

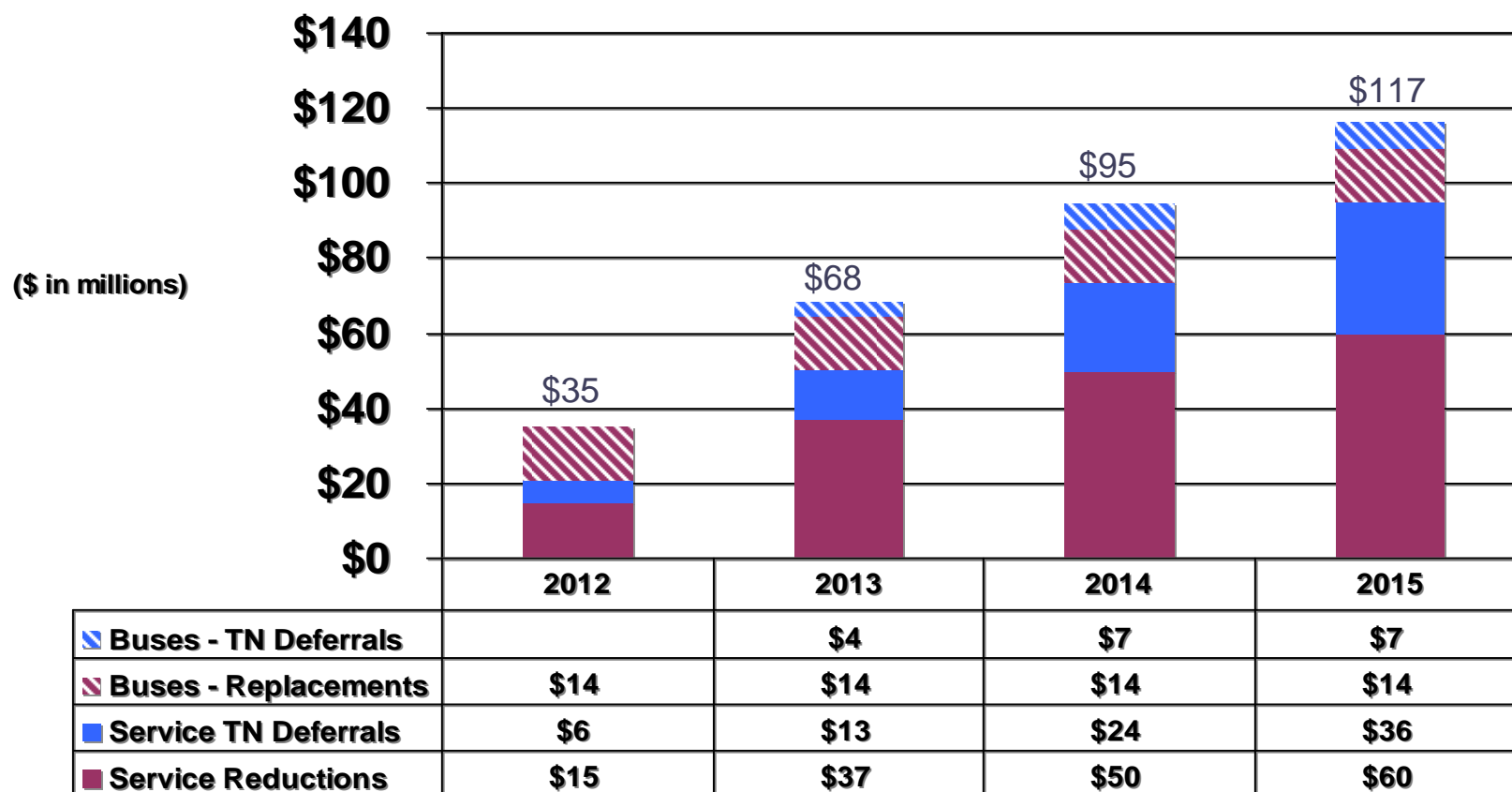
Metro Financial Update

September 15, 2010

Key Elements of the 2010-2011 Adopted Budget

1. **Defer bus service expansion:** Suspended remaining Transit Now improvements except Rapid Ride and already-approved partnerships.
2. **Capital program cuts:** Reprioritized capital program and reduced number of buses purchased
3. **Non-service related cuts:** reduced supplemental programs and service quality expense by 10%
4. **New revenue/Property tax swap:** 6.5 cents for transit; 1 cent for 520 Urban Partnership; 5.5 cents for other transit (including new Rapid Ride "F" Line)
