Fund 30000
Metro Operations and Construction

Focus

Fund 30000, 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 2015 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 2015 WMATA budget presented here includes preliminary County staff estimates in Fall 2013. The WMATA Board Budget Committee reviews the WMATA proposed budget between January and May 2014. The Metro Board will make its final decisions and approve a budget in June 2014.

The projected operating and capital requirements for the County's FY 2015 Metro subsidy are $139,352,974. 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 2015 operating subsidy requirement from local jurisdictions. The County's FY 2015 proposed operating contribution of $109.80 million includes an estimated 19.6 percent increase over the FY 2014 Adopted Budget Plan operating contribution. The increase in operating contribution is associated with the WMATA General Manager's proposed FY 2015 budget, which assumes inflationary adjustments for all operational categories (e.g. Bus, Rail, and Paratransit services) as well as full-year Silver Line costs. Annualized costs for the Silver Line are estimated to be $47.3 million. System revenues will cover $33.2 million and the balance is covered by the regional subsidy of $14.1 million, which Fairfax County contributes $3.4 million. In addition, Fund 30000 supports a transfer out of $2.49 million to Fund 40000, County Transit Systems.

The total operational requirements of $109.80 million and the $2.49 million for County Transit requirements are funded through the following sources: a proposed FY 2015 General Fund transfer of $11.30 million, which is no change from the FY 2014 level, $72.79 million in applied State Aid, $27.50 million in applied Gas Tax Receipts, $0.15 million in anticipated interest on balances held by NVTC, and $0.55 million in proffer revenue from Fund 30040, Contributed Roadway Improvement Fund, for the operating support of bus service in the Franconia/Springfield area.

In FY 2015, General Obligation bond revenue of $26.80 million supports the majority of the $29.56 million County subsidy for Metro Capital Construction Expenditures. Sources of support for the balance of the construction subsidy also include $2.69 million in State Aid and $0.068 million in Gas Tax receipts.

Further adjustments to the Metro FY 2015 budget, to be approved by the Metro Board in June 2014, will be reflected as revisions to the County's FY 2015 budget as part of the County's *FY 2014 Carryover Review* process.

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 29, 2014.

- **Metro Annual Operating Requirements** **$109,795,242**
  The projected FY 2015 subsidy requirement for WMATA Operating Expenses totals $109,795,242, an increase of $17,959,836, or 19.6 percent over the FY 2014 Adopted Budget Plan based on estimated funding requirements as of Fall 2013. This funding level supports existing Metrorail and Metrobus service levels, including $57,329,568 for Metrobus; $38,446,989 for Metrorail; and $14,018,685 for MetroAccess service.

- **Metro Capital Requirements** **$29,557,732**
  Projected FY 2015 Capital Construction expenditures total $29,557,732, a decrease of $250,869, or 0.8 percent from the FY 2014 Adopted Budget Plan, of which $28,200,000 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 $1,357,732 funds the Adopted Regional System (ARS) debt service requirements.

- **Transfer Out to Fund 40000, County Transit Systems** **$2,492,207**
  The FY 2015 Transfer Out of $2,492,207, an increase of $95,854, or 4.0 percent over the FY 2014 Adopted Budget Plan, to Fund 40000, 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 consistent with the prior year level of support.

- **Support from Fund 30040, Contributed Roadway Improvement Fund** **$550,000**
  A transfer of $550,000 from Fund 30040, Contributed Roadway Improvement Fund, provides annual operating support of shuttle service in the Franconia/Springfield area.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, FY 2014 Third Quarter Review, and all other approved changes through April 30, 2014.

- **Carryover Adjustments** **$201,268**
  FY 2014 expenditures are recommended to increase $201,268 based on Metro's approved Capital Improvement Program budget. The Sale of Bonds in support of Metro's capital program decreases in the amount of $1,730,146, as a result of bond funds available in fund balance from FY 2013 due to lower capital expenditure requirements in the prior year, partially offset by the increase required for the FY 2014 capital program.

Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	FY 2014	FY 2015
Metrobus					
Percent change in Fairfax County trips	3.8%	5.4%	(2.6%)/(0.1%)	2.4%	2.9%
Metrorail					
Percent change in Fairfax County ridership	(1.9%)	1.0%	(4.6%)/(4.2%)	3.9%	21.9%

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2015/adopted/pm/30000.pdf

Performance Measurement Results

Fairfax County Metrobus ridership has fluctuated slightly from year to year for the period from FY 2011 through FY 2013. Metrobus trips originating in Fairfax County decreased by 0.1 percent from FY 2012 to FY 2013, with a FY 2013 total of 9.5 million trips. Fairfax County Metrorail ridership is projected to increase 21.9 percent in FY 2015, a substantial increase from the FY 2013 actual level due to the opening of Dulles Rail Phase I. It should be noted that jurisdictional data provided by WMATA has been used to populate this chart, and in some cases prior-year actual data has been revised to reflect updated data capturing methodologies.

