

**MINUTES
BOARD BUDGET COMMITTEE
March 9, 2006**

Mr. Graham called the meeting to order at 9:40 A.M. Present were:

Committee Members

Mr. Jim Graham
Mr. Gordon Linton
Mr. Charles Deegan
Mr. William D. Euille
Mr. Dana Kauffman
Mrs. Gladys W. Mack
Mr. Robert J. Smith
Mr. Marcell Solomon
Mr. Christopher Zimmerman

Other Board Members

Mrs. Catherine Hudgins

I. Approval of Minutes: February 9 and 23, 2006

Mr. Linton moved approval of the minutes; Mr. Smith seconded. The minutes were approved unanimously. Mr. Smith noted that the adjourning times in both minutes were recorded as the P.M. time, instead of the A.M. time.

II. Information Items:

A. FY07 Proposed Customer Service Initiatives and Revenues

Staff updated the Committee on non-passenger revenue generated from advertising, and the use of the revenue for customer enhancement projects included in the proposed FY07 operating budget. Staff stated that recommendations to generate additional non-passenger revenues in FY07 would be presented to the Committee in the future for approval. The Committee suggested that a long term advertising contracts, without the pilot program, should be considered to maximize the revenue. Staff was requested to provide more detail to the Committee prior to award of the advertising contract.

B. Operating Budget 2nd Quarter Financial Report: Jul-Dec 2005

Staff presented a quarterly financial report and stated that this newly created report replaced the monthly report that had been presented to the Committee in the past. The monthly report is still available on WMATA website but will not be presented to the Committee. Staff highlighted a surplus of \$6 million at the mid-point of FY06 and projected a \$12 million of the surplus at year end. Staff recommended that a minimum of \$10 million from the surplus be used to maintain the balance of risk reserve in keeping up with its existing Board policy. Several Committee members praised the effort by staff for taking an initiative to develop and produce the new quarterly report that was intelligible and informative.

C. FY07 Operating Budget Update

Staff provided budget update on the revenue and expense for the proposed FY07 budget. Staff also presented new policy initiatives for consideration by the Board.

III. Action Item:

A. Amend FY06 Reimbursable Operating Budget for Southeast Facility

Staff requested approval to amend the FY06 reimbursable operating budget by \$225,000 for a project to relocate parking for the Southeast Facility, and to provide employee shuttle operation. Staffed also requested approval to include \$485,000 in the proposed FY07 reimbursable operating budget for the shuttle operation. Funding in both FY06 and FY07 will be provided by the District. Mrs. Mack moved the motion; Mr. Linton seconded, and the motion was approved unanimously.

IV. Action Items for Professional and Technical Services:

A. Initiate and Award Consultant Services Contract for Strategic Plan Update and Business Plan Development

Staff sought approval to initiate and award a contract for strategic plan update and business plan development. Staff already provided the detailed scope of work to the Committee on February 9, 2006. Funding of \$250,000 was included in the proposed FY07 operating budget. Mrs. Kaufmann moved the motion; Mr. Linton seconded. The motion was approved unanimously.

B. Initiate and Award Temporary Employee Services Contract

Staff asked for approval to initiate and award a contract for temporary employee service with a three-year base contract, and two one year options. Mrs. Linton moved the motion; Mr. Zimmerman seconded. Mr. Graham asked if the Board would be called upon to approve the contract award of the contract. Staff responded that with this arrangement for approval to initiate and award, the contract could be awarded without coming back to the Board for approval. Mrs. Mack suggested that the approval should be for contract initiation only, so the Board could see who the award go to. Mr. Graham asked for the vote to proceed with approval for contract initiation only, and for staff to come back to the Board for approval of the award. The vote was approved with Mr. Gordon voted no.

C. Initiate and Award Behavioral Assessment Screening System Training Contract

Staff requested approval to ratify a sub-grant agreement with the District; to amend the FY06 operating budget by \$60,000; and to initiate and award a contract for behavioral assessment screening system training contract. Funding for the contract will come from the sub-grant. Mr. Linton moved the motion; Mr. Zimmerman seconded, and the motion was approved unanimously.

The meeting was adjourned at 11:32 A.M.