

## 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 2012 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 FY 2012 WMATA budget presented here includes preliminary County staff estimates in Fall 2010. The WMATA Board Budget Committee reviews the WMATA proposed budget between January and May 2011. The Metro Board will make its final decisions and approve a budget in June 2011.

The projected operating and capital requirements for the County's FY 2012 Metro subsidy are \$108,676,073. 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, 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).



Based on current Metro system needs, an increase is anticipated in the FY 2012 operating subsidy requirement from local jurisdictions. The County's FY 2012 proposed operating contribution of \$79.3 million includes an estimated 7 percent increase over the FY 2011 operating contribution as well as a prior year WMATA audit adjustment of \$2.2 million. In addition, Fund 309 supports a transfer out of \$2.2 million to Fund 100, County Transit Systems. The total operational requirements of \$79.3 million and the \$2.2 million for County Transit requirements is funded through the following sources: a proposed FY 2012 General Fund transfer of \$11.3 million (an increase of \$3.9 million over the FY 2011 transfer), \$51.8 million in applied State Aid, \$18.0 million in applied Gas Tax Receipts, \$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.

In FY 2012, General Obligation bond revenue of \$24.77 million supports the majority of the \$29.34 million County subsidy for Metro Capital Construction Expenditures. Sources of support for the balance of the construction subsidy also include \$4.41 million in State Aid and \$0.16 million in Gas Tax receipts.

Further adjustments to the Metro FY 2012 budget, to be approved by the Metro Board in June 2011, will be reflected as revisions to the County's FY 2012 budget as part of the County's FY 2011 Carryover Review process.

# Fund 309

## Metro Operations and Construction

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### FY 2012 Funding Adjustments

*The following funding is necessary to support the FY 2012 program.*

- ◆ **Metro Annual Operating Requirements** **\$79,334,145**  
The projected FY 2012 subsidy requirement for WMATA Operating Expenses totals \$79,334,145, a net increase of \$7,246,159 over the *FY 2011 Revised Budget Plan* due to a prior year audit adjustment of \$2.2 million and an operating increase of \$5.0 million, or 7 percent, based on estimated funding requirements as of fall 2010. This funding level supports existing Metrorail and Metrobus service levels, including \$48,303,042 for Metrobus; \$16,689,503 for Metrorail; and \$12,141,600 for MetroAccess service.
  
- ◆ **Metro Capital Requirements** **\$29,341,928**  
Projected FY 2012 Capital Construction expenditures total \$29,341,928 of which \$26,173,000 will support the acquisition of facilities, equipment, rail cars, and buses, as well as provide general infrastructure support to the 106-mile Metrorail system. An amount of \$3,168,928 funds the Adopted Regional System (ARS) debt service requirements.
  
- ◆ **Transfer Out to Fund 100, County Transit Systems** **\$2,215,563**  
The FY 2012 Transfer Out of \$2,215,563 to Fund 100, County Transit Systems, provides continued support for FAIRFAX CONNECTOR system. This level of 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 funds that resulted from the formula change be used only for transit service enhancements.
  
- ◆ **General Fund Support for Metro** **\$11,298,296**  
A proposed General Fund transfer of \$11,298,296 is an increase of \$3,888,445 over the *FY 2011 Revised Budget Plan* level based on projected operating requirements.
  
- ◆ **Support from Fund 301, Contributed Roadway Improvement Fund** **\$110,000**  
A transfer of \$110,000 from Fund 301, Contributed Roadway Improvement Fund, provides annual operating support of shuttle service in the Franconia/Springfield area. This level is consistent with the prior year level of support.

### **Changes to FY 2011 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2011 Revised Budget Plan since passage of the FY 2011 Adopted Budget Plan. Included are all adjustments made as part of the FY 2010 Carryover Review, FY 2011 Third Quarter Review, and all other approved changes through April 12, 2011.*

- ◆ **Carryover Adjustments** **(\$6,221,000)**  
FY 2011 expenditures decreased by \$6,221,000 based on Metro's approved Capital Improvement Program budget. As a result of the lower expenditure requirements and \$1,732,294 in bond revenue balances from FY 2010, County Bond Sale support in FY 2011 decreased by \$7,953,294. There was no change to the FY 2011 County expenditure level for the approved Metro Operations budget, supported through the General Fund Transfer. However, it is noted that Metro's approved operating budget resulted in a decrease of \$4,741,005 in the total County operating subsidy supported through other sources. This decrease resulted in a corresponding adjustment to the total level of State Aid and

## Fund 309 Metro Operations and Construction

Gas Tax applied from the Northern Virginia Transportation Commission (NVTC) as revenue to this fund.

### ◆ Third Quarter Adjustments

As part of the *FY 2011 Third Quarter Review*, the Board of Supervisors made no adjustments to this fund.

