

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

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

To request Board of Directors approval to drawdown the Operating Reserve to partially offset the FY07 operating budget shortfall of \$19.9 million.

**DESCRIPTION**

The FY07 operating budget, subject to audit, is expected to have a \$19.9 million shortfall. Under Resolution #2003-50, the Board of Directors authorized the continued financial support of an operating reserve to be maintained at a balance not to exceed one percent of the current year operating expense budget. In keeping with that resolution there is \$10.4 million currently in the reserve.

**FUNDING IMPACT**

The FY07 operating budget shortfall of \$19.9 million must be funded. Drawdown of the Operating Reserve will reduce this amount to approximately \$9.5 million which will be added two years hence, to the FY09 jurisdictional subsidy billings.

**RECOMMENDATION**

Recommend Board of Directors approval to drawdown the Operating Reserve.

PRESENTED AND ADOPTED:

SUBJECT: USE OF OPERATING RESERVE

PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, By Resolution #2003-50, the Board of Directors authorized a contingency reserve to provide for operating budget shortfalls; and

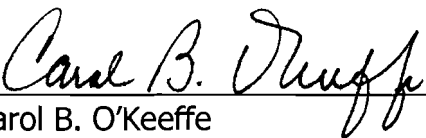
WHEREAS, The FY07 operating budget, subject to audit, is expected to have a \$19.9 million shortfall; and

WHEREAS, The reserve is \$10.4 million; now, therefore be it

*RESOLVED*, That the Board of Directors authorizes the use of the aforementioned reserve to partially offset the FY07 operating budget shortfall; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Carol B. O'Keeffe  
General Counsel