

**MINUTES**  
**NVTC COMMISSION MEETING – SEPTEMBER 7, 2017**  
**NAVY LEAGUE BUILDING – FIRST FLOOR CONFERENCE ROOM**  
**ARLINGTON, VIRGINIA**

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman McKay at 7:37 P.M.

**Members Present**

Sharon Bulova  
John Cook  
Katie Cristol  
Christian Dorsey  
Adam Ebbin  
John Foust  
Libby Garvey  
Catherine Hudgins  
James LeMunyon  
Matt Letourneau  
Tim Lovain  
Jeff McKay  
Ron A. Meyer  
J. Randall Minchew  
Jennifer Mitchell (Alternate, Commonwealth of Virginia)  
Paul Smedberg  
David Snyder  
Jennifer Wexton

**Members Absent**

Jim Corcoran  
Jeff Greenfield  
David LaRock

**Staff Present**

Karen Finucan Clarkson  
Andrew D'huyvetter  
Nobuhiko Daito  
Rhonda Gilchrest  
Dan Goldfarb  
Patricia Happ  
Scott Kalkwarf  
Kate Mattice  
Zachary McCoy  
Steve MacIsaac (counsel)  
Doug Allen (VRE)  
Joe Swartz (VRE)

## Opening Remarks

Chairman McKay stated the Commission has several important actions as part of this meeting, including two action items for the I-66 Commuter Choice Program, an action on NVTC's Resolution for WMATA reforms, and an action to accept the findings of NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*. He stated that NVTC's action regarding WMATA reform is timely since Secretary LaHood will be joining NVTC at its October 5<sup>th</sup> meeting.

## Minutes of the July 6, 2017 NVTC Commission Meeting

Mr. Snyder moved, with a second by Ms. Bulova to approve the minutes. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Minchew, Mitchell, Snyder and Wexton. Mr. Smedberg abstained.

## I-66 Commuter Choice Program

Ms. Mattice announced NVTC and VDOT are hosting a ribbon cutting event for the FY2017 projects on September 20<sup>th</sup> at 2:00 P.M. in Falls Church. Governor McAuliffe and Secretary Layne are confirmed as speakers.

Mr. Meyer arrived at 7:39 P.M.

Ms. Mattice explained that as a requirement of the Amended Memorandum of Agreement (MOA) for the Transform 66: Inside the Beltway Project (now branded as "I-66 Commuter Choice"), NVTC is required to submit an annual report to the Commonwealth Transportation Board (CTB). She stated that the initial program for FY2017 consists of 10 component projects totaling \$9.8 million. Some of the projects are already operational and the remainder will start by toll day one.

Mr. Smedberg moved, with a second by Ms. Cristol, to authorize the executive director to submit the NVTC I-66 Commuter Choice Program FY2017 Annual Report to the CTB. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

Ms. Mattice stated that the FY2018 Call for Projects is the first opportunity to fund new projects after tolling begins. With approval by the Commission, on-line applications will be accepted via NVTC's website from September 21<sup>st</sup> through December 8, 2017. Beginning the process in fall 2017 will allow for a thorough review and evaluation of the submitted projects, culminating in Commission action (target May 2018) followed by CTB approval (target June 2018).

Mr. Dorsey moved, with a second by Ms. Bulova, to approve the FY2018 I-66 Commuter Choice Program Call for Projects. The vote in favor was cast by Commissioners Bulova,

Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

### Washington Metropolitan Area Transit Authority

Ms. Hudgins reported that with the retirement of the 1000 and 4000 series railcars and the acceptance of additional 7000 series railcars, as well as other maintenance efforts, the General Manager's Back2Good goals of reducing passenger offloads and reducing railcar related delays are being met and exceeded. Mr. Dorsey stated that the key driver of the FY2018 capital budget has been the acquisition of railcars and buses. These capital investments are resulting in better customer service experience for riders. His opinion is that it has been money well invested.

Mr. Smedberg reported that the WMATA Board approved six parking enhancement proposals intended to increase WMATA's revenues by maximizing the use of its existing parking portfolio. Proposals include expansion of hours of operation; variable parking rates at selected stations; flexibility to attract non-Metro users and commercial usage; and authority to sell food and beverages on weekends to attract events (i.e. farmer markets, community or commercial events). Chairman McKay stated he is happy to see the WMATA Board looking at parking initiatives because any effort to bring in riders and additional revenues is a good thing. Many of the parking facilities are currently underutilized.

