

Public Testimony of Richard A Sarles  
Chief Executive Officer/General Manager

Of the

Washington Metropolitan Area Transit Authority

On the

“Fiscal Year 2011 Agency Performance and Status Spending for Fiscal Year 2012”

Wednesday, February 22, 2012  
11:00 AM

Before the

Council of the District of Columbia’s  
Committee on Government Operations

The Honorable Muriel Bowser  
Chairperson

Statement of Richard Sarles  
Chief Executive Officer/General Manager  
Washington Metropolitan Area Transit Authority  
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Good afternoon Chairperson Bowser and other members of the Committee and staff, my name is Richard Sarles and I am the Chief Executive Officer/General Manager of the Washington Metropolitan Area Transit Authority (WMATA) commonly known as Metro. It is a pleasure for me to appear before the committee today to discuss Metro's Fiscal Year 2011 year-end financials and program/project status and also to provide the committee with a snap shot of where we are with a budget and program/project spending at the mid-point of Fiscal Year 2012.

Let me for the record introduce the staff with me today who will assist in answering the committee's questions. We have Ms. Carol Kissal, Deputy General Manager for Administration and Chief Financial Officer; Mr. Dave Kubicek,

Deputy General Manager for Operations; Mr. Jack Requa, Assistant General Manager for Bus and Mrs. Barbara Richardson, Assistant General Manager for Customer Service, Communications and Marketing.

### Fiscal Year 2011 Operating Budget Highlights

- Metro ended Fiscal Year 2011 with a favorable budget.
- Subsidy for the year end was \$5.2 million this total consisted of a cost recovery of \$21.7 million less \$16.5 million for preventive maintenance repayment
- Year-end expenditures were \$46.3 million below budget:  
Favorable items include:  
Salary, wages, & overtime (\$0.1 million) and Fringe Benefits (\$4.4 million)  
Services(410.5 million) and Propulsion/Diesel (\$21.9 million)  
Utilities/Insurance/Other (\$15.2 million)
- Unfavorable is Material & Supplies (\$5.8 million over budget), mainly for unanticipated repairs
- Year-end revenues were \$24.6 million below budget, major drivers:  
\$26 million shortfall in Rail and Bus passenger revenue  
\$1.4 million above budget in other

Rail ridership for Fiscal Year 2011 was 1.9 million trips, 0.9%, below what was budgeted.

Bus ridership for Fiscal Year 2011 was 2.5 million trips, 1.96% below what was budgeted.

### Fiscal Year 2011 Capital Budget

Councilmember Bowser you know that the emphasis of our capital budget spending has been to rebuild and repair our system, to address the safety issues that have been identified by the NTSB and TOC reports and purchase the necessary rolling stock to meet future transit demands. Our spending in Fiscal Year 2011 has moved us down that path.

- Our Fiscal Year 2011 capital expenditures were \$229 million or 60% higher than Fiscal Year 2010 spending.
- Our obligations were \$239 million or 45% higher than in FY 2010.
- Our total capital budget for FY 2011 is \$885 million dollars of which we obligated \$769 million and expended \$611 million. We did not spend \$244 million. For Fiscal Year 2011 we achieved an obligation rate of 90% and an expenditure rate of 71%.

- Our obligation based capital budget for FY 2011 was \$2.115 billion of which we obligated \$1.701 billion and expended \$1.446 billion for a obligation rate of 80% and an expenditure rate of 68%.

## Capital Budget Highlights

- Metro received the 241 MetroAccess vehicles purchased that has allowed us to continue to provide high quality service.
- Metro received the all of the 52 transit buses ordered.
- Construction work on Orange/Blue line System Infrastructure Rehabilitation from Stadium Armory to Reagan National Airport as well as Red Line System Infrastructure Rehabilitation between DuPont Circle and Silver Spring stations continued.
- First major milestone payment on the initial costs of the new 7000 Series Railcars
- Replacement of track cross ties, fasteners, insulators, running rail, turnouts, and chain markers/safety signs replace; grouts pads, concrete, anchor bolts, drains, deck joints and floating slabs rehabilitated; joints welded and leaks repaired

- Short-term repairs were made to the Northern Bus Garage to repair the parking deck and extend the life of the facility for five years.
- The new Shepherd Parkway bus garage (the replacement facility for the old Southeastern Division) is nearing completion in Southwest Washington, DC.
- Metro replaced the problematic escalators at the Foggy Bottom/GWU Station with three new units.
- Ongoing IT Infrastructure and system/network procurement, installation, upgrades, configuration and testing continued.

#### Fiscal Year 2012 Midpoint

Years of chronic underfunding and underinvestment has resulted in our bus and rail equipment and systems not being properly maintained or replaced. This has resulted in problems with our trains, buses, stations and equipment that have hurt our ability to provide reliable on-time services. The Federal Government, the District of Columbia, the State of Maryland and the Commonwealth of Virginia have provided the operating and capital funding we requested and the Board of Directors have authorized a course to Improve Metro. Councilmember Bowser in the first six months of Fiscal Year 2012 we have continued our efforts to improve system safety, rebuild our systems, improved our operations, bring on additional staff and improve our safety culture.

We have continued our work to improve the performance and reliability of the rail system by replacing cross ties, running rail, fasteners, insulators, floating slabs and ROW Signs and equipment.

We have taken steps to improve the customer experience through the following actions:

- Purchasing 116 new hybrid electric buses
- Rehabilitated 112 existing buses
- Purchased 241 new MetroAccess vehicles
- Installed over 21 miles of new running rail
- Rehabilitated or replaced 37 escalators and 3 elevators
- Over 10 station platform, structural and pave tile rehabilitations
- Hired more Transit Police Officers and hires and trained more system safety staff
- Started work on replacing the three escalators at the Dupont Circle Station South entrance with new units
- Started the rehabilitation of the station platforms at three DC stations on the Red Line (Takoma, Fort Totten and Brookland/CUA) and a couple of stations on the Orange line.

As a result of these efforts to rebuild our infrastructure and implement strict maintenance standards, there are times when stations and line segments are closed, bus bridges are implemented to shuttle our riders between the closed segments and there are longer waits in between trains. We apologize for these inconveniences but I can assure you and the Council of the District of Columbia that these improvements will result in:

- Improved reliability and on-time performance for bus and rail services
- Reductions in the employee and customer injury rates.
- Reductions in Crime.
- Improved vertical transportation and escalator and elevator availability

With that Chairperson Bowser, let me thank you again for this opportunity to report on Metro's FY 2011 accomplishments and provide you with a status report on our activities at the mid-point of FY 2012. Let me stop here and respond to any questions that the committee may have.

