

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
September 17, 2009

Call to Order

The meeting was called to order at 1:34 p.m. by Committee Chair Aaron Reardon in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Aaron Reardon, Snohomish County Executive

Vice Chairs

(P) Fred Butler, Issaquah Deputy Council President

Boardmembers

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(P) Richard Conlin, Seattle Council President

(A) Dave Enslow, Sumner Mayor

(P) Joe Marine, Mukilteo Mayor

(P) Claudia Thomas, Lakewood Councilmember

(A) Pete von Reichbauer, King Co. Councilmember

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

Report of the Chair

None.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan announced that on September 16, 2009 the Board authorized the sale of three bond series, one tax-exempt and two taxable. The final interest rate for all three bonds combined on a total of \$400 million was 3.545% after the government subsidy. \$23 million in bonds were also refunded as part of the action and saved the agency \$2.5 million.

Desmond Brown, Legal Council, reviewed a lawsuit that was served to Sound Transit by Will Knedlik before the Board took action on the bonds at the September 16, 2009 Board meeting. He noted that the lawsuit challenges the authority of the agency to issue bonds. The allegations are similar to two other lawsuits that Mr. Knedlik served earlier. The lawsuit claims there is a \$800 million limit on long term debt, but the actual limitations on borrowing are 1% of the assessed property value of the region, which the agency has not reached.

Discussion Item

First Hill Streetcar

Greg Walker, Chief Policy & Planning Officer explained that the First Hill Streetcar connector line was selected by the Board for further study as a replacement for the First Hill Station on the University Link light rail line that could not be constructed. The line would connect the International District station and the Capitol Hill station via the employment centers on First Hill.

An agreement is being negotiated with the City of Seattle where the city will undertake the construction and all related risks, with Sound Transit making a capped contribution of \$120 million to construct the project, and \$5.2 million in operating and maintenance costs per year. The project will be taken through preliminary engineering and final design for which Sound Transit will contribute \$5.4 million. The Board will be considering a budget amendment later in the meeting to establish the project budget. Once the agreement is finalized it will be brought to the Board for consideration.

Items within Finance Committee Authority for Final Action

Minutes of September 3, 2009 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 September 3, 2009 minutes be approved as presented.

Motion No. M2009-80 – Authorizing the chief executive officer to execute a contract with SCI Infrastructure, to provide construction services for civil small works within the Central Link Initial Segment project in the amount of \$616,000, with a contingency of \$61,600, for a total authorized contract amount not to exceed \$677,600.

John Sleavin, Civil Engineering Manager, presented the staff report; he noted that SCI Infrastructure's bid is 17% below the engineer's estimate.

Public Comment

None.

It was moved by Boardmember Butler, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2009-80 be approved as presented.

Motion No. M2009-70 – Authorizing the chief executive officer to execute a contract amendment with INCA Engineers, Inc. to provide additional design support services during construction for the Kirkland Transit Center/3rd Project, in the amount of \$80,910, with a 10% contingency of \$8,090, totaling \$89,000, for a new total authorized contact amount not to exceed \$2,851,812.

Barry Alavi, Project Manager, presented the staff report.

Public Comment

None.

It was moved by Boardmember Butler, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2009-70 be approved as presented.

Items for Recommendation to the Board

Resolution No. R2009-19 – Amending the Adopted 2009 Budget.

Pete Rogness, Budget Manager, presented the staff report.

It was moved by Boardmember Butler, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Resolution No. R2009-19 be forwarded to the Board with a do-pass recommendation.

Motion No. M2009-82 – Authorizing the chief executive officer to execute a contract with Bayley Construction Company to provide construction services for the Kirkland Transit Center/3rd Project in the amount of \$5,976,179, with a 10% contingency of \$597,618, for a total authorized contract amount not to exceed \$6,573,797.

Carol Rhodes presented the staff report. Boardmember Burleigh spoke in favor of the action and thanked Sound Transit staff for working with the Kirkland community.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2009-82 be forwarded to the Board with a do-pass recommendation.

Motion No. M2009-81 – Authorizing the chief executive officer to provide funding for the construction phase of the SR 522 HOV Enhancement Project pursuant to the 2006 agreement with the City of Bothell in the amount of \$5,290,362, for a total authorized amount not to exceed \$7,735,906.

Julian Franco, Project Development Coordinator, presented the staff report. Mr. Franco explained that construction bids are scheduled for the 4th Quarter of 2009. The City of Bothell will cover costs that exceed Sound Transit's capped contribution. If cost savings are realized during the construction, the additional money will be used as reimbursement to the city for earlier phases that exceeded the capped contribution; any remaining savings will be split by Sound Transit and the City of Bothell.

It was moved by Boardmember Butler, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2009-81 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, October 1, 2009, 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 2:15 p.m.


Aaron Reardon
Finance Committee Chair

ATTEST:


Katie Flores
Board Coordinator