Mr. Dorsey announced WMATA will hold public hearings on Metrobus services changes on September 26, 2017. He encouraged the public to attend.

Mr. Smedberg reported that the WMATA Governance Committee recommended a set of strategic priorities that included Board and organization effectiveness, fiscal health, safe and reliable operations, and capital planning and real estate. The changes would have consolidated and streamlined the committee structure to five committees. Mr. Smedberg stated that unfortunately the proposal was withdrawn at the July 27<sup>th</sup> WMATA Board of Directors meeting.

### Report of the Chairs of NVTC Committees

Governance and Personnel Committee. Mr. Cook, chair of the Governance and Personnel Committee, stated that the committee is also tasked with conducting the executive director's annual performance evaluation. He will send individual Commissioners the executive director's job assessment and a brief evaluation form. The committee will discuss the evaluation in Closed Session on October 6<sup>th</sup> at 6:00 P.M., followed by a full Commission Closed Session at the November 2<sup>nd</sup> meeting. Chairman McKay stated that the Commission is committed to keeping this timeline.

Chairman McKay stated that NVTC Resolution #2342 Principles for WMATA Reform was circulated among the Commissioners prior to this meeting. He thanked Commissioners for providing feedback. The intent of the resolution is to capture as many issues the

Commission can agree upon in a balanced way. This resolution reflects the Commission's position as an organization, although individual members may have different views. With Secretary LaHood finalizing his recommendations, NVTC needs to act on this tonight if the Commission wants to provide input. Chairman McKay thanked Mr. Cook for his leadership and hard work to bring this resolution forward for approval.

Mr. Cook stated that the resolution is structured along the issues the General Assembly directed NVTC to address in SB1251. It does not address funding. He thanked Roy Kienitz, from Secretary LaHood's team, for his presentations to the committee throughout the process.

Mr. Cook reviewed the recommendations listed in the resolution. He explained that the resolution is not meant to be the final answer to solving all of WMATA's problems. It is, however, Northern Virginia putting a recommendation on the table for regional discussion.

Mr. Cook moved, with a second by Mr. Letourneau, to approve Resolution #2342.

In response to a question from Senator Ebbin, Mr. Cook stated that in terms of ethics, the resolution is referring to the WMATA Board. Senator Ebbin asked if there have been concerns raised by the community regarding WMATA Board ethics since 2016, when WMATA revised its code of ethics. Ms. Hudgins expressed her concern that the wording implies the community thinks the WMATA Board is unethical. Senator Ebbin suggested a wording change to #4 in the first resolve clause (page 4): "The WMATA Board should maintain a strong commitment to ethics pertaining to fiduciary duties and conflicts of interest."

Ms. Bulova stated that there is a difference between ethics and conflicts of interest. Mr. Cook observed that doing an ethics analysis does not mean anyone has done anything wrong. Since the resolution recommends a change in the composition of the WMATA Board, it would be logical to conduct an ethics analysis. The resolution wording reaffirms strong analysis of conflicts of interest issues and fiduciary duties are critical. He stated that the public needs to have confidence in the governance of WMATA.

Chairman McKay suggested the following wording change as a friendly amendment: "The WMATA Board should engage in a robust review of its policies on conflicts of interests and fiduciary interests so that it will maintain its strong commitment to ethics pertaining to fiduciary duties and conflicts of interest." Mr. Cook agreed to this friendly amendment and there were no objections.

Mr. Foust stated he will abstain from the vote because of his strong opinion that elected officials should not serve on the WMATA Board.

Delegate LeMunyon observed that more than just the General Manager's Action Plan will be needed to get WMATA closer to full reform. He suggested a friendly amendment to the last resolve clause (page 5) to read:

"...NVTC recommends that the WMATA Board direct the General Manager to set forth, by January 1, 2018, a detailed business plan for implementing the

operational reforms outlined in his April 2017 Action Plan and any other actions necessary to meet the requirements of item (vi) of Enactment Clause 4 of HB2136/SB1251 (2017) so the legislatures of the respective jurisdictions will have the opportunity to review such plan prior to the commencement of their legislative sessions.”