## 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 2008 Actual     | FY 2009 Actual | FY 2010 Estimate/Actual     | FY 2011          | FY 2012         |
| <b>Output:</b>                         |                    |                |                             |                  |                 |
| Trips originating in Fairfax County    | 10,040,500         | 9,440,350      | 9,534,754 / 9,534,754       | 9,629,158        | 9,506,842       |
| Metrobus routes                        | 100                | 100            | 85 / 75                     | 85               | 85              |
| Metrobus platform hours                | 395,999            | 407,844        | 371,721 / 371,721           | 395,662          | 341,420         |
| Metrobus platform miles                | 7,310,086          | 6,565,966      | 6,662,941 / 6,662,941       | 7,330,351        | 7,225,200       |
| <b>Efficiency:</b>                     |                    |                |                             |                  |                 |
| Operating subsidy                      | \$36,744,578       | \$45,291,601   | \$40,219,382 / \$40,204,282 | \$45,143,030     | \$48,303,042    |
| Operating subsidy/platform hour        | \$92.79            | \$111.05       | \$108.20 / \$108.16         | \$114.09         | \$141.48        |
| Operating subsidy/platform mile        | \$5.03             | \$6.90         | \$6.04 / \$6.03             | \$6.16           | \$6.69          |
| Operating subsidy per Metrobus trip    | \$3.66             | \$4.80         | \$4.22 / \$4.22             | \$4.69           | \$5.08          |
| <b>Outcome:</b>                        |                    |                |                             |                  |                 |
| Percent change in Fairfax County trips | 8.3%               | (6.0%)         | 1.0% / 1.0%                 | 1.0%             | (1.3%)          |

## Performance Measurement Results

Fairfax County Metrobus ridership has fluctuated slightly from year to year for the period from FY 2008 through FY 2010. Metrobus trips originating in Fairfax County increased by 1 percent from FY 2009 to FY 2010, with a FY 2010 total of 9.5 million trips. Annual growth of 94,404 trips is anticipated in FY 2011. A decrease of 122,316, or 1.3 percent, is anticipated in FY 2012. It is noted that jurisdictional data provided by WMATA has been used to populate this chart. The County's FY 2012 operating subsidy per Metrobus trip is projected to be \$5.08.

## Fund 309 Metro Operations and Construction

### Key Performance Measures

#### Objectives

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

| Indicator                                  | Prior Year Actuals |                |                                | Current Estimate | Future Estimate |
|--|--------------------|----------------|--------------------------------|------------------|-----------------|
|  | FY 2008 Actual     | FY 2009 Actual | FY 2010 Estimate/Actual        | FY 2011          | FY 2012         |
| <b>Output:</b>                             |                    |                |                                |                  |                 |
| Fairfax County ridership                   | 28,432,596         | 29,012,470     | 29,302,595 /<br>32,235,300     | 32,499,600       | 32,469,920      |
| <b>Efficiency:</b>                         |                    |                |                                |                  |                 |
| Operating subsidy                          | \$19,266,866       | \$17,664,683   | \$22,621,746 /<br>\$22,621,746 | \$15,597,666     | \$16,689,503    |
| Operating subsidy per Metrorail passenger  | \$0.68             | \$0.61         | \$0.77 / \$0.70                | \$0.48           | \$0.51          |
| <b>Outcome:</b>                            |                    |                |                                |                  |                 |
| Percent change in Fairfax County ridership | (1.3%)             | 2.0%           | 1.0% / 11.1%                   | 0.8%             | (0.1%)          |

### Performance Measurement Results

Fairfax County Metrorail ridership is projected to be 32,469,920 in FY 2012, nearly flat with the FY 2011 level. It is noted that jurisdictional data provided by WMATA has been used to populate this chart. The County FY 2012 operating subsidy per Metrorail trip is projected to be \$0.51.

