Finance & Administration Committee

Action Item IV-B

February 11, 2016

FY2016 Second Quarter Financial Update

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

○ Action ◉ Information	MEAD Number: 201710	Resolution: ○ Yes ◉ No

TITLE:

FY2016 Second Quarter Financial Update

PRESENTATION SUMMARY:

This presentation provides a summary of FY2016 second quarter operating and capital budget results.

PURPOSE:

To inform the Finance & Administration Committee on the ridership, revenue, and operating expenses through the second quarter of FY2016, as well as the status, delivery rates and success of the Capital Program during the same period.

DESCRIPTION:

Key Highlights:

- Total transit ridership through the second quarter on all modes was 164.5 million trips, a decrease of 9.5 million or 5.4 percent versus last year.
- Through the second quarter of FY2016, Metro achieved a positive gross operating position of $46.9 million and net operating position of $31.6 million year-to-date after adjusting for planned Preventive Maintenance (PM) transfers
- Operating expenses for the first six months of FY2016 were $848.5 million, or $63.0 million below budget, while total year-to-date operating revenues were $447.1 million, or $16.1 million below budget.
- The $1.2 billion FY2016 Capital Improvement Program (CIP) budget is Metro's largest planned capital program investment since the start of the major rebuilding effort in FY2011.
- Through the end of the second quarter, Metro has invested $416 million of the $1.2 billion budgeted for FY2016.

Background and History:

- Metro's $1.8 billion FY2016 operating budget provides for the personnel, materials and supplies, fuel and propulsion power, and services to operate Metrobus, Metrorail, and MetroAccess. Metro also continues to invest aggressively in its capital program to rebuild the transit system over the next six years to provide safer and more reliable service. Between FY2016 and FY2021, a total capital investment of $5.5 billion is planned.

Discussion:

Weekday rail ridership declined 6.1 percent through December compared to the previous year. Rail ridership in the first six months of FY2016 dropped to levels not seen since 2004. The drop was pervasive and not linked to any particular event or weather. Weekend rail ridership fell 12 percent versus FY2015, as service levels were reduced more than last year for track rehabilitation. Weekday bus ridership also fell by three percent in the first six months of the fiscal year. Other bus service providers in the region are seeing ridership declines as well.

Metrorail

For the second quarter in a row, ridership remained at levels not seen in ten years. On a year-to-date basis, overall weekday ridership was down six percent compared to FY2015, and weekend ridership was down twelve percent. December marked the fifth consecutive month of rail ridership comparable to 2004.

The ridership declines have impacted nearly all stations, time periods and trip types and cannot be attributed to poor weather, as the autumn and early winter were relatively mild. These widespread declines were not tied to any particular events, but the Blue and Orange Lines were particularly impacted by service disruptions due to the substation fire and subsequent recovery efforts at Stadium-Armory.

Weekend ridership in the quarter was down significantly and was closely correlated to weather and to the level of service related to track work and rebuilding projects. Excluding the one-time ridership bump associated with the Million Man March anniversary event in October, average Saturday ridership was down 17 percent. Greensboro and Tysons Corner stations were among the few to see ridership growth in October versus last year, though November saw significant gains at McLean (while declines continue at virtually all Orange line stations). Evening ridership losses were twice those of peak periods in October.

Compared to FY2015, parking utilization was down three percentage points in October, two in November, and one in December, yielding a year-to-date decline of two percentage points (73 percent versus 75 percent). In Virginia, only Wiehle-Reston East and East Falls Church experienced improved parking utilization and transactions compared to last year as customers continued to migrate from other stations at the western end of the Orange Line. Declines in parking were concentrated along the New Carrollton and Largo branches of the Blue/Orange/Silver Lines, while the Greenbelt end of the Green Line did see growth, in particular at College Park station.

As noted in the first quarter, ridership data indicate that from the customer's point of view, predictability of rail service has declined in recent months. It is difficult to determine how long it takes for riders to react, or by how much, but rail reliability began to decrease for customers around the time of the Silver Line launch, turning down particularly since May 2015. In the last twelve months, all of the following have been increasing for morning commuters, based on tap-in to tap-out times for representative commutes:

- Median travel times
- The unpredictability of travel times, or the "normal range" (measured by the

standard deviation); and

- The frequency of severe delays (measured by the 95th percentile travel time)

Taken together, this means that riders have been forced to budget more travel time to avoid being late. This trend likely is one contributing factor to the current decline in rail ridership.

Metrobus

Bus ridership declined in the first half of FY2016 by three percent compared to last year, and there is evidence that rail ridership losses are impacting bus. In November, bus-to-rail transfers were down more than bus-only trips (eight percent versus six percent). In addition, reductions in frequent SmarTrip® card riders appear to indicate that Metro is losing some of its core frequent riders, on both bus and rail. However, other bus service providers in the region are also losing ridership, and the decline in the outlying areas is greater than on Metrobus. Staff continues to assess the relative impact of specific ridership challenges on rail spilling over to bus compared to external forces (the economy, gas prices, etc.) that may be impacting both modes. In addition, Metrobus has lost approximately 1,500 to 2,000 trips per day from students who shifted to rail as a result of the District of Columbia's new "Kids Ride Free on Rail" pass.

