

Triangle Transit Authority Board of Trustees
Meeting Minutes
Budget Work Session - April 21, 2006
Board Room, 68 T.W. Alexander Drive
Research Triangle Park, NC

Board Members Present:

Bill Bell (arr. 9:51 a.m.)

Anne S. Franklin (arr. 9:49 a.m.)

W. Lewis Hannah, Jr.

Bob Hinshaw

William G. Smith (arr. 9:49 a.m.)

Bill Strom

M. Carter Worthy

Board Members Absent:

Alice Gordon

Thomas Hilliard

Ellen Reckhow

Kenneth Spaulding

Nina Szlosberg

Staff Present:

Laurie Barrett

Brian Blater

Don Carnell

Janet Carter

John Clafin

Michelle Dawson

Ed Evans

Saundra Freeman

Sylvester Goodwin

Damien Graham

Valerie Grant

Wib Gulley

Bobbie Herald

Todd Horsley

Geoff Powell

Brad Schulz

Juanita Shearer-Swink

Garold Smith

John Tallmadge

Chair M. Carter Worthy asked that the budget work session begin at 9:47 a.m.

William Smith and Franklin arrived.

John Clafin noted that Don Carnell's last day at TTA is today. He thanked him for his efforts towards the regional rail project.

Worthy declared the presence of a quorum.

Action: Chair Worthy opened the hearing at 9:50 a.m. There being no comments, the hearing was closed at 9:51 a.m.

Bell arrived.

Franklin asked if the Board could discuss issues and decision items first. Strom said he felt the Board should receive an overview of the budget first.

Saundra Freeman noted the assumptions in the FY 2007 proposed budget:

- Headcount 163, down 12 from FY06
- Total spending \$16 million (before allocations), down \$1.5 million from FY06
- Operations spending \$13.7 million, up \$200,000 from FY06
- Average merit 3%, down 0.5% from FY06
- COLA 1.5% (January '07 implementation), down 1% from FY06
- Service hours 92,000, flat to FY06
- Cost recovery 15%, up 3% from FY06
- Cost per service hour \$87.86, up \$3.54 from FY06 budget
- Capital projects: rail, bus facility expansion, advanced technology
- Rail allocation \$2.2 million, down \$2.1 million from FY06
- Bus Facility Expansion allocation \$300,000, no allocation in FY06
- Meets adopted criteria for general fund balance appropriation

Freeman stated that the current version of the proposed FY07 budget has increased revenues and a reduction in expenditures since the version presented to the Operations & Finance Committee earlier in the month.

Board members asked about revenue projections and policy assumptions in the capital projects budgets. Board members also discussed the general fund balance and the policy implemented last year to control the reduction of fund balance.

Several requests were made for the next round of the budget:

- summary of the significant changes in revenues and expenditures from the prior year;
- footnotes about grants (purpose, match);
- information regarding the NCRB agreement and upcoming payment due

The Committee discussed projected fund balances at the end of fiscal year 2007 based on the FY 2006 and proposed FY 2007 budgets. Freeman explained that TTA has two large rail obligations for the next fiscal year:

- \$15 million payment due in January 2007 to NCRB, and
- BB&T loan on property that will be TTA's contribution to the joint venture.

Strom asked that the General Counsel provide information on the NCRB contract to the Operations & Finance Committee.

Clafin asked that Board members provide comments regarding the proposed FY 2007 goals and objectives, which drive the proposed budget, to the Clerk to the Board.

Franklin noted her feelings that TTA should be taking a leadership role in transit visioning in the region and be prepared to respond with planning resources and direction related to increased demand for service.

Action: On motion by Strom and second by Smith the Board referred to the Planning & Legislative Committee a discussion on planning resources and transit visioning. The motion was carried unanimously.

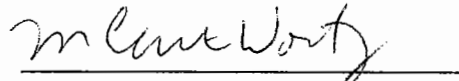
The Committee then indicated a desire to grow the vanpool program, recognizing that currently the fares do not cover capital costs for vehicles. Information was requested on leases and options for funding van purchases to grow and maintain the program. Committee members stated concerns that the current fares cover only the operating costs for the program.

Regarding proposed merit and cost of living allowance (COLA), the Committee received information from other local governments in the area, which is attached and hereby made a part of these minutes. Members felt the proposed 3% average merit and 1.5% COLA budgeted was reasonable.

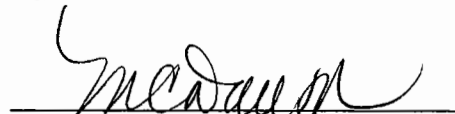
Hannah suggested a cost sharing basis, similar to the arrangement with Orange County for the Hillsborough to Chapel Hill service

Freeman stated that budget books would be updated and mailed back to members

Action: The meeting was adjourned at 11:38 a.m.


M. Carter Worthy, Chair

Attest:


Michelle C. Dawson, CMC
Clerk to the TTA Board