

Fiscal Year 2000-2001 Overview

Current Year Highlights:

- New four year ATU labor agreement
- Completion of Comprehensive Service Redesign
- Advancement of Bus Rapid Transit Project
- Slowing of local economy
- New technology

ATU Contract:

- 2 percent wage increases every six months
- 100 percent health insurance premiums
- Enhanced retirement benefits
- Annual increase: 4.5 - 5 percent

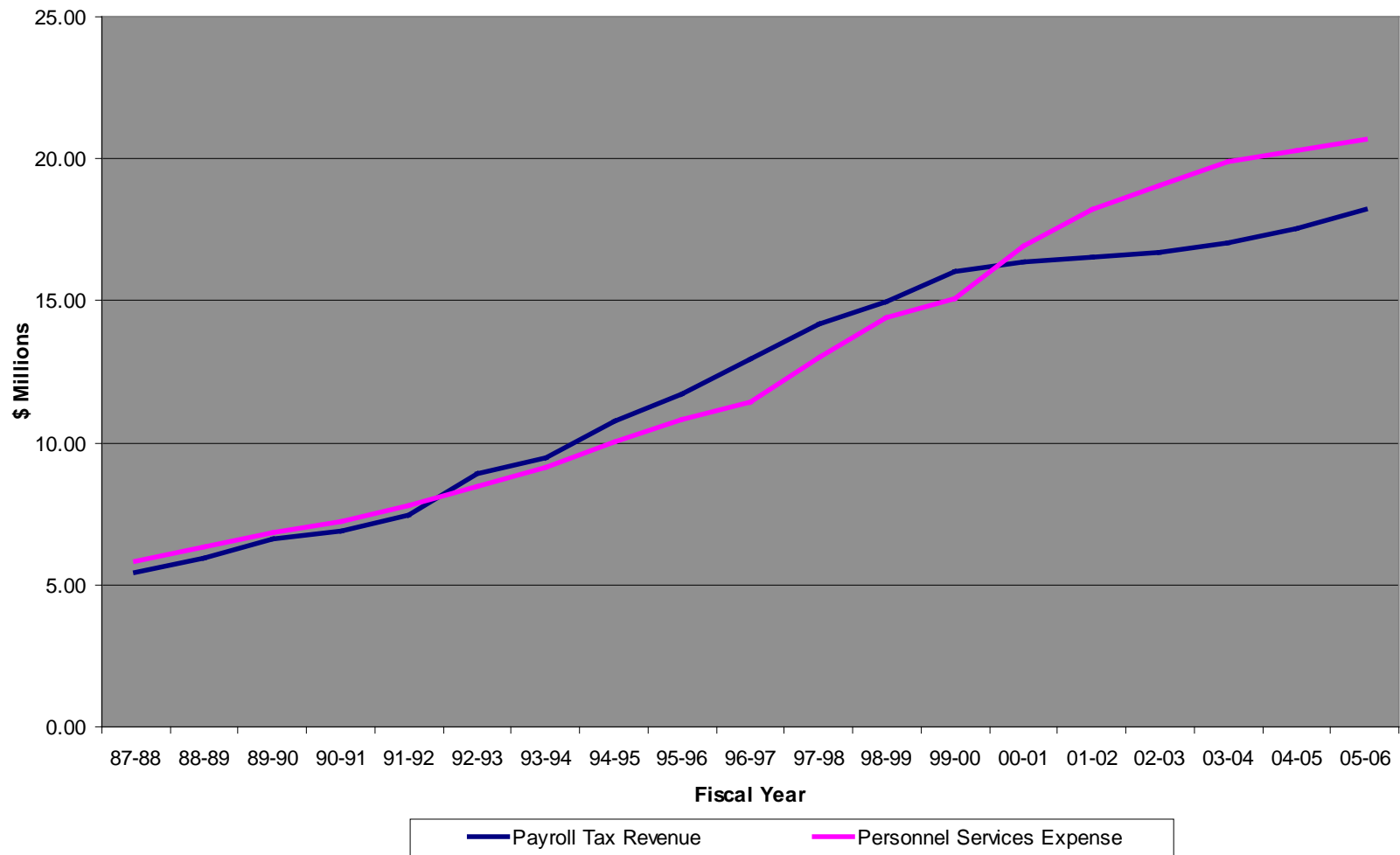
Local Economy:

