

**Riders' Advisory Council
October 3, 2007
Meeting Minutes**

I.. Call to Order:

Mr. Snyder called the meeting to order at 6:35 p.m. He then proceeded to take roll. The following members were present:

Michael Snyder, Chair, Montgomery County
Kelsi Bracmort, District of Columbia (arrived 6:39 p.m.)
Steve Cerny, Fairfax County
William Justin Chittams, District of Columbia
Armando Cortinez, At-Large/District of Columbia (arrived at 7:19 p.m.)
Patricia Daniels, District of Columbia
Nardra Johnson, Montgomery County
Nancy Iacomini, Arlington County
Dennis Jaffe, District of Columbia (arrived at 6:36 p.m.)
Kevin Moore, At-Large/District of Columbia
Kaiya Sandler, Montgomery County
Pat Sheehan, At-Large/Elderly and Disabled Committee
Lillian White, City of Alexandria

The following RAC members were not present for any part of the meeting:

Denise Brown, Prince George's County
Sharon Conn, Prince George's County
Susan Holland, Prince George's County
Cesar Maxit, District of Columbia
Aline Stone, District of Columbia

II. Public Comment Period:

Mr. Snyder then asked for any comments from members of the public.

Jack Corbett from Montgomery County gave public comment on behalf of Metroriders.org, a public interest group representing the Metro riders. He told RAC members that Metroriders.org is an all-volunteer organization that he been around for approximately three years. He noted that Metroriders.org has had experts looking at Metro's budget for the past year and recently sent a letter to Metro's Board of Directors outlining its concerns about Metro's budget, which was handed out to RAC members.

Mr. Jaffe arrived at 6:36 p.m.

Mr. Corbett said that Metroriders.org's interests and the RAC's interests are parallel. He noted that Metroriders.org is very worried about what Metro's is doing in terms of its fare policy and said that he thinks that Metro staff is rushing into a fare increase. He added that Metro's budget numbers and the amount of money needed to be raised with a fare increase keep changing with every set released, and said that this raises credibility questions, especially with automatic fare increases being considered.

He said that the Metro board isn't listening to Metroriders.org and hopes that the Metro Board listens to the RAC more than it does to Metroriders.org.

Mr. Corbett then went over the handouts that he provided to RAC members. He said that Metro doesn't need a fare increase for the current fiscal year. He told RAC members that Metro has an approved budget through June 30, 2008 which is balanced. He said that the next fiscal year's proposed budget is \$1.2 Billion, with Metro saying that it needs a \$109 million fare increase. He said that one of the concerns that Metroriders.org is that Metro will be asking for the fare increase to take effect prior to the start of the new fiscal year.

Dr. Bracmort arrived at 6:39 p.m.

Mr. Corbett said that his concern is that Metro is hitting riders before the money is needed to bank that money and that may be illegal. He said that Metroriders.org is worried that the numbers Metro has developed for how much money it needs from a fare increase keep changing. Mr. Corbett noted in FY08, Metro staff said that it needed to raise \$64 million from a fare increase, but then, with the new General Manager, a fare increase wasn't required. He said that, as part of their proposed FY09 budget, staff initially projected a \$171 million shortfall, but, when faced with opposition from Metro Board members, trimmed the projected shortfall to \$139 million. He said that this does not inspire confidence in Metro's budget projections, nor does it make Metroriders.org comfortable with the idea of allowing Metro to implement automatic fare increases.

Mr. Corbett said that 75% of Metro's costs are for labor and that, because Metro's employees are largely union, Metroriders.org is concerned that Metro's labor costs aren't under control. He said that Metro should fund an independent study to determine whether it is paying appropriate wages. He said that this concluded his testimony and thanked the RAC for the opportunity to address them.

Ms. White asked Mr. Corbett for his opinion of Metro's projections for 1% ridership growth for the next fiscal year. She said that this doesn't make sense given that Metro has seen increased ridership for Nationals' games, and has recently set high-ridership records. Mr. Corbett responded that, until Metro looks at how many passengers it has, and does a more thorough review of its revenues and expenses, it shouldn't make recommendations for raising fares.

