

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 2016 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 complete 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 begun to address future growth and capacity needs of the transit system with a long range strategic plan called Momentum. In FY 2016, WMATA has proposed an additional \$77 million in new capital investments for capacity-building as part of the Momentum program. Arlington's share of funding for these new investments would be approximately \$6.5 million should they be approved. WMATA's regional funding partners are currently negotiating the near-term proposed CIP levels and Momentum funding commitment. In addition, staff is currently working with the Department of Rail & Public transit (DRPT) to determine the level of state funding that may be provided to support these new investments.

Beginning in mid-year FY 2016 there is enhanced service to the East Falls Church metro station on the 3Y route. This enhancement is included in the FY 2016 Adopted Budget. Also scheduled to begin in mid-year FY 2016 is for Arlington's ART transit service to take over the portion of WMATA's 3A bus route that operates in Arlington County from the Fairfax border of Lee Highway to the Rosslyn metro station. This proposal would generate net savings to the General Fund of approximately \$446,622 for six months of operations. On a full year basis, this proposal would save over \$890,000 annually. Both service adjustments were included in the County Board's Adopted FY 2016 Budget.

Below are some of the priorities for each mode of service:

- **Metrobus**
 - Transfer of WMATA Route 3A to Local ART Service (Included in adopted budget)
 - Extension of WMATA 3Y to East Falls Church in December 2015 (Included in adopted budget)
- **Metrorail**
 - Enhance the Operational Reliability of the Rail System
 - Invest in Eight-Car Train Capacity Infrastructure as Part of Momentum
- **MetroAccess**
 - Reduce Paratransit Service Costs

SIGNIFICANT BUDGET CHANGES

The FY 2016 adopted General Fund transfer for WMATA is \$30,328,935, reflecting a one percent increase from the FY 2015 adopted budget; major drivers are increased labor and fringe costs, lower than forecasted ridership driven by the reduction of Federal transit benefits from \$230 to \$125 per month, and increased pension and other post-employment benefit (OPEB) contributions. The County's FY 2016 adopted budget assumed \$35 million in expenditure cuts are made from WMATA's proposed operating budget. The County's operating subsidy increase reflects the following:

- ↑ Metrorail and Metrobus subsidy increased due to increased personnel and fringe benefit expenses.
- ↑ Increased MetroAccess subsidy due to growth in demand for paratransit service.

BUDGET DESCRIPTION

The Metro Board adopted their FY 2016 budget in May 2015. Arlington's share of the operating subsidy is approximately 6.6 percent of the total. Many transit services in Arlington operate seven days per week providing up to 18 hours of daily coverage.

WMATA's Adopted FY 2016 operating budget for the Metrobus, Metrorail, and MetroAccess system is driven primarily by increased labor costs and pension contributions. WMATA's policy is to adjust fares biennially based on inflation. No fare increases were approved in FY 2016. The subsidy was reduced by \$35 million through business efficiencies, one-time funding from existing Transit Infrastructure Investment Fund (TIIF) balances, and reductions in headcount. The remainder of the increase in funding comes from the local jurisdictions. For planning purposes, the County's contribution to Metro in the proposed budget assumed \$35 million in WMATA operating expenditure cuts or service adjustments. Metro's adopted budget was consistent with the County's projections and is within the funding levels adopted by the County Board.

Metrorail annually provides over 215 million passenger trips and serves 11 stations in Arlington along three lines (Orange, Yellow, Blue, and Silver). 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 proposed FY 2016 - FY 2021 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of more than \$7.0 billion from the federal government, state and local governments, and other sources. Of the \$7.0 billion six-year plan: \$2.8 billion comes from federal funding; state and local contributions total \$4.2 billion including planned long-term financing of \$591 million; other sources constitute \$31 million. The County is currently working with the other regional funding partners of WMATA on a new six-year capital funding agreement to be approved by the start of FY 2016.

Metro 2025 (Momentum) is a new, strategic capital funding plan crafted to guide Metro's decisions over the next ten years. As part of the FY 2016 budget process, the funding jurisdictions will work to set the appropriate Momentum funding commitment in order to support current and future growth in ridership. Future levels of funding for both the current WMATA CIP and the future Momentum program contributions will be determined as part of the County's upcoming Proposed FY 2017 – FY 2026 Capital Improvement Program.

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, implementing 100 percent 8-car trains during rush hour, upgrading rail stations, and modernizing

fare and public information systems. The total investments proposed in this new initiative are \$77 million in FY 2016, and \$1.3 billion total over the next six years.

Arlington's share of WMATA's adopted CIP for FY 2016 is \$21 million, which includes \$19 million of baseline funding, and \$2 million of funding for Metro 2025. WMATA is expected in June to consider two additional Metro 2025 projects to add to the CIP, the 220 railcar options, and the 8-car train power upgrades. Should these be approved, the County's capital commitments will be revised but are expected to remain within available FY 2016 approved funding. The County's contributions are funded with a combination of County General Obligation (GO) bonds, state transit aid, and gas tax revenues.

Funding

Passenger and system revenues fund approximately 51 percent of the annual cost of operations. 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 2014 Actual | FY 2015 Adopted | FY 2016 Adopted | % Change '15 to '16 |
|-------------------------------------|---------------------|---------------------|---------------------|------------------------|
| Metrobus | \$26,400,000 | \$27,380,263 | \$27,601,658 | 1% |
| Metro rail | 20,054,000 | 22,743,015 | 26,810,000 | 18% |
| MetroAccess | 900,000 | 875,522 | 1,035,000 | 18% |
| Total Subsidy | \$47,354,000 | \$50,998,800 | \$55,446,658 | 9% |
| Source of Contributions | | | | |
| State Transit Aid | 15,000,000 | 17,000,000 | 20,917,723 | 23% |
| Regional Gas Tax | 3,500,000 | 3,500,000 | 4,200,000 | 20% |
| Subtotal, NVTC REVENUES | 18,500,000 | 20,500,000 | 25,117,723 | 23% |
| Other Revenues ¹ | 660,000 | 613,160 | - | -100% |
| Total Revenues/Other Sources | 19,160,000 | 21,113,160 | 25,117,723 | 19% |
| NET TAX SUPPORT | \$28,194,000 | \$29,885,640 | \$30,328,935 | 1% |

¹ 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.