

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202239

Resolution:
☒ Yes ☐ No

TITLE:

FY2021 Operating Budget Amendment

PRESENTATION SUMMARY:

As a result of the availability of Covid Relief Act federal funding, Metro will be able to increase and therefore, amend its budget enabling the continuation of essential transit service and employment of thousands of transit workers. Staff will review budget updates that will eliminate the need for previously approved service cuts and layoffs, and request board approval of a budget amendment.

PURPOSE:

To seek Board approval to amend the FY2021 Operating Budget

DESCRIPTION:

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

The following list includes Metro's top non-personnel multi-year contractors through FY2021 and to date (\$500 million) as well as the Metropolitan Washington Airports Authority (MWAA). Some vendors have contracts spanning through FY2022 as well.

- Kiewit Infrastructure Company
- Kawasaki Rail Car Inc.
- PNC Bank National Association
- SunTrust Bank
- C3M Power Systems, LLC
- Transdev Services, Inc.
- Gannett Fleming-Parsons Joint Venture II
- Mott MacDonald I&E, LLC
- New Flyer of America, Inc. | Bank of America NA
- Wells Fargo Commercial Services
- Clerk, U.S. Court
- Motorola Solutions Inc.
- M.C. Dean, Inc.
- Mythics, Inc.
- Potomac Yard Constructors
- First Transit, Inc.
- Diamond Transportation Service, Inc.
- Dell Marketing LP
- HNTB Corporation

- Metropolitan Washington Airports Authority (MWAA)

A full list of Procurement Awards is available at:

www.wmata.com/business/procurement/solicitations/index.cfm#main-content

Metro has labor agreements with the following collective bargaining units:

- Fraternal Order of Police/Metro Transit Police Labor Committee, Inc. (FOP)
- The 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 preliminary estimate is that Metro will receive approximately \$610 million from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, of which \$95.6 million is proposed to be allocated to the FY2021 operating budget.
- Revisions to the previously approved budget and in response to customer requests and current demand, Metro will restore and increase Metrobus service to ensure service for essential trips and provide extra capacity to maintain social distancing.
- Current approved rail service levels are recommended to continue as they provide adequate capacity for demand that is forecast for the remainder of the fiscal year.
- Service-related FTE positions previously scheduled to be eliminated in February will not be eliminated to ensure Metro has flexibility to respond to changing demand and ridership recovery.
- The previously planned \$30 million capital project deferral is no longer recommended in order to preserve borrowing capacity and protect the capital program.

Background and History:

On April 2, 2020, the Board approved Metro's \$2.08 billion FY2021 Operating Budget, which included total subsidy requirement of \$1.25 billion. The original budget was developed prior to Covid-19 pandemic. In response to the pandemic, the Board revised the FY2021 operating budget on May 28, 2020 to \$2.052 billion and total subsidy requirements to \$1.11 billion. The amended budget utilized \$546M of Cares Act funding, deferred implementation of previously approved service and fare adjustments for six months, took additional management actions to reduce expenses, and provided a one-time credit that reduced jurisdictional subsidy contributions by \$135 million. These actions were taken to ensure the Authority balanced its budget amidst a greatly reduced ridership outlook and constrained funding environment.

With unforeseen prolonged recovery and CARES Act funding expected to run out before the end of the fiscal year, the Board amended the budget a second time on November 19, 2020. This second amendment balanced the FY2021 budget through \$176.5 million in savings comprised of \$30.5 million in management reductions and \$146 million in Board actions that included capital project deferment, service cuts, and

layoffs.

Discussion:

Additional Federal Funds and FY2021 Operating Budget Amendment

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 was signed into law, which is estimated to provide approximately \$610 million in additional federal funding. The final regional appropriation amount will be determined by the Federal Transit Administration, after which, it will be shared by regional transit providers. Metro's final funding will be known following these two steps.

Given the gradual recovery in ridership and revenue well into the next fiscal year, staff recommend utilizing Metro's share of additional federal relief funds to balance the FY2021 budget. In FY2021, management proposes utilizing \$95.6 million of the additional federal funding and allocating the balance to FY2022.

Recommended Service Levels and Adjustments

As a result of the additional funding from the federal government, staff recommends restoration of service levels on Metrobus while maintaining the current approved service levels on Metrorail.

Metrobus

Current Metrobus service levels of approximately 78 percent of pre-pandemic service would be maintained to serve essential trips with improvements phased in during the spring until reaching 82 percent of pre-pandemic service in May. The added service would help maintain social distancing of approximately no more than 20 passengers at the same time on a standard bus and support higher ridership as well as improve reliability.

Specific improvements to be phased in include:

- 7 lines with full or partial restoration of weekday peak-period coverage
- 4 lines with full or partial restoration of weekday all-day service
- 10 lines with restoration of Saturday service
- 9 lines with restoration of Sunday service
- 34 lines with service extended to 2 AM

In addition to the improvements to regular scheduled Metrobus service, Metrobus will directly provide service for the Summer 2021 Platform Improvement Project rail replacement shuttles.

Metrorail

No additional change to Metrorail service is recommended at this time. Instead, Metrorail would maintain the FY2021 service levels approved by the Board on November 19, 2020 including retention of:

- 5:00 am to 11:00 pm daily operating hours
- Standardize weekday and off-peak rail service frequencies on each line
- Open Silver Line Phase 2: July 1, 2021

While the proposed budget amendment would restore more than 1,200 FTE positions to Metro's FY2021 budget that were scheduled to be eliminated in February, the Authority will continue workforce reductions through attrition, voluntary departures, and efficiency-driven non-voluntary reductions.

FUNDING IMPACT:

The \$1.942 billion FY2021 operating budget will be balanced through additional federal funding; resulting in no additional financial impact to funding jurisdictions.

