Minutes
Finance and Administration Committee
October 14, 2010

Mrs. Hudgins called the meeting to order at 9:03 a.m. Present were:

Committee Members
Mrs. Catherine Hudgins, Chair
Ms. Elizabeth Hewlett, Vice Chair
Mr. Peter Benjamin
Mr. Jim Graham
Mr. Jeff McKay
Mr. Mortimer Downey

Other Members Present
Mr. Christopher Zimmerman
Mr. Gordon Linton
Mr. Anthony Giancola
Mr. Michael Brown
Mr. Marcel Acosta

The agenda was approved by unanimous consent.

Mr. Benjamin moved, seconded by Mr. McKay, and the minutes for September 16, 2010, were approved as revised.

Action Items

A. Approval of Cinder Bed Road Design Build Agreement and Financial Plan

Mr. Benjamin moved, seconded by Mr. McKay, to amend the Master Development Agreement, add three positions for administration of the project, and revise the terms of the property sales agreement. The motion was unanimously approved.

B. Award of the Orange/Blue Line Contract 1

Mr. Benjamin moved, seconded by Mr. McKay, to award the contract, including the exercising of all options for a total $272,772,000 for system infrastructure rehabilitation of Orange/Blue Lines from Reagan National Airport to Stadium-Armory, as well as authorizing ten new capital positions to support project management, inspection services and field support. The motion was unanimously approved.

C. Acceptance of the FY2010 Financial Statement Audit Deliverables

Ms. Hewlett moved, seconded by Mr. McKay, to accept the FY2010 External Audit Deliverables submitted by Clifton Gunderson, LLP. The motion was unanimously approved.
D. National Explosives Detection Canine Team Program Grant

Ms. Hewlett moved, seconded by Mr. McKay, to ratify the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program grant to include $1.02M for five TSA canine teams over the next five years, beginning October 1, 2010 through October 1, 2015. The motion was unanimously approved.

E. Approval of Budget Amendment for Bus Security

Ms. Hewlett moved, seconded by Mr. McKay, to amend the FY2011 Operations Budget to include 17 additional Special Police Officers to increase security staffing of bus divisions. The Board requested that staff correct the personnel cost in the materials to reflect the proper amount of $525,000. The Board also requested that staff present a report on the duties and responsibilities of Special Police Officers at the November Safety and Security Committee meeting. The motion was unanimously approved.

F. Approval to Close Two Reimbursable Projects

Mr. Benjamin moved, seconded by Ms. Hewlett, to close two reimbursable projects, de-obligate unspent federal funds with the FTA and return or credit unspent funds to the sources, and to amend the reimbursable project budgets. The Board requested that staff revise the resolution to match the projects with the correct funding sources. The motion was unanimously approved.

G. SmarTrip® Card Price Change Plan

Staff presented an update on options for reducing the price of the SmarTrip® card without creating opportunity for customers to "game" the system, per the Board’s request, and recommended Option G ("No $0-Value Sales"). Mr. Graham moved Option D ("Status Quo"), which was not seconded and the motion did not pass. Mr. Graham subsequently moved Option H ("$4 card + Minimum Entry"), which was seconded by Mr. Benjamin before being withdrawn by Mr. Graham after discussion. Mr. Downey moved to table the item, and staff was asked to provide further analysis on SmarTrip® options that limit “gaming” while reducing the card price, as well as any associated implementation costs.

H. Approval of Application of Snow Reimbursement Funds

Mr. Benjamin moved, seconded by Mr. McKay, to apply funds received from FEMA for repayment of FY2011 preventative maintenance. The motion was approved with Mr. Graham voting no.
I. Approval of Metro Capital Budget Reprogramming Policies

Mr. McKay moved, seconded by Mr. Downey, to adopt new capital budget reprogramming policies that conform to the reporting and transparency requirements in the recently adopted Capital Funding Agreement. The Board requested that the resolution be revised to terminate no later than the date that the updated six-year Capital Improvement Program is submitted to the Contributing Jurisdictions in October of 2011. The motion was unanimously approved.

J. FY2012 Operating Budget Guidance

This item was deferred to the next meeting.

Information Items

A. Program Management Services

Staff presented an update on the Program Management Services Contract that assists in the delivery of the Capital Improvement Program.


Staff presented a review of the financial performance for August in which total passenger revenue in August was $63.9 million, a negative variance of $3.4 million or 5 percent. The greatest shortfall for the month, as in July, occurred in rail passenger revenue at $48.7 million, which was $1.9 million below budget, a negative variance of 4 percent. Total expenses for the month were $124.3 million, over budget $3.8 million. The Board requested that staff includes ridership information from other transit agencies in future reports.

The meeting was adjourned at 10:58 a.m.