Ms. White said that she thinks that staff's projections about ridership are hazy and add to her concerns about the illegality of "pre-funding" Metro's FY09 budget. Mr. Corbett said that, usually, the Metro Board asks questions of staff and makes its decision in April

regarding the coming year's budget. Mr. Corbett said that this year, the Board is rushing to judgment and asking for a fare increase before fully discussing the FY09 budget.

Mr. Cerny asked the purpose of Metroriders.org's proposed study of union contracts. Mr. Corbett responded that, over the past year, there has been concern raised about overtime pay for bus and train operators, and that there isn't certainty as to whether Metro is paying too much for labor, not enough or the right amount. Mr. Corbett said that he thinks that the public should have an independent report on this because all of these contracts are coming up for renewal within the next three years.

Ms. White asked whether or not Metro has independent auditors for their books. Mr. Corbett said that the auditors only certify that what is appears in Metro's books is actually what is occurring.

Ms. Iacomini suggested that, because the RAC only had a limited amount of time, it may want to move on to other speakers and discuss the budget following Mr. Woodruff's presentation. Mr. Snyder asked if there was anyone else who wished to make comments.

Mr. Leroy Morgan from Northeast Washington said that he wanted to make a comment about Metro's change of holiday schedules on the Martin Luther King holiday, Columbus Day and Veterans' Day. He said that he approves opening the rail system at 5 am and charging the regular fare as well as charging for parking, but that he disagrees with Metrobus running weekday schedules. He said that the federal government, DC Government and schools are all closed and that much of Metro's ridership is not on the buses or trains at this point. Mr. Morgan gave the example of the K1 bus that runs to Walter Reed Hospital which didn't have any riders on these holidays. He also noted that operators received holiday pay for working on these days, adding to expenses.

III. Approval of September 5, 2007 Meeting Minutes

Mr. Moore moved approval of the September 5, 2007 meeting minutes as presented. Ms. Daniels seconded this motion. The RAC then voted:

In favor: Mr. Snyder, Dr. Bracmort, Mr. Cerny, Ms. Daniels, Ms. Johnson, Mr. Moore, Ms. Sandler, Mr. Sheehan

Opposed: none

Abstentions: Mr. Chittams, Ms. Iacomini, Mr. Jaffe, Ms. White

This motion passed (8-0-4)

IV. Approval of Agenda:

Mr. Snyder asked for approval of agenda. He noted that Mr. Woodruff was running late and asked that the Rail Subcommittee report (Item VII) be moved forward. He said that, if Mr. Woodruff still had not arrived the agenda would be rearranged accordingly. Without objection, the agenda was approved.

V. Rail Subcommittee Report:

Ms. White said that one of the things that the Rail Subcommittee discussed at its September meeting was Metro's no smoking policy read the following resolution which was passed by the Subcommittee:

"To enforce and strengthen WMATA's "No Smoking" policy, the RAC recommends that all ashtrays located within the rail stations, that is, ashtrays at the bottom of the escalators, be placed outside of the perimeter of the stations."

She said that there are two reasons for passing this:

1. Air quality;
2. Fire hazards – bringing a lit cigarette into a Metro station presents a fire hazard, especially on escalators.

Ms. White said that she didn't think that any fires had been started as a result of cigarettes on escalators, but that this would be a preventative measure.

Mr. Cerny seconded this motion.

Mr. Moore asked for clarification of the term "outside the perimeter of the station" and whether it would preclude having ashtrays at the bottom of an escalators. He said that people will walk past ashtrays unless they're put directly in front of the escalators and people will smoke riding down the escalators and leave cigarette butts at the bottom of escalators. He said that, to change people's behavior, Transit Police should ticket people.

Mr. Jaffe said that police can't ticket because policy doesn't currently ban smoking on the escalators. Mr. Moore said that he questions whether or not this will change behaviors and that this will result in more clutter at the bottom of escalators.

