

## **SOUND TRANSIT BOARD MEETING**

### **Summary Minutes**

**December 17, 2015**

### **CALL TO ORDER**

The meeting was called to order at 1:36 p.m. by Chair Dow Constantine, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

### **ROLL CALL**

#### Chair

(P) Dow Constantine, King County Executive

#### Vice Chairs

(P) Paul Roberts, Everett Councilmember

(P) Marilyn Strickland, City of Tacoma Mayor

#### Boardmembers

(P) Claudia Balducci, City of Bellevue Mayor

(P) Fred Butler, City of Issaquah Mayor

(A) Dave Earling, City of Edmonds Mayor

(P) David Enslow, City of Sumner Mayor

(P) John Lovick, Snohomish County Executive

(P) John Marchione, City of Redmond Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Joe McDermott, King County Council Vice Chair

(P) Mary Moss, Lakewood Councilmember

(P) Ed Murray, City of Seattle Mayor

(P) Mike O'Brien, Seattle Councilmember

(P) Larry Phillips, King County Council Chair

(P) Amy Scarton, WSDOT Assistant Secretary of  
Community and Economic Development

(P) Dave Upthegrove, King County Councilmember

(A) Peter von Reichbauer, King County  
Councilmember

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

### **REPORT OF THE CHAIR**

#### Boardmembers' Requests to Participate via Teleconference

Vice Chair Strickland and Boardmember von Reichbauer have asked to participate in the meeting by phone. The Board Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

**It was moved by Boardmember McDermott, seconded by Boardmember O'Brien, and carried by unanimous vote that Boardmembers Strickland and von Reichbauer be allowed to participate in the Board meeting by telephone.**

#### Revised Agenda

Chair Constantine announced that there was a revision to the agenda. Item 8.F., Motion No. M2015-126, will not be considered at the meeting.

#### Recognition of Outgoing Boardmembers

Chair Constantine recognized Boardmembers John Lovick and Larry Phillips who are leaving the Sound Transit Board.

Boardmember Lovick served on the Sound Transit Board since June 2013. While on the Board, he served on the Executive Committee and the Audit and Reporting Subcommittee. Mr. Lovick thanked the Boardmembers and commented that it was an honor to serve on the Board.

Boardmember Phillips joined the Sound Transit Board in January 2004. He served on several committees of the Board including the Capital Committee and the Executive Committee. He also served as Chair and Vice Chair of the Audit and Reporting Committee and as Chair of the Central Link Oversight Committee.

Mr. Phillips stated that it had been a tremendous opportunity to serve on the Sound Transit Board and watch the build out of transit to increase mobilization around the communities.

## **CHIEF EXECUTIVE OFFICER'S REPORT**

### Gift Drive for the International District

Mike Harbour, Acting CEO, reported that Sound Transit staff participated in the annual gift drive for the International District. This year staff provided over 250 gifts to elders in need of necessities. Sound Transit has participated in the event for 14 years.

## **REPORTS TO THE BOARD**

### ST3 Update

Ric Ilgenfritz, PEPD Executive Director, and Karen Kitsis, Planning and Development Manager presented the update.

Mr. Ilgenfritz stated that since the staff reviewed the ST3 candidate projects with the Board on December 3, they have been actively working with Boardmembers and jurisdictional partners. There have been requests for additional information on the following projects:

- East side light rail between Bellevue, Totem Lake, and Issaquah: Sound Transit received a request to look further at segmentation of that corridor for a phased implementation. In addition, at the eastern end of the corridor, the representative alignment should reflect that it would attempt to serve and compliment the Issaquah plan.
- North – Lynnwood to Everett corridor: There are three primary alternatives for completing the light rail spine with a significant cost different between those alternatives. The Snohomish delegation is interested in pursuing potential scope refinements to the Payne Field alternative to address the cost delta.
- Tacoma Light Rail Extension: The Pierce delegation is interested in reducing the costs of extending Tacoma Link to Tacoma Community College.
- Renton Transit Center: The City of Renton has requested looking at an alternate location for the Renton transit center. The city has a candidate project at North 8th with a direct access ramp and they have asked Sound Transit to look at an alternative location further south.

