



**NVTC WMATA COMMITTEE MEETING
THURSDAY, JULY 16, 2020
Via Electronic Participation
Public Streaming via Youtube**

6:00 P.M. – 7:30 P.M.

AGENDA

NVTC is receiving public comment during the declared state of emergency. Persons wishing to provide written public comment should submit comments by 3:00 pm on July 16 via [NVTC's website](#). Comments will be provided to Committee Members prior to the July 16 meeting.

1. Review of the April 30, 2020 NVTC WMATA Committee Meeting Summary
2. Work Session on the 2020 Update of the Annual Report on the Performance and Condition of WMATA
3. Update from the 3% Cap Working Group
4. WMATA Transit Equity Framework
5. Other Items of Jurisdictional Importance

Members

Canek Aguirre (Chairman)
Walter Alcorn
Matt de Ferranti
Matt Letourneau
David Meyer
Paul Smedberg
David Snyder



**NVTC WMATA COMMITTEE
MEETING SUMMARY
Via Electronic Participation
Public Streaming via YouTube
April 30, 2020**

NVTC WMATA Committee Members Present via Electronic Participation:

Canek Aguirre, Chair
Walter Alcorn
Matt Letourneau
David Meyer
Paul Smedberg
David Snyder

Other NVTC Commissioners Present via Electronic Participation:

Katie Cristol
Dalia Palchik
Michael Turner

Others Present via Electronic Participation:

Kate Mattice, Executive Director	Scott Kalkwarf
Andrew D’huyvetter	Zach Smith
Allan Fye	Greg Potts

Chairman Aguirre called the WMATA Committee meeting to order at 6:08 p.m. He explained that given the ongoing COVID-19 public health emergency and Governor Northam’s ban on the gathering of 10 or more people, this meeting is being conducted electronically. This was possible because the governor signed a legislative amendment to the budget bill into law on April 22, 2020 to allow public bodies to meet electronically without a physical quorum present to discuss or transact the business statutorily required or necessary to continue operations of that public body. NVTC staff followed the procedures and guidelines in the legislation to give notice to the WMATA Committee, Commission, staff and the public.

Chairman Aguirre reviewed the procedures and instructions for the electronic meeting. The only visual component of the meeting was the presentation slides which were shown on Webex for WMATA Committee members and on YouTube livestream for the public.

Andrew D’huyvetter then called the roll and confirmed a quorum was present.

Chairman Aguirre asked if there were any changes to the February 27th meeting summary. Committee members accepted the summary of the February 27th meeting with no changes.

Work Session on the 2020 Update of the Annual Report on the Performance and Condition of WMATA

Chairman Aguirre gave a brief background on NVTC's *Annual Report on the Performance and Condition of WMATA*. NVTC's bylaws charge the NVTC WMATA Committee with providing staff with guidance on updates to the annual report. This will be the third annual report produced by NVTC, and this is the first work session for the committee to provide staff with feedback.

Mr. D'huyvetter presented staff's approach to updating the annual report. The structure of the report mirrors the legislative requirements. In the most recent report, there were six chapters. The first chapter focuses on strategies to reduce the growth in costs and improve operational efficiency, which is guided by feedback and direction from the WMATA Committee. Chapter 2 reports on the uses of the dedicated capital funds with information and data provided by WMATA. Finally, chapters 3 – 6 cover data on safety and reliability, financial performance and ridership data. For the 2020 report, staff recommend a preface on the effects of the COVID-19 public health emergency on WMATA in addition to the previous chapters.

Mr. D'huyvetter noted that there is a lag in data from the National Transit Database and other sources, which will impact the metrics that NVTC monitors in this year's report and subsequent reports. Mr. D'huyvetter also reminded the committee that the legislative due date from the report was moved to December 15th.

Mr. Letourneau recommended that the impacts of COVID-19 on WMATA be included throughout the report because it will be a dominant issue for WMATA moving forward. Mr. Snyder agreed that the pandemic will have a significant role in the immediate future and added that WMATA's current investments may support the return of riders. Ms. Mattice responded that staff have considered several approaches to address the impact of the pandemic and will use the committee's feedback to balance the legislative requirements with the current situation in the report.

