



**Metro**

# Daily Brief

**Friday April 7, 2006**

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**CEO Roger Snoble**

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## **Metro's Operating Budget Deficit**

The Daily News is expected to publish an article this weekend on Metro's operating budget deficit. I told a reporter that unless new revenue is found or Metro accomplishes cost savings and better seat utilization (only 33% of seats are filled overall), the agency will have depleted nearly all of its reserves by the end of the next fiscal year and will no longer be able to overcome its operating deficits. (In FY 07 the deficit is projected to be \$112 million) For more than a decade, Metro has drawn down reserves and, in recent years, has deferred capital projects, to offset operating deficits. The agency only recovers 26% of its operating costs from the farebox. The reporter may also note that the problem has been compounded by the Consent Decree, rising fuel costs and a shortage of entry level operators which has driven up overtime costs

## **Live Poetry Readings**

Acclaimed L.A.-based poets are treating Metro customers to live readings at rush hour on three days this month (National Poetry Month). The readings are a collaboration of the Poetry Society of America and the Metro Art program. Customer response has been very positive...customer comments include: "Finding a poem on a bus is like a gift, it makes people realize they are not alone" and "I hardly ever take the bus, and I wasn't looking forward to it...I was in a bad mood...This poem changed my whole day."

## **Upcoming CEO Meetings & Events**

Next week, I will be interviewed by Metro Investment Report. I will be meeting with Art Leahy and Kristine Murray of OCTA; Lucy Dunn of Orange County Business Council; Fran Inman of Majestic Realty, Ron Gastelum and Elizabeth Warren of L.A. Chamber of Commerce; Josh Shaw of the California Transit Association and Director Richard Katz. I will also attend the 13th Greater L.A.

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Vendor Fair at the L.A. Convention Center.

**Of Note**

On this day in 1989, predecessor agency, the Southern California Rapid Transit District, unveiled its first CNG powered bus.

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