



Budget Committee

Board Action Item III-A

February 8, 2007

**Recommendation to Defer Action on FY08 Fare
and Service Adjustments**

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

Action
 Information

MEAD Number:

Resolution:
 Yes No

PURPOSE

Recommend to the Budget Committee that further action on the proposed FY08 fare adjustments and service reductions be deferred.

DESCRIPTION

Fare adjustments and service reductions should be viewed as actions of last resort in the process of balancing the FY08 budget.

To assure our customers and the public that every possible efficiency has been implemented an organizational review is underway. The results of this review will likely recommend reallocation of budgetary resources and budget reductions as Metro better aligns itself to deliver Metrobus, Metrorail and MetroAccess service. The organizational review is scheduled to be completed in time for all recommendations to be incorporated into the FY08 budget. Additionally, as savings and efficiencies become apparent during this review process they will be implemented immediately to gain the maximum benefit.

Reducing service is contrary to the mission of Metro and ultimately leads to a self-defeating proposal. Therefore, the service reductions that have been proposed will be re-examined for opportunities to invest those resources back into other areas of bus and rail service.

If fare adjustments are still called for after completely assuring that Metro's FY08 proposed spending plan is aligned to achieve maximum efficiency the implementation may be delayed until after the start of the fiscal year.

FUNDING IMPACT

The budget must be balanced prior to the start of the new fiscal year on July 1, 2007.

RECOMMENDATION

That the Budget Committee concur and defer beginning the public hearing process on proposed service and fare changes for FY08.