5. **Operating reserves:** temporary reduction for 4 years
6. **Increase fares:** additional general fare increase in 2011
7. **Fleet replacement reserves:** \$100 million over four years
8. **Audit efficiencies:** Assumed 125,000 hours of scheduling efficiencies during the biennium
9. **Bus service:** 75,000 hours of service reductions during the biennium. Additional cuts required by 2013

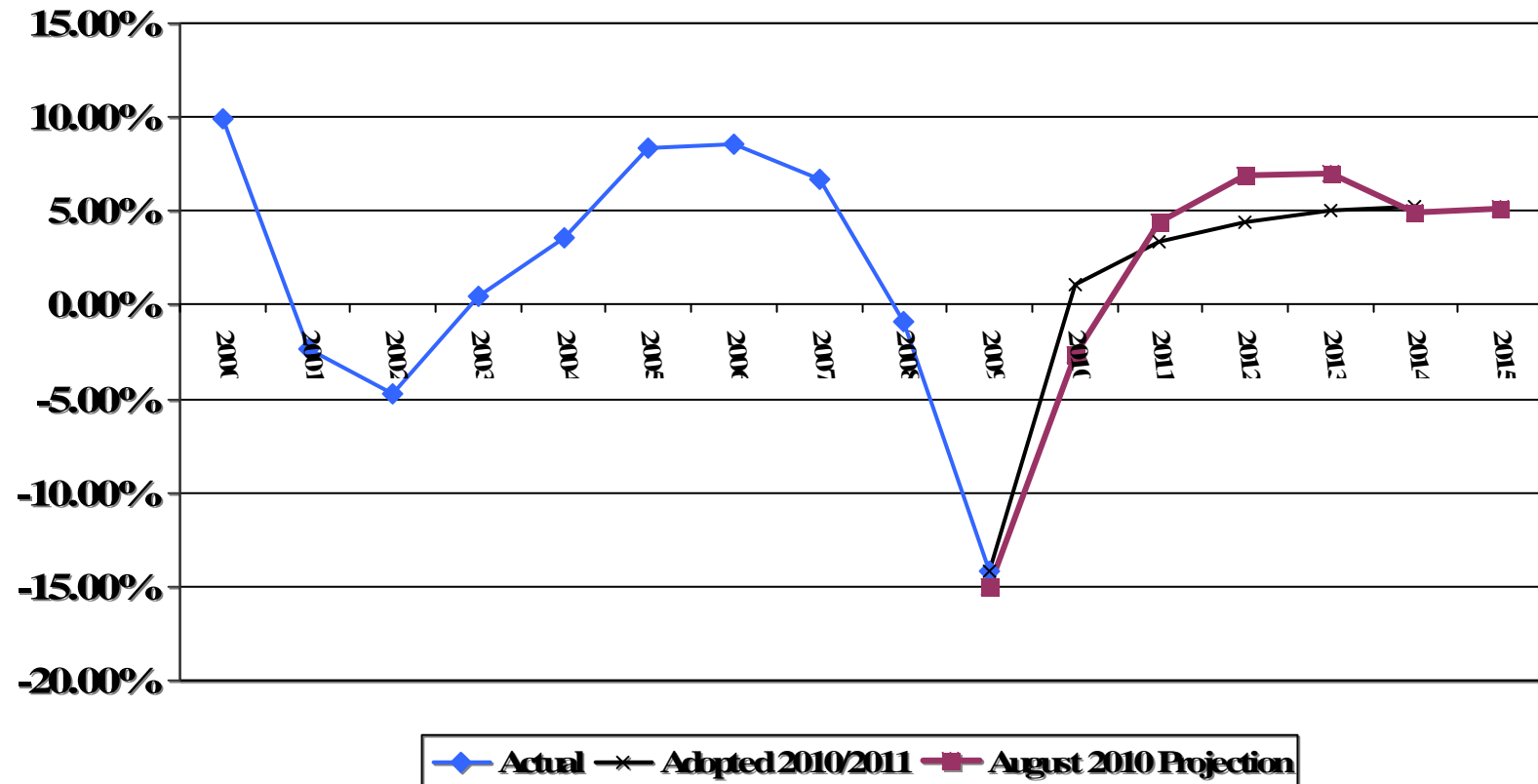
Funds Needed to Retain Bus Service Levels



