

Minutes
Finance, Administration and Oversight Committee
February 14, 2008

Mr. Graham called the meeting to order at 11:10 a.m. Present were:

Committee Members

Mr. Jim Graham, Chair
Mr. Marcell Solomon
Ms. Elizabeth Hewlett
Mr. Christopher Zimmerman
Mr. Peter Benjamin
Mr. Emeka Moneme
Mr. Jeff McKay
Mrs. Catherine Hudgins
Mr. Anthony Giancola

Approval of Agenda

The agenda was approved as submitted.

Action Items

A. Metro Matters Borrowing

Mr. Woodruff requested approval of a resolution to authorize the Chief Financial Officer to negotiate and execute an increase in the existing commercial paper program from \$330 million to \$600 million to fund Metro Matters. Long term debt may be used in the future if the financial markets shift favorably.

Mr. Zimmerman moved approval, Mrs. Hudgins seconded, and the motion was unanimously approved.

Mr. Graham moved, seconded by Mr. Zimmerman, approval of Items B, C, D, F and J en bloc. This motion was unanimously approved.

B. Establish Service on Metrobus Route 79 and Change the Operating Budget Accordingly

C. Establish Service on Metrobus Route NH-1 and Change the Operating Budget Accordingly

D. Establish Service on Metrobus Route N22 and Change the Operating Budget Accordingly

F. Approve Reimbursable Contract for DC Student SmarTrip®

J. Relocation of Track & Structures – Systems Maintenance Function from Twinbrook to Shady Grove

E. Review and Acceptance of FY07 External Audit Deliverables

Ms. Lew requested approval of a resolution to accept the FY07 External audit deliverables submitted by KPMG, LLP/F.S. Taylor and Associates. Mr. Satriadhi of KPMG presented the audit findings.

Mr. Zimmerman moved approval, Mr. Giancola seconded, and the motion was unanimously approved.

G. Changes to Personnel Policy and Procedures Manual and Delegation of Authority to the General Manager

Ms. Burnside requested approval of a resolution that would delegate to the General Manager the authority to amend, revise or repeal sections of the Personnel Policies and Procedures Manual that are administrative in nature.

Mrs. Hudgins moved approval, Mr. Giancola seconded, and the motion was unanimously approved.

H. Verizon MCI metro Fiber Optic Lease Agreement Renewal

Ms. Peck requested approval and ratification of an interim letter of agreement with MCI metro and Board of Directors authorization for the General Manager to negotiate and execute a new Fiber Optic License Agreement, including potential indemnification provisions.

Mr. Benjamin moved approval, Mrs. Hudgins seconded, and the motion was unanimously approved.

I. Information Technology Reallocation/Reprogramming Request

Ms. Peck requested approval of a resolution reprogramming \$5.1 million from telephone handsets to critical Peoplesoft HR, Payroll and Procurement remediation.

Mrs. Hewlett moved approval subject to consultation with the JCC and jurisdictional information technology staff prior to the next Board meeting, Mr. Giancola seconded, and the motion was approved, with Mr. Zimmerman voting no. Mr. Giancola requested that at the Board meeting staff identify another source of funding for the \$5.1 million reprogrammed from the handsets.

K. Reprogramming of Funds for the Reallocation of Southeast Buses

Mr. Requa requested approval to reprogram \$1.39 million from the capital improvement program to an established account for the purposes of funding the re-deployment of Metrobuses from the Southeastern Bus facility to other Metro facilities prior to the start of the Washington Nationals baseball season.

Mr. Solomon requested a list of the where the buses will be deployed. Mr. Moneme reiterated the District of Columbia's commitment to fund operating costs until the new bus garage is constructed and open.

Mr. Benjamin asked staff to clarify that the purpose of the resolution is to increase operating costs by \$1.39 million, that should the sale of the property not occur the District is committed to pay the additional costs associated with re-deploying the buses, and that staff agrees that the \$1.39 million is not needed for land acquisition and garage construction. Staff confirmed each item.

Mr. Graham agreed with Mr. Benjamin's conclusion and stated that this decision could be revisited due to unforeseen circumstances.

Mr. Graham moved approval, Mr. Zimmerman seconded, and the motion was unanimously approved.

Information Item

A. FY08 Monthly Financial Reports

Mr. Harcum stated that through December revenues are exactly on budget on a percentage basis, expenses are 1% better than budget which results in subsidy being 2 percent, or \$5.6 million favorable. MetroAccess numbers have been corrected and the year-to-date increase in ridership is 16%. Mr. Benjamin noted concern that year-to-date bus ridership is on budget but revenue is below budget and that this could become an important issue as decisions are made about how to allocate future revenues from the fare increase. Mr. Harcum agreed.

The meeting was adjourned at 12:32 p.m.