

# PROGRESS REPORT

Fiscal Year 2020 Q1



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# FY2020 Q1 at a Glance

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In the first quarter of fiscal year (FY) 2020, Metro completed major rehabilitation and customer improvements at six Blue and Yellow line stations, advanced an energy proposal to add solar parks at four stations, and sought public comment on the proposed reconstruction and modernization of Bladensburg Bus Garage.

Metro achieved significant milestones in system safety, reliability and fiscal accountability in Q1 FY2020. Metro's operating cost recovery was 46 percent for the quarter, exceeding the budgeted 43 percent, despite below budget revenue. Furthermore, Metro invested \$483.1 million or 26 percent of the total annual capital budget, exceeding last year's Q1 investment total by \$255 million.

September marked the completion of full platform reconstruction and infrastructure improvements to six Blue and Yellow line stations south of Ronald Reagan Washington National Airport. This rehabilitation is part of Metro's three-year Platform Improvement Project that will reconstruct outdoor platforms at 20 Metrorail stations, making platforms safer and more accessible for customers with disabilities. Metro installed slip-resistant tiles, stainless-steel platform shelters with USB charging ports, energy-efficient LED lighting and improved speakers for clearer public announcements and emergency notifications. Upcoming train information and service alerts are now displayed simultaneously on 55-inch Passenger Information Display (PID) screens on the platforms as part of the station improvements. The platform improvement project successfully retained a higher than expected number of customers on shuttle buses during the shutdown with nearly 90 percent of the customers returning to rail in the weeks following reopening.

In July, Metro advanced its sustainability goals by offering a ground lease to develop and operate solar photovoltaic (PV) power systems on surface and rooftop parking lots at Anacostia, Cheverly, Naylor Road and Southern Avenue stations. The proposal will provide clean renewable energy to power 1,500 single family homes for one year and new revenue to support transit services. New solar canopies will benefit Metro's parking customers by providing shade and snow protection along with lighting improvements.

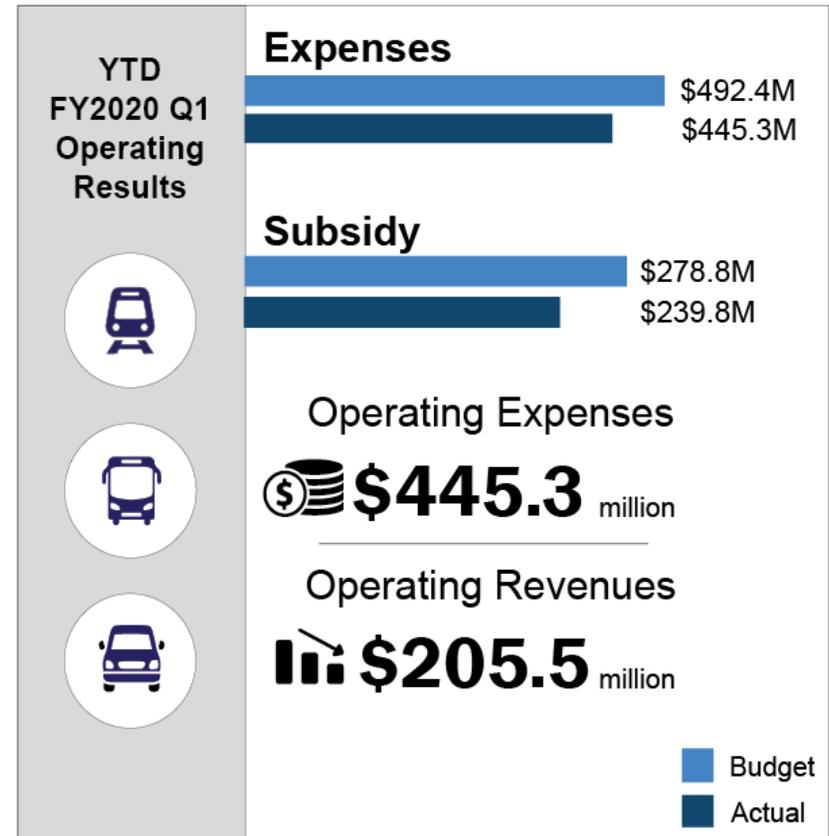
Metro sought public input on a proposal to rebuild and modernize the Bladensburg Bus Garage in Northeast Washington, D.C. which is one of Metro's oldest bus garages (pre-dating the creation of Metro in the 1960s). The proposal includes increasing the size of the site by approximately one acre to incorporate a state-of-the-art garage for up to 300 buses, separate entrances for buses and employee vehicles, and on-site employee parking.

Finally, the Back2Good campaign focused on Metro's improvements in service reliability and raising awareness of new pass options. As a result, 10 percent of rail trips are now taken on passes, as pass sales spiked 43 percent following the Board-approved changes to improve pass offerings in July.

# Operating Results

Metro's net subsidy through Q1 of FY2020 totaled \$239.8 million, or \$39.0 million favorable to budget.

Metro's operating expenses through the first quarter were \$445.3 million or \$47.2 million less than budget. Operating revenues were \$205.5 million through Q1, funding 46 percent of operating expenses. Revenue losses from lower bus ridership and non-transit revenue were offset by savings from personnel expenses (including costs allocated to capital projects) and materials expenses.



\* All figures exclude operating reimbursable projects.

# Ridership & Revenue

Actual ridership for all three modes was 79.9 million trips through Q1 of FY2020.