Mr. Smedberg asked if staff considered a separate or supplemental report on the impact of COVID-19. Ms. Mattice responded that staff are in the early scoping phase and will seek guidance from the WMATA Committee before proceeding.

Mr. Turner agreed that it was important to weave the impact of COVID-19 throughout the report. Mr. Meyer added that it's important that the report continue to track the progress that WMATA is making regarding safety and state of good repair.

3% Cap Working Group

NVTC Chair Cristol provided an overview of the Commonwealth's FY 2021 – FY 2022 budget directing the NVTC chair to convene a working group to review the impact of Virginia's 3% cap on WMATA's operating assistance payment. Mr. Smith presented a historical overview of the Virginia's 3% cap on WMATA, the budget amendment establishing the working group and a tentative list of working group members and work plan.

Mr. Letourneau discussed the challenges of Virginia's 3% cap and the effect it has had on the WMATA budget process. He also discussed the importance of the private sector in participating in the working group.

Mr. Smedberg agreed about the challenges around the cap and discussed the most recent exclusion to the cap related to service increases approved by the WMATA Board. He also noted that it was important to have working group members that can speak to the cap. Ms. Cristol agreed and added that the working group members should provide a thoughtful and analytical assessment of the cap's impact on the jurisdictions.

Mr. Alcorn added that the committee should take its time in developing this report and asked about the timeline. Ms. Mattice responded that NVTC is legislatively mandated to submit a report by November 10th but that future deliberations on the cap could occur after the legislative deadline.

Mr. Snyder added that the 3% legislation is important and that each jurisdiction should have a representative on the working group. Ms. Palchik suggested possible private sector stakeholders for the group.

COVID-19/CARES Act Update

Mr. Smedberg provided an update on the federal CARES Act funding. The WMATA Board approved a resolution in response to the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As part of this action the WMATA Board also approved the availability of an operating subsidy credit to local transit providers who are not federal funding recipients. Mr. Letourneau detailed the work jurisdictional staff and NVTC has done in facilitating the process.

Mr. Snyder asked for more clarification around the CARES Act and spoke to ongoing concerns about coordination between WMATA and the NVTC Commuter Choice program. Ms. Mattice responded with how WMATA plans to provide credits to each locality and forthcoming discussions on Commuter Choice to help resolve some of the WMATA budget related issues.

Mr. Turner thanked the WMATA Board members for the information and the impact of the CARES Act on Loudoun County.

Other Items of Jurisdictional Importance

Mr. Alcorn discussed the summer shutdown of the Silver Line and concerns that Fairfax County has with the approach. Ms. Palchik agreed and discussed how Fairfax County is working with WMATA to be proactive on this and other issues with service.

Mr. Smedberg and Mr. Letourneau thanked everyone for their comments and stated that they would raise them with the appropriate staff at WMATA.

The meeting adjourned at 8:01 p.m.

2020 Update to the Annual Report on the Performance and Condition of WMATA

- Background
- Summary of Committee Guidance
- Proposed Restructuring of the Strategies Chapter
- Other Changes
- Discussion
- Next Steps

Background

- Virginia’s 2018 Transit Omnibus legislation created dedicated capital funding for WMATA
- This legislation mandated that NVTC produce an annual report to the Governor and General Assembly on the Performance and Condition of WMATA
- In order to take on these new duties, NVTC updated its bylaws and formed the WMATA Committee to provide guidance to staff on the annual update of the report

Chapters of the Annual Report

	Chapter	Data Source
1	Strategies to Reduce the Growth in Costs and Improve Operational Efficiency	Policy Decision by the Commission
2	Use of Dedicated Capital Funds	WMATA
3	Safety and Reliability	National Transit Database (NTD) and Metro Quarterly Performance Reports
4	Metrorail Financial Performance	
5	Metrobus Financial Performance	
6	Metrorail & Metrobus Ridership	

Summary of Major Changes to the 2020 Report

Update for COVID-19

- Add an introduction for COVID-19 and WMATA recovery efforts
- Include relevant COVID-19 related impacts in each chapter
- Highlight recommended strategies that are COVID-19 recovery related
- Provide appropriate COVID-19 related context for December report publication and lay the groundwork for future report updates

