

Minutes
Finance, Administration and Oversight Committee
January 8, 2009

Mr. Benjamin called the meeting to order at 11:00 a.m. Present were:

Committee Members

Mr. Peter Benjamin, Chair	Ms. Elizabeth Hewlett
Mr. William D. Euille, Vice Chair	Mr. Gordon Linton
Mr. Chris Zimmerman	Mr. Jeff McKay
Mr. Jim Graham	Mr. Anthony Giancola
Ms. Catherine Hudgins	
Mr. Neil Albert	

Approval of Agenda

The agenda was approved as submitted.

Minutes

The minutes of December 4, 2008 were approved as submitted.

Information Items

A. Budget Issues

The General Manager presented his proposed budget for FY2010 and noted that detailed budget reviews will be delivered during subsequent FAO Committee meetings. The key drivers for next fiscal year include: no fare increases or increases in total local government subsidies, significant staffing and cost reductions, as well as bus and rail service reductions. The proposal also anticipates significant increases in MetroAccess costs.

Conditions for next fiscal year result in a budget gap, and even though ridership growth is generating significant revenue growth, it is not enough to offset other revenue declines. The General Manager has proposed management actions to close the gap, including administrative/operational staffing budget reductions and \$73 million reductions in bus, rail and paratransit services.

B. FY2009 Monthly Financial Report (November 2008)

Staff presented a review of the operating financials for November 2008. Overall cost recovery through the end of November was 61 percent, slightly higher than the budgeted 60 percent. Year-to-date cost recovery on rail of 86 percent was also slightly higher than budget.

Action Items

A. Endorsement of Economic Stimulus Project List

Staff asked the Committee to endorse a list of project categories for the purpose of seeking funding from a potential Federal economic stimulus package, and authorized the General Manager to apply for and accept grants as may be warranted for the purpose of funding and advancing projects in the endorsed categories. Congress and the Obama administration are currently developing details of the Economic Stimulus Package, and staff anticipates that when this program is finalized, the transit funds provided by the program will be distributed via the federal formula grant program without a requirement of matching funds.

Mr. Graham moved approval, Mr. Zimmerman seconded, and the motion was unanimously approved.

B. Report by the External Auditors

Staff requested acceptance of the FY2008 External Audit deliverables submitted by Clifton Gunderson, LLP. Metro's audited financial statements resulted in an Unqualified Opinion, which means the statements present fairly, in all material respects the financial position of the Authority as of June 30, 2008, and the changes in its financial position and cash flows for the year are in conformity with United States generally accepted accounting principles.

Mr. Graham moved approval, Mrs. Hudgins seconded, and the motion was unanimously approved

The meeting was adjourned at 12:15 p.m.