

**Minutes**  
**Finance, Administration and Oversight Committee**  
**April 12, 2007**

Mr. Graham called the meeting to order at 10:20 a.m. Present were:

**Committee Members**

Mr. Jim Graham, Chair  
Ms. Elizabeth Hewlett  
Mr. Christopher Zimmerman  
Mr. Emeka Moneme  
Mr. Peter Benjamin  
Mr. Dana Kauffman  
Mr. William Eulle  
Mr. Gordon Linton  
Mrs. Catherine Hudgins  
Mr. Anthony Giancola

**Approval of Agenda**

The agenda was approved as submitted.

**Approval of Minutes**

The minutes were approved unanimously.

**Action Items**

Mr. Graham requested that two action items be added to the agenda: Amend FY07 SAP for Replacement of Southeastern Bus Garage and Police Training Facility and Authorize Negotiations to Amend Metro Matters Funding Agreement to Include Bus Expansion. Following a discussion, the first item was added to the agenda.

**A. Amend FY07 SEP for Largo Project Close-Out Legal Fees**

Mr. Harcum requested Committee approval of a resolution to amend the FY07 SEP by \$2,340,000 to fund Largo legal fees. Ms. Hewlett moved approval, Mr. Benjamin seconded, and the motion was unanimously approved.

**B. Amend FY07 SAP for Replacement of Southeastern Bus Garage and Police Training Facility**

Mr. Dittmeier requested Committee approval of a resolution to amend the FY07 SAP by

\$6,359,764, to establish a project for the MTPD training facility and combine it with the Southeastern Bus Garage replacement project and to authorize supplemental tasks to the on-call consultant. The proposed funding will provide project management and consultant services for a new bus garage and police facility to be built on 16 acres at D.C. Village. Staff will return to the Planning, Development and Real Estate Committee in May with a financial plan, general plans and information on costs for CNG buses. Mr. Moneme moved approval, and Mr. Giancola seconded the motion. Mr. Graham amended the motion to delay further action on the project until there is an approved final plan to relocate a homeless shelter at D.C. Village. Mr. Graham moved approval of the amended motion, and Mr. Giancola seconded the amended motion. A discussion followed on the \$6.3 million budget, the schedule and phases of construction. The amended motion was unanimously approved.

## **Information Item**

### **A. FY07 Monthly Operating Financial Report (January 2007)**

Mr. Harcum presented bus ridership data and stated that most bus growth was occurring in the Maryland and Virginia suburbs. Through January, subsidy is exactly on budget, and revenue and expenditures are below budget. Preliminary February data is showing a budget overrun which is expected to continue for the balance of the fiscal year. The Board has previously approved a reserve which would cover any year end overrun. Mr. Benjamin noted that the apparent decline in rail ridership was, as noted in the detailed documents, an artifact of our accounting change. Mr. Harcum answered him that this affected only four days in this fiscal year and would not recur next year.

## **FY08 Budget Review**

### **A. Status of Organizational Assessment**

Mr. Catoe stated that Gayland Moffat Associates, the consultant hired to conduct the organizational assessment, will present their final report on April 16, 2007. Structural issues found during the review will be fixed, staff reductions to non-operating functions are proposed, and the changes will occur during the next few weeks. Mr. Catoe stated that each Board member will receive a copy of the consultant's full report. In response to Mr. Benjamin's question, Mr. Woodruff stated that a full FY08 budget will be presented to the Committee in May. Jurisdictional subsidies will remain very close to the proposed budget numbers identified in December.

### **B. Policy On Reserve Balance for Claims**

Mr. Woodruff discussed the recent history on claims and stated that the FY08 budget for claims reserve is \$29.3 million. As part of the resolution approving the FY08 budget, staff will recommend to annually budget reserve contributions at a level sufficient to maintain the reserve balance equal to 20% of the next year's actuarial estimate. Mr.

Benjamin noted that staff already has this authority under the existing claims reserve policy.

### **C. Living Wage Policy**

Mr. Graham requested that this item be discussed as part of the FY08 budget action.

