

**Regional Transit Authority
February 10, 1995**

Board Meeting Minutes

Call to Order

The meeting was called to order in the King County Council Chambers, Room 402, 516 Third Avenue, Seattle, Washington by Chairman Laing at 1:54 p.m. The Board Administrator called the roll and the following members were present:

Chairman:

Bruce Laing, King County Councilmember

Vice Chairs:

Dave Earling, Edmonds Councilmember

Paul Miller, Tacoma City Councilmember

Pierce County:

Sharon Boekelman, Bonney Lake Councilmember

King County:

Martha Choe, Seattle Councilmember

Don Davidson, Bellevue Mayor

Jane Hague, King County Councilmember

Greg Nickels, King County Councilmember

Norm Rice, Seattle Mayor

Cynthia Sullivan, King County Councilmember

Snohomish County:

Bob Drewel, Snohomish County Executive

Washington State Department of Transportation:

Rence Montgelas, representing Sid Morrison, Secretary

The Board Administrator announced a quorum of Board members was present.

The following Board member arrived after roll call:

King County:

Mary Gates, Federal Way Mayor

Minutes

It was moved by Ms. Boekelman, seconded by Mr. Rice and carried by the unanimous vote of all Board members present that the minutes of December 16, 1994 and January 13, 1995 be approved as presented.

Report of the Chair

Mr. Laing:

It is my intention to ask for an executive session during today's agenda. Several Board members will have to leave today's meeting early, so I am suggesting that the executive session be held at 3:00 p.m. I have asked the Board Administrator to alert me of the time when we are nearing 3:00 so that legal counsel may explain the subject matter of the proposed executive session, and the Board may determine if the discussion meets the requirements set forth in the Public Disclosure Act.

Minutes Correction

Ms. Choe:

I meant to propose a correction to the minutes of October 28-19, 1994. There is a typographical error on page 38, in a reference to the range of speed. The figure currently reads 45 miles per hour, but it should be 25 miles per hour. The correct figure is reflected in the Master Plan document.

Mr. Laing:

If there are no objections, I will direct the Board Administrator to make this correction to the minutes of October 28-29, 1994.

Mr. Laing:

Included in the materials distributed today (copy on file) is a copy of the pro and con arguments that will appear in the voters' pamphlet. These statements were prepared by the pro and con committees appointed by the Board. The rebuttal arguments to those statements have been submitted to the Director of Elections by the appropriate committees, but it is their practice that the rebuttal statements not be distributed prior to the printing of the voters' pamphlet.

Also included in today's agenda (copy on file) is a notice of a change to the Board's meeting schedule for March. Several meetings have been rescheduled to be held after the election. Also included in the materials (copy on file) is the updated calendar for February and March 1995.

Public Comment

Mr. Laing:

I will call speakers who filled out a speaker's card. Remarks will be limited to three minutes.

Ms. Lisa Claussen:

I am the Intergovernmental Affairs Manager for the City of Auburn. The Planning Director asked me to speak today and express our concerns about the commuter rail demonstration project. This is not to say we are not enthusiastic supporters of the project, but my remarks are intended to relay some of our frustrations. We have been frustrated, as have you, with the time it took to get the project together, and the various versions of how the service would involve Auburn. We know a lot of work has gone into this project in coordinating with the railroads. We are not pointing a finger of blame, but rather stating, for the record, our frustrations.

Even today we had two different versions of what we might be experiencing in Auburn. We have reviewed a printed schedule of commuter rail events and it appears we will be an unadvertised whistle stop for few people. This is disappointing to us because we had the biggest turnout for the actual rail car's one day visit. We have had public requests to utilize the train. I know there are logistical issues, but we would like to suggest that a project come through Auburn. We are the ones who came up with the idea for the excursion trips, and to be on the outside looking in is disappointing. We would like a demonstration project for Auburn. We would be willing to do what it takes to make this possible.

Mr. Laing:

I am asking that staff contact the Auburn Planning Director to discuss the specifics of their concerns. Are there others who wish to speak today? I have no other speaker cards.

Mr. Mark Dublin:

I live in Ballard and drive from North Base for Metro. I have, however, had experience driving from Renton on Routes 106 and 107 through the tunnel. I would like to speak to some of the communications from Renton and the tunnel itself.