Mr. Cook agreed to this friendly amendment. There were no objections.

Senator Wexton expressed her concern regarding the wording “competitive contracting of targeted functions” as she can’t see how safety won’t be jeopardized if WMATA only uses low bid procurement. She is not comfortable with the proposed language and asked if Mr. Cook would consider striking “...including the use of tools such as competitive contracting of targeted functions” as a friendly amendment. Mr. Cook did not accept Senator Wexton’s amendment since the resolution language was drafted with intent. He stated that the resolution does not endorse a particular action but gives the General Manager the authority to have competitive contracting in his tool box. Senator Wexton observed that by specifically calling out one factor, it implicitly endorses it.

Senator Wexton moved, with a second by Ms. Cristol, to amend the second resolve clause (page 4) to strike “...including the use of tools such as competitive contracting of targeted functions.”

Mr. Letourneau stated he would not support the amendment. He stated that the committee had a robust discussion on this topic. Certain functions, including potential competitive contracting, require action that the Board and General Manager currently do not have. A management agency should be able to do competitive contracting without having to renegotiate a contract. In his opinion, it is important to keep this language as an example of issues that need to be addressed. In order for Virginia to obtain funding for WMATA, the General Assembly will want to see major reforms.

Mr. Dorsey stated that without judgement on the policy itself, he observed that outlining a specific objective is out of place in this type of resolution. He stated that Senator Wexton’s amendment outlines the principle.

Mr. Cook stated that the resolution is a compromise document, but necessary to support what is needed. The wording is intentional. Senator Ebbin noted that the other tools the General Manager asked for are not listed in the resolution, so he will support the amendment.

Mr. Meyer observed that if NVTC does not have language like this, he does not see gaining support from the General Assembly. Delegate LeMunyon stated that competitive contracting is fundamentally included in Virginia’s procurement law. Every other transit agency in the state complies with the law. Ms. Bulova stated she will not support the amendment, since the resolution is just giving an example not dictating that it should be used. These are the types of tools local governments have available to consider.

Mr. Snyder stated that it is a general statement in the resolution. He does not want it to be assumed or not assumed that competitive contracting will be used. It should depend

on the circumstances, such as stakeholder participation. So, he sees the resolution not endorsing or excluding a potential tool.

Chairman McKay observed that NVTC would not be the body to make the decision if competitive contracting would be used. The resolution language is to offer an option among a pool of options. Ms. Garvey agreed and thanked Mr. Cook for his leadership and his plea as to why to keep the language.

The Commission then voted on the amendment. The vote in favor was cast by Commissioners Cristol, Dorsey, Ebbin, Hudgins, Smedberg and Wexton. The vote in opposition was cast by Commissioners Bulova, Cook, Foust, Garvey, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell and Snyder. The amendment did not pass.

Senator Wexton observed that the resolution language (page 4) about the three percent cap to the jurisdictional subsidies is stronger than aspirational. By requiring three percent and making it a mandatory factor in contract negotiations, it ties the hands of everyone in negotiations and limits options. Senator Ebbin shared the same concerns and stated he is more comfortable with the language "...strive to keep it at three percent..."

Ms. Bulova stated that when considering a budget, Fairfax County provides targets to its county executive. In the same way, the General Manager has indicated that this is a reasonable target. She sees the three percent cap as a reasonable target or benchmark, but that does not mean it is the end of the discussion. Chairman McKay noted the resolution uses "should" and it is not a mandatory requirement; it's a recommendation. He reminded the Commission that NVTC sent a letter to WMATA during the last budget process reiterating the concerns of the jurisdictions that the growth and amount of subsidy cannot be sustained by the jurisdictions year after year.

Delegate Minchew stated that the resolution references Senator Barker's bill SB1251, but observed that Delegate LeMunyon was highly influential in getting his companion bill HB2136 passed in the House. He requested the resolution reference both bills. Mr. Cook agreed to this friendly amendment and thanked Delegate LeMunyon for his hard work to get this legislation passed. There were no objections to this friendly amendment.