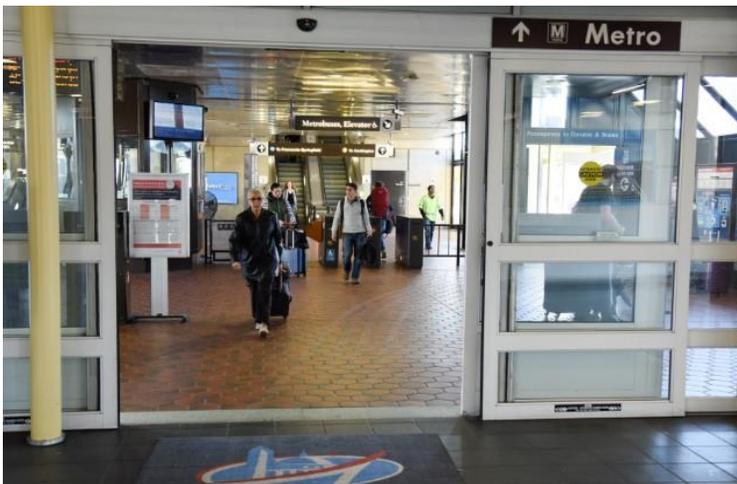
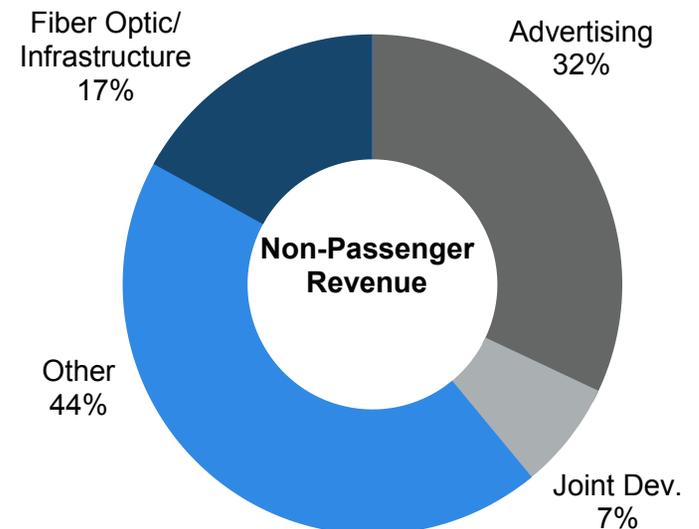
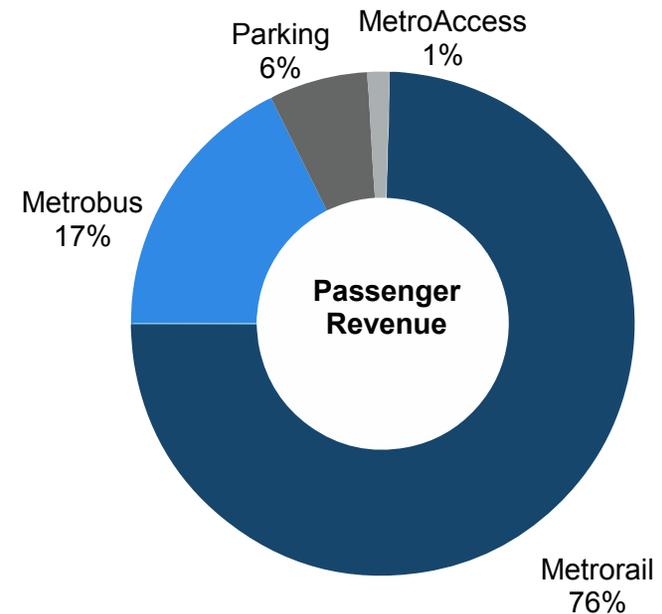
Rail ridership through Q1 was 46.9 million trips – up 3.1 million from the prior year. Bus Automated Passenger Count (APC) ridership totaled 32.4 million trips through Q1, virtually flat compared to prior year, but seven percent below the budgeted level. Total ridership on MetroAccess through the first quarter was 0.6 million trips – one percent higher than prior year and two percent above budget.



		Ridership*	
		Q1 Budget	Q1 Actual
	<b>43.1</b> million trips	<b>46.9</b> million trips	
	<b>34.8</b> million trips	<b>32.4</b> million trips	
	<b>0.59</b> million trips	<b>0.60</b> million trips	

\* Bus totals include shuttles to accommodate rail station shutdowns and other track work. In previous years, bus ridership was reported using farebox (AFC) figures, excluding shuttles. In FY2018, the FTA approved the use of the APC method which uses onboard sensors to count passengers boarding the vehicles.

- Q1 passenger revenue totalled \$181.8 million, \$1.7 million (one percent) below budget, including:
  - Metrorail passenger revenue of \$138.7 million was \$5.5 million (four percent) above budget.
  - Metrobus passenger revenue of \$30.3 million was \$6.0 million (17 percent) below budget.
  - MetroAccess passenger revenue of \$2.1 million was \$0.3 million (12 percent) under budget.
  - Parking revenue of \$10.7 million was \$0.9 million (eight percent) below budget.
- Non-passenger revenue in the first quarter totaled \$23.7 million, \$6.4 million (21 percent) below budget, including:
  - Advertising revenue of \$7.6 million
  - Fiber optic/infrastructure revenue of \$4.0 million
  - Joint development revenue of \$1.7 million
  - Other non-passenger revenue of \$10.4 million, below budget by \$7.0 million



# Operating Expenses

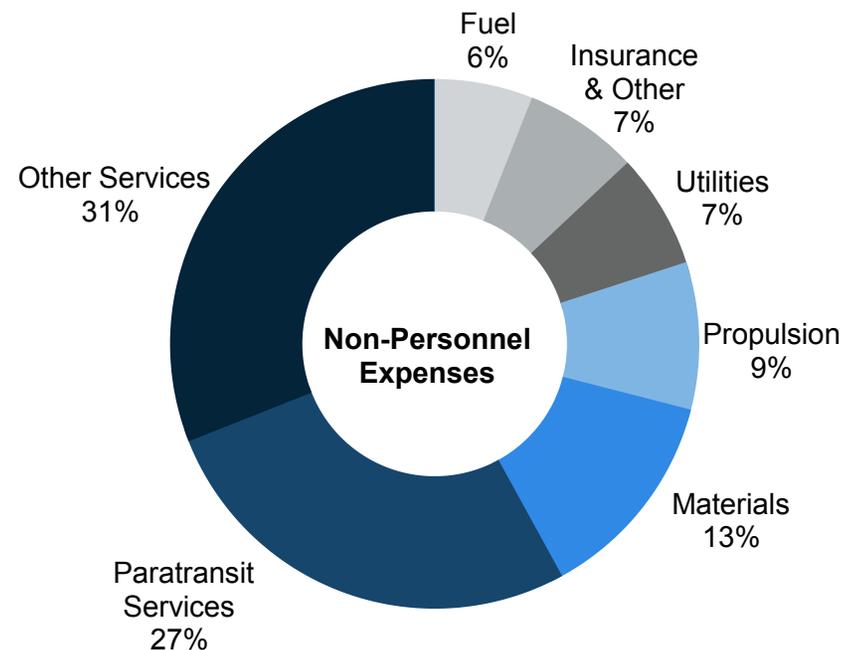
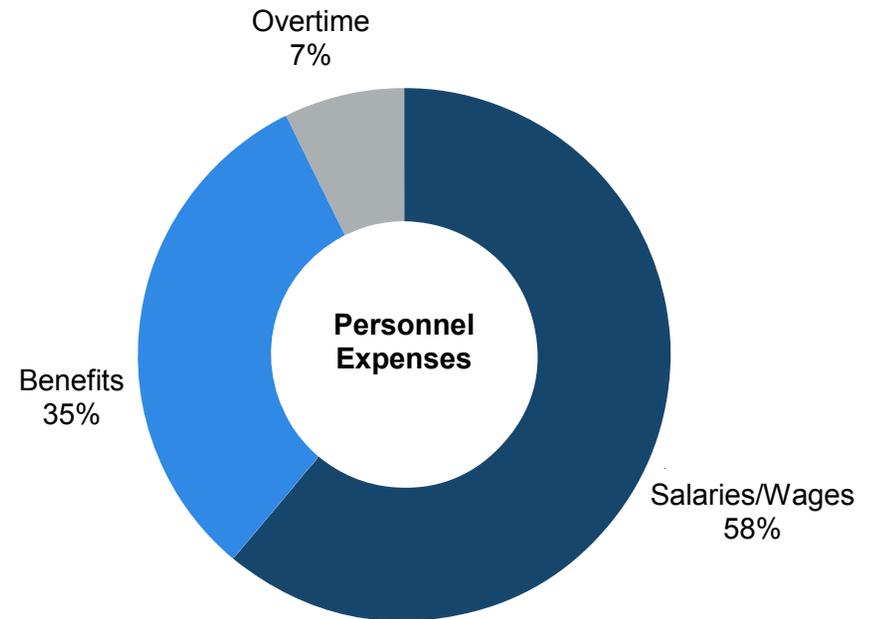
FY2020 operating expenses through Q1 were \$445.3 million – favorable to budget by \$47.2 million due to savings in Salaries & Wages, Services, and Materials expenses and a larger-than-planned Capital Cost Allocation.

