

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 2011 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 includes County staff estimates based on initial FY 2011 information from WMATA in fall 2009. The WMATA Board Budget Committee reviews the WMATA proposed budget between January and May 2010. The Metro Board will make its final decisions and approve a budget in June 2010.

The projected operating and capital requirements for the FY 2011 County's Metro subsidy are \$109,089,919. The County's portion of the total WMATA budget is determined 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. The County meets its Metro subsidy through a General Fund transfer, General Obligation bonds, state transportation bond revenues, applied State Aid, Gas Tax receipts, and interest earnings on State Aid balances. State Aid and Gas Tax balances are held and directly disbursed to Metro by the Northern Virginia Transportation Commission (NVTC) according to a funding formula.



A FY 2011 General Fund transfer of \$7.4 million, the same level as in FY 2010, will support the County's FY 2011 Metro operating and capital construction subsidy. Other anticipated sources of support include: \$53.5 million in applied State Aid, \$22.2 million in applied Gas Tax Receipts, \$22.7 million in County General Obligation bonds, \$5.0 million in state transportation bonds, \$0.3 million in anticipated interest on balances held by NVTC, and \$0.1 million in proffer revenue from Fund 301, Contributed Roadway Improvement Fund for the operating support of bus service in the Franconia/Springfield area. Fund 309 funding support includes a transfer out of \$2.1 million to Fund 100, County Transit Systems.

Based on current Metro system needs, WMATA staff project an increased FY 2011 operating subsidy requirement from local jurisdictions. The County's FY 2011 proposed operating contribution of \$76.8 million includes this estimated increase. One time available State Aid balances, held by NVTC, are applied in support of projected operating increases. Further adjustments to the Metro FY 2011 budget, as approved by the Metro Board in June 2010, will be reflected as revisions to the County's FY 2011 budget as part of the County's FY 2010 Carryover Review process.

In FY 2011, General Obligation bond revenue of \$22.7 million supports the majority of the \$32.3 million County's subsidy for Metro Capital Construction Expenditures. State transportation bond revenues, State Aid and Gas Tax receipts support the balance of the construction subsidy.

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FY 2011 Funding Adjustments

The following funding is necessary to support the FY 2011 program:

- ◆ **Metro Annual Operating Requirements** **\$76,828,991**
The projected FY 2011 subsidy requirement for WMATA Operating Expenses totals \$76,828,991, an increase of \$4,824,314 or 6.7 percent over the *FY 2010 Revised Budget Plan*, due to initial estimated funding requirements based on information from WMATA budget staff in fall 2009, factoring in potential Metro FY 2011 adjustments and fare increases. This funding level supports existing Metrorail and Metrobus service levels, including \$42,914,081 for Metrobus; \$24,137,403 for Metrorail; and \$9,777,507 for MetroAccess service.

- ◆ **Metro Capital Requirements** **\$32,260,928**
FY 2011 Capital Construction expenditures total \$32,260,928, of which \$29,092,000 is focused on the Metro Capital 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 amount of \$3,168,928 funds Adopted Regional System (ARS) debt service requirements.

- ◆ **General Fund Support for Metro** **\$7,409,851**
The General Fund transfer of \$7,409,851 remains at the same level as in the *FY 2010 Revised Budget Plan* level.

- ◆ **Transfer Out to Fund 100, County Transit Systems** **\$2,070,620**
The FY 2011 Transfer Out of \$2,070,620 to Fund 100, County Transit Systems, provides continued support for FAIRFAX CONNECTOR system. This Fund 309 support for County transit operations is consistent with an 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 \$110,000 from Fund 301, Contributed Roadway Improvement Fund, 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 2010 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2010 Revised Budget Plan since passage of the FY 2010 Adopted Budget Plan. Included are all adjustments made as part of the FY 2009 Carryover Review, and all other approved changes through December 31, 2009:

- ◆ **Carryover Adjustments** **(\$4,847,655)**
FY 2010 expenditures decreased \$4,847,655 to reflect Fairfax County's allocated portion of WMATA's adopted Metro Matters capital budget. The decreased allocation to the County resulted from the Board of Supervisor's decision, as part of the *FY 2009 Third Quarter Review*, to provide a one-time "opt out" payment to WMATA in FY 2009 in support of the Metro Capital Program, in order to achieve future savings from the elimination of County annual contributions for debt service payments associated with these projects for the next 25 years.

