

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
September 18, 2008

Call to Order

The meeting was called to order at 1:34 p.m. by Vice Chair Fred Butler in the Ruth Fisher Boardroom, 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 Audit and Reporting Subcommittee met earlier in the morning. He reported that staff gave a presentation on steps the agency is taking in dealing with the problems in the financial markets.

Chief Financial Officer's Report

None.

Discussion Item – Proposed 2009 Budget

Budget Manager Pete Rogness presented the Proposed 2009 Budget, giving a brief overview. He also presented a budget review schedule; which includes a possible budget workshop in October, public hearing, briefings, and the 2009 Financial Plan. The budget would be scheduled for adoption in November or December 2008.

Items within Finance Committee Authority for Final Action

Minutes of August 21, 2008 Finance Committee Meeting

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that the August 21, 2008 minutes be approved as presented.

Minutes of September 4, 2008 Finance Committee Meeting

It was moved by Boardmember Enslow, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that the September 4, 2008 minutes be approved as presented.

Motion No. M2008-91 – Authorizing the chief executive officer to 1) reimburse the City of Newcastle for actual costs of the final design and construction phases of the Newcastle Transit Center project and 2) amend the agreement with the City of Newcastle to extend the timeline for completion of the project from 3rd Quarter 2009 to 1st Quarter 2010

Project Manager Fred Wilhelm presented the staff report.

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. M2008-91 be approved as presented.

Motion No. M2008-92 – Authorizing the chief executive officer to execute an agreement with King County to purchase and install a new radio communications system for Sound Transit's Express bus fleet operated by King County for a total authorized contract amount not to exceed \$2,700,000

Bus Operations Manager John May presented the staff report. In response to questions from Boardmember Enslow, Mr. May described how the new communications system works and how it will improve communications between the bus drivers and dispatch center. He also provided additional details on the funding agreement between Sound Transit and King County.

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. M2008-92 be approved as presented.

Motion No. M2008-94 – Authorizing the chief executive officer to execute a contract with the King County Directors' Association under the existing Interstate Associate Membership Agreement to procure modular buildings in the amount of \$1,061,503, with a 10% contingency of \$106,150, for a total authorized amount not to exceed \$1,167,653

Link Construction Manager Henry Cody presented the staff report. He added that the modular buildings will be owned by the University of Washington.

Public Comment

None.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-94 be approved as presented.

Items for Recommendation to the Board

Motion No. M2008-95 – Authorizing the chief executive officer to implement an Owner Controlled Insurance Program for University Link by entering into all necessary agreements and contracts with selected insurance companies through Sound Transit's insurance broker, in an amount not to exceed \$21 million for the initial term

Risk Manager David Grenier presented the staff report. Mr. McCartan added that the maximum initial term of these policies is five years; he advised that if market conditions or the project scope changes, it is possible that staff may have to seek additional funding authority from the Board as the initial term expiration date approaches. He also advised that one of the insurance companies which submitted a bid is Lexington, a subsidiary of AIG; AIG has been in recent news regarding its financial difficulties.

In response to a question from Vice Chair Butler regarding Lexington, Mr. Grenier advised that AIG's property/casualty insurance business is very solvent. After speaking with a number of colleagues in the risk management and insurance industries, he felt confident that in the unlikely event that AIG would need to divest its property/casualty insurance companies, a number of companies would be willing to pick up those assets.

It was moved by Boardmember Enslow, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-95 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-93 – Authorizing the chief executive officer to execute a sole source agreement with the Capitol Hill Chamber of Commerce to administer Capitol Hill Station construction business mitigation programs for the University Link project in the amount of \$610,000, with a 10% contingency of \$61,000, for a total authorized agreement amount not to exceed \$671,000

University Link Deputy Project Director Ron Endlich and Link Community Outreach Manager Brooke Belman presented the staff report. Mr. Endlich described the types of technical assistance local businesses will receive as part of the proposed mitigation agreement with the Capitol Hill Chamber of Commerce; they include seminars and individual consulting on skills such as bookkeeping, inventory management, marketing, and customer service. Ms. Earl added that the mitigation assistance programs were developed out of lessons learned from construction on Tacoma Link and the Central Link Light Rail Initial Segment. The agreement also gives flexibility to tailor the program to customers' needs.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-93 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-87 – Authorizing the chief executive officer to execute a cooperative and funding agreement with the Washington State Department of Transportation for an amount not to exceed \$9.5 million. WSDOT will reimburse Sound Transit to incorporate elements of WSDOT's Point Defiance Bypass Project in the Sounder M Street-to-Lakewood Track & Signal Project construction package

Rail Program Manager Eric Beckman and Project Manager Jodi Mitchell presented the staff report. They provided a background history of the agreement and WSDOT's funding contribution towards the project.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-87 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, October 2, 2008, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

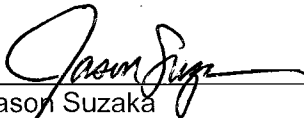
Adjourn

There was no other business; the meeting was adjourned at 2:45 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Jason Suzaka
Board Coordinator