At the last Board meeting in Everett, I told you I thought it would be possible to quickly provide dual-powered bus service from Everett, via I-5 and the downtown tunnel to the SeaTac Airport. I think it would be possible to do the same thing with service between Renton and Auburn. You could take service out of the tunnel by way of I-90, which is very fast, and use I-405 to Renton over to Auburn on SR-167. Presently Auburn is served by Route 150 in a slow and inadequate manner. There is local service from Auburn to Southcenter and then express service to the tunnel. The same thing is true for Renton with Routes 106 and 107 going through Rainier Valley and then spending time in the Renton Highlands carrying three to four passengers. This route is using a coach that is designed for freeway and tunnel service.

I have a concern about the approach to the tunnel in general. I have a sense that the tunnel and dual powered buses are best considered forgotten about until we can have the trains. If this is the case, it is an unfortunate waste. What I would like to see is on March 15, regardless of the results of the public ballot, the leadership look closely at the tunnel and put together a team. I would like to bring Kevin Grigg back from Chicago to look at the tunnel intensely. You could put together a team of the employees, including drivers and mechanics, and see if the Bredas can be improved. I think this is a project that is unfinished. If you can get your handle on this, I think you can satisfy both Everett and Renton and, in addition, turn what is presently being misused and wasted into a valuable asset for the RTA or whatever comes next.

Mr. Laing:

Are there other parties who wish to speak? No? Then I'll ask Tom Matoff for the Executive Director's report.

Executive Director Report

Mr. Matoff:

I am calling on Mr. Henry Aronson to give a report on the TRY RAIL Demonstration Project.

TRY RAIL Demonstration Project Update

Mr. Aronson:

You should have in your packets today three documents (copies on file). The first is a statistical piece showing ridership for the first nine full days, including this morning, for the TRY RAIL service. The numbers speak for themselves. The figures have generally been good, and they have exceeded our expectations. We boarded 610 people on two trains this morning; this is almost as much as rode the train all day Friday. We are running seven cars back this afternoon. I think most of you know the northern service will terminate this evening for commuter rail. Beginning February 21 we will provide nine days of service from Tacoma north to Kent. We will provide service for nine instead of 10 days because of the February 20 Presidents' Day holiday.

(Board member Gates arrived at this time.)

Also included in the packet is a description of the excursion services that will be provided in addition to the twice a day weekday commuter services. These services essentially attempt to do three things: accommodate the largest number of people; provide weekend service on March 4-5, March 11-12; three days of weekday trips and service on February 25-26 and February 20, Presidents' Day.

The third document reflects some rider comments. This appears to be a list of comments by "ringers," but I brought with me today a sampling of the rider comments. The riders seem to like the service a lot. Essentially the service has represented an enormous contribution of time by staff and people called ambassadors. A copy of the newsletter given to the ambassadors is included in the packet (copy on file).

Finally, support from the local transit groups has been terrific in providing service to the park and ride lots, etc. The buses have been full. The parking lots are full in Everett and Edmonds. We have learned a lot from this. We are looking ahead; the experience gained from this project will be hugely instructive. Thank you for your support. I can answer any questions.

I would like to respond to the issues raised by the City of Auburn. At 11:45 a.m. I spoke to some people from the Auburn Planning Department. A question was raised and it seemed to be worked out. We had much more ambitious plans for that corridor, including service to Puyallup, Auburn and Sumner, but we ran into problems with Burlington Northern and we couldn't make the stops we wanted to make. We have tried to clear up the confusion. I will call the City of Auburn as I leave here today.

Mr. Nickels:

Thank you and all the staff for your efforts. This has been a bigger success than I would have imagined. I heard media reports early on radio and TV that they were planning to race the train. What happened with this?

Mr. Aronson:

We heard about that as well. Frankly, we were looking forward to it. The race was scheduled for days with bad weather; it was raining. We heard there were races held and that the automobile lost, so nothing was made of it. I also heard there was to be a race yesterday. I have no idea what happened. We were not racing; we were trying to run a commuter line.

