

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. 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 2007 PRIORITIES

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

- **Metrobus**
 - Relieve overcrowding/improve service by eliminating low productive service and reinvest in priority service corridors.
 - Increase Supervisory staffing to manage high volume bus routes
- **Metrorail**
 - Expansion of 8-car train operation on Orange Line and Red Line
- **MetroAccess**
 - Expand free ride program to increase fixed route usage among paratransit patrons
- **Vertical Transportation**
 - Rehabilitate additional 40 escalators/25 elevators

SIGNIFICANT BUDGET CHANGES

The FY 2007 Proposed General Fund transfer for WMATA is \$14.7 million reflecting a 13 percent increase from the FY 2006 adopted budget. The operating subsidy increases by \$1,294,165, which reflects:

- ↑ A 12 percent increase in the Metrobus subsidy responding to new services requested by the County, fuel cost inflation, bus peer review recommendations and Metro Transit Police Department (MTPD) bus patrol expansion.
- ↓ A 4 percent decrease in the Metrorail subsidy due to increases in revenues
- ↓ A 16 percent decrease in the Reimbursable Projects

BUDGET DESCRIPTION

Growth in WMATA's FY 2007 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 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 2007 Proposed WMATA Operating budget totals \$1.09 billion with approximately \$461 million of subsidy 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 12.9 million passengers (90% of all bus riders in Arlington) 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 County. Metrorail serves 11 stations in Arlington along three lines (Orange, Yellow and Blue) with nearly 200,000 average weekday passenger entries and exits (64 million per year). MetroAccess serves about 1,000 persons per month, representing about 10 percent of paratransit travel by County residents.

The FY 2007 Proposed WMATA CIP totals \$661.9 million. This program, funded through a regional 5-year agreement known as Metro Matters, procures replacement Metrobuses, bus overhaul, escalator/elevator rehabilitation and Metrorail station and railcar capital improvements and enhancements. Arlington County is committed to contribute approximately \$12.6 million to WMATA's CIP in FY 2007 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 2007 budget, an annual Metrobus service plan is prepared and initiatives identified for funding consideration. Operational initiatives recommended for FY2007 include the following:

FY 2007 METROBUS INITIATIVES
PROPOSED FOR ARLINGTON SERVICES

SERVICE DESCRIPTION	SUBSIDY CHANGE
PikeRide Enhancements	
<ul style="list-style-type: none"> ▪ Revise Pike Ride 16W and add 2 reverse flow trips to enhance peak hour service on Columbia Pike with continued service to Skyline City in Fairfax Co. 	\$36,000
<ul style="list-style-type: none"> ▪ Add 2 afternoon trips to Pike Ride 16Y in response to passenger demand and overcrowding. 	\$53,000
<ul style="list-style-type: none"> ▪ Continue Pike Ride Control Center with project-dedicated contract staffing and technology to support innovations to be implemented on Columbia Pike (Capital Grant funded). 	\$100,000
<ul style="list-style-type: none"> ▪ Expand funding and enhance Bus Stop Cleaning Services provided by the Solid Waste Bureau for Pike Ride shelters and bus stops along Columbia Pike and at Pentagon City to include new Super Stop locations. 	\$60,000
Metrobus Effectiveness	
<ul style="list-style-type: none"> ▪ LED sign maintenance and operations for Rosslyn and Crystal City Stations provided by contract labor. 	\$7,000
<ul style="list-style-type: none"> ▪ Obtain services of a Service Planning Contractor to expand capacity, improve responsiveness to requests for route and schedule planning, and improve monitoring of Metrobus services in the County. Enhance monitoring of bus service performance. 	\$50,000
<ul style="list-style-type: none"> ▪ Provide for recurring contractor services to perform route monitoring and quality of service surveys to determine service quality and measure customer satisfaction with bus operations. 	\$60,000
<ul style="list-style-type: none"> ▪ The number of Bus Stop Information Cases deployed at Metrobus stops will be increased by a Congestion Mitigation Air Quality (CMAQ) grant provided for that purpose in FY 2006. Continued replacement and updating of information will be required to sustain the full benefit of this effort. 	\$20,000
<ul style="list-style-type: none"> ▪ Continue contract management services to provide a Bus Stop Manager to focus on improvements to the Bus Stop and Shelter Program. 	\$100,000