Delegate Minchew stated he is still conflicted on the issue of jurisdictional veto, but will support the motion. Mr. Dorsey agreed that there are issues that individual Commissioners may have different views. He personally thinks the overall process defaulted to comparing WMATA to other transit agencies. WMATA is a unique organization and there are no other three state compact transit agencies. To try to make WMATA identical to other agencies in his opinion is misguided. He commended Mr. Cook for bringing Commissioners to a point where they can agree and put forth a resolution.

The Commission then voted on the amended Resolution #2342. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg and Snyder. Senator Wexton and Mr. Foust abstained.

Mr. Cook recognized Ms. Mattice and her staff for their hard work during this process. Chairman McKay also acknowledged Ms. Mitchell for her assistance.

Legislative and Policy Committee. Ms. Cristol stated the committee met prior to this meeting and heard a presentation about NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*. She asked Mr. Goldfarb to give a brief presentation on the methodology and results of the study.

Mr. Goldfarb stated the study quantifies the value that high capacity transit modes (Metrorail and VRE) operating in Northern Virginia brings to the Commonwealth. The effort focused on quantifying the contribution of the state income tax and state retail sales tax to the state's general fund, as these two sources represent the vast majority of general fund revenues. This study differs from previous and current work as it evaluates the level of land use and development that the transportation system can support. It also looks beyond property tax revenues to local governments and focuses on those types of revenue that would be assessed at the state level and impact the Commonwealth's general fund.

Mr. Goldfarb stated that NVTC's analysis was conducted in coordination with the Washington Metropolitan Area Transit Authority (WMATA) and the Metropolitan Washington Council of Governments (MWCOC) Transportation Planning Board (TPB). The analysis was conducted using the MWCOC/TPB travel demand forecast model, and revenue and tax data obtained from the Virginia Department of Taxation and United States Internal Revenue Service. This effort also included a technical review team comprised of experts from Federal Transit Administration, George Mason University, TPB, WMATA, and nationally recognized transit consultants.

Mr. Goldfarb then reviewed the major findings of the study:

- The presence of Metrorail and VRE supports an additional 85,000 households and 130,500 jobs in Northern Virginia;
- Those households and jobs generate more than \$600 million annually in sales and income tax revenue that flow to the Commonwealth's general fund;
- Given Virginia's annual transit operating and capital contribution to Metrorail and VRE (approximately \$170 million budgeted in FY2018), the return on investment to the Commonwealth exceeds 250 percent; and
- \$600 million, which represents just over three percent of general fund revenues, easily covers Virginia's annual general fund expenditures on state colleges and universities (approximately \$316 million) and state police (approximately \$266 million).

Ms. Cristol moved, with a second by Ms. Bulova, to accept the findings of NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*.

Chairman McKay thanked staff for their hard work to produce this in-house analysis. Besides the economic value to the Commonwealth, there is also a very compelling

argument about congestion mitigation and what the region would look like without Metro. He suggested that NVTC repackage the study results to address different issues, such as quality of life issues. Ms. Garvey asked if staff looked at the impact of transit to large corporations relocating to this region. Mr. Goldfarb explained the study focused on the benefits to the Commonwealth. Ms. Garvey suggested the information could be repackaged focusing on impacts to the business community. Senator Ebbin suggested having large corporations come speak to General Assembly members about the impact of transit. Chairman McKay stated the Joint NVTC-PRTC Legislative Briefing on December 4<sup>th</sup> will include a discussion with members of the business community about the benefits of transit.

Mr. Foust asked if there is a way to quantify the value of Metro and VRE to the federal government. Mr. Dorsey stated that this analysis does exist.

The Commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

Ms. Hudgins left the meeting at 9:08 P.M. and did not return.

### Transit Performance and Ridership

Ms. Mattice stated that as part of the Regional Bus Agenda, NVTC staff have concluded the initial analysis of bus operations and found that there are no significant regional gaps in service. Staff plans to present the complete set of findings at the November meeting.

Ms. Mattice noted that the FY2017 4<sup>th</sup> Quarter Ridership Report shows ridership among Northern Virginia transit agencies declined 5.2 percent when compared to the same time period in FY2016. This time period represents the last quarter of SafeTrack related ridership impacts. While nearly all transit agencies showed a decline, VRE showed an increase of 4.5 percent, which is most likely due to riders using it as an alternative mode of transportation during SafeTrack. For the FY2017 Annual Ridership Report, overall transit ridership is down nine percent between FY2016 and FY2017. Both VRE and ART saw increases.