Mr. Jaffe said that there are two things that are key to result in behavioral change – education and enforcement. He said that organizations can move behavior by taking certain actions. Mr. Jaffe continued that some people smoke going up and down escalators, and, while it's not a huge amount, the existence of ashtrays at the bottom of the escalator tells smokers that this is accepted behavior. Mr. Jaffe said that the key to this is the removal of all ashtrays on rail station properties beginning at the top of the escalator and suggested changing the wording of the resolution to change the phrase "outside the perimeter of the station" to something more descriptive.

Ms. Iacomini said that there was a fairly thorough discussion of this subject at the Rail Subcommittee meeting and that she does think that there will be some people will continue to smoke on escalators even if changes are made. She said that to change people's behavior, they have to be provided with an alternative.

Ms. Iacomini said that the Rail Subcommittee had a hard time coming up with verbiage for this motion when it approved it and suggested that when this motion is presented to

the Board, that an explanation of the wording could be included in any transmittal to the Board.

Dr. Bracmort said that she doesn't look at this as a behavior issue but a comfort issue for Metro's non-smoking passengers. She said that she has never personally witnessed this during her travels on the Metro system. She said that she wants to be sure that, by moving the ashtrays, this isn't moving the problem to another location.

Ms. Iacomini said that she thinks that the reason this came forward was initially the concern about secondhand smoke and that there are other factors such as safety and cleanliness that this may also address. She said that this would give riders a place to extinguish their cigarettes further away from the station.

Ms. White said that moving the ashtrays would also prevent employees from smoking at these locations.

Mr. Snyder asked for a vote:

In favor: Mr. Snyder, Ms. Bracmort, Mr. Cerny, Mr. Chittams, Ms. Daniels, Ms. Iacomini, Mr. Jaffe, Ms. Johnson, Mr. Moore, Ms. Sandler, Mr. Sheehan, Ms. White

Opposed: none

Abstentions: none

This motion passed unanimously (12-0-0).

Ms. White said that she was going to recommend that Metro have a checklist of items for railcars before they are put in service, but she was told by Metro's Chief Mechanical Officer that such a checklist already exists and that he would be giving her a copy of this list for Rail Subcommittee members to discuss at their next meeting.

Ms. White said that Mr. Kubicek discussed various railcar design issues at the Rail Subcommittee meeting and passed out photos to RAC members for their review. She discussed some of the design features that Metro is testing, such as spring-loaded handles, leaning stations, and bench seating. Ms. White said that her emphasis is on seats and poles. Mr. Snyder noted that Metro has installed cameras in these railcars to allow them to observe passengers' reaction to the new features.

Ms. Iacomini said that it was nice of staff to open up the railyard for the tour and said that she hoped that such events could be scheduled at times more convenient for RAC members to attend. She said that she hoped to have Metro staff at the RAC in approximately six months to share their findings.

Ms. White added that Metro is also looking at different flooring materials. Ms. Iacomini added that the RAC members who took the tour were able to see one car which had the new type of flooring installed. She said that the new flooring was vinyl and didn't have

an absorbency or any grooves to collect standing water. She noted that Metro staff didn't seem satisfied with this first test flooring material.

Ms. Iacomini said that, if RAC members encounter these redesigned cars in their travels to send an email to other group members to let them know their impressions of the changes.

Mr. Sheehan said that he'd heard that Metro staff has considered moving the emergency contact buttons from the ends of the car towards the center, closer to where the handicapped seating areas are and asked whether RAC members saw that as part of the tour. Ms. White said that she thought that this has been done with newer cars.

Ms. Daniels asked if Metro had considered putting grab handles like those being tested on railcars on Metrobuses. Ms. Iacomini suggested that this be brought up at the Bus Subcommittee.

Mr. Pasek noted that public meetings had been scheduled for October 18th and October 24th regarding the Metrobus 30-Line study. He also told RAC members that some of their terms would be expiring at the end of the year and that he hoped to start the reappointment process soon. He said that members whose terms were expiring would be sent an application for reappointment.

VI. Metro FY09 Budget and Fare Proposals:

Mr. Woodruff introduced himself and apologized for being late, saying that he had just left a meeting with Councilman Jim Graham. He introduced Vicki Ellis from Metro's Office of Financial Management and said that she is the architect of most of the fare change proposals. Mr. Snyder suggested that Mr. Woodruff go through the fare proposals so that RAC members could ask questions.

