



**NVTC JOINT WMATA COMMITTEE/LEGISLATIVE AND POLICY COMMITTEE MEETING**

**Thursday, May 16, 2024**

**NVTC Conference Room, Suite #230  
2300 Wilson Blvd., Arlington, Virginia**

**[Public Streaming Via YouTube](#)**

**6:00 p.m.**

**5:45 p.m. – Boxed Dinners Available for Commissioners Only**

**6:00 p.m. – Joint NVTC WMATA Committee/Legislative and Policy Committee – NVTC Suite #230 Conference Room ([public streaming](#))**

**AGENDA**

1. Welcome and Opening Remarks
2. Review of Meeting Summaries
  - A. October 19, 2023 Joint NVTC WMATA/Legislative and Policy Committee Meeting Summary
  - B. February 29, 2024 WMATA Committee Meeting Summary
3. Updates
  - A. General Assembly
  - B. WMATA/MWCOG: Unified Vision for Transit in the DMV Region
4. NVTC Work Towards Long-Term Sustainable Dedicated Funding
  - A. SJ28: Northern Virginia Public Transit Joint Subcommittee
  - B. NVTC Regional Bus Analysis Overview
  - C. NVTC 2024 Annual Report on the Performance and Condition of WMATA
5. Other Items
  - Next Joint Committee Meeting Date: July 11, 2024 4:30 p.m., NVTC Suite #230

WMATA Committee Members

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

Legislative & Policy Committee Members

Canek Aguirre, Chair  
Adam Ebbin  
Libby Garvey  
Matt Letourneau  
Catherine Read  
David Snyder  
James Walkinshaw

**MEETING SUMMARY  
NVTC JOINT WMATA COMMITTEE / LEGISLATIVE AND POLICY COMMITTEE  
NVTC Suite #230 Conference Room  
2300 Wilson Blvd., Arlington, Virginia  
Public Livestreaming via You Tube  
October 19, 2023**

**NVTC WMATA Committee Members Present:**

Walter Alcorn, Chair  
Caneq Aguirre  
Matt de Ferranti  
Matt Letourneau (*via electronic participation*)  
Paul Smedberg  
David Snyder

**Legislative and Policy Committee Members Present:**

Caneq Aguirre, Chair  
Adam Ebbin (non-voting member)  
Libby Garvey  
Matt Letourneau (*via electronic participation*)  
Catherine Read  
David Snyder  
James Walkinshaw

**Other NVTC Commissioners Present:**

Takis Karantonis

**Staff and Others Present:**

Kate Mattice, Executive Director  
Andrew D'huyvetter  
Allan Fye  
Rhonda Gilcrest  
Scott Kalkwarf  
Aimee Perron Seibert  
Melissa Walker  
Ronnetta Zack-Williams

Nathan Macek (HDR)  
Aaron Kozuki (HDR) (*via electronic participation*)  
Kirk Dand (Arlington County)  
Jennifer Monaco (City of Alexandria)  
Greg Potts (WMATA)  
Brent Riddle (Fairfax County)  
Joseph Schwartz (VRE)

WMATA Committee Chair Alcorn called the joint meeting of the WMATA Committee and Legislative and Policy Committee to order at 6:05 p.m. He stated that the meeting is being livestreamed for the public and that he is co-chairing the meeting with Legislative and Policy Committee Chair Aguirre. Chair Alcorn noted that Mr. Letourneau is participating electronically from Loudoun County for a personal reason due to a scheduling conflict and that he will need to leave the meeting at 6:45 p.m.

Mr. Ebbin moved, with a second by Ms. Garvey, to approve Mr. Letourneau's request to participate electronically. The vote in favor was cast by Commissioners Aguirre, Alcorn, de Ferranti, Garvey, Smedberg and Snyder. (Mr. Ebbin did not vote as he is a non-voting member.)