### Virginia Railway Express

VRE CEO Report. Mr. Allen reported that ridership remains strong at 19,000 and on-time performance at 88 percent. VRE hosted a briefing for Senator Barker and a tour for congressional staff members. VRE is also preparing for potential heavy rain due to Hurricane Irma.

Mr. Allen also reported that the Northern Virginia Transportation Authority (NVTa) advanced VRE's submission for \$128,496,000 for the Manassas Line Capacity Expansion and Real-Time Traveler Information Project for consideration by the



Commonwealth Transportation Board (CTB) regarding the use of the projected \$500 million I-66 Outside the Beltway (OTB) Concessionaire Payment. The CTB will take action at its September meeting.

### Department of Rail and Public Transportation

DRPT Director Mitchell stated the draft Environmental Impact Statement (EIS) for the DC2VA High Speed Rail project will be published in the Federal Register on September 8, 2017. This will launch the 60-day public comment period. Two public hearings will be held. NVTC will be briefed on the DC2RVA project at the October meeting.

Ms. Mitchell gave an update on the mobilization efforts of the Metro Safety Commission, which includes hiring an executive search recruiter, locating office space, and identifying MSC commissioners. It is anticipated that appointments by the governors and mayor of Virginia, Maryland and the District will be made in October.

Ms. Mitchell stated the Revenue Advisory Board submitted its final report to the Commonwealth Transportation Board. The \$130 million gap in transit capital does not include additional funding needed for Metro. The \$50 million match to PRIIA funding for Metro is part of this \$130 million gap. The Revenue Advisory Board did not make any specific recommendation for funding but they did identify a number of potential solutions to lay a framework for discussion.

Chairman McKay thanked NVTC staff for their assistance in providing their professional expertise to make sure Northern Virginia's interests were represented on this statewide board. Northern Virginia was already disadvantaged because this is an area that already does well in statewide transit capital funding. Smaller rural areas can lose their transit operations without state funding. He encouraged Commissioners to read the report.

Ms. Mitchell sees this from a statewide perspective and she is concerned about the impact to rural areas and small communities where they won't have other funding options to make up the funding gap. A drop in transit funding by 44 percent would be devastating to those communities where transit serves a different role than it does in Northern Virginia.

Ms. Bulova asked about next steps. Ms. Mitchell stated DRPT will vet the options to work towards a potential proposal. Governor McAuliffe plans to introduce a legislative proposal of funding for Virginia and WMATA. Chairman McKay noted that it is important to clarify that this is a statewide problem and a Metro problem. One can't be fixed without fixing the other.

### Executive Director Report

Ms. Mattice reminded Commissioners about the September 20<sup>th</sup> ribbon cutting event for the I-66 Commuter Choice Program. Governor McAuliffe and Secretary Layne are confirmed speakers. Secretary LaHood is confirmed to join NVTC at its October 5<sup>th</sup> meeting. The Legislative and Policy Committee is scheduled to meet on November 2<sup>nd</sup> at

6:00 P.M. to discuss the 2018 Legislative Agenda. The annual Joint NVTC-PRTC Legislative Briefing will be held at the Springfield Hilton on December 4<sup>th</sup>.

Ms. Mattice announced that this is Zach McCoy's last Commission meeting. Mr. McCoy has served as a NVTC fellow for the past six months. She also announced NVTC's new grants and compliance manager starts on September 11, 2017.

The Financial Report for July 2017 was provided to Commissioners. There were no questions.

Mr. Meyer stated he has received comments about the flashes off the toll readers on I-66. Apparently, there is testing underway. He asked for more public outreach to inform the public about the testing. Ms. Mattice stated staff will forward this request to VDOT.

Mr. Snyder recognized the attendance of ATU members at this meeting and their work on the job at WMATA. He conveyed that NVTC is working hard to strengthen and improve WMATA into the future.

#### Adjournment

Ms. Cristol moved, with a second by Ms. Garvey, to adjourn the meeting. Without objection, Chairman McKay adjourned the meeting at 9:32 P.M.