# Fund 309

## Metro Operations and Construction

### FUND STATEMENT

Fund Type G30, Capital Project Funds

Fund 309, Metro Operations and Construction

|   | FY 2010<br>Actual | FY 2011<br>Adopted<br>Budget Plan | FY 2011<br>Revised<br>Budget Plan | FY 2012<br>Advertised<br>Budget Plan | FY 2012<br>Adopted<br>Budget Plan |
|---|-------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| <b>Beginning Balance</b>                  | (\$32,252,164)    | \$0                               | \$1,732,294                       | \$0                                  | \$0                               |
| Revenue:                                  |                   |                                   |                                   |                                      |                                   |
| Revenue Applied to Operating              |                   |                                   |                                   |                                      |                                   |
| Expenses:                                 |                   |                                   |                                   |                                      |                                   |
| State Aid                                 | \$46,002,881      | \$49,079,760                      | \$48,338,755                      | \$51,841,412                         | \$51,841,412                      |
| Gas Tax Revenue                           | 17,798,638        | 22,000,000                        | 18,000,000                        | 18,000,000                           | 18,000,000                        |
| Interest on NVTC Balances                 | 300,000           | 300,000                           | 300,000                           | 300,000                              | 300,000                           |
| <b>Subtotal - State/Gas Revenue,</b>      |                   |                                   |                                   |                                      |                                   |
| Operating                                 | \$64,101,519      | \$71,379,760                      | \$66,638,755                      | \$70,141,412                         | \$70,141,412                      |
| Revenue Applied to Capital                |                   |                                   |                                   |                                      |                                   |
| Expenses:                                 |                   |                                   |                                   |                                      |                                   |
| NVTD Bonds Applied to Capital             |                   |                                   |                                   |                                      |                                   |
| Construction <sup>1</sup>                 | \$0               | \$5,000,000                       | \$5,000,000                       | \$0                                  | \$0                               |
| State Aid Applied to ARS Debt             |                   |                                   |                                   |                                      |                                   |
| Service                                   | 3,010,456         | 3,010,481                         | 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                              | 158,447                           |
| State Aid Applied to Metro Matters        |                   |                                   |                                   |                                      |                                   |
| Capital                                   | 1,000,000         | 0                                 | 0                                 | 0                                    | 0                                 |
| CMAQ Funds Applied to Metro               |                   |                                   |                                   |                                      |                                   |
| Matters Capital <sup>2</sup>              | 1,648,000         | 0                                 | 0                                 | 0                                    | 0                                 |
| State Aid Applied to Beyond Metro         |                   |                                   |                                   |                                      |                                   |
| Matters Capital                           | 417,000           | 1,400,000                         | 1,400,000                         | 1,400,000                            | 1,400,000                         |
| <b>Capital</b>                            | \$6,233,900       | \$9,568,928                       | \$9,568,928                       | \$4,568,928                          | \$4,568,928                       |
| County Revenue:                           |                   |                                   |                                   |                                      |                                   |
| County Bond Sales <sup>3</sup>            | \$56,300,000      | \$22,692,000                      | \$14,738,706                      | \$24,773,000                         | \$24,773,000                      |
| <b>Subtotal - County Revenue</b>          | \$56,300,000      | \$22,692,000                      | \$14,738,706                      | \$24,773,000                         | \$24,773,000                      |
| <b>Total Revenue</b>                      | \$126,635,419     | \$103,640,688                     | \$90,946,389                      | \$99,483,340                         | \$99,483,340                      |
| Transfers In:                             |                   |                                   |                                   |                                      |                                   |
| General Fund (001)                        | \$7,409,851       | \$7,409,851                       | \$7,409,851                       | \$11,298,296                         | \$11,298,296                      |
| Contributed Roadway                       |                   |                                   |                                   |                                      |                                   |
| Improvement Fund (301)                    | 110,000           | 110,000                           | 110,000                           | 110,000                              | 110,000                           |
| <b>Total Transfers In</b>                 | \$7,519,851       | \$7,519,851                       | \$7,519,851                       | \$11,408,296                         | \$11,408,296                      |
| <b>Total Available</b>                    | \$101,903,106     | \$111,160,539                     | \$100,198,534                     | \$110,891,636                        | \$110,891,636                     |
| Expenditures:                             |                   |                                   |                                   |                                      |                                   |
| Operating Expenditures                    |                   |                                   |                                   |                                      |                                   |
| Bus Operating Subsidy <sup>4</sup>        | \$40,204,282      | \$42,914,081                      | \$45,143,030                      | \$48,303,042                         | \$48,303,042                      |
| Rail Operating Subsidy                    | 22,621,746        | 24,137,403                        | 15,597,666                        | 16,689,503                           | 16,689,503                        |
| ADA Paratransit - Metro                   | 9,163,549         | 9,777,507                         | 11,347,290                        | 12,141,600                           | 12,141,600                        |
| Prior Year Audit Adjustments <sup>5</sup> | 0                 | 0                                 | 0                                 | 2,200,000                            | 2,200,000                         |
| <b>Subtotal - Operating Expenditures</b>  | \$71,989,577      | \$76,828,991                      | \$72,087,986                      | \$79,334,145                         | \$79,334,145                      |