Specific performance by month for Metrobus for the second quarter includes the following:

- *October*: Bus ridership fell by 4 percent on weekdays in October. Continuing a longer-term trend, major corridors in Maryland experienced 6-12 percent losses. The recent service changes to the X2 continue to yield results in the H Street/Benning Road corridor in DC, as the corridor was one of the few to gain ridership in October. The B2 has begun to lose ridership, perhaps as riders switch to the U and V alternatives, which were improved in the summer of 2015. Overall, the 30s lines fell somewhat, but the southeast portion of the corridor has been down while the northwest section is holding steady.
- *November*: Bus ridership in November was up marginally overall versus FY2015. Ridership in DC declined moderately, especially in the western and central segments. Ridership on the eastern side of the District (As, Ws, and X2) increased, continuing a longer-term trend. Line-haul routes in Maryland showed ridership losses again, but increases in other markets offset this effect (good performance on the Zs, for example). Ridership on Metroway in Virginia also increased around 10 percent as riders have been drawn to the new service.
- *December*: Overall bus ridership declined by 3 percent compared to the prior year. Ridership in priority bus corridors in the District and Maryland declined more than in Virginia, but declines were widespread overall. Timing of holidays did not impact ridership significantly compared to last year. In the District, the 14th and 16th Street NW corridors showed ridership losses, but services on the eastern side of the District showed some areas of relative strength. In Maryland, the pattern of losses experienced in previous months partially abated.

MetroAccess

Ridership on MetroAccess continues to trend lower than forecast. Total ridership of 1.15 million through December reflects actual growth of 1.1 percent, which is below projected growth of close to 4 percent. This reflects in part the implementation of the TransportDC taxi alternative program, which is now carrying upwards of 10,000 District resident trips per month.

Operating Expenses

FY2016 year-to-date operating expenses were favorable to budget by $63 million or 6.9 percent, and expenses were $23.3 million less than the same period in FY2015.

Labor

FY2016 Personnel expenses (including Salary/Wages, Overtime, and Fringe) of $632.8 million were favorable to budget by $36.3 million or 5.4 percent. Year-to-date labor expenses were $10.1 million lower than the prior year. Salary/Wage expenses of $389.2 million were under budget by $24.7 million or 6.0 percent. Metro's vacancy rate is currently 4.5 percent as a result of higher than budgeted departmental vacancies. In addition, management eliminated non-essential, non-safety-sensitive positions at the end of FY2015 as part of a cost containment strategy that has continued into FY2016. In the first half of the fiscal year $16.9 million of preventive maintenance (PM) costs were transferred to the capital budget ($4.3 million for bus and $12.6 million for rail). An additional $13.8 million of PM expenses will be transferred during the final six months of the fiscal year.

Year-to-date FY2016 overtime expenses of $39.5 million were slightly over budget by $0.5 million or 1.0 percent. This was driven by several events, including the derailment in August, the Papal visit, and the transformer fire at the end of September. During the last two months of the second quarter, overtime was favorable to budget as a result of management oversight and reduced overtime requirements during the holiday period.

Fringe benefit expenses through the second quarter were $12.1 million below budget, and this trend is expected to continue during the second half of the fiscal year. Both FICA and the Health Insurance Plans are favorable to budget due to vacancies and underspending in the 689 Health Trust, respectively. In addition OPEB, with a year-to-date budget of $4.6 million, has no expenditures through December because the establishment of an OPEB trust was not approved by the Board of Directors. Expenses for pension plan contributions were slightly over budget by $0.2 million.

Non-Labor

During the first six months of FY2016, non-personnel expenses of $215.7 million were below budget by $26.7 million.

Services were favorable to budget by $13.4 million. A portion of this is due to a reduction in the use of third-party professional services by various departments. Favorability is also due to timing of expenses and delays in initiating contracts. Services are forecasted to be at budget at fiscal year-end.

FY2016 Materials & Supplies expenses of $49.8 million exceeded budget by $5.1 million due to parts utilized in repair and maintenance projects for railcar overhaul initiatives undertaken to fulfill the 954 railcar minimum daily service requirement.

Fuel and Propulsion were under budget by $10.1 million mainly due to lower-than-projected fuel rates and decreased volume consumption. The actual rate for diesel fuel was $1.77 per gallon compared to a budgeted rate of $2.60 per gallon, resulting in net savings during the first six months of FY2016. Propulsion and electricity expenses were favorable due to below budget consumption. Volume favorability in propulsion was primarily a result of lower-than-scheduled railcar miles.

Capital Project Highlights

Metro delivered $416 million of CIP investment through the first six months of FY2016, or 34 percent of the total annual CIP budget. This is an improvement compared to FY2015 when 24 percent of the capital budget was expended through the second quarter.

During FY2016, Metro will focus on the delivery of key CIP investments that will improve the safety and reliability of the system. Projects are grouped into eight broad categories: Vehicles/Vehicle Parts; Rail System Infrastructure Rehabilitation; Maintenance Facilities; Systems and Technology; Track and Structures; Passenger Facilities; Maintenance Equipment; and Other Facilities and Project Management and Support.

Vehicles

In FY2016 Metro plans to invest over $463 million in Vehicles and Vehicle Parts. This is the largest single category of capital improvements planned n FY2016 and includes major replacements and rehabilitation of railcars and buses. Through the end of the second quarter Metro has invested over $177 million in this category, or 38 percent of its budget. Spending through the second quarter is higher than the 21 percent spent through six months last year. Major projects in this category include:

- MetroAccess Fleet Acquisition – In FY2016 WMATA plans to purchase 205 MetroAccess vans and install safety enhancements on 240 existing vehicles. At the end of the second quarter the vehicle specifications were updated and the contract for the active safety package was awarded. Staff expects a new vehicle contract to be issued in the spring; delivery of vans will begin in late FY2016.
- Bus Replacement – WMATA plans to replace 165 buses in FY2016. During the second quarter 55 buses were replaced. This project is on schedule and delivery of all 165 buses are expected by the end of the fiscal year.
- 1000 Series Railcar Replacement – In the second quarter, WMATA received the first twenty 1000 series replacement cars, and has conditionally accepted four. Staff forecasts the delivery and conditional acceptance of a minimum of 60 cars by the end of FY2016.