Ms. Mattice asked if there were any changes to the Meeting Summary of the August 31, 2023 Legislative and Policy Committee Meeting. Similarly, Chair Alcorn asked for any changes to the

Meeting Summary of the September 21, 2023 WMATA Committee Meeting. Committee members accepted both meeting summaries with no changes.

Chair Alcorn introduced the discussion of WMATA's FY 2025 budget and future options for getting WMATA a long-term, sustainable revenue stream for operations, while Chair Aguirre added that one of the most important tasks for the coming General Assembly Session will be to help legislators understand how important WMATA and all transit systems in Northern Virginia are to the entire Commonwealth.

#### NVTC's Metro Operating Funding and Reform Working Group

Mr. D'huyvetter provided an overview of WMATA's FY 2025 budget planning considerations including the future operating deficit that will begin in FY 2025, drivers of the deficit, considerations on fare increases and services cuts, internal cost savings WMATA has found, and the use of preventative maintenance to reduce the operating budget and its effect on the capital budget. He gave three scenarios presented by WMATA to reduce the funding gap along with flexing preventative maintenance funds. Mr. Letourneau added that the current ridership revenues are not because ridership isn't growing, but that the average fare is less because long-distance commuters are slower to return to the system after the pandemic. He also stated that potential fare and service changes will be presented at the next WMATA Board meeting. Mr. Smedberg stated that deferring preventative maintenance would be a one-time use that would not impact immediate state of good repair work. He also explained that WMATA is required to have a balanced budget come July 1 and that a one-time rebaseline of the 3% cap in Virginia and Maryland will be required for FY 2025. Mr. Smedberg added that this situation is severe and WMATA staff are reaching out to as many stakeholders as possible. He also stressed that even if a solution is determined for FY 2025, the problem will not be solved because WMATA's financial model is broken.

Chair Alcorn asked if the Commonwealth would help with funding the coming year to which Mr. Smedberg and Mr. Letourneau confirmed the Secretary of Transportation shared his position that there would be no new funding for Metro. Ms. Garvey said she believes a sales tax would be the solution and that there needs to be better education on Metro with members of the general community. She also noted the visible absence of the business community in these discussions. Ms. Mattice stated that the MetroNow Coalition is starting to come together, and the business community is watching this space closely.

Ms. Read arrived at 6:23 p.m. and joined the discussion.

Chair Alcorn stated that commercial property owners have paid billions of dollars for Metrorail service along the Silver Line. Mr. Letourneau added there is a strategy for engagement with property owners along the Silver Line corridor, but it has not been the focus due to the elections. Mr. de Ferranti shared his discussions with some members of the business community and said that they would like to see service cuts and fare increases before they act. He also stated that he doesn't believe the right strategy is handling this issue solely on the local level, with no responsibility from the state. Mr. Letourneau added that localities need to advocate with Richmond to help fill WMATA's budget gap. Ms. Garvey mentioned that there should be a session

at the Virginia Association of Counties (VACO) conference on WMATA's operating deficit to which Mr. Walkinshaw added that there could be resistance by VACO to including this in their materials.

Mr. Karantonis mentioned that withholding funding from a major piece of infrastructure due to an election is problematic and asked if there was anything discussed that would change the Secretary of Transportation's mind. Mr. Letourneau responded that it was mentioned that the Commonwealth will not have additional funding and they would like to see service cuts and fare increases; however, the Secretary of Transportation has acknowledged the importance of Metro. Mr. Snyder stated that he would like to know what the rationale was from the Secretary of Transportation on not providing additional support for Metro and how much Metro is looking for from localities.

Mr. Walkinshaw arrived at 6:37 p.m. and joined the discussion.

