



FY2006 Proposed Operating Budget

Revenue Update

**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

Revenues Proposed to Increase \$29.2 Million or 5.4%



FY2006 Operating Revenues

As Proposed

FY05-FY06...

	FY05 Approved <u>Budget</u>	FY06 Proposed <u>Budget</u>	<u>Change</u>	<u>%</u>
<u>Passenger Fares</u>				
Metrorail	\$356.3	\$367.2	\$10.9	3.0%
Metrobus	\$98.6	\$99.1	\$0.5	0.5%
MetroAccess	\$4.0	\$4.9	\$0.9	22.5%
Total Passenger	\$458.9	\$471.2	\$12.3	2.7%
<u>Non-Passenger Revenues</u>				
DC School Pass program	\$4.3	\$4.3	\$0.0	0.0%
Charter Bus operations	\$1.2	\$1.2	\$0.0	0.0%
Parking Fees	\$31.8	\$35.2	\$3.4	10.7%
Advertising Fees	\$29.0	\$30.0	\$1.0	3.4%
Joint Development proceeds	\$6.2	\$6.5	\$0.3	4.8%
Fiber Optics leases	\$7.0	\$9.0	\$2.0	28.6%
Interest & Other	\$3.1	\$3.1	\$0.0	0.0%
Initiative Funding	\$0.0	\$10.2	\$10.2	n/a
Total Non-Passenger	\$82.6	\$99.5	\$16.9	20.5%
Total Operating Revenues	\$541.5	\$570.7	\$29.2	5.4%



Non-Passenger accounts through seven months...

	Year-to-date January			
	Approved FY05 Bud\$	Actual\$	Variance	
<u>Non-Passenger Revenues</u>				
DC School Pass program	\$2.2	\$2.2	\$0.0	
Charter Bus operations	\$0.8	\$1.2	\$0.4	
Parking Fees	\$17.5	\$19.9	\$2.4	Very strong SmarTrip Program
Advertising Fees	\$16.9	\$16.9	\$0.0	
Joint Development proceeds	\$3.6	\$4.7	\$1.1	Prior-year collections
Fiber Optics/Other	\$4.4	\$5.0	\$0.6	Prior-year collections
Initiative Funding	\$0.0	\$0.0	\$0.0	
Interest & Other	\$1.8	\$2.2	\$0.4	one-time and some market improvement
Total Non-Passenger	\$47.2	\$52.1	\$4.9	FAVORABLE



Strong non-passenger performance already proposed...

	Total Year				
	<u>Approved FY05 Bud\$</u>	<u>Proposed Changes</u>	<u>Proposed FY06 Bud\$</u>	<u>Baseline Adjustment</u>	<u>Revised FY06 Bud\$</u>
<i>Non-Passenger Revenues</i>					
DC School Pass program	\$4.3	\$0.0	\$4.3		\$4.3
Charter Bus operations	\$1.2	\$0.0	\$1.2		\$1.2
Parking Fees	\$31.8	\$3.4	\$35.2	\$1.0	\$36.2
Advertising Fees	\$29.0	\$1.0	\$30.0		\$30.0
Joint Development proceeds	\$6.2	\$0.3	\$6.5		\$6.5
Fiber Optics	\$7.0	\$2.0	\$9.0	(\$1.2)	\$7.8
Initiative Funding	\$0.0	\$10.2	\$10.2		\$10.2
Interest/Other	\$3.1	\$0.0	\$3.1	\$0.2	\$3.3
Total Non-Passenger	\$82.6	\$16.9	\$99.5	\$0.0	\$99.5

- ***Stronger SmarTrip Parking program***
- ***Proposed Fiber Optics too aggressive***
- ***Nominal market improvement in interest***



Passenger accounts through seven months...

	<u>Year-to-date January</u>			
	<u>Approved FY05 Bud\$</u>	<u>Actual\$</u>	<u>Variance</u>	
<u>Passenger Fares</u>				
Metrorail	\$201.4	\$206.7	\$5.3	Low elasticity
Metrobus	\$56.7	\$58.2	\$1.5	Mild winter
MetroAccess	\$2.2	\$1.6	(\$0.6)	Unexpected reduction
Total Passenger	\$260.3	\$266.5	\$6.2	FAVORABLE



Rail and ADA performance was not anticipated...

	Total Year				
	<u>Approved FY05 Bud\$</u>	<u>Proposed Changes</u>	<u>Proposed FY06 Bud\$</u>	<u>Baseline Adjustment</u>	<u>Revised FY06 Bud\$</u>
<u>Passenger Revenues</u>					
Metrorail	\$356.3	\$10.9	\$367.2	\$9.0	\$376.2
Metrobus	\$98.6	\$0.5	\$99.1		\$99.1
MetroAccess	\$4.0	\$0.9	\$4.9	(\$1.0)	\$3.9
Total Passenger	\$458.9	\$12.3	\$471.2	\$8.0	\$479.2

*Favorable elasticity and ADA volume drop
not part of FY06 budget development,
ultimate FY05 impact likely **+\$9M rail, (\$1M) ADA***



With improved outlook...

**Baseline
Change**

Passenger Fares

Metrorail	\$9.0
Metrobus	
MetroAccess	<u>(\$1.0)</u>
Total Passenger	\$8.0

Non-Passenger Revenues

Parking Fees	\$1.0
Fiber Optics leases	(\$1.2)
Interest/Other	<u>\$0.2</u>
Total Non-Passenger	\$0.0

Total Revenues **\$8.0**

*Recommend changed FY05 revenue performance
to increase FY06 baseline by \$8M*



With Board actions...

	<u>PG County Bus Svc</u>	<u>Revisions Subtotal</u>	<u>Baseball if App'd</u>	<u>Revisions Subtotal</u>
<u>Passenger Fares</u>				
Metrorail		\$0.0	\$2.5	\$2.5
Metrobus	<u>(\$0.2)</u>	<u>(\$0.2)</u>		<u>(\$0.2)</u>
Total Passenger	<u>(\$0.2)</u>	<u>(\$0.2)</u>	<u>\$2.5</u>	<u>\$2.3</u>



FY2006 Operating Revenues

FY05-06 Comparison

Rolling summary vs. December proposal...

	Total Year						
	<u>Approved FY05 Bud\$</u>	<u>Proposed Changes</u>	<u>Proposed FY06 Bud\$</u>	<u>Baseline Adjustment</u>	<u>Budget Amend'ts</u>	<u>Revised FY06 Bud\$</u>	<u>Change vs. Dec</u>
Passenger	\$458.9	\$12.3	\$471.2	\$9.0	(\$0.2)	\$480.0	\$8.8
Non-passenger	\$82.6	\$16.9	\$99.5	(\$1.0)	\$0.0	\$98.5	(\$1.0)
Subtotal	\$541.5	\$29.2	\$570.7	\$8.0	(\$0.2)	\$578.5	\$7.8
Baseball	\$0.0	\$0.0	\$0.0	\$0.0	\$2.5	\$2.5	\$2.5
Total	\$541.5	\$29.2	\$570.7	\$8.0	\$2.3	\$581.0	\$10.3



Summary – Total Operating Budget

	FY05 Approved Budget	FY06 Revised Budget	Change	
Revenue	\$541.5	\$578.5	\$37.0	6.8%
with baseball		\$2.5	\$2.5	
	<u>\$541.5</u>	<u>\$581.0</u>	<u>\$39.5</u>	<u>7.3%</u>

\$ Millions