



FY2006 Proposed Operating Budget

Expense Review

**Budget Committee
March 10, 2005**



Summary – Total Operating Budget

	FY05 Approved Budget	FY06 Proposed Budget	Change	
Revenue	\$541.5	\$570.7	\$29.2	5.4%
Expense	\$943.7	\$1,014.6	\$70.9	7.5%
Subsidy	\$402.2	\$443.9	\$41.7	10.4%

\$ Millions

Expenses Proposed to Increase \$70.9 Million or 7.5%



Proposed Budget Adjustments Since December

- Incorporate impact of Board approved bus service adjustments
(\$1.7M) FY06 Expense Reduction
 - Metrobus Service Restructuring for Largo Extension (\$1.3M)
 - Prince George's South County Service (\$0.4M)

- Incorporate new labor contract
(\$1.8M) FY06 Expense Reduction
 - Budgeted \$8M pension contribution, actual will be \$0
 - 2.0% wage increase budgeted, actual 1.5%
 - Partially offsetting cost increases for earlier wage increase progression pay increases

- Lower FY05 health costs reduce FY06 base
(\$3.0M) FY06 Expense Reduction

- Fund requirements for increasing energy costs
\$4.8M FY06 Expense Increase
 - \$0.6M added cost for CNG price increases
 - \$0.8M added cost for natural gas usage increase in facilities
 - \$1.7M added cost for electricity (not propulsion power) for facilities
 - \$1.7M added cost for higher diesel fuel prices (\$1.40 per gallon)



Proposed Budget Adjustments Since December

FY06 Proposed Budget	\$1,014.6	<i>Dec CEO Presentation</i>
<i>Adjustments:</i>		
Largo Bus Service	(\$1.3)	
PG So County Bus Service	(\$0.4)	
New Labor Contract	(\$1.8)	
Base Fringes (Health)	(\$3.0)	
Base Energy Cost	\$4.8	
	<hr/>	
subtotal	(\$1.7)	
FY06 Revised Budget	\$1,012.9	<i>March Update</i>

\$ Millions

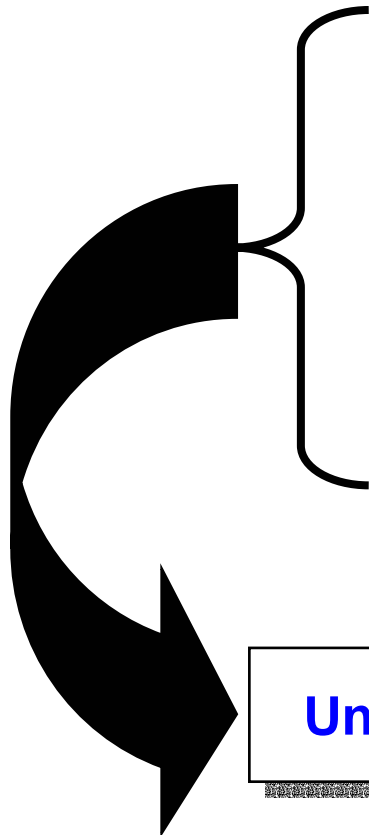


Each "Line Item" Can Be Drilled by Mode:



	FY05 Budget	FY06 Budget	Change	
Labor	\$536,116	\$565,506	\$29,389	5.5%
Fringe Benefits	\$180,447	\$196,144	\$15,697	8.7%
Services	\$95,610	\$100,724	\$5,115	5.3%
Materials & Supplies	\$63,445	\$67,559	\$4,114	6.5%
Power & Fuel	\$48,402	\$55,065	\$6,663	13.8%
Utilities & Other	\$40,364	\$48,590	\$8,226	20.4%
Reimbursements	(\$20,700)	(\$20,700)	\$0	0.0%
Total	\$943,683	\$1,012,888	\$69,205	7.3%

\$ Thousands



Unique Inflatons and Cost Drivers for each "Line Item"