Chair Alcorn asked which scenario WMATA presented would change the capital budget deficit timeline to FY 2028 or earlier and Mr. Letourneau responded that any scenario where over \$60 million of preventive maintenance is flexed will accelerate the capital budget deficit. He also mentioned the caveat that if service is reduced WMATA can't flex as much preventive maintenance because there will not be as much preventive maintenance to do. Chair Alcorn asked if the budget assumption is that rail service will continue as normal or if the goal is to get back to pre-pandemic levels to which Mr. Letourneau responded that WMATA is not currently running budgeted FY 2024 service levels yet because of staffing, but the assumption is to continue running FY 2024 level service.

Ms. Garvey asked if it is accurate that WMATA has had a financial issue from its inception to which Mr. Smedberg responded that there are papers from economists in the 1970s that note WMATA's funding structure would never be sustainable. He also stated that one of the challenges WMATA is facing is people believing it is a business and not a public good.

Mr. Letourneau left the meeting at 6:45 p.m.

Mr. D'huyvetter outlined the working group's purpose and the elements that will be included in the working group technical report, including new dedicated revenue in Virginia to support WMATA's operating budget, revenue estimates for each revenue source, recommendations on revenue structure, and key findings that will inform NVTC's 2023 Annual Report on the Performance and Condition of WMATA recommendations. Mr. D'huyvetter reviewed the recommendations which were grouped into five categories:

- Structural Growth Cost
- Operational and Financial Accountability
- Structural Funding Deficit
- Capital
- Oversight

Mr. D’huyvetter reviewed the categories areas WMATA is already working on or accomplished and that NVTC has its own recommendation to continue the working group process. He also provided the next steps on the Annual Report between October and December 2023.

Mr. Walkinshaw asked two questions about the Wolf Act recommendation. The first question is does the “ability to pay” language make an impact with arbitrators and second, what is the goal with labor costs if WMATA’s labor costs are already aligned with other larger transit agencies. Mr. Smedberg responded that there are other aspects of those agreements that are the real issue. Ms. Mattice added that this has previously been included in NVTC’s Legislative Agenda. Mr. de Ferranti noted that board member salaries should not be included in the report because it is a distraction.

Chair Alcorn introduced the discussion on revenue options and estimates. Ms. Mattice stated that the revenues estimates are for longer-term action and are meant to show estimates with various revenue sources. She also explained that NVTC is not recommending any revenue source. Mr. Snyder asked if it was possible to calculate how much sales tax and income tax from Northern Virginia goes to Richmond and whether that can be earmarked to come back to the region. Mr. Mr. D’huyvetter responded that staff have limited consultant capacity on the study and will determine how to follow up on commissioner requests to look at additional funding sources.

Mr. Macek explained the process and evaluation factors and considerations that went into narrowing the potential revenue options from 40 to 10. Mr. D’huyvetter reviewed the 10 revenue options and estimates for selection:

- Retail Sales Tax
- Transient Occupancy Tax
- Grantor's Tax
- Regional Motor Vehicle Fuels Tax
- Motor Vehicle Sales Tax
- Vehicle Registration Fee
- Driver's License Fee
- TNC Sales Tax
- Parking Sales Tax
- Auto Repair Labor Tax

Mr. Kozuki explained the process of the revenue estimate analysis. He also reviewed the preliminary estimates of the existing Northern Virginia and statewide transportation funding options (that would be collected in the NVTC district) as well as new sources for transit funding. Mr. Kozuki also provided the current rate, growth potential, and low and high funding estimates in 2025 dollars of each of the 10 options.

Mr. Smedberg asked if there is a percentage that can be assigned to the low and high funding estimates to which Mr. Macek responded that it was qualitative judgement based on trends. Mr. Macek further explained considerations for each of the 10 options and how to use the revenue estimates to inform further discussions. Mr. D’huyvetter added that these estimates will be included in the Working Group Technical Report.