## Personnel Expenses

- FY2020 personnel expenses through Q1 (including salaries/wages, overtime, and fringe benefits) were \$333.7 million – favorable to budget by \$10.6 million (three percent).
- Salary and wage expenses accounted for \$192.9 million of this total, under budget by \$22.1 million (10 percent) due to vacancies.
- Overtime expenses were \$23.3 million (over budget by \$4.4 million due to vacancy coverage), while fringe benefit expenses were \$117.5 million (\$7.1 million over budget).

## Non-Personnel Expenses

- Non-personnel expenses totaled \$111.6 million in Q1, \$36.6 million (25 percent) below budget.
- Services were \$5.9 million favorable due to reduced expenses in professional/technical and other services.
- Paratransit services were marginally favorable to budget.
- Materials & Supplies were \$9.3 million (34 percent) favorable with lower than budgeted expenses for items such as vehicle parts and other supplies.
- Fuel, propulsion power, and utilities were each below budget, combining for \$1.2 million favorability, while insurance and other expenses were \$20.1 million, favorable when combined. Included in that combined total, the allocation of labor costs to capital projects was \$17.0 million larger than budgeted due to the platform rehabilitation project and an increase in the allocation rate.



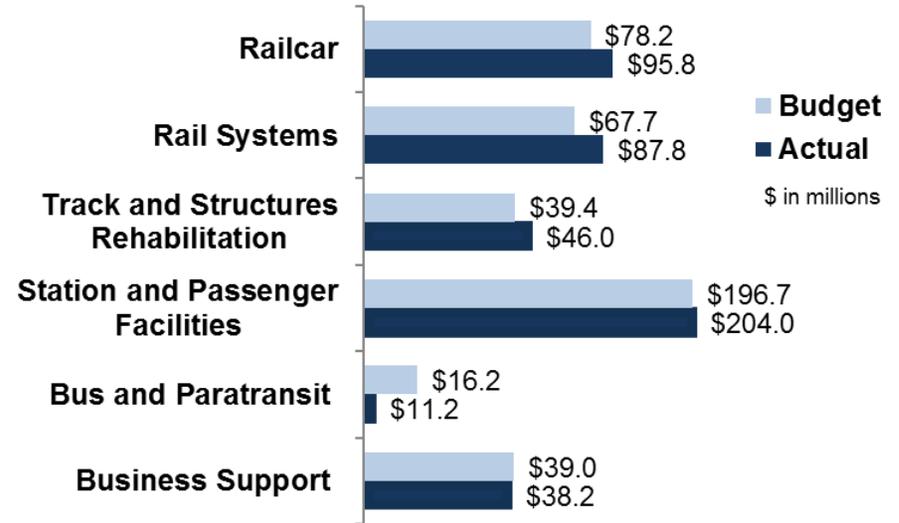
# Capital Programs

Metro invested \$483.1 million in Q1 FY2020, 110% of the pro-rated Capital Improvement Program budget.

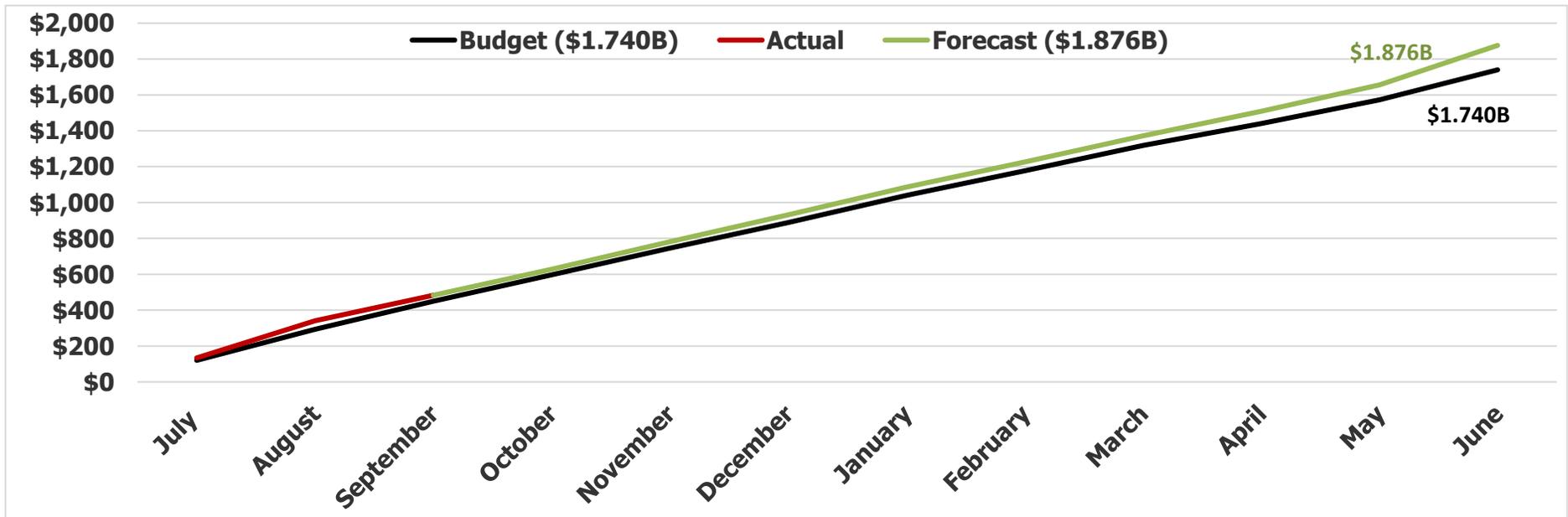
In the first quarter, Metro continued the aggressive delivery of capital projects to improve the safety and reliability of the transit system. First Quarter FY2020 investment was \$45.9 million greater than projected, as station improvements such as elevators and escalators and improvements at rail stations south of Reagan National Airport advanced. The chart to the right shows budget and actual expenditures by program category through Q1.

The chart below shows capital expenditures by month compared to budget for FY2020.

**FY2020 Budget vs Actual by Investment Category YTD**



**\$ in Millions**



# Railcar Investments

Through Q1 of FY2020, Metro invested \$95.8 million in the Railcar category.

