

AGENDA ITEM #8
June 27, 2017
Briefing

MEMORANDUM

June 23, 2017

TO: County Council

FROM: ^{GO} Glenn Orlin, Deputy Council Administrator

SUBJECT: **Briefing**—WMATA General Manager's "Keeping Metro Safe, Reliable and Affordable" Plan

Paul J. Wiedefeld, General Manager of the Washington Metropolitan Area Transit Authority (WMATA), has been invited to present his plan for continuous improvement to the Metrorail system once the current SafeTrack program is completed. His presentation is attached.

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Washington Metropolitan Area Transit Authority

Keeping Metro Safe, Reliable and Affordable

**Paul J. Wiedefeld
WMATA General Manager/CEO**

**Montgomery County Council
June 27, 2017**



WMATA Overview

- The Washington Metropolitan Area Transit Authority (WMATA) was created in 1967 by an Interstate Compact between VA, MD & DC
- WMATA began operation in 1976 and has three modes: Metrorail, Metrobus, MetroAccess
- Serves population area of over 3.9 million covering a 1,500 square-mile area
- Metro provides over 1 million trips on an average weekday





Metro Keeps the Region and Montgomery County Working

- \$235B of real estate value within half-mile of rail stations
- Proximity to rail increases property values by 7-9%
- Land value near Metrorail generates \$3.1B per year in jurisdiction tax revenues
- If there were no transit in the region, congestion would increase by 25%, costing over \$1.5 billion annually





Metro's Value to Montgomery County

Metro provides over 177,000 trips to Montgomery County residents on a typical weekday

- Metrorail
 - 119,000 average weekday trips
- Metrobus
 - 57,000 average weekday trips
- MetroAccess
 - 1,500 paratransit customers on an average weekday



WMATA and Region Must Address Challenges in Three Horizons





Right the Ship

- Safety above service reinforced at all levels
 - One day shutdown in March 2016
 - Launch of SafeTrack in June 2016
- Service reliability and customer service
 - 7000 Series railcars
 - 15 minute grace period on Metrorail
- Fiscal management
 - Accountability—"at will" employees—terminations
 - Revised ethics and nepotism policies
 - 800 positions eliminated
 - Containing absenteeism, overtime, workers' compensation
 - Timely audits
 - Capital program delivery





Back2Good

- Railcars and Track Infrastructure
 - More 7000 Series, retiring 1000/4000 series
 - Railcar "get well" program
 - Railcar offloads down 50% in Q1 of 2017
 - SafeTrack will have refurbished one third of all track
 - Preventive Maintenance and Inspection Program
- Customer Service Improvements
 - Escalator availability at 95%
 - Cell phone coverage in tunnels
 - WiFi at 30 underground stations by end of 2017
 - Station cleaning/painting
 - Improvements in customer announcements



2019 and Beyond

- Metrolink is a \$40B regional asset that is critical to the economic vitality and future of the region
- Years of deferred maintenance combined with the aging of the system has impacted service reliability that requires major capital investment to address
- Operating expenses are growing at nearly twice the rate of revenues and requires significant changes in the business model
- To address these financial concerns, WMATA has released a comprehensive funding plan



Capital Budget

- Jurisdictional capital contributions should be capped at 3% annual growth
- \$15.5 billion in capital funds needed over the next 10 years
- Recommend the region establish a multi-year, stable revenue source generating \$500 million per year for capital
- Capital Trust Fund should be dedicated to capital investment
- Congress should reauthorize federal capital investment (PRIIA) in safety and reliability for WMATA at least at current level of \$150 million per year



Operating Budget

- Jurisdictional operating subsidies should be capped at 3% annual growth
- Preserve pension commitment to active employees and retirees, but provide a defined contribution plan for new hires
- Enhance flexibility to reduce costs with innovative approaches including competitive contracting of targeted functions
- Congress should amend the National Capital Area Interest Arbitration Standards Act (Wolf Act) to require arbitration process that considers financial condition of WMATA
- Create a "Rainy Day Fund" to incrementally provide 10% of the operating budget over 10 years



Future Benefits

- Enhanced Economic Opportunity
 - Reliable regional mobility drives economic growth through greater access to jobs for employees and employers
- Transit-Oriented Development
 - Trend of region's commercial and residential construction around Metro stations will continue
- Workforce Stability
 - Sustainable operating budget will mitigate need to reduce service
 - Preserves benefits for current employees
- Restored pride in Metro
 - The public, our riders and our employees will once again take great pride in a safe, clean and reliable Metro system ¹¹