

**MINUTES  
BOARD BUDGET COMMITTEE  
March 16, 2006**

Mr. Graham called the meeting to order at 9:25 A.M. Present were:

Committee Members

Mr. Jim Graham  
Mr. Gordon Linton  
Mr. Charles Deegan  
Mr. Dana Kauffman  
Mrs. Gladys W. Mack  
Mr. Robert J. Smith  
Mr. Christopher Zimmerman

Other Board Members

Mrs. Catherine Hudgins

**I. Information Items:**

**A. Follow-Up Item Questions and Answers from February 23 BBC**

Staff provided the Committee with written responses to questions and information requested during the session on February 23, 2006. Mrs. Mack asked for an update on the public hearings for the bus and rail service changes. Staff stated that the public hearings would be held in April, and indicated that the public budget hearing would take place on March 21.

Mr. Graham referred to a written response on the regional bus operations convention and stated his viewpoint that the staff's proposed plan was not the way that he would like to proceed with. He also felt that the estimated cost was too high, and the convention should be held sooner than November 2006 as planned by staff. Staff responded that the plan and the cost would be revised and presented to the Committee for further discussion and approval.

**B. Report of the JCC: Review of Proposed FY07 Budget**

Mr. Erenrich, the chairman of the Jurisdictional Coordination Committee, reported the review and recommendations of the proposed FY07 budget. The major recommendations made by the JCC for the FY07 were: consideration for diesel fuel swap; increasing bus service planning staff; conducting bus and rail bus passenger surveys; management of customer information; identifying budget risk and uncertainties. Mr. Erenrich also provided the status of JCC recommendations for FY06.

**II. Action Item:**

**A. Approved FY07 Metro Matters Annual Work Plan and Amend FY06 Metro Matters Program**

Staff presented for approval the FY07 annual work plan and an FY06 budget amendment. Staff stated that the Committee would be briefed on the reconciliation of FY05 in May, and the FY06 status and reconciliation in September. Staff informed that the federal funding for rail cars was approved for \$104 million instead of the projected amount of \$260 million assumed in the Metro Matters Funding Agreement. Mr. Smith

questioned whether the \$40 million received from a contract settlement recently could be used to make up for the shortfall. Staff responded that it would be an option for the Board to decide since the funding could be used for other unfunded projects not included in the agreement. Staff also presented a request to amend the FY06 to accommodate cash flow adjustments required for the CIP in FY06 that also affected the FY08 program year. Mr. Graham asked staff to provide more detailed information for the Committee to understand before approving the request. Mr. Smith moved the motion to defer the action; Mr. Linton seconded. Mr. Linton asked staff to address the impact for deferring the approval. Staff stated that the Metro Matters agreement required for the final FY07 annual work plan be approved by the Board and forwarded to the jurisdictions by the end of March. Mr. Tangherlini suggested that the FY07 work plan be sent out as a draft for review and comment by jurisdiction, and to satisfy the agreement. Mr. Smith questioned whether the federal shortfall could be made up by reducing scope of the other projects within the Metro Matters. Staff responded that according to the agreement, the federal funding shortfall for rail cars element would be addressed by issuance of debt, and not by deferring other projects or activities.

Mr. Smith withdrew his previous motion to defer the action. He then moved a new motion to forward the FY07 annual work plan as a draft to the jurisdictions; Mr. Linton seconded. Mr. Graham further questioned staff on details of the FY06 amendment and the effect of the \$30 million adjustments proposed for the FY08 which was not included in the amendment resolution. Mrs. Mack made suggestions for the staff to prepare a detailed explanation related to the FY06 amendment and present to the Committee for approval at the next meeting. Mr. Graham called for the vote on the motion to forward the FY07 annual work plan as draft, and asked the staff to come back with the request for approval of FY06 amendment with full explanation of the \$30 million at the next meeting. The vote was approved unanimously.

The meeting was adjourned at 10:55 A.M.