Mr. Woodruff said that, of the four proposals put forward by Metro staff, Option B was the one recommended by the General Manager because it would be in effect over an 18-month period and was the most conservative in estimating the amount of passenger loss Metro would see from raising fares. He said that the Board has had a great deal of discussion about the equity of the proposals and that the District of Columbia was concerned about the increase in bus fares and the suburban jurisdictions were most concerned about increase in parking rates. He said that he expected to see a lot of discussion among the various jurisdictions and that these issues are largely policy decisions which need to be made by the Board of Directors. Mr. Woodruff said that Mr. Graham told him that he is directing his staff to come up with a fare increase proposal that he will likely present next week. He said that the detailed sheets provided specific information about the various aspects of the fare increase proposals. He then asked if members had any questions.

Ms. Iacomini asked why Metro projected a 1% ridership increase. Mr. Woodruff said that 1% was chosen because that was what Metro experienced last year and that is what it

was seeing this year. Ms. Ellis said that Metro needed to be conservative in developing a budget, because if it made projections that were too optimistic, it wouldn't be able to balance its budget. She noted that Metro has seen approximately 1% ridership growth on rail while bus ridership has been essentially flat. Mr. Woodruff added that Metro only has a fiscal forecast for FY09, but is still working with the departments to find out their needs for the coming year. He said that, as staff learns more as it continues to develop next year's budget, it would make adjustments. He said that, if the Board advertises public hearings on fare increases, they would advertise a ceiling as to how high rates could go, and that, in December, when the Board makes a decision on fares, more specific information will be available on budget numbers for FY09.

Mr. Cortinez arrived at 7:19 p.m.

Ms. Iacomini asked what would happen to the money received from a mid-year fare increase. Mr. Woodruff said that it goes into an account and be carried forward to balance the FY09 budget. He said that if Metro were to collect the fare increase over 18 months rather than over 12 months, the increase would be smaller in absolute terms. He added, however, that the problem with doing a smaller increase is that it balances a 12-month budget over an 18-month period and Metro would have a shortfall again when it begins FY10.

Mr. Moore said that the downside of starting fares early is that the shortfall will be funded entirely by riders. He said if Metro has a shortfall, it should be addressed at the appropriate time when all parties, including contributing jurisdictions, have the ability to address this shortfall, not just riders. Mr. Moore said that this is why he is opposed to a mid-year fare increase. Mr. Woodruff said that the timing of a fare increase is a policy decision. Mr. Moore responded that this was a proposal by Metro staff. Ms. Iacomini asked whether there wasn't a way to require other funding partners to contribute additional monies to Metro's budget.

Mr. Woodruff said that, one of the reasons for proposing a fare increase is that jurisdictional subsidies have increased approximately 7% per year since Metro has last had a fare increase. He said that this means that the non-rider subsidizing the system has had a 28% increase in expense over those four years while riders haven't had any increase.

Mr. Moore said that Metro already has among the highest cost recovery in the nation. Mr. Woodruff said that this is true, largely because of the high cost-recovery of the rail system. He added that one of the solutions to Metro's budget issues is dedicated funding such as what is in place at other transit systems.

Mr. Snyder said that, while the subsidy has increased, ridership has also increased by about 12% over this period. Ms. Ellis said that ridership is stabilizing and growing at a much slower rate because Metro is no longer opening new segments or new stations. Mr. Snyder said that, when Metro gets more riders, shouldn't the jurisdictions be providing additional subsidies to provide for those riders.

Mr. Jaffe said that ridership has effects on both revenues and costs. He said that what is important to determine is how much Metro's total budget has increased annually, on average. Ms. Ellis said that the presentation sent out outlined the growth in expenses by line item. She noted that the largest increases have been for labor and for energy along with some workers' compensation issues.

Mr. Woodruff said that, while one portion of revenues (subsidies) has been growing at approximately 7% annually, the other portion of revenues (fares) has remained relatively constant. He said that this means that Metro has been living off its Workers' Compensation reserve fund and has been putting less money than previously in pension and some compensation accounts. He said that Metro has a structural imbalance in its budget where expenditures are greater than revenues. He said that his imbalance was compounded in FY08 by using \$40 million in one-time settlement money to fund the operating budget. He noted that Metro also used a \$12 million carryover reserve to fund the FY08 budget, meaning that it used \$52 million in one-time funding.