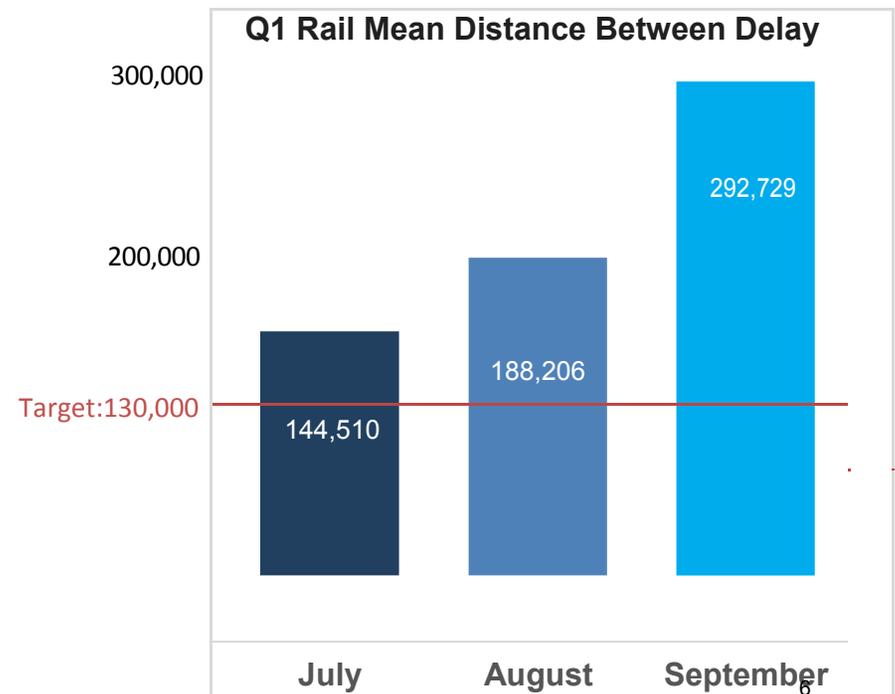
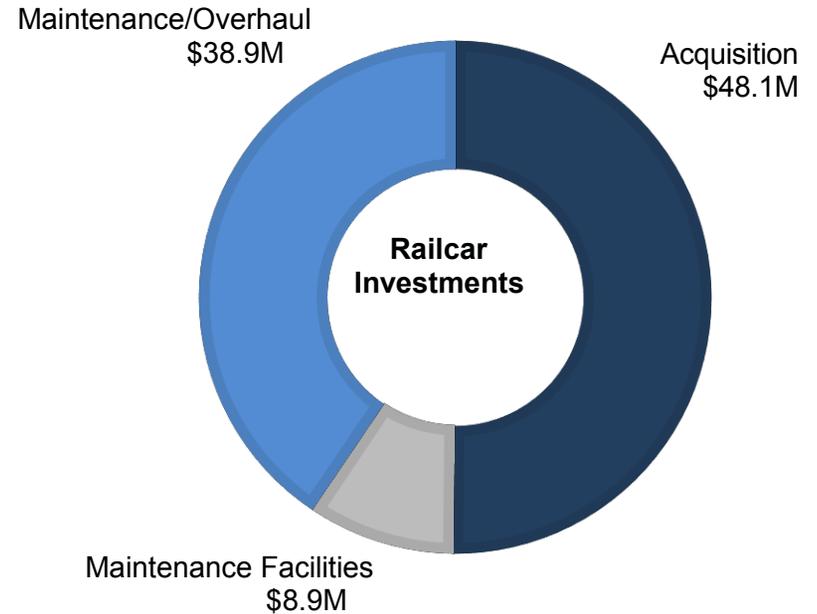
## Railcar Acquisition

In Q1 of FY2020, Metro continued deliveries of 7000-Series railcars, with 24 additional railcars conditionally accepted during this quarter. Of the total 748 railcars ordered in the series, 704 had been conditionally accepted by the end of this quarter.

Procurement activities continued for the next-generation 8000-Series railcars. Evaluations of proposals are underway and additional information has been requested of the vendors.

Due largely to the reliability of the 7000-Series railcars, Metro has increased the performance standard of Mean Distance Between Delays (MDBD) for the fleet, from 90,000 in FY2019 to 130,000 in FY2020, an increase of more than 75 percent.

Overall mean distance between delays for the first quarter of FY2020 was 191,584 miles. That compares favorably to both Metro's target of 130,000 miles and to 160,985 miles between delays in FY2019. For customers, this means fewer disruptions and offloads, making service more reliable.



### ***Railcar Maintenance & Overhaul***

Metro's Scheduled Maintenance Service (SMS) program addresses 3000-Series air compressors, HVAC conversions, truck assemblies, and other components; as well as 6000-Series truck assemblies. In Q1 of FY2020, 14 of the 100 rehabilitations scheduled for the 3000-Series in FY2020 were completed. Likewise, of the 120 planned rehabilitations for the 6000-Series, 22 were completed in Q1.

Ongoing preventive maintenance on the rail fleet continued, helping Metrorail to meet the goal of keeping at least 98 percent of railcars in service.

### ***Railcar Maintenance Facilities***

In Q1, Metro completed construction of the Good Luck Road facility in Glen Dale, MD as part of the process to move maintenance and storage activities that can be accomplished off-site from rail yards to provide additional space for railcar maintenance and storage in the yards. The final occupancy permits are expected in Q2.

Metro took advantage of the summer 2019 shutdown of six stations south of National Airport to complete a series of improvements to the Service and Inspection (S/I) Shop in Alexandria. The work consisted of exterior masonry facade repairs, doors and window replacements, restroom renovations, painting, reconstruction of concrete apron at entry and exit points of the S/I Shop re-construction, and epoxy floor improvements to S/I Shop maintenance floors.



# Rail Systems

Metro invested \$87.8 million in Rail Systems through Q1 of FY2020.

## **Propulsion**

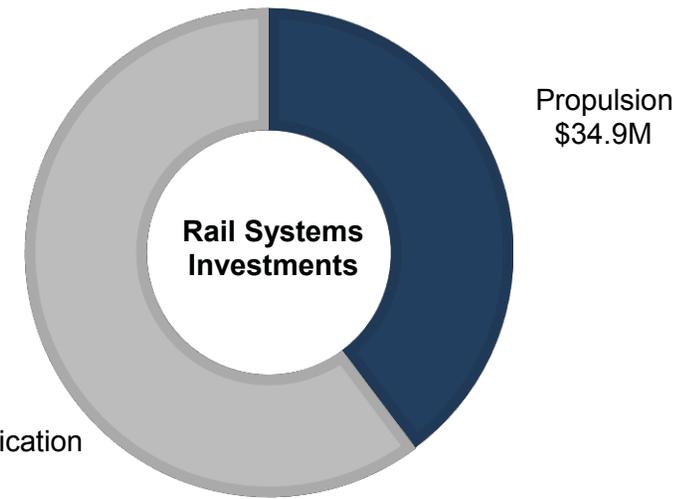
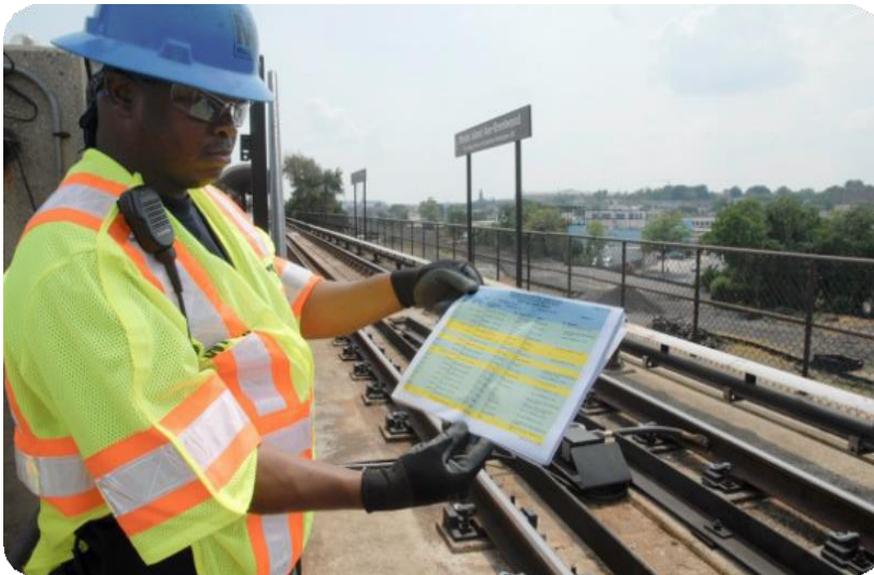
In another example of work completed during the South of National Airport shutdown, Metro completed installation of three traction power substation upgrades at Crystal City, Springfield and Eisenhower Junction. Additionally, during this period, Metro was able to complete the relocation of cable from the aerial structure at Eisenhower Ave. All of this work was closely coordinated with the platform improvements to maximize the work completed during this window and to minimize disruptions for customers going forward.

