

Minutes
Finance, Administration and Oversight Committee
January 10, 2008

Mr. Graham called the meeting to order at 11 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. William D. Euille
Mr. Gordon Linton
Mrs. Catherine Hudgins
Mr. Anthony Giancola

Approval of Agenda

The agenda was approved as submitted. Mrs. Hudgins introduced Jeff McKay who will represent Fairfax County as an alternate Board member after he is sworn in.

Approval of Minutes

The minutes of December 13, 2007 were approved as submitted.

A. Action Item

Request to Change the Process for Selecting External Auditing Services

Ms. Lew requested approval of a resolution proposing to change the process for proposing the external auditing firm that conducts the annual financial audit of Metro from the Finance, Administration and Oversight Committee to the Office of Inspector General.

Mr. Benjamin moved approval for a revised resolution to authorize the Inspector General to propose an external auditor. Ms. Hewlett seconded the motion, and the motion was unanimously approved.

Information Items

A. FY09 General Manager's Proposed Budget

Mr. Catoe presented the proposed FY09 operating budget with revenues of \$789 million, expenses of \$1.325 billion, and jurisdictional subsidy of \$536 million. The FY09 budget focuses on service reliability and safety. In the coming months the Committee will review the budget in detail. Mr. Catoe outlined management actions to control costs and discussed the economic challenges and proposed service improvements contained in the budget.

Mr. Graham requested information on the balanced transfer policy and implementation of bus to rail transfers.

Mr. Harcum presented the capital budget, which totals \$444.6 million in FY09. The Metro Matters Program has reached its mid-point and staff is beginning to focus on capital needs beyond FY10. In February, staff will return to the Committee with action items to secure the debt needed to finance Metro Matters to conclusion.

Mr. Graham requested a report on the allocation formula for distributing 50,000 SmarTrip® cards to local social services agencies and the number of SmarTrip® cards that have been distributed.

B. FY08 Monthly Financial Report (October 2007)

Mr. Harcum stated that revenues and expenses are 1% better than budgeted, Metrorail ridership has grown 5% and Metrobus ridership has grown 1% year-to-date. Mr. Harcum reviewed both the highlights of the capital budget and debt service. Mr. Benjamin requested two months of financial reports at the next meeting and to have a discussion on allocating revenue between FY08 and FY09.

The meeting was adjourned at 12:15 p.m.