- Slow/no growth
- Loss of technology jobs

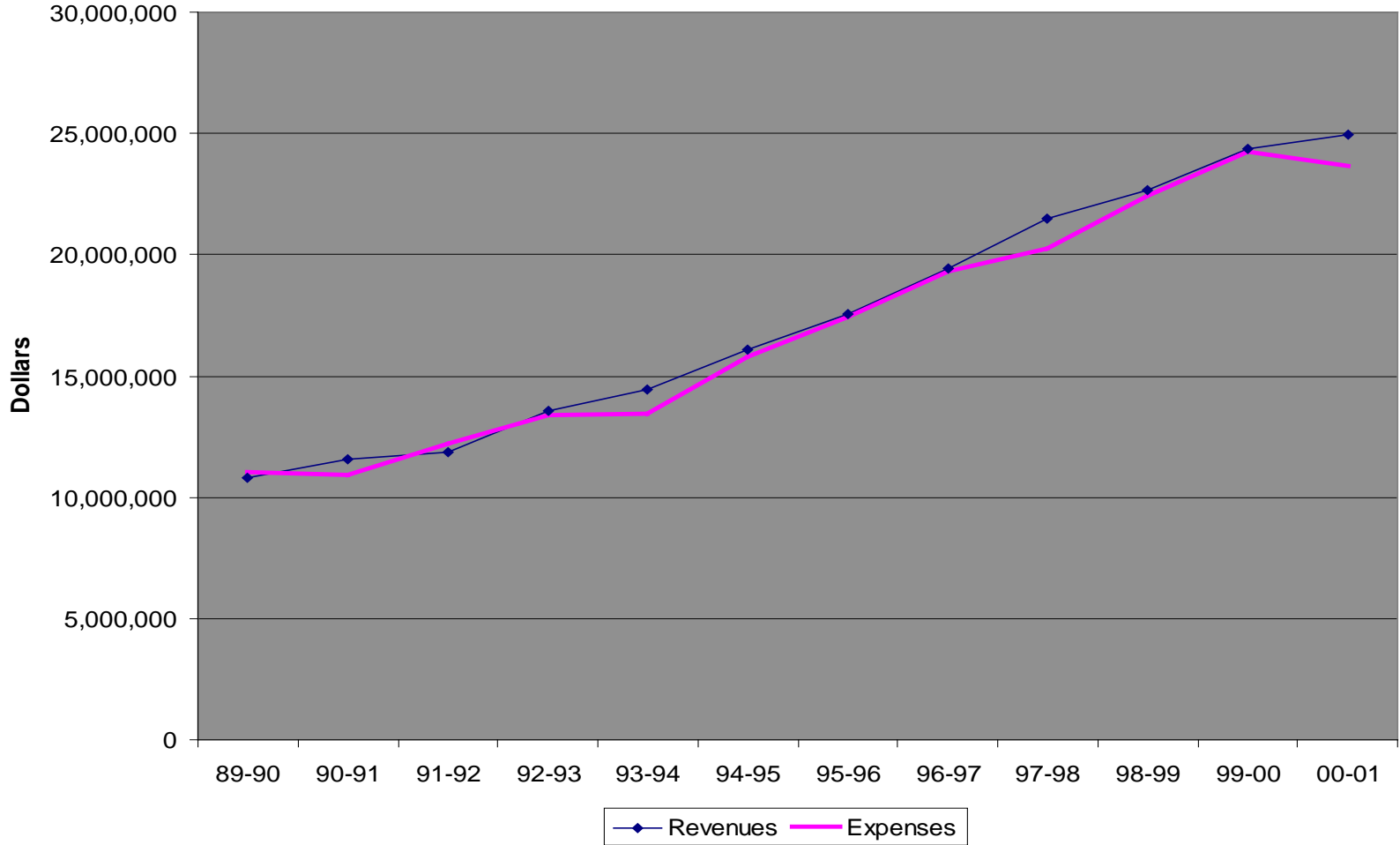
Result:

In the short term, operating expenses will grow faster than the revenue that subsidizes them.