SERVICE DESCRIPTION	SUBSIDY CHANGE
Metrobus Efficiencies	
▪ Reduce unproductive Metrobus services on weekend nights after midnight.	(\$72,000)
▪ Convert Metrobus 24P Ballston-Pentagon Saturday service to ART.	(\$62,783)
▪ Add Saturday service on Metrobus route 22A.	\$154,000
▪ Change Metrobus lines 25A, 25F, 25G, 25J, 25P, and 25R and 25B to improve reliability; eliminate duplication with other services and reduce costs.	(\$60,000)
Potomac Yard Busway	
▪ Initiate and extend new Metrobus Route 9S-Crystal City-Potomac Yard to serve new developments in Potomac Yard.	\$499,000
▪ Discontinue Metrobus 9B Huntington-Potomac Yard-Pentagon line in lieu of 9S.	(\$138,000)
Net Total FY 2007 Proposed Initiatives Subsidy Change	\$806,217
Metrobus Reimbursable Projects	
▪ Complete demonstration period for Metrobus 3Y and incorporate in regional service program.	(\$125,000)
▪ Continue to assign a Metrobus Supervisor to monitor bus operations on Pike Ride.	\$5,000
▪ Expand Pike Ride Signal Maintenance & Operation to have emitters installed on 34 new Pike Ride buses for the Transit Signal Priority project.	\$5,000
▪ Continue to support enhanced Pike Ride operator training in partnership with Metrobus to support service enhancements.	\$15,000
▪ Continue to assign a Metrobus Supervisor to monitor bus operations at Rosslyn Station.	\$5,000
Net Total FY 2007 Reimbursable Projects Subsidy Change	(\$95,000)
Metrobus Non-Regional Projects	
▪ Metrobus Route 22B.	\$0
▪ Prepaid Fares for Avalon Residents (reimbursed by property).	\$0
▪ Prepaid Fares for Metropolitan (reimbursed by property).	\$0
▪ 16H Extended Weekday trips (to Crystal City and Jefferson St.).	\$0
Net Total FY 2007 Non-Regional Projects Subsidy Change	\$0

Capital Program

WMATA's Metro Matters Program is a financial funding initiative developed in late FY 2004 and approved in early FY 2005 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 FY 2007 is \$12.6 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.

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 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 have been made through NVTC; the funds are being used to pay off the Series-6000 railcars and the County's contribution to Metro Matters.

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. In 2004, WMATA pledged \$6 million per year for five years from passenger revenues to fund an enhanced "vertical transportation" program (i.e. elevators and escalators) to restore the system to desired levels of reliability and performance.

FUTURE BUDGET CONSIDERATIONS

The following factors will continue to affect the WMATA operating budget beyond the FY 2007 budget as included in multi-year financial and service planning:

- Labor rates and wage inflation
- Health and pension increases
- Living Wage proposal for all Metro contracts
- Escalation of energy costs (diesel, Compress Natural Gas, electric)
- Increases in police and security programs
- Operating costs for 180 additional rail cars
- Subsidy incurred for additional bus services
- Annualization of new facilities such as the Ballston elevator and western entrance improvements
- Ridership growth and system costs for Metro Access
- Implementation of recommendations from American Public Transportation Association's Rail & Bus Peer Review
- Availability of Federal Discretionary and Security Funds
- Passenger fares and system revenue receipts
- Rehabilitation of additional escalators and elevators

METRO FINANCIAL SUMMARY

	FY 2005 Actual	FY 2006 Adopted	FY 2007 Proposed	% Change '06 to '07
Metrobus	\$15,058,233	\$16,428,987	\$18,327,200	12%
Metrorail	11,396,942	13,430,148	12,858,800	-4%
Other Metro Expenses	150,000	150,000	150,000	-
Reimbursable Projects(1)	-	225,000	190,000	-16%
MetroAccess	572,312	457,700	460,000	1%
Audit Adjustment	-	-	-	-
TOTAL SUBSIDY	27,177,487	30,691,835	31,986,000	4%
Source of Contributions				
State Transit Aid	\$12,988,140	\$14,225,000	\$14,225,000	-
Regional Gas Tax	2,145,037	2,500,000	2,500,000	-
Other	143,078	263,343	263,343	-
NVTC REVENUES	15,276,255	16,988,343	16,988,343	-
Other Sources (2)	101,232	703,492	297,657	-58%
NET TAX SUPPORT	\$11,800,000	\$13,000,000	\$14,700,000	13%

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

(2) Credit available at WMATA and NVTC