



Budget Committee

Financial Report Item IV-D

November 9, 2006

FY07 Metro Matters Quarterly Financial Report

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

Action
 Information

MEAD Number:
N/A

Resolution:
 Yes No

PURPOSE

To provide the first quarter financial report for the FY07 Metro Matters Program including adjustments to the FY07 annual work plan.

DESCRIPTION

Prior to approval of the FY07 capital budget, staff informed the Board of the need to adjust the FY07 and beyond to:

- Include roll over of unexpended cash flow requirements into FY07 and beyond after FY06 is closed out to allow project managers to update planned expenditures in FY07 and beyond which were impacted by the FY06 close out.
- Re-assess and re-sequence projects by advancing or deferring based on current needs. The program has not been updated since approval in October 2004.
- To ensure effectiveness and efficiency in managing cash flow and debt financing to minimize financing costs.
- **Annual local contribution in the MM program will not be impacted by these adjustments**

Next Steps

- Adjust FY07 annual work plan
- Adjustments beyond FY07 will be presented to the Board in December as part of the proposed FY08-13 capital program

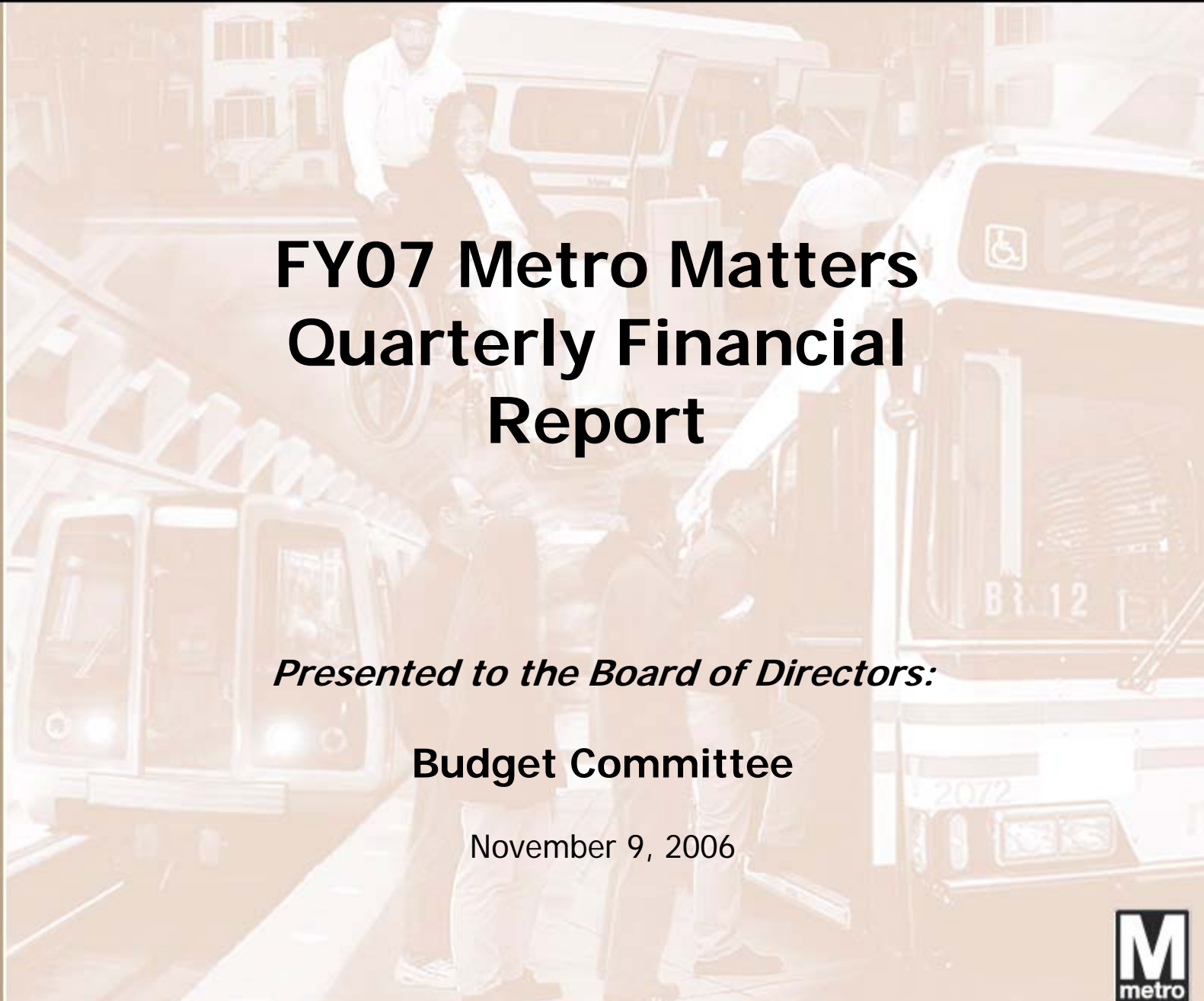


FY07 Metro Matters Quarterly Financial Report

Presented to the Board of Directors:

Budget Committee

November 9, 2006





1st Quarter Status: July-September

Dollars in Million

	<u>Annual Budget</u>	<u>Expended 1st Qtr</u>	<u>% Budget Expended</u>
Infrastructure Renewal Program	\$263.2	\$52.3	20%
Rail Car Program	293.4	31.6	11%
Bus Program	45.9	0.9	2%
Credit Facility/Debt Service	29.8	0.2	1%
System Expansion Planning	1.5	0.0	0.0

NOTE: Safety and Security Program not show because funds were not appropriated

- **Prior to approval of the FY07 budget, staff informed the Board that the approved annual work plan for the Metro Matters Program would require adjustments to:**
 - **Include roll over of unexpended cash flow requirements into FY07 and beyond after FY06 is closed out**
 - **Allow project managers to update planned expenditures in FY07 and beyond which were impacted by the FY06 close out**
 - **Re-assess and re-sequence projects by advancing or deferring based on current needs**



- **Adjustments to the existing FY07 annual work plan are included in this presentation**
- **Adjustments beyond FY07 will be presented to the Board in December as part of the proposed FY08-13 capital program**
- **In accordance with the MM agreement, cash flow needs will continue to be managed by issuance of debt**
- **Whenever possible, borrowing will be internal to minimize impact of interest costs**
- **Local annual contribution to the MM program will not change**



1st Quarter Adjustments

Dollars in Million

	<u>Current Budget</u>	<u>FY07 Adjustments</u>	<u>Roll Over from FY06</u>	<u>Revised FY07 Budget</u>
Infrastructure Renewal Program	\$263.2	\$37.4	\$29.3	\$329.9
Rail Car Program	293.4	0.6		294.0
Bus Program	45.9		11.1	57.0
System Expansion Planning	1.5			1.5
Credit Facility/Debt Service	<u>29.8</u>		<u>12.8</u>	<u>42.6</u>
Subtotal	\$633.8	\$38.0	\$53.2	\$725.0
Security Program	<u>45.6</u>	Funds not appropriated		
Total	\$679.4			

**Adjustments based on updated project cash flow estimates.
Local annual contribution to the MM program will not change.**



Appendix



Passenger Facilities: \$6.6M

What:

- ✓ Rehabilitation of parking lots, station chillers, and fire system

Why:

- ✓ The Metro Matters program has not been updated since its inception.
- ✓ Completion of designs has resulted in the refinement of initial estimates.



IRP - Maintenance Facilities: \$2.6M

What:

- ✓ Rehabilitation of Rail Yards / Bus Garages and Field Bases

Why:

- ✓ The Metro Matters program has not been updated since its inception.
- ✓ Completion of designs has resulted in the refinement of initial estimates.



IRP – Systems: \$8.1M

What:

- ✓ Communication systems upgrade, rehab ATC wayside equipment, replace uninterruptible switchgears, and electrical systems rehabilitation

Why:

- ✓ The Metro Matters program has not been updated since its inception,
- ✓ Completion of designs has resulted in the refinement of initial estimates.

IRP – Track and Structures: \$8.3M

What:

- ✓ Right-of-way track rehabilitation, floating slabs, and tunnel leak mitigation

Why:

- ✓ Right-of-way track rehabilitation are required sooner due to added wear and tear as a result of increased services.
- ✓ Additional sections of floating slab isolation pads are required to be retrofitted in FY07 to prevent failure.
- ✓ Tunnel leak mitigation require additional funding for engineering assessment to repair more complex leaks around air ducts, vent shafts, and steel tunnel liners.



IRP – Information Technology: \$11.8M

What:

- ✓ Board approved information technology strategic plan in September with implementation to start in FY07

Why:

- ✓ Funding to implement the approved plan was not included when the FY07 budget was approved in June.



Rail Cars & Facilities: \$0.6M

What:

- ✓ Advancing cash flow for construction of yard project at Brentwood, Shady Grove, and Greenbelt.

Why:

- ✓ The project is making good progress compared to the planned schedule and will require additional funds to meet the cash flow needs.