Mr. Garvey stated that many of the revenue options are not great from an equity standpoint, but she supports a retail and sales tax. Mr. Walkinshaw stated that he believes the conversation should include statewide numbers as this is also a Commonwealth problem that should be solved in collaboration with localities. He also stated that having tax rates from neighboring states to

compare would be helpful. Mr. Smedberg agreed with Mr. Walkinshaw's sentiments. Mr. D'huyvetter shared that the study team looked at the three statewide sources (sales tax, vehicle registration fees, and driver's license fees) and while they were not ready for this presentation they would be included in the final report.

Mr. de Ferranti added he would like to see calculations for statewide sales and income taxes collected in the NVTC district that are conveyed to Richmond as Mr. Snyder mentioned earlier. Mr. Smedberg asked that staff get an understanding of the legislative process as it may take up to two years. Ms. Perron Seibert added that a statewide option would take effect July 1. Mr. Snyder asked for a framework of the Commonwealth's surplus. He also stated that he does not agree with additional sales taxes but capturing what has already been paid to the state.

### 2024 Legislative and Policy Agenda

Chair Aguirre introduced NVTC's preliminary 2024 Legislative and Policy Agenda, which the Legislative and Policy Committee is tasked with putting together. Ms. Mattice reviewed the following 2024 proposed state level priorities:

- Advocate for long-term, sustainable, dedicated funding to ensure WMATA, VRE and all Northern Virginia transit systems meet the growing needs of public transit in the region.
- Seek administrative or legislative opportunities to permit WMATA to re-baseline its annual operating subsidy in FY 2025 to Virginia to reflect the impact of COVID-19 pandemic on the transit system without financially penalizing NVTC localities.
- Protect state funding of public transit in Northern Virginia and ensure sustainable growth in the Commonwealth Transportation Fund.
- Protect existing NVTC autonomy, programs and funding sources.
- Continue support for state investment in Transforming Rail in Virginia and other passenger rail initiatives.
- Preserve transit's ability to effectively compete within the SMART SCALE program.
- Restore full revenue levels to the Northern Virginia Transportation Authority.
- Support funding for development and implementation of transit innovations including transit signal priority, zero and low-emission public transit, and fare payment technologies.

Ms. Mattice explained in further detail the concept of rebaselining the 3% cap for FY 2025, stating that even if Northern Virginia localities wanted to use their own funds to help WMATA get through FY 2025, jurisdiction would automatically lose 35% of state aid. She also stated that the idea of rebaselining would not remove the 3% cap, but it would be an ask for a one-time modification for FY 2025.

Chair Alcorn stated that it is important to understand what the rebaselining would mean for funding jurisdictions and what would be the increase. Chair Aguirre agreed with these sentiments. Chair Aguirre mentioned that this is a short-term fix and it's important to acknowledge the long-term challenge in funding Metro.

Ms. Mattice also gave an overview of the following 2024 proposed federal priorities:

- Maximize the region's access to federal transportation funding programs and competitive grant opportunities.
- Recognizing the importance of public transit in accessing federal agencies and facilities, identify and secure federal long-term capital and operating funding opportunities that benefit our local transit systems, including WMATA and VRE.
- Seek amendments to the Wolf Act that require arbitrators in Metro contract mediations to consider Metro's fiscal condition and jurisdiction's ability to pay.
- Encourage federal return-to-office policies that encourage transit use throughout the work week.
- Continue support for commuter tax benefits for both the private and public sector.

Ms. Mattice stated that the Commission will be briefed on the proposed Legislative and Policy Agenda in November, with requested approval in December.

Mr. Snyder asked what does rebaselining mean and what are the implications. Ms. Mattice stated that Legislative Agenda prioritizes funding and rebaselining and that permission is needed to get a WMATA bill that exceeds the existing 3% cap. Ms. Mattice added that WMATA will be providing additional scenarios that will include fare increases and service cuts.

Chair Alcorn and Chair Aguirre adjourned the meeting at 8:18 p.m.