Mr. Laing:

I would like to add my thanks. The team has worked hard to make this come about. In particular, I want to thank the people who have volunteered to be ambassadors. These are people with jobs who act as hosts and hostesses before and after work. They seem to be happy in their work. I agree this has been a great public success. The real purpose of finding for Burlington Northern and RTA is whether we are thinking about all the issues to be considered in the long run. Needed improvements in operations and trackage may have been noticed due to this demonstration project.

Mr. Aronson:

I will defer to Mr. White to discuss the technical issues involved.

Mr. White:

The demonstration has been very useful in resolving the technical issues. While our passengers have been pleased with the service we have been providing, the fact is we have been making mistakes every day. Most of them have not been terribly apparent. We have had some delays in terms of the service. There has been some interference with freight trains. For each of those instances, we are keeping careful track and we will be using that information as a checklist for trains and signal improvements. There have been delays to us and to freight trains. None of them have been severe. There have been good planning and careful management by Burlington Northern.

We are also learning about the kinds of communications needed between the parties. Burlington Northern is providing crews. Amtrak is providing maintenance and dispatching of equipment. The RTA is providing customer service and information. While the trains have always left on time and arrived on time within a few minutes, communications have not been that smooth. The contract provisions require certain communications, not just on their side. We will have to make those commitments, as well. We are convinced the contracts ultimately negotiated will be better written than they would have been without this demonstration. The investment will return itself dollar for dollar.

Mr. Earling:

I would like to comment that my impression is this has been a remarkable success. Many Board members have had a chance to ride the service. I have talked to many people who are experiencing it and I have received many calls from constituents who have very supportive. I want to thank the many volunteers who have helped us throughout this project. I would also like to comment that the ridership has been such that even though the service is free, we will have opportunity to reexamine the provisions for ridership in the North Corridor. I believe those projected figures are very low. I hope we can reexamine some of the decisions that have been made.

Mr. Matoff:

As the Board is aware, the group opposing our ballot measure brought a challenge against the ballot title. I am informed this morning that the judge dismissed that challenge.

The Clinton Administration brought forth its budget proposal Monday. We were concerned, but were blessed to find no rescission of our appropriation or authorization. That was good news. Subsequently the House Republican Caucus brought their rescissions forward and we were not on that list either. At this time relative to federal funding, we have survived the first two major concerns.

Ms. Sullivan:

Do we have a sense of the State's funding package?

Mr. Matoff:

I do not. What you will consider later today is the proposed set of applications for state grants, which is fairly aggressive. As far as we know, we are applying for grants that are funded.

Ms. Montgelas:

I have no specific information, but we are not at the point where the legislature is considering specific budget items. The House Republican Transportation Committee will be holding work sessions; but we are not far enough along in the process to know what the outcome will be.

Rules Committee

February 8, 1995 Meeting Report

Mr. Laing:

The Rules Committee met February 8 and discussed issues related to the South I-405 corridor, raised in two letters from the City of Renton. One letter was received in November 1994, and it led to our adopting Motion No. 2 clarifying our intent regarding the funds available for that corridor. The other letter was received in January, raising additional questions about funds that might be available for that corridor. In your packet today (copy on file) is a memorandum to the Rules Committee from Paul Matsuoka that provides the background analysis of the issues raised. I think it sets out, in fairly thorough elaboration, the variety of alternatives available for utilization of the existing funds provided under the Phase I plan and other resources that might be added. Mr. Matsuoka is available to summarize his memo, if Board members so desire.

Mr. Davidson:

I have a question about the issues raised, as it relates to page 18 of the technical appendix which states the cost of operating the I-405 corridor transit improvement project is shown in the commuter rail operating costs beginning in the year 2011. The year 2011 is the 16th year of the program. My concern is that if there are any cash flow problems, it appears any technical solutions will not be in effect until the second phase. I think that raises questions as to the intent of the Board as far as that corridor goes. I read the staff response and I am not clear if it gets around to that cash flow problem. I am referring to the paragraph on page 18 of the technical appendix.

Mr. Laing:

The assumption is it would not come on line.

Mr. Davidson:

What will we be doing for the next 16 years? It says we will have transit until that time. I personally don't think that was the concept because of the phasing and the cost that is driving our decision.

Mr. Laing:

I do not recall the year 2011 being addressed by staff or the Rules Committee.

Mr. Davidson:

The Renton letter refers to that link.

