

*Fiscal Year 2016 Budget and Financial Plan Questions*  
*Washington Metropolitan Area Transit Authority*

- 1) Please provide a copy of WMATA's FY 2014 CAFR (WMATA has indicated that this will be completed in April). What is the action plan for addressing any material weaknesses or significant deficiencies that have been identified? What is being done to ensure that the FY 2015 CAFR is completed on time?

***Answer:***

WMATA is working with its external auditor to complete the FY14 audit. If material or significant deficiencies are identified, WMATA will develop appropriate action plans to address such. These actions will help ensure timely completion of the FY15 Audit.

- 2) What is the status of WMATA's efforts to address material weaknesses identified during Federal Transit Administration's Financial Management Oversight review?

***Answer:***

The June, 2014 FTA Financial Management Oversight Review Report contained nine findings: three material weaknesses and six significant deficiencies. The report cited 10 recommendations to address the material weaknesses and 28 recommendations addressing the significant deficiencies.

The three material weakness findings were in the areas of "Budget Controls," "Controls Over Reporting of Federal Expenditures" and "Controls Over Procurement."

The condition cited in the "Budget Controls" was inadequate "controls in place to ensure that Federal expenditures were incurred and charged to grants in accordance with approved budgets." The condition cited in "Controls Over Reporting of Federal Expenditures" was the lack of adequate controls in place to ensure that Federal expenditures were accurately reported" with reference to two specific weaknesses:

- 1) Expenditures reported in the quarterly Federal Financial Reports (FFRs) for certain grants included potentially unallowable costs; and,
- 2) Expenditures reported in the annual Single Audit report (Schedule of Expenditures of Federal Awards, or SEFA) for fiscal year 2012 differed materially from those reported in the FFRs and National Transit Database (NTD) for the same period.

The condition regarding "Controls Over Procurement" was not having "adequate controls in place to ensure that goods and services were procured in accordance with Federal regulations." There were six weaknesses cited as evidence:

- 1) A major procurement was executed without an adequate competitive process;
- 2) Contract options were exercised after the contract was found not to meet FTA procurement standards;

- 3) A lack of adequately documented procedures for determining whether procurements will be funded with Federal or local sources;
- 4) Improperly splitting procurements in order to use the simplified acquisition process and avoid formal competitive procurement procedures;
- 5) Independent cost estimates (ICEs) were not prepared nor done timely;
- 6) Lack of timely preparation of procurement files.

WMATA took the following actions to help ensure implementation of its FMO Corrective Action Plans:

- In April 2014, WMATA's Board of Directors adopted a Grants Management Policy Resolution and a Revised Procurement Policy Resolution, both of which were designed to help ensure compliance with applicable laws and regulations, as well as establish monitoring plans.
- Developed a matrix of the Corrective Action Plans agreed to under the FMO, which has been used over the past several months to track current status and due dates of all open CAPs.
- Bi-weekly meetings were conducted with the GM/CEO and CAP owners to review and discuss the status of all outstanding corrective actions.
- FMO Status Reports have been presented to the Board each month since July, 2014, when the first responses were due to the FTA (30-day due CAPs).
- WMATA's newly established Office of Internal Compliance is currently facilitating self-certifications and performing control validations of all FMO CAPs as part of its ongoing compliance monitoring efforts.

The timeline for responding to findings with corrective actions is mandated by the FTA in the Report (30, 60 or 90-days due). Except for two extended FMO CAPs that were approved by the FTA, WMATA's timeframes are fully aligned with the FTA's timeframes, and WMATA has met all of the FTA's requested response due dates on-time.

- WMATA did not request extensions for any 30-day or 60-day CAPs. The only extension requests were for two 90-day CAPs.
- Prior to requesting the extension for the two 90-day CAPs, WMATA held numerous discussions with the FTA Region III Office and FTA Headquarters staff. A formal written request was then submitted to the FTA prior to the initial due date.
- Regular communications have been maintained with the FTA on the extended CAPs, including formal monthly status meetings.

As of April 17, 2015, based on the Corrective Action Plans and documentation submitted by WMATA, FTA has confirmed that eight of the ten material weakness recommendations have been adequately fulfilled. The remaining two will be addressed by the actions associated with the extended CAPs. Two of the three material weakness areas, "Controls Over Reporting of Federal Expenditures" and "Controls Over

Procurement,” have had all their recommendations adequately fulfilled. Further, twenty-four of the twenty-eight recommendations associated with the six significant deficiency findings have been deemed by FTA as having been adequately fulfilled. (Four open recommendations are pending FTA review in the area of “Access Controls Over the Financial Management System.” WMATA has submitted all requested follow-up documentation and is awaiting confirmation of adequate fulfillment.) In total, WMATA has adequately fulfilled 34 of the 38 total material weakness and significant deficiency recommendations.

### **Compliance Monitoring**

The Office of Internal Compliance (OIC) conducts objective assessments and reviews to monitor WMATA’s adherence to financial management controls and related policies and procedures, with a primary focus on compliance with applicable federal regulations necessary to preserve WMATA’s federal grant eligibility.

The OIC provides an objective evaluation of the design and operating effectiveness of applicable financial, regulatory compliance, and operational controls (financial management controls), and assesses related risks.

The OIC will track identified deficiencies through to resolution. Corrective action plans (CAPS) will be reviewed to ensure they address the root cause of the issue identified and meet their intended objective(s) for correction. Management CAPs may be subject to follow up reviews to confirm that CAPs were successfully implemented and subsequently adhered to properly.

- 3) What is the status of WMATA’s efforts to reconcile, drawdown, and closeout 35 federal grants associated with completed projects that were open during the FTA’s Financial Management Oversight review period? Will WMATA be able to obtain reimbursement for the full amount of those federal grants? If not, will the District’s share of project costs increase? What changes have been made to WMATA’s grant application and management process to ensure that WMATA gets fully reimbursed for all federal funding that is available to the agency?

#### ***Answer:***

- Seventeen grants have been drawn and closed. One additional grant has final drawdown request pending with FTA. After the dollars are received, the grant will be closed. The remaining 17 grants are currently being reconciled. The reconciliation process will be completed by June 30, 2015 as required by FMO. The drawdowns and closure of these grants will continue through the end of calendar 2015.
- WMATA expects to draw the full amount of these grants, subject to FTA approval. Should FTA disallow costs, the grants may not be fully drawn.
- It is possible that WMATA may have incurred costs that would not be federally reimbursable. In that case, WMATA will evaluate all potential solutions including reducing future expenditures to provide funding for past expenditures, or allocating the unallowable expenses to the funding jurisdictions.

- WMATA has applied and received awards for all FTA grant Federal FY14 (WMATA FY2015). WMATA has also updated its grants policy, effective WMATA FY16, for grant applications within 4 weeks of budget approval and to limit use of Pre-Award authority without board approval. Each cost presented to FTA for reimbursement is reviewed by WMATA personnel to ensure that the cost is eligible for Federal reimbursement and is funded by a grant before the cost is submitted.

- 4) What are the current WMATA bond ratings by each rating agency? Please provide a chart showing the 20 year reserves of WMATA (1995 to 2015) and also show a bond rating history by each rating agency of ratings over the 20 years.

*Answer:* See attached

- 5) Please provide a list of the top ten Transit agencies in the United States with the highest bond ratings.

*Answer:* See attached

- 6) How much is paid for Other Post Employee Benefits (OPEB) yearly? What is expected to be paid for FY16, and how much is budgeted? What plans exist to establish a trust for OPEB?

*Answer:* See attached

- 7) What is the status of escalator repairs throughout the District