

## 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 2015 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. To achieve these results, WMATA will continue to close National Transportation Safety Board (NTSB) recommendations, implement a fatigue management program, support employee close call reporting, and enhance customer awareness of safety and security. WMATA has also begun to look at the future growth and capacity needs of the transit system, presenting a 10 year strategic plan called Momentum. In FY 2015, WMATA proposed an additional \$150 million in new capital investments for capacity-building as part of the Momentum program. Of that, \$75 million was approved as part of Metro's Adopted FY 2015 Capital budget. Arlington's share of funding for these new investments is \$4.8 million.

FY 2015 will see the first full year of revenue operations of Phase I of the Silver Line. This is the first expansion of the rail system since 2004 and will add 11.6 miles and five new stations, bringing the system total to 91 stations and 117.6 miles. Below are some of the priorities for each mode of service:

- **Metrobus**
  - Increased service along the 9S and 9X routes in Crystal City
  - Initiation of new Metrobus Priority Corridor Network (PCN) and State of Good Operations (SOGO) improvements
- **Metrorail**
  - Enhance the operational reliability of the rail system
  - Operation of the first full fiscal year of Silver Line Phase One service
  - Invest in eight-car train capacity infrastructure
- **MetroAccess**
  - Control the growth of paratransit service costs

### SIGNIFICANT BUDGET CHANGES

In 2012, two major updates were made 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 percent growth since the last survey in 2007. Second, Urbanized Area (UZA) population from the 2010 Census replaced the previous data from the 2000 Census. Arlington's UZA population grew 10 percent over this time. The results of these two factors have increased the relative share of funding that WMATA has requested from the County beginning in FY 2014.

The FY 2015 Adopted General Fund transfer for WMATA is \$29,885,640, reflecting a six percent increase from the FY 2014 adopted budget; major drivers are increased labor and fringe costs, costs associated with the new Local 689 union contract, lower than forecasted ridership driven by local unemployment trends, the reduction of Federal transit benefits from \$230 to \$125 per month, and the implementation of Phase I of the Silver Line. The County's operating subsidy increase reflects the following:

- ↑ Metrorail and Metrobus subsidy increases due to increased personnel and fringe benefit expenses.
- ↑ Metrorail subsidy increases due to the additional costs of the Silver Line in FY 2014.
- ↓ MetroAccess subsidy decreases due to continued declines in annual ridership growth resulting from stricter eligibility guidelines.

## BUDGET DESCRIPTION

WMATA's Adopted FY 2015 operating budget for the Metrobus, Metrorail, and MetroAccess system is driven primarily by increased labor costs and pension contributions. WMATA is proposing a three percent average fare increase this fiscal year, raising approximately \$29 million in new revenues. An additional \$56 million of funding will come from increased jurisdictional subsidy contributions.

The Metro General Manager released his budget in December 2013. Arlington's share of the operating subsidy is approximately 6.6 percent of the total, a decrease of 0.1 percent from FY 2014. Many transit services in Arlington operate seven days per week providing up to 18 hours of daily coverage.

Metrorail annually provides over 215 million passenger trips and serves 11 stations in Arlington along three lines (Orange, Yellow and Blue). Metrobus has over 11,490 bus stops and over 2,398 shelters in the region. Metro serves an overall population of 3.5 million within a 1,500 square mile jurisdiction.

### Capital Program

Metro's Adopted FY 2015- FY 2020 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of more than \$5.4 billion from the federal government, state, and local governments, and other sources. Of the \$5.4 billion six-year plan: \$2.7 billion comes from federal funding; state and local contributions total \$2.7 billion including planned long-term financing of \$591 million; other sources constitute \$50 million.

*Metro 2025 (Momentum)* is a new, strategic capital funding plan crafted to guide Metro's decisions over the next ten years. Projects in this plan beyond FY 2015 are in addition to the current CIP and are currently unfunded. Metro's 2025 priorities include: providing capacity for an additional 500,000 peak period bus and rail trips per day, securing exclusive bus-only lanes to improve arrival times and shorten trips, maximizing the existing rail system by operating all 8-car trains during rush hour, upgrading rail stations, and modernizing fare and public information systems. Total

investments in this new initiative are \$75 million in FY 2015, and \$2.6 billion total over the next six years.

Arlington's share of WMATA's baseline CIP for FY 2015 is expected to be \$17 million. The County's contributions are funded with a combination of County General Obligation (GO) bonds and state transit aid. The County's FY 2015 contribution to Metro's 2025 (*Momentum*) is \$4.8 million.

The County is currently working with the other regional funding partners of WMATA to discuss the Momentum capital plan and to determine the appropriate long-term funding commitment to make in order to support current and future growth in ridership. Funding commitments for both the current WMATA CIP and the new Momentum program will be determined as part of the County's Proposed FY 2015 – FY 2024 Capital Improvement Program.

**Funding**

Passenger and system revenues fund approximately 60 percent 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 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	% Change '14 to '15
Metrobus	\$26,108,824	\$26,400,000	\$27,380,263	4%
Metrorail	14,681,456	20,054,000	22,743,015	13%
MetroAccess	1,084,720	900,000	875,522	-3%
<b>Total Subsidy</b>	<b>\$41,875,000</b>	<b>\$47,354,000</b>	<b>\$50,998,800</b>	<b>8%</b>
Source of Contributions				
State Transit Aid	12,400,000	15,000,000	17,000,000	13%
Regional Gas Tax	3,000,000	3,500,000	3,500,000	0%
Subtotal, NVTC REVENUES	15,400,000	18,500,000	20,500,000	11%
Other Revenues <sup>1</sup>	1,000,000	660,000	613,160	-7%
<b>Total Revenues/Other Sources</b>	<b>16,400,000</b>	<b>19,160,000</b>	<b>21,113,160</b>	<b>10%</b>
<b>NET TAX SUPPORT</b>	<b>\$25,475,000</b>	<b>\$28,194,000</b>	<b>\$29,885,640</b>	<b>6%</b>

<sup>1</sup> Other Revenues includes funds on hand at WMATA from prior year budget savings. Any surplus or deficit from prior years at WMATA is credited to future year budgets.