Mr. Matsuoka:

If it were true that the capital project was at the end of the 16 year period and they wanted to run interim trunk bus service, it would erode the \$100 million set aside for ultimate approval. As I looked at it, I concluded their analysis was correct. If the corridor was identified for one technology and they put in regional trunk bus early, that would reduce the \$100 million allotment. The suggestion was they could seek improvements to I-405 bus service through the Metro/King County six year program. They basically responded that if the capital investment were late in the 16 year period, what happens? Mr. Davidson is raising the question of phasing in general and could that corridor be moved up. That is not addressed in the Master Plan. The phasing of the program is something for which we would need further direction. Cash flow information in the technical appendix is intended to show this is a doable proposition.

Mr. Miller:

I have not read that language for myself. However, that is a decision this Board has not discussed and yet assumptions are being made and put forward that cause confusion. It could be done sooner than 2011.

Mr. Matsuoka:

Yes. If you want, \$100 million of some other piece of the project could be completed later in the period. We looked to the Board policies on phasing, which speak about the earliest implementation of operating bases and building the system north/south from there. The Board policy states that construction sequencing will be dealt with at a later time.

Mr. Miller:

None of the others will have bus in advance of implementation. I did assume that displaced bus service could be reallocated to areas of greater need. Is that correct?

Mr. Matsuoka:

Yes, but the six year plan identifies improvements in the I-405 corridor. Renton would appeal to them. The suggestion of doing so would keep as much of the \$100 million as possible for the long-term.

Mr. Miller:

I also assumed that as rail service went into place, it would go to local feeder bus service and it could put into more critical corridors.

Mr. Matsuoka:

I believe that is the intent of the plan.

Mr. Davidson:

I think the issues are probably clearer after this discussion. Phasing is an issue. Delaying that corridor for 16 years for any technical improvements would probably be a mistake.

Mr. Laing:

The Rules Committee felt staff's response covered the issue. It seems Mr. Davidson believes there should be, in addition to the staff's memo, something talking about phasing within Phase I.

Mr. Davidson:

Maybe it is in the memo. The whole corridor is not interested in the \$100 million being used up in the technology before using it for matching for potential technology. As they see this, studying technology that would not go into effect for 16 years could erode those monies into a bus service that may or may not meet the needs of that corridor. I wanted to be sure the memo was precise to the issue raised.

Ms. Gates:

I have been talking with the City of Renton, as well. One of the things we have to understand is that the results of the state study of I-405 will not be available until 1996. I had the same idea to look at the Metro six year plan if the \$100 million is not eroded. That is what we are working on now in the Regional Transit Committee. That idea has been advancing, but there are no results yet.

Mr. Laing:

I had hoped we would respond to Renton. I was hoping we could authorize myself to draft a cover letter and expand the memo to cover the points you have raised. We will contact you to see if we have addressed it, recognizing there is a process in Phase I to do the study and we cannot answer now. I don't want to delay responding to the City of Renton.

Mr. Davidson:

I have no problem with that; I just wanted to raise a more involved issue.

Mr. Miller:

I support responding and expanding the response. I think we should be specific that the Board has in no way made a decision regarding the timing of the I-405 corridor. The memo says we assume it will be done later. We should include our understanding regarding the use of displaced bus service.

Ms. Montgelas:

With regard to the state's I-405 study, we have a letter to Mr. Laing describing what will be included in the corridor and how it relates to the RTA's review of technology in that corridor. We are saying we will be able to provide information on travel demand and travel forecasting but not until spring of 1996. We will provide that information to you and maybe it will be helpful. We will not be looking at a determination of appropriate technology for that corridor.

Mr. Laing:

Also included in today's packet (copy on file) is Resolution No. 3104 from the City of Renton. It states the City Council's opposition to the RTA's proposal on the March 14 ballot. There are statements in the preamble that staff and Board members may disagree with. I am not sure it is necessary for us to go through that. Staff could point those out if the Board so desires.

There was an executive session of the Rules Committee so that members could be briefed by the attorneys on the issues of pending litigation, which this body will be apprised of in a proposed executive session later today.

M/W/DBE Task Force

Ms. Choe:

I will use Resolutions No. 52 and 59 as the basis for my briefing.