Systems and Technology

WMATA plans to invest $180 million in improvements to Systems and Technology. Through the second quarter over $64 million or 36 percent has been invested, which is a significant improvement when compared to the 19 percent expended in the first half of FY2015. Major projects in this category include:

- Traction Power State of Good Operations – This project is supporting three main activities in FY2016: cable replacement, the repair of the Stadium Armory Traction Power Substation, and the NTSB recommendation to replace “orange boots and sleeves.” Through the second quarter, an investment of $2.3 million, 14 percent of the $16 million budget, was made to advance the three main activities. The project budget was increased from $5 million to $16 million through the November budget amendment to fund the necessary improvements to the Stadium Armory Traction

Power Substation and additional funding required to support the “orange boot” replacement project. In the second quarter the Stadium-Armory traction power substation operation was partially restored and all travel restrictions for trains in that area were lifted.

- Management and Support Software – During the second quarter the contract lifecycle management (CLM) build phase was completed. Staff forecasts this new procurement module in the PeopleSoft Financial system will go into production during the fourth quarter. A timekeeping solution for nonunion personnel is currently under procurement, with a forecasted contract award in the third quarter. Phase I of the funds management automation project, which will improve federal grant financial management processes, is on schedule for rollout in March. The contract for the customer relationship management replacement project was finalized and a kickoff meeting is planned for January.
- New Electronic Payments Program – The FY2016 plan for this project includes completing and evaluating the pilot program. In the second quarter WMATA continued the Parking garage pilot which has a forecasted completion of early February 2016.
- Rail Power System Upgrades – At the beginning of FY2016 WMATA was planning to upgrade seven traction power substations. This plan has been updated to upgrade five traction power substations. Two traction power substations are now expected to be completed in FY2017 because of the potential electrical risk with the Stadium-Armory substation being offline. Upgrades to seven tie breakers are planned to be completed by the end of the year. In the second quarter two tie breakers were upgraded and one traction power substation was completed.

Maintenance Facilities

WMATA plans to invest $193 million in improvements to Maintenance Facilities. In the first half of FY2016, $37 million or 19 percent was invested, an improvement over the 15 percent expended in the same period last year. Major projects in this category include:

- Rail Yard Facility Repairs – Through the second quarter $17 million or 40 percent has been expended. A change in scope for the Brentwood S&I facility is pending. Some work at Brentwood is delayed due to this change, which may cause some activities planned for FY2016 to be delayed into FY2017. During the second quarter work continued at the New Carrollton and Alexandria yards and the contractor mobilized at Brentwood.
- Royal Street Bus Garage Replacement – Through the second quarter $6 million or 19 percent of the budget has been expended. Staff is forecasting that $8 million or 27 percent of the budget will not be spent in FY2016 due to delays caused by contaminated soil and a contractor walking away from the site. During the second quarter, site earthwork activities are proceeding, resulting in level ground at the location of the main garage building.
- Relocation of Maintenance Departments – In FY2016 this project funds the purchase of property, which is planned for the second half of the year.
- Southern Avenue Bus Garage Replacement – Through the second quarter $3 million or 9 percent of the budget was invested and staff is projecting that $13 million or 36 percent of the budget will not be spent in the current fiscal year. Foundation work began at the site during the second quarter.

Passenger Facilities

WMATA plans to invest $124 million in improvements to Passenger Facilities. Through the second quarter $51 million or 41 percent was invested, significantly more than the 23 percent expended in the same period of FY2015. Major projects in this category include:

- Elevator Rehabilitation – In FY2016 expenses of $8 million are planned to rehabilitate 19 elevators. Through the second quarter nine of 19 elevators were rehabilitated and $4 million of 53 percent of the budget was expended.
- Escalator Rehabilitation –In FY2016 WMATA plans to invest $9.8 million to rehabilitate 18 escalators throughout the system. Through the second quarter ten of 18 escalators were rehabilitated and $7 million or 74 percent of the budget was expended.
- Bus Priority Corridor & Network – During the second quarter, the bus fleet and facility plan was initiated, the fence at the Minnesota Avenue Station was completed, and the TIGER projects were advanced towards their projected completion date of May 2016. A budget amendment request was also submitted by MWCOG to FTA to align the TIGER grant budget with the projected needs. The TIGER projects updates are as follows: construction of the Pentagon Transit Center was advanced significantly with only a few work tasks to be completed; Franconia-Springfield Metro Station improvements included the manufacture of the canopy and all ten of the new WMATA standard bus shelters awaiting the required foundation, concrete and electrical work completion before installation; and the Traffic Signal Priority system was installed, tested and activated at 20 intersections along VA-7/Leesburg Pike with the remaining five intersections in the City of Falls Church to be completed by May 2016.
- Escalator Replacement – WMATA continues to invest in replacing the system's aging escalator infrastructure. In FY2016 WMATA anticipates spending $27 million to replace 17 escalators. Through the second quarter ten of 17 escalators have been replaced and $15 million or 53 percent was invested.

Track and Structures

WMATA plans to invest $80 million in improvements to Track and Structures in FY2016. In the first six months, $32 million or 40 percent was invested, compared to 39 percent expended through two quarters in FY2015.

- Track Rehabilitation – The single largest investment in this category is to rehabilitate the tracks and components of the rail system. Through the second quarter, over $24 million, 45 percent, of the total annual budget was invested to make these improvements including: 20 of 40 miles of track tamped, six of 12 miles of running rail replaced, 25,088 of 27,000 fasteners replaced, and 5,863 of 15,000 cross ties replaced.