### South 200th Link Extension Briefing

Mr. Miles Haupt, Executive Project Director, and Jon Mikhels, Project Architect, provided the briefing. The project is 86 percent complete overall and is trending \$40 million under budget. Pre-revenue service is scheduled for late spring 2016 and revenue service will begin in fall 2016.

The top risks include delays in securing permits and certificate of occupancy, integrating and commissioning the various system and station components, and system integration testing for rail activation.

## **PUBLIC COMMENT**

Alex Zimmerman, Stand UP America  
Paul W. Locke  
Will Knedlik  
Dick Falkenbury

## **CONSENT AGENDA**

Voucher Certifications for October and November 2015.

Minutes of the October 22, 2015, Board Meeting.

Motion No. M2015-117: Adopting the Sound Transit 2016 State Legislative Program and directing staff to evaluate and engage in issues that impact the agency as it continues to successfully implement the regional high-capacity transit system.

Motion No. M2015-116: Authorizes the chief executive officer to exercise the option to extend the agreement with the National Railroad Passenger Corporation (Amtrak) for a one-year term for the continued maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$18,377,778 for a new total authorized amount not to exceed \$208,117,012.

Motion No. M2015-122: Authorizes the chief executive officer to (1) execute the Second Restated Land Bank Agreement with the Washington State Department of Transportation amending the 2003 Restated Land Bank Agreement; and (2) execute new cooperative lease agreements and temporary construction cooperative lease agreements; and (3) execute cooperative lease agreements to replace existing airspace leases, all under the terms of the Second Restated Land Bank Agreement.

Motion No. M2015-123: Authorizing the chief executive officer to execute a contract amendment with HDR Engineering, Inc. to provide construction management consultant services for the construction phase of the Bellevue segment of the East Link Extension in the amount of \$97,409,091, with a 10% contingency of \$9,740,909, totaling \$107,150,000, for a new total authorized contract amount not to exceed \$110,940,000.

**It was moved by Boardmember Moss, seconded by Boardmember Lovick, and carried by unanimous vote that the consent agenda be approved as presented.**

## **BUSINESS ITEMS**

Nomination and Election of the Sound Transit Board Chair and two Vice Chairs.

Chair Constantine announced that the Board's rules and operating procedures require the Washington State Department of Transportation Secretary to chair the meeting for the purposes of the election. He called for the Board to vote to allow the rules to be suspended to allow Amy Scarton, alternate for Secretary Lynn Peterson, to chair the election.

**It was moved by Boardmember Marchione, seconded by Boardmember Lovick, and carried by unanimous vote of 15 members present that the rules be temporarily suspended to allow Amy Scarton to preside over the election.**

Ms. Scarton announced that the Executive Committee did not hold a November meeting, so the Board must suspend the rules to elect officers. Resolution No. 1-1 prescribes that the rules may be temporarily suspended by an affirmative vote of two-thirds of the Board members in attendance, to facilitate consideration of an action by the Board in the event of emergencies or other special circumstances.

**It was moved by Boardmember Butler, seconded by Boardmember Lovick, and carried by unanimous vote of 15 members present that the rules be temporarily suspended to allow the election of officers at the December Board meeting.**

Ms. Scarton noted that the Board's rules do not specify the method of nominating officers and proposed that the Board use the "nominations from the floor" method in accordance with past practice.

**It was moved by Boardmember Butler, seconded by Boardmember Marchione, and carried by unanimous vote that the "nominations from the floor" method of nominating be used today.**

Ms. Scarton reminded Boardmembers that the Board Chair and Vice Chairs must be from different counties and are elected by majority vote of the Board.

