

**Approval of Minutes:  
June 8, 2006**

**MINUTES  
BOARD BUDGET COMMITTEE  
June 8, 2006**

Mr. Graham called the meeting to order at 9:50 A.M. Present were:

Committee Members

Mr. Jim Graham, Chairman  
Mr. Charles Deegan  
Mr. William D. Euille  
Mr. Dana Kauffman  
Ms. Gladys W. Mack  
Mr. Robert J. Smith  
Mr. Marcell Solomon  
Mr. Christopher Zimmerman

**I. Approval of Minutes: May 11, 2006**

Mr. Deegan moved approval of the minutes; Mr. Solomon seconded. The minutes were approved unanimously.

**II. Information Items:**

**A. Follow –Up Questions and Answers from May 11 BBC**

Staff reported on the follow-up questions from the May 11, 2006 Board Budget Committee, including the status of Metro Matters expenditures through May 2006 as well as bus information. The Committee requested that a policy be developed for the disposition of available CIP funds.

**B. Purchase Card and Telecom Improvements**

Staff explained that Metro recently transitioned from one financial institution to another for purchase card services. This transition, at no cost to WMATA, is expected to double the rebate paid to Metro each year and has the potential to result in approximately \$200,000 in additional revenue in the operating budget in FY2007. The Authority has also entered into an agreement estimated to save \$60,000 - \$80,000 annually by providing a complete audit of telecommunications bills and a review of spending patterns for additional cost savings opportunities.

**C. Review Jurisdiction's Comments on FY2007 Operating Budget and FY2007-2012 CIP**

Staff presented jurisdictional comments on the FY2007 Operating Budget and CIP. Jurisdictional responses were positive, including commendations for developing a budget for the second year without a fare increase and for providing a realistic budget that included public transparency and initiatives for service improvements.

**III. Action Items:**

**A. Approve FY2007 Operating Budget for Submission to Board for Approval**

Staff provided an operating budget update for FY2007 which included a reduction in

jurisdictional subsidy of \$2.7 million. Staff suggested that the \$2.7 million should be held in a reserve account to fund budget risks, including increases in electricity and power, Worker's Comp and labor contract settlements. Mr. Smith moved that the budget proposal be accepted and that the \$2.7 million be held in the reserve account to cover budget risks; Mr. Euille seconded. After considerable discussion, several members felt they could not support the motion because it did not address important policy initiatives, including bus overcrowding relief, holiday and off-peak rail service changes and a living wage. Several members expressed the opinion that bus and rail services should increase capacity at a time when there is increasing demand for the service, and if capacity is not available, patrons will find alternatives. The motion failed to pass, with all members voting no, except Mr. Smith and Mr. Deegan. Mr. Zimmerman moved that the Committee accept the proposal for \$467.6 million in subsidy for FY2007, which includes all new initiatives, and directed staff to make recommendations to fund the initiatives without exceeding the FY07 subsidy of \$461 million. Mr. Kaufman seconded. The motion passed with Mr. Smith and Mr. Deegan voting against it.

B. Approve FY2007-2012 CIP for Submission to Board for Approval

The Committee agreed to forward a FY2007 Capital Improvement Program with a total budget of \$734.5 million to the Board for approval. This includes the following: the IRP totaling \$293.4 million, the Rail Car Program totaling \$293.4 million, Bus Program of \$45.9 million, the Security Program for \$45.6 million, subject to receipt of federal funds, the Credit Program and Debt Service for 29.6 million, System Expansion Planning for \$1.5 million, and the System Access/Capacity Program and System Expansion Program for 21.4 million and \$3.7 million, respectively. Mr. Kauffman moved approval; seconded by Mrs. Mack. The motion passed unanimously

C. Approve Use of Uncommitted CIP Funds

Staff requested approval to use available uncommitted CIP funds for reprogramming. \$100.9 million is available and staff requested \$68 million be reprogrammed; including \$15.7 million for completion of projects from the obligation based budget, \$22.2 million for completion of the Carmen Turner Facility, and \$30.1 million in new projects, with a remaining balance of \$32.9 million. Mr. Smith suggested that with a shortfall in the federal share for Metro Matters rail cars, any available funds should be used for that purpose. Several Committee members indicated that other critical projects were not included. Staff explained that this is an attempt to compile a list of priorities for consideration as funds become available, with the first step of identifying unspent funds and the second of deciding which projects to approve. Mr. Kaufman suggested that priority be given to projects which bring Metro into compliance with code requirements, and projects that are required to keep the system safe and functioning smoothly. Mrs. Mack moved that the Committee approve the following new projects; Rail Car Wash (\$6.3 million), repair Greenbelt lifts (\$3.0 million), the Fort Totten Police Station (\$2.5 million), and acceptance of credit cards in parking lots (\$0.7million) and the funding reauthorization for completion of FY05 projects. Mr. Deegan seconded. The motion passed unanimously.

#### **IV. Action Items – Professional and Technical Services:**

##### **A. Approval to Modify a Contract to Provide a Single Access Telephone Number for All WMATA Services**

Staff requested approval to have a contractor design and implement a consolidated, single phone number system with one published number providing access to all WMATA services. Mr. Euille moved acceptance of the motion. The motion passed unanimously.

The meeting was adjourned at 11:45 A.M.