Rail System Infrastructure

In FY2016 WMATA plans to invest over $107 million to rehabilitate the Rail System Infrastructure, mainly through rail line rehabilitation projects. Through the second quarter there was an investment of $32 million, 30 percent of the total budget. Spending through December is slower than the FY2015 first half rate of 39 percent. The major FY2016 projects in this category include:

- Red Line Rehab Stage 2 – In FY2016 WMATA is scheduled to continue planning, design and engineering work, and procurement activities. The first phase of this project will include waterproofing at Medical Center, Grosvenor Aerial Structure retrofit, and Grosvenor platform and canopy rehabilitation. During the second quarter technical review of the bids continued.

- NTSB Recommendations – In FY2016 WMATA plans to continue replacing GRS track circuits and to complete the implementation of a program to monitor onboard event recorders. At the end of the second quarter 45 percent of the total bonds and cardfiles planned for FY2016 was completed. All of the materials necessary for the 1000 series event recorder project were received by the end of the second quarter and a request was submitted to the NTSB to close this recommendation. The contract for Vehicle Monitoring System (VMS) upgrades was awarded during the second quarter.
- Orange/Blue Line Rehabilitation Stage 1 – The Orange/Blue line project continues with an investment of $20 million of the $67 million budget made in the first half of FY2016. In November this project's budget was increased through a budget amendment. This project experienced delays in the planned replacement of equipment in the AC rooms due to disputes with PEPCO. Work in other areas was completed during the second quarter, including: two kiosks at Farragut West and Stadium Armory, replacement of the Metro Center uninterruptable power supply (UPS), and completion of the entrance gates at Stadium Armory, Potomac Avenue, and Eastern Market.

Other Facilities and Program Management & Support

WMATA plans to invest $35 million in projects that improve Other Facilities and Program Management and Support. Through the second quarter, $19 million or 53 percent was invested, greater than the 42 percent expended by the second quarter of FY2015. Major projects in this category include:

- Credit Facility – This project is used to fund the lines of credit and interim financing necessary to support the capital program's cash flow needs. Through the second quarter $1.4 million or 33 percent of the total annual budget was expended for these activities. The debt originally planned to be issued during the first quarter is now forecasted to be issued in the fourth quarter.
- Financial Planning, Project Administration, and System Wide Infrastructure – In FY2016 contractor support for general engineering, staff augmentation and program management support is planned for this project. Through the second quarter over $10 million or 82 percent of the annual budget was spent on these activities.

Maintenance Equipment

WMATA plans to invest $25 million in improvements to Maintenance Equipment. In the first two quarters of FY2016 $4 million, or 15 percent, was invested. This is significantly less than the 48 percent expended in the first half of FY2015. Major projects in this category include:

- Rail Shop Repair Equipment – During the first quarter the replacement of the Shady Grove tool shop air compressor was completed. All work under contract was completed and contract closeout is underway.
- Bus Repair Equipment – By the end of the second quarter the bus operator quiet rooms were completed and work began on several equipment upgrades and

replacements.

- Radio Infrastructure Replacement, T-Band Relocation – WMATA plans to replace the Comprehensive Radio Communications System (CRCS) with a new system operating in the 700 MHz band. In the second quarter engineering task orders were issued to perform a 3D survey of the tunnels to determine the precise lengths of cables needed in the below ground system. The pilot area between Glenmont and Silver Spring for the 3D survey was successfully completed.

FUNDING IMPACT:

Information item only -- no impact on funding.	
Project Manager:	Thomas J. Webster
Project Department/Office:	CFO/OMBS

TIMELINE:

Previous Actions	May 2015 - Adoption of FY2016 Operating Budget and FY2016-2021 Capital Improvement Program (CIP) July 1, 2015 - Beginning of FY2016 November 2015 - FY2016 First Quarter Financial Update
Anticipated actions after presentation	May 2016 - FY2016 Third Quarter Financial Update

RECOMMENDATION:

Information item only - no action required.

Washington Metropolitan Area Transit Authority

FY2016 Second Quarter Financial Update

Finance & Administration Committee
February 11, 2016

Ridership Challenges Continue

- Total transit ridership through December down 5.4 percent (9.5 million trips) vs. FY2015, down 5.9 percent vs. budget
- Passenger fares and parking fees down $18 million vs. budget

FY2016 Second Quarter: Operating Results

Q2-YTD *millions*	FY2015	FY2016		Variance FY2016	
	Actual	Actual	Budget *	$	Percent
Revenue	$ 451	$ 447	$ 463	$ (16)	-3.5%
Expense	$ 872	$ 849	$ 896	$ 48	5.3%
Subsidy	$ 421	$ 401	$ 433	$ 32	7.3%
Cost Recovery	52%	53%	52%		

** Budgeted expenses are adjusted to reflect $15.4 million of planned PM transfers through Q2.*

FY2016 Second Quarter: Revenue and Ridership

Mode	Measure	Budget	Actual	Variance
Rail	Ridership	103 million	97 million	↓
	Revenue	$311 million	$296 million	↓
Bus	Ridership	70 million	66 million	↓
	Revenue	$79 million	$74 million	↓
Access	Ridership	1.18 million	1.15 million	↓
	Revenue	$4.3 million	$4.6 million	↑
Parking	Revenue	$24 million	$23 million	↓
Non-Passenger *	Revenue	$39 million	$42 million	↑