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Key Performance Measures

Objectives

- ◆ To increase the annual number of trips taken on Metrobus routes serving Fairfax County.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
Output:					
Trips originating in Fairfax County	9,272,000	10,040,500	10,140,905 / NA	10,445,132	NA
Metrobus routes	87	100	100 / NA	85	NA
Metrobus platform hours	372,266	395,999	407,627 / NA	371,721	NA
Metrobus platform miles	7,065,260	7,310,086	7,564,034 / NA	6,662,941	NA
Efficiency:					
Operating subsidy	\$36,723,400	\$36,744,578	\$44,433,718 / NA	\$40,219,382	NA
Operating subsidy/platform hour	\$98.65	\$92.79	\$109.01 / NA	\$108.20	NA
Operating subsidy/platform mile	\$5.20	\$5.03	\$5.87 / NA	\$6.04	NA
Operating subsidy per Metrobus trip	\$3.96	\$3.66	\$4.38 / NA	\$3.85	NA
Outcome:					
Percent change in Fairfax County trips	0.0%	8.3%	1.0% / NA	3.0%	NA

Performance Measurement Results

Performance measurement data is supplied by Metro, and it will be updated as part of the FY 2011 Adopted Budget Plan process. This will allow time for Metro staff to detail the implications of any adjustments to transit service in Fairfax County resulting from the FY 2011 budget proposal released by the Metro General Manager in January 2010 and anticipated Metro Board action in June 2010.

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Key Performance Measures

Objectives

- ◆ To increase the number of Metrorail trips originating in Fairfax County.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
Output:					
Fairfax County ridership	28,815,191	28,432,596	29,285,574 / NA	30,164,131	NA
Efficiency:					
Operating subsidy	\$17,496,099	\$19,266,866	\$17,664,683 / NA	\$22,671,345	NA
Operating subsidy per Metrorail passenger	\$0.61	\$0.68	\$0.60 / NA	\$0.75	NA
Outcome:					
Percent change in Fairfax County ridership	(3.3%)	(1.3%)	3.0% / NA	3.0%	NA

Performance Measurement Results

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FUND STATEMENT

Fund Type G30, Capital Project Funds

Fund 309, Metro Operations and Construction

	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Beginning Balance	\$30,290,500	\$4,962,500	(\$32,252,164)	\$0
Revenue:				
Revenue Applied to Operating Expenses				
State Aid	\$39,835,604	\$45,957,341	\$41,548,785	\$49,079,760
Gas Tax Revenue	23,490,113	21,967,834	20,967,834	22,000,000
Interest on NVTC Balances	1,400,000	1,600,000	1,600,000	300,000
Subtotal - State/Gas Revenue, Operating	\$64,725,717	\$69,525,175	\$64,116,619	\$71,379,760
Revenue Applied to Capital Expenses				
NVTD Bonds Applied to Capital Construction ¹	\$0	\$0	\$0	\$5,000,000
State Aid Applied to ARS Debt Service	3,010,456	3,010,481	3,010,481	3,010,481
Gas Tax Rev. Applied to ARS Debt Service	158,444	158,447	158,447	158,447
State Aid Applied to Metro Matters Capital	903,195	1,000,000	1,000,000	0
State Aid Applied to Beyond Metro Matters Capital	417,000	417,000	417,000	1,400,000
Subtotal - State/Gas Revenue, Capital	\$4,489,095	\$4,585,928	\$4,585,928	\$9,568,928
County Revenue				
County Bond Sales ²	\$0	\$23,915,688	\$56,282,697	\$22,692,000
Subtotal - County Revenue	\$0	\$23,915,688	\$56,282,697	\$22,692,000
Total Revenue	\$69,214,812	\$98,026,791	\$124,985,244	\$103,640,688
Transfers In:				
General Fund (001)	\$7,509,851	\$7,409,851	\$7,409,851	\$7,409,851
Contributed Roadway Improvement Fund (301)	110,000	110,000	110,000	110,000
Total Transfers In	\$7,619,851	\$7,519,851	\$7,519,851	\$7,519,851
Total Available	\$107,125,163	\$110,509,142	\$100,252,931	\$111,160,539