“Modes” of Transportation 

FY2006 Revised Operating Expense	Total	Metrorail	Metrobus	MetroAccess
Labor	\$565,506	\$321,384	\$243,036	\$1,085
Fringe Benefits	\$196,144	\$112,618	\$83,170	\$356
Services	\$100,724	\$36,660	\$14,560	\$49,504
Materials & Supplies	\$67,559	\$40,305	\$27,158	\$96
Power & Fuel	\$55,065	\$35,766	\$19,299	\$0
Utilities & Other	\$48,590	\$33,543	\$14,687	\$359
Reimbursements	<u>(\$20,700)</u>	<u>(\$2,700)</u>	<u>(\$18,000)</u>	<u>\$0</u>
Total	<u><u>\$1,012,888</u></u>	<u><u>\$577,577</u></u>	<u><u>\$383,911</u></u>	<u><u>\$51,400</u></u>

\$ Thousands



FY2006 Operating Expenses

Metrorail Budget

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	<u>\$532,472</u>	<u>\$577,577</u>	<u>\$45,106</u>	<u>8.5%</u>

\$ Thousands

- 198 Million Passengers
- 904 Rail Car Fleet
- 68 Million Rail Car Miles
- 206 Miles of Track
- 10,000 Vehicle Inspections
- 112,000 ATC Inspections
- 10,672 Traction Power Inspections
- 24,636 AFC Inspections
- 16,224 Inspections of Parking Equipment



FY2006 Operating Expenses

Metrorail Budget

**Rail Labor Cost
Increasing \$19.6 Million or 6.5%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

- 1. Pay Increases \$10.1M or 3.4%**
85% Controlled by Labor Contracts
- L689/L922 Contracts at 1.5%*

- L2 and L639 Police Contracts
are in Negotiation

15% for Non-Represented
"Pay-for-Performance" at 2%
No Other Increase

ABOVE BASE COSTS INCREASES:

- 2. Annualization/New Service \$5.5M or 1.8%**
Largo Extension Opened in FY05
New York Ave Station Opened in FY05
6000 Series Rail Cars in Operation
Added Police & Security Costs
- 3. New Programs \$4.0M or 1.3%**
Track Safety/Inspection Program
Rail Management Program
Platform Supervisors
Station Managers for Hi-Volume Sites
Station Re-Lamping and Cleaning

* Refer to page 4 to see \$1.8M net labor contract savings
Higher base wage costs are more than
offset by base pension savings



FY2006 Operating Expenses

Metrorail Budget

**Rail Fringe Benefits Cost
Increasing \$11.5 Million or 11.4%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

1. Health & Benefits Inflation \$8.3M or 8.2%

24% Payroll Taxes

61% Union Health & Pension *

85%

15% NonUnion Health & Pension

ABOVE BASE COST INCREASES:

2. Annualization / New Service \$2.0M or 2.0%

Largo Extension Opened in FY05

New York Ave Station Opened in FY05

6000 Series Rail Cars in Operation

Added Police & Security Costs

3. New Programs \$1.2M or 1.2%

Track Safety/Inspection Program

Rail Management Program

Platform Supervisors

Station Managers for Hi-Volume Sites

Station Re-Lamping and Cleaning

* Refer to page 4 to see \$1.8M net labor contract savings

Higher base wage costs are more than
offset by base pension savings



FY2006 Operating Expenses

Metrorail Budget

**Rail Services Cost
Increasing \$4.0 Million or 12.1%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

- 1. Inflation on existing work \$1.3M or 3.9%**
Contracts Tend to be Labor Intensive

ABOVE BASE COST INCREASES:

- 2. Annualization / New Service \$1.3M or 4.1%**
Largo Extension Opened in FY05
Regional SmarTrip Program
- 3. New Programs \$1.4M or 4.1%**
Bus Cleaning Program
Station Re-Lamping



FY2006 Operating Expenses

Metrorail Budget

**Rail Materials & Supplies Cost
Increasing \$3.0 Million or 8.0%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

1. Inflation on existing work \$0.5M or 1.4%

ABOVE BASE COSTS INCREASES:

2. Annualization / New Service \$0.8M or 2.1%

Largo Extension Opened in FY05
 New York Ave Station Opened in FY05
 6000 Series Rail Cars in Operation
 Added Police & Security Costs