** includes advertising, fiber optics, leases, etc.*

FY2016 Second Quarter: Operating Expenses

Expense Category		Budget	Actual	Variance
Labor	Salaries and Wages	$453 million	$429 million	↓
	Fringe Benefits	$216 million	$204 million	↓
Non-Labor	Fuel, Propulsion and Utilities	$72 million	$56 million	↓
	Services	$109 million	$96 million	↓
	Materials and Supplies	$45 million	$50 million	↑
	Insurance and Other	$17 million	$14 million	↓
Total Operating Expenses		$912 million *	$849 million	↓

** $896 million after $15.4 million adjustment for budgeted PM transfers*

Risks and Mitigation

- Impact of January blizzard
  - Up to $8 million revenue loss over five days
  - Additional expense approximately $6 million
- Slow customer response to change in transit benefit
- Planned mitigation actions include:
  - Position freeze
  - Overtime reduction
  - Deferral of non-safety initiatives

Capital Program: Investment to Date

(as of December 31, 2015)

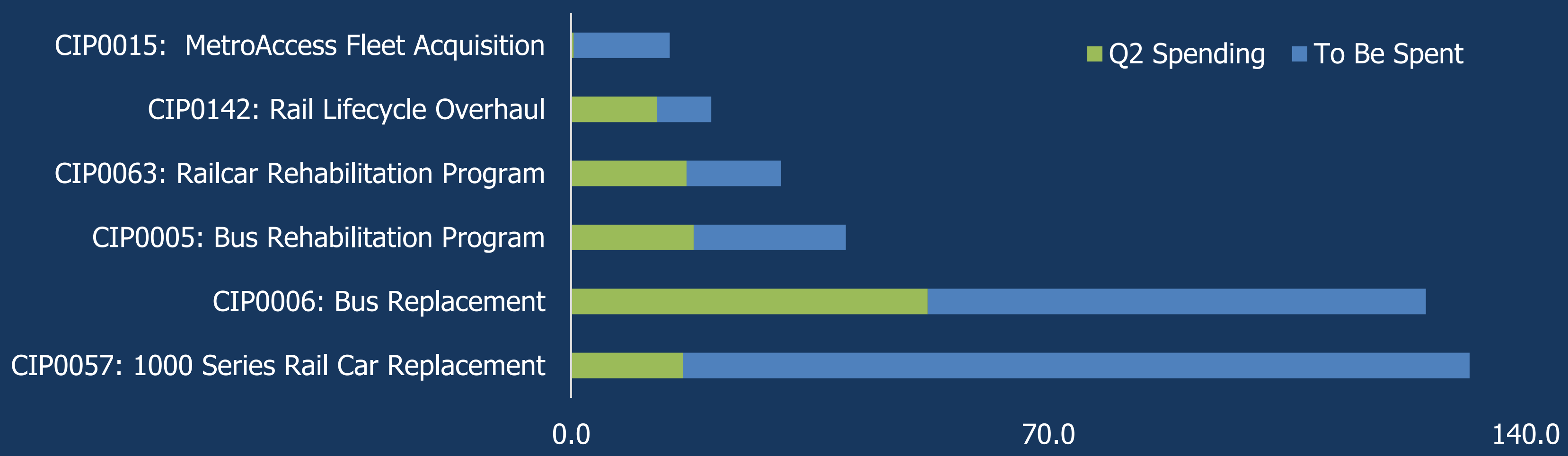
Capital Categories	FY16 App. (Updated)	Spending Through Q2	% Spent
Vehicles/Vehicle Parts	$463	$177	38%
Systems and Technologies	180	64	36%
Maintenance Facilities	193	37	19%
Passenger Facilities	124	51	41%
Track and Structures	80	32	40%
Rail System Infrastructure Rehabilitation	107	32	30%
Other Facilities & Project Management and Support	35	19	54%
Maintenance Equipment	25	4	15%
Grand Total	**$1,207**	**$416**	**34%**

FY2015 (Q2 Report)	**$1,102**	**$266**	**24%**

Vehicles and Vehicle Parts

FY16 Appr	$463.3
Q2 Spend	$177.4
% Spent	38%

Figure 1. Major CIP Projects Comprising Vehicles and Vehicle Parts



Major Q2 Deliverables

- 49 Buses Rehabilitated
- 55 Buses Replaced
- 20 railcars delivered

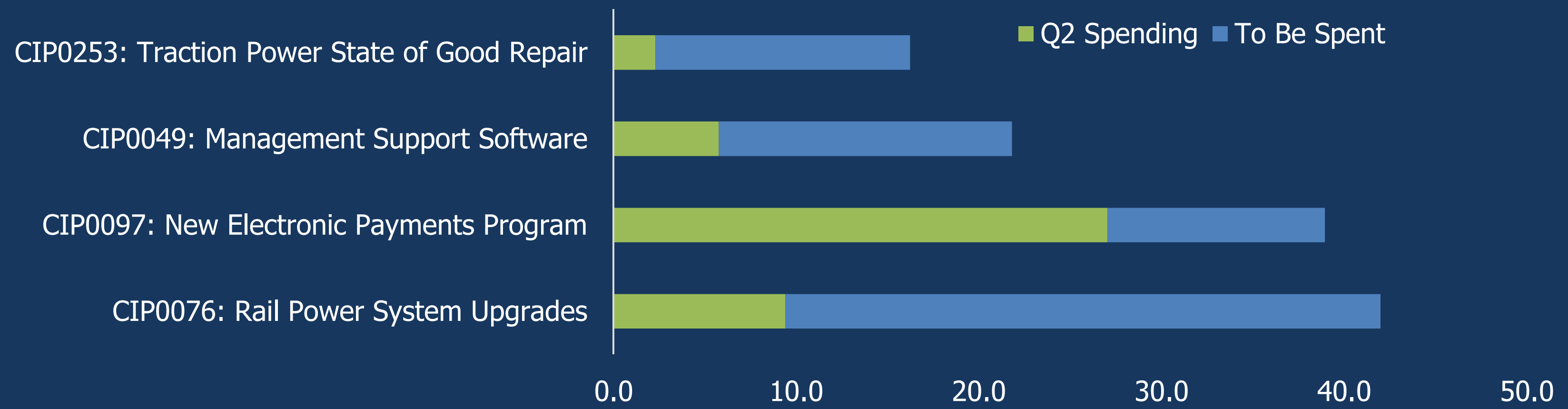
Challenges/Risks

- Delivery of 1K series replacement railcars not meeting budget plan of 12 per month