Resolution No. 52 - Establishing Construction Management Plans and Procedures

You have before you Resolution No. 52 which addresses establishing a policy to maximize the construction contract opportunities for local and disadvantaged contractors and authorizing the Executive Director to develop a contracting plan and procedures to implement the policy for further Board review and action. We have had a couple of meetings to review discussions with community members representing minority and women businesses and small contractors. This sets forth a couple of areas for following up. 1) It would have the Executive Director develop a contracting plan for further review by the Board. This will be based on input from the local business community. 2) It addresses a surety support program. This addresses one of the biggest challenges in providing contracts for subcontractors and that is bonding. Bonding is a requirement, and we are not allowed to provide bonding support. We have looked at an entity in Dallas with DART. We have talked with the director of that program. We have just received specific information that we will want to review in further detail. It looks very promising. We will probably bring a recommendation about a surety support program for the RTA. The Dallas program that used this focus dealt with existing small contractors. It included in that category minority and women owned businesses, although it was not specifically written for that purpose. The results are successful in providing for minority/women owned business and small contractors. The potential dollar amount involved would have a positive impact on small companies and it would be as inclusive as you want to address minority/women contractors.

I thank the staff for their work in trying to put together the best of the program. I also want to make it clear that while this addresses a major issue (construction contracts), we will bring recommendations that support existing union apprenticeship programs. These have been successful for minority/women businesses. I met with Larry Gossett and graduates of those programs. He wanted us to be aware that those programs exist and to provide support for them. We want to make it clear these are not mutually exclusive.

I am hopeful and optimistic we can be creative and support the existing programs and try a pilot program and see how that works. I am hopeful and optimistic.

It was moved by Ms. Choe and seconded by Mr. Drewel that Resolution No. 52 be approved as presented.

Mr. Davidson:

Could you review the surety support program. Would we be lending credit?

Ms. Choe:

No; we cannot lend credit. There have been discussions with one of the large insurance companies to determine how that program would be translated here. I think those discussions were promising in providing support for bonding for small contractors and to say that the business end is assisted. We are not asking for approval of that program, but approval to undertake further review.

The motion to approve Resolution No. 52 was carried by the unanimous vote of all Board members present.

Resolution No. 59 - Establishing Draft Federal DBE Goals

Ms. Choe:

Resolution No. 59 addresses the proposal draft DBE goal of 18% for 1995. I emphasize this is a draft goal and we are looking forward to a discussion with the public during the 60 day review period. We have received input and we may

need to adjust that goal and to do additional work in understanding the kinds of projects that would go to that goal and history and whether this is realistic. During the task force meetings, most members indicated they were willing to have an aggressive goal and to push themselves, causing us to stretch. We are proposing this as a draft. It is likely we will have some revisions after the 60 day review period. I wanted to move this forward and begin the 60 day review period. Once the vote is positive and RFPs are included, we want this included.

It was moved by Ms. Choe, seconded by Mr. Rice and carried by the unanimous vote of all Board members present that Resolution No. 59 be approved as presented.

M/W/DBE Program Supervisor Hiring Status Report

Mr. Matoff:

The position was widely advertised and we received 46 applications. There was a multi-agency panel to interview the long list of candidates. Candidates in the short list were interviewed this morning. Mr. Matsuoka and myself are going to have a chance early next week, to discuss the results of those interviews. I believe an appointment is imminent next week.

Ms. Choe:

I have heard the candidates were outstanding. I want to thank the task force for their additional time and effort on this.

Public Involvement Committee

February 8, 1995 Meeting Report

Mr. Earling:

Included in today's packet is a memo (copy on file). I would call your attention to the TRY RAIL report. I know some of you will be trying commuter rail in the south. I hope all Board members will be able to take advantage of trying the service.

I also call your attention to the binders provided today. They include a series of information on issues and questions, many of which are asked when Board members are speaking to the public. There is a listing of sources for the various information in the voter information document. Regarding the voter information document, most copies should have been delivered by now. I also mention the video provided today which contains an overview of the information sent out in the voter information document.

Ms. Gates:

I previously asked the staff to provide me with sufficient copies of the announcement to distribute to a group I will address on Tuesday. I would like to remind staff to provide me with those documents before I leave today's meeting.