Ms. Scarton asked for nominations for Board Chair. Boardmember Butler nominated Dow Constantine as Chair of the Sound Transit Board. Chair Constantine confirmed that he is willing to serve as Board chair but asked that the rules be suspended to allow him to serve a one-year term, enabling him to add continuity to the ST3 program. There were no further nominations. The nominations for Board Chair were closed by Ms. Scarton.

**It was moved by Chair Constantine, seconded by Boardmember Butler, and carried by unanimous vote of 15 members present to suspend the rules, thereby allowing Mr. Constantine to serve a one-year term as Chair.**

Ms. Scarton asked for nominations for Board Vice Chair from Snohomish County. Boardmember Lovick nominated Paul Roberts as Board Vice Chair. Vice Chair Roberts confirmed that he is willing to serve again as Board Vice-Chair. There were no further nominations. The nominations for Board Vice Chair from Snohomish County were closed by Ms. Scarton.

**It was moved by Boardmember Roberts, seconded by Boardmember O'Brien, and carried by unanimous vote of 15 members present to suspend the rules to allow the two Vice Chairs to serve a one-year term to match with the Chair's term.**

Ms. Scarton asked for nominations for Board Vice Chair from Pierce County. Boardmember McCarthy nominated Marilyn Strickland as Board Vice Chair. Vice Chair Strickland confirmed that she is willing to serve again as Board Vice-Chair. There were no further nominations. The nominations for Board Vice Chair from Pierce County were closed by Ms. Scarton.

Ms. Scarton asked for a single vote on the three nominees.

**It was moved by Boardmember Marchione, seconded by Boardmember O'Brien, and carried by unanimous vote of all members present to elect Dow Constantine as Board Chair and Paul Roberts and Marilyn Strickland as Board Vice Chairs for a one-year term beginning January 1, 2016.**

Resolution No. R2015-32: Adopting an Asset Management Policy and superseding Resolution No. R2007-26.

Chair Constantine stated that the Executive Committee took action to recommend adoption of an Asset Management Policy and supersede the Board's previous policy. The new policy will create a 40-year rolling forecast for these costs with six years of funding in the Transit Improvement Plan. The revision will reduce net borrowing costs compared with the current policy.

The policy requires continuing to meet or exceed the Federal Transit Administration's State of Good Repair and other regulatory requirements as well as environmental, safety, and customer service standards.

The policy requires that Sound Transit maintains at least \$300 million in a Capital Replacement Reserve to fund unexpected capital replacement and that the 40-year forecast be independently assessed at least every five years.

**It was moved by Boardmember Moss, seconded by Vice Chair Roberts, and carried by unanimous vote that Resolution No. R2015-32 be approved as presented.**

Resolution No. R2015-33: (1) Amending the Adopted 2015 Budget by (a) increasing the lifetime capital budget for the Tacoma Link Expansion project by \$25,216,229 from \$7,785,771 to \$33,002,000 and (b) increases the 2015 Annual Budget by \$478,257 from \$3,225,500 to \$3,703,757; and (2) authorizing the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Fred Butler, Capital Committee Chair, spoke to the item forwarded by the Capital Committee. In November, the Board selected the Tacoma Link Expansion project to be built. This action increases the Tacoma Link Expansion project lifetime capital budget and adjusts the annual budget levels for Agency Administration, Preliminary Engineering, and Right-of-Way phases. The action also authorizes the project to advance through Gate 4 within Sound Transit's Phase Gate process.

**Resolution No. R2015-33 was moved by Boardmember McCarthy and seconded by Boardmember Butler.**

Chair Constantine noted that amending the budget requires a 2/3 majority vote of the Board, which is 12 members. He called for a roll call vote.