In response to a question from Mr. Jaffe, Mr. Woodruff broke down the increase in total budgets in past fiscal years:

FY05 (over FY04) – 9% increase

FY06 (over FY05) – 10% increase

FY07 (over FY06) – 6% increase

FY08 (over FY07) – 6% increase

Mr. Jaffe said that the increase in jurisdictional contribution (at approximately 7%) has been slightly lower than the total increase in Metro's budget over the same time period.

Dr. Bracmort said that she noticed that in all of the proposals, the Metrobus One-Day pass was eliminated and said that she would like information how many people use this pass and on why this was eliminated. She also asked why Metro has a reduced rail-to-bus transfer rate but not a bus-to-rail transfer rate. seemed to be penalizing bus riders.

Ms. Ellis said that Metro has found that the One-Day pass isn't used by many people, approximately 2500 per day. She said that Metro has also found that One-Day passes are used, on average, for 90 trips per day, which points to the possibility of fraud. Ms. Ellis said that, in reference to the bus-to-rail transfer discount, Metro had tried to do this, but found that the cost would be prohibitive from implementing it at this time.

Dr. Bracmort said that she is concerned that Metro isn't providing sufficient enforcement of its policies and is instead choosing to penalize customers rather than improving its enforcement. Ms. Ellis said that Metro is trying to move away from customers paying cash and encourage them to instead pay with passes or SmarTrip, because there is greater accountability. Dr. Bracmort said that she understands this but that some people will always need to have the option to pay with cash.

Mr. Moore said that there isn't much residual value in the One-Day Pass once someone is finished using it, which makes it easy for them to give it to other people. He said that he would like to see this pass and other Metro passes folded into SmarTrip. He asked for information on when upgrades to SmarTrip would be made.

Mr. Moore also added that he would like to see Metro charge customers more who pay cash and said that he thinks that would have a positive effect on bus headways and travel time and would also generate money for Metro by allowing them to take advantage of money stored on SmarTrip cards prior to its use.

Ms. Ellis said that FIMA wants to hear these type of suggestions from the RAC. She said that Metro doesn't have the ability to load passes on SmarTrip cards at this time.

In response to a question from Mr. Moore, Mr. Woodruff explained that these changes to SmarTrip was part of NextFare IV and said that these changes are proposed to go in effect in October 2008. Mr. Moore said that charging more for cash should go hand-in-hand with a massive promotion and giveaway of SmarTrip cards. He said that this would help change riders' behavior. Mr. Woodruff said that Metro is thinking of doing this and is targeting giving away 50,000 cards but needs to figure out the criteria of who gets free cards and how these cards should be distributed.

Mr. Snyder asked for estimates on how much money Metro expects to recoup from eliminating paper transfers. Ms. Ellis said that the revenue Metro expects to generate from the elimination of the One-Day Pass is small, since only 2500 people use it per day. Ms. Daniels noted that she sees people selling One-Day passes on the street. Ms. Ellis also noted that Metro is planning on eliminating rail-to-bus transfers on paper, but not eliminating bus-to-bus transfers on paper, because the rail system has higher SmarTrip penetration. Ms. Ellis said that

Dr. Bracmort said that Metro doesn't have higher SmarTrip penetration on buses because cards aren't available at convenient locations.

Ms. Ellis said that the goal in this proposal is to move people away from paying in cash, if not to SmarTrip than to weekly passes, and said that the proposal increases the weekly pass price by a lower rate than the cash fare, encouraging riders to purchase passes.

Mr. Chittams said that he is concerned by the increase in student fares. Ms. Ellis said that the SmartStudent pass is priced at the cost of four weekly passes and the District of Columbia picks up the difference between the actual cost (\$44) and the cost to the student (\$22). She said that the District of Columbia has the option to increase the amount it subsidizes the pass to offset some of the increase.

