

Fund 309

Metro Operations and Construction

Focus

Fund 309, Metro Operations and Construction, contains the funds provided by Fairfax County to pay the County's allocated portion of the Washington Metropolitan Area Transit Authority's (WMATA) FY 2009 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 106-mile Metrorail system, and contributes to the repair, maintenance, rehabilitation, and replacement of capital equipment and facilities for the Metrobus, Metrorail, and MetroAccess systems.



The WMATA budget presented here is based on initial FY 2009 information obtained from WMATA budget staff in fall 2007 as well as Fairfax County Department of Transportation staff estimates. The WMATA Board Budget Committee is in the process of reviewing the WMATA proposed budget between January and May 2008. Based on a fall 2007 WMATA forecast of a FY 2009 net funding need of \$109 million, on December 13, 2007 the WMATA Board adopted its first fare increase in four years. Bus and rail fares for peak hours, as well as parking fees, increased in January 2008 to help close the FY 2009 budget shortfall. Existing fares, which had been in effect since FY 2005, had included a base fare of \$1.35 for Metrorail and base fare of \$1.25 for Metrobus. Beginning January 6, 2008, rush hour Metrorail fares increased 30 to 60 cents depending on the length of the trip, with the rush hour base fare rising 30 cents from \$1.35 to \$1.65. Daily parking fares, which had cost up to \$4, rose 75 cents per day, and the base cash fare on Metrobus increased 10 cents from \$1.25 to \$1.35.



Pending the Virginia Supreme's Court decision on a case regarding new transportation revenues, WMATA may be able to incorporate a new source of Metro capital funding support for the FY 2009 budget year. On April 4, 2007, the General Assembly approved the Governor's substitute for House Bill 3202. Under the provisions of this legislation, on January 1, 2008 the Northern Virginia Transportation Authority (NVRTA) implemented a series of taxes and fees to support Northern Virginia transportation projects and services, including \$50 million in annual funding for Metro capital expenses. This action will have no impact on the Metro operations subsidy required from local jurisdictions. In addition, the National Capital Transportation Amendments Act of 2007 could provide Metro with \$1.5 billion in capital federal funds over 10 years. Congress has not yet approved this legislation. If approved, this funding would provide Metro additional funding for maintaining tracks, repairing tunnels and buying new buses and railcars. Again, such capital funding would have no impact on the Metro operations subsidy required from local jurisdictions.



The County's portion of the total WMATA budget is determined by using several formulas that include factors such as jurisdiction of residence of passengers, number of stations located in a jurisdiction, the amount of service in a jurisdiction, the jurisdiction's population, and the jurisdiction's population density.

Applied State Aid, County Gas Tax Receipts, interest earnings on State Aid balances, and any State Transportation Bond Revenues are identified in Fund 309, Metro Operations and Construction, even though these funds are not directly received or disbursed by the County. These balances are held and disbursed by

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the Northern Virginia Transportation Commission (NVTC) according to a funding formula. These funds are used by Fairfax County to offset the County's General Fund and General Obligation bond support of WMATA's operating and capital costs. In FY 2009, a total of \$36.4 million in State Aid, \$19.7 million in Gas Tax Receipts, and \$1.4 million in anticipated interest on balances held by NVTC support the County subsidy for Metro. A transfer of \$0.1 million from Fund 301, Contributed Roadway Improvement Fund, contributes specifically to the operating support of shuttle service in the Franconia/Springfield area. In FY 2009 the General Fund Transfer to Fund 309 is recommended at \$17.5 million to cover the remaining projected Operating Expenditures. General Obligation Bond revenues of \$23.8 million are recommended to cover the remaining Capital Construction Expenditures.