Mr. Earling:

I do have extra copies of the voter information document if anyone would like one.

Mr. Laing:

From the Board level, I would like to thank the staff. Thanks go to Mr. Tim Healy and Ms. Barbara Dougherty. The voter information document is stunning. The direction to design a pamphlet that voters would be likely to read has been met. I want to thank Ms. Dougherty for the extensive outreach to the PDC staff to review the text of this document. I believe it took three tries before they returned the document unmarked.

Ms. Gates:

I think it is important to note that this document has gone through the PDC for its review for accuracy. I believe that fact carries tremendous credibility.

Mr. Laing:

There was a requirement in the enabling legislation that the RTA distribute this document. After adopting the plan and before the election, the RTA was directed to advise the public of the content of the proposal. This was the vehicle for doing so.

Mr. Nickels:

I think it would be helpful, at some point, to make consistent the colors being used for the maps of the RTA's proposed system. For example, the North Corridor could consistently be referred to as the "blue line."

Finance Committee

Mr. Nickels:

Recently, the Finance Committee has presented short reports; that will not be the case today.

The 1994 audit and financial statements will be prepared by the state auditor's office, commencing March 20. The RTA and Board members will be interested to know we will be purchasing errors and omissions insurance, as has been discussed in the past with regard to risk management.

Resolution No. 47 - Adopting the Technical Appendix to the Regional Transit System Master Plan and Authorizing the Executive Director to Make Arrangements to Make the Technical Appendix Available to the Public

Mr. Nickels:

This represents the final version of the technical appendix. This has been before us for some time now. We have been working on the information as long as the Master Plan itself. This supplements the Master Plan and provides information regarding financial assumptions and ridership information. There is a memo summarizing the highlights (copy on file).

This document rounds out the Master Plan by supplying some of the technical details. The draft was issued November 23 and was provided to the counties in the district and other interested persons. The Finance Committee has been working with staff to make the final edits. Staff has also worked with the Expert Review Panel; they have reviewed and approved all information in the technical appendix. The formal method for approving this document is adoption by resolution. This document provides the history and adopts it as part of the Master Plan.

I would be happy to answer any questions after the break. Staff has done an excellent job. Page two talks about ridership forecasts and says daily transit trips will increase from the existing 258,000 daily trips to 360,000 in the year 2010. That is a 45% increase and a 63% increase in annual system boardings. The plan forecasts 186,100 daily rail boardings in 2010, made up of 169,000 light rail boardings and 17,000 commuter rail boardings. This is 55.3 million boardings per year in those systems. It concludes that major highways will be at capacity at 2010.

It was moved by Mr. Nickels, seconded by Mr. Miller and carried by unanimous vote of all Board members present that the motion to approve Resolution No. 47 be approved.

Mr. Miller:

I would suggest the Board address Motion No. 4 prior to the proposed executive session.

Motion No. 4 - Adopting Financial and Engineering Principles Governing Utilization of Bond Financing by the Authority in Implementing the Regional Transit System Master Plan

Mr. Nickels:

The financial and engineering principles are in the Master Plan as a commitment by the Board to come up with some principles. We feel this motion will fulfill that commitment. The Finance Committee spent some time grappling with what that meant, particularly the engineering principles, at a policy level. We felt it was an opportunity to clarify the intent of Phase I, but we need relatively few changes, mainly to the engineering principles section. I will highlight some of the changes. I had hoped to describe how the Board financing requirement will be used to meet the goals.

In adopting these financial and engineering principles, the RTA clarifies the intent of the Phase I financing and equity principles and commitments for sections 1.4 through 2.2, as follows:

- 1) If, at any time, the RTA Board determines that revenues, including federal and state sources, will be inadequate to substantially complete the Phase I system within 16 years and that the phasing in the Master Plan must be revised, the RTA Board shall authorize a vote of the people on a ballot measure that fits the modified phasing.
- 2) Sections 1.1, 1.4, 1.6, and 1.7, taken together, mean that a second vote will be required in order to provide local financing for capital expansion beyond the Phase I system.
- 3) The local tax package will be reduced after sixteen years to a level necessary to pay for system operations and maintenance, fare integration, capital replacement, and debt service.
- 4) Sections 1.4, 1.5, 1.6, 1.7 and 2.2, taken together, mean that the RTA may undertake additional projects within the sixteen year construction period (before 2011) and beyond the Phase I system, only if Phase I bonds are paid off and if subregional equity is maintained.
- 5) The primary objectives of the RTA financial and engineering principles are listed in the materials distributed (copy on file).