3. New Programs \$1.7M or 4.5%

Rail Management Program
 Station Re-Lamping and Cleaning
 Customer Call Processing Equipment



FY2006 Operating Expenses

Metrorail Budget

**Rail Propulsion & Power Cost
Increasing \$2.7 Million or 8.3%**

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

1. Rate inflation \$0.8M or 2.5%

ABOVE BASE COST INCREASES:

2. Annualization / New Service \$1.9M or 5.8%

Largo Extension Opened in FY05
 New York Ave Station Opened in FY05
 6000 Series Rail Cars in Operation



FY2006 Operating Expenses

Metrorail Budget

**Rail Utilities & Other Cost
Increasing \$4.3 Million or 14.7%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

BASE COST INCREASE:

1. Base Inflationary increase \$1.3M or 4.2% *

2. Claims Reserve Increase \$2.9M or 9.8%

Rail mode share of \$5M
required to fund reserve

ABOVE BASE COST INCREASE:

3. Annualization / New Service \$0.1M or 0.7%

Largo Extension Opened in FY05
New York Ave Station Opened in FY05

* Refer to page 4 to see higher energy costs being budgeted,
but more than offset by other budget reductions



FY2006 Operating Expenses

Metrorail Budget

**Reimbursements
No Change**

	FY05 Budget	FY06 Budget	Change	
Labor	\$301,775	\$321,384	\$19,609	6.5%
Fringe Benefits	\$101,138	\$112,618	\$11,480	11.4%
Services	\$32,691	\$36,660	\$3,970	12.1%
Materials & Supplies	\$37,303	\$40,305	\$3,002	8.0%
Power & Fuel	\$33,027	\$35,766	\$2,739	8.3%
Utilities & Other	\$29,238	\$33,543	\$4,305	14.7%
Reimbursements	(\$2,700)	(\$2,700)	\$0	0.0%
Total	\$532,472	\$577,577	\$45,106	8.5%

\$ Thousands

- **Funds Transferred from CIP for Preventive Maintenance Activities**



FY2006 Operating Expenses

Metrobus Budget

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	<u>\$359,515</u>	<u>\$383,911</u>	<u>\$24,396</u>	<u>6.8%</u>

\$ Thousands

- 139 Million Passengers
- 1,440 Buses in the Fleet
- 48 Million Bus Miles
- 350 Routes
- 10 Bus Garages & 1 Overhaul Shop
- 48,000 Maintenance Inspections
- 12,435 Bus Stops



FY2006 Operating Expenses

Metrobus Budget

**Bus Labor Cost
Increasing \$9.5 Million or 4.1%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

1. Pay Increases \$7.5M or 3.2%

85% Controlled by Labor Contracts

- L689/L922 Contracts at 1.5%*

- L2 and L639 Police Contracts
are in Negotiation

15% for Non-Represented

“Pay-for-Performance” at 2%

No Other Increase

ABOVE BASE COST INCREASES:

2. Annualization / New Service \$1.9M or 0.8%

Bus Overcrowding Relief Annualization

3. New Programs \$0.1M or 0.1%

Increases of \$0.7M for bus signage
and customer call processing offset
by labor cost reduction of (\$0.6)M
for outsourcing bus cleaning

* Refer to page 4 to see \$1.8M net labor contract savings

Higher base wage costs are more than
offset by base pension savings



FY2006 Operating Expenses

Metrobus Budget

**Bus Fringe Benefits Cost
Increasing \$4.2 Million or 5.3%**

Four Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

1. Health & Benefits Inflation \$6.5M or 8.2%

24% Payroll Taxes

61% Union Health & Pension *

85%

15% NonUnion Health & Pension

2. Health Savings (\$3.0M) or -3.8%

Lower employee utilization partially offsetting rate inflation

ABOVE BASE COST INCREASES:

3. Annualization/New Service \$0.7M or 0.8%

Bus Overcrowding Relief Annualization

4. New Programs >\$0.1 or 0.1%

Increases of \$0.2M for bus signage and customer call processing offset by fringe cost reduction of (\$0.2)M for outsourcing bus cleaning