FY 2009 Funding Adjustments

The following funding is necessary to support the FY 2009 program:

- ◆ **Metro Annual Operating Requirements** **\$68,605,446**

The FY 2009 subsidy requirement for WMATA Operating Expenses totals \$68,605,446, an increase of \$5,451,801 or 8.6 percent over the *FY 2008 Revised Budget Plan*, due to initial estimated funding requirements obtained from WMATA budget staff and the Fairfax County Department of Transportation staff in fall 2007. This funding level:

 - Supports existing Metrorail and Metrobus service levels, including \$38,215,444 for Metrobus and the continuation of Springfield Circulator service started in FY 2001; \$21,193,554 for Metrorail; and \$7,796,448 for MetroAccess service; and a WMATA projected prior year audit adjustment of \$1,400,000.
 - Includes an overall operating increase of 10.0 percent over the *FY 2008 Revised Budget Plan* offset by a decrease in payments due to WMATA associated with the current WMATA 12s and 20s Centreville/Chantilly routes. The estimated decrease results from the Board of Supervisor's approval, in February 2006, of the transfer of these non-regional routes to the County in the second half of FY 2009; at that time the service will be provided by the Fairfax CONNECTOR. The General Fund Transfer to Fund 309 incorporates a corresponding reduced requirement resulting from the shift of WMATA's 12s and 20s bus service to the County CONNECTOR for part of the FY 2009 year. The County budget for that CONNECTOR Centreville/Chantilly bus service is included in Fund 100, County Transit Systems.

- ◆ **Metro Capital Requirements** **\$28,413,928**

FY 2009 Capital Construction expenditures total \$28,413,928, of which \$24,828,000 is focused on the Metro Matters Program, which supports the acquisition of facilities, equipment, rail cars, and buses, as well as provides general infrastructure support to the 106-mile Metrorail system. An additional \$417,000 supports the Beyond Metro Matters Program which addresses capital construction needs beyond those included in the Metro Matters Program. Finally, an amount of \$3,168,928 funds Adopted Regional System (ARS) debt service requirements.

- ◆ **General Fund Support for Metro** **\$17,509,851**

The General Fund Transfer In of \$17,509,851 represents a decrease of \$2.8 million or 13.8 percent from the *FY 2008 Revised Budget Plan* based on savings associated with the transfer of the 12s and 20s bus service to the Fairfax CONNECTOR, and the application of a higher level of State Aid and Gas Tax revenue in support of this fund.

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- ◆ **Transfer Out to Fund 100, County Transit Systems**
\$1,914,505
- The budgeted FY 2009 Transfer Out of \$1,914,405 to Fund 100, County Transit Systems, is an increase of 4.1 percent over the FY 2008 budgeted transfer and provides continued support for FAIRFAX CONNECTOR service enhancements. This Fund 309 support for County transit operations is consistent with a FY 2000 change in the NVTC State Aid and Gas Tax funding formula that resulted in a higher annual allocation to Fairfax County. When the formula was updated, the NVTC required that additional formula funds that resulted from the change be used only for transit service enhancements.
- ◆ **Support from Fund 301, Contributed Roadway Improvement Fund**
\$110,000
- A transfer of \$0.1 million from Fund 301, Contributed Roadway Improvement Fund, also contributes to the operating support of shuttle service in the Franconia/Springfield area. This level is consistent with the prior year level of support.

Changes to FY 2008 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2008 Revised Budget Plan since passage of the FY 2008 Adopted Budget Plan. Included are all adjustments made as part of the FY 2007 Carryover Review and all other approved changes through December 31, 2007:

- ◆ **Carryover Adjustments**
(\$1,740,363)
- As part of the FY 2007 Carryover Review, the FY 2008 County Metro subsidy decreased by \$1,740,363. This decrease reflected WMATA's FY 2008 adopted budget for transit needs, including capital costs, rail system enhancements and facility improvements.

