

MINUTES
BOARD BUDGET COMMITTEE
May 11, 2006

Mr. Graham called the meeting to order at 9:45 A.M. Present were:

Committee Members

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

I. Approval of Minutes: April 13, 2006

Mr. Kauffman moved approval of the minutes; Mr. Smith seconded. The minutes were approved unanimously.

Mr. Tangherlini expressed condolences to the Virginia members of the committee for the shooting of Detective Vicky Armel in Fairfax County earlier this week.

II. Information Items:

A. FY07 Proposed Passenger Fares and Parking Fees for Four Holidays, and Service Changes

Staff reported that public hearings were conducted on the FY07 bus service changes, and the proposal to increase fares on four national holidays. Four public hearings were held in April with over 70 people attending. At the conclusion of the hearings, over 34 people testified, and 118 e-mails were reviewed.

B. FY05 Metro Matters Year End Financial Report

Staff presented a year end report on the Metro Matters program for Fiscal 2005. From the obligation based budget for FY05, \$38.9 million is available for Board reprogramming, and there is a cash flow roll over of \$20.9 million in the expenditure based budget. Staff will present a proposal for the disposition of these funds at the June BBC meeting. Staff pointed out that although operating surplus are refunded to jurisdictions at the end of the fiscal year, no such policy exists on what to do with unspent capital funds. Staff will be seeking guidance on this policy in the near future. Several Committee members praised the effort by staff for taking a complete scrub of all programs, and providing complete updates of the status of all capital programs.

C. FY06 Operating 3rd Quarter Financial Report: July 05-March 06

Staff presented the second quarterly financial report and highlighted a projected surplus of \$13 million for FY06, an increase of \$600K above the projection at the end of second quarter. The surplus is generated primarily by higher than budgeted revenue caused by unexpected ridership growth. Staff cautioned of several risk factors in the budget, including escalating diesel fuel and electricity costs, labor costs and the risk reserve for workers compensation and 3rd party claims.

III. Action Items:

A. FY06 Operating Budget: Board Options for Use of Projected Surplus

Staff provided a list of options for FY07 to use the projected \$13 million budget surplus generated in FY06. Five options with a total of \$11.7 million were presented for consideration. During the discussion, the staff was instructed to further investigate workers compensation to provide detail information on what's driving these costs and what can be done to control them. In addition, the Committee directed that a search of "best practices" regarding workers compensation in transportation and what other transit properties are doing to control these costs be performed. Mr. Zimmerman moved that the Committee defer consideration of the disposition of the surplus; Mr. Kaufmann seconded. The motion was approved unanimously. Mr. Smith also moved a motion to direct staff to develop a reprogramming strategy to provide funding for the Metrobus Passenger Survey of \$500K and report back with recommendations. This motion was seconded by Mrs. Mack and approved unanimously.

B. Discontinue Routes 9B –Huntington Towers/Crystal City and 10P Mt. Vernon Avenue/Crystal City

Staff requested approval to eliminate routes 9B and 10P in Virginia. Public hearings were held on these routes and both routes have performed poorly since their inception. In addition, Alexandria Transit Company (DASH) is implementing two new routes that provide replacement services for these routes, including Saturday service. Committee members requested additional information on the decision-making process for eliminating, adding and adjusting Metrobus routes. Mr. Tangherlini reported that although the Authority does not have a recent history with service expansion on Metrobus, future analyses will focus on area developments in the initial stages, before the building phase of these projects is complete, including addressing issues of public transportation access for the residents. Mr. Euille moved the motion; Mr. Smith seconded. The motion was approved unanimously.

C. Initiate and Award Contracts for Installation of ITRP-Learning Management Application.

Staff requested approval to initiate and award contracts for installation and support of Learning Management Software as a fully integrated application of the ITRP. Mr. Linton moved the motion; Mrs. Mack seconded. The motion was approved unanimously.

The meeting was adjourned at 10:58 A.M.