

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 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. The Authority's major budgetary programs are Metrorail, Metrobus and MetroAccess operations, and the Capital Improvement Program (CIP).

FY 2014 PRIORITIES

The priority of WMATA is to provide a stable, safe, and reliable operating environment. WMATA has made a commitment to maintaining and rehabilitating the aging infrastructure throughout the Metrorail transit system. FY 2014 will see the completion of Phase I of the Silver Line, including the finalization of a twelve month testing period and commencement of full revenue service starting in January 2014. The County is responsible for a proportional share of Silver Line operating costs based on WMATA's rail subsidy formula. Capital costs associated with the construction of the Silver Line were paid for by a combination of non-County sources.

- **Metrobus**
 - Maintain ridership and revenue
 - Elimination of low ridership or overlapping bus services
- **Metrorail**
 - Enhance the operational reliability of the rail system
 - Increase funding for safety related improvements
- **MetroAccess**
 - Control the growth of paratransit service costs

SIGNIFICANT BUDGET CHANGES

In 2012, two major updates to the funding model which determines Arlington's share of jurisdictional subsidy. First, WMATA conducted a rail ridership survey which is used to determine the jurisdictional ridership distribution for Metrorail. The results of this survey show that overall system ridership increased the greatest in northern Virginia, with Arlington seeing 15% growth since the last survey in 2007. Second, Urbanized Population (UZA) from the 2010 Census replaced the previous data from the 2000 Census. Arlington's UZA population grew 10% over this time. The results of these two factors have magnified the effects of the substantial increase in funding that WMATA has requested from jurisdictions in FY 2014.

The FY 2014 proposed General Fund transfer for WMATA is \$28,194,000, reflecting an eleven percent increase from the FY 2013 adopted budget; increased labor and fringe costs, continued low ridership driven by local unemployment trends and an increase in weekend track work reducing

ridership and service levels, and the implementation of phase I of the Silver Line. The increase is compounded by the Census and rail survey factors mentioned above. The County's operating subsidy increase reflects the following:

- ↑ Metrorail and Metrobus subsidy increases due to increased personnel and fringe benefit expenses
- ↑ Metrorail and Metrobus subsidy increases due to new population and census data used in the subsidy allocations among jurisdictions
- ↑ Metrorail subsidy increases due to the initial costs of the Silver line in FY 2014.
- ↓ Decreased MetroAccess subsidy due to current eligibility guidelines reducing annual ridership growth.

BUDGET DESCRIPTION

WMATA's proposed FY 2014 operating budget for the Metrobus, Metrorail and MetroAccess system is driven by lower than forecasted passenger revenues, increased labor costs and increased pension contributions which are a lingering result from the recession of 2009. WMATA is proposing no fare increases this fiscal year, recommending that jurisdictions fund the \$60 million gap with a combination of savings from prior fiscal years and additional subsidy from local governments.

Arlington's share of the operating subsidy is approximately 6.7 percent of the total, an increase of 0.05% from FY 2013. WMATA transit services in Arlington operate seven days per week providing up to 18 hours of daily coverage.

Metrorail annually provides over 210 million passenger trips and serves 11 stations in Arlington along three lines (Orange, Yellow and Blue). Metrobus has over 11,490 bus stop and over 2,398 shelters in the region. Metro serves an overall population of 3.5 million within a 1,500 square mile area.

Capital Program

WMATA's Capital Funding Agreement (CFA), adopted in June 2010, outlines the jurisdictional contributions to the CIP. The overall objective of WMATA's capital program is to improve the safety, reliability and accessibility of the WMATA transit system. The strategy of the CIP is to support regional goals to improve performance and safety, 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, the upgrade and implementation of system safety measures, line segment rehabilitation and joint facility maintenance. Arlington's share of the Annual Work Plan for FY 2014 is expected to be \$17 million, which is funded with a combination of previously approved County General Obligation (GO) bonds and state transit aid.

Funding

Passenger and system revenues fund approximately 60% of the annual cost of operations, one of the highest ratios in the country. The balance of operating funding comes primarily from jurisdictional subsidies.

The Northern Virginia Transportation Commission (NVTC) serves as fiscal agent for the Northern Virginia jurisdictions. NVTC receives state transit funds from the Department of Rail and Public Transit (DRPT) on behalf of Northern Virginia jurisdictions, and also federal funds not directly allocated to WMATA. In addition, the state collects a 2.1 percent regional gas tax on behalf of NVTC jurisdictions to be used 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.

METRO FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Metrobus	\$25,058,586	\$26,108,824	\$26,400,000	1%
Metrorail	11,456,878	14,681,456	20,054,000	37%
MetroAccess	1,131,386	1,084,720	900,000	-17%
Audit Adjustment	1,122,191			
Total Subsidy	\$38,769,041	\$41,875,000	\$47,354,000	13%
Source of Contributions				
State Transit Aid	10,836,643	12,400,000	15,000,000	21%
Regional Gas Tax	2,300,000	3,000,000	3,500,000	17%
Subtotal, NVTC REVENUES	13,136,643	15,400,000	18,500,000	20%
Other Revenues ¹	1,122,191	1,000,000	660,000	-
Total Revenues/Other Sources	14,258,834	16,400,000	19,160,000	17%
NET TAX SUPPORT	\$24,510,207	\$25,475,000	\$28,194,000	11%

¹ \$1 million in FY 2013 tax support came from FY 2011 closeout funds to support Silver Line startup costs. In FY 2014, \$660,000 in funds on hand at WMATA from prior year budget savings is proposed to offset 6 months of Silver Line startup costs.