

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 2018 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 117-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 Board Budget Committee reviewed the WMATA proposed budget between January and March 2017. The FY 2018 WMATA budget presented includes preliminary County staff estimates from fall 2016. The County's subsidy requirement for its portion of WMATA's FY 2018 Adopted Operating Budget will be incorporated as part of the *FY 2017 Carryover Review*.

Projected operating and capital requirements for the County's FY 2018 Metro subsidy totals \$178,600,000. 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 disbursed to Metro by the Northern Virginia Transportation Commission (NVTC). Metro increases have been accommodated in FY 2018 with no impact on County funding. This is possible due to available funds from the accumulated State Aid at NVTC. As the conversation continues regarding ongoing WMATA funding, a significant increase in County funding may be required in future years.



Based on current Metro system needs, an increase is anticipated in the FY 2018 operating subsidy requirement from local jurisdictions. The County's FY 2018 operating contribution of \$138.6 million is a 7.2 percent increase over the [FY 2017 Adopted Budget Plan](#) level. The increase in operating contribution assumes inflationary adjustments for all operational categories (e.g. Bus, Rail and Paratransit services) as well as full-year Silver Line costs. In addition, Fund 30000 supports a transfer out of \$2.8 million to Fund 40000, County Transit Systems.

The total operational requirements of \$138.6 million and the \$2.8 million for County Transit requirements are funded through the following sources: a FY 2018 General Fund transfer of \$13.6 million, \$110.2 million in applied State Aid, \$17.3 million in applied Gas Tax Receipts, \$0.15 million in anticipated interest on balances held by NVTC, and \$0.15 million in proffer revenue from Fund 30040, Contributed Roadway Improvements, for the operating support of bus service in the Franconia/Springfield area.

Fund 30000

Metro Operations and Construction

For FY 2018, the County has a \$117.8 million capital requirement to Metro to be offset by \$30 million in General Obligation Transportation Bonds and \$10 million in State Aid. For the \$77.8 million net remaining, staff is requesting that Metro sell this portion on the County's behalf as part of their larger bond sale programmed for FY 2018. The County's share of that debt, approximately \$4.8 million, would be due annually beginning in FY 2019.

FY 2018 Funding Adjustments

The following funding adjustments from the FY 2017 Adopted Budget Plan are necessary to support the FY 2018 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 May 2, 2017.

- ◆ **Metro Annual Operating Requirements** **\$9,320,823**
The projected FY 2018 subsidy requirement for WMATA Operating Expenses totals \$138,600,000, an increase of \$9,320,823, or 7.2 percent over the FY 2017 Adopted Budget Plan were based on estimated funding requirements as of fall 2016. The County's subsidy requirement for the FY 2018 Adopted WMATA operating expenses will be incorporated as part of the *FY 2017 Carryover Review*.

- ◆ **Metro Capital Requirements** **\$40,000,000**
Projected FY 2018 Capital Construction expenditures total \$40,000,000, an increase of \$5,000,000, or 14.3 percent, from the FY 2017 Adopted Budget Plan. This funding supports the acquisition of facilities, equipment, rail cars, and buses, and also provides general infrastructure support to the 117-mile Metrorail system.

Changes to FY 2017 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2017 Revised Budget Plan since passage of the FY 2017 Adopted Budget Plan. Included are all adjustments made as part of the FY 2016 Carryover Review, FY 2017 Third Quarter Review, and all other approved changes through April 30, 2017.

- ◆ **Third Quarter Adjustments** **(\$20,853)**
As part of the *FY 2017 Third Quarter Review*, the Board of Supervisors approved a reduction of \$20,853 to reconcile additional State Aid requirements in FY 2017. State Aid revenues are applied directly from the Northern Virginia Transportation Commission to the Washington Metropolitan Area Transit Authority.

Fund 30000 Metro Operations and Construction

Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate/Actual	FY 2017	FY 2018
Metrobus					
Percent change in Fairfax County trips	1.8%	(1.1%)	0.0%/(21.1%)	(2.0%)	0.0%
Metrorail					
Percent change in Fairfax County ridership	(2.3%)	(7.4%)	1.7%/(7.8%)	(18.5%)	0.0%

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2018/adopted/pm/30000.pdf

Performance Measurement Results

WMATA conducted a Metrobus passenger survey in 2008, which generated the percentages used to calculate the bus ridership by jurisdiction. In FY 2015, a new survey was completed, which was used to update the percentages for FY 2016 and out-years along with geocoding route data to produce more accurate data. Therefore, not only did the overall ridership decline, but Fairfax County's bus ridership went down as well. Overall, Metrorail ridership is also down. There are several reasons for the overall drop in ridership of the system, including SafeTrack maintenance surges, reliability issues, lower gas prices, a reduction in the federal transit benefit, the economy (fewer jobs), and more teleworking.

