

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100441	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

FY2011 Budget Guidance

PURPOSE:

To obtain budget guidance from the Board regarding the development of the FY2011 General Manager's Proposed Budget, and obtain Board approval of the FY2011 Budget Guidance Resolution.

DESCRIPTION:

The Board of Directors will receive and consider the General Manager's proposed FY2011 Operating and Capital Budgets in December 2009. The current adopted fare policy calls for an increase in fares in FY2011 capped at twice the rate of inflation. Twice the rate of inflation will likely not be sufficient to resolve the anticipated shortfall. In addition, The Compact requires the Metro Operating Budget to be balanced.

In developing the FY2011 Operating Budget to be presented in December, the General Manager and staff will:

- Assume for budget development purposes that there is a low probability of increased jurisdictional assistance for FY2011;
- Use the current fare policy for budget development purposes and determine whether it results in adequate revenues;
- As an alternative, determine whether an increased use of capital funding for preventive maintenance may be needed to balance the proposed FY2011 budget and assess the associated impact on the capital program;
- Propose policy changes which may constrain the unsustainable growth of MetroAccess service costs, with resultant associated cost savings; and
- Develop recommendations on the appropriate bus and rail service levels so as to provide a balanced budget;

Finally, the General Manager and staff will develop a process for conducting a series of Town meetings, including presentations for Metro stakeholders and the public on the choices and challenges involved with developing a balanced FY2011 Budget, such meetings to be conducted before the General Manager submits his proposed FY2011 budget.

FUNDING IMPACT:

The guidance provided will be the basis for building the FY2011 budget.

RECOMMENDATION:

Approval of the resolution providing guidance for developing the proposed FY2011 budget.

SUBJECT: FY2011 OPERATING BUDGET GUIDANCE

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Board of Directors will receive and consider the General Manager's proposed FY2011 Operating and Capital Budgets in December 2009; and

WHEREAS, The Board of Directors adopted a fare policy that calls for an increase in fares in FY2011 capped at twice the rate of inflation but that rate will likely not be sufficient to resolve the anticipated shortfall; and

WHEREAS, The Compact requires the Metro Operating Budget to be balanced; now, therefore be it

RESOLVED, That in developing the FY2011 Operating Budget to be presented in December, the General Manager and staff will:

- Assume for budget development purposes that there is a low probability of increased jurisdictional assistance in FY 2011;
- Use the current fare policy for budget development purposes and determine whether it results in adequate revenues;
- As an alternative, determine whether an increased use of capital funding for preventive maintenance may be needed to balance the proposed FY2011 budget and assess the associated impact on the capital program;
- Propose policy changes which may constrain the unsustainable growth of MetroAccess service costs, with resultant associated cost savings;
- Develop recommendations on the appropriate bus and rail service levels so as to provide a balanced budget; and be it further

RESOLVED, That the General Manager and staff will develop a process for conducting a series of Town meetings, including presentations for Metro stakeholders and the public on the choices and challenges involved with developing a balanced FY2011 budget, such meetings to be conducted before the General Manager submits his proposed FY2011 Budget; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel