

## Consent Item (A) 11-18-2021

Washington Metropolitan Area Transit Authority

### Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:  
202321

Resolution:  
☒ Yes ☐ No

#### TITLE:

FY2022 Subsidy Allocation

#### PRESENTATION SUMMARY:

The proposed revision to the FY2022 subsidy would rescind the subsidy allocation adopted on June 10, 2021 and restore the allocation originally approved on April 22, 2021.

#### PURPOSE:

Request Board approval of revised FY2022 subsidy allocation.

#### DESCRIPTION:

Identification of Parties with an interest in Metro's budget:

The following list includes Metro's top non-personnel multi-year contractors through FY2022 and to date (\$500 million) as well as the Metropolitan Washington Airports Authority. Some vendors have contracts spanning through FY2023 as well.

- Kawasaki Rail Car Inc.
- Kiewit Infrastructure Company
- Hitachi Rail Washington LLC
- Potomac Yard Constructors
- New Flyer of America, Inc.
- Transdev Services, Inc.
- C3M Power Systems, LLC
- Motorola Solutions Inc.
- Kone Inc
- MV Transportation
- Diamond Transportation Service, Inc.
- First Transit, Inc.
- The Aftermarket Parts Company LLC
- DJB Contracting Inc.
- Potomac Construction Co Inc.
- Dell Marketing LP
- Cubic Transportation Systems Inc.
- Jacobs Engineering Group, Inc.

- Challenger Transportation Inc.
- Toshiba International Corporation
- Gannett Fleming Engineers and Architects

A full list of Procurement Awards is available at:

<https://www.wmata.com/business/procurement/solicitations/index.cfm#main-content>

Furthermore, Metro has labor agreements with the following collective bargaining units:

- Fraternal Order of Police/Metro Transit Police Labor Committee, Inc. (FOP)
- Office and Professional Employees International Union Local No.2, AFL- CIO (Local 2)
- Local 639, International Brotherhood of Teamsters Law Enforcement Division (Local 639)
- Local Union 689 of the Amalgamated Transit Union, AFL-CIO (Local 689)
- Local 922, International Brotherhood of Teamsters (Local 922)

### **Key Highlights:**

- The proposal reflects jurisdictional feedback following FY2022 budget amendments that previously altered the mix of jurisdictional shares
- Jurisdictional shares of the operating subsidy would revert to their respective amounts as originally adopted on April 22, 2021
- The overall subsidy total is unchanged at \$1,109.7 million

### **Background and History:**

Metro's subsidy allocation is the funding received from its jurisdictional funding partners in the Washington Metropolitan Area consisting of the District of Columbia, suburban Maryland (Montgomery County and Prince George's County) and Northern Virginia counties of Arlington, Fairfax and Loudoun, and the Cities of Alexandria, Fairfax, and Falls Church.

The Board of Directors first approved a subsidy allocation for the current fiscal year in Resolution 2021-11 with the adoption of the FY2022 operating budget. Then, on June 10, 2021, the Board adopted Temporary Fare and Service Changes, approved a 30-Day Promotional Pass Schedule, and approved an amendment of the FY2022 Operating Budget (Res. 2021-22), including changes to the jurisdictional subsidy allocations.

### **Discussion:**

In coordination with the local funding jurisdictions, the Board has requested that staff revert the FY2022 subsidy allocation to the version approved when the budget was originally adopted. The proposed revision would restore the respective jurisdictional shares to the amounts as adopted by the Board on April 22, 2021 and would rescind the current allocation adopted on June 10, 2021. The overall total subsidy remains unchanged at \$1,109.7 million.

**FUNDING IMPACT:**

This action revises the respective jurisdictional shares of the FY2022 operating subsidy but does not change the overall total received by Metro for funding operations.

**TIMELINE:**

<b>Previous Actions</b>	April 22, 2021 – Board adoption of the FY2022 operating budget and FY2022 subsidy allocation  June 10, 2021 – Board amendment of the FY2022 operating budget and FY2022 subsidy allocation
<b>Anticipated actions after presentation</b>	February 2022 – Staff send jurisdictional quarterly invoicing according to revised allocation

**RECOMMENDATION:**

This action revises the respective jurisdictional shares of the FY2022 operating subsidy but does not change the overall total received by Metro for funding operations.