Fund 30000

Metro Operations and Construction

FUND STATEMENT

Fund 30000, Metro Operations and Construction

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Beginning Balance	\$889,147	\$0	(\$20,853)	\$0	\$0
Revenue:					
Revenue Applied to Operating Expenses:					
State Aid	\$91,866,985	\$93,627,188	\$84,827,575	\$110,245,059	\$110,245,059
Gas Tax Revenue	17,261,810	24,500,000	22,800,000	17,300,000	17,300,000
Interest on NVTC Balances	168,469	100,000	150,000	150,000	150,000
Subtotal - State/Gas Revenue, Operating	\$109,297,264	\$118,227,188	\$107,777,575	\$127,695,059	\$127,695,059
Revenue Applied to Capital Expenses:					
Gas Tax Rev. Applied to ARS Debt Service	\$0	\$0	\$0	\$0	\$0
State Aid Applied to Metro Capital	3,120,628	5,000,000	6,740,853	10,000,000	10,000,000
Subtotal - State/Gas Revenue, Capital	\$3,120,628	\$5,000,000	\$6,740,853	\$10,000,000	\$10,000,000
County Revenue:					
County Bond Sales ¹	\$23,190,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
Total Revenue	\$135,607,892	\$153,227,188	\$144,518,428	\$167,695,059	\$167,695,059
Transfers In:					
General Fund (10001)	\$11,298,296	\$13,557,955	\$13,557,955	\$13,557,955	\$13,557,955
Contributed Roadway Improvement Fund (30040) ²	143,825	189,605	189,605	150,380	150,380
Total Transfers In	\$11,442,121	\$13,747,560	\$13,747,560	\$13,708,335	\$13,708,335
Total Available	\$147,939,160	\$166,974,748	\$158,245,135	\$181,403,394	\$181,403,394
Expenditures:					
Operating Expenditures					
Bus Operating Subsidy ³	\$57,820,321	\$63,602,353	\$63,360,469	\$73,914,081	\$73,914,081
Rail Operating Subsidy	46,665,929	51,332,522	42,186,173	49,214,389	49,214,389
ADA Paratransit - Metro	13,661,240	14,344,302	13,262,069	15,471,530	15,471,530
Subtotal - Operating Expenditures	\$118,147,490	\$129,279,177	\$118,808,711	\$138,600,000	\$138,600,000
Capital Construction Expenditures					
Metro Capital	\$27,220,628	\$35,000,000	\$36,740,853	\$40,000,000	\$40,000,000
Total County Capital Construction Subsidy	\$27,220,628	\$35,000,000	\$36,740,853	\$40,000,000	\$40,000,000
Total Operating and Capital Subsidy	\$145,368,118	\$164,279,177	\$155,549,564	\$178,600,000	\$178,600,000

Fund 30000

Metro Operations and Construction

FUND STATEMENT

Fund 30000, Metro Operations and Construction

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Applied Support					
Applied NVTC State Aid and Gas Tax to Operating	(\$109,128,795)	(\$118,127,188)	(\$107,627,575)	(\$127,545,059)	(\$127,545,059)
Applied Interest at NVTC to Operating	(168,469)	(100,000)	(150,000)	(150,000)	(150,000)
Applied NVTC State Aid and Gas Tax to Capital	(3,120,628)	(5,000,000)	(6,740,853)	(10,000,000)	(10,000,000)
Total Expenditures, County	\$32,950,226	\$41,051,989	\$41,031,136	\$40,904,941	\$40,904,941
Transfers Out:					
County Transit Systems (40000)	\$2,591,895	\$2,695,571	\$2,695,571	\$2,803,394	\$2,803,394
Total Transfers Out	\$2,591,895	\$2,695,571	\$2,695,571	\$2,803,394	\$2,803,394
Total Disbursements, NVTC and County	\$147,960,013	\$166,974,748	\$158,245,135	\$181,403,394	\$181,403,394
Ending Balance⁴	(\$20,853)	\$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 8, 2016, the voters approved a \$120 million Transportation Bond. In January 2017, an amount of \$30.0 million was sold (Series 2017A), leaving a balance of \$90.0 million in authorized but unissued bonds for this fund.

² FY 2018 transfer of \$150,380 from Fund 30040, Contributed Roadway Improvement Fund, supports Metro shuttle bus service in the Franconia-Springfield area. The transfer is based on actual receipts in the previous fiscal year and may fluctuate as proffer revenue changes.

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. The negative ending balance in FY 2016 is offset by additional state aid for capital requirements in FY 2017.