Ms. Daniels said that she was concerned about the increase for senior fares, since many are on fixed incomes. Ms. Ellis said that Metro's senior citizen fares are lower than required by federal legislation, which only requires that off-peak fares be discounted.

Mr. Jaffe said that he supports the goal of moving towards increased use of SmarTrip cards but has concerns about the timing of the proposal and how that would move forward. He said that he is concerned by the effects on low-income passengers, especially those who don't speak English. He said that he thinks that it's important that Metro conduct a public outreach campaign to promote SmarTrip, especially among low-income and non-English-speaking communities. Mr. Jaffe added that he also thinks that the numbers for use of the One Day Pass are off. He said that he thinks it's more important for Metro to do significant outreach and gave the example of America Online providing free software to prospective users and that Metro needs to do similar outreach before requiring that customers use SmarTrip.

Mr. Jaffe said that Metro needs to do a better job of serving its customers and being more efficient, but also needs to do a better job of selling itself to the jurisdictions for their support – lower costs for roads, increased economic activity, etc. He said that we need to take a broader look at the benefits provided by Metro.

Mr. Woodruff said that the things that he's hearing are things that would be useful for the Board to hear, especially concerning the public outreach that Metro should undertake related to distributing SmarTrip cards.

Mr. Moore said that, since Metro knows it has a low penetration of SmarTrip cards among bus users, it needs to concentrate on this group of riders. He said that SmarTrip cards should be available for sale in stores, and, if Metro is giving the cards away, it should concentrate on areas with high concentration of bus riders.

Mr. Sheehan asked about the proposal for MetroAccess-eligible riders and whether they would continue to enjoy free fares on Metrobus and Metrorail. Ms. Ellis said that they would continue to enjoy these free fares. Mr. Sheehan also said that Metro needs to install SmarTrip vending machines that are accessible for people with disabilities.

Mr. Sheehan also suggested that Metro open its Metro Center sales office earlier in the morning, 7:00 a.m. vs. the current 7:30 a.m. opening time. He added that Metro's Office of ADA programs has been helping MetroAccess users learn about the fixed-route bus and rail system, which ultimately saves Metro money, rather than having to pay for MetroAccess service for these individuals.

Ms. White discussed the Metro's fare and said that it isn't necessarily lower than other metropolitan areas, as Ms. Ellis had noted. Ms. Ellis responded that she was referring to the Metrobus fare, which at \$1.25 is less than other large cities, and that the rail fare is distance-based, and therefore varies among passengers.

Ms. White also asked about the Transportation Index and also asked about why Metro is advocating for proportional fare increases rather than market-based fare increases. Mr. Woodruff said that it would be hard for Metro to determine a market-based rate because it is the only transit provider in the markets it serves. He said that the fare increase

proposed last year was market-based and went no place because it was very complex. He said that Metro could move to this piece-by-piece

In response to Ms. White's question about Metro's proposed index, Mr. Woodruff said that they chose that particular index because it contains the elements that drive Metro's costs, namely fuel and labor. Ms. White said that she would prefer fares adjusted on the basis of the Consumer Price Index (CPI). Mr. Woodruff said that, if Metro ties its fare increase to the CPI it won't raise sufficient funds. In response to Ms. White's question about market-based vs. proportional fare increases, Mr. Woodruff said that proportional fare increases seem to have more support in the community.

Dr. Bracmort said that she isn't clear what passengers will receive from their increased fares in terms of better service and said that she doesn't think that Metro staff has thought of other ways to raise money besides looking to passengers to pay higher fares.

Ms. Iacomini said that, without money, it will be difficult for Metro to make improvements. She noted, however, that there are some customer-service improvements that can be made that don't cost a great deal of money, and those are something that the Board of Directors needs to address.

Ms. Iacomini noted that, after the recent incidents on the rail system, riders don't feel that they are getting their money's worth. She said that she thinks that the Board of Directors should tie in service and quality improvements as part of a fare increase. She said that she understands that the cost of doing business goes up, but that she also demands good service in exchange for that, and that Metro's should make managerial changes to ensure that customers receive good service.

