



**Minutes  
Finance, Administration and Oversight Committee  
October 8, 2009**

Mr. Benjamin called the meeting to order at 9:30 a.m. Present were:

Mr. Peter Benjamin, Chair	Mr. Christopher Zimmerman
Mr. Jim Graham	Mr. Gordon Linton
Mrs. Catherine Hudgins	Mr. Anthony Giancola
Mr. Neil Albert	Mr. Marcell Solomon

The minutes of September 10, 2009 were approved.

**Action Items**

**A. Acceptance of the FY2009 Financial Statement Audit**

Staff presented the Fiscal Year 2009 External Audit and related materials to the Committee for acceptance. Clifton Gunderson, LLP audited Metro's financial statements in accordance with Government Auditing Standards for the period July 1, 2008 through June 30, 2009. The audit resulted in an unqualified opinion, which means the financial position of the Authority and the changes in its financial position and cash flows for the year then ended are in conformity with United States generally accepted accounting principles.

Mr. Benjamin moved approval, Ms. Hewlett seconded, and the motion was unanimously approved.

**Information Items**

**A. Prioritization of Capital Needs Inventory**

Staff presented to the Committee the Capital Needs Inventory (CNI), which outlined over \$11 billion in needs over the next 10 years. The CNI includes both performance/safety projects which maintain and replace assets on a life cycle basis, and customer/demand/safety projects designed to meet growing ridership requirements and improve the rider's experience.

To address the impact of funding constraints, staff conducted a rigorous prioritization process endorsed by the Brookings Institution, and analyzed the CNI projects based on their linkages to Metro's five strategic goals. In the coming months, staff will draft a multi-year capital improvement program, draft the FY 2011 Capital Budget, and work with the Board and regional partners the next funding agreement, which will be effective July 1, 2010

Washington  
Metropolitan Area  
Transit Authority

600 Fifth Street, NW  
Washington, DC 20001  
202/962-1234

By Metrorail:  
Judiciary Square--Red  
Line  
Gallery Place-Chinatown--  
Red, Green and  
Yellow Lines  
By Metrobus:  
Routes D1, D3, D6, P6,  
70, 71, 80, X2

A District of Columbia,  
Maryland and Virginia  
Transit Partnership

## **B. Ridership and Revenue Trends**

Staff informed the Committee of the status of ridership and revenue for the first two months of FY2010. Declines in Metrorail and Metrobus ridership and revenues are most likely due to rising District of Columbia unemployment, the Red Line accident of June 22, 2009, decreasing gas prices, and declining levels of service due to maintenance and track repairs.

## **C. FY2009 Monthly Financial Report (June 2009)**

Staff presented a review of the financial performance for June 2009. Through the end of June, there was a favorable subsidy balance of \$5.5 million or 1 percent.

## **D. FY2010 Monthly Financial Report (July 2009)**

Staff presented a review of the financial performance for the first month of Fiscal 2009. Through the end of July, there was an unfavorable variance of \$8.1 million due to less than anticipated revenues of \$5.6 million and expense overruns of \$2.5 million.

## **E. FY2010 Monthly Financial Report (August 2010)**

Staff presented a review of the financial performance for the second month of Fiscal 2009. Through the end of August, there was an unfavorable variance of \$10.8 million comprised of \$7.7 million less revenue than budgeted, along with additional expenses of \$3.1 million, primarily from increases in salary/wages and supplies related to the Red Line Accident.

Mr. Benjamin made a motion to move to Executive Session, seconded by Mr. Giancola. The meeting moved to Executive Session at 12:10 p.m.