Approved this 5<sup>th</sup> day of October 2017.

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Jeffrey C. McKay  
Chairman

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Matthew F. Letourneau  
Secretary-Treasurer



## **RESOLUTION #2342**

**SUBJECT:** NVTC Principles for WMATA Reform

**WHEREAS:** The Washington Metropolitan Area Transit Authority (WMATA) is critical to Northern Virginia and the Commonwealth's transportation network and economic growth;

**WHEREAS:** The Northern Virginia Transportation Commission (NVTC) was founded in part to represent the interests of the Commonwealth during the establishment of WMATA;

**WHEREAS:** The General Assembly, through Enactment Clause 4 of HB2136/SB1251 (2017), directed the Secretary of Transportation, in coordination with the Northern Virginia Transportation Commission, to engage his counterparts in Maryland and Washington, D.C., and the appropriate officials in the federal government for the purpose of revising the Washington Metropolitan Area Transit Authority Compact of 1966 and implementing other reforms necessary to ensure the near-term and long-term viability of the Washington Area Metropolitan Transit Authority (WMATA);

**WHEREAS:** In doing so, the Secretary shall develop, propose, and seek agreement on reforms related to the following:

- (i) the legal and organizational structure of WMATA;
- (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms of its members;
- (iii) labor costs and labor relations;
- (iv) measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits;
- (v) measures necessary to better ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area; and
- (vi) financial and operational improvements necessary to ensure that WMATA's performance is at least as efficient as its closest comparable transit systems in the United States.

**WHEREAS:** NVTC seeks to provide its recommendations to the Secretary of Transportation on these matters through this and subsequent resolutions;

**WHEREAS:** NVTC supports a legal and organizational WMATA Board structure that recognizes that Virginia is unique in the WMATA Compact region in that its local governments – the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington and Fairfax – are the Compact funding partners, with Loudoun County becoming a funding partner as the Silver Line Phase 2 becomes operational;

- WHEREAS:** NVTC supports the role of the federal government in providing dedicated funding for WMATA through the Passenger Rail Investment and Improvement Act (PRIIA), which provides \$150 million per year in dedicated funding to support capital improvements to WMATA, with the requirement that Maryland, the District of Columbia and Virginia provide matching funds;
- WHEREAS:** NVTC endorses the continued investment by the Commonwealth to provide funds that partially support NVTC jurisdictions' contributions to WMATA as well as matching funds under PRIIA;
- WHEREAS:** Under current law, the Virginia Secretary of Transportation or his/her designee and any NVTC Commissioner appointed by the Northern Virginia Transportation Commission are authorized to serve as members of the WMATA Board;
- WHEREAS:** Peer transit agency, foundation, and corporate boards in the United States average between 11.5 and 13.5 members and do not include alternate members. The current WMATA Board includes 16 members, eight of which are alternates with no full Board voting rights;
- WHEREAS:** No other peer transit agency uses alternates on their boards, and current WMATA alternates perform all the work of voting board members, including voting in committees, but cannot vote during full Board meetings;
- WHEREAS:** The WMATA Board has nine committees with four to 16 members each, tied for the most board committees among transit agencies peers. Between 2016 and 2017 each WMATA Board member attended an average of 41 meetings;
- WHEREAS:** Effective membership on the WMATA Board requires a large commitment of its members' time and energy. Compensation for that time should not be provided by entities that may represent real or perceived conflicts of interest for WMATA Board members;
- WHEREAS:** In November 2016, as a response to recommendations from a strategic advisor, the WMATA Board adopted an updated Code of Ethics that requires annual training on identifying and resolving actual and apparent conflicts, making disclosures and acknowledgments, and rules regarding acceptance of gifts;
- WHEREAS:** Board members, either corporate representatives with business connections or elected officials who must both represent the interests of their constituents while also representing WMATA's interest, must engage in rigorous and ongoing analysis of the ethics and balance of these multiple interests and responsibilities;
- WHEREAS:** The veto by a single jurisdiction inhibits jurisdictional collaboration and impedes regional policy decisions on the WMATA Board;
- WHEREAS:** A Department of Rail and Public Transportation review of WMATA operational cost drivers found that while WMATA's operational cost metrics are similar to peer transit agencies, it does have greater costs associated with rail maintenance activities;

