



**Finance and Capital Committee**

**Action Item III-B**

**January 16, 2020**

**FY2020 Budget Amendment for  
Silver Line Phase 2 Launch**

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:  
202154

Resolution:  
☒ Yes ☐ No

### TITLE:

Amend the FY2020 Budget for Silver Line Phase 2

### PRESENTATION SUMMARY:

Staff will present to the Board a request to amend the FY2020 Budget to fund mobilization costs associated with Silver Line Phase 2.

### PURPOSE:

To seek Board approval of an amendment to the FY2020 Budget to fund mobilization costs associated with the launch of Silver Line Phase 2 revenue operations.

### DESCRIPTION:

#### Key Highlights:

- Silver Line Phase 2 revenue start date in the fall of 2020 (FY2021) is subject to all identified deficiencies being resolved to meet acceptance standards
- 11.4 miles of new track extending Metrorail into Loudoun County, Virginia
- Six new stations
- New Rail yard facility
- Phase 2 will increase FY2020 Operating Budget and Subsidy by \$23.6M
- Management actions will support \$36.5M of the FY2020 mobilization costs

#### Background and History:

Phase 2 of the Silver Line will extend the Metrorail system into Loudoun County, Virginia, and provide 11.4 miles of new track from the interim terminus at Wiehle-Reston East Station, through the Washington Dulles International Airport, to a terminus in eastern Loudoun County. It includes six new Metrorail stations (Reston Town Center, Herndon, Innovation Center, Washington Dulles International Airport, Loudoun Gateway, and Ashburn), and a new service and inspection yard.

The FY2020 Operating and Capital Budget included no funding for mobilization costs associated with Silver Line Phase 2 revenue service. Assuming the launch of revenue service on Phase 2 will occur in the fall of 2020, Metro needs to begin preparations in the current fiscal year (FY2020). To do so requires an amendment to the FY2020 Operating Budget of \$23.6M.

**Discussion:**

Construction of the Silver Line Phase 2 is well advanced. Construction is nearly complete, and systems installations and testing are under way. Dynamic Testing Readiness has been certified, and testing using Metro railcars has started.

**FUNDING IMPACT:**

Budget:	Operating Budget, Fiscal FY2020
This Action:	\$23,568,000
Remarks:	\$60.1M - Additional Expenses (\$36.5M) - Management Actions \$23.6M - Required Subsidy
Budget:	Operating Subsidy, Fiscal FY2020
Approved Budget:	\$1,125.476M
This Action:	\$23.568M
Amended Budget:	\$1,149.044M

**TIMELINE:**

<b>Previous Actions</b>	August 2013 – Metro and MWAA executed the negotiated Cooperative Agreement that provides for Metro support throughout the design-build phase of the Silver Line Phase 2 project  March 2019 - Board approved the FY2020 Operating and Capital Budget which excluded all preparation costs for the launch of revenue service on Silver Line Phase 2
<b>Anticipated actions after presentation</b>	Fall 2020 – Launch of revenue service for Silver Line Phase 2

**RECOMMENDATION:**

Approve the amendment to the FY2020 Budget to fund mobilization costs associated with Silver Line Phase 2.

# FY2020 Budget Amendment for Silver Line Phase 2 Launch

Finance and Capital Committee

January 16, 2020



# Purpose

Request an amendment to the FY2020 Budget to fund mobilization costs associated with Silver Line Phase 2

### Silver Line Phase 2

- Silver Line Phase 2 includes 11.4 miles of new track extending Metrorail into Loudoun County, Virginia, with six new stations and one new rail yard facility
- In-house workforce, reflects Local 689 collective bargaining agreement approved by WMATA Board of Directors on December 20, 2019
- Staffing mobilization must begin assuming revenue service start date in the fall of 2020 (FY2021) that could shift

# Proactive Recruitment and Training of 337 Full Time Equivalents (FTEs) Required

- To ensure success, mobilization is required now
  - Metro Police – 18 months
  - Train Operators, Station Managers, Rail Operations Control Center – 9 months
  - Mechanics, Elevator/Escalator – 3 months

Silver Line Phase 2 - Mobilization	
Job Type	FTEs
Rail Operators	65
Station Managers	25
Elevator / Escalator Journeymen	8
Metro Police	30
Superintendents / Administrative Support	48
Inventory Specialists	4
Track Workers	60
Quality Assurance / Safety Officers	2
Rail Operations Controller	9
Engineers / Technicians / Mechanics	86
<b>Total</b>	<b>337</b>

# Mobilization and Operations Expense and Revenues

(\$ in millions)

Fiscal Year	Mobilization	Operations	Total	Management Actions	Revenue	Net Subsidy
FY2020 <sup>1</sup>	\$60.1	-	<b>\$60.1</b>	(\$36.5)	-	<b>\$23.6</b>
FY2021 <sup>2</sup>	\$30.0	\$90.1	<b>\$120.1</b>	-	(\$5.0)	<b>\$115.1</b>
<b>Total</b>	<b>\$90.1</b>	<b>\$90.1</b>	<b>\$180.2</b>	<b>(\$36.5)</b>	<b>(\$5.0)</b>	<b>\$138.7</b>

1. Mobilization costs for January – June 2020 (FY2020), which require amendments to the FY2020 Operating Budget

2. Mobilization costs for July – fall of 2020 (FY2021) and operating costs for the remainder of FY2021



# FY2020 Subsidy Requirement Allocation

(\$ in Millions)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Subsidy
<b>District of Columbia</b>	<b>\$1.297</b>	<b>\$1.297</b>	<b>\$1.297</b>	<b>\$1.297</b>	<b>\$1.297</b>	<b>\$1.297</b>	<b>\$7.779</b>
Montgomery County	\$0.688	\$0.688	\$0.688	\$0.688	\$0.688	\$0.688	\$4.131
Prince George's County	\$0.618	\$0.618	\$0.618	\$0.618	\$0.618	\$0.618	\$3.708
<b>Maryland Subtotal</b>	<b>\$1.306</b>	<b>\$1.306</b>	<b>\$1.306</b>	<b>\$1.306</b>	<b>\$1.306</b>	<b>\$1.306</b>	<b>\$7.838</b>
City of Alexandria	\$0.183	\$0.183	\$0.183	\$0.183	\$0.183	\$0.183	\$1.099
Arlington County	\$0.367	\$0.367	\$0.367	\$0.367	\$0.367	\$0.367	\$2.200
City of Fairfax	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.072
Fairfax County	\$0.638	\$0.638	\$0.638	\$0.638	\$0.638	\$0.638	\$3.825
City of Falls Church	\$0.010	\$0.010	\$0.010	\$0.010	\$0.010	\$0.010	\$0.059
Loudoun County	\$0.116	\$0.116	\$0.116	\$0.116	\$0.116	\$0.116	\$0.696
<b>Virginia Subtotal</b>	<b>\$1.325</b>	<b>\$1.325</b>	<b>\$1.325</b>	<b>\$1.325</b>	<b>\$1.325</b>	<b>\$1.325</b>	<b>\$7.951</b>
<b>Total Contribution</b>	<b>\$3.928</b>	<b>\$3.928</b>	<b>\$3.928</b>	<b>\$3.928</b>	<b>\$3.928</b>	<b>\$3.928</b>	<b>\$23.568</b>

## Silver Line Phase 2 will Increase FY2020 Operating Budget and Subsidy by \$23.6M

(\$ in Millions)	FY 2020 Subsidy
<b>FY2020 Revised Budget</b>	<b>\$1,125.5</b>
Silver Line Phase 2	
Mobilization Costs	60.1
Additional Revenues / Cost Savings and Management Actions	(36.5)
<b>Required Subsidy</b>	<b>\$23.6</b>
<b>FY2020 Updated Subsidy<sup>1</sup></b>	<b>\$1,149.0</b>

1. Numbers may not add due to rounding.

## Additional FY2020 Subsidy Requirement for Silver Line Phase 2

(\$ in Millions)	FY2020 Budget	Silver Line Phase 2 Mobilization	FY2020 Updated Subsidy
<b>District of Columbia</b>	<b>\$407.766</b>	<b>\$7.779</b>	<b>\$415.545</b>
Montgomery County	189.124	4.131	193.255
Prince George's County	242.611	3.708	246.318
<b>Maryland Subtotal</b>	<b>\$431.735</b>	<b>\$7.838</b>	<b>\$439.573</b>
City of Alexandria	45.835	1.099	46.934
Arlington County	78.160	2.200	80.360
City of Fairfax	2.487	0.072	2.558
Fairfax County	156.043	3.825	159.868
City of Falls Church	3.449	0.059	3.509
Loudoun County	-	0.696	0.696
<b>Virginia Subtotal</b>	<b>\$285.975</b>	<b>\$7.951</b>	<b>\$293.926</b>
<b>Total Contribution</b>	<b>\$1,125.476</b>	<b>\$23.568</b>	<b>\$1,149.044</b>

# Recommendation

Amend the FY2020 Budget to fund mobilization costs associated with Silver Line Phase 2

SUBJECT: AMEND FISCAL YEAR 2020 OPERATING BUDGET FOR SILVER LINE  
PHASE 2 MOBILIZATION COSTS

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

WHEREAS, Resolution 2011-30 requires Board approval to adjust the total operating budget; and

WHEREAS, The fiscal year (FY) 2020 Operating Budget does not include mobilization costs for Silver Line Phase 2; and

WHEREAS, It may be necessary to add up to \$23.568 million to the FY 2020 Operating Budget in order to begin preparations for the launch of Silver Line Phase 2 revenue service;

NOW, THEREFORE, be it

*RESOLVED*, That the Board authorizes the General Manager and Chief Executive Officer to implement an increase to the FY 2020 Operating Budget of up to \$23.568 million if he deems it necessary to pay for Silver Line Phase 2 mobilization costs incurred during FY 2020 to be shared by the jurisdictions in accordance with the operating subsidy allocation formula as shown in Attachment A; and be it finally

*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,

  
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Patricia Y. Lee  
General Counsel

**Additional FY2020 Subsidy Requirement for Silver Line Phase 2**

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