
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

METRO

MISSION STATEMENT: To provide financial contributions, on behalf of Arlington County, to satisfy the formula allocated subsidy requirements of Metrorail, Metrobus and MetroAccess services provided by the Washington Metropolitan Area Transit Authority (WMATA) throughout the region.

WMATA is a regional public transportation partnership among and between the area's state and local governments and the federal government. WMATA's member jurisdictions are: Arlington and Fairfax counties, the cities of Alexandria, Fairfax and Falls Church in Virginia, the District of Columbia and Montgomery and Prince George's counties in Maryland. Coordination of operational and capital plans, programming and implementation, on behalf of Arlington is provided by the DES-Transit Program while financial management is provided by DMF. The authority's major budgetary programs are Metrorail, Metrobus and MetroAccess operations, the Metrorail Construction Program, and the Capital Improvement Program (CIP), which includes the Infrastructure Renewal Program (IRP), the System Access/Capacity Program (SAP) and the System Expansion Program (SEP).

FY 2006 PRIORITIES: The proposed priorities of WMATA are to sustain a stable operating environment by focusing on initiatives to improve and enhance:

- ❖ Safety for customers and employees;
- ❖ Reliable, dependable and consistent on-time service;
- ❖ Cleanliness within stations, buses and trains;
- ❖ Customer service and outreach;
- ❖ Multi-year financial and service planning;
- ❖ Fare and subsidy predictability

SIGNIFICANT BUDGET CHANGES: The FY 2006 Proposed General Fund transfer for WMATA is \$30.7 million reflecting a 14 percent increase from the FY 2005 adopted budget. WMATA Budget Committee proposed no fare or fee increase for FY 2006 Budget; the local jurisdictions will have to increase their share of the operating costs. The operating subsidy increases by \$3,685,061, which reflects:

- ↑ A 17 percent increase in the Metrobus subsidy resulting from fuel cost inflation, regional service adjustments
- ↑ An 11 percent increase in the Metrorail subsidy due to increases in the number of rail cars operating on the Orange Line and a package of service-related initiatives
- ↓ A decrease of \$109,225, which represents a 19 percent decrease in the MetroAccess budget
- ↑ A 14 percent increase in State aid, coming from additional regional gas tax and State transit aid budget
- ↑ An increase of \$380,061, which represents an 118 percent increase in savings at Metro and NVTC

BUDGET DESCRIPTION: Growth in WMATA's FY 2006 Proposed operating budget for the Metrobus, Metrorail and MetroAccess system is driven in roughly equal measure by: wage growth; health and pension costs; new services and programs; and energy and claim liability costs.

The costs of operating the regional system are allocated through separate formulas for each of the service modes to allocate costs in relation to cost and benefit. The rail and bus formulas use factors of population, resident ridership, and service. The MetroAccess formula is structured to closely represent the actual cost of services provided to resident riders of each jurisdiction. Non-regional and reimbursable services are also provided by WMATA, upon request, with the full net cost of providing the service(s) assigned directly to the sponsoring jurisdiction.

The FY 2006 Proposed WMATA Operating budget totals \$1 billion with approximately \$471 million allocated through the various formulas. Arlington's share is approximately 7.0% of the total. Many transit services in Arlington operate seven days per week providing up to 18 hours of daily coverage. Metrobus annually transports nearly 12.5 million passengers during nearly 170,000 revenue hours of service on 25 separate lines traveling 2.5 million miles through the county. There are seven major terminals and approximately 1,100 bus stops in the

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

METRO

County. Metrorail serves 11 stations in Arlington along three lines (Orange, Yellow, and Blue) with nearly 200,000 average weekday passenger entries and exits (61 million per year). MetroAccess serves about 1,000 persons per month, representing about 10% of paratransit travel by County residents.

The FY 2006 Proposed WMATA CIP totals \$519.7 million. This program funds procurement of replacement Metrobuses, bus overhaul, escalator/elevator rehabilitation and Metrorail station, railcar capital improvements and enhancements, and security program. Arlington County expects to contribute approximately \$11.7 million to WMATA's CIP in FY 2006 from bond funds and state grants.

Metrobus Operations Program

County staff is actively engaged in planning, coordinating and supporting Metrobus services to ensure optimal value and service quality is delivered to riders in the county. By monitoring performance, engaging customers in dialogue and conducting quality and service assessment surveys and studies, recommendations are regularly developed to improve on-street operations, cost-effectiveness and ridership. A set of coordinated initiatives were documented in the 2002 Regional Bus Study recommendations to guide implementation of regional service development and enhancement. Additionally, a strategic improvement plan was prepared for Pike Ride, in 2003, to support continuing development of the Columbia Pike corridor. As part of developing the FY 2006 budget, an annual Metrobus service plan is prepared and initiatives identified for funding consideration. Operational initiatives recommended for FY06 include the following:

FY 2006 Metrobus Initiatives Proposed for Arlington Services	
Service Description	Subsidy Change
<u>Pike Ride Enhancements</u>	
• Extend Route 16H to Crystal City	\$40,950
• Add 2 early AM 16G trips	\$12,285
• Extend Route 16H to Blair Road w/Fairfax County	\$47,775
• Coordinate 16A Headways to improve reliability	(\$122,850)
• Provide 2 Route 16W trips to Wakefield HS and NVCC.	\$20,475
• Maintenance and repair for CP Signal Priority system	\$4,550
• Implement Center to manage technology investments	\$44,438
• Enhanced customer service training for operators	\$10,920
• Evaluate requests for extension of Route 16Y to Federal Triangle	\$28,665
<u>Metrobus Effectiveness</u>	
• Dedicate rush period supervisor to manage station activity	\$68,250
• Expand prepaid fare programs to encourage resident use of transit.	\$0
• Augment staff to better manage services with dedicated service planner.	\$72,800
• Seek customer feedback through quality of service surveys	\$18,200
• Enhance monitoring of bus service performance	\$34,125
<u>Metrobus Efficiencies</u>	
• Eliminate unproductive late night weekend trips	(\$170,625)
• Implement service and scheduling efficiencies	(\$91,000)
• Implement Route 22A Saturday service	\$71,663
• Restructure Route 7C to improve reliability	\$20,475
• Rationalize Route 25 and improve performance	(\$91,000)
<u>Potomac Yard Busway</u>	
Restructure 9ABE and 10P routes to coordinate with ART 90 service	\$0
Net Total FY 2006 Proposed Initiatives Subsidy Change	\$20,096

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

METRO

Capital Program

WMATA's Metro Matters Program is a financial funding initiative developed in late FY04 and approved in early FY05 to improve regional mobility and accessibility. The program also recommended transitioning from an obligation to expenditure-based budgeting providing the opportunity to make resources available in fiscal years 2005-2010 to fund WMATA's critical capital needs on an expedited basis. The strategies of Metro Matters support regional goals to reduce traffic congestion, increase accessibility to public transportation, and ultimately improve the quality of life in the region. The program elements are rail and bus procurements, garage construction in Northern Virginia, upgrade and implement system security measures, and implementation of Regional Bus Study recommendations. Arlington's share of the Metro Matters Program for FY06 is \$11.5 million.

Funding

Passenger and system revenues fund approximately 55% of the annual cost of operations, one of the highest ratios in the country. The balance of operating funding comes from jurisdictional subsidies. The Northern Virginia Transportation Commission (NVTC) receives state transit funds on behalf of Northern Virginia jurisdictions and federal funds not directly allocated to WMATA. In addition, the state collects a two-percent regional gas tax on behalf of NVTC and distributes the proceeds to NVTC for payment to WMATA for qualifying operating and capital costs. These revenues are reflected as State Transit Aid and Regional Gas Tax receipts in the County budget description. Local governments provide the balance of required funding for transit operating programs. Arlington County uses General Fund dollars to finance this portion of its share of WMATA operations. NVTC utilizes regional gas tax and formula grant funding to contribute to WMATA revenue bond debt service on behalf of member jurisdictions including \$2.7 million on behalf of Arlington.

Between 1993 and 1999, the state issued approximately \$327.6 million of recordation tax-backed bonds for transportation projects in Northern Virginia. Arlington County has received \$29.79 million of proceeds from these state bond issues for Metrorail construction and CIP costs. In CY 2001, the state issued \$16.0 million of right-of-way fee backed bonds of which Arlington received approximately \$3.9 million for Metrorail cars. The balance of the WMATA CIP and Metrorail construction program is primarily funded from County general obligation bond proceeds, with a small portion coming from state transit aid and gas tax proceeds.

On May 28, 2002, the Commonwealth of Virginia sent \$18.0 million to Metro as an initial payment for the procurement of 50 Series-6000 railcars. Subsequently, three annual contributions of \$9.0 million each will be used to pay the combined obligations of the Virginia jurisdictions. In Fiscal Year 2005, State made available \$9 million contribution that is being used to cover County's share for the purchase of the 50 railcars. The second \$9 million contribution will be disbursed through NVTC and Arlington County will use its share of these funds to pay its FY 2006 contribution toward the 50 railcars.

In 2004 the region's jurisdictions agreed to contribute resources necessary, as they become available, to fund the multi-year Metro Matters program described previously. Arlington's commitment total \$79.6 million over five years. The FY2006 funding of \$11.5 million will be provided by General Obligation bond funds approved by voters in 2004 and funds remaining from the 2002 bond authorization.

FUTURE BUDGET CONSIDERATIONS: The following factors will continue to impact the WMATA operating budget projected for FY 2007 as included in multi-year financial and service planning:

- Labor rates and wage inflation, health and pension increases
- Workers Comp and 3rd Party liability insurance costs
- Escalation of energy costs (diesel, CNG, electric)
- Local subsidy growth resulting from constrained federal and state funding
- Ridership growth and system costs for MetroAccess
- Increases in police and security programs
- Introduction of an all-CNG fleet to Four Mile Run Division
- Passenger fares and system revenue receipts
- Operating costs for 180 additional rail cars
- Subsidy incurred for additional bus services
- New facilities such as Ballston Metro elevators

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

METRO

	FY 2004	FY 2005	FY 2006	Change
	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>'05 to '06</u>
Metrobus ⁽¹⁾	13,446,288	14,223,431	16,653,987	17%
Metrorail	12,551,285	12,066,418	13,430,148	11%
Other Metro Expenses	150,000	150,000	150,000	-
MetroAccess	430,800	566,925	457,700	-19%
Audit Adjustment	-517,114	-	-	-
TOTAL SUBSIDY	26,061,259	27,006,774	30,691,835	14%
Source of Contributions				
State Transit Aid	12,839,343	12,700,000	14,225,000	12%
Regional Gas Tax	2,045,788	1,920,000	2,500,000	30%
Other	125,628	263,343	263,343	-
NVTC REVENUES	15,010,759	14,883,343	16,988,343	14%
Other Sources ⁽²⁾	-	323,431	703,492	118%
NET TAX SUPPORT	11,050,500	11,800,000	13,000,000	10%

(1) FY 2006 includes \$225,000 of Reimbursable Operating Projects, as requested by the County.

(2) Credit available at WMATA and NVTC.