

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
September 4, 2008

Call to Order

The meeting was called to order at 12:00 p.m. by Vice Chair Fred Butler in the Concourse Room, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(A) Aaron Reardon, Snohomish County Executive

Vice Chair

(P) Fred Butler, Issaquah Deputy Council President

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) 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

Vice Chair Butler announced that the next Audit and Reporting Subcommittee meeting is scheduled for September 18, 2008 from 11:30 a.m. to 1:00 p.m. in the Ruth Fisher Boardroom. The Finance Committee meeting will begin at 1:30 p.m. instead of its regularly scheduled time of 12:00 p.m.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan announced that sales tax revenues for the month of August have been compiled; revenues appear to be 1% under budget.

Owner Controlled Insurance Program for University Link

Mr. McCartan provided background on an upcoming action, which is currently scheduled to be presented to the Finance Committee on September 18, 2008, with a possible recommendation for the Board to take action on September 25, 2008. Because of market timing issues, Mr. McCartan advised that this item may need to be expedited and presented to the Board for action at its September 11, 2008 meeting.

Risk Manager David Grenier gave the staff presentation. He described the three insurance options that staff analyzed for the University Link project: a traditional insurance program, a contractor controlled insurance program, and an owner controlled insurance program (OCIP). Staff will be recommending OCIP be used for University Link. Mr. Grenier also described some lessons learned from the current OCIP, which is currently being used for the Central Link Light Rail Initial Segment.

Mr. Grenier provided a proposed OCIP implementation schedule; the program would be released with the first University Link contract to be awarded later this year.

In response to a question from Boardmember Thomas, Mr. McCartan stated that the approach for using OCIP for future projects would be done on a case by case basis. Chief Executive Officer Joni Earl mentioned that staff consulted with the Association of General Contractors; they felt that OCIP would probably not be cost effective for small projects.

Mr. Grenier explained to the committee some of the advantages of using OCIP; they include: potentially less litigation, better management of claims and relationships with stakeholders, and improving the ability for small contractors to competitively bid on projects. He added that most of the cost savings will be attributed to the agency's ability to manage claims.

Mr. McCartan announced a correction to page 1 of the provided handout (on file with Board Administration): the project budget should read \$1.756 billion, not \$1.614 billion.

Proposed 2009 Budget

Mr. McCartan announced that the Chief Executive Officer would kick off the 2009 Budget process at the September 11, 2008 meeting. Budget books will be distributed at the September 18, 2008 Finance Committee meeting. A budget workshop is proposed for Thursday, October 2 at 10:30 a.m.; confirmation of this date and time will be announced.

Items within Finance Committee Authority for Final Action

Motion No. M2008-88 – Authorizing the chief executive officer to execute a one-year contract with four one-year options with Hadley Green Creates to provide advertising and media buying services for a total authorized contract amount not to exceed \$2,000,000

Marketing Manager Tim Healy presented the staff report. In response to a question from Boardmember Burleigh, Mr. Healy stated that the contract scope of work does include market research opportunities to determine the effectiveness of the agency's advertising programs.

In response to a question from Boardmember Enslow, Mr. Healy and Ms. Earl discussed how advertising will help the promotion of new and existing services, such as the startup of Link Light Rail and the ORCA smart card system, and how to access these services.

Public Comment (comments on file with Board Administration)

Will Knedlik
Paul W. Locke

It was moved by Boardmember Enslow, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-88 be approved as presented.

Motion No. M2008-89 – Authorizing the chief executive officer to execute a one-year contract with two one-year options with Fuller Electric to provide on-call construction and repair services for the Central Link Light Rail Initial Segment project in the amount of \$318,000, with a 10% contingency of \$32,000, for a total authorized contract amount not to exceed \$350,000

Link Deputy Executive Director Joe Gildner introduced Acting Systems Engineering Manager Gene Overly to the committee and presented the staff report. He spoke about the single bid that was received, and explained the contract is for on-call services. Therefore, the agency could not guarantee contractors a specific amount of work.

In response to questions from committee members, Mr. Gildner stated that Fuller Electric has done work in the past as a subcontractor for Sound Transit. He also explained how this contracting approach provides opportunities for small and disadvantaged businesses to work on the Link Light Rail project.

Public Comment

None.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-89 be approved as presented.

Next Meeting:

Thursday, September 18, 2008, 1:30 p.m. to 3:30 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

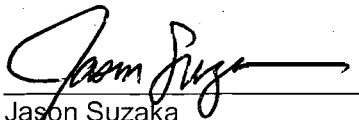
Adjourn

There was no other business; the meeting was adjourned at 1:05 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Jason Suzaka
Board Coordinator