* Refer to page 4 to see \$1.8M net labor contract savings
Higher base wage costs are more than offset by base pension savings



FY2006 Operating Expenses

Metrobus Budget

**Bus Services Cost
Increasing \$1.8 Million or 13.8%**

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

- 1. Inflation on existing work \$0.5M or 3.8%**
Contracts Tend to be Labor Intensive

ABOVE BASE COST INCREASES:

- 2. New Programs \$1.3M or 10.0%**
Outsourcing contract for bus heavy cleaning, partially offset by budget reductions in Labor and Fringes



FY2006 Operating Expenses

Metrobus Budget

**Bus Materials & Supplies Cost
Increasing \$1.0 Million or 4.0%**

Three Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,153	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

1. Inflation on existing work \$0.4M or 1.5%

ABOVE BASE COSTS INCREASES:

2. Annualization / New Service \$0.2M or 0.8%
Bus overcrowding relief Annualization
3. New Programs \$0.4M or 1.7%
Bus cleaning program supplies
Customer Call Processing Equipment



FY2006 Operating Expenses

Metrobus Budget

**Bus Power & Fuel Cost
Increasing \$3.9 Million or 25.5%**

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

- 1. Diesel fuel & CNG inflation \$3.6M or 23.6% *
- 2. Annualization/New Service \$0.3M or 1.9%
Bus Overcrowding Relief Annualization

ABOVE BASE COST INCREASES:

None.

* Refer to page 4 to see higher energy costs being budgeted, but more than offset by other budget reductions



FY2006 Operating Expenses

Metrobus Budget

**Bus Utilities & Other Cost
Increasing \$3.9 Million or 36.3%**

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

BASE COST INCREASE:

- 1. Electricity & Natural Gas Inflation \$1.8M or 16.6% ***
- 2. Claims Reserve Increase \$2.1M or 19.7%**
Bus mode share of \$5M
required to fund reserve

ABOVE BASE COST INCREASES:

None.

* Refer to page 4 to see higher energy costs being budgeted, but more than offset by other budget reductions



FY2006 Operating Expenses

Metrobus Budget

**Reimbursements
No Change**

	FY05 Budget	FY06 Budget	Change	
Labor	\$233,442	\$243,036	\$9,594	4.1%
Fringe Benefits	\$79,016	\$83,170	\$4,154	5.3%
Services	\$12,792	\$14,560	\$1,768	13.8%
Materials & Supplies	\$26,114	\$27,158	\$1,044	4.0%
Power & Fuel	\$15,375	\$19,299	\$3,924	25.5%
Utilities & Other	\$10,776	\$14,687	\$3,911	36.3%
Reimbursements	(\$18,000)	(\$18,000)	\$0	0.0%
Total	\$359,515	\$383,911	\$24,396	6.8%

\$ Thousands

**Funds Transferred from CIP for
Preventive Maintenance Activities**



FY2006 Operating Expenses

MetroAccess Budget

	FY05 Budget	FY06 Budget	Change	
Labor	\$900	\$1,085	\$186	20.6%
Fringe Benefits	\$293	\$356	\$63	21.5%
Services	\$50,127	\$49,504	(\$623)	-1.2%
Materials & Supplies	\$28	\$96	\$68	0.0%
Power & Fuel	\$0	\$0	\$0	0.0%
Utilities & Other	\$349	\$359	\$10	0.0%
Reimbursements	\$0	\$0	\$0	0.0%
Total	<u>\$51,697</u>	<u>\$51,400</u>	<u>(\$297)</u>	<u>-0.6%</u>

\$ Thousands

- 1.4 Million Passengers
- 180 Paratransit Vehicles
- 14,000 Registered Customers
- Contract Revisions with Service Provider
- Flattening Demand



FY2006 Operating Expenses

MetroAccess Budget

**MetroAccess Labor Cost
Increasing \$0.2 Million or 20.6%**

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$900	\$1,085	\$186	20.6%
Fringe Benefits	\$293	\$356	\$63	21.5%
Services	\$50,127	\$49,504	(\$623)	-1.2%
Materials & Supplies	\$28	\$96	\$68	0.0%
Power & Fuel	\$0	\$0	\$0	0.0%
Utilities & Other	\$349	\$359	\$10	0.0%
Reimbursements	\$0	\$0	\$0	0.0%
Total	\$51,697	\$51,400	(\$297)	-0.6%