Perhaps most important is public accountability.

To insure that Phase I system plan development and implementation occurs within the framework and intent of the Master Plan's principles and commitments, the RTA shall:

- 1) have conducted annually a comprehensive performance audit through independent audit services; and
- 2) appoint and maintain for the sixteen year Phase I construction period a citizens' oversight committee charged with an annual evaluation of the RTA's performance audit and financial plan for recommendation to the Board.

With regard to debt financing, the \$800 million ceiling on long term debt should be interpreted to mean that at the end of the sixteen year Phase I, there will not be RTA bonds outstanding in an aggregate principal amount that exceeds this ceiling.

While dollar amounts presented in the Master Plan are expressed in 1995 dollars, the Phase I financing plan (presented in future dollars in the Technical Appendix) allows for inflation over the sixteen year period.

The use of long-term financing should be limited to capital and related costs for portions of the project that have a useful life in excess of the term of the debt. Short-term debt financing is expected to be used primarily to bridge the gap between the necessary timing of expenditures and the anticipated receipt of revenues.

The process for dealing with change orders is laid out in the materials distributed today.

The document distributed today has the word "draft" shown on the cover; the word "draft" should be stricken.

Mr. Rice:

I appreciate the work done by the Finance Committee but I have one concern. As you look at revisions, namely in Paragraph #1 and you find revenues are inadequate, is there a way to insure to constituents there would be some basis for subregional equity in reallocation of funds? I wonder if the document could indicate that subregional equity will be maintained.

Mr. Laing:

I believe we actually do state that in Paragraph #4.

Ms. Choe:

I think that does address it if the bonds are paid off. What happens if you are not in that position? That suggests you are ahead of schedule.

Mr. Laing:

You are saying any revision should recognize the principles of subregional equity.

Mr. Nickels:

This could be added to the end of Paragraph #1. The language could be amended to indicate, "...and maintains the principles of subregional equity articulated in the Master Plan."

It was moved by Mr. Nickels and seconded by Mr. Rice that the Financial and Engineering Principles for RTA Debt Management be amended to include the following phrase at the end of Paragraph #1: "...and maintains the principles of subregional equity articulated in the Master Plan."

Mr. Davidson:

I hope this wouldn't lock us into the way we did it using the 1990 census. We should not be locked into considering subregional equity in the same manner as has been used to date.

Mr. Laing:

I understand that it would be done in a broader sense.

The motion to amend Item #1 of the Financial and Engineering Principles for RTA Debt Management to include the following phrase at the end, "...and maintains the principles of subregional equity articulated in the Master Plan." was carried by the unanimous vote of all Board members present.

Mr. Miller:

I would ask for clarification of the meaning of the language in Paragraph #1.

Mr. Laing:

The majority of the Board fully expects we will obtain state and federal resources that are part of our financial assumptions. That is being borne out at this time in the President's proposal that increases, rather than reduces, funds we would have access to, and we have \$325 million authorized for a portion of our proposal, which is one-third of the federal funds proposed over the 16 year period. I think that is the kind of thing that lead me to conclude the assumptions will be borne out. The question is raised by the public and other elected officials about what will happen if federal and state funds are not available. I believe the intent of our wording is to say if the shortfall is such that we cannot substantially complete the proposed Phase I within 16 years and conclude the shortfall is such that we must revise Phase I, we will go back to the public with a revised funding package that addresses the revisions to Phase I.

Mr. Miller:

Regarding Paragraph #3. What happens to the level of taxation at the end of 16 years? Will the tax level go down?

Mr. Laing:

In this wording, I understand the Board to be saying the tax level will go down at the end of 16 years. It would go down to a level for maintenance and operation and debt service coverage. I don't think we can say what the extent of the reduction will be. We do know we are limiting debt to \$800 million and we intend to reduce that debt as rapidly as possible; it will only be that high if we have no other alternative. I think we are saying the tax rate will go down after 16 years, but this is a Master Plan that has additional phases. If the voters approve Phase II, it will affect the tax rate.