# Fund 309

## Metro Operations and Construction

### FUND STATEMENT

**Fund Type G30, Capital Project Funds**

**Fund 309, Metro Operations and Construction**

|   | FY 2010<br>Actual    | FY 2011<br>Adopted<br>Budget Plan | FY 2011<br>Revised<br>Budget Plan | FY 2012<br>Advertised<br>Budget Plan | FY 2012<br>Adopted<br>Budget Plan |
|---|----------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Capital Construction Expenditures           |                      |                                   |                                   |                                      |                                   |
| Metro Matters Capital                       | \$22,604,354         | \$0                               | \$0                               | \$0                                  | \$0                               |
| Beyond Metro Matters Capital                | 417,000              | 0                                 | 0                                 | 0                                    | 0                                 |
| Program                                     | 0                    | 29,092,000                        | 22,871,000                        | 26,173,000                           | 26,173,000                        |
| ARS Debt Service                            | 3,168,900            | 3,168,928                         | 3,168,928                         | 3,168,928                            | 3,168,928                         |
| Total County Capital Construction           |                      |                                   |                                   |                                      |                                   |
| Subsidy                                     | \$26,190,254         | \$32,260,928                      | \$26,039,928                      | \$29,341,928                         | \$29,341,928                      |
| Total Operating and Capital Subsidy         | \$98,179,831         | \$109,089,919                     | \$98,127,914                      | \$108,676,073                        | \$108,676,073                     |
| Applied Support                             |                      |                                   |                                   |                                      |                                   |
| Applied NVTC State Aid and Gas              |                      |                                   |                                   |                                      |                                   |
| Tax to Operating                            | (\$63,801,519)       | (\$71,079,760)                    | (\$66,338,755)                    | (\$69,841,412)                       | (\$69,841,412)                    |
| Applied Interest at NVTC to                 |                      |                                   |                                   |                                      |                                   |
| Operating                                   | (300,000)            | (300,000)                         | (300,000)                         | (300,000)                            | (300,000)                         |
| Applied NVTD Bonds to Capital               |                      |                                   |                                   |                                      |                                   |
| Construction <sup>1</sup>                   | 0                    | (5,000,000)                       | (5,000,000)                       | 0                                    | 0                                 |
| Applied NVTC State Aid and Gas              |                      |                                   |                                   |                                      |                                   |
| Tax to Capital                              | (4,585,900)          | (4,568,928)                       | (4,568,928)                       | (4,568,928)                          | (4,568,928)                       |
| Applied CMAQ Funds to Capital               | (1,648,000)          | 0                                 | 0                                 | 0                                    | 0                                 |
| Total Expenditures, County                  | \$27,844,412         | \$28,141,231                      | \$21,920,231                      | \$33,965,733                         | \$33,965,733                      |
| Transfers Out:                              |                      |                                   |                                   |                                      |                                   |
| County Transit Systems (100)                | \$1,990,981          | \$2,070,620                       | \$2,070,620                       | \$2,215,563                          | \$2,215,563                       |
| Total Transfers Out                         | \$1,990,981          | \$2,070,620                       | \$2,070,620                       | \$2,215,563                          | \$2,215,563                       |
| <b>Total Disbursements, NVTC and County</b> | <b>\$100,170,812</b> | <b>\$111,160,539</b>              | <b>\$100,198,534</b>              | <b>\$110,891,636</b>                 | <b>\$110,891,636</b>              |
| <b>Ending Balance <sup>6</sup></b>          | <b>\$1,732,294</b>   | <b>\$0</b>                        | <b>\$0</b>                        | <b>\$0</b>                           | <b>\$0</b>                        |
| General Fund and Contributions              | \$0                  | \$0                               | \$0                               | \$0                                  | \$0                               |
| Bond Funds                                  | 1,732,294            | 0                                 | 0                                 | 0                                    | 0                                 |
| <b>Unreserved Balance</b>                   | <b>\$0</b>           | <b>\$0</b>                        | <b>\$0</b>                        | <b>\$0</b>                           | <b>\$0</b>                        |

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

<sup>2</sup> Congestion Management and Air Quality (CMAQ) federal revenue was applied in FY 2010 for the purchase of replacement buses at WMATA.

<sup>3</sup> 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, an amount of \$56.3 million was sold, including \$2.59 million in 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. The increase in County Bond Sales between FY 2011 and FY 2012 is necessary primarily to replace beginning balance and NVTD bonds, available in FY 2011 but not in FY 2012 in support of expenditure requirements. On November 2, 2010, the voters approved a \$120 million Transportation bond, which will support FY 2012 and future years' bond sales for the County share of Metro capital requirements.

<sup>4</sup> Expenditures for the Bus Operating Subsidy include continuing annual support of the Springfield Circulator service.

<sup>5</sup> The prior year adjustment is the amount owed or credited as a result of WMATA's audit of expenditures from two years prior.

<sup>6</sup> 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 FY 2010 ending balance for bond funds results from the application of unanticipated CMAQ revenue in FY 2010 to capital construction expenditures.