## **Signals & Communications**

The summer shutdown also made possible a series of improvements at the Alexandria yard, including installation of civil infrastructure and electrical raceways within the Service and Inspection (S/I) and Track and Structures System Maintenance (TSSM) buildings.

In Q1, Metro also installed and tested power supplies at the Glenmont, Farragut North, Rosslyn and Smithsonian stations.

Design work also advanced for future signals and communications improvements, including rehabilitation of the Alexandria yard, the Train Control Room Bungalow and switch machine power supplies replacement.



# Track & Structures Investments

Through Q1 of FY2020 Metro invested \$46.0 million in the Track & Structures investment category.

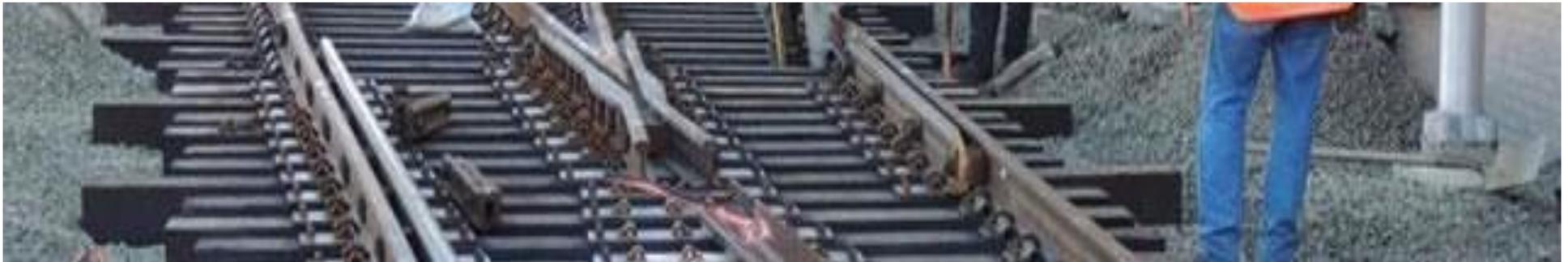
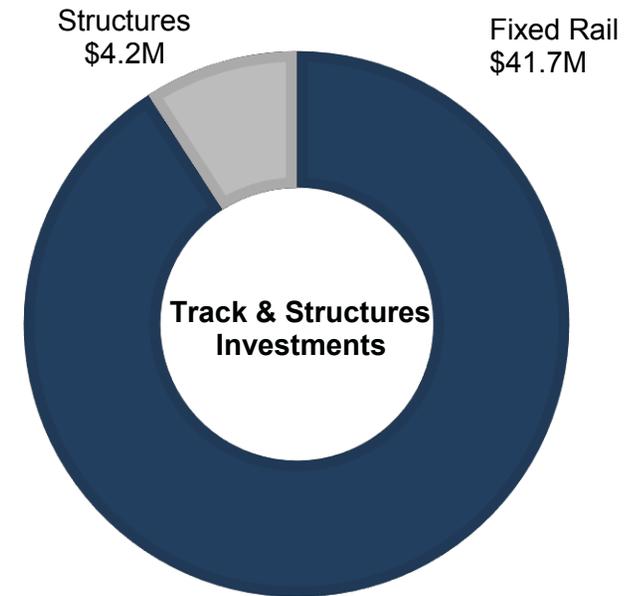
## **Fixed Rail**

In Q1, Metro renewed two turnouts, 3.7 miles running rail, 14,965 direct fixation fasteners, 2,162 crossties, and 1,102 insulators. In addition, 10.6 miles of track were tamped, 231 open rail joints were welded, 730 linear feet of track were stabilized, 0.1 miles of third rail were replaced, 19,639 linear feet of grout pads were rehabilitated, 9,440 square feet of concrete were poured, 28,967 linear feet of drains were rehabilitated, and 626 signs were replaced.

Metro also awarded contracts for the replacement of 15 swing loader vehicles used to lift rail and position it into place.

## **Structures**

Structures efforts in Q1 were focused on the rehabilitation of the Bush Hill Aerial structure, also completed during the South of National Airport shutdown.



# Stations & Passenger Facilities Investments

In the Stations & Passenger Facilities category, Metro invested \$204.0 million through Q1 of FY2020.

## Platforms & Structures

During Q1, major platform rehabilitation and related work continued South of National Airport. This work included 36 systems (tile, signage, shelters, public address (PA) system, fire protection, drainage, pumps, paint, bathrooms, etc.) at the following six stations that returned to service, on-schedule, on September 9, 2019:

- Braddock Road
- Eisenhower Avenue
- Huntington
- Van Dorn Street
- Franconia-Springfield
- King Street-Old Town