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**MEETING SUMMARY**  
**NVTC WMATA COMMITTEE**  
**Via Electronic Participation**  
**Public Livestreaming via You Tube**  
**February 29, 2024**

**NVTC WMATA Committee Members Present:**

Walter Alcorn, Chair  
Matt de Ferranti  
Matt Letourneau  
Paul Smedberg  
David Snyder

**NVTC WMATA Committee Members Absent:**

Canek Aguirre

**Other NVTC Commissioners Present:**

James Walkinshaw

**Staff and Others Present:**

Kate Mattice, Executive Director  
Andrew D'huyvetter  
Allan Fye  
Adam Hager  
Scott Kalkwarf  
Tenley O'Hara  
Melissa Walker  
Greg Potts (WMATA)

WMATA Committee Chair Alcorn called the meeting to order at 6:02 p.m. He noted that the meeting is an all-virtual public meeting via Zoom as permitted under the Virginia Freedom of Information Act and NVTC's Electronic Participation Policy and is being streamed live via NVTC's YouTube channel. He added that NVTC staff followed the procedures and guidelines to give notice to WMATA Committee members, Commissioners, staff and the public about this meeting.

Mr. Fye called the roll and indicated a quorum was present. He then introduced staff.

Chair Alcorn asked if there were any changes to the Meeting Summary of the October 19, 2023 Joint WMATA Committee/Legislative and Policy Committee Meeting. Committee members accepted the meeting summary with no changes. Chair Alcorn then asked Mr. Hager to present the NVTC WMATA Committee Overview and 2024 Workplan.



## NVTC WMATA Committee Overview and 2024 Workplan

Mr. Hager shared background information on the WMATA Committee, noting that its role is established in NVTC's By-Laws which outline committee responsibilities. He presented a proposed 2024 Committee Schedule which is set to include briefings on NVTC's Annual Report on the Performance and Condition of WMATA, continued engagement on the General Assembly's joint subcommittee studying long-term funding for WMATA and other issues on an as-needed basis. Chair Alcorn encouraged committee members to stay engaged with staff given the topics and amount of information the committee plans to cover this year.

## WMATA's Proposed FY 2025 Operating Budget and FY 2025-2030 Capital Improvement Program

Mr. Hager then presented an overview of WMATA's FY 2025 Proposed Operating Budget and FY 2025-2030 Capital Improvement Program (CIP) as well as key themes for a budget comments letter from the NVTC WMATA Committee. He stated that WMATA is soliciting feedback on its original proposed budget which includes significant service cuts and fare increases but has since released a revised proposed budget that assumes 3% cap rebaselining in Virginia and Maryland along with additional investments by Virginia, Maryland and the District of the Columbia. He covered several highlights of the revised FY 2025 proposed budget before detailing key themes for a comment letter to be submitted by the NVTC WMATA Committee.

Mr. Letourneau shared that the revised FY 2025 proposed budget reflects what each jurisdiction – Virginia, Maryland and the District of Columbia – has committed to as far as additional funding levels but each has its own legislative process to finalize those numbers. He added that the WMATA Board believes riders have a role to play in bridging the funding gap, represented by the fare increase in the revised proposed budget.

Mr. Smedberg stated that additional funding in Virginia continues to take shape in Richmond as he and others meet with Governor Youngkin's administration and members of the General Assembly. He added there has been consensus that there must be a long-term funding solution for WMATA in his discussions with legislators and the Governor.

Chair Alcorn asked about the timing of the WMATA budget process and how it relates to each funding jurisdictions' timelines. Mr. Letourneau explained that WMATA will need to reconcile additional investments with the subsidy allocation formula which remains in progress. There may have to be a subsequent budget adjustment in FY 2025 depending on when the jurisdictions approve their additional levels of investment.

Mr. Walkinshaw asked where the revised FY 2025 proposed budget contained any changes to Metrobus service. Mr. Letourneau responded that there are no bus service cuts, but WMATA is looking at mid-year, revenue-neutral Better Bus implementation efforts that would optimize service at no additional costs.