### **Subsequent Finance, Administration and Oversight Committee Agenda**

The meeting was adjourned at 11:30 a.m.

**Minutes**  
**Finance, Administration and Oversight Committee**  
**June 14, 2007**

Mr. Graham called the meeting to order at 12:25 p.m. Present were:

**Committee Members**

Mr. Jim Graham, Chair  
Mr. Marcell Solomon  
Ms. Elizabeth Hewlett  
Mr. Christopher Zimmerman  
Mr. Peter Benjamin  
Mr. Dana Kauffman  
Mr. Emeka Moneme  
Mr. Gordon Linton  
Mrs. Catherine Hudgins  
Mr. Anthony Giancola

**Approval of Agenda**

The agenda was approved as submitted.

**Approval of Minutes**

Mr. Benjamin requested a revision to the revised minutes of April 12, 2007. The May 10, 2007 minutes were approved unanimously.

**Action Items**

**A. FY08 Operating and Capital Budget Summary, Policy Review and Committee Vote**

Mr. Catoe requested approval of the \$1.9 billion FY08 budget resolution consisting of a \$1.2 billion operating budget, and a \$0.7 billion capital budget. The operating budget includes no fare increase or service cuts, focuses on safety and customer service, and includes the implementation of a Living Wage, continued streamlining of contract approvals and a claims reserve policy. Mr. Benjamin moved approval, and Mr. Zimmerman seconded the motion. Mr. Benjamin moved to amend the budget resolution to add information and attachments on the operating budget, reimbursable budget, subsidy allocation, debt service and the capital budget. Mr. Linton seconded the amendment, and the action was unanimously approved for submission to the Board of Directors.

A partner resolution to revise the Regulation Concerning the Use by Others of WMATA Property was briefly discussed. The resolution provides for formal adoption of advertising programs mentioned in the FY08 budget resolution. Mr. Catoe stated that a discussion and presentation on advertising would be made to the Board of Directors on June 28<sup>th</sup>. Mrs. Hewlett moved approval of the action without comment, and Mr. Linton seconded the motion. Mr. Kauffman asked for information on the website contents prior to Board of Directors' consideration. The action was unanimously approved for submission to the Board without comment.

**B. Dulles-Incorporate Cost Associated with Inter-Governmental Agreement into Metro's Capital Budget**

**C. Dulles-Adopt Financial Plan for Full Funding Grant Agreement Including Metro's Financial Capacity**

The Committee requested that both resolutions be acted upon as one action. Mr. Benjamin questioned who would be responsible for cost overruns, and affirmed that the subsidy costs identified in the financial plan are only estimates. Ms. O'Keeffe stated that any cost overruns to the Dulles Corridor Metrorail Extension would be the responsibility of Virginia. Metro will assume financial responsibility after all requirements have been met, at the revenue operations date which is expected to be 2012. Mr. Kauffman moved approval of both actions without comment, Mr. Benjamin seconded and both actions were unanimously approved for submission to the Board without comment.

**D. Staff Report and Recommendation to Restructure Metrobus Lines 25A-R and 7A-W**

Mr. Zimmerman requested the service plan be implemented in December instead of September. Mr. Zimmerman moved approval, Mr. Kauffman seconded and the action was unanimously approved for submission to the Board of Directors.

**E. Request Board Approval to Increase the Frequency of Non-Regional Metrobus Service on Route 98-Adams Morgan U-Street Link**

The \$70,000 cost will be fully reimbursed by the District of Columbia. Mrs. Hewlett moved approval, Mr. Moneme seconded and the action was unanimously approved for submission to the Board of Directors.

**Information Item**

**A. FY07 Monthly Operating Financial Report (March and April 2007)**

Mr. Harcum stated that through April, the budget experienced revenues of \$12 million under budget, expenses of \$1 million under budget, and subsidy of \$11 million over budget. Ridership is 1% more than last year. Mr. Benjamin noted that the subsidy

overrun of \$11 million exceeds the reserve of \$10 million, which will result in an audit adjustment, and exacerbate the FY09 budget deficit.

The meeting was adjourned at 1:00 p.m.