**Ayes**

Dow Constantine  
 Claudia Balducci  
 Fred Butler  
 Dave Enslow  
 John Lovick  
 John Marchione  
 Pat McCarthy  
 Joe McDermott

**Nays**

Mary Moss  
 Ed Murray  
 Mike O'Brien  
 Larry Phillips  
 Paul Roberts  
 Marilyn Strickland  
 Dave Upthegrove

**It was carried by the unanimous vote of 15 Boardmembers that Resolution No. R2015-33 be approved as presented.**

Resolution No. R2015-34: (1) Amending the 2015 Adopted Budget by (a) increasing the lifetime capital budget for the Operations and Maintenance Satellite Facility Project by \$96,799,895 from \$36,828,105 to \$133,628,000 and (b) decreasing the 2015 Annual budget by \$2,182,397 from \$6,672,645 to \$4,490,248; and (2) authorizing the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Fred Butler, Capital Committee Chair, spoke to the item forwarded by the Capital Committee. In October, the Board selected the Operations and Maintenance Satellite Facility project to be built. This action increases the project lifetime budget and decreases the 2015 annual budget to fund Right-of-Way acquisition. The action adjusts the annual budget levels for Agency Administration, Third Party, Right-of-Way, and Construction Services phases. The action also authorizes the project to advance through Gate 4 within Sound Transit's Phase Gate process.

**Resolution No. R2015-34 was moved by Boardmember Butler and seconded by Boardmember Marchione.**

Chair Constantine noted that amending the budget requires a 2/3 majority vote of the Board, which is 12 members. He called for a roll call vote.

**Ayes**

Dow Constantine  
 Claudia Balducci  
 Fred Butler  
 Dave Enslow  
 John Lovick  
 John Marchione  
 Pat McCarthy  
 Joe McDermott

**Nays**

Mary Moss  
 Ed Murray  
 Mike O'Brien  
 Larry Phillips  
 Paul Roberts  
 Marilyn Strickland  
 Dave Upthegrove

**It was carried by the unanimous vote of 15 Boardmembers that Resolution No. R2015-34 be approved as presented.**

Mr. McCartan provided clarification on the difference between the Lifetime Budget and the Financial Plan. He explained that in the early stages of a project, the total project cost is estimated. The estimated amount is added to the Financial Plan as a placeholder. At difference stages of the project, the Board is asked for approval to fund a phase of the project; this creates the Lifetime Budget. During the project lifetime, the Board will approve each phase until it ultimately equals the amount set aside in the Financial Plan.

Mr. McCartan agreed to revise the Budget section of the staff report to communicate clearly the difference between Lifetime Budget, the estimated budget, and when the project cost goes over or under the original estimation.

Resolution No. R2015-35: Authorizing the chief executive officer to acquire or lease certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Operations and Maintenance Satellite Facility Project.

Boardmember Butler stated that the action authorizes the acquisition of eight properties and one temporary construction easement that have been identified for the Operations and Maintenance Satellite Facility. The properties are needed for construction of the facility.

**It was moved by Boardmember Butler, seconded by Boardmember Balducci, and carried by unanimous vote that Resolution No. R2015-35 be approved as presented.**

Resolution No. R2015-36: Adopting an annual budget and transit improvement plan for the period from January 1 through December 31, 2016.

**Resolution No. R2015-36 was moved by Boardmember Butler and seconded by Boardmember Roberts.**

Chair Constantine stated that the Board began review of the 2016 Budget in September. The Capital Committee and Operations and Administration Committee reviewed their portions of the budget in October, November, and December and the Executive Committee reviewed the Finance Plan in December. In December the Capital Committee and Operations and Administration Committee considered amendments to their portions of the budget and acted to forward those to the Board.

Vice Chair Roberts commented that at the Operations and Administration Committee meeting in December, eight amendments were reviewed and recommended to the proposed budget. The amendments were related to medical benefits, rail insurance premiums, staff support and office space, Sounder and security costs, and a correction for administrative overhead rates.

Boardmember Butler stated that the Capital Committee reviewed 12 amendments to the Project Delivery portion of the budget and Transit Improvement Plan as well as 15 cashflow changes. Following discussion by the committee members, it was decided not to act on Amendment C-3 to create a new project for ST Express Fleet Expansion and to bring it to the full Board for consideration.