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FUND STATEMENT

Fund 30000, Metro Operations and Construction

	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2015 Advertised Budget Plan	FY 2015 Adopted Budget Plan
Beginning Balance	$9,505,414	$0	$1,931,414	$0	$0
Revenue:					
Revenue Applied to Operating Expenses:					
State Aid	$49,734,199	$56,616,843	$60,785,673	$72,789,153	$72,789,153
Gas Tax Revenue	28,568,031	25,906,620	27,500,000	27,500,000	27,500,000
Interest on NVTC Balances	55,949	300,000	300,000	150,000	150,000
Subtotal - State/Gas Revenue, Operating	$78,358,179	$82,823,463	$88,585,673	$100,439,153	$100,439,153
Revenue Applied to Capital Expenses:					
State Aid Applied to ARS Debt Service	$1,774,221	$1,774,221	$1,289,845	$1,289,845	$1,289,845
Gas Tax Rev. Applied to ARS Debt Service	93,380	93,380	67,887	67,887	67,887
State Aid Applied to Metro Matters Capital	2,319,428	1,400,000	1,400,000	1,400,000	1,400,000
Subtotal - State/Gas Revenue, Capital	$4,187,029	$3,267,601	$2,757,732	$2,757,732	$2,757,732
County Revenue:					
County Bond Sales[1]	$15,000,000	$26,541,000	$24,810,854	$26,800,000	$26,800,000
Subtotal - County Revenue	$15,000,000	$26,541,000	$24,810,854	$26,800,000	$26,800,000
Total Revenue	$97,545,208	$112,632,064	$116,154,259	$129,996,885	$129,996,885
Transfers In:					
General Fund (10001)	$11,298,296	$11,298,296	$11,298,296	$11,298,296	$11,298,296
Contributed Roadway Improvement Fund (30040)[2]	110,000	110,000	110,000	550,000	550,000
Total Transfers In	$11,408,296	$11,408,296	$11,408,296	$11,848,296	$11,848,296
Total Available	$118,458,918	$124,040,360	$129,493,969	$141,845,181	$141,845,181
Expenditures:					
Operating Expenditures					
Bus Operating Subsidy[3]	$48,828,512	$51,269,939	$52,117,788	$57,329,568	$57,329,568
Rail Operating Subsidy	26,209,400	27,519,871	34,951,808	38,446,989	38,446,989
ADA Paratransit - Metro	12,424,377	13,045,596	13,351,129	14,018,685	14,018,685
Prior Year Audit Adjustments	0	0	(4,180,841)	0	0
Subtotal - Operating Expenditures	$87,462,289	$91,835,406	$96,239,884	$109,795,242	$109,795,242

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	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2015 Advertised Budget Plan	FY 2015 Adopted Budget Plan
Capital Construction Expenditures					
Metro Matters Capital	$24,893,428	$27,941,000	$29,500,000	$28,200,000	$28,200,000
ARS Debt Service	1,867,601	1,867,601	1,357,732	1,357,732	1,357,732
Total County Capital Construction Subsidy	$26,761,029	$29,808,601	$30,857,732	$29,557,732	$29,557,732
Total Operating and Capital Subsidy	$114,223,318	$121,644,007	$127,097,616	$139,352,974	$139,352,974
Applied Support					
Applied NVTC State Aid and Gas Tax to Operating	($78,302,230)	($82,523,463)	($88,285,673)	($100,289,153)	($100,289,153)
Applied Interest at NVTC to Operating	(55,949)	(300,000)	(300,000)	(150,000)	(150,000)
Applied NVTC Bonds to Capital Construction	0	0	0	0	0
Applied NVTC State Aid and Gas Tax to Capital	(4,187,029)	(3,267,601)	(2,757,732)	(2,757,732)	(2,757,732)
Applied CMAQ Funds to Capital	0	0	0	0	0
Total Expenditures, County	$31,678,110	$35,552,943	$35,754,211	$36,156,089	$36,156,089
Transfers Out:					
County Transit Systems (40000)	$2,304,186	$2,396,353	$2,396,353	$2,492,207	$2,492,207
Total Transfers Out	$2,304,186	$2,396,353	$2,396,353	$2,492,207	$2,492,207
Total Disbursements, NVTC and County	$116,527,504	$124,040,360	$129,493,969	$141,845,181	$141,845,181
Ending Balance[4]	$1,931,414	$0	$0	$0	$0
General Fund and Contributions	$0	$0	$0	$0	$0
Bond Funds	1,931,414	0	0	0	0
Unreserved Balance	$0	$0	$0	$0	$0

[1] 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.

[2] The transfer of $550,000 from Fund 30040, Contributed Roadway Improvement Fund is required to balance proffer fund collections over the last two fiscal years.

[3] Expenditures for the Bus Operating Subsidy include continuing annual support of the Springfield Circulator service.

[4] The ending balance in Fund 30000, 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.