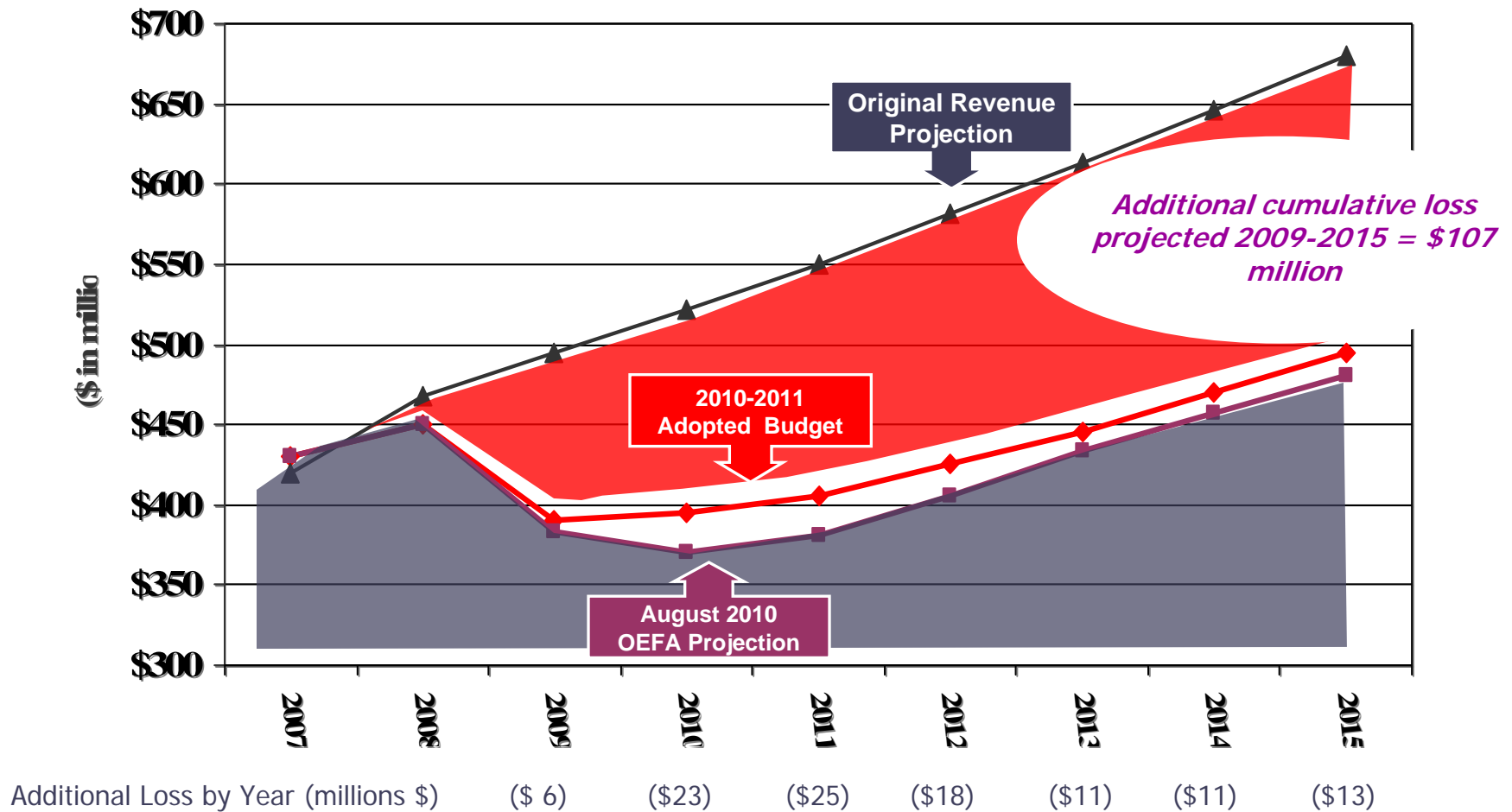
Lump sum funding is needed to purchase vehicles to support these service levels: \$200 million total; assuming financing, by 2015, \$21 million is needed each year.

