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**Capital Metro to Propose Balanced Budget
Without January Fare Increase**

August 28, 2009

Capital Metro staff will present an alternative budget proposal to the Board of Directors on Aug. 31, 2009, that balances the budget without an additional fare increase in January. Based on input from the Board, early customer feedback and additional staff research, Capital Metro is proposing to use approximately \$2.6 million in federal economic stimulus funding for operating costs. Due to an expedited CAMPO timeline for the use of federal transportation dollars, Capital Metro will be able to request a redirection of a portion of its funding.

“Federal stimulus funding is a one-time fix that will allow us to avoid passing additional costs on to our riders during this difficult financial stretch,” said Capital Metro President/CEO Fred Gilliam. “Throughout the budget process, Capital Metro staff rigorously examined every line item in the budget to identify efficiencies and address Board priorities.”

Capital Metro Board Chair and Travis County Commissioner Margaret Gomez noted, “Capital Metro staff has been responsive to Board questions over a fare increase and the suggestion to research how stimulus dollars might be used to bridge the gap. This is a big win for our transit riders during these difficult economic times.”

Key FY 2010 budget assumptions:

- \$164 million operating budget
- Projected 5% decrease in sales tax revenue, Capital Metro’s primary source of funding
- Planned bus purchases deferred to FY 2011

- Continued hiring freeze
- Wage freeze for administrative employees
- Elimination of 37 administrative positions through early retirement and other attrition
- Increased health care costs for employees
- Wage increases of 1.5% in Jan. 2010, and 1.5% in July 2010, for bargaining employees per terms of contract between service provider StarTran and Amalgamated Transit Union Local 1091
- Suspension of 'Dillo service in Oct. 2009
- Minor route modifications in Jan. 2010
- Select changes to MetroAccess policies
- Fare increase to take effect at fall 2010 service change as previously approved
- Contribution to needs based/low income fare program

Budget timeline:

- Aug. 31: Budget summary presented to Board of Directors
- Sept. 4: Proposed budget posted online at www.capmetro.org for public review
- Sept. 21: Public hearing on proposed budget
- Sept. 28: FY2010 Budget adopted by Board of Directors

ABOUT CAPITAL METRO

Capital Metro's mission is to provide quality public transportation choices for our community that meet the needs of our growing region. With the highest per capita ridership in Texas, Capital Metro serves more than 3,000 bus stops with metro, flyer and express routes, and UT Shuttle service. Capital Metro also provides MetroAccess service for passengers with disabilities, van and carpool coordination, and freight rail service.

Capital MetroRail is a new passenger rail system expected to begin soon between the City of Leander and the Convention Center in Downtown Austin. MetroRail is part of the All Systems Go Long-Range Transit Plan that includes expanded local and express bus service, MetroRapid bus service, and new and improved park and ride lots. For more information, including an online trip planner and a commute cost calculator, visit www.capmetro.org or call (512) 474-1200.