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Fund Type G30, Capital Project Funds	Fund 309, Metro Operations and Construction			
	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Expenditures:				
Operating Expenditures				
Bus Operating Subsidy ³	\$45,291,601	\$48,146,315	\$40,219,382	\$42,914,081
Rail Operating Subsidy	17,664,683	20,491,032	22,621,746	24,137,403
ADA Paratransit - Metro	7,565,419	8,775,886	9,163,549	9,777,507
Prior Year Audit Adjustments ⁴	1,409,460	0	0	0
Subtotal - Operating Expenditures	<u>\$71,931,163</u>	<u>\$77,413,233</u>	<u>\$72,004,677</u>	<u>\$76,828,991</u>
Capital Construction Expenditures				
Metro Matters Capital ²	\$61,945,859	\$27,519,000	\$22,671,345	\$0
Beyond Metro Matters Capital	417,000	417,000	417,000	29,092,000
ARS Debt Service	3,168,900	3,168,928	3,168,928	3,168,928
Total County Capital Construction Subsidy	<u>\$65,531,759</u>	<u>\$31,104,928</u>	<u>\$26,257,273</u>	<u>\$32,260,928</u>
Total Operating and Capital Subsidy	<u>\$137,462,922</u>	<u>\$108,518,161</u>	<u>\$98,261,950</u>	<u>\$109,089,919</u>
Applied Support				
Applied NVTC State Aid and Gas Tax to Operating	(\$63,325,717)	(\$67,925,175)	(\$62,516,619)	(\$71,079,760)
Applied Interest at NVTC to Operating	(1,400,000)	(1,600,000)	(1,600,000)	(300,000)
Applied NVTD Bonds to Capital Construction ¹	0	0	0	(5,000,000)
Applied NVTC State Aid and Gas Tax to Capital	(4,489,095)	(4,585,928)	(4,585,928)	(4,568,928)
Total Expenditures, County	<u>\$68,248,110</u>	<u>\$34,407,058</u>	<u>\$29,559,403</u>	<u>\$28,141,231</u>
Transfers Out:				
County Transit Systems (100)	\$1,914,405	\$1,990,981	\$1,990,981	\$2,070,620
Total Transfers Out	<u>\$1,914,405</u>	<u>\$1,990,981</u>	<u>\$1,990,981</u>	<u>\$2,070,620</u>
Total Disbursements, NVTC and County	<u>\$139,377,327</u>	<u>\$110,509,142</u>	<u>\$100,252,931</u>	<u>\$111,160,539</u>
Ending Balance ⁵	<u>(\$32,252,164)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund and Contributions	\$2,359,188	\$0	\$0	\$0
Bond Funds	(34,611,352)	0	0	0
Unreserved Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

¹ In July 2009, the Commonwealth Transportation Board approved the issuance of Northern Virginia Transportation District (NVTC) bonds, \$5.0 million of which will be applied to meet Fairfax County's portion of Metro's FY 2011 capital construction requirements.

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. On November 2, 2004, the voters approved a \$110 million Transportation Bond. In October 2009, total bond proceeds of \$56.3 million were realized, of which \$53.71 million was bond sales and \$2.59 was bond premium, leaving a balance of \$9.57 million in authorized but unissued bonds for this fund. The October 2009 bond sale amount included \$37.6 million to provide County one-time support to the Metro Capital Program, allowing the County to opt-out of debt service payments associated with capital projects for the next 25 years.

³ Expenditures for the Bus Operating Subsidy include \$644,000 in continuing annual support of the Springfield Circulator service.

⁴ The prior year adjustment is the amount owed or credited as a result of WMATA's audit of expenditures from two years prior.

⁵ 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. The negative FY 2009 ending balance will be adjusted by authorized but unissued bonds to be sold during FY 2010.

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