

The following items were provided as blue items for the July 2, 2020 NVTC Meeting.



July 1, 2020

VIA EMAIL

The Honorable Shannon Valentine
Secretary of Transportation
Commonwealth of Virginia
P.O. Box 1475
Richmond, VA 23218

Dear Secretary Valentine and Members of the CTB:

On behalf of all Metro customers and employees, as well as the communities we serve, we are grateful that Virginia established the Washington Metropolitan Area Transit Authority (WMATA) Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA (Section 33.2-3401 of the Code of Virginia; Chapter 854 of the 2018 Virginia Acts of Assembly). The enactment clauses of Chapter 854 require the Commonwealth Transportation Board (CTB) to withhold funding available to WMATA if certain conditions are not met.

Consistent with those requirements, I am pleased to provide the following information to the CTB within the statutorily prescribed July 1 deadline.

1. **Adoption of a Detailed Capital Improvement Program (Enactment Clause 8(i) of Chapter 854 of the 2018 Virginia Acts of Assembly):** The WMATA Board of Directors approved Resolution 2020-09 on April 2, 2020 which includes a 2021-2026 Capital Improvement Program (CIP) with projections of funding sources and uses for the six-year period. As required, WMATA held a public hearing on the CIP on February 24, 2020 at the Hilton Arlington in Arlington County, Virginia, a locality embraced by the Northern Virginia Transportation Commission.
2. **Adoption or Update of a Strategic Plan (Enactment Clause 8 (ii) of Chapter 854 of the 2018 Virginia Acts of Assembly):** WMATA is required to refresh its Strategic Plan every three years and complete a public hearing as part of that process. On March 28, 2019, the WMATA Board adopted the Keeping Metro Safe, Reliable and Affordable (KMSRA) strategic plan. As required, KMSRA aligns services with demand and satisfies other recommendations included in the report submitted pursuant to Item 436R of Chapter 836 of the Acts of Assembly of 2017 (the LaHood Report). The

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KMSRA plan remains in place and the FY21 Budget is aligned to this strategic plan.

The strategic plan is available on WMATA's website at: <https://www.wmata.com/initiatives/strategic-plans/>. Last year, WMATA reported the beginning of the Washington Area Bus Transformation Strategy and Action Plan. That process is now complete, and the resulting strategy is available here: <https://bustransformationproject.com/strategy-eng/>.

3. **Three Percent Cap on Growth in Total Virginia Operating Assistance (Enactment Clause 1 of Chapter 854 of the 2018 Virginia Acts of Assembly):** The WMATA Board of Directors adopted Resolution 2020-09 April 2, 2020 which included an Operating Budget that met this requirement. The Operating Budget was subsequently amended by Resolution 2020-20 on May 28, 2020 to provide CARES Act credits while continuing to meet the 3 percent cap. Virginia operating assistance increased from \$285,974,984 in FY2020 to \$322,461,837 in FY2021. Additional details for calculating the FY21 operating assistance are provided in Attachments hereto, summarized as follows:
 - a. **Attachment 1** titled, "WMATA FY2021 Operating Budget Subsidy" provides information on the changes between FY2020 and FY2021. The "Virginia Subtotal" increased by 3 percent, from \$285,974,984 to \$294,554,233 (shown as "FY2021 Capped" in Attachment 1). Legislative exclusions including compliance with federal mandates totaling (\$1,443,839) and the planned launch of Silver Line Phase 2 revenue service (\$26,463,765) bring the total FY2021 Virginia operating subsidy to \$322,461,837. The FY2021 Capped Subsidy remain unchanged from the Board adopted Operating Budget approved on April 2, 2020 and complies with the 3 percent annual subsidy growth cap. The CARES Act credits approved on May 28, 2020 provide a one-time subsidy credit without impacting either the approved budget or 3% cap calculations.
 - b. **Attachment 2** titled, "Summary of WMATA FY2021 Operating Budget Cost Drivers and Management Actions" provides a summary of major cost drivers including \$27.9 million in operating expense growth due to personnel and contractual step increases. WMATA management was required to take \$8.4 million in management actions to control costs, limiting base subsidy growth to \$34 million in order to meet the 3 percent cap requirement.

- c. **Attachment 3** titled, "FY2021 Legislative Exclusions" provides a summary of the legislative exclusions by category. The Virginia legislative exclusions total \$1,443,839 and the total legislative exclusions for the District of Columbia, Maryland, and Virginia are \$8,622,954. Additionally, Virginia's share of the operating costs for the Silver Line Phase 2 revenue service include \$26,463,765 of the \$78,446,181 operating costs.