Restructure strategies chapter to streamline annual updates

- Carry over and reorganize previous strategies
- Update for relevant NVTC adopted policies (i.e. privatization of services and bus transformation project)
- Consolidate previous recommendations that overlapped

Proposed Restructure of the Strategies Chapter

- Consolidate all past and future recommendations into four overarching categories
 - 1) Rebuild Metrorail & Metrobus Ridership
 - 2) Improve Operational Efficiency of Metrorail and Metrobus
 - 3) Increase Non-Fare Revenues
 - 4) Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services
- Restructure each of the above categories to include:
 - **Recommendations by NVTC**
 - Specific actions that NVTC recommend WMATA take or consider
 - **Ongoing Efforts at WMATA that support previous NVTC Recommendations**
 - General efforts undertaken by WMATA that have no end date
 - NVTC will document WMATA's accomplishments and progress in these areas

Proposed Restructure of the Strategies Chapter - Example

1) Rebuild Metrorail & Metrobus Ridership

Recommendations by NVTC

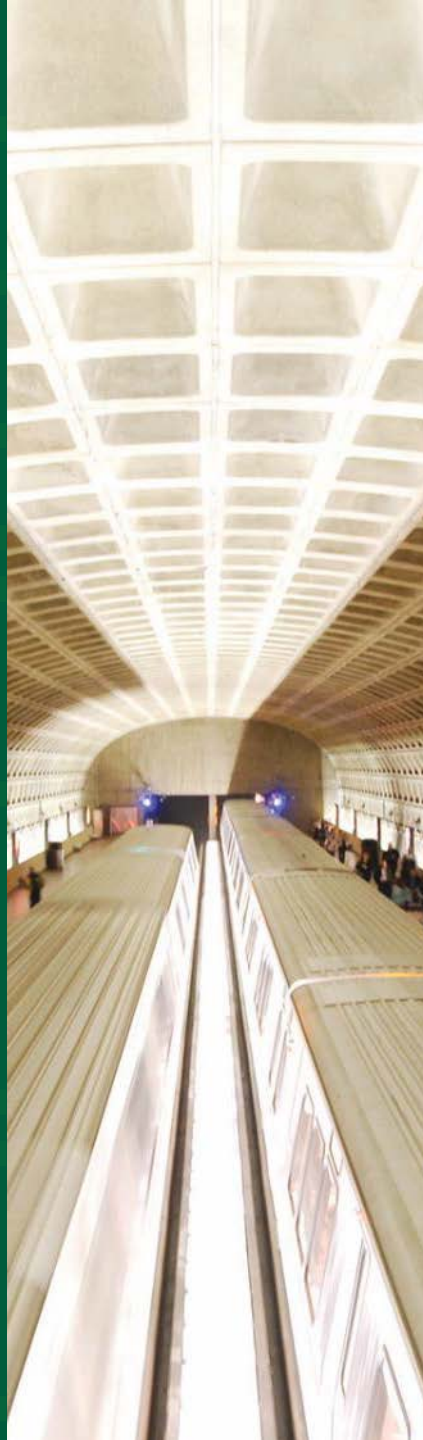
Recommendation	Notable Changes
<ul style="list-style-type: none"> Improve Weekend Rail Service 	<ul style="list-style-type: none"> No change
<ul style="list-style-type: none"> Optimize Parking Facilities 	<ul style="list-style-type: none"> No change
<ul style="list-style-type: none"> Develop, Expand, and Enhance Fare Pass and other Parking Pass Products to promote more frequent rail and bus ridership and increase customer satisfaction 	<ul style="list-style-type: none"> Consolidates recommendations from previous reports
<ul style="list-style-type: none"> Develop the next generation of fare collection technology that improves customer satisfaction and enables the region to implement an interoperable off-vehicle fare collection system on high capacity bus routes 	<ul style="list-style-type: none"> Consolidates recommendations from previous reports

Proposed Restructure of the Strategies Chapter - Example

1) Rebuild Metrorail & Metrobus Ridership

Ongoing Efforts at WMATA that support previous NVTC Recommendations

Recommendation	FY 2020 Update
<ul style="list-style-type: none"> Pursue Capital investments that increase the reliability of the system 	<ul style="list-style-type: none"> In FY20, WMATA received its final 7000-series railcar. Railcar reliability is above target largely due to the greater reliability of the 7000-series.
<ul style="list-style-type: none"> Pursue partnerships with the business community and other partners to provide easier access to transit for employees and visitors 	<ul style="list-style-type: none"> WMATA entered into an expanded Kids Ride Free Program with Montgomery County.
<ul style="list-style-type: none"> Implement efforts on bus and rail to decrease fare evasion 	<ul style="list-style-type: none"> WMATA is installing sensors at a number of rail stations and performing better data analysis in order to enabled better measure and report fare evasion. The WMATA Board approved a low-income fare pass pilot program with DC.