August 2010 Forecast

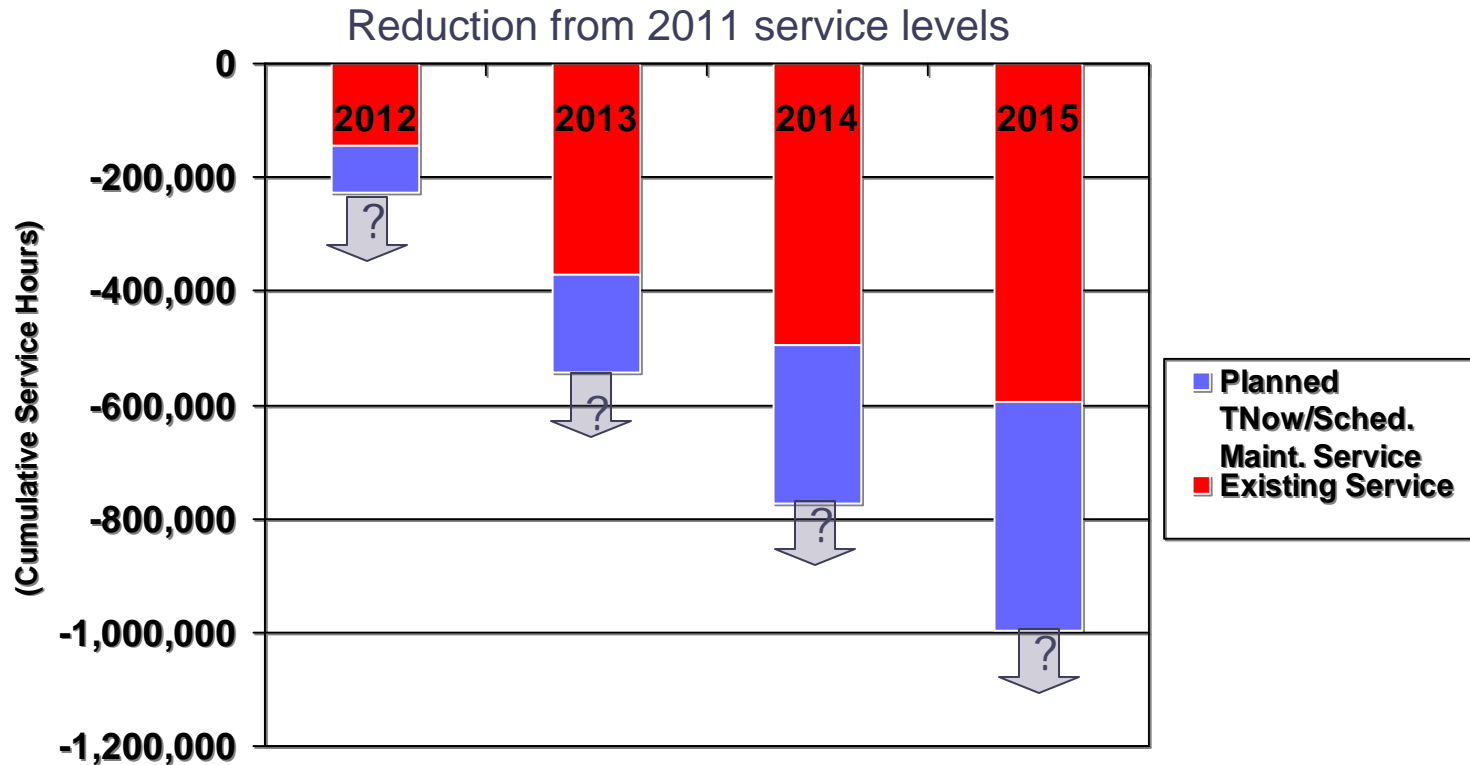
Sales Tax Year-to-Year Growth Rates



King County Metro – Sales Tax Shortfall



New sales tax projections could impact the levels of future service.



Reduction also in fleet and other infrastructure requirements