It was moved by Mr. Nickels, seconded by Mr. Miller and carried by the unanimous vote of all Board members present to approve Motion No. 4, as amended.

Resolution No. 57 - Authorizing Contract for 1995 Support Services with Pierce Transit

It was moved by Mr. Nickels and seconded by Mr. Miller that Resolution No. 57 be approved as presented.

Mr. Nickels:

Resolution No. 57 would authorize a contract with Pierce Transit to implement a program, through 1995, for staff support at a cost of \$224,000 for 3.35 FTEs (full time equivalents). If there is a "no" vote in March this is considered a grant and if there is a "yes" vote in March this is considered a loan and it would be paid back over time. It is a fair agreement and I would recommend adoption.

The motion to approve Resolution No. 57 was carried by the unanimous vote of all Board members present.

Resolution No. 58 - Authorizing the Filing of Applications for and the Acceptance of Transportation Program Grant Funds from, and Administered by, the Washington State Department of Transportation

It was moved by Mr. Nickels and seconded by Mr. Miller that Resolution No. 58 be approved as presented.

Mr. Nickels:

Resolution No. 58 insures authority is provided to the Executive Director to apply for and accept grants from the state. We have talked about the need for the Finance Committee and the Board to develop long-term strategies for approaching state and federal grant sources so we can meet and exceed our funding needs. This is the short-term strategy. We need to develop a long-term strategy. It is a defensive strategy to insure funds continue to progress if the ballot measure is not approved the first time. If it is approved, we need to adjust that. It does not include new state funding through the HCT that I believe the Governor has recommended. It gets us through March in trying to put a program together while seeking a 16 year funding source.

The motion was carried by the unanimous vote of all Board members present.

Motion No. 5 - Authorizing RTA Staff to Executive Amendment No. 4 to a Contract with Parsons Brinckerhoff for Ridership and Financial Modeling & Forecasting Support Services through King County Department of Transportation Services

It was moved by Mr. Nickels and seconded by Mr. Miller that staff should work with King County - Department of Metropolitan Services to accomplish award and execution of Amendment No. 4 to a contract with Parsons Brinckerhoff for Ridership and Financial Modeling & Forecasting Support Services, as described in the attached Scope-of-Work and Budget documentation.

Mr. Nickels:

This motion would authorize Amendment No. 4 to a contract with Parsons Brinckerhoff for Ridership and Financial Modeling & Forecasting Support Services. The underlying contract is a Metro contract. Technically, Board action is not required, but the Finance Committee felt the motion would be appropriate legislative support for this action. It continues the work that has been underway for the last four years. The \$99,000 is contained in the six month 1995 budget through June 30. There might be another amendment if commuter rail is made more aggressive. The opportunity would be available to refine the cash flow model with M/WBE. Under this contract the M/WBE performance has been 15% while 24% is the goal. The amendment will achieve some improvement. This is necessary work.

The motion was carried by the unanimous vote of all Board members present.

Executive Session

Mr. Laing:

I would like to have legal counsel address the possibility of an executive session today.

Mr. Gunter:

There is pending litigation involving the RTA. We would like to discuss that today. Public knowledge of this information could be adverse, and we recommend that the Board utilize an executive session of approximately 30 minutes in length. There is no action proposed at the end of this executive session.

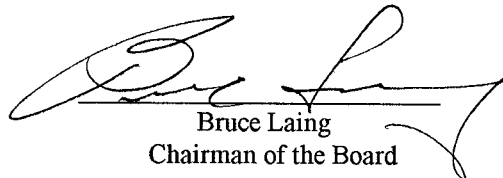
Mr. Laing:

At this time I will ask members of the public and unnecessary staff to leave the room while the Board conducts an executive session. The Board's next meeting is scheduled for Friday, February 24, 1995 from 1:30 to 4:30 p.m. in this same room.


The Board recessed into executive session at 3:20 p.m.

Open Session

At 3:55 Chairman Laing returned the Board to open session and adjourned the meeting. As there was no other business, the meeting was adjourned at 3:59 p.m.


Bruce Laing
Chairman of the Board

ATTEST:



Marcia Walker
Board Administrator

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