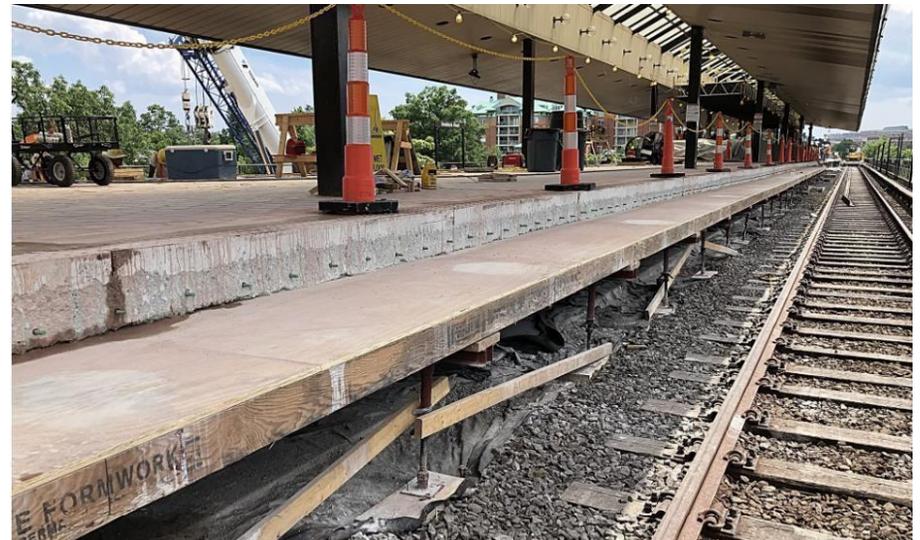
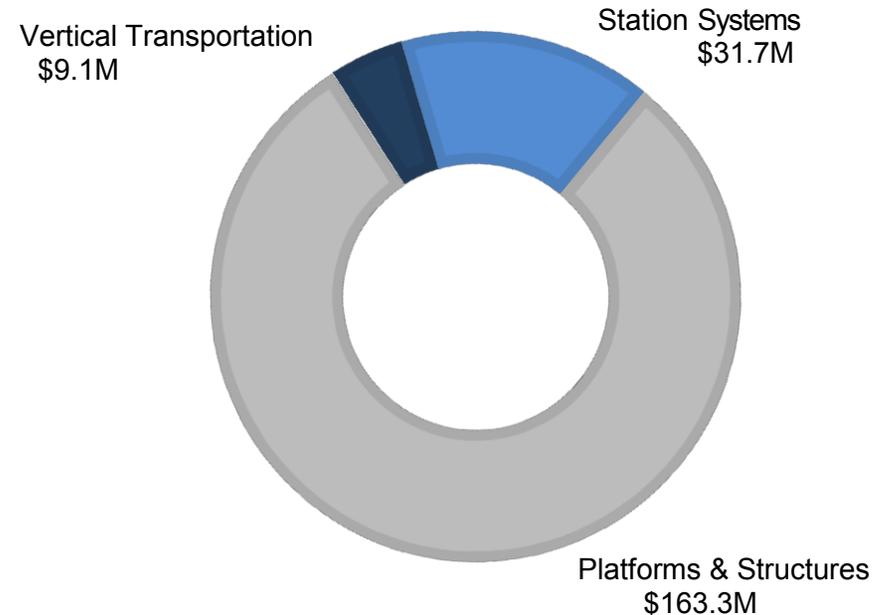
All planned granite edge and structural repair work is now complete, along with all work on fire alarm, sprinkler, intercom, PA, CCTV, sewage ejector, Passenger Information Displays (PIDs) and shelters.

Installation of new slip-resistant paver tiles was completed at four of the six stations. Completion of the final platforms at the Huntington and Franconia-Springfield stations is expected in Q2 of FY2020. The shutdown was also utilized to install foundation footers for an elevated station entrance structure at the Huntington station.

During Q1, Metro completed construction of the station canopy and stairway at the Judiciary Square south entrance.

For the planned Potomac Yard Station, most design packages are now complete, and construction is expected to begin in Q2

of FY2020.

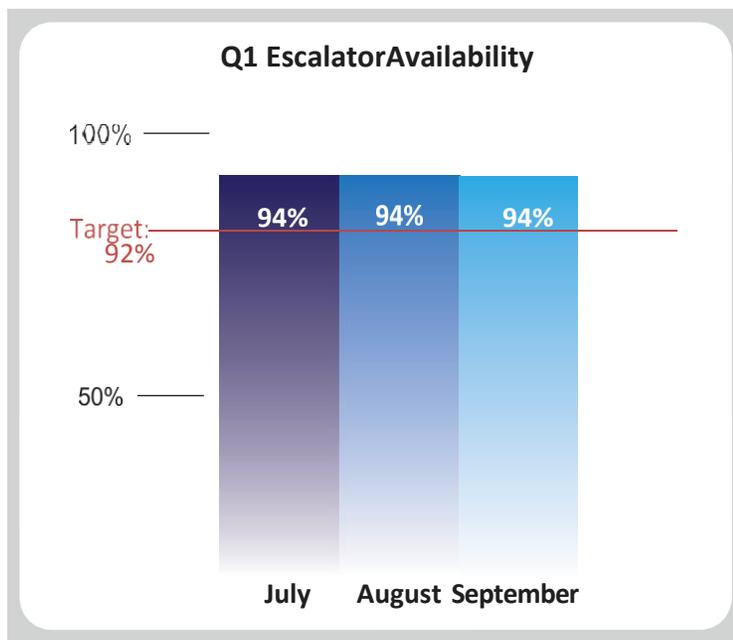
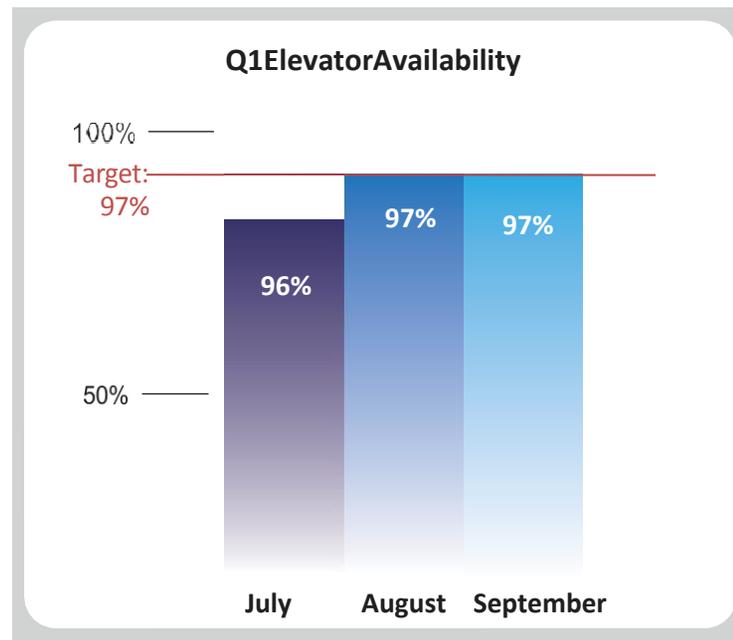


WMATA invested \$9.1 million to replace and improve the system's escalator and elevator infrastructure through Q1 of FY2020.

## Vertical Transportation

Overall elevator availability in Q1 of FY2020 averaged 97 percent, meeting Metro's target. Metro completed one elevator rehabilitation during Q1 at the Morgan Blvd. station. Nine additional elevators are scheduled for rehabilitation throughout FY2020 at locations including Wheaton, Largo Town Center, Vienna, Greenbelt Rail Yard and Southern Ave.

Escalator availability in Q1 averaged 94 percent, above Metro's target. Metro replaced six escalators in Q1 of FY2020 at four different stations: Congress Heights, Courthouse, Archives and Van Dorn. Two additional escalators are planned for replacement at the Courthouse station in FY2020. Eight escalator rehabilitations are planned for completion in FY2020.





# Bus & Paratransit Investments

FY2020 expenditures through Q1 in the Bus & Paratransit Investment category were \$11.2 million.

## Bus & Paratransit Acquisition

In FY2020, 110 Clean Diesel Buses will be added to the fleet to include 100 40-foot and 10 62-foot buses. These vehicles will enable Metro to achieve emissions reductions and fuel savings as they replace buses that have reached the end of their useful life.

