

**Regional Transit Authority
Finance Committee
Meeting Notes**

March 6, 1996

Call to Order

The meeting was called to order by Vice Chairman of the Board Paul Miller at 12:13 p.m.

Attendance

Martha Choe
Ann Kirk Davis
Rob McKenna
Paul Miller
Greg Nickels
Bill Stoner

Report of the Chair

Mr. Miller indicated that he had no report.

Finance Director Report

Ms. Hendrickson explained that the budget progress report had been included in committee member's packets in case of any questions (copy on file).

(Mr. Nickels and Ms. Choe arrived at this time.)

Financial Assumptions for Financing Plan - Action

Ms. Hendrickson indicated that assumption levels were set five years ago, and needed to be reviewed (copy on file).

It was moved by Mr. Miller, seconded by Ms. Choe and carried by the unanimous vote of all members present that the adjustments to financing plan assumptions be presented to the Board for action on March 22 with a do pass recommendation from the finance committee.

Financial Policies - Discussion

Ms. Hendrickson indicated that the draft financial policies had been updated to reflect the discussion at the last finance committee meeting (copy on file). She stated that staff was not asking the committee for action but for additional refinement.

Ms. Choe indicated that, in the interest of consistency with the application of subarea "fences", farebox revenues should rest with the subarea that generates them. Non-capital, non-operating necessities such as fare integration and agency administration should be taken off the top of the subarea budgets.

Mr. McKenna proposed that this issue be addressed under subarea budgets, to the effect that farebox recovery will be allocated to offset operating expenses in areas where the mode in question is collected. In addition, subareas will contribute to the regional reserve to fund fare integration and agency administration.

Mr. Nickels urged the committee to maintain a regional view while treating each subarea fairly. While it is reasonable to provide assurances to subareas, the overriding objective is to build a regional system.

Mr. Miller raised the issue of the difficulty of identifying farebox recovery on a subarea basis.

Mr. McKenna reasoned that allocating farebox recovery by subarea is no more conceptually difficult than allocating operating expenses by subarea.

Ms. Choe indicated that it would be useful for staff to lay out some approaches for allocating farebox recovery by subarea.

Mr. Miller stated that the policy choice is clear: either farebox recovery is allocated to the subareas or to the regional reserve. He suggested a policy that states agency administration and fare integration will be based on a share of the taxes raised in each subarea.

The committee asked staff to come up with an appropriate percentage of local taxes for fare integration and agency administration.

Mr. Miller asked that the 3rd bullet on page 5 be deleted. A process is needed for revenue shortfalls, not the reverse.

Ms. Choe suggested a list of priorities be developed in case of excess revenues. For example, the project could be accelerated. The 50/50 split should be deleted.

Mr. Nickels indicated that adjustments to subarea budgets should be combined with subarea budgets, instead of being listed separately.

Mr. Miller indicated that subarea budgets would undergo annual adjustments; in an emergency, the Board could act more quickly. If the case of excess revenues arises, the Board can adjust the budget as necessary within the annual review process.

Ms. Choe suggested taking a look at the annexation policies to determine incentives to opt-in for Phase II. These incentives for early buy-ins might come from the regional fund.

Ms. Hendrickson indicated that staff would make the changes suggested by the committee. The principles will be further discussed at a later date.

Next Meeting

The next meeting of the Finance Committee is scheduled for Wednesday, April 10, at 12:00 p.m.

As there was no other business, the meeting was adjourned at 2:00 p.m.

Recorded by Amy Ebersole
Board Administrator's Assistant