Ms. Daniels said that riders need to feel like they are receiving more respect from Metro staff, which shouldn't cost any money. In response, Mr. Woodruff referenced Metro's Street Smart bus operator retraining program and said that the single biggest employee development issue that's going on at Metro. He also said that, every week, Metro staff receives a report about bus drivers that describes the issues that bus drivers have to deal with, such as assaults, punching, improper touching, but that Mr. Catoe also agrees that customers must receive superior service from Metro staff.

Mr. Jaffe said that he wanted to thank Mr. Woodruff and Ms. Ellis for coming to present to the RAC and said that many of the concerns raised this evening don't directly relate to customer service and policy rather than to dollars and cents.

Mr. Woodruff said that some of the points that the RAC is raising show that Metro has a ways to go in terms of customer service. He said that the fare increase proposed will only provide the same service that Metro provides today – because it's not a capital budget, it won't go to buy new buses or railcars or fix insulators, etc. He noted that Metro is 30 years old, and that this fare increase doesn't provide the capital money to meet riders' expectations, and, that if Metro doesn't receive a dedicated capital funding source to fix these issues, the system will only continue to deteriorate. He said that he appreciated the

RAC's thoughts on the fare increase, and that, after that issue is settled, it needs to get its capital funding situation in order.

Ms. Sandler asked if it would be helpful for riders to pledge to be a dedicated funding source for Metro – and whether that would help advance the issue.

Mr. Woodruff replied that, if the jurisdictions could be convinced to begin contributing to the capital fund, even if the federal government isn't contributing, riders would see improvements. Ms. Iacomini said that this is an advantage of automatic fare increases – that they give the message to the jurisdictions that riders are doing their part and that the jurisdictions need to follow suit.

Ms. White said that she is concerned that the customer service focus doesn't trickle down to front-line workers. Mr. Woodruff said that the organization needs to focus on supervisory employees and described his travels with Mr. Catoe and how he tries to instill responsibility into frontline employees.

Mr. Snyder thanked Mr. Woodruff for coming and Mr. Woodruff thanked the RAC for their suggestions. He said that the Board needs to hear their suggestions, especially concerning how to distribute SmarTrip cards more widely.

Mr. Snyder told RAC members that he knew that there were a number of motions passed around via email prior to the meeting and asked the RAC if they would like to consider any them.

Mr. Moore moved the following:

“The RAC strongly urges the WMATA Board not to allow any mid-year FY08 fare increase. Further, while recognizing that such a fare increase may be prudent in future years, the RAC also strongly urges the WMATA Board not to impose any automatic fare increase structure in FY09.”

Ms. White seconded this motion.

Ms. Iacomini said that she didn't support this motion and said that she believes that this fare increase is necessary and that riders aren't uniformly opposed to the increase. She said that she would rather riders have a smaller raise sooner versus a larger increase that would occur later. She said that she also believes that indexing needs to be done and that Metro should have an automatic fare increase in place.

Mr. Moore said that he agreed that a fare increase is inevitable, but since the money will only go into an account, it makes more sense for Metro to wait to collect that money from riders. Mr. Moore said that, while the fare increase would be smaller for rail riders, for him as a bus rider, he would pay the same increase (to \$1.50) under all proposals. He said that it is also premature to talk about the automatic fare increase when the RAC hasn't even seen the specifics of the increase.

Ms. Iacomini said that it would be equally premature for the RAC to tell Metro that it can't look at an indexed fare increase before seeing the details of the plan.

Mr. Moore said that his resolution only addresses FY09, and that, if Metro wanted to have such a policy in place, it would have had to develop it by now. He said that he thinks that Metro is moving "too fast" in proposing increases without providing specifics.

Mr. Snyder said that he doesn't think that Metro staff has done the "hard work" to develop the budget and that its numbers can't be trusted because they have changed so drastically in the past few weeks. He said that he thinks that riders would be willing to accept some kind of fare increase, but that it needs to be a more reasonable number, such as 3-6%, rather than the 20-30% originally proposed. He said that Mr. Moore's proposal for no mid-year fare increase makes sense because more time needs to be put into developing the budget.

