

APPROVAL OF MINUTES

NOVEMBER 9, 2006

**BUDGET COMMITTEE
DECEMBER 7, 2006**

**Minutes
Budget Committee
November 9, 2006**

Mr. Graham called the meeting to order at 9:45 a.m. Present were:

Committee Members

Mr. Jim Graham, Chair
Mr. Gordon Linton, Vice Chair
Mrs. Gladys Mack
Mr. Charles Deegan
Mr. Christopher Zimmerman
Mr. Dana Kauffman

Other Board Members Present

Mr. Marcell Solomon

Approval of Agenda

The Agenda was approved as submitted.

Approval of Minutes

Mr. Deegan moved approval of the minutes; Mr. Zimmerman seconded. The minutes were approved unanimously.

Financial Reports

A. FY06 – Operating Budget Fourth Quarter Financial Report

Mr. Harcum presented the audited final results of the FY06 operating budget. The year ended with a \$3 million surplus and with record ridership and revenue growth. There were a number of required one-time-only accounting entries that caused the forecasted \$13 million surplus to shrink to \$3 million. In December, staff will recommend placing the \$3 million surplus into the existing operating reserve because FY07 ridership is currently below forecasted levels.

C. FY07 – Operating Budget First Quarter Financial Report

Mr. Harcum presented the results of the operating budget's first quarter of FY07. Revenues are currently under budget due to ridership growth of only 0.4%, well below the forecasted level of 3-4% growth. Staff is monitoring the ridership level very closely to determine the cause. Expenses remain at 2% under budget.

Action Items

A. Approve Project to Build a Metro Transit Police Firearms Training Range

Mr. Solomon moved, seconded by Mrs. Mack to defer action on this item until staff meets with Prince George's County Council members and conducts community outreach. The Committee will have a full discussion on the project after community input is received. The motion to defer action was approved. After a brief discussion, Mr. Linton asked to reconsider the motion and asked for a roll call vote. The motion to defer was approved.

B. Amend FY07 Paratransit Budget

Mr. Yaffe presented two resolutions to enhance and realign MetroAccess services and use \$6.1 million in available Job Access and Reverse Commute (JARC) funds. The funds are available for paratransit use through federal legislation and would fund the procurement of 67 new MetroAccess vans, cover transition costs for door-to-door service, establish a web-based regional clearinghouse for paratransit information, allow cashless fare payment and automated billing, and increase MetroAccess staffing by six. Mr. Kauffman moved approval, Mr. Linton seconded the motion and Mr. Kauffman asked to include the following conditions: 1) to request that staff answer Jurisdictional Coordinating Committee, (JCC) questions and/or explain if there is no answer to their questions, 2) obtain firm commitments on service levels from human service providers before new vehicles are purchased, and 3) provide clarity regarding cost savings through grouped rides. The motion was approved with the conditions, and Mrs. Mack recused herself from voting. Mr. Graham moved another amendment to request staff to provide an analysis of curb-to-curb versus door-to-door costs. Mr. Kauffman seconded the motion. Mrs. Mack was recused, and the amendment was approved.

Financial Reports

B. FY06 – Metro Matters Year End Status

Mr. Harcum presented the FY06 Metro Matters year-end status. Metro Matters is currently on an expenditure basis, requiring cash flow adjustments if expenditures were not made by the close of FY06. The cash flow adjustments include \$29.3 million for the IRP, \$94.2 for the Rail Car Program, \$11.1 million for the Bus Program and \$12.8 million for the Credit Facility.

D. FY07 – Metro Matters Quarterly Financial Report

Mr. Harcum presented the Metro Matters FY07 first quarter Financial Report. The report includes \$38 million in FY07 adjustments and \$53.2 million rolled over from FY06. The revised FY07 Metro Matters budget is now \$725 million. The local annual

contribution to the Metro Matters program will not change. Mrs. Mack asked staff to review the timeframe for rolling over funding.

The meeting was adjourned at 11:35 a.m.