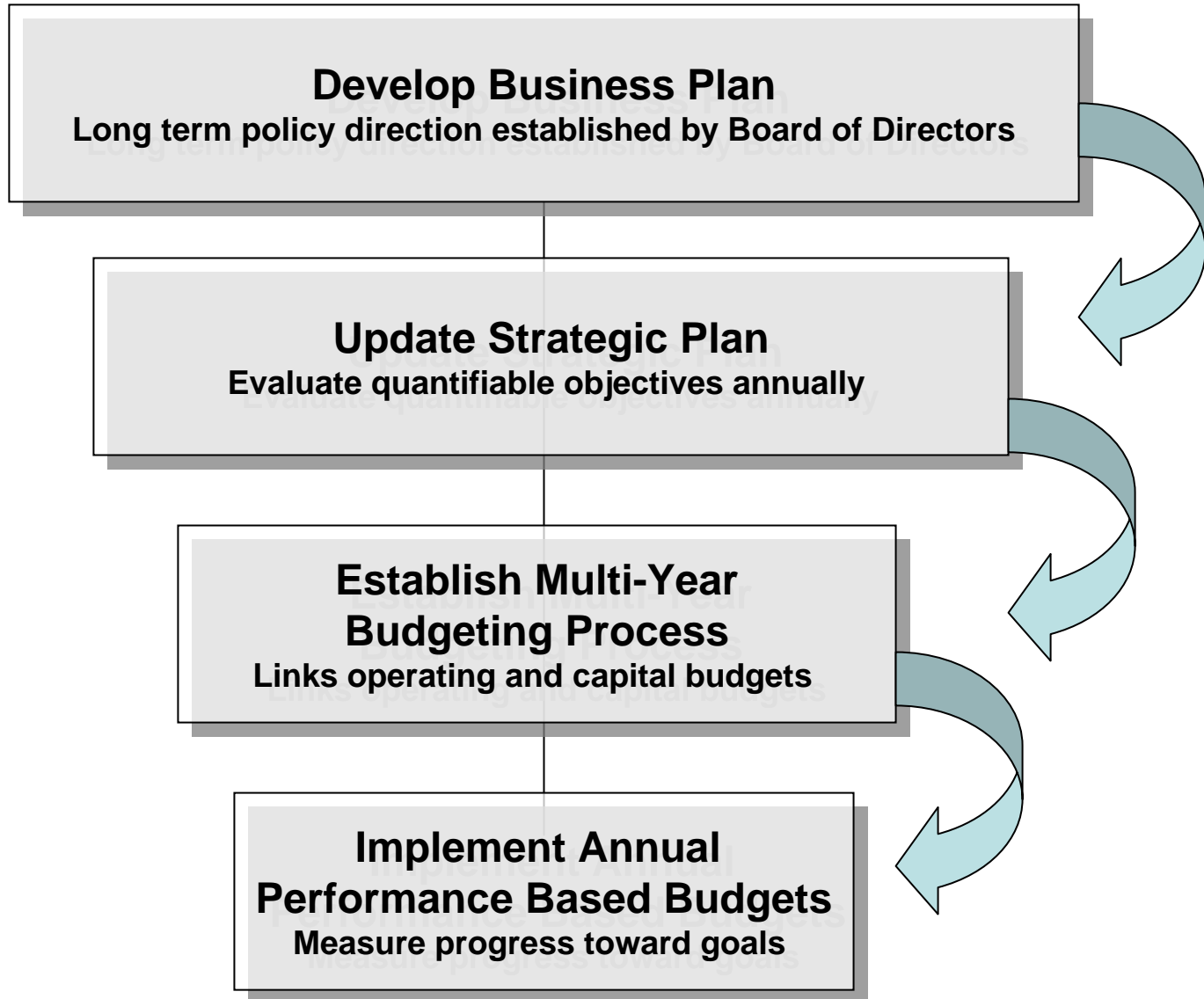




**Status Report on Business Plan Development
And Performance Based Budgeting**

**Budget Committee
January 12, 2006**





Business Plan Update

Business Plan Development		
Task	Action	Responsibility
1. Update Strategic Plan	<p>Revalidate vision / mission / goals</p> <p>Consider need for additional goal addressing employee's stake in Metro</p> <p>Develop quantifiable objectives for each strategic goal and update annually</p>	Board sub-committee and staff with consulting facilitator
2. Adopt Performance Measures and Benchmarks for operating and capital budgets	<p>Establish quantifiable performance measures for each office</p> <p>Determine benchmarks for each function</p> <p>Develop workload indicators</p>	Staff will develop and present to Board for approval
3. Develop Multi-Year Financial Forecast	<p>Implement quarterly reporting to Board Budget Committee for the operating budget</p> <p>Implement semi-annual reporting to Board Budget Committee for the capital budget</p> <p>Identify operating budget impact of each CIP project</p> <p>Propose annual budgets with multi-year forecasts for planning purposes: <i>3 years for operating</i> <i>6 years for capital</i></p>	Staff assignment - initial quarterly report due in February 2006



Business Plan Update

Business Plan Development		
Task	Action	Responsibility
4. Best Practices Budgeting Review	Contact jurisdictional CFO's / CAO's and other stakeholders including the RAC for input into improving Metro's budget process Peer reviews: other transits, T-FLEx, APTA, best in class businesses, other public and private agencies Consider privatization of non-core functions	Team assignment - Metro CFO and staff with JCC Consulting services
5. Review with Special Emphasis	Assess implications of policies, programs and assumptions on long-term financial plans Improve revenue forecasting process by getting stakeholder buy-in Gather public stakeholder input into budget process Link budgets to business plan / financial plan Assess efficiency of budget review process Develop indexed fare increase options	Team assignment - Metro staff with JCC and consulting services



Action Plan

Current and On-going

Data collection / team efforts / process mapping

Mar '06

Initiate and award consulting services contracts -

- o Facilitation of strategic plan review**
- o Peer reviews, private industry best practices**

Detailed contract scope and cost estimates under development

Jul '06

Staff recommendation to Board of budget process improvements

Sep '06

**Seek Board guidance on FY08 budget incorporating
business planning process improvements and performance measures**

Dec '06

Staff proposal of first business plan / performance based budget