



Finance & Administration Committee

Action Item II-A

March 31, 2011

**FY2012 Operating Budget:
Public Input**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 101123	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	------------------------	--

TITLE:

FY2012 Operating Budget: Process

PURPOSE:

Board approval of the public process for the FY2012 Operating Budget.

DESCRIPTION:

The public input process will help ensure that public input is received regarding the proposed Budget. The goal of the budget process is to create a safety culture, retain and attract the best and the brightest, deliver quality service, use every resource wisely and maintain and enhance Metro's image.

Metro has already removed \$74.2 million in operating costs from the FY2012 Operating Budget. As a result, costs increase by less than one percent.

There are several opportunities for public input, including:

- * Combined Public Hearing/Town Hall Meetings: Complies with obligation, and provides opportunity to gather input on a wider range of Metro issues from those who prefer in person communication, have schedule flexibility and may not have access to online methods
- * Online Survey: Convenience and easy access will help reach greater numbers of customers, especially those unable or not interested in attending forums
- * Mail-back Survey: Reaches customers directly through distribution on buses and at rail stations

FUNDING IMPACT:

The FY2012 Budget, when adopted, will provide spending authority for operating the Bus, Rail, and Access systems and to implement capital projects.	
Project Manager:	Matt Brown
Project Department/Office:	Office of Management and Budget Services.

RECOMMENDATION:

That the Board approve the proposed FY2012 public input process.



Washington Metropolitan Area Transit Authority

FY2012 Operating Budget

Finance and Administration Committee

March 31, 2011



Finance & Administration Committee

Action Item II-A

March 31, 2011

**FY2012 Operating Budget:
Public Input**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 101123	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	------------------------	--

TITLE:

FY2012 Operating Budget: Process

PURPOSE:

Board approval of the public process for the FY2012 Operating Budget.

DESCRIPTION:

The public input process will help ensure that public input is received regarding the proposed Budget. The goal of the budget process is to create a safety culture, retain and attract the best and the brightest, deliver quality service, use every resource wisely and maintain and enhance Metro's image.

Metro has already removed \$74.2 million in operating costs from the FY2012 Operating Budget. As a result, costs increase by less than one percent.

There are several opportunities for public input, including:

- * Combined Public Hearing/Town Hall Meetings: Complies with obligation, and provides opportunity to gather input on a wider range of Metro issues from those who prefer in person communication, have schedule flexibility and may not have access to online methods
- * Online Survey: Convenience and easy access will help reach greater numbers of customers, especially those unable or not interested in attending forums
- * Mail-back Survey: Reaches customers directly through distribution on buses and at rail stations

FUNDING IMPACT:

The FY2012 Budget, when adopted, will provide spending authority for operating the Bus, Rail, and Access systems and to implement capital projects.	
Project Manager:	Matt Brown
Project Department/Office:	Office of Management and Budget Services.

RECOMMENDATION:

That the Board approve the proposed FY2012 public input process.



Washington Metropolitan Area Transit Authority

FY2012 Operating Budget

Finance and Administration Committee

March 31, 2011



Purpose

To obtain Board approval of the public input process



FY 2012 Projected Subsidy

Managing Subsidy Growth

- Expenditures in the Proposed FY2012 Operating Budget have increased from \$1.464 billion (FY2011 Budget) to \$1.466 billion
 - This is less than one percent growth from the FY2011 Budget



Proposed FY2012 Operating Budget Reductions - \$74.2 million

- Rail - Greenbelt Annex & Brentwood overhaul shops - capitalization - \$9M
- Bus - Bladensburg & Carmen Turner overhaul shops - capitalization - \$21.5M
- Health Verification Audit - \$3.3M
- MTPD better resource deployment - \$1.5M
- Fuel and Propulsion Savings - \$6.8M
- Reduction in parking contract - \$1.6M
- Reduction in support services - \$3.4M
- Bus & Rail cost changes - \$1.9M
- Fringe benefit rate adjustment - \$6.3M
- MTPD grant funded positions - \$1.9M
- Track, Systems, Vehicle capital projects - \$5M
- Overhead allocation and Other - \$7.7M
- Casualty and Liability - \$3.3M
- Planning functions to capital - \$1.1M



Other Funding Options

Other funding options include:

- Monetization of ground leases; negotiate a lump sum payment rather than receive lease revenue annually (\$30-\$50M)
- Station naming rights (\$1-2M)
- Preventive maintenance at FY2011 levels (\$30M)
- Reserve for wages (\$35M)



Public Input Opportunities

- **Combined Public Hearing/Town Hall Meetings:** Complies with obligation, and provides opportunity to gather wider input
- **Online Survey:** Invites greater participation with convenience and easy access
- **Mail-back Survey:** Reaches customers directly through distribution on buses and at rail stations



Public Hearing and Implementation

	Days
Discussion with jurisdictional staff	February 25
Board review of bus and rail criteria	March 10
Board discuss and approval of public input process	March 31
Board approves docket options and authorizes public hearings	April 14 – Special Board Meeting
Start of Title VI analysis	
Newspaper notice posted	April 30
Public Hearings	May 16 – 20
Public Comment period	5 days after the Public Hearings
Completion of Title VI analysis	
Finance & Admin Committee approval of Public Hearing Staff Report	June 9
Board approval of service changes	June 23
Scheduling and Union picks, concurrent with Rider communications, including signage, advertising, and station and shelter materials	90 days
Changes Implemented	September



Recommendation

- Finance and Administration Committee approval regarding public input on the FY2012 Budget



Appendix



FY2012 Projected Subsidy

Excluding one time actions, the FY2012 Operating Subsidy is projected to increase 4% from FY2011 to FY2012

	Subsidy	Increase
FY2011 Operating Subsidy	\$620.7	
Base Budget		
Expenditure Increases	\$2.1	
Slower Revenue Growth	\$23.8	
Base Budget Subsidy Growth	\$646.6	4%
One-Time Actions		
Preventive Maintenance	\$30.0	
FY2010 Carryforward	\$16.6	
FY2012 Projected Subsidy	\$693.2	