**WHEREAS:** The WMATA General Manager, in his April 2017 Action Plan, expressed a desire to address operational cost drivers noting that, without changes, operating cost increases will outpace revenue growth by approximately 50 percent and the current public subsidy requirement for day-to-day operations would grow from \$980 million to \$1.6 billion annually in 10 years;

**WHEREAS:** On June 1, 2017, NVTC endorsed the spirit and direction of the WMATA General Manager's April 2017 Action Plan to significantly reform operations at WMATA that would yield reductions in operating and capital costs absent changes to the WMATA Compact;

**WHEREAS:** NVTC maintains interest in identifying near and long-term changes to reduce WMATA's operating costs to control the overall growth in jurisdictional contributions to no more than three percent per year; and

**WHEREAS:** In November 2016, WMATA's unfunded pension liability was estimated at \$1 billion with total plan assets at \$3.6 billion, and while comparable to peer transit and governmental agencies, poses a financial risk to its funding jurisdictions.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission, pursuant to items (i) and (ii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

**1. WMATA Governance Structure:**

- The WMATA Board should be comprised of 12 members, with three members representing each jurisdiction and the federal government.
- Federal government representation should be contingent upon the continued dedicated federal funding of at least \$150 million per year.
- The WMATA Board members from Virginia should include one member appointed by the Commonwealth and two members appointed by NVTC.
- All Virginia members of the WMATA Board should serve on NVTC.
- The term of each WMATA Board member should continue to be four years, limited to two terms.
- WMATA should reduce the number of committees and committee meetings.
- All WMATA Board members should have full voting authority (no alternates).

**2. Compensation:**

- WMATA Board members should receive equal financial compensation, to be paid by WMATA.

**3. Board Composition and Experience:**

- The WMATA Board should include a mix of elected and nonelected members, each of whom has experience in transit planning, transportation planning, or land use planning; transit or transportation management or other public-sector management; engineering; finance; public safety; homeland security; human resources; or the law; or knowledge of the region's transportation issues derived from working on the resolution of regional transportation issues. Some members of the Board should have significant senior executive experience with rail systems, transit agencies, airlines, airports, ports, or other transportation providers.
- All members of the WMATA Board should be familiar with the WMATA transit system.

**4. Board Fiduciary and Other Conflicts of Interest:**

- The WMATA Board should engage in a robust review of its policies on conflicts of interests and fiduciary interests so that it will maintain its strong commitment to ethics pertaining to fiduciary duties and conflicts of interest.

**5. Jurisdictional Veto:**

- The use of the jurisdictional veto should be eliminated.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to items (iii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

- In labor negotiations, the WMATA General Manager and Board should have greater authority to make operational decisions that improve the system's cost effectiveness without jeopardizing safety, including the use of tools such as competitive contracting of targeted functions.
- WMATA's annual operational cost increases should be comparable to those of its funding jurisdictions, and the jurisdictional subsidies it sets should hold within the three percent annual cap recommended by the General Manager in his April 2017 Action Plan, and that to maintain such funding discipline should be a mandatory factor used in consideration of establishing labor costs through collective bargaining or subsequent arbitration.

- NVTC endorses an amendment to the Wolf Act (National Capital Area Interest Arbitration Standards Act of 1995, Pub L. 104-50) that would require arbitrators in WMATA contract arbitrations to consider these fiscal restrictions in all cases.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (iv) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA General Manager and Board to identify a specific plan to address its unfunded pension liability and other post-employment benefits.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (v) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA's General Manager and Board, to take measures to ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area.

**BE IT FURTHER RESOLVED** that NVTC recommends that the WMATA Board direct the General Manager to set forth, by January 1, 2018, a detailed business plan for implementing the operational reforms outlined in his April 2017 Action Plan and any other actions necessary to meet the requirements of item (vi) of Enactment Clause 4 of HB2136/SB1251 (2017) so the legislatures of the respective jurisdictions will have the opportunity to review such plan prior to the commencement of their legislative sessions.

Approved on this 7<sup>th</sup> day of September 2017.



Jeffrey C. McKay  
Chairman



Matthew F. Letourneau  
Secretary-Treasurer