TIMELINE:

Previous Actions	April 2020 – Board adopts FY2021 Operating Budget and FY2021-2026 Capital Improvement Program May 2020 – Board adopts revised FY2021 Operating Budget and defers FY2021 fare and service changes September 2020 - Board authorizes public hearing on additional FY2021 service reductions to balance the budget due to additional Covid-19 financial impacts October 2020 - Virtual Compact Public Hearing November 2020 - Board approved amendment to FY2021 Budget December 2020 - GM/CEO presented and Board authorized public hearings on, the Proposed FY2022 Operating Budget and FY2022-2027 Capital Improvement Program
Anticipated actions after presentation	Spring 2021 - Implement budget and service changes

RECOMMENDATION:

Approval of the amendment to the FY2021 Operating Budget.

SUBJECT: AMENDMENT OF FISCAL YEAR 2021 OPERATING BUDGET AND METROBUS SERVICE CHANGES

2021-01

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

WHEREAS, Pursuant to WMATA Compact §§ 23 and 24, on April 2, 2020, the Board of Directors adopted the fiscal year (FY) 2021 Capital Budget and Operating Budget (Resolution 2020-09); and

WHEREAS, On November 19, 2020, the Board amended the FY 2021 Operating Budget and Capital Budget (Resolution 2020-39); and

WHEREAS, The Board wishes to further amend the FY 2021 Operating Budget to reflect the additional funding to Metro from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 which became law on December 27, 2020;

NOW, THEREFORE, be it

RESOLVED, That the FY 2021 Operating Budget is further amended to increase the budget from \$1.848 billion to \$1.942 billion with such increase to be apportioned among the expense categories as determined by the General Manager and Chief Executive Officer, but with no change to the jurisdictional contribution amounts; and be it further

RESOLVED, That the fifth *RESOLVED* clause of Resolution 2020-39 is rescinded; and be it further

RESOLVED, That Attachment C to Resolution 2020-39 relating to service changes is amended to include the changes shown on the attached Additions to Attachment C to Resolution 2020-39; and be it further

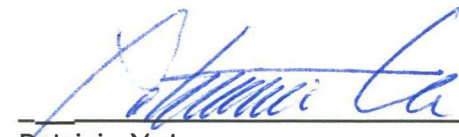
RESOLVED, That the Metrobus service changes contained in the original Attachment C to Resolution 2020-39 shall be effective on or about March 14, 2021, the Metrorail changes in the original Attachment C to Resolution 2020-39 shall be effective on or about February 14, 2021, and the changes in the attached Additions to Attachment C to Resolution 2020-39 shall be effective as soon as administratively and operationally possible; and be it finally

Motioned by Mr. McMillin, seconded by Ms. Gidigbi-Jenkins

Ayes: 8- Mr. Smedberg, Ms. Gidigbi-Jenkins, Mr. Goldman, Mr. Rouse, Mr. Letourneau, Mr. Marootian, Mr. Slater and Mr. McMillin

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with § 8(b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
Executive Vice President and General Counsel

WMATA File Structure No.:
4.2.2. Fiscal Year Budgets

Additions to Attachment C to Resolution 2020-39

Spring 2021 Proposed Service Improvements

Establish 2AM network 7 days-a-week as a pilot on the following lines

DC	MD	VA
32, 36	A12	1A
33	C4	7A
52	D12	10A
70	F4	16E
80	J2	23B
92	K6	28A
A6, A8	P12	38B
G8	T18	
H4	Y2	
L2	Z8	
P6 (Anacostia-Archives only)		
S2		
U5		
V2, V4		
W2 (Anacostia-Alabama & Irving only)		
W4		
X2		

Add/Modify Weekday service as follows:

Line	State	Time Period	Description
8Z / 21A	VA	Peak	Add a pilot hybrid service on 21A alignment between Stevenson & Walker and Duke & Reynolds, then 8Z alignment between Duke & N. Pickett and Pentagon Station
11Y	VA	Peak	Add as a pilot, a modified service between Mt. Vernon and N. Washington & Pendleton Streets, then terminate at Braddock Road Station (Temporarily charge regular fare until direct service to downtown is restored)
17H (17K)	VA	Peak	Extend route 17H on the route 17K alignment from Commonwealth & Gainsborough to the Twinbrook Rd. terminal
18J	VA	Peak	Add service on regular alignment

22F / 28F	VA	Peak	Extend route 22F as a pilot to Skyline City from Beauregard & Filmore on 28G alignment, Add 28F service on regular alignment
23A, 23B, 23T	VA	All-day	Restore service to pre-pandemic schedule
26A	VA	All-day	Add service on regular alignment
60	DC	All-day	Add service on regular alignment
C26 (C28)	MD	Peak	Extend route C26 from Pointer Ridge to Bowie Park-and-Ride via Bowie Gateway Center as a pilot
M4 (E6)	DC	All-day	Extend route M4 from Pinehurst Circle to Knollwood as a pilot

Add Saturday / Sunday service as follows:

Line	State	Service Days	Description
C12, C14	MD	Sat	Restore service
C29	MD	Sat	Restore service between Pointer Ridge and Bowie
D2	DC	Sat/Sun	Restore service
E2	DC	Sat/Sun	Restore service
G2	DC	Sat/Sun	Restore service
H12	MD	Sun	Restore full span of service
M6	DC	Sat/Sun	Restore service
NH2	MD-VA	Sat/Sun	Restore service on previously approved modified alignment between National Harbor and King St. Station only
R12	MD	Sat	Restore service
T14	MD	Sun	Restore service
V12	MD	Sun	Restore service
X8	DC	Sat/Sun	Restore service
Z6	MD	Sat	Restore service