



Finance and Capital Committee

Item II

October 26, 2023

**Finance and Capital Committee
Minutes of
September 28, 2023**

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Finance and Capital Committee
September 28, 2023**



Chair Letourneau called the meeting to order at 10:34 a.m. Present were:

Members Present

Mr. Matt Letourneau, Chair
Ms. Sarah Kline, Vice Chair
Mr. Joe McAndrew
Ms. Spring Worth*

Other Members Present

Mr. Don Drummer
Dr. Tracy Hadden Loh
Mr. Paul Smedberg
Dr. Bryna Helfer*

* designated jurisdictional representative

The agenda was approved as presented.

The minutes of the July 13, 2023 Finance and Capital Committee meeting were approved as presented.

Information Item

A. Metro Financial Update

Staff presented information to the Board regarding the FY2025 fiscal and budget outlook including an initial forecast and potential service impacts for FY2025, budget planning considerations, and budget scenarios, timeline and challenges. Staff described key budget levers including fare and service levels, aggressive expense management, the impact of inflation, and the use of preventive maintenance transfers. Staff offered further explanation on the use of preventive maintenance to address the operating deficit and its potential impact to both ongoing and projected capital projects. Staff then presented three potential FY2025 budget scenarios based on various levels of the preventive maintenance transfer. Staff described additional timing challenges facing the FY2025 budget process as Metro's budget calendar, service planning and collective bargaining agreement requirements do not readily align with jurisdictional legislative calendars. This alignment challenge poses significant risk to staffing, hiring, and training issues, with impacts to service scheduling, system performance, reliability, and customer experience. Staff addressed questions from Board members and provided an overview of future Board updates.

The meeting was adjourned at 11:39 a.m.

**Washington
Metropolitan Area
Transit Authority**

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