

**Sound Transit
Finance Committee Summary Minutes**

October 15, 1998

Call to Order

The meeting was called to order at 12:20 by Committee Vice Chair Mary Gates.

Attendance

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

The following Committee members arrived after the meeting was called to order:

Greg Nickels, King County Councilmember
Rob McKenna, King County Councilmember

Report of the Chair

None.

Finance Director Report

Ms. Hendrickson, Director of Finance and Administration, advised the Committee that the Monthly Finance Report for the month ending August 31, 1998, was included in the packets (copy on file). She mentioned that revenue in all areas is exceeding the budget and staffing is close to budget.

(Mr. Nickels arrived at this time and took over as Chair.)

Motion M98-80 – Authorizing the Executive Director to execute a contract with COPACINO/Pacific Rim Resources for marketing and advertising services in an amount not to exceed \$4 million

Ms. Hendrickson advised the Committee that Motion M98-80 was being brought for informational purposes and would also be presented to the Public and Government Affairs Committee on October 16. It will return to the Finance Committee on October 29 for action.

Proposed 1999 Budgets: Proposed Budgets for Support Departments; 1999 Revenue Forecast, 1999 Financial Plan, and Bon Issuance Issues (presentation copies on file)

Support Departments

Mr. Brian McCartan, Budget Manager, presented the Support Departments (Board Administration, Executive Office, Public and Government Affairs, Human Resources and Legal Services) proposed 1999 budgets.

Mr. Nickels expressed his concern with the agency's community relations programs and advertising of community meetings.

Mr. Paul Matsuoka, Public and Government Affairs, advised that some problems were experienced when a mailing house was used for mass mailings. Staff is currently deciding the best way to send out large mailings.

Regional Fund

Mr. McCartan discussed options for allocating regional funds (copy on file).

Revenue Summary

Mr. McCartan covered the forecasted 1999 Total Revenue and Financing Sources. He stated that there will be small increases in taxes over the 1998 levels and that federal grants total \$56 million.

The 1998 revenues came in a little stronger than estimated. Dick Conway, an independent forecaster working with Sound Transit, is forecasting a slowdown of growth in the years 2000 and 2001. Currently, the subarea tax-base is being re-estimated based on actual experience.

Bond Issuance

Ms. Hendrickson and Greg Sunberg, Financial Advisor with Piper Jaffray, presented the bond strategies. They asked the Finance Committee to consider the option of strategically issuing bonds. Ms. Hendrickson stated that should the Finance Committee direct staff to proceed forward, the next steps will be to take the bond issue to the Board on October 22, the Finance Committee will receive bond documents for review at the November 5 meeting, and a Resolution will be taken to the Board on November 12.

Mr. Nickels made the recommendation that the Finance Committee should go to the next Board meeting and present this concept with the recommendation that Sound Transit proceed with the sale in 1998.

Regional Express System Financial Plan

Mr. Nickels announced that there was not sufficient time to cover the Regional Express System Financial Plan.

Ms. Govern mentioned that staff is working toward a November 12th adoption of the System Plan to stay on schedule for implementation next year.

Mr. Nickels asked that the members of the Finance Committee go through the materials carefully and meet with Ms. Govern individually to give their recommendations. He stated the importance of having the System Implementation Plan fully funded in the adopted Budget.

Ms. Govern agreed saying that if the System Plan is adopted, it can be included in the 1999 Budget adoption.

Adjourn

The meeting was adjourned at 1:28 p.m.

Next Meeting

Thursday, November 5, 1998 from 12:00 to 1:30 p.m. at the King County Council Chambers in the King County Courthouse, 516 Third Avenue, Seattle, Washington.

Recorded by Jane Emerson
Project Assistant
Board Administration

ATTEST:

Greg Nickels
Finance Committee Chair

Marcia Walker
Board Administrator