

**Regional Transit Authority
Finance Committee Meeting
Meeting Highlights**

December 4, 1997

Call to Order

12:27 by Committee Chair Greg Nickels.

Attendance

(P) Greg Nickels, Chair	(P) Paul Miller
(P) Mary Gates, Vice Chair	(A) Sid Morrison
(A) Ed Hansen	(A) Norm Rice
(P) Rob McKenna	(P) Cynthia Sullivan

Report of the Chair

None.

Finance Director Report

Ms. Hendrickson gave a brief report on Contracts Awarded in 1997 from her memorandum to the Finance Committee dated November 25, 1997 (copy on file).

Ms. Hendrickson also outlined the "Financial Status Report of the Director of Finance and Administration" (copy on file). She emphasized that 63% of revenues for the 1997 budget had been achieved and MVET and sales tax revenues are exceeding adopted budget figures. Year-to-date expenses are \$5.47 million, and 23% of the total 1997 adopted budget has been expended.

Motion No. 51 – Establishing an economic development budget and calling for an Economic Development Program to be developed in 1998

Contact: Paul Matsuoka, Deputy Executive Director, at 684-6761

Mr. Matsuoka referred to his original memo that was mailed to the Finance and Executive Committee members on November 25, 1997 (copy on file). He pointed out revisions to Motion No. 51 (copy on file) stating that the new proposal would establish a budget and call for a program to be developed in 1998 as opposed to adopting a strategy and establishing a pilot grants program.

It was moved by Mr. Miller, seconded by Ms. Sullivan and carried by a unanimous vote of all members present that Motion No. 51 be forwarded to the Executive Committee with a do-pass recommendation.

Resolution No. 101 – Adopting an annual budget for the period January 1 to December 31, 1998.

Contact: Brian McCartan, Finance/Budget Manager, at 684-1603

Mr. McCartan gave a brief outline of the addenda to the proposed 1998 budget.

Committee members discussed proposed 1998 budget addendum 14, which stated:

Add \$250,000 to each of the operating budgets of the regional Express, Link Light rail and Sounder commuter rail departments for costs related to interlocal agreements, unless such costs are already provided for in the departments operating budget. The net budgetary impact would be an increase of up to \$750,000 in the RTA's gross operating budget. These costs would largely be allocated to capital project costs.

Mr. Miller suggested that addendum 14 be revised because costs related to interlocal agreements are reflected in the Sounder Commuter Rail department budget:

Add \$250,000 to each of the operating budgets of the Regional Express and Link Light Rail departments for costs related to interlocal agreements. The net budgetary impact would be an increase of up to \$500,000 in the RTA's gross operating budget. These costs would largely be allocated to capital project costs.

Committee members made the following comments regarding addendum 14:

Mr. Miller indicated that the RTA should allow provisions for direct costs related to RTA's services, but that it becomes much less clear that the RTA should make provisions when the RTA is causing changes in existing transit agencies' service. He cautioned staff to draw clear lines via the interlocal agreement process, and to be very cautious about where those lines are drawn.

Ms. Sullivan stated that people voted for an integrated system, which sends the message that the transit agencies need to change their way of thinking. RTA changes should not be in addition to the transit agencies' existing work, but should represent a changed way of thinking about the region's service.

Mr. McKenna indicated that the idea is to save money by maximizing the efficient use of resources. This action should not result in a net budgetary increase for the RTA, but should reflect that the RTA has avoided a cost. He indicated that King County's budget for 1998 includes some FTE's for service planning, and that the assumption is that these are for reimbursement of costs directly allocable to RTA work. He indicated that the dollars reflected in addendum 14, however, should be viewed as money for unforeseen work; otherwise, it should already be included in the present budgets.

Ms. Gates indicated that she would support addendum 14 but wanted to voice her concern that staff will need to make sure that the work performed by staff of other jurisdictions is good, quality work. The RTA has less control of the quality, timeliness, and cost of work performed by other jurisdictions' staff.

It was moved by Mr. Miller, seconded by Ms. Sullivan and carried by a unanimous vote of all members present that Resolution No. 101 and all 14 Addenda, with revisions to Addendum #14, be forwarded to the full board with a do-pass recommendation.

Resolution No. 100 – Adopting proposed changes to the existing qualified retirement 401 (a) plan and the deferred compensation 457 plan

Contact: Hugh Simpson, Controller/Treasurer, at 684-1717

Mr. Simpson gave a brief description of the proposed resolution, which would make the following changes to the existing qualified retirement 401(a) plan and the deferred compensation 457 plan: change the required employee contribution allocation per revised tax law, allow employees to direct investment of the employer's contribution portion, lower the retirement age from 60 to 55, and allow 100% vesting at retirement age regardless of years of service. The background and comments to the proposed resolution are on file.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by a unanimous vote of all members present that Resolution No. 100 be sent to the full board with a do-pass recommendation.

Next Meeting

Thursday, January 15, 1997 from 12:00 to 1:30 p.m. on the 10th floor of the King Courthouse, 516 Third Avenue, Seattle, WA.

As there was no other business, the meeting was adjourned at 1:12 p.m.

Recorded by Bernie Wagar
Board Administrative Assistant