Discussion

Next Steps



Next Steps for the Annual Report Update

- Incorporate guidance from NVTC WMATA Committee
- Write a draft of the Strategies chapter in July/August
- Review draft of Strategies chapter with NVTC WMATA Committee in September
- Update other report chapters in October and November as data becomes available from WMATA and NTD
- Seek report approval at December Commission meeting and send to governor and General Assembly

Key Annual Report Dates

- September 2020: NVTC WMATA Committee Meeting
- November 5, 2020: NVTC Commission Meeting
- December 3, 2020: NVTC Commission Meeting
- December 15, 2020: Legislative Deadline for the Annual Report Submittal to the Governor and General Assembly

NVTC's Annual Report on the Performance and Condition of WMATA – Staff Proposed Restructuring of the Chapter on Strategies to Reduce the Growth in Costs and Improve Operational Efficiencies

1) Rebuild Metrorail & Metrobus Ridership

Recommendations by NVTC

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Improve Weekend Rail Service 	n/a
<ul style="list-style-type: none"> • Optimize Parking Facilities 	n/a
<ul style="list-style-type: none"> • Develop, Expand, and Enhance Fare Pass and other Parking Pass Products to promote more frequent rail and bus ridership and increase customer satisfaction 	<ul style="list-style-type: none"> • Consolidates recommendations from previous report
<ul style="list-style-type: none"> • Develop the next generation of fare collection technology that improves customer satisfaction and enables the region to implement an interoperable off-vehicle fare collection system on high capacity bus routes 	<ul style="list-style-type: none"> • Consolidates recommendations from previous report

Ongoing Efforts at WMATA that support previous NVTC Recommendations

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Pursue Capital investments that increase the reliability of the system 	n/a
<ul style="list-style-type: none"> • Pursue partnerships with the business community and other partners to provide easier access to transit for employees and visitors 	n/a
<ul style="list-style-type: none"> • Implement efforts on bus and rail to decrease fare evasion 	<ul style="list-style-type: none"> • FY20 update will include DC low income fare pass pilot and efforts to better track and quantify fare evasion

2) Improve the Operational Efficiency of Metrorail and Metrobus

Recommendations by NVTC

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Maximize the use of Eight-Car Trains 	n/a
<ul style="list-style-type: none"> • Leverage the expertise of local and regional partners to advance Bus Transformation Project Strategy recommendations in Northern Virginia that improve the efficiency of the bus network 	<ul style="list-style-type: none"> • Replaces previous recommendation to conduct a comprehensive analysis of WMATA's bus network and reflects NVTC Resolution #2408 endorsing the Bus Transformation Project Vision, Goals, and Strategy

Ongoing Efforts at WMATA that support previous NVTC Recommendations

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Engage with jurisdictions to implement and explore pilot programs and other efforts to increase the reliability and speed of Metrobus operations 	n/a

NVTC's Annual Report on the Performance and Condition of WMATA – Staff Proposed Restructuring of the Chapter on Strategies to Reduce the Growth in Costs and Improve Operational Efficiencies

3) Increase Non-Fare Revenues

Recommendations by NVTC

Recommendations for 2020 Report	Notable changes from previous reports
<i>No specific actions recommended by NVTC staff at this time</i>	n/a

Ongoing Efforts at WMATA that support previous NVTC Recommendations

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Leverage value for assets WMATA owns by maximizing advertising revenues and optimizing parking revenues 	n/a
<ul style="list-style-type: none"> • Explore nontraditional revenue streams to optimize the value of Metrorail facilities 	n/a
<ul style="list-style-type: none"> • Pursue joint development opportunities on underutilized assets 	n/a
<ul style="list-style-type: none"> • Pursue a real estate and sustainability strategy that generates operating efficiencies 	<ul style="list-style-type: none"> • Added reference to sustainability to reflect ongoing sustainability initiatives that generate operating efficiencies

4) Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services

Recommendations by NVTC

Recommendations for 2020 Report	Notable changes from previous reports
<i>No specific actions recommended by NVTC staff at this time</i>	n/a

Ongoing Efforts at WMATA that support previous NVTC Recommendations

Recommendations for 2020 Report	Notable changes from previous reports
<ul style="list-style-type: none"> • Adequately fund WMATA's Office of the Inspector General 	n/a
<ul style="list-style-type: none"> • Improve productivity through strengthened management of employee absenteeism, overtime, and worker's compensation 	<ul style="list-style-type: none"> • Consolidates recommendations from previous report
<ul style="list-style-type: none"> • Incentivize the workforce and contractors to deliver innovative solutions 	<ul style="list-style-type: none"> • Update the narrative and examples to reflect NVTC Resolution #2399 on the privatization of WMATA services and recent WMATA CBAs
<ul style="list-style-type: none"> • In negotiations through collective bargaining, seek to include the three percent cap on annual operating subsidies in management's negotiating position as a factor in establishing labor costs and seek greater authority for WMATA to make operational decisions that improve the system's cost effectiveness 	<ul style="list-style-type: none"> • Consolidates recommendations from previous report and modifies the language to reflect actions WMATA can take

NVTC's Annual Report on the Performance and Condition of WMATA – Staff Proposed Restructuring of the Chapter on Strategies to Reduce the Growth in Costs and Improve Operational Efficiencies

<ul style="list-style-type: none">• Seek amendments the federal Wolf Act to require arbitrators in WMATA contract mediations to consider these fiscal restrictions on all cases	<ul style="list-style-type: none">• Language modified because this recommendation is beyond WMATA's ability to directly implement
<ul style="list-style-type: none">• Identify and evaluate options to address unfunded OPEB liabilities	n/a

DRAFT

Update on the 3% Cap Working Group

- Background
- Working Group Feedback
- Potential Changes to Virginia's Current Cap
- Next Steps

Background

- The General Assembly directed the chair of NVTC to convene a working group to review the impact of Virginia's 3% cap on WMATA's operating assistance payment.
- NVTC will submit a report by November 10, 2020 to the chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee on:
 1. the usefulness of the cap
 2. whether any additional items should be excluded from the cap
- Staff interviewed members of the 3% Cap Working Group, VA WMATA Board Members, WMATA and stakeholders in Maryland and the District of Columbia on their perspective of Virginia's cap.
- The working group met in June to refine their assessment of the cap and consider additional exclusions.

NVTC 3% Cap Working Group Members

Chair: Katie Cristol, NVTC Chair, Arlington County

Vice Chair: Kate Mattice, NVTC Executive Director

Commonwealth Representative:
Jennifer Mitchell, Director of DRPT

Senior-Level Transportation Officials:

- Dennis Leach, Arlington County
- Yon Lambert, City of Alexandria
- Tom Biesiadny, Fairfax County
- Wendy Block Sanford, City of Fairfax
- Cindy Mester, City of Falls Church
- Penny Newquist, Loudoun County

Private Sector Stakeholders:

- Clayton Medford, Northern Virginia Chamber of Commerce
- The Honorable Randy Minchew, Former Member of the VA House of Delegates
- Stewart Schwartz, Coalition for Smarter Growth
- Jason Stanford, Northern Virginia Transportation Alliance

Virginia's 3% Cap on Growth in WMATA's Annual Operating Subsidy

- The 2018 Virginia General Assembly imposed a 3% cap on **Virginia's operating subsidy** increases. CTB also established guidelines to withhold state funds if WMATA exceeds cap.
- Legislative exclusions to Virginia's 3% Cap include:
 - operating subsidy increases related to major capital projects;
 - any service, equipment, or facility required by law;
 - legal disputes or proceedings between WMATA or another person or entity; and
 - service increases approved by the WMATA Board.
- WMATA began applying the legislatively-mandated 3% Cap during the FY2020 Budget cycle:
 - Prior to the FY2020 Budget, WMATA used a historical formula to construct its budget.
 - WMATA's current approach to apply the cap has yielded unintended consequences.

