

**RTA Finance Committee
Meeting Notes**

August 3, 1995

Call to Order

The meeting was called to order at 12:08 p.m. by acting Chair Paul Miller.

Attendance

Paul Miller
Don Davidson

Report of the Chair

Mr. Miller explained that he had been asked to chair the meeting as Mr. Nickels was unable to attend.

Finance Director Report

Ms. Hendrickson reported that the Finance Department has continued to utilize the principals adopted in January as the basis for analyzing revised phase 1 proposals submitted to the RTA. Since the Board may choose to review those principals (for example, the 16 year time frame) at some point, she will raise the issue periodically at committee meetings.

Mr. Davidson asked Ms. Hendrickson to make the Committee aware of any policy changes that would be necessary to implement portions of incoming proposals. However, the policies previously adopted by the Board will remain in place until further direction.

Mr. Miller indicated that the Committee might appreciate a review of these policies.

Ms. Hendrickson agreed that the Committee could review Board policies, perhaps at the next Finance meeting. In addition, the Committee will want to look at the financing assumptions employed in the review of incoming proposals.

Mr. Miller suggested that the Committee review those financing assumptions when the number of proposals increases.

State Auditor's Audit: Results and Recommendations - Discussion

Ms. Hendrickson reviewed the State Auditor's Office Report packet with the Committee (copy on file). She explained that the audit covered both financial and managerial aspects of the RTA. The final reports have not yet been issued because the financial statements

are undergoing a revision. Ms. Hendrickson did not know when the audit would be complete. The RTA's two different accounting relationships with the City of Tacoma and Metro have complicated the process. However, the RTA's managerial policies received a good report.

Specifically, Ms. Hendrickson indicated that the accounting relationship between the RTA and the City of Tacoma was in good order. The audit recommendations focused primarily on the relationship between the RTA and Metro. While the RTA views itself as holding managerial control over contracts with the City of Tacoma, the interlocal agreement with Metro implies that the RTA will defer to Metro's policies. The audit states that the RTA's financial performance is the responsibility of its Board and management staff.

Ms. Hendrickson then reviewed the financial statements with the Committee (copy on file), with the understanding that there will be some changes. For example, the statements need to be changed to reflect the fact that in 1993, there was no interlocal agreement in place between the RTA and Metro. Technically, 1993 activity involves Metro dollars, not RTA dollars.

Ms. Hendrickson clarified, at the request of Mr. Davidson, that the audit shows no significant findings. However, the following recommendations were made: 1) that the RTA should manage Metro transactions more actively; 2) that Board meeting minutes should be shortened and consistently signed; 3) that Board members demonstrate more careful adherence to travel reimbursement policies; and 4) that a policy for personal phone call and travel reimbursement be created for employees, among others.

Mr. Miller indicated his preference that the Finance Committee review the final audit report at its September meeting before it goes to the full Board.

1995 Year-to-Date Financial Performance -- Discussion

Ms. Hendrickson referred the Committee to the Budget to Actual Report (copy on file). The report is late because staff was waiting for the financial statements from the audit. This format will be used in the future, and will include revenues and cash flow going forward.

Mr. Miller asked if the report will be mailed to the full Board.

Ms. Hendrickson replied that it would.

Mr. Miller asked that staff attach an explanation of the lateness of the report and the process for future reports for the Board's information.

Formation of Regional Financial Roundtable -- Discussion

Ms. Hendrickson indicated that she was interested in forming a financial roundtable, involving staff representatives from the various jurisdictions within the RTA boundaries, to look at the financial and statistical assumptions utilized in the Master Plan. While there has been conversations among the planning staff of the various jurisdictions, the financial departments have been less involved. Ms. Hendrickson wants to make certain that each jurisdiction understands the financial assumptions used.

Mr. Miller asked if the roundtable agenda would focus on revenues.

Ms. Hendrickson responded that no parameters have been set for the discussion.

Mr. Davidson indicated that policy decisions by the Board have driven many of the financial assumptions. The Board might wish to revisit those policies in a deliberate way.

Mr. Miller expressed support for the idea. He suggested that the conversation should remain revenue-focused.

Mr. Davidson asked who would be involved in the roundtable.

Ms. Hendrickson stated that she would invite representatives from PSRC, as well as the budget and finance directors of the major cities and the three counties. The make-up should be broad but manageable.

Next Meeting

The next meeting of the Finance Committee is scheduled for Thursday, September 1, 1995, from 12:00 to 1:30 p.m.

As there was no other business, the meeting was adjourned at 12:55.

Recorded by Amy Ebersole
Board Administrator's Assistant