Systems and Technology

FY16 Appr	$179.7
Q2 Spend	$64.5
% Spent	36%

Figure 2. Major CIP Projects Comprising Systems and Technology



Major Q2 Deliverables

- Completed installation of 2 TBs
- Completed installation of 1 TPSS
- Restoration of partial operation of the Stadium-Armory TPSS
- Completed orange boot installation on Red Line

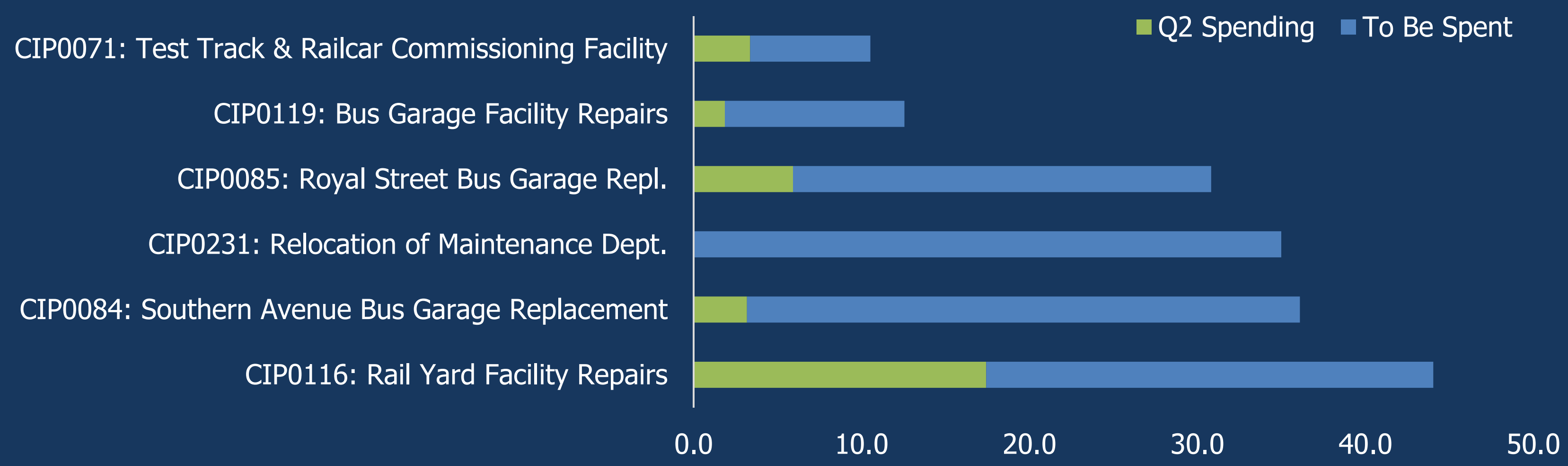
Challenges/Risk

- Due to the fire at the Stadium Armory TPSS, rehabilitation of 2 TPSS surrounding the area will be differed until FY2017

