding the Totem Lake project. Ms. Earl added that a meeting with WSDOT staff is scheduled to discuss strategic alignment issues and lessons learned.

Acting Capital Projects Director Jim Edwards advised that a consultant team under WSDOT's supervision will be providing the design services for the Stage 2 project.

The committee requested a briefing from the quality assurance team describing what the team does and their procedures. Ms. Earl mentioned the recent decision to re-organize and combine the safety, security, and quality assurance divisions into one group.

Public Comment

None.

**It was moved by Board member Burleigh, seconded by Board member Enslow, and carried by the unanimous vote of all members present that Motion No. M2007-53 be approved as presented.**

**Item for Recommendation to the Board**

Resolution No. R2007-08 – Authorizing the chief executive officer to execute a back-up purchase and sale agreement with the Korean Women's Association for the parcel located east adjacent to the Federal Way Transit Center for a proposed low-income senior housing transit-oriented development project

Vicki Youngs, Community Connections Manager, presented the staff report.

**It was moved by Board member Burleigh, seconded by Board member Anderson, and carried by the unanimous vote of all members present that Resolution No. R2007-08 be forwarded to the Board with a do-pass recommendation.**

**Other Business:**

Ms. Earl recognized the agency's finance and treasury staff for their excellent work on the ST2 financial plan. She also mentioned that the auditors were very pleased with staff in helping to obtain the necessary materials for performing the audit.

**Next Meeting:**

Thursday, June 7, 2007, 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 1:22 p.m.



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Fred Butler  
Finance Committee Chair

ATTEST:



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Jason Suzaka  
Board Coordinator