

Review of WMATA FY 2007 Operating Budget

Jurisdictional Coordination
Committee

Thursday, March 16, 2006



Review the status of FY 06 Recommendations

- Expense
- Revenue
- Budget Development Process

Review the status of FY 06 Recommendations

- Expenses
 - Explore diesel swap. ***No action taken***
 - Analyze FY 07 labor to ensure overtime usage is justified. ***FY 06 YTD has labor variance of \$3.7 million or 1.2% of budget.***
 - Metroaccess budget risk because of usage and new contractor. ***New Contractor in January. Favorable budget variance of 6% through December. Still need to look at full year.***

Review the status of FY 06 Recommendations

- Expenses
 - Review schedule for 6000 car deployment. Adjust passenger revenues or expenses to reflect actual car miles. ***6000 cars not expected to be deployed in FY 06. 1.3 million car miles in FY 06 budget.***

Review the status of FY 06 Recommendations

- Revenues
 - *Passenger Revenues still above FY 06 Budget even with baseline adjustment of \$8 million.*
 - *Need formal passenger revenue and ridership quantitative models.*
 - *Lack of access to bus farebox data. Monthly bus ridership data by route now being distributed. Still need more bus trip data!*
 - *TlIF Funds are being proposed for operating expenses in FY 06. Policy still needed on unallocated TlIF revenues.*
 - *No comprehensive strategy for managing revenues. FY 07 Budget does not address who is managing top line revenues.*

Review the status of FY 06 Recommendations

- Budget Development Process
 - Begin Zero Based Budgeting for FY 07 and focus on Customer Service and Bus Maintenance. ***FY 07 Budget process does not address Zero Based Budgeting.***
 - Review and apply best practices for FY 07. ***New CFO beginning to address performance measures geared to customer service and benchmarks into budget process.***
 - ***Board beginning Business Plan Development and Performance Based Budgeting***

Conclusions from FY 06 Carryover to FY 07

- Work with jurisdictions to review best budget practices
- Incorporate productivity measures
- Develop quantitative revenue forecasting
- Develop revenue management strategy
- Improve route level ridership data
- Consider TIIF policy
- Analyze labor overtime
- Monitor MetroAccess contract impact, rail car deployment schedule, and parking utilization
- Consider Zero Based Budgeting for FY 08

New FY 07 Budget Issues

- Once again consider a Diesel Fuel Swap
- Bus Service Planning is understaffed
- Conduct Metrorail and Metrobus Passenger Surveys
- Management of Customer Information
- Identify budget risks and uncertainties

FY 07 Recommendations

- Strongly Consider a Diesel Fuel Swap
 - FY 07 budget includes a fuel estimate of \$2.00 per gallon.
 - Current price is approximately \$2.20 per gallon.
 - FY 05 - \$8 million over budget.
 - General Manager should initiate diesel fuel swap if the price of fuel falls below \$2.05 and indications are that it may not continue to fall. This would minimize or eliminate the budgeted shortfall.

FY 07 Recommendations

- **Bus Service Planning is Under Staffed**
 - Bus Service Planning has only three service planners. One for MD, one for DC, and one for VA.
 - Three planners are not sufficient to provide adequate attention to the 180 bus routes with over 1,400 Metrobuses.
 - Each contributing jurisdiction needs to have jurisdictional and route level data analysis to properly evaluate Metrobus service.
 - More and better data should be available soon, and WMATA needs more service planners to properly organize and evaluate Metrobus service.
 - Planners need to use up-to-date analytical tools including GIS systems.

FY 07 Recommendations

- **Metrorail and Metrobus Passenger Surveys**
 - The Metrorail Passenger survey data is used to update the rider jurisdiction of residence factor in the allocation formula, and for planning purposes.
 - This passenger survey was last conducted in 2002.
 - In the past, this survey was completed bi-annually at a cost of approximately \$400,000.
 - The Metrobus passenger survey was conducted in 2000 and must be updated to coincide with new bus passenger data from fareboxes, automated pass. counts, and AVL at \$700,000.
 - WMATA should conduct these surveys in FY2007, and continue it bi-annually thereafter.

FY 07 Recommendations

● Customer Information

- Develop a central contact for approval and coordination of customer communication, including all printed materials, signage, maps, branding, and information displays
- Very good initiatives for providing better customer information are underway. These initiatives are being directed by different areas of the organization and there is no overall theme and there are gaps in responsibility
- In order to increase the effectiveness of this information, a consistency of appearance and purpose should be developed

FY 07 Recommendations

- Identify Budget Risks and Uncertainties
 - There may not be enough in the reserves to cover possible liability claims.
 - Worker's compensation claims may be higher than expected.
 - While not as great as the increase for diesel fuel, the increase for electricity and natural gas is a major cost increase item.

Statements:

WMATA Budget Process

- WMATA staff have been very professional, courteous, informative, and comprehensive in this review of the FY'07 Budget. We thank them for their efforts.
- JCC met several times to review the FY'07 Budget. In the future, the budget review schedule should identify the JCC review presentation in March.

Members of the JCC

- Gary Erenrich (Chairman) (Montgomery County)
- RoseMary Covington (Vice Chairman) (DDOT)
- Howard Benn (Montgomery County)
- Lou Farber (WSTC)
- James Hamre (Arlington County)
- Tanya Husick (DRPT)
- Jim Maslanka (City of Alexandria)
- Adam McGavock (NVTC)
- Emmanuel Onyekwere (DDOT)
- Aaron Overman (Prince George's County)
- Lynn Rivers (Arlington County)
- Charles Scott (MDOT)
- Gustavo Vega (Arlington County)
- Alex Verzosa (City of Fairfax)
- Todd Wigglesworth (Fairfax County)