



Finance, Administration and Oversight Committee

Information Item VIII-B

November 5, 2009

FY2010 Budget Action Plan

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input type="radio"/> Action <input checked="" type="radio"/> Information	MEAD Number:	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	--------------	--

TITLE:

FY2010 Budget Action Plan

PURPOSE:

To present the FY2010 Budget Action Plan. This is Metro's initiatives to manage the FY2010 revenue and expenditure pressures caused by stagnant revenues and higher than expected expenses, and to use ARRA, Inauguration Reimbursement and prior year surplus to mediate FY2010 Budgetary concerns.

DESCRIPTION:

Review of issues regarding ridership and revenues and expenditures which are contributing to Budget pressures.

FUNDING IMPACT:

No impact on funding

RECOMMENDATION:

None.



WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Budget Action Plan

Finance, Administration and Oversight Committee

November 5, 2009



Purpose

- To present the Budget Action Plan, Metro's initiatives to manage FY2010 revenue and expenditure pressures.



FY2010 Operating Budget Projection

Revenues and Ridership

- ↓ Economy
- ↓ Bus and rail ridership
- ↓ Revenues
- ↓ Red Line capacity (July through September)

Expenditures

- ↑ Unanticipated maintenance and overtime (Red Line accident)
- ↑ Pension contribution
- ↑ Insurance costs
- ↑ MetroAccess service



FY2010 Budget Action Plan

- Budget Action Plan
 - Use as much as \$20 million in ARRA / Stimulus Funds from project budget balances to support preventive maintenance and other operating budget activities.
 - Apply the Inaugural Reimbursement of \$3.4 million. The full reimbursement was \$4.0 million, and \$0.6 million was recognized in FY2009.
 - Use insurance recovery, anticipated at \$7.0 million to offset labor and materials costs incurred because of the accident.



FY2010 Budget Action Plan

- Budget Action Plan (cont.)
 - Implement fiscal sustainability initiatives.
 - Savings from payroll process improvements and paperless payroll.
 - Realize efficiencies in revenue collections and processing.
 - Optimize schedules to reduce costs.
 - If we get to the end of the fiscal year and it is needed, use the prior year-end surplus of \$5.6 million.



Next Steps

- Staff is planning to move forward with these initiatives and will seek Board approval as required.