



**Budget Committee**

**Board Information Item # 1**

**September 7, 2006**

## **CIP Prioritization Policy**

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	MEAD Number:	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**PURPOSE**

To engage the Board in a policy discussion that will establish a prioritization policy for staff to rely on as additional capital funding or program needs develop.

**DESCRIPTION**

The currently approved Capital Improvement Program has not been updated or revised in any significant way since the original Metro Matters agreement was signed in 2004. As with any multi-year budget there will be on-going need to periodically revise cost estimates, reevaluate funding assumptions and reconsider work program priorities. Having a Board approved policy regarding these variables will allow staff to follow a more structured process in bringing forward to the Board recommendations for changes to the capital budget.

**FUNDING IMPACT**

None

**RECOMMENDATION**

At the October Budget Committee meeting approve a policy statement which outlines the procedures for prioritization of the Capital Improvement Program.



# CIP Prioritization Policy

*Presented to the Board of Directors:*

**Budget Committee**

September 7, 2006





# Guiding Principles

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These guiding principles are proposed for use in updating the capital budget:



## #1 Reduce Metro Matters shortfall

- \$156 million federal shortfall for rail cars
- Debt will be issued creating interest cost

All available funds will be applied to shortfall to maintain Metro Matters funding level



## #2 Critical, unplanned safety needs take 1<sup>st</sup> priority

- Capital budget has \$0 contingency
- Safety supersedes all other needs

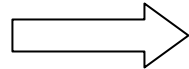


# Capital Budget Priorities

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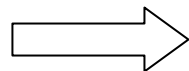
After #1 and #2 guiding principles are satisfied, remaining capital needs will be prioritized:

## 1. Must Do



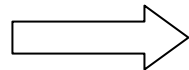
- Legal Mandates

## 2. Keep Existing Customers



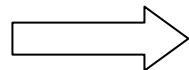
- Reliability
- Customer Service Improvements

## 3. Attract New Customers



- Revenue/Ridership Growth

## 4. Reinvest Resources



- Operating Cost Reduction
- Business Management