

# PROGRESS REPORT

Fiscal Year 2019 Q4



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# FY2019 Q4 at a Glance

In the fourth quarter of fiscal year (FY) 2019, Metro began installation of an escalator canopy at Dupont Circle, released a Sustainability Initiative to make Metro even more environmentally friendly and cost effective, selected new office locations in Maryland and Virginia, installed wireless service in more than two-thirds of Metrorail tunnels, and opened the new Andrews Bus Facility.

The new escalator canopy at the Dupont Circle Station's north entrance will improve the transit experience for 15,000 Metro customers who use the station each day, enhance safety, and further improve escalator reliability.

Metro also introduced a five-year Energy Action Plan, a detailed roadmap to reduce energy usage, cut greenhouse gas emissions and generate energy and operational cost savings. The initiative reflects Metro's commitment to invest \$65 million by 2025 in energy-efficient technology, modernized operations and innovation to reduce operating costs and support a more sustainable future. The plan is available at [wmata.com/sustainability](http://wmata.com/sustainability).

April also marked Metro's announcement of the selection of two sites — one in Prince George's County, Maryland, and one in Alexandria, Virginia — as locations for new office buildings that will accommodate the majority of Metro's professional workforce. The announcement is a major milestone in Metro's office consolidation plan, which will reduce the number of Metro office buildings from 10 to four and save an estimated \$130 million over the next 20 years. Both buildings will be constructed on Metro-owned land and will contribute significantly to neighborhood development surrounding the selected sites. The buildings will be designed with the goal of achieving LEED Gold certification to benefit the environment and reduce long-term operating costs. The new Maryland and Virginia buildings will join Metro's future DC headquarters near L'Enfant Plaza as primary office facilities. All three locations are within a five-minute (1,500-foot) walk to the nearest Metro station.

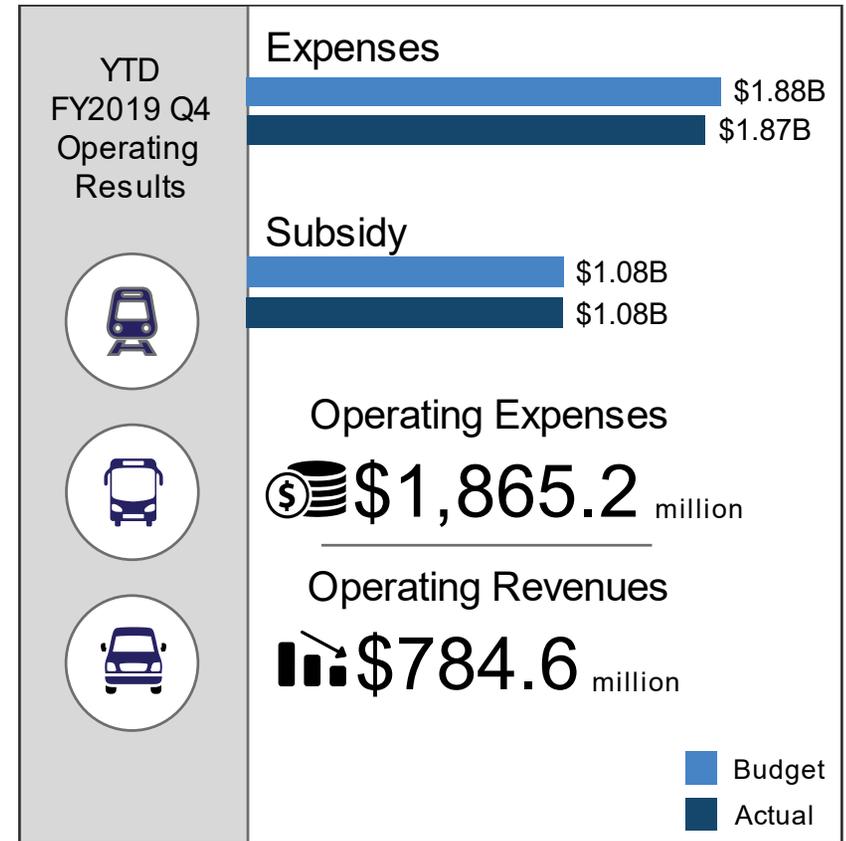
Metro working with AT&T, Sprint, T-Mobile and Verizon Wireless completed installation of wireless service in approximately two-thirds of Metro's tunnels for cellular and data service. This marks the near completion of underground wireless service in Virginia, with the addition of the newest tunnel segments on the Yellow and Blue lines that are "wireless ready." A related \$120 million capital project to install dual radio and cellular cables within Metro's tunnels is scheduled to be completed by June 2020. With the completion of the latest segment, wireless voice and data service is now available on tunnel portions of all six Metrorail lines covering approximately 67 miles of Metro's 100 miles of tunnel track, including the entire Orange and Blue lines, most of Northern Virginia and Downtown DC. Metro is equipped for cellular service in all 47 underground stations and free public Wi-Fi in 65 underground and above ground stations, with service to the remaining 26 above-ground stations expected soon.

In June, Metro opened its new state-of-the-art bus facility at Andrews Federal Center in Forestville, Maryland. The Andrews Center consolidates and centralizes bus operations, maintenance and repairs in a 296,000 square foot facility. Built to LEED Silver certified energy efficient building standards, it features LED lighting, on-site water treatment and storm water management, built-in spill containment and is designed to accommodate electric buses in the future.

# Operating Results

Metro's net subsidy through Q4 of FY2019 totaled \$1.08 billion, or \$0.6 million favorable to budget.

Metro's operating expenses through the fourth quarter were \$1.87 billion or \$13.7 million less than budget. Operating revenues were \$784.6 million through Q4, funding 42 percent of operating expenses. Revenue losses from lower ridership were offset by savings from personnel.



\* All figures exclude operating reimbursable projects.

# Ridership & Revenue

Actual ridership for all three modes was 301.8 million trips through Q4 of FY2019.

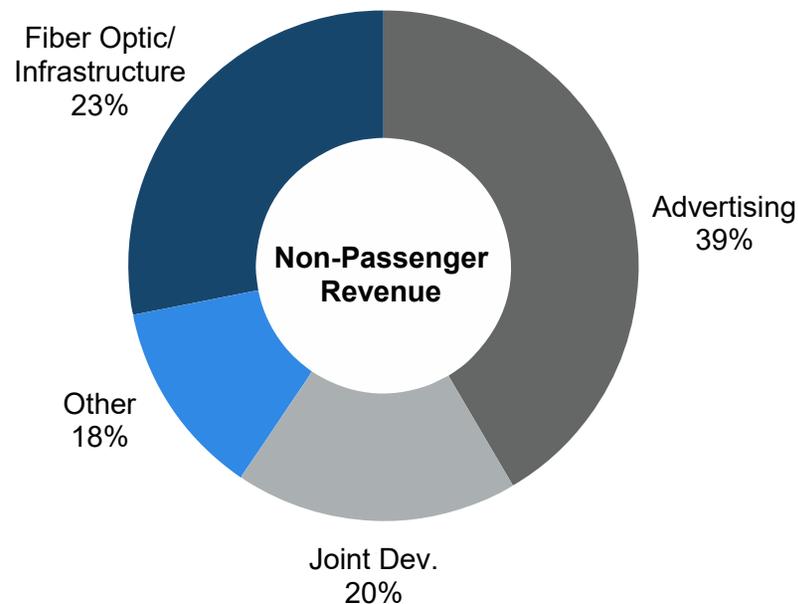
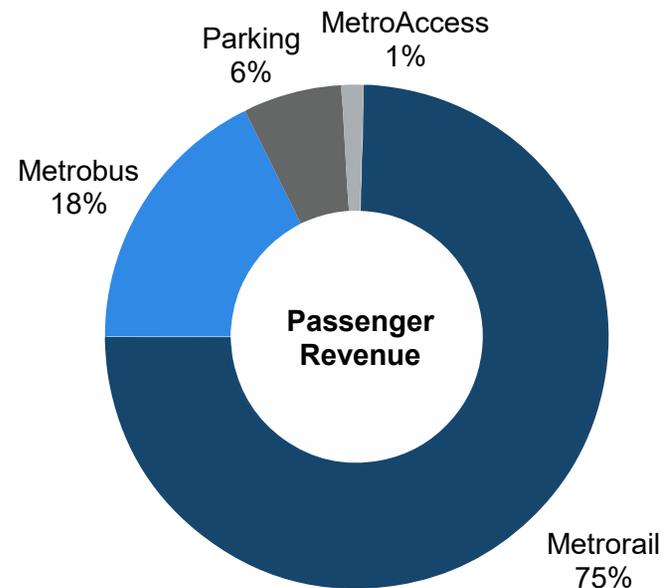
Rail ridership through Q4 was 175.2 million trips – down 0.6 million from the prior year, impacted in part by the Federal shutdown and service disruptions for major capital projects. Bus Automated Passenger Count (APC) ridership totaled 124.3 million trips through Q4, a small increase over the prior year, but still below the budgeted level. Total ridership on MetroAccess through the fourth quarter was 2.3 million trips – marginally higher than prior year but below budget.



		Ridership	
		YTD Q4 Budget	YTD Q4 Actual
	173.4 million trips	175.2 million trips	
	126.9 million trips*	124.3 million trips	
	2.4 million trips	2.3 million trips	

\*In previous years, bus ridership was reported using farebox (AFC) figures. In FY2018, the FTA approved the use of the APC method which uses onboard sensors to count passengers boarding the vehicles. The FY2019 AFC ridership budget is adjusted to account for this change.

- Through Q4, passenger revenue was \$710.7 million, \$26.6 million (four percent) below budget, made up of:
  - Metrorail passenger revenue of \$533.5 million was \$8.5 million (two percent) below budget.
  - Metrobus passenger revenue of \$124.0 million was \$14.0 million (10 percent) below budget.
  - MetroAccess passenger revenue of \$8.8 million was \$1.2 million (12 percent) under budget.
  - Parking revenue of \$44.4 million was \$2.9 million (six percent) below budget.
- Non-passenger revenue through the fourth quarter totaled \$73.9 million, \$13.5 million (22 percent) higher than budget, made up of:
  - Advertising revenue of \$29.0 million
  - Fiber optic/infrastructure revenue of \$16.9 million
  - Joint development revenue of \$14.9 million
  - Other non-passenger revenue of \$13.2 million



# Operating Expenses

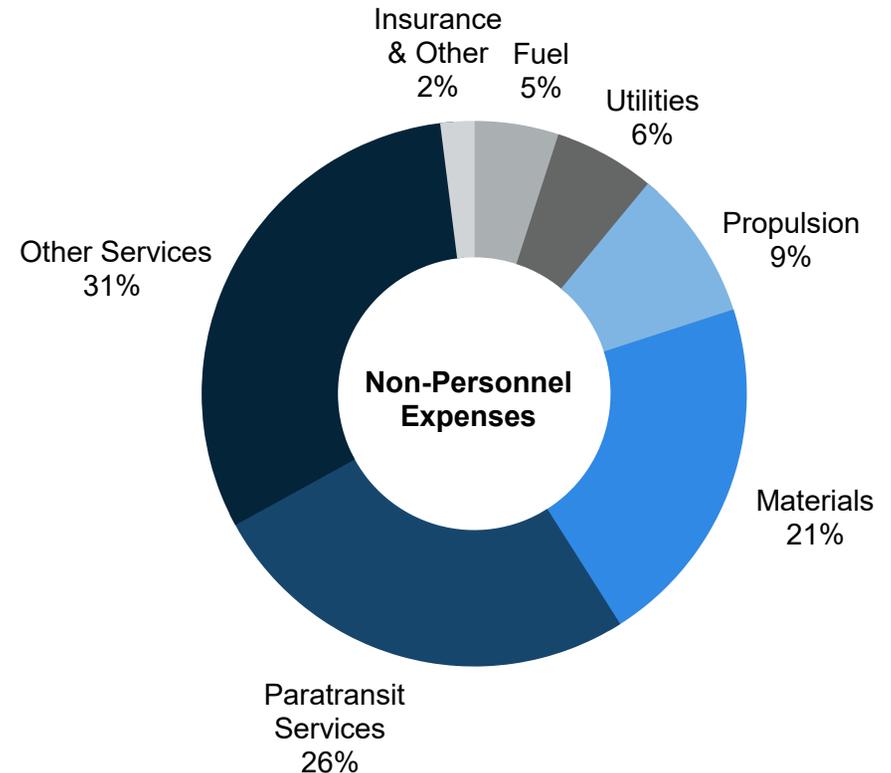
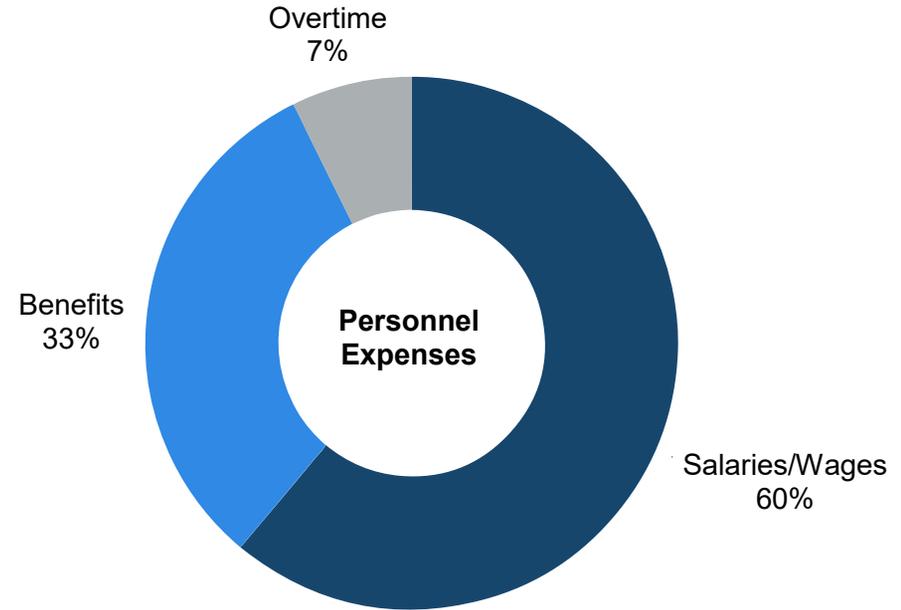
FY2019 operating expenses through Q4 were \$1.87 billion – favorable to budget by \$13.7 million due primarily to savings in Personnel expenses.

## Personnel Expenses

- FY2019 personnel expenses through Q4 (including salaries/wages, overtime, and fringe benefits) were \$1.289 billion – favorable to budget by \$38.5 million (three percent).
- Salary and wage expenses accounted for \$769.1 million of this total, under budget by \$55.0 million (seven percent) due to vacancies.
- Overtime expenses were \$89.9 million (over budget by \$15.6 million due to vacancies), while fringe benefit expenses were \$429.7 million (\$0.8 million over budget).

## Non-Personnel Expenses

- Non-personnel expenses totaled \$576.6 million through Q4, \$24.8 million (four percent) over budget.
- Services were \$1.8 million favorable due to reduced expenses for maintenance and professional services.
- Paratransit services were \$2.4 million (two percent) above budget.
- Materials & Supplies were \$17.0 million (16 percent) unfavorable with higher than budgeted expenses for items such as vehicle parts and obsolete inventory reserves.
- Fuel, propulsion power, and utilities were each below budget, combining for \$6.3 million favorability, while insurance and other expenses were \$15.9 million unfavorable when combined.

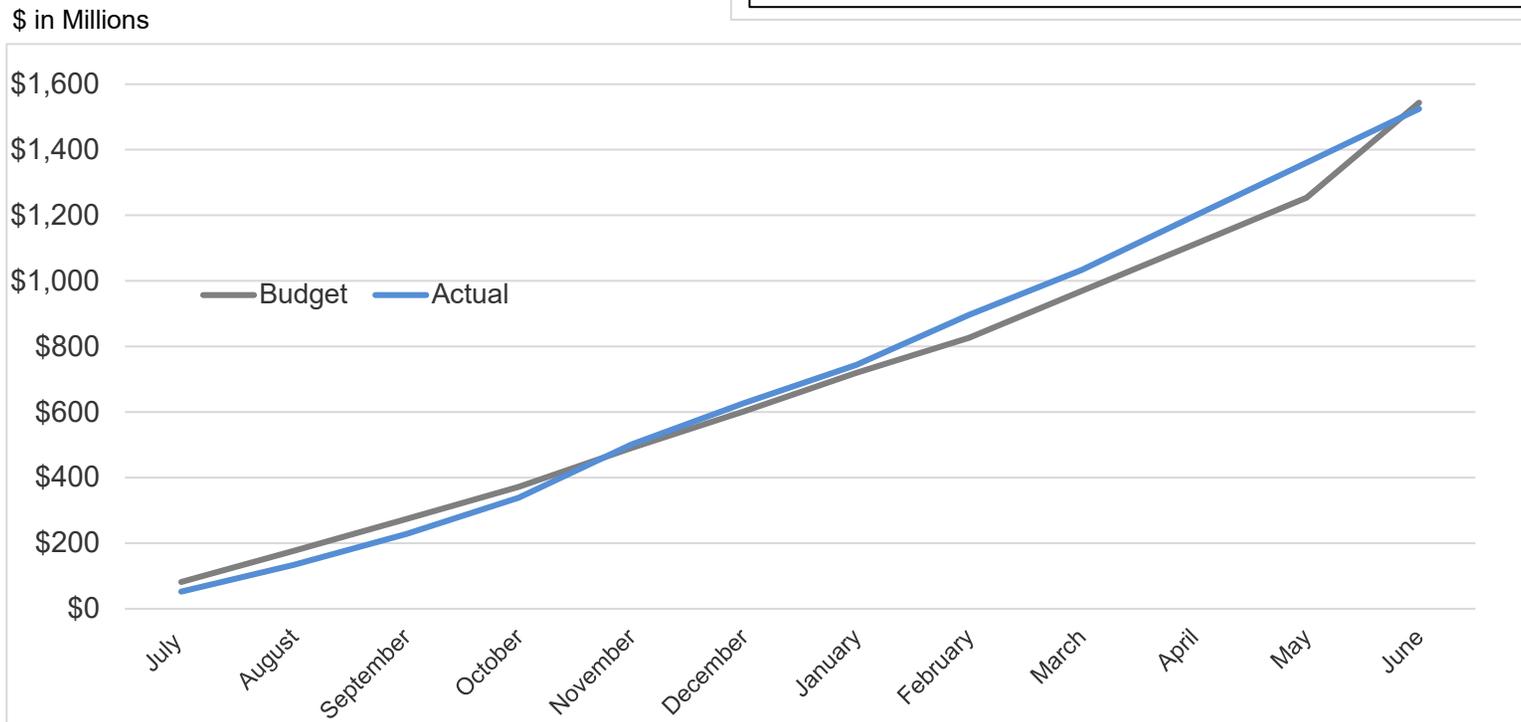
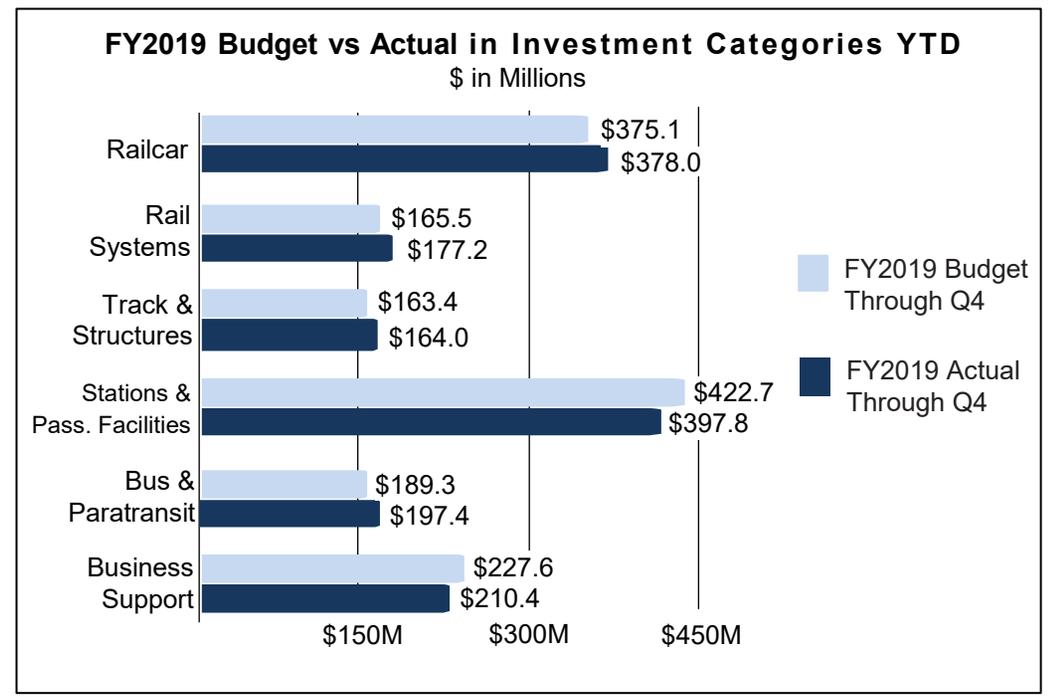


# Capital Programs

Metro invested a total of \$1.525 billion in FY2019, 99% of the amended Capital Improvement Program budget.

In the fourth quarter, Metro continued the aggressive delivery of capital projects to improve the safety and reliability of the transit system and the Board of Directors amended the FY2019 budget in June 2019 to support increased investment levels. The FY2019 investment was \$246 million greater than the original budget, as station improvements such as elevators and escalators and the other improvements at rail stations south of Reagan National Airport advanced. The chart to the right shows budget and actual expenditures by program category through Q4.

The chart below shows capital expenditures by month compared to budget for FY2019.



Note: All figures are preliminary and unaudited.

# Railcar Investments

Through Q4 of FY2019, Metro invested \$378.0 million in the Railcar category.

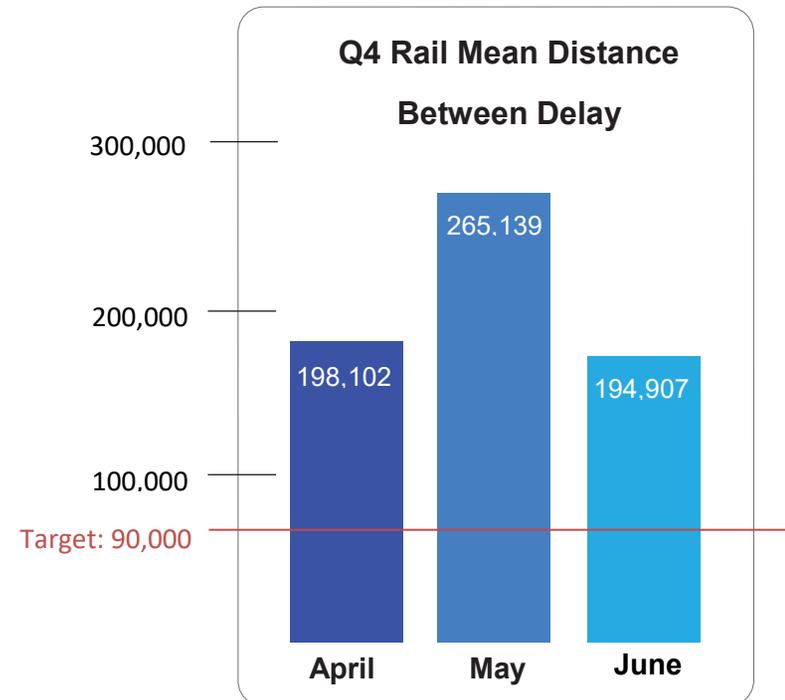
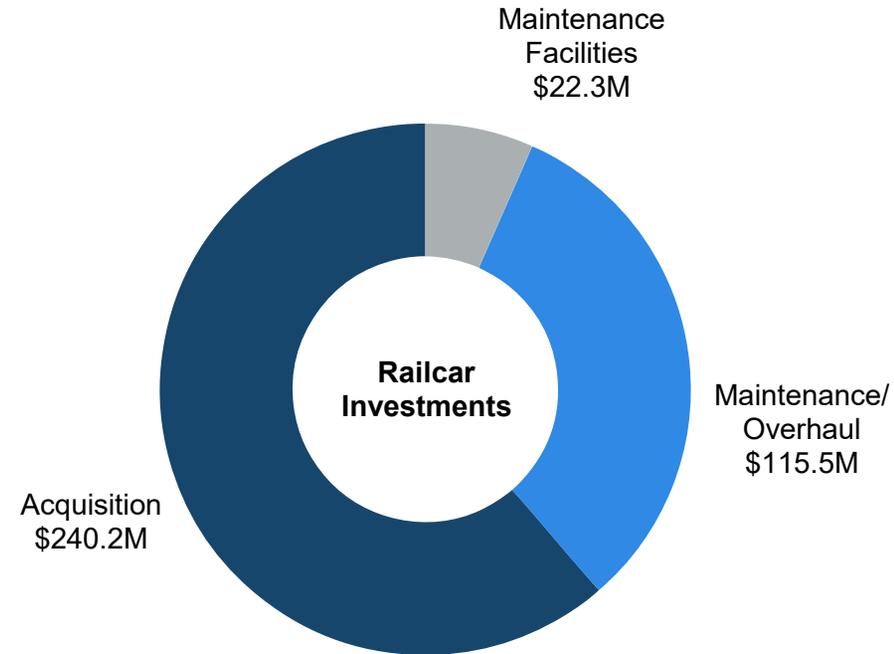
## Railcar Acquisition

Through FY2019, expenditures in the Railcar Acquisition program represents the majority, 64 percent, of the total railcar investments. By the end of the fourth quarter, 680 of the planned 748, 7000-Series railcars had been conditionally accepted (28 in Q4). Estimated completion of conditional acceptance of the remaining 68 cars is December 2019.

In Q4, the 8000-Series railcar vendor proposals were received in response to the amended RFP. The technical evaluation team is currently reviewing proposals and formulating bid clarification questions for vendors.

The 7000-Series railcars represent over 55 percent of Metro's fleet and are the top performers, traveling nearly 269,000 miles between delays. Metro's "mean distance between delays," (MDBD) metric continued to show significant year-over-year improvement, driven in large part by the performance of the 7000-Series vehicles. MDBD for the 7000-Series railcars nearly doubled in FY2019 from its FY2018 level of nearly 142,000 miles.

Overall mean distance between delays through Q4 of FY2019 was nearly 161,000 miles. That compares favorably to both Metro's target of 90,000 miles and to 92,657 miles between delays through the end of FY2018. For customers, this means fewer disruptions and offloads, making service more reliable.



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

Metro invested \$115.5 million in the Railcar Maintenance & Overhaul program through Q4 – 31 percent of total railcar investments.

Metro's ongoing railcar rehabilitation and overhaul program is focused on the 2000/3000-Series air compressors, HVAC conversions, truck assemblies, and other components; as well as the 6000-Series truck assemblies. Through Q4, 104 of the 110 scheduled railcar rehabilitations have been completed. All rehabilitations completed in FY2019 were 3000-Series vehicles. The remaining six scheduled rehabilitations are 6000-Series vehicles that will be rolled into the FY2020 Scheduled Maintenance Service (SMS) program.

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***

Capital improvement and rehabilitation work at Railcar Maintenance Facilities continued in Q4, supporting ongoing repairs at rail yard facilities at Alexandria, Brentwood and New Carrollton.

Metro is nearing completion of the first phase of ongoing rail yard repairs, including service and inspection shops, maintenance buildings, yard exteriors and railcar lifts. In Q3, Metro awarded a construction permit for the Good Luck Road Facility; construction activities have begun.



# Rail Systems

Metro invested \$177.2 million in Rail Systems through Q4 of FY2019.

## **Propulsion**

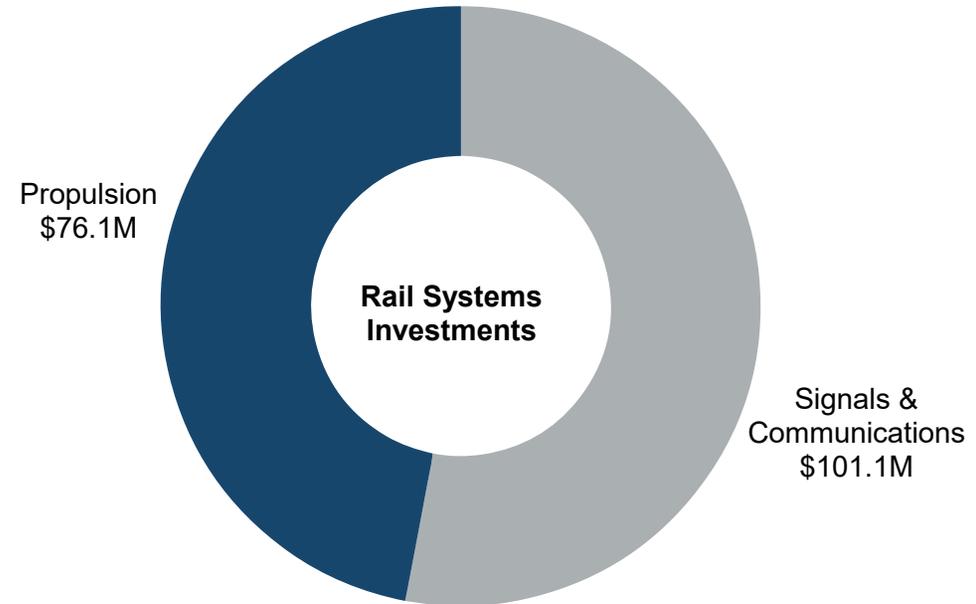
Progress continued on capacity upgrades to the traction-power system on the Orange and Blue lines to improve reliability and support Metro's goal of running all eight car trains. In Q4, Metro completed the upgrades of two Tie Breaker Stations and began three more. The Authority began construction on three Traction Power Substations completed during the summer shutdown of the Yellow Line south of Reagan National Airport.

In Q4, construction begun at Silver Spring and Gallery Place on A/C Power Room Switchgear replacements.



## **Signals & Communications**

In Q3, Metro received bi-directional amplifiers and its first order of high tier radios capable of communicating with new and legacy networks. In Q4, Metro completed the installation of these amplifiers on the rail segment between Pentagon and King St-Old Town.



# Track & Structures Investments

Through Q4 of FY2019, Metro invested \$164.0 million in the Track & Structures investment category.

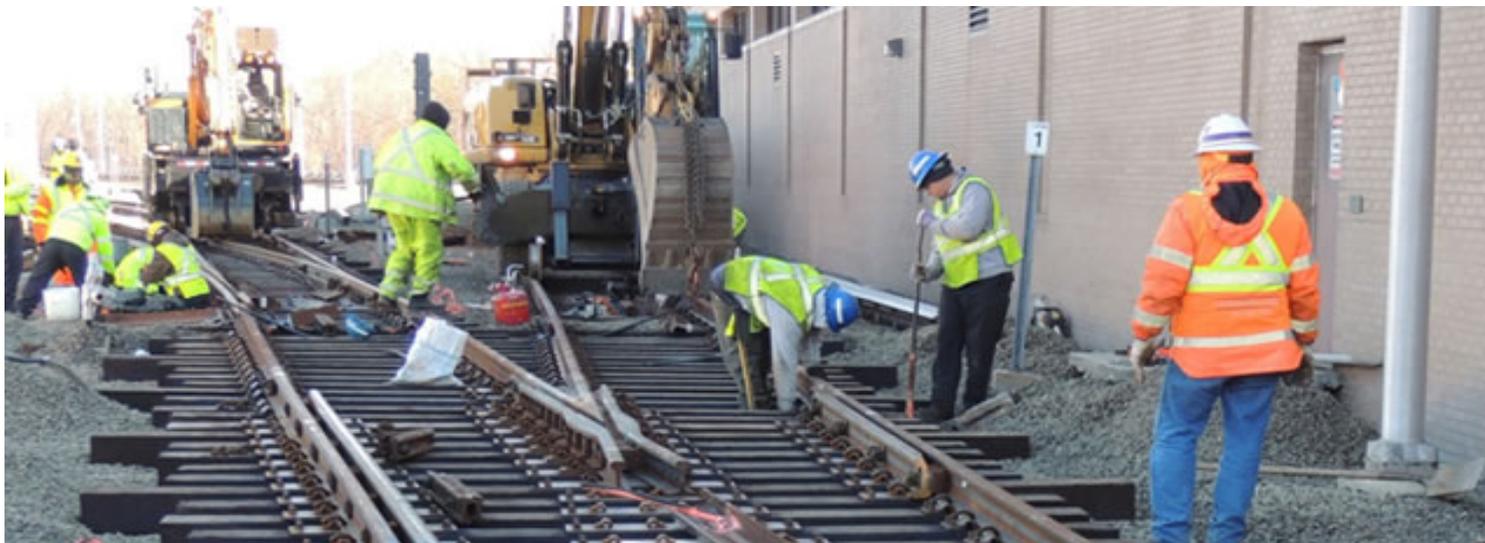
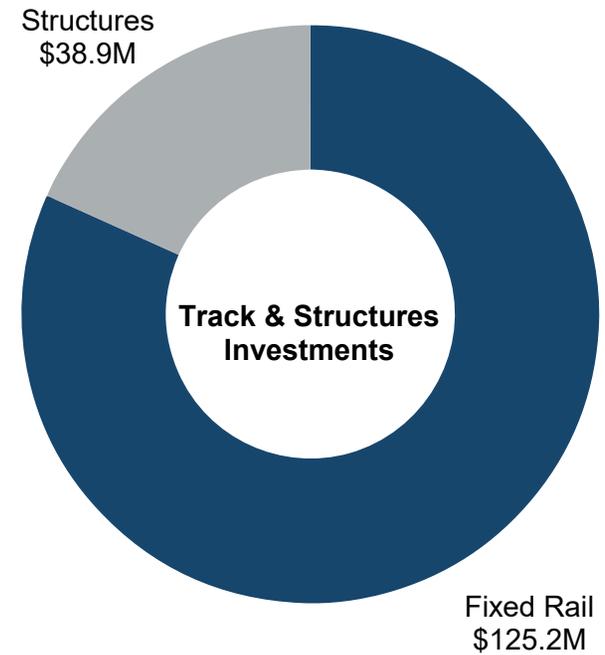
## **Fixed Rail**

Through Q4, Metro has replaced 11,905 crossties, 9,465 insulators and 2.7 miles of third rail, renewed 56,648 direct fixation fasteners, tamped 32 miles of track; and eliminated 1,393 open rail joints.

## **Structures**

The Structures program focused on rehabilitation of structural components, grout pads that support the track structure, the replacement of illegible roadway track signs, and rehabilitation of drains.

Accomplishments through Q4 include 4,995 square feet of concrete poured, 1,349 linear feet of deck joints rehabilitated, 2,974 signs replaced, 47,032 grout pads rehabilitated, 4,480 leaks repaired, 269,686 linear feet of drains rehabilitated, and 1,398,787 linear feet of track cleaned.



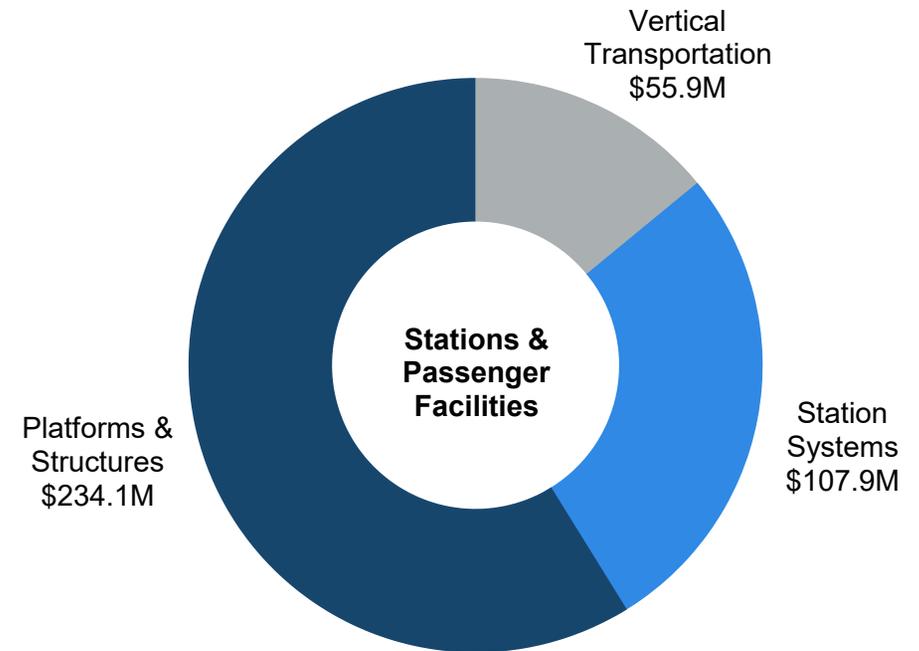
# Stations & Passenger Facilities Investments

In the Stations & Passenger Facilities category, Metro invested \$397.8 million through Q4 of FY2019.

## Platforms & Structures

During Q4, major rehabilitation of platform work began. Field work to include 36 systems (tile, signage, shelters, PA system, fire protection, drainage, pumps, paint, bathrooms, etc.) at the following six stations closed through September 8, 2019:

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

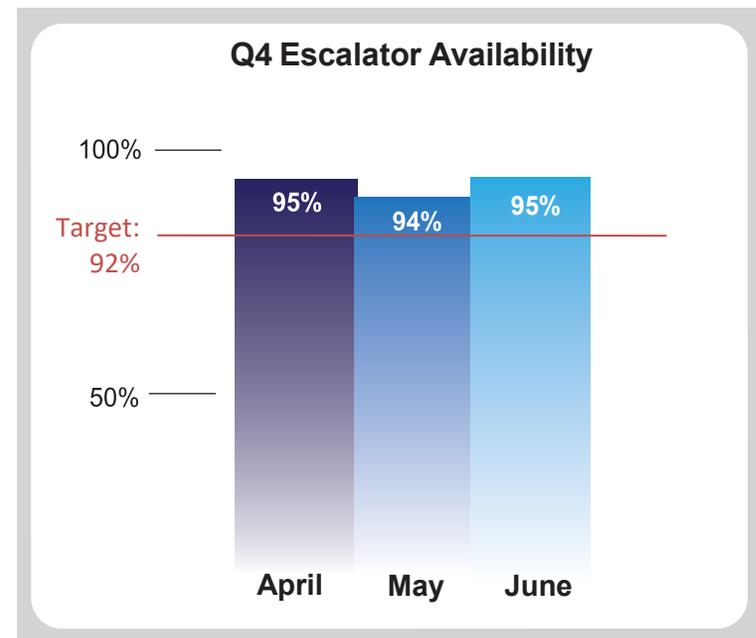
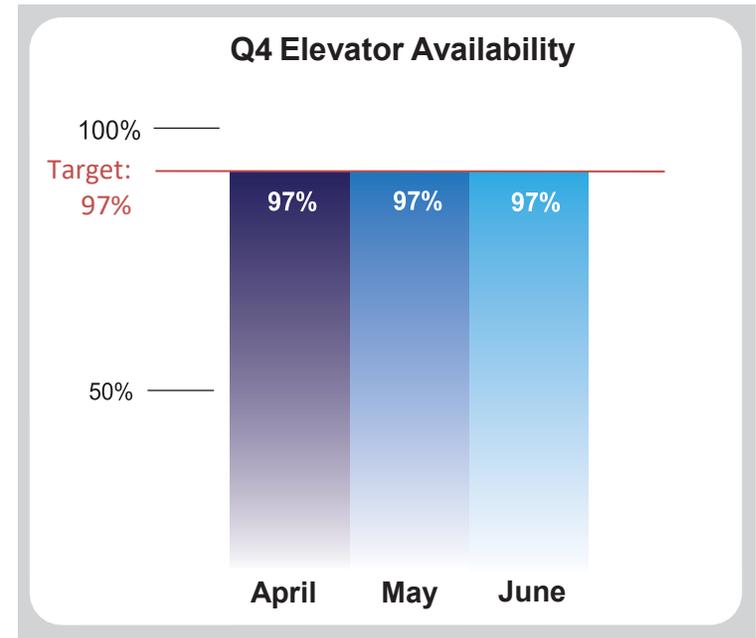


WMATA invested \$55.9 million to replace and improve the system's escalator and elevator infrastructure through Q4 of FY2019.

### Vertical Transportation

Overall elevator availability through Q4 of FY2019 averaged 96%, below Metro's target. Metro's expansive plan to rehabilitate over a third of elevators and replace a significant number of escalators throughout the system remains on schedule. Metro completed five elevator rehabilitations during Q4 at the following stations: West Falls Church-VT/UVA (3); Wheaton (1); and NoMa-Gallaudet U (1).