Mr. Snyder asked for clarification regarding the budget comment letter theme of targeted service reduction and fare optimization, noting it is important for WMATA to consider ridership demand.

Mr. D’huyvetter explained that WMATA has identified several strategies when it comes to targeted service reductions, namely aligning peak-period service to align with ridership levels, operation of more six-car trains and reduced service levels on some holidays. Mr. Snyder indicated support for the comment letter theme and suggested WMATA continue to focus on where demand is, asking staff to address this in the letter. Mr. Smedberg and Mr. Letourneau shared insight on WMATA’s efforts to align service with demand as well as recent rail ridership increases, especially on the Silver Line in Virginia.

Mr. de Ferranti suggested the letter reference a long-term capital solution and include reference to WMATA’s proposed salary freeze. Mr. Letourneau stated that the revised budget proposes no wage increase this year, noting there has been a 21% increase over the last three years. He added that it may be worthwhile to comment on the shared nature of sacrifice that everyone needs to make for this revised budget to become a reality, including workers. Chair Alcorn added that local government budgets are strained, too.

Chair Alcorn indicated that, as WMATA Committee Chair, he would be responsible for submitting NVTC’s comment letter since the Commission does not meet until after WMATA’s public comment deadline on March 5.

Mr. de Ferranti made a motion to authorize the NVTC WMATA Committee Chair to submit comments on WMATA’s Proposed FY 2025 Operating Budget and FY 2025-2030 Capital Improvement Program. Mr. Snyder seconded the motion and asked whether the letter would later be ratified by the Commission. The committee and staff discussed process logistics and Ms. Mattice stated that she would work with the Commission Chair on next steps regarding the letter but, at a minimum, NVTC staff would submit the letter to WMATA by its March 5 deadline. Chair Alcorn conducted a roll call vote and the motion passed unanimously. The vote in favor was cast by Committee Members Alcorn, de Ferranti, Letourneau, Smedberg and Snyder.

Mr. Walkinshaw left the meeting at 6:57 p.m.

#### Developing Funding Options for Northern Virginia Transit Agencies

Mr. D’huyvetter presented a preview of NVTC’s Metro Operating Funding and Reform Working Group report, NVTC efforts to address transit funding in Northern Virginia and an overview of Senate Joint Resolution 28 (SJ28-Ebbin) which aims to establish a joint subcommittee to study long-term funding for WMATA and other transit providers in Northern Virginia. He stated that since the committee’s last meeting, staff have been responsive to efforts underway in the General Assembly to identify a long-term, sustainable funding solution for WMATA that builds upon the work of NVTC over the last several years. Mr. D’huyvetter provided information on the purpose, composition and timeline for the SJ28 study.

Mr. Smedberg stated that while the Northern Virginia Transportation Authority (NVTA) is represented on the technical working group, he stressed the importance of the SJ28 study’s focus on transit funding and operations instead of transportation capital expansion projects.

Chair Alcorn stated that while the study effort has a two-year timeframe, he is hopeful that there would be some opportunities to advance pieces of a longer-term solution for WMATA funding in 2025. Mr. Smedberg added that Maryland has already taken its own effort to address long-term transportation funding.

Mr. de Ferranti and Mr. Snyder asked for several clarifications regarding joint subcommittee appointments and meeting timeframes. Ms. Mattice provided details on appointments and noted that the study is expected to last for two years. She added that NVTC would be engaged in the joint subcommittee study and that NVTC staff expect to play a significant role moving forward. Mr. Snyder stated that NVTC should be focused on the outcome of the study and whether other parts of the state would be participating or conducting similar efforts.

#### Other Business

Chair Alcorn asked if there is any other discussion for the committee. There was no further discussion.

Chair Alcorn stated that the next WMATA Committee meeting is not yet scheduled but that staff anticipate the next meeting will be in May.

Chair Alcorn adjourned the meeting at 7:29 p.m.

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