

**Regional Transit Authority
Finance Committee
Meeting Highlights**

February 5, 1998

Call to Order

12:05 by Committee Chair Greg Nickels.

Attendance

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

Report of the Chair

Mr. Nickels announced that the committee was not expecting a quorum.

Finance Director Report

Contact: Jan Hendrickson, Director of Finance and Administration, at (206) 689-3148

Ms. Hendrickson referred committee members to a report of proposed contract awards by the Executive Committee (copy on file).

Ms. Hendrickson reported that Deloitte & Touche, who has been awarded a contract for audit services, would begin field work on Tuesday, February 10. In March, they will begin work with the Citizen Oversight Panel so the Panel can conclude its evaluation of the RTA's 1997 performance.

Ms. Hendrickson noted that staff has initiated the procurement process for the rest of the financing team, which will include underwriting and a financial advisor.

Ms. Hendrickson then updated the committee on legislative events:

- ◆ Staff is continuing to track the Republican revenue package. The bill would put a cap on the depreciation schedule for calculating the motor vehicle excise tax (MVET), and would have a \$1.5 million effect on RTA revenues. Ms. Hendrickson indicated that staff has shared those concerns, but has made it clear that the RTA does support a revenue package.
- ◆ Testimony is taking place on a House bill requiring the RTA to purchase its rolling stock from Washington State corporations. The bill could jeopardize the RTA's ability to get federal funding. Ms. Hendrickson indicated that the RTA had already received a letter from the Federal Transit Administration (FTA) stating that local preferences were not acceptable from the federal standpoint. A hearing on a companion bill in the House is scheduled for February 10.

Ms. Hendrickson reported that staff is in the process of implementing a new interim financial management system to replace Peachtree. The new system will allow the board to review more comprehensive financial reports.

Motion No. 48 – Authorizing the Executive Director to execute a contract for bond counsel and disclosure counsel services

Contact: Jan Hendrickson, Director of Finance and Administration, at (206) 689-3148

Because there was no quorum at this meeting, the committee could not take formal action on this item. However, committee members present indicated they were comfortable moving the motion forward for Executive Committee action.

Resolution No. 98-2 – Authorizing a contract with the firm Parametrix, Inc. to provide environmental review work for LINK Light Rail Transit System

Contact: Valerie Rosenkrantz, LRT Project Development Manager, at (206) 689-3542

Ms. Rosenkrantz and Mr. James Irish, LRT Senior Environmental Analyst, presented the highlights of the proposed contract to the committee.

Because there was no quorum at this meeting, the committee could not take formal action on this item. However, committee members present indicated they were comfortable with the resolution going to the full board for consideration.

Executive Director White asked the committee for feedback regarding how much information the board would like to see for contract approval.

Mr. Miller pointed out that the background and comment sheets that accompany resolutions and motions are getting more refined as time passes, and are providing most of the information that the board needs re: contracts. He stated that an executive summary of the larger contracts would be sufficient, giving individual board members the opportunity to request additional information.

Budget Guidelines/Policies

Contact: Brian McCartan, Finance and Budget Manager, at (206) 684-1603

Mr. McCartan reviewed the draft budget policies with the committee (copy on file).

Committee members indicated that in principle, the draft policies make sense. The test will be to see how they work in practice.

RTA Long-term Headquarters Location

Contact: Bob White, Executive Director, at (206) 684-1627

Executive Director White introduced the topic by discussing the three lines of business' opportunities for co-location with maintenance facilities. For Regional Express, the board has expressed interest in two primary options for operations: 1) contract with existing provider; or 2) contract with the private sector. Co-location of RTA headquarters with Regional Express service, then, does not seem to be an option.

For Sounder service, Executive Director White indicated that the RTA could either contract with Burlington Northern Santa Fe for operations, or it could contract with a private sector firm. Again, co-locating the headquarters with Sounder operations does not seem feasible.

However, the board may wish to consider RTA operations and maintenance of the Link light rail trains. Executive Director White pointed out that the board would not be making a decision regarding the operation of light rail trains for a while. However, he indicated that, in the near-term, the option of co-locating the headquarters with a maintenance facility could be evaluated and a determination could be made as to whether the option should be preserved or foregone.

Mr. Miller asked staff to perform an analysis of co-location in other jurisdictions, where it has worked and where it hasn't. That analysis will help to determine whether co-location should be further evaluated or taken off the table. However, he asked staff to follow a parallel track to meet the June 23 deadline, when the RTA must provide a termination notice of the existing lease or trigger a seven-year commitment to remain in the same building.

The committee discussed geographic areas to retain as possible options, and came up with downtown Seattle Central Business District (CBD), "close-in" Seattle (such as Pioneer Square and the Denny Regrade), the Bellevue CBD and Tukwila.

Mr. Nickels indicated he would work with staff to design the presentation of this material to the board.

Next Meeting

Thursday, February 19, 1998 from 12:00 to 1:30 p.m. at the King County Courthouse 12th Floor SW Conference Room, 516 Third Avenue, Seattle, WA.

As there was no other business, the meeting was adjourned at 1:38.

Recorded by Amy Ebersole
Board Coordinator