Escalator availability through Q4 averaged 94 percent, above Metro's target. Metro replaced a total of 22 escalators in FY2019 including nine escalator replacements during Q4 at the following stations: Judiciary Square. (2); Van Dorn Street (2); Huntington (2); Congress Heights (2); and Archives-Navy Memorial-Penn Quarter (1).



Station Systems benefited from \$107.9 million in investments through Q4 of FY2019.

### **Station Systems**

The station lighting program completed trackbed lighting installations at 27 locations and pylon replacements at seven locations. Parapet lighting was completed at L'Enfant Plaza and a contract was awarded for down-lighting at 14 stations.

Additionally, the maintenance and modernization of Metro's fare collection system continued. The contract for the next generation fare gates was awarded and fare gate design work commenced. Metro also conducted on-going usability testing of the mobile payment app.



# Bus & Paratransit Investments

Total FY2019 expenditures through Q4 in the Bus & Paratransit Investment category were \$197.4 million.

## Bus & Paratransit Acquisition

A total of 112 buses (75 – 40-foot CNG, 25 – 40-foot clean diesel, 12 – 60-foot articulated hybrid) were delivered and accepted in FY2019.

For FY2020, Metro exercised an option for 110 buses (75 – 40-foot CNG; 25 – 40-foot clean diesel; 10 – 60-foot articulated clean diesel).

A total of 250 paratransit vans were received during FY2019 as ordered.

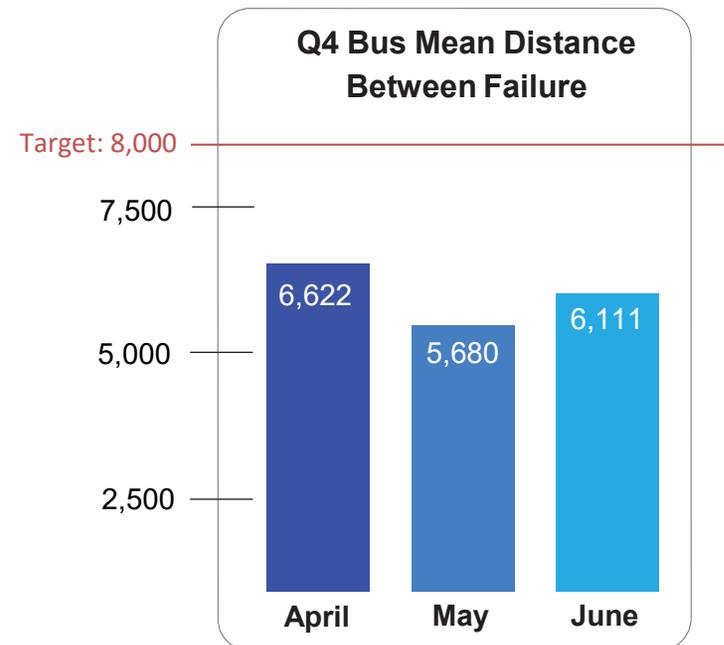
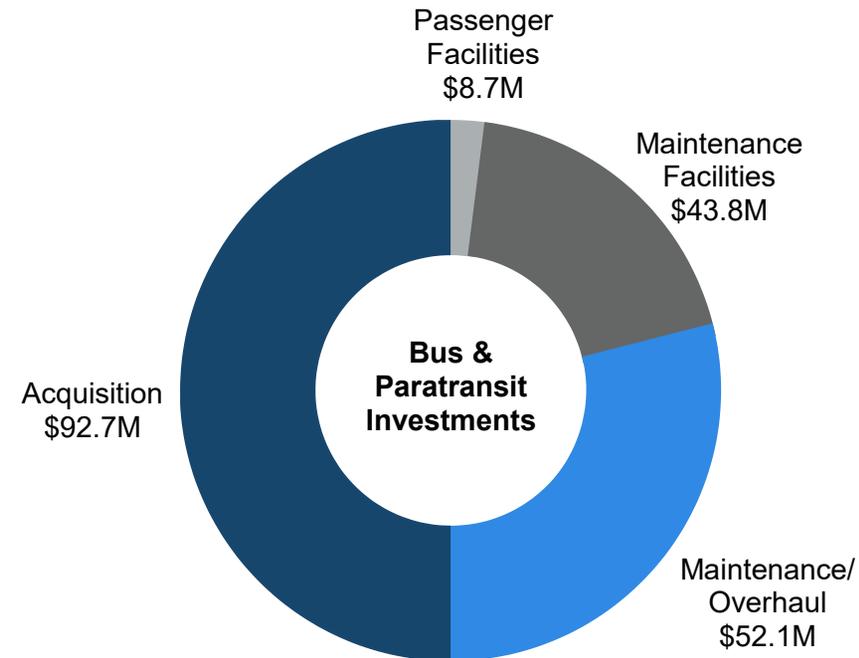
## Bus Maintenance & Overhaul

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.

Through Q4, all 100 scheduled bus rehabilitations were completed. In addition, planning for the 100 bus rehabs scheduled for FY2020 ramped up.

WMATA's bus fleet continued to underperform and failed to meet Metro's mean distance between failure target (8,000 miles) in all three months of Q4, travelling an average of 6,335 miles between service interruptions which is a nine percent decline compared to the same period last year, due to failures in hybrid systems. These issues are not unique to WMATA, and staff are working with Original Equipment Manufacturers (OEMs) to identify potential solutions.

Expenditures in the Bus Maintenance & Overhaul program continued in Q4 as described in the FY2019 Work Plan on the next page.



Through Q4, Metro invested \$43.8 million in Bus Maintenance Facilities.

### **Bus Maintenance Facilities**

Expenditures in this category were predominantly focused on completing construction of the new Andrews Federal Center bus facility. Revenue operations commenced in June 2019.

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

Metro developed an annual bus shelter replacement program in Q1. Award of contracts for Phase I of the program are expected in early FY2020.



#### **Bus Maintenance & Overhaul (FY2019 Work Plan)**



**100**

Bus rehabilitations & engine assemblies



**101**

Energy storage systems replaced

**120**

Transmission assemblies rebuilt

**300**

Operator shields installed to protect bus operators

# Business Support Investments

WMATA invested \$210.4 million through Q4 of FY2019 in the Business Support Investment category.

## **Information Technology**

Information technology investments accounted for 34 percent of all Business Support investments through Q4.

Investment in data centers and infrastructure was the largest component. These efforts were focused on enhancing data protection and expanding the capacity and scalability of Metro's data infrastructure.



## **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.

In Q2, Metro purchased a building at L'Enfant Plaza to replace its current headquarters, the antiquated Jackson Graham Building. Formerly known as the Reporter's Building, the new Metro headquarters site will be stripped to its structural concrete and completely renovated to modern workplace standards. A rendering of the completed facility is shown on the left. In April, Metro announced that it had selected two additional sites — one in Prince George's County, Maryland, and one in Alexandria, Virginia — as homes for new office buildings that will accommodate the majority of the transit authority's professional workforce. Design activities began for the District of Columbia and Virginia locations.

Metro purchased and installed digital media wall scapes and display terminals inside Metrorail stations at NoMa-Gallaudet U, Crystal City, Farragut North, Gallery PI-Chinatown, L'Enfant Plaza, and Metro Center.

Metro also replaced dioramas on several platforms at the following stations: Bethesda, Friendship Heights, Farragut North, Tenleytown-AU, Woodley Park-Zoo/Adams Morgan, Archives-Navy Memorial-Penn Quarter, Columbia Heights, Gallery PI-Chinatown, L'Enfant Plaza, Clarendon, Smithsonian, Crystal City, Rosslyn, Farragut West, Capitol South and Judiciary Square.

## Appendix I: Operating Financials

Fiscal Year 2019 – Q4 (\$ in Millions)

	Budget	Actual	Variance	
			\$	%
Passenger Revenue	\$737.3	\$710.7	(\$26.6)	-3.6%
Non-Passenger Revenue	\$60.5	\$73.9	\$13.5	22.3%
<b>Total Revenue</b>	<b>\$797.7</b>	<b>\$784.6</b>	<b>(\$13.1)</b>	<b>-1.6%</b>
Personnel	\$1,327.1	\$1,288.6	\$38.5	2.9%
Non-Personnel	\$551.8	\$576.6	(24.8)	-4.5%
<b>Total Expenses</b>	<b>\$1,878.9</b>	<b>\$1,865.2</b>	<b>\$13.7</b>	<b>0.7%</b>
<b>Net Subsidy</b>	<b>\$1,081.2</b>	<b>\$1,080.6</b>	<b>\$0.6</b>	<b>0.1%</b>
<b>Cost Recovery Ratio</b>	<b>42%</b>	<b>42%</b>		

Note: excludes reimbursables

## Appendix II: Capital Project Financials by Investment Category

Fiscal Year 2019 (\$ in Millions)

Investment by Program	FY2019 Budget		Actuals/ Reprogrammed/ Final Forecast	Expend % (of Amended)
	Original (March 2018)	Amended (June 2019)		
Railcar Acquisition	\$304.0	\$234.2	\$240.2	103%
Railcar Maintenance/Overhaul	\$116.7	\$117.4	\$115.5	98%
Railcar Maintenance Facilities	\$24.4	\$23.5	\$22.3	95%
<b>Railcar Investments</b>	<b>\$445.1</b>	<b>\$375.1</b>	<b>\$378.0</b>	<b>101%</b>
Propulsion	\$66.2	\$73.5	\$76.1	104%
Signals & Communications	\$107.1	\$92.0	\$101.1	110%
<b>Rail Systems Investments</b>	<b>\$173.3</b>	<b>\$165.5</b>	<b>\$177.2</b>	<b>107%</b>
Fixed Rail	\$85.6	\$126.2	\$125.2	99%
Structures	\$19.8	\$37.2	\$38.9	105%
<b>Track and Structures Rehabilitation Investments</b>	<b>\$105.4</b>	<b>\$163.4</b>	<b>\$164.0</b>	<b>100%</b>
Platforms & Structures	\$116.9	\$255.5	\$234.1	92%
Vertical Transportation	\$58.0	\$58.9	\$55.9	95%
Station Systems	\$76.9	\$108.3	\$107.9	100%
<b>Stations and Passenger Facilities Investments</b>	<b>\$251.8</b>	<b>\$422.7</b>	<b>\$397.8</b>	<b>94%</b>
Bus and Paratransit Acquisition	\$110.1	\$93.8	\$92.7	99%
Bus Maintenance/Overhaul	\$58.5	\$52.0	\$52.1	100%
Bus Maintenance Facilities	\$30.0	\$36.0	\$43.8	122%
Bus Passenger Facilities/Systems	\$5.1	\$7.5	\$8.7	116%
<b>Bus and Paratransit Investments</b>	<b>\$203.6</b>	<b>\$189.3</b>	<b>\$197.4</b>	<b>104%</b>
IT	\$67.5	\$88.9	\$71.0	80%
MTPD	\$1.0	\$1.6	\$1.3	84%
Support Equipment/Services	\$31.4	\$137.1	\$138.0	101%
<b>Business Support Investments</b>	<b>\$99.8</b>	<b>\$227.6</b>	<b>\$210.4</b>	<b>92%</b>
<b>Total Capital Programs</b>	<b>\$1,279.1</b>	<b>\$1,543.6</b>	<b>\$1,524.8</b>	<b>99%</b>

## Appendix III: Weekday Parking Facility Usage

Fiscal Year 2019 – Q4

State/Lot Region	Lot Capacity	YTD Paid Utilization (% of Capacity)	Variance (Year-Over-Year) – % Change in Utilization
<b>Montgomery County</b>			
Grosvenor-Strathmore	1,859	91%	3%
White Flint	1,270	56%	1%
Twinbrook	1,097	57%	-1%
Rockville	524	94%	-3%
Shady Grove	5,745	71%	-2%
Glenmont	2,998	70%	-3%
Wheaton	977	26%	2%
Forest Glen	596	82%	-5%
<b>Montgomery County Total</b>	<b>15,066</b>	<b>69%</b>	<b>-2%</b>
<b>Prince George's County</b>			
New Carrollton	2,929	72%	0%
Landover	1,182	35%	6%
Cheverly	500	57%	-3%
Addison Road-Seat Pleasant	1,268	41%	-9%
Capitol Heights	372	78%	-7%
Greenbelt	3,399	64%	1%
College Park-U of Md	1,820	54%	-1%
Prince George's Plaza	1,068	48%	2%
West Hyattsville	453	59%	-21%
Southern Avenue	1,980	50%	-6%
Naylor Road	368	93%	8%
Suitland	1,890	51%	0%
Branch Avenue	3,072	86%	3%
Morgan Boulevard	608	83%	-7%
Largo Town Center	2,200	82%	-3%
<b>Prince George's County Total</b>	<b>23,109</b>	<b>63%</b>	<b>-1%</b>
<b>Maryland Total</b>	<b>38,175</b>	<b>65%</b>	<b>-2%</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
<b><i>District of Columbia</i></b>			
Deanwood	194	32%	-4%
Minnesota Ave	333	84%	-29%
Rhode Island Ave-Brentwood	221	82%	-18%
Fort Totten	408	108%	-2%
Anacostia	808	45%	-8%
<b>District of Columbia Total</b>	<b>1,964</b>	<b>67%</b>	<b>-11%</b>
<b><i>Northern Virginia</i></b>			
Huntington	2,732	72%	4%
West Falls Church-VT/UVA	2,009	54%	9%
Dunn Loring-Merrifield	1,326	44%	-27%
Vienna/Fairfax-GMU	4,719	72%	1%
Franconia-Springfield	5,069	55%	0%
Van Dorn Street	361	100%	-3%
East Falls Church	422	115%	2%
Weihle-Reston East	2,300	93%	4%
<b>Northern Virginia Total</b>	<b>18,938</b>	<b>67%</b>	<b>-1%</b>
<b><i>System Total</i></b>	<b>59,077</b>	<b>66%</b>	<b>-2%</b>