NVTC 3% Cap Working Group Feedback

The Usefulness of the Cap:

- The working group interpreted the “usefulness” of the cap with respect to the cap’s ability to control the growth in operating subsidy payments
- The cap appears to help provide predictability and control subsidy escalation
- There is recognition that legislative exclusions dilute subsidy growth controls

Legislative Exclusions:

- Weary of legislative exclusions
- Concern that “board approved increases” may negate subsidy growth controls

WMATA’s Implementation of the Cap:

- Perceived lack of transparency
- Unclear performance-based budgeting
- Loss of mode-split or other allocation analysis

Discussion: Virginia's Current 3% Cap and Exclusions

Feedback on the Usefulness of the Cap

Based on the discussions with the working group:

- The working group interpreted the “usefulness” of the cap with respect to the cap’s ability to control the growth in operating subsidy payments
- The cap appears to help provide predictability and control subsidy increases.
- There is a recognition that the legislative exclusions dilute subsidy growth controls.

Question: Do the WMATA Committee members agree with the working group’s assessment of the cap? Is there anything to add?

Note: Current exclusions to the cap include operating costs related to major capital projects; any service, equipment, or facility required by law; legal disputes or proceedings; and, any service increases approved by the WMATA Board.

Discussion: Virginia's Current 3% Cap and Exclusions

Feedback on Additional Legislative Exclusions

Per the working group, no additional items should be excluded from the current cap.

Question: Do the WMATA Committee members agree with the working group's position to not add additional legislative exclusions to the cap?

Note: Current exclusions to the cap include operating costs related to major capital projects; any service, equipment, or facility required by law; legal disputes or proceedings; and, any service increases approved by the WMATA Board.

Potential Changes to Virginia's Current Cap



- To address the current cap's unintended consequences, the working group discussed *potential* modifications or alternatives to Virginia's current cap.
- The following section presents *potential* modifications or alternatives to the current cap and principles to guide their development.



Potential Modifications or Alternatives to Virginia's Current Cap

- The working group's suggestions include:
 - Increasing the cap and removing exclusions
 - Applying a regional 3% cap instead of a Virginia cap
 - Applying a cap by mode or on unit costs
 - Finding solutions within WMATA's approach to the current cap
- The working group will explore different approaches at the July meeting.

Principles to Guide Potential Changes to Virginia's Current Cap

- The principles are intended to guide the development of potential modifications or alternatives to the current cap.
- Based on discussions with the working group, a cap on WMATA's operating assistance payments should:
 - Support an equitable transit system that meets the needs of all riders
 - Balance budget predictability with the flexibility to add or reduce service
 - Integrate with WMATA's budget process to create a transparent and auditable operating subsidy
 - Protect Virginia localities from significant subsidy increases
 - Create a fiscally responsible approach to control operating subsidy growth

Discussion: Principles

1. Do the WMATA Committee Members agree with the guiding principles developed by the 3% Cap Working Group?
2. Are there any principles that the WMATA Committee would prioritize?

Principles to Guide Potential Changes to Virginia's Current Cap:

- Support an equitable transit system that meets the needs of all riders
- Balance budget predictability with the flexibility to add or reduce service
- Integrate with WMATA's budget process to create a transparent and auditable operating subsidy
- Protect Virginia localities from significant subsidy increases
- Create a fiscally responsible approach to control operating subsidy growth

Next Steps



Next Steps for the 3% Cap Working Group

- Review feedback from NVTC's WMATA Committee on the 3% Cap Working Group
- Review discussions on Virginia's 3% Cap with WMATA, Maryland and the District of Columbia
- Continue data gathering and analysis to explore modifications or alternatives to the cap
- Prepare a report for review by the WMATA Committee and subsequent action by the Commission in the fall

Key 3% Cap Working Group Dates

- July 30, 2020: 3% Cap Working Group Meeting
- Sept. 9, 2020: 3% Cap Working Group Meeting
- Sept. 2020: NVTC WMATA Committee Meeting
- November 5, 2020: NVTC Commission
- November 10, 2020: Report Due to the Chairs of House Appropriations and Senate Finance and Appropriations Committees