Mr. Sheehan asked about the statement and whether or not it acknowledges that there will be a fare increase at some point. Mr. Moore responded that, yes, it acknowledges that there will be a fare increase, but since the money collected from a mid-year fare increase would simply be held in reserve, it isn't necessary to enact the fare increase until FY09, because the FY08 budget it balances.

Ms. Sandler said that it was her understanding that the money from the increase would be used to cover a budget shortfall in FY09. Mr. Snyder said that because the FY09 budget hasn't been fully developed, there can't be a shortfall.

Mr. Moore said that Metro expects a shortfall for next year to maintain the same level of service as it operated this year. He said that Metro should wait to increase fares until such time as it can get increased contributions from all parties involved, including the contributing jurisdictions.

Ms. Sandler said she would rather see a smaller increase now than a larger increase later.

Mr. Moore said that he doesn't deny that Metro will have a shortfall and has tapped out its reserves but that it shouldn't try and address its shortfall solely by hitting up riders.

Ms. Iacomini said that while she understands that these budget numbers are not static, she expects that they have changed because Metro has deferred some maintenance or not replenished a compensation fund or done some other action to save money and that these actions can have consequences. She said that, while Metro needs to look at increasing other revenues, they won't be able to make up for the amounts received from subsidies and fares. She said that the Metro Board is made up largely of elected officials, who are generally loathe to raise fares, but that they have to consider it, and that it's irresponsible to tell Metro that it can't raise fares.

Dr. Bracmort said that she isn't comfortable with the numbers presented. Ms. Sandler said that budgeting is about trends and forecasting, not about exact numbers. Mr. Snyder said that Metro didn't look at trends, but rather only at 2007, and that trends over a longer period are different.

Mr. Snyder said that he doesn't think that Metro's projected ridership numbers match with reality, and that in fact, ridership growth is much higher. Ms. Johnson said that her experience has led her to believe that ridership has grown significantly, more than the 1% shown.

Mr. Snyder said that staff is putting forward numbers that would justify a large fare increase and then be able to cut the amount of the increase to achieve a more favorable response from the public

Mr. Moore asked Mr. Snyder to call the question.

After discussion, Mr. Moore put forward the first half of his resolution as a motion:

“The RAC strongly urges the WMATA Board not to allow any mid-year FY08 fare increase.”

This motion was seconded by Ms. White.

In favor: Mr. Snyder, Dr. Bracmort, Mr. Cortinez, Ms. Daniels, Mr. Jaffe, Ms. Johnson, Mr. Moore, Mr. Sheehan, Ms. White

Opposed: Mr. Cerny, Ms. Iacomini, Ms Sandler

Abstentions: Mr. Chittams

The motion passed (9-3-1)

Mr. Moore then moved the second half of his original motion, deleting the word “further.” The motion now read:

“While recognizing that a fare increase policy may be prudent in future years, the RAC strongly urges the WMATA Board not to impose any “automatic” fare increase structure in FY09.”

This motion was seconded by Ms. White.

Mr. Jaffe said that he would like to propose deleting “While recognizing that such a fare increase policy may be prudent in future years.” Mr. Moore and Ms. White agreed to Mr. Jaffe's suggestion of removing this text from the second motion.

Mr. Jaffe said that, if there is interest by others, he suggested in proposing an amendment that reads “without thorough consideration in development of such a policy.” Mr. Moore said that he had an additional proposal that would address that subject, so he was not

interested in adding that language. Mr. Snyder asked if there was any interest from other RAC members in adding Mr. Jaffe's suggested language. There was no interest voiced from RAC members.

Mr. Snyder then asked the RAC to vote on the motion, as amended. The text of the amendment read:

The RAC strongly urges the WMATA Board not to impose any "automatic" fare increase structure in FY'09.

The vote was as follows:

In favor: Dr. Bracmort, Mr. Chittams, Mr. Cortinez, Ms. Daniels, Mr. Jaffe, Ms. Johnson, Mr. Moore, Mr. Sheehan, Ms. White

Opposed: Mr. Cerny Ms. Iacomini, Ms. Sandler

Abstentions: Mr. Snyder.

The motion passed (9-3-1)

VII. Adjournment:

Mr. Snyder adjourned the meeting at 8:39 p.m.