Last year, WMATA reported that FY2021 operating subsidy allocation would use new survey data from the Metrobus Passenger Survey Report completed in May 2019 and that there was a possibility of changes in the MetroAccess subsidy. WMATA can now confirm that the FY2021 subsidy formulae were revised to include the County of Loudoun. Further, WMATA and the County of Loudoun continue to discuss how to provide paratransit service in the County.

We trust this information addresses Virginia's statutory requirements in Chapter 854 of the 2018 Virginia Acts of Assembly and please let us know if you have any questions or need additional information.

Sincerely,

A handwritten signature in dark ink, reading "Paul J. Wiedefeld". The signature is fluid and cursive, with the first name "Paul" and last name "Wiedefeld" clearly legible.

Paul J. Wiedefeld
General Manager and
Chief Executive Officer

cc: Members of the Virginia Commonwealth Transportation Board
Jennifer Mitchell, Director, DRPT

Attachments

Attachment 1
WMATA FY2021 Operating Budget Subsidy (as of May 28, 2020)

	FY2020 Base Subsidy	FY2021 Capped Subsidy	% Change from FY2020	Legislative Exclusions	Silver Line Phase 2	FY2021 Total Subsidy	Subsidy Credit	FY2021 Net Subsidy	% Change from Approved	Debt Service	Jurisdictional Contribution
District of Columbia	\$407,765,902	\$419,998,879	3.0%	\$2,079,419	\$25,892,842	\$447,971,141	(\$48,811,720)	\$399,159,420	(10.9%)	\$33,267,125	\$432,426,546
Montgomery County	\$189,124,318	\$190,358,776	0.7%	\$1,622,723	\$13,748,799	\$205,730,298	(\$22,123,248)	\$183,607,050	(10.8%)	\$15,406,871	\$199,013,921
Prince George's County	\$242,610,897	\$254,328,496	4.8%	\$3,476,973	\$12,340,775	\$270,146,243	(\$29,557,725)	\$240,588,518	(10.9%)	\$15,806,488	\$256,395,006
Maryland Subtotal	\$431,735,215	\$444,687,272	3.0%	\$5,099,696	\$26,089,573	\$475,876,541	(\$51,680,973)	\$424,195,568	(10.9%)	\$31,213,359	\$455,408,927
City of Alexandria	\$45,835,235	\$47,885,869	4.5%	\$112,636	\$3,657,319	\$51,655,824	(\$5,565,233)	\$46,090,591	(10.8%)	\$1,774,830	\$47,865,421
Arlington County	\$78,160,432	\$79,025,489	1.1%	\$150,169	\$7,321,818	\$86,497,475	(\$9,184,239)	\$77,313,237	(10.6%)	\$0	\$77,313,237
City of Fairfax	\$2,486,758	\$2,728,923	9.7%	\$26,195	\$238,364	\$2,993,482	(\$317,152)	\$2,676,330	(10.6%)	\$111,451	\$2,787,781
Fairfax County	\$156,043,184	\$158,429,291	1.5%	\$1,123,321	\$12,732,683	\$172,285,295	(\$18,412,445)	\$153,872,850	(10.7%)	\$5,613,058	\$159,485,908
City of Falls Church	\$3,449,375	\$3,314,749	(3.9%)	\$11,266	\$196,824	\$3,522,838	(\$385,236)	\$3,137,603	(10.9%)	\$176,178	\$3,313,780
Loudoun County	\$0	\$3,169,912	100.0%	\$20,252	\$2,316,758	\$5,506,922	(\$368,403)	\$5,138,519	(6.7%)	\$0	\$5,138,519
Virginia Subtotal	\$285,974,984	\$294,554,233	3.0%	\$1,443,839	\$26,463,765	\$322,461,837	(\$34,232,708)	\$288,229,129	(10.6%)	\$7,675,516	\$295,904,645
Total Contribution	\$1,125,476,101	\$1,159,240,384	3.0%	\$8,622,954	\$78,446,181	\$1,246,309,519	(\$134,725,401)	\$1,111,584,118	(10.8%)	\$72,156,000	\$1,183,740,118

Attachment 2
Summary of WMATA FY2021 Operating Budget Cost Drivers and Management Actions