Maintenance Facilities

FY16 Appr	$193.1
Q2 Spend	$36.7
% Spent	19%

Figure 3. Major CIP Projects Comprising Maintenance Facilities



Major Q2 Deliverables

- Foundation work began for the Southern Ave Bus Garage Replacement

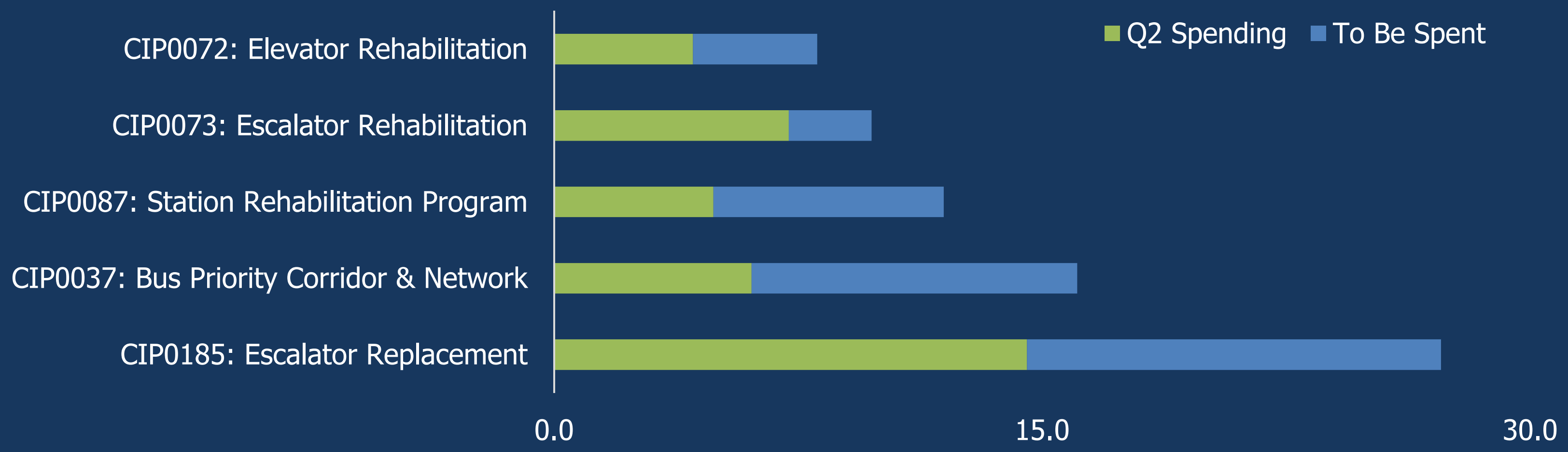
Challenges/Risks

- Purchase of warehouse to relocate maintenance departments

Passenger Facilities

FY16 Appr	$123.5
Q2 Spend	$51.0
% Spent	41%

Figure 4. Major CIP Projects Comprising Passenger Facilities



Major Q2 Deliverables

- 9 of 19 Elevator Rehabs
- 10 of 18 Escalator Rehabs
- 10 of 17 Escalator Replacements
- Bus fleet and facility plan initiated
- Minnesota Ave Station fence completed
- Traffic Signal Priority system activated at 20 intersections

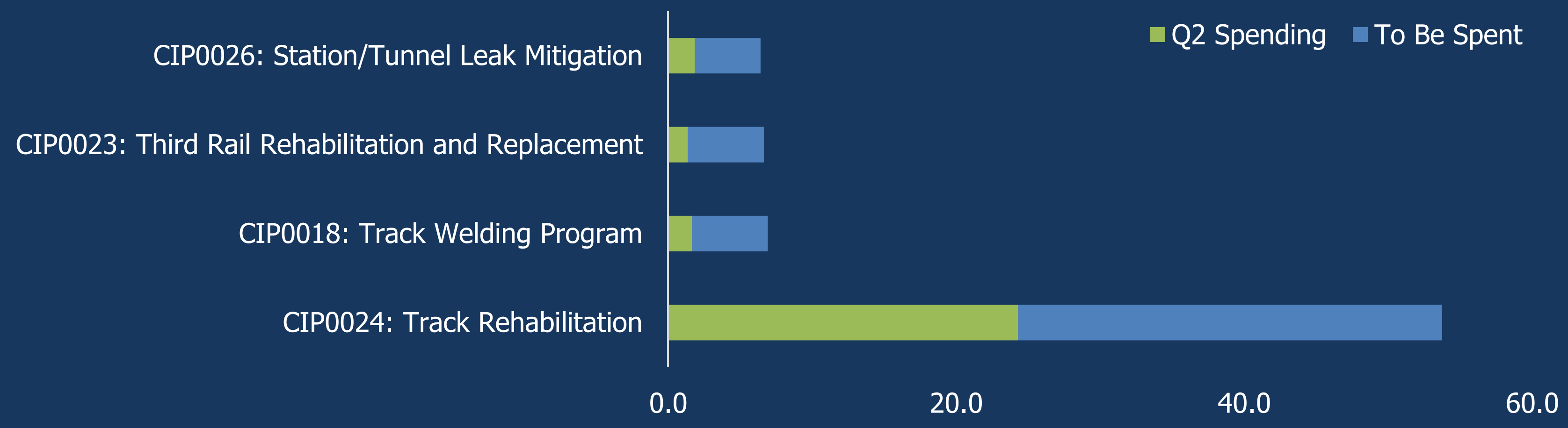
Challenges/Risks

- The Bus Priority Corridor & Network project is supported by the TIGER grant which expires late spring 2016.

Track and Structures

FY16 Appr	$80.0
Q2 Spend	$32.3
% Spent	40%

Figure 5. Major CIP Projects Comprising Track and Structures



Major Q2 Deliverables

- 226 joints welded
- 855 rail signs replaced
- 4,610 grout pads LF rehabbed
- 6 miles of track tamped
- 3.3 miles of running rail replaced
- 14,122 Fasteners replaced

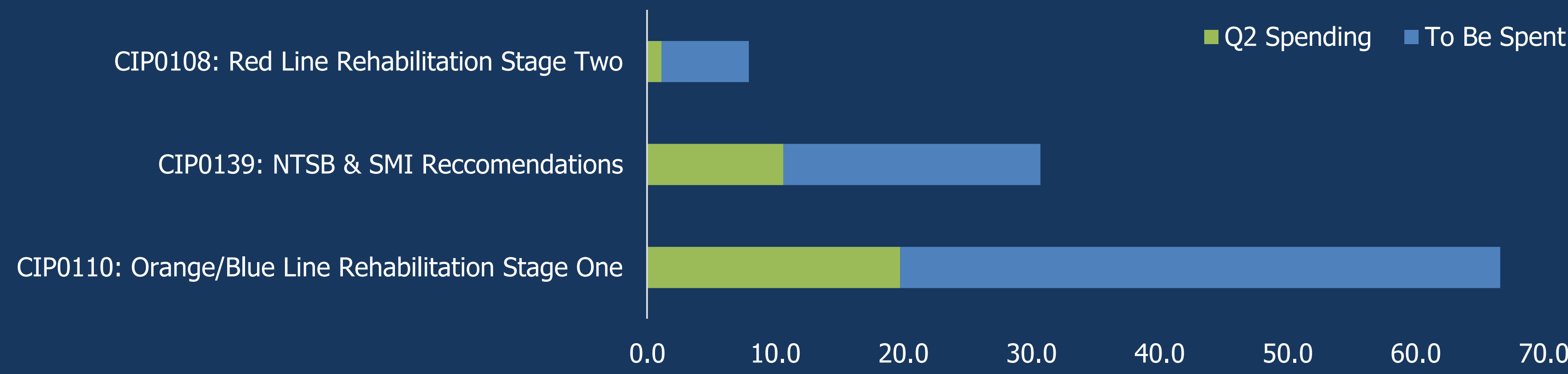
Challenges/Risks

- None

Rail System Infrastructure Rehabilitation

FY16 Appr	$107.1
Q2 Spend	$31.7
% Spent	30%

Figure 6. Major CIP Projects Comprising Rail System Infrastructure Rehabilitation