Key Performance Measures

Objectives

- ◆ To increase the annual number of trips taken on Metrobus routes serving Fairfax County by 1.0 percent from 9,365,000 in FY 2008 to 9,460,000 in FY 2009.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Trips originating in Fairfax County	9,272,000	9,272,000	9,272,000 / 9,272,000	9,365,000	9,460,000
Metrobus routes	87	87	87 / 87	87	87
Metrobus platform hours	391,493	370,000	370,000 / 372,266	370,000	370,000
Metrobus platform miles	6,918,305	6,538,489	6,538,489 / 7,065,260	7,065,260	7,065,260
Efficiency:					
Operating subsidy	\$29,245,259	\$31,686,722	\$36,695,200 / \$36,723,400	\$35,964,478	\$38,215,444
Operating subsidy/platform hour	\$74.70	\$85.64	NA / \$98.65	\$97.20	\$103.29
Operating subsidy/platform mile	\$4.23	\$4.85	NA / \$5.20	\$5.09	\$5.41
Operating subsidy per Metrobus trip	\$3.15	\$3.42	\$3.96 / \$3.96	\$3.84	\$4.04
Outcome:					
Percent change in Fairfax County trips	1.0%	0.0%	0.0% / 0.0%	1.0%	1.0%

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Performance Measurement Results

Metrobus trips originating in Fairfax County were reported at the same level in FY 2007 as in FY 2006, with a total of 9.27 million trips. Annual growth of 93,000 trips is anticipated in FY 2008 and an additional 95,000 trips in FY 2009, a 1 percent annual increase. It should be noted that jurisdictional data provided by WMATA has been used to populate this chart. The County operating subsidy per Metrobus trip is projected as \$4.04 for FY 2009.

Key Performance Measures

Objectives

- ◆ To increase the number of Metrorail trips originating in Fairfax County by 1.0 percent from 29,100,000 in FY 2008 to 29,400,000 in FY 2009.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Fairfax County ridership	29,300,000	29,793,000	30,100,000 / 28,815,191	29,100,000	29,400,000
Efficiency:					
Operating subsidy	\$17,374,977	\$18,849,448	\$17,496,100 / \$17,496,099	\$19,266,867	\$21,193,554
Operating subsidy per Metrorail passenger	\$0.59	\$0.63	\$0.58 / \$0.61	\$0.66	\$0.72
Outcome:					
Percent change in Fairfax County ridership	8.1%	1.7%	1.0% / (3.3%)	1.0%	1.0%

Performance Measurement Results

Minor fluctuations in annual Fairfax County Metrorail ridership have been experienced for the period from FY 2005 to FY 2009, with a projected 29.4 million riders in FY 2009. The Department of Transportation projects an increase of 1.0 percent, or 300,000 additional riders from FY 2008 to FY 2009. It should be noted that jurisdictional data provided by WMATA has been used to populate this chart. The County operating subsidy per Metrorail trip is projected as \$0.72 for FY 2009.

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FUND STATEMENT

Fund Type G30, Capital Project Funds	Fund 309, Metro Operations and Construction			
	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Beginning Balance	\$18,067,079	\$1,090,767	\$11,137,649	\$3,749,188
Revenue:				
Revenue Applied to Operating Expenses				
State Aid Applied to Operating	\$19,405,976	\$27,015,938	\$27,015,938	\$32,000,000
Gas Tax Revenue Applied to Operating	20,884,533	17,000,000	17,000,000	19,500,000
Interest	1,990,015	1,200,000	1,200,000	1,400,000
Subtotal - Revenue Applied to Operating	\$42,280,524	\$45,215,938	\$45,215,938	\$52,900,000
Revenue Applied to Capital Construction				
State Aid Applied to ARS Debt Service	\$3,010,456	\$3,010,481	\$3,010,481	\$3,010,481
VTA 2000 Bonds Applied to Capital Construction ¹	484,012	0	0	0
Gas Tax Rev. Applied to ARS Debt Service	158,444	158,447	158,447	158,447
State Aid Applied to Metro Matters Capital	1,062,392	1,000,000	1,000,000	1,000,000
State Aid Applied to Beyond Metro Matters Capital	416,910	417,000	417,000	417,000
Subtotal - Revenue Applied to Capital Construction	\$5,132,214	\$4,585,928	\$4,585,928	\$4,585,928
County Bond Sales ²	\$11,000,000	\$21,900,000	\$13,861,943	\$23,828,000
Total Revenue	\$58,412,738	\$71,701,866	\$63,663,809	\$81,313,928
Transfers In:				
General Fund (001) ³	\$20,316,309	\$20,316,309	\$20,316,309	\$17,509,851
Contributed Roadway Improvement Fund (301)	110,000	110,000	110,000	110,000
Total Transfers In	\$20,426,309	\$20,426,309	\$20,426,309	\$17,619,851
Total Available	\$96,906,126	\$93,218,942	\$95,227,767	\$102,682,967