Mr. McCartan presented Amendment C-3. He stated that the amendment would fund the expansion of the ST Express bus fleet by 27 buses to support added peak service hours. The total amendment is for \$26,185,555. The budget includes additional service hours that will complete the commitment to the voters for new service under ST2. This amendment is for the buses to go with the service hours and will be paid through additional agency bonding capacity.

Amendment C-3: Amending the budget by \$26,184,555 to create a new ST Express Fleet Expansion project to fund expansion of the ST Express bus fleet by 27 buses to support added peak service hours.

**It was moved by Boardmember Balducci, seconded by Boardmember Butler, and carried by unanimous vote that Amendment C-3 be approved as an amendment to the Proposed 2016 Budget.**

Chair Constantine noted that adopting the 2016 Budget requires a 2/3 majority vote of the Board, which is 12 members. He called for a roll call vote.

**Ayes**

Dow Constantine  
Claudia Balducci  
Fred Butler  
Dave Enslow  
John Lovick  
John Marchione  
Pat McCarthy  
Joe McDermott

**Nays**

Mary Moss  
Ed Murray  
Mike O'Brien  
Larry Phillips  
Paul Roberts  
Marilyn Strickland  
Dave Upthegrove

It was carried by the unanimous vote of 15 Boardmembers that Resolution No. R2015-36 be approved as amended.

## **EXECUTIVE SESSION**

At 2:55 p.m., Chair Constantine announced that the Board would convene an executive session that would last 10 minutes. Desmond Brown, General Counsel, announced that the executive session is authorized under RCW 42.30.110 subsection (g) and RCW 42.30.140 subsection (4.a). Chair Constantine noted that the Board will consider further actions following the executive session.

At 3:05 p.m., the executive session was extended 10 minutes.

At 3:15 p.m., the executive session was extended 5 minutes.

Chair Constantine reconvened the meeting at 3:20 p.m.

Motion No. M2015-125: Approving an agreement to employ Peter M. Rogoff as the Sound Transit Chief Executive Officer and naming Joan M. Earl as Sound Transit's chief executive officer emeritus.

Chair Constantine advised the Board that at the November Executive Committee, the Board appointed Peter M. Rogoff as Sound Transit Chief Executive Officer and authorized Chair Constantine to negotiate an employment agreement for up to three years with Mr. Rogoff. The agreement is contingent upon Board approval by a supermajority vote. Motion No. M2015-125 outlines the basic terms and also names Joan M. Earl as Sound Transit's Chief Executive Officer Emeritus.

**Motion No. M2015-125 was moved by Boardmember Moss and seconded by Boardmember Lovick.**

Chair Constantine stated that the agreement requires a 2/3 majority vote of the Board, which is 12 members. He called for a roll call vote.

### **Ayes**

Dow Constantine  
Claudia Balducci  
Fred Butler  
Dave Enslow  
John Lovick  
John Marchione  
Pat McCarthy

### **Nays**

Joe McDermott  
Mary Moss  
Ed Murray  
Mike O'Brien  
Larry Phillips  
Paul Roberts  
Dave Upthegrove

**It was carried by the unanimous vote of 14 Boardmembers that Motion No. M2015-125 be approved as presented.**

Motion No. M2015-127: Establishing annual compensation for Acting Chief Executive Officer Michael Harbour.

**Motion No. M2015-127 was moved by Boardmember Butler and seconded by Boardmember O'Brien with a 3.5% increase to Michael Harbour's annual base salary (equal to \$230,522), and a performance award of \$5,000 based on job performance and achievement objectives for 2014- 2015.**

Boardmembers stated their appreciation to Mike Harbour for his work as Acting Chief Executive Officer. His steady leadership has moved the agency forward during the CEO's absence.

**It was carried by unanimous vote that Motion No. M2015-127 be approved as presented.**

## **OTHER BUSINESS**

None

**NEXT MEETING**

Thursday, January 28, 2016  
1:30 to 4:00 p.m.  
Ruth Fisher Boardroom

**ADJOURN**

The meeting adjourned at 3:31 p.m.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator

APPROVED on February 25, 2016 JE