

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
July 3, 2008

Call to Order

The meeting was called to order at 12:06 p.m. by Chair Aaron Reardon in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Aaron Reardon, Snohomish County Executive.

Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(P) Richard Conlin, Seattle Council President

(P) Dave Enslow, Sumner Mayor

(P) Claudia Thomas, Lakewood 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 Reardon announced that the committee is working from a revised agenda. Motion No. M2008-64 and Resolution No. R2008-07 have been added to the agenda as items 5D and 5E, respectively.

Chief Financial Officer's Report

Budget Manager Pete Rogness announced that staff will be presenting the ST2 Financial Plan and underlying financial policies to the Finance Committee at the July 17, 2008 regular meeting.

Items within Finance Committee Authority for Final Action

Minutes of June 5, 2008 Finance Committee Meeting

It was moved by Boardmember Burleigh, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present that the June 5, 2008 minutes be approved as presented.

Motion No. M2008-59 – Authorizing the chief executive officer to execute a contract amendment with IKON Office Solutions for copier maintenance, lease and rental in the amount of \$617,000 for a new total authorized contract amount not to exceed \$1,200,000

Chief Information Officer Kevin Crawford and Creative Service Manager Jim Hammond presented the staff report. Mr. Crawford answered questions from committee members

regarding the increase in the amount of the contract, stating that thirteen new copiers and three copier upgrades have been added to the contract.

Committee members expressed concern that the committee was not informed once it was apparent the contract would go over the authorized amount.

Mr. Crawford reported the contract was recently assigned to the Information and Technology Division and he has analyzed the cost increases. He advised that it would be more expensive to pay an early contract termination penalty, rather than to execute a contract amendment to provide enough funding for the duration of the contract. He also advised that staff will be reviewing options to control and reduce costs and provide recommendations to the Finance Committee.

Vice Chair Butler asked that the proposed action be postponed to the next Finance Committee meeting in order for Mr. Crawford to perform more research on less expensive alternatives and make a recommendation.

It was moved by Vice Chair Butler, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-61 be postponed to the July 17, 2008 Finance Committee regular meeting.

Motion No. M2008-62 – Authorizing the chief executive officer to execute a one-year contract with one one-year option with JEM Contractors, Inc., to provide on-call construction and repair services for the Central Link Light Rail Initial Segment project in the amount of \$707,000, with a 10% contingency of \$70,700, for a total authorized contract amount not to exceed \$777,700

Link Deputy Director Joe Gildner presented the staff report. He advised that services will be procured based on the urgency of need (such as an emergency) and the type of task. He also confirmed for Vice Chair Butler that lessons learned from other on-call services contracts will be applied to this contract.

Public Comment

None.

It was moved by Boardmember Burleigh, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present that Motion No. M2008-62 be approved as presented.

Motion No. M2008-64 – Authorizing the chief executive officer to execute a contract with Recommend for the purchase of the Recommend eDiscovery Suite software and related implementation and maintenance services for an electronic discovery and email archiving solution for a total authorized contract amount not to exceed \$715,000, contingent upon Board approval of Resolution No. R2008-07

Resolution No. R2008-07 – (1) Amending the 2008 Administrative Capital lifetime and annual budget to provide an additional \$715,000 to procure Recommend Suite, software and related implementation services that will allow Sound Transit to meet state and federal electronic discovery and document preservation requirements; and (2) amending the 2008 Agency Staff budget to add \$100,000 to the Finance and Information Technology department for maintenance of the Recommend Suite and associated infrastructure

General Counsel Desmond Brown and Staff Attorney Loren Armstrong presented the staff reports. He answered questions from the committee regarding the impact on staff and maintenance fees, stating that the system is relatively easy to implement and use. The annual maintenance fee is \$90,000 for the first year with a small percentage increase afterward.

Mr. Armstrong advised that after speaking with a number of companies that use the software, the cost of the product often pays for itself in terms of saving staff time (in terms of document searching and indexing) and therefore money. Mr. Brown described the process and the amount of time the legal staff goes through in responding to public disclosure and discovery requests.

Public Comment

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It was moved by Boardmember Enslow, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-64 be approved as presented.

It was moved by Boardmember Burleigh, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present that Resolution No. R2008-07 be forwarded to the Board with a do-pass recommendation.

Items for Recommendation to the Board

Motion No. M2008-60 – Authorizing the chief executive officer to execute an agreement with the City of Tacoma to permit Sound Transit to construct track and signal improvements at the L Street Layover facility on Tacoma Rail's right of way to increase track capacity to store a fourth Sounder train

Project Development Coordinator Melissa Flores Saxe presented the staff report. In response to questions from Boardmember Enslow, she stated that the seventh and eighth Sounder trains in the south corridor are scheduled to launch in Fall 2008, with the ninth scheduled for operation beginning in Spring 2009.

It was moved by Boardmember Enslow, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-60 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-61 – Authorizing the chief executive officer to execute a three-year contract with two one-year options with Veolia Transportation, Inc. to operate and maintain Sound Transit express bus service between Everett and Bellevue for a total authorized contract amount not to exceed \$5,400,000

Service Planning and Development Program Manager Mike Bergman presented the staff report. In response to questions from Boardmember Burleigh, he stated that Veolia is a large multinational company that runs bus routes for a number of transit agencies across the nation. In addition, Veolia has taken over some paratransit service for King County Metro.

In response to a question from Boardmember Enslow, Mr. Bergman described the evaluation process and noted that there are penalties if Veolia does not perform to the standards stated in the contract.

The committee discussed a cost comparison between Veolia and Community Transit.

Transportation Services Director Bonnie Todd described the bus base capacity issues discussed between Sound Transit and Community Transit. Committee members expressed their disappointment in both parties' failure to reach an agreement. Chair Reardon expressed his disappointment that Veolia would not be using unionized employees and stated that he would not be supporting the proposed action.

It was moved by Vice Chair Butler and seconded by Boardmember Enslow to forward Motion No. M2008-61 to the Board with a do-pass recommendation.

The motion to forward Motion No. M2008-61 to the Board with a do-pass recommendation failed by a 3-3 vote, with Vice Chair Butler and Boardmembers Enslow and Thomas voting yes, and Chair Reardon and Boardmembers Burleigh and Conlin voting no.

Motion No. M2008-63 – Authorizing the chief executive officer to execute a contract with Parsons Brinckerhoff Incorporated to provide final design services for the D-to-M Street Track & Signal Project in the amount of \$9,903,882, with a 10% contingency of \$990,388, for a total authorized contract amount not to exceed \$10,894,270

Project Manager Mark Johnson presented the staff report. In response to questions from Chair Reardon regarding the cost overruns on the final design budget, Mr. Johnson provided background on the project; the original project was split into separate projects, one of which became the D-M Street project.

In response to questions from Vice Chair Butler regarding the budget shortfall, Capital Projects Director Jim Edwards described the funding strategy in which partners are being sought to provide additional funds, both at the state and federal levels. Mr. Edwards cited annual inflationary construction costs as to why staff is asking to move forward with final design, instead of waiting until full funding has been obtained for the construction. In addition, Sound Transit has committed to eventually providing Sounder commuter rail service to both South Tacoma and Lakewood.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-63 be forwarded to the Board with a do-pass recommendation.

Other Business

Ms. Thomas announced that she will be out of town and unable to attend the July 17, 2008 regular meeting.

Next Meeting

Thursday, July 17, 2008, 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 1:43 p.m.



Aaron Reardon
Finance Committee Chair

ATTEST:



Jason Suzaka
Board Coordinator