(\$ in Millions)	Subsidy Impact
FY2020 Capped Subsidy*	\$1,125
3% Subsidy Growth Cap	\$34
FY2021 Capped Subsidy	\$1,159
FY2021 Cost Drivers	
Personnel (Salaries)	\$27.9
Services	\$9.9
Utilities, Fuel, and Propulsion	\$5.8
Miscellaneous Savings	\$(1.4)
Subtotal	\$42.2
Less 3% Subsidy Growth Cap	(\$34)
Management Savings Required	\$8.4

Attachment 3 FY2021 Legislative Exclusions

The FY2021 budget includes \$87.01 million of legislatively excluded expenses supporting federally mandated activities and Silver Line Phase 2 operations as detailed below:

Item	Description	Exclusion Type	Subsidy
Safety and health mandates	<ul style="list-style-type: none"> Develop and Implement <i>Public Transportation Agency Safety Plan</i>- mandate 49 CFR Part 673 (eff July 2019) Expand <i>Public Transportation Safety Certification Training Program</i> - mandate 49 CFR Part 672 Develop and Implement OSHA-compliant Programs for Respiratory Protection, Hearing Conservation, and Respirable Silica Programs Family Medical Leave Act compliance 	Federal Mandate	\$1.0M
ADA paratransit service	<ul style="list-style-type: none"> 7% increase in service delivery costs due to: <ul style="list-style-type: none"> contracted rate increases projected volume increases Additional costs associated with contracted eligibility assessments 	Federal Mandate	\$7.6M
Silver Line Phase 2 operations	<ul style="list-style-type: none"> Budgeted subsidy for operating Board-approved capital project that includes 11.4-mile Metrorail track extension with six new stations and a rail yard facility 	Board-approved capital project	\$78.4M
		TOTAL	\$87.01M



June 24, 2020

The Honorable Shannon Valentine
 Secretary of Transportation
 Commonwealth of Virginia
 P.O. Box 1475
 Richmond, VA 23218

Dear Secretary Valentine and Members of the Commonwealth Transportation Board:

As you know, Section 33.2-3401 of the *Code of Virginia*, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, establishes a Washington Metropolitan Area Transit Authority (WMATA) Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA. The enactment clauses of Chapter 854 of the 2018 Virginia Acts of Assembly requires the Commonwealth Transportation Board (CTB) to withhold funding available to WMATA under certain conditions.

WMATA is required to provide information to the CTB by July 1 of each year regarding a number of items. The WMATA General Manager and Chief Executive Officer is providing correspondence to you on most of these items, but I will provide an update regarding participation by Alternate Directors of the WMATA Board.

Participation by Alternate Directors of the WMATA Board (Enactment Clause 7 of Chapter 854 of the 2018 Virginia Acts of Assembly): WMATA is required to provide a written notification to the CTB by July 1 of each year that it has adopted bylaws that prohibit the participation of Alternate Directors specified in clause (ii) of Enactment Clause 7 and that no violations of the bylaws by alternate directors have occurred during the previous year.

On June 28, 2018, the WMATA Board of Directors adopted bylaws (<https://www.wmata.com/about/board/upload/WMATA-Board-Bylaws-Adopted-6-28-2018.pdf>) that prohibit the participation of Alternate Directors specified in clause (ii) of Enactment Clause 7. Article II, Section 11 of the bylaws states:

Alternate Directors shall be selected as specified under Article III, paragraph 5 of the WMATA Compact. An Alternate Director may participate in, be

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By Metrorail:
 Judiciary Square-Red Line
 Gallery Place-Chinatown
 Red, Green and
 Yellow Lines

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 Maryland and Virginia
 Transit Partnership

counted towards a quorum, and vote at a Board meeting only in the absence of the Director for whom he/she has been appointed an alternate, except that either Alternate Director may be an alternate for either Director selected by the District of Columbia. An Alternate Director may participate in an executive session of the Board or an executive session of a Committee only in the absence of the Director for whom he/she has been appointed an alternate, except that either Alternate Director may be an alternate for either Director selected by the District of Columbia.

I certify that no violations of the WMATA Board of Director's bylaws by Alternate Directors occurred in FY2020.

Sincerely,

A handwritten signature in black ink, reading "Jennifer Ellison". The signature is written in a cursive, flowing style.

Jennifer Ellison
Board Corporate Secretary

Cc: Members of the Virginia Commonwealth Transportation Board
Jennifer Mitchell, Director, DRPT