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Fund Type G30, Capital Project Funds

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	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Expenditures:				
Operating Expenditures				
Bus Operating Subsidy ^{3, 4}	\$36,723,400	\$39,963,864	\$35,994,478	\$38,215,444
Rail Operating Subsidy	17,496,099	18,720,827	19,266,867	21,193,554
ADA Paratransit - Metro	5,803,100	6,209,317	7,087,680	7,796,448
Prior Year Audit Adjustments ⁵	0	0	804,620	1,400,000
Springfield Circulator	644,400	0	0	0
Subtotal - Operating Expenditures	\$60,666,999	\$64,894,008	\$63,153,645	\$68,605,446
Capital Construction Expenditures				
Metro Matters Capital	\$19,747,393	\$22,900,000	\$22,900,000	\$24,828,000
Beyond Metro Matters Capital	416,910	417,000	417,000	417,000
ARS Debt Service	3,168,900	3,168,928	3,168,928	3,168,928
Subtotal - Capital Construction Expenditures	\$23,333,203	\$26,485,928	\$26,485,928	\$28,413,928
Total Expenditures	\$84,000,202	\$91,379,936	\$89,639,573	\$97,019,374
Transfers Out:				
County Transit Systems (100)	\$1,768,275	\$1,839,006	\$1,839,006	\$1,914,405
Total Transfers Out	\$1,768,275	\$1,839,006	\$1,839,006	\$1,914,405
Total Disbursements	\$85,768,477	\$93,218,942	\$91,478,579	\$98,933,779
Ending Balance⁶				
General Fund	\$11,137,649	\$0	\$3,749,188	\$3,749,188
General Fund	\$3,099,592	\$0	\$3,749,188	\$3,749,188
Bond Funds	8,038,057	0	0	0
Unreserved Balance	\$0	\$0	\$0	\$0

¹ No Virginia VTA 2000 bonds are projected to be available to apply to Capital Construction costs in FY 2008 or FY 2009, as all VTA bonds have been applied in previous years.

² The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. As part of the January 2007 bond sale, an amount of \$1.84 million was sold from the November 1990 Transportation Bond, leaving no more bonds remaining from this referendum. On November 2, 2004, the voters approved a \$110 million Transportation Bond of which \$9.16 million was sold as part of the January 2007 bond sale, leaving \$100.84 million in authorized but unissued bonds associated with the November 2004 referendum.

³ In FY 2009, a total decrease of \$2,806,458 is made to the General Fund Transfer, including a decrease of \$1,253,165 to reflect the expenditure decrease associated with the transition of the WMATA 12s and 20s bus service to Fairfax County, starting in February 2009. The County will assume these service costs within the Fund 100, County Transit budget. In addition, projected higher State Aid, Gas Tax revenues and projected interest allow the General Fund Transfer to decrease another \$1,553,293.

⁴ FY 2008 and FY 2009 expenditures for the Bus Operating Subsidy include \$644,000 in support of the Springfield Circulator service, the same level of support as in FY 2007.

⁵ FY 2008 Prior Year Audit Adjustments include an additional County subsidy payment as result of Metro's audit of its FY 2006 audit expenditures for rail, bus and ADA paratransit services. FY 2009 Prior Year Audit Adjustments reflect a WMATA estimated additional County subsidy requirement associated with anticipated FY 2007 audit adjustments.

⁶ The ending balance in Fund 309, Metro Operations and Construction, varies from year to year and is primarily related to differences between the preliminary budget presented by WMATA's General Manager and WMATA's Adopted budget. In FY 2009 an ending balance of \$3.75 million will be held toward anticipated FY 2010 requirements.