\$ Thousands

BASE COST INCREASES:

1. Staff pay adjustments \$19K or 2%

ABOVE BASE COST INCREASES:

2. **New Programs \$167k or 18.6%**
for labor cost allocated
to MetroAccess Mode to assist with
customer communications and call
processing programs

Three staff additions to be funded with net \$0 budget impact by reducing other MetroAccess expenses



FY2006 Operating Expenses

MetroAccess Budget

MetroAccess Fringe Benefits Cost Increasing \$63 Thousand or 21.5%

Two Primary Cost Drivers:

	FY05 Budget	FY06 Budget	Change	
Labor	\$900	\$1,085	\$186	20.6%
Fringe Benefits	\$293	\$356	\$63	21.5%
Services	\$50,127	\$49,504	(\$623)	-1.2%
Materials & Supplies	\$28	\$96	\$68	0.0%
Power & Fuel	\$0	\$0	\$0	0.0%
Utilities & Other	\$349	\$359	\$10	0.0%
Reimbursements	\$0	\$0	\$0	0.0%
Total	\$51,697	\$51,400	(\$297)	-0.6%

\$ Thousands

BASE COST INCREASES

1. Fringes benefits cost increase \$16k or 5.5%

ABOVE BASE COST INCREASES:

2. New Programs \$47k or 16.0%

Fringe cost allocated to MetroAccess Mode to assist with customer communications and call processing programs



FY2006 Operating Expenses

MetroAccess Budget

**MetroAccess Services Cost
Decreasing (\$0.6) Million or (1.2%)**

One Primary Cost Driver:

	FY05 Budget	FY06 Budget	Change	
Labor	\$900	\$1,085	\$186	20.6%
Fringe Benefits	\$293	\$356	\$63	21.5%
Services	\$50,127	\$49,504	(\$623)	-1.2%
Materials & Supplies	\$28	\$96	\$68	0.0%
Power & Fuel	\$0	\$0	\$0	0.0%
Utilities & Other	\$349	\$359	\$10	0.0%
Reimbursements	\$0	\$0	\$0	0.0%
Total	\$51,697	\$51,400	(\$297)	-0.6%

\$ Thousands

BASE COST DECREASE

1. Contract expense reduction of \$0.6M or 1.2%

- Contract Changes With Service Provider
- Flattening Demand for Service

ABOVE BASE COST INCREASES:

None.



FY2006 Operating Expenses

MetroAccess Budget

MetroAccess

Materials & Supplies

Utilities & Other

**Cost Increasing \$78k
Two Primary Cost Drivers:**

BASE COST INCREASE:

- 1. Claims Reserve Increase \$10k or 0.0%**
MetroAccess mode share of \$5M required to fund reserve

	FY05 Budget	FY06 Budget	Change	
Labor	\$900	\$1,085	\$186	20.6%
Fringe Benefits	\$293	\$356	\$63	21.5%
Services	\$50,127	\$49,504	(\$623)	-1.2%
Materials & Supplies	\$28	\$96	\$68	0.0%
Power & Fuel	\$0	\$0	\$0	0.0%
Utilities & Other	\$349	\$359	\$10	0.0%
Reimbursements	\$0	\$0	\$0	0.0%
Total	\$51,697	\$51,400	(\$297)	-0.6%

\$ Thousands

ABOVE BASE COST INCREASE:

- 2. New Programs \$68k or 0.0%**
Cost Allocated to MetroAccess
Mode to Assist with Customer Service /
Call Handling Program



Summary – FY06 Revised Operating Expense Proposal

	FY05 Budget	FY06 Budget	Change
Expense	\$943.7	\$1,012.9	\$69.2 7.3%
If Baseball Service Plan is Approved		\$2.5	
	\$943.7	\$1,015.4	\$71.7 7.6%
\$ Millions			