SUBJECT: FURTHER AMENDMENT TO FISCAL YEAR 2022 OPERATING SUBSIDY ALLOCATION

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, On April 22, 2021, the Board of Directors adopted Fiscal Year 2022 (FY 2022) Operating Budget and Capital Budget (Res. 2021-11); and

WHEREAS, On June 10, 2021, the Board adopted Temporary Fare and Service Changes, approved a 30-Day Promotional Pass Schedule, and approved an amendment of the FY 2022 Operating Budget (Res. 2021-22), including changes to the jurisdictional subsidy allocations; and

WHEREAS, On September 23, 2021, the Board further amended the FY 2022 Operating Budget but did not change the jurisdictional subsidy allocations (Res. 2021-30); and

WHEREAS, Staff recommends certain changes to the FY 2022 Operating Subsidy Allocation as set forth in Attachment A;

NOW, THEREFORE, be it

*RESOLVED*, That the Board of Directors adopts the revised Fiscal Year 2022 Operating Subsidy Allocation as set forth in Attachment A to this Resolution to replace in its entirety the allocation set forth in Attachment E to Resolution 2021-22, which is hereby rescinded; and be it finally

*RESOLVED*, That in order to meet the jurisdictions' quarterly invoicing schedule, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/ Patricia Y. Lee  
Patricia Y. Lee  
Executive Vice President and General Counsel

## FY2022 SUMMARY OF STATE/LOCAL OPERATING REQUIREMENTS

	FY2021 Subsidy	FY2022 Base Subsidy <sup>1</sup>	Change %	Legislative Exclusions	Potomac Yard	FY2022 Total Subsidy	Total Change %	Debt Service <sup>2</sup>	Jurisdictional Contribution
<b>District of Columbia</b>	<b>\$399,159,420</b>	<b>\$396,500,188</b>	<b>(0.7%)</b>	<b>\$1,938,288</b>	<b>\$156,344</b>	<b>\$398,594,820</b>	<b>(0.1%)</b>	<b>\$33,273,091</b>	<b>\$431,867,911</b>
Montgomery County	\$183,607,050	\$178,254,201	(2.9%)	\$799,864	\$83,017	\$179,137,083	(2.4%)	\$15,409,645	\$194,546,728
Prince George's County	\$240,588,518	\$243,115,342	1.1%	\$841,658	\$74,515	\$244,031,514	1.4%	\$15,809,086	\$259,840,600
<b>Maryland Subtotal</b>	<b>\$424,195,568</b>	<b>\$421,369,543</b>	<b>(0.7%)</b>	<b>\$1,641,522</b>	<b>\$157,532</b>	<b>\$423,168,597</b>	<b>(0.2%)</b>	<b>\$31,218,731</b>	<b>\$454,387,328</b>
City of Alexandria	\$46,090,591	\$45,999,763	(0.2%)	\$231,648	\$22,083	\$46,253,495	0.4%	\$1,775,511	\$48,029,006
Arlington County	\$77,313,237	\$76,402,949	(1.2%)	\$405,057	\$44,210	\$76,852,215	(0.6%)	\$0	\$76,852,215
City of Fairfax	\$2,676,330	\$2,745,368	2.6%	\$11,074	\$1,439	\$2,757,882	3.0%	\$111,494	\$2,869,375
Fairfax County	\$153,872,850	\$152,013,647	(1.2%)	\$696,200	\$76,881	\$152,786,728	(0.7%)	\$5,615,212	\$158,401,940
City of Falls Church	\$3,137,603	\$3,074,905	(2.0%)	\$16,624	\$1,188	\$3,092,718	(1.4%)	\$176,211	\$3,268,930
Loudoun County	\$5,138,519	\$6,072,292	18.2%	\$59,586	\$13,989	\$6,145,867	19.6%	\$0	\$6,145,867
<b>Virginia Subtotal</b>	<b>\$288,229,129</b>	<b>\$286,308,924</b>	<b>(0.7%)</b>	<b>\$1,420,190</b>	<b>\$159,791</b>	<b>\$287,888,905</b>	<b>(0.1%)</b>	<b>\$7,678,428</b>	<b>\$295,567,333</b>
<b>Total Contribution</b>	<b>\$1,111,584,118</b>	<b>\$1,104,178,655</b>	<b>(0.7%)</b>	<b>\$5,000,000</b>	<b>\$473,666</b>	<b>\$1,109,652,321</b>	<b>(0.2%)</b>	<b>\$72,170,250</b>	<b>\$1,181,822,571</b>

1. In addition to deferred subsidy, FY2022 Base subsidy reduced by \$6.6M for delay of Silver Line Phase 2 and \$0.8M for Bus line 3A to be operated by Fairfax County effective July 2021

2. Gross Revenue Bond Debt Service