Major Q2 Deliverables

- Bids received for phase 1 of Red Line Stage 2
- 45% of the bonds and cardfiles planned for FY2016 are completed

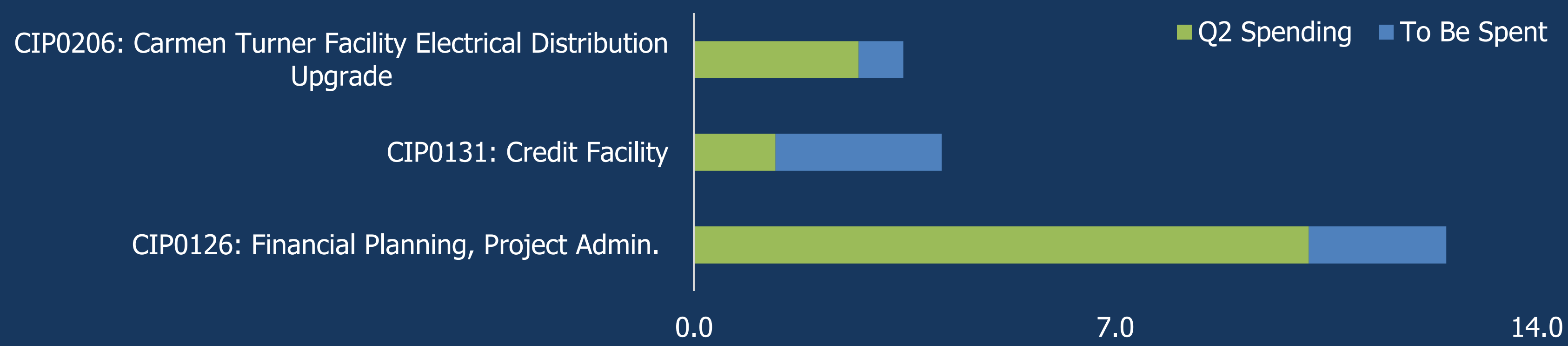
Challenges/Risks

- None

Other Facilities & Project Management

FY16 Appr	$35.4
Q2 Spend	$18.9
% Spent	53%

Figure 7. Major CIP Projects Comprising Other Facilities and Project Management



Major Q2 Deliverables

- Continued contractor support for general engineer, staff augmentation and program management

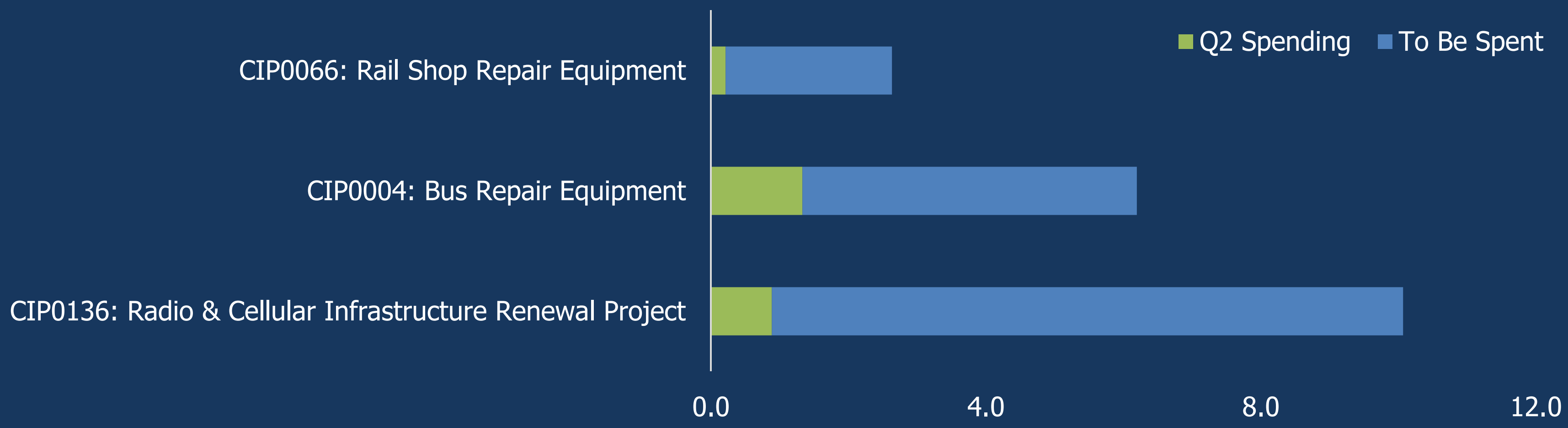
Challenges/Risks

- None

Maintenance Equipment

FY16 Appr	$24.5
Q2 Spend	$3.7
% Spent	15%

Figure 8. Major CIP Projects Comprising Maintenance Equipment



Major Q2 Deliverables

- In the Radio Project a contract was issued to perform a 3D survey of the tunnels to determine the precise lengths of cables needed
  - Pilot successfully completed

Challenges/Risks

- None

Next Steps

- **May 2016**: FY2016 Third Quarter Financial Update