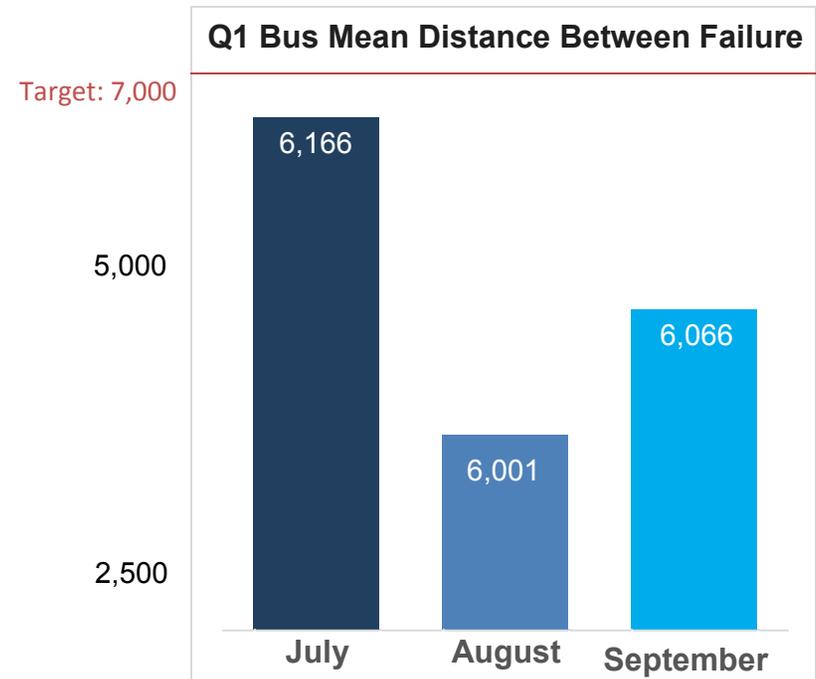
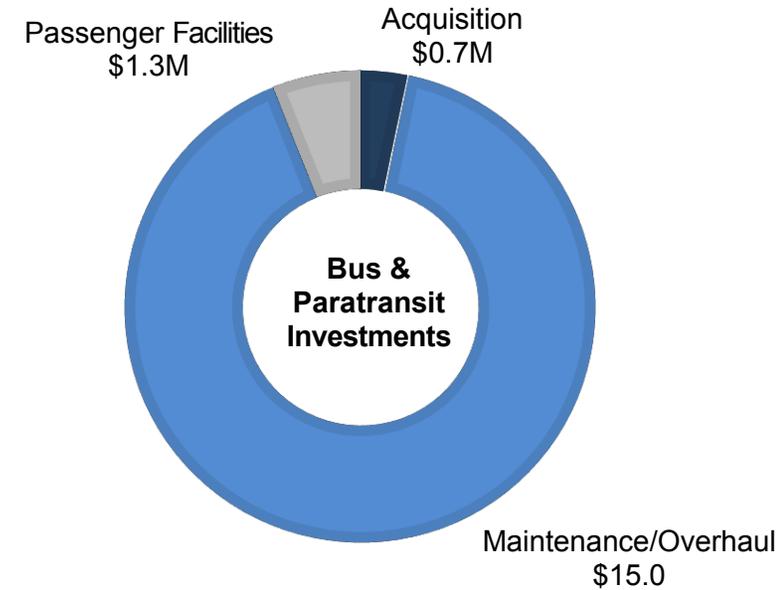
MetroAccess is leveraging partnerships with transportation network companies (TNCs) and taking other actions to right-size its paratransit vehicle fleet. In total 175 paratransit vehicles are expected in FY2020.

## Bus Maintenance & Overhaul

WMATA's bus maintenance and overhaul investments are focused on maintaining reliability and the safe operating condition of the equipment and achieving the maximum useful life of the assets.

In FY2020, 100 buses will be rehabilitated, which includes the replacement of the Energy Storage Systems (ESS) and the rebuilding of the engine assemblies. The work plan includes the rebuilding of 120 transmissions and 105 fareboxes.

WMATA's bus fleet continued to underperform and failed to meet Metro's Mean Distance Between Failure target (now 7,000 miles) in Q1, travelling an average of 6,077 miles between service interruptions. Legacy diesel fuel buses, all planned for replacement, have the worst reliability in the fleet and are driving down overall fleet reliability.



Through Q1, Metro invested \$15.0 million in Bus Maintenance Facilities.

### **Bus Maintenance Facilities**

While the new Andrews Federal Center bus facility began revenue operations in June 2019, additional information technology improvements represent the final phase of this project. This infrastructure will provide data connectivity for buses including access to CCTV.

Metro is undertaking two major bus maintenance facility replacements for the Bladensburg and Northern facilities. For Bladensburg, the off-site bus parking lot design has been finalized and completion of construction is expected in Q2 of FY2020. Demolition of the Bladensburg facility is scheduled to begin in Q4 of FY2020. Once the facilities are demolished, Metro expects to begin construction on the new Bladensburg Operations Buildings in FY2021.

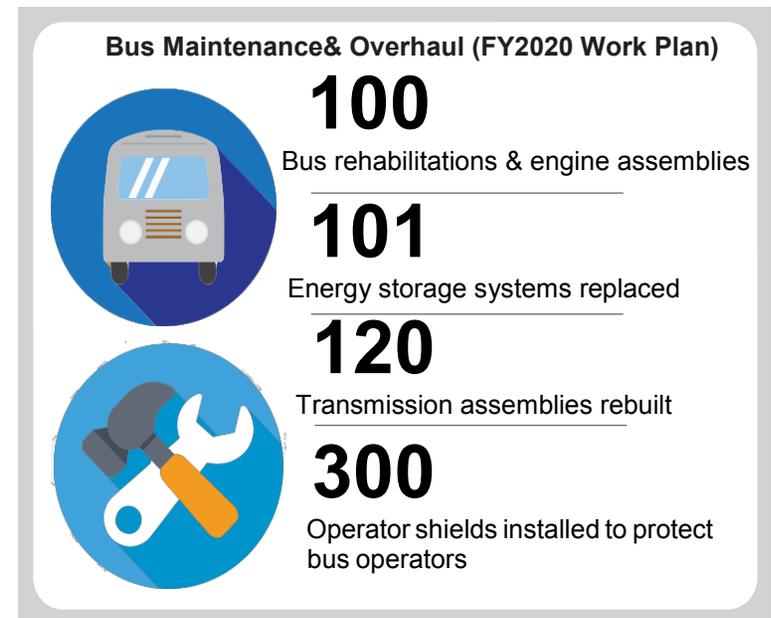
For the Northern garage, Metro conducted a complete environmental and historic evaluation in Q1 to assess which existing portions of the historic facade will need to be preserved. Anticipated completion of the facility demolition is in FY2021, followed by construction of the new facility.



### **Bus Passenger Facilities & Systems**

A total of 23 bus stop decals will be installed at the Paul S. Sarbanes Transit Center in Silver Spring. Special bus customer information maps showing the impacts of Purple Line construction work have been installed in College Park. In addition, these bus customer information maps were positioned at the six stations involved in the South of National Airport platform rehabilitation project. Metro also placed 20 digital bus sign systems at select locations in Q1. These projects will enhance the customer experience at bus stops, particularly those impacted by capital improvements.

Engineering assessments and final designs for the Chevy Chase Bus Loop are being completed with construction anticipated to begin in FY2021.



# Business Support Investments

WMATA invested \$38.2 million in Q1 of FY2020 in the Business Support Investment category.

## **Information Technology**

HR Human Capital Module – Metro has begun “Wave 1” implementation of the Performance Management initiative for the Human Capital system. This will link the organizational vision to individual action by drawing a clear connection between individual performance objectives and organizational goals, thus keeping the workforce focused on the most impactful activities that provide value to the organization.

