

**Regional Transit Authority
Finance Committee Meeting Notes**

March 16, 1995

Call to Order

The meeting was called to order by Chairman Nickels at 12:03 p.m.

Attendance

Greg Nickels
Paul Miller
Don Davidson
Lois Anderson

Report of the Chair

Mr. Nickels reported that the Rules Committee had authorized Mr. Laing and Mr. Matoff to go to Washington D.C. in an attempt to retain RTA authorization. He then informed the Committee that the Board would have a chance to discuss what actions to take next during the March 24th Board retreat.

Report of the Finance Director

Ms. Hendrickson indicated that discussions concerning contracting between the RTA, the Department of Revenue, and the Department of Licensing for local tax collections are on hold following the election results. The Department of Licensing contract is not as straightforward as the one with the Department of Revenue, and will take some time to implement when necessary.

Mr. Davidson mentioned that the public is concerned about the RTA boundaries. People wonder if they will be taxed even if they are unable to vote. He asked how the tax collection would be handled.

Ms. Hendrickson explained that it must be determined if the Department of Licensing is capable of collecting the taxes. Because the DOL computer system is 30 years old, they want the RTA to do it.

Ms. Anderson reminded the Committee that the legislature stated that the DOL would be responsible for tax collection.

Ms. Hendrickson clarified that the legislature said the RTA may contract with other agencies for collection. She mentioned that 601 has increased administrative costs. The RTA would pay them, but the extra costs are problematic.

Mr. Nickels indicated that he agreed with Mr. Davidson. The RTA needs to pursue the collection mechanism and stand ready to implement it following a positive vote.

Mr. Davidson asked what would have happened if the proposal had passed with the voters and the RTA had no collection mechanism ready.

Mr. Miller mentioned that it needs to be clear to the public that people living outside of the RTA boundaries will not be taxed.

Mr. Nickels asked what role the counties would play.

Ms. Hendrickson responded that the counties are not involved at present.

Mr. Nickels asked if county auditors who sell licenses and tabs are dependent on the DOL.

Ms. Hendrickson replied that they get information from the DOL. She added that legal counsel is researching whether or not car dealers can transfer ownership to the buyer's boundary status.

Mr. Nickels asked Ms. Hendrickson to continue researching these issues and to have them resolved by the time it becomes necessary.

Ms. Hendrickson then reported to the Committee that the Legislative Transportation Committee would be introducing its current law budget that day. Representative Karen Schmidt held a 10:00 a.m. press conference detailing the package. The interagency rail program has been cut back from 50 to 30 million dollars. HCT dollars remain at the current level of 13 million. The Regional Transportation Fund will be limited to highway projects because it's supported by a gas tax.

Mr. Nickels asked if the package will pass in the legislature.

Mr. Matsuoka replied that it will probably pass in the House, but that the reaction in the Senate is unknown.

Mr. Nickels inquired if the RTA is considering taking a position on the package.

Mr. Matsuoka responded that the Legislative Task Force would be meeting the following day.

Resolution No. 61 - Identifying a Federal Corridor, Grant Strategy and FY '96 Appropriation Request

Ms. Hendrickson noted that the Committee needed to discuss a Federal grant strategy, but the action item on the Agenda was not applicable following the election results.

Mr. Nickels asked if Mr. Matoff and Mr. Laing would be going to Washington D.C. on Sunday, the 19th.

Mr. Matoff replied that they intended to go on either Sunday or Monday to meet with the delegation in an attempt to protect the RTA authorization.

Mr. Nickels noted that the RTA was not on the executive rescision list.

Mr. Matsuoka stated that all rescisions to date have come out of appropriations, not authorizations.

Resolution No. 62 - RFQ Process for Management Services and Human Resources Contracts

Ms. Hendrickson stated that Agenda item 5, requesting an action on the RFQ process, was also on hold following the election results.

Update on State Grants Applications Process

Ms. Hendrickson referred the Committee to worksheets which detail grants that the RTA has already applied for. She noted that the Committee will need to revisit the grant strategy according to direction from the Board.

Mr. Davidson asked what consequences would follow if the RTA accepted a grant and was later disassembled.

Ms. Hendrickson responded that if the RTA chooses to halt a program, then the specific grant application corresponding to that program would no longer be valid.

Mr. Davidson inquired about the local match requirements.

Ms. Hendrickson replied that the interlocal agreement with King County will appear in front of the King County Transportation Committee the following week. That agreement would carry the RTA through 1995. It is a loan which will become a grant if voters reject the RTA plan.

Mr. Miller indicated that the RTA would not spend money unless it had the local match assured.

Ms. Hendrickson noted that the RTA has grants and local match through 1995, but that starting January 1, 1996 more money will be needed.

Mr. Nickels asked what the cost would be of putting a proposal back to the voters in September or November.

Ms. Hendrickson explained that that option would be cheaper than a special election, probably around 1 million.

Mr. Matsuoka indicated that the special election cost 1.5 million, and thought that a November election would include mostly County costs.

Mr. Miller asked if a second mailing would be necessary for a second election.

Ms. Hendrickson indicated that legal counsel should investigate that.

Mr. Nickels asked staff to determine the cost of a second election, as well as State requirements for educating the public about a second plan.

Proposed Schedule for Revising 1995 Adopted Budget - Discussion

Ms. Hendrickson reported that half of the 1.4 million year ending balance is obligated for commuter rail spending. The other half is unobligated dollars. The balance remaining for May to June, 1995 is 6.4 million dollars. Election costs will be taken out of the balance remaining, which is about 1.5 million dollars. She referred the Committee to the worksheet included in their packets.

Mr. Nickels asked about the scale of the pending Everett lawsuit.

Ms. Hendrickson indicated that legal counsel was waiting to see what would happen.

Mr. Davidson proposed that the RTA must limit spending and adhere to a minimal holding pattern until the Board decides what to do next.

Ms. Hendrickson explained that staff will begin looking at where savings exist in the budget from March to June, adding that the Board must give some direction before staff can make many changes. She recommended presenting scenarios to the Board with the budgets associated with each different course of action.

Mr. Nickels indicated that the Board will want to engage in public involvement to benefit from voter feedback.

Mr. Miller noted a need to revamp the budget entirely and put in line with a holding pattern. He added that the new budget will need to anticipate costs associated with changing the RTA plan. He then asked staff to determine what legal costs can be expected if Everett continues its lawsuit, as well as which contracts can be stopped to find some savings.

Mr. Davidson asked what would happen to commuter rail if the RTA is disbanded.

Mr. Matoff noted that the State could operate commuter rail if the Board decided.

Mr. Nickels explained that the commuter rail project began before the JRPC existed. With the formation of the JRPC, commuter rail became part of the overall transit package.

Other Business

Ms. Hendrickson indicated that she would prepare a preliminary budget for the second half of 1995 to the April 6 meeting.

Mr. Miller indicated that the Board will want to see if it is realistic to completely reconstruct the plan within the budget.

Ms. Hendrickson asked if the Finance Committee should hold special meetings to keep track of Board decisions.

Mr. Nickels indicated that the Finance Committee should focus on revising the budget, and await further direction by the Board.

Next Meeting

The next meeting of the Finance Committee is scheduled for April 6, 1995 at 12:00 p.m.

As there was no further business, the meeting was adjourned at 12:57 p.m.

Amy Ebersole
Board Administrator's Assistant