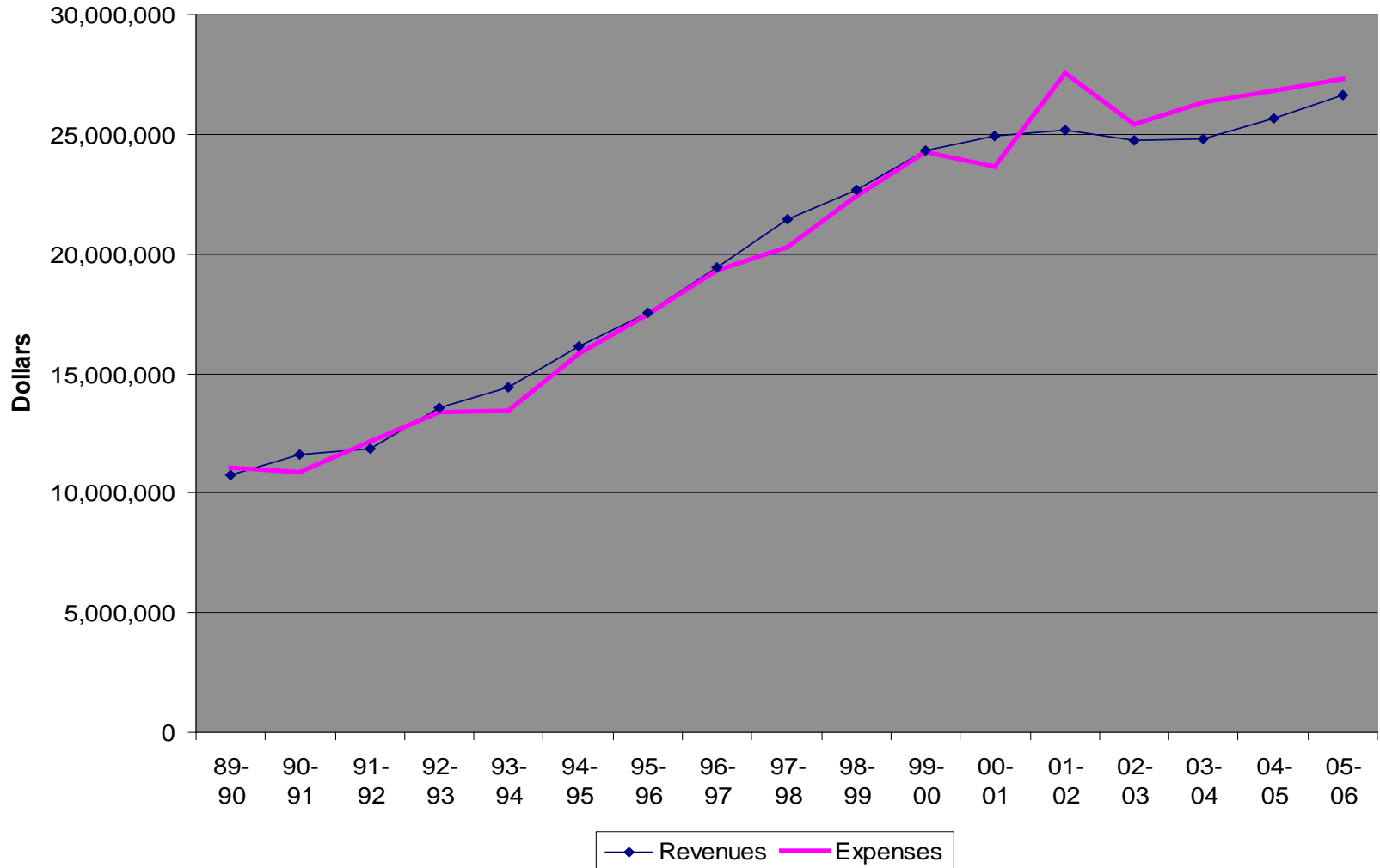
Major Revenue & Expenditure Trends



Operating Fund Revenue & Expense



Operating Fund Revenue & Expense Projection



LTD Course Correction

- Expenditure control
- New revenue opportunities
- Debt financing
- Productivity improvements
 - Service
 - Work assignments