Investment continues in data centers and infrastructure with a focus on cloud-based solutions.



## **Support Equipment & Services**

The largest project in the Support Equipment & Services category is the Office Consolidation Strategy that will enable Metro to downsize from 10 current office buildings throughout the region to seven. Metro continues to advance design and regulatory approval for the DC and VA office building locations for completion in FY2020. Development of a joint development contract package is also underway for the MD office building.

In Q1, Metro completed installation of digital advertising displays at the following stations in Washington, DC: NoMa-Gallaudet U, Farragut North, Gallery Place, L'Enfant Plaza, and Metro Center. Metro also completed installation of digital advertising displays at Crystal City station in Virginia.

Metro is working with an energy management consultant to collect and analyze data from the recently deployed energy management system to guide the implementation of efficient, sustainable and cost-saving energy saving initiatives.

## Appendix I: Operating Financials

Fiscal Year 2020 – Q1 (\$ in Millions)

	Budget	Actual	Variance	
			\$	%
<b>Passenger Revenue</b>	\$183.5	\$181.8	(\$1.7)	-0.9%
<b>Non-Passenger Revenue</b>	\$30.1	\$23.7	(\$6.4)	-21.3%
<b>Total Revenue</b>	<b>\$213.6</b>	<b>\$205.5</b>	<b>(\$8.1)</b>	<b>-3.8%</b>
<b>Personnel</b>	\$344.3	\$333.7	\$10.6	3.1%
<b>Non-Personnel</b>	\$148.2	\$111.6	\$36.6	24.7%
<b>Total Expenses</b>	<b>\$492.4</b>	<b>\$445.3</b>	<b>\$47.2</b>	<b>9.6%</b>
<b>Net Subsidy</b>	<b>\$278.8</b>	<b>\$239.8</b>	<b>\$39.0</b>	<b>14.0%</b>
<b>Cost Recovery Ratio</b>	<b>43%</b>	<b>46%</b>		

Note: excludes reimbursables

## Appendix II: Capital Project Financials by Investment Category

Fiscal Year 2020 (\$ in Millions)

Program	Approved Budget	YTD Q1 Actuals	September 2019 Annual Forecast	YTD % of Forecast Expended
Railcar Acquisition	145.0	48.1	160.1	30%
Railcar Maintenance/Overhaul	122.2	38.9	116.6	33%
Railcar Maintenance Facilities	83.3	8.9	87.8	10%
<b>Railcar Investments</b>	<b>350.4</b>	<b>95.8</b>	<b>36( ')</b>	<b>26%</b>
Propulsion	121.1	34.9	124.6	28%
Signals & Communications	110.8	52.9	113.9	46%
<b>Rail Systems Investments</b>	<b>231.8</b>	<b>87.8</b>	<b>2' , '*)</b>	<b>3+%</b>
Fixed Rail	139.6	41.7	136.9	30%
Structures	40.3	4.2	20.2	21%
<b>Track and Structures Rehabilitation Investments</b>	<b>179.9</b>	<b>46.0</b>	<b>1) + '*)</b>	<b>2- %</b>
Platforms & Structures	375.4	163.3	508.7	32%
Vertical Transportation	44.5	9.1	35.7	26%
Station Systems	100.1	31.7	102.4	31%
<b>Stations and Passenger Facilities Investments</b>	<b>520.0</b>	<b>204.0</b>	<b>6( * '*)</b>	<b>38%</b>
Bus and Paratransit Acquisition	82.7	0.7	82.2	1%
Bus Maintenance/Overhaul	60.8	15.0	54.6	27%
Bus Maintenance Facilities	29.1	-5.8	26.0	-22%
Bus Passenger Facilities/Systems	17.5	1.3	10.8	12%
<b>Bus and Paratransit Investments</b>	<b>190.2</b>	<b>11.2</b>	<b>%+( '*)</b>	<b>* %</b>
IT	92.3	10.9	82.9	13%
MTPD	5.5	0.4	2.6	14%
Support Equipment/Services	169.7	27.0	209.3	13%
<b>Business Support Investments</b>	<b>267.5</b>	<b>38.2</b>	<b>2- ( '*)</b>	<b>13%</b>
<b>Total Capital Programs</b>	<b>1,739.8</b>	<b>483.1</b>	<b>1,, +* '*)</b>	<b>26%</b>

## Appendix III: Weekday Parking Facility Usage

Fiscal Year 2020 – Q1

Station	Lot Capacity	YTD Paid Utilization (% of Capacity)	Variance, Year-Over-Year (% Change in Utilization)
<i>Montgomery County</i>			
Grosvenor-Strathmore	1,894	94%	1%
White Flint	1,020	56%	-1%
Twinbrook	1,097	59%	0%
Rockville	524	97%	1%
Shady Grove	5,745	78%	3%
Glenmont	2,998	84%	7%
Wheaton	977	36%	5%
Forest Glen	596	96%	7%
<b>Montgomery County Total</b>	<b>14,851</b>	<b>77%</b>	<b>4%</b>
<i>Prince George's County</i>			
New Carrollton	2,929	85%	8%
Landover	1,182	75%	32%
Cheverly	500	66%	5%
Addison Road-Seat Pleasant	1,268	48%	2%
Capitol Heights	372	88%	3%
Greenbelt	3,399	68%	2%
College Park-U of Md	1,290	67%	8%
Prince George's Plaza	1,068	49%	0%
West Hyattsville	453	75%	10%
Southern Avenue	1,980	59%	6%
Naylor Road	368	102%	5%
Suitland	1,890	63%	9%
Branch Avenue	3,072	104%	12%
Morgan Boulevard	608	95%	6%
Largo Town Center	2,200	91%	6%
<b>Prince George's County Total</b>	<b>22,579</b>	<b>76%</b>	<b>9%</b>
<b>Maryland Total</b>	<b>37,430</b>	<b>75%</b>	<b>5%</b>

Note: All figures are preliminary and unaudited.

### Appendix III: Weekday Parking Facility Usage

State/Lot Region	Lot Capacity	YTD Paid Utilization (% of Capacity)	Variance, Year-Over-Year (% Change in Utilization)
<i>District of Columbia</i>			
Deanwood	194	47%	11%
Minnesota Ave	333	85%	0%
Rhode Island Ave-Brentwood	221	103%	12%
Fort Totten	408	112%	4%
Anacostia	808	42%	-3%
<b>District of Columbia Total</b>	<b>1,964</b>	<b>71%</b>	<b>2%</b>
<i>Northern Virginia</i>			
Huntington	3,175	57%	-18%
West Falls Church-VT/UVA	2,009	67%	9%
Dunn Loring-Merrifield	1,964	50%	4%
Vienna/Fairfax-GMU	5,169	70%	-6%
Franconia-Springfield	5,069	47%	-8%
Van Dorn Street	361	78%	-22%
East Falls Church	422	119%	3%
Weihle-Reston East	2,300	92%	-6%
<b>Northern Virginia Total</b>	<b>20,469</b>	<b>64%</b>	<b>-3%</b>
<b>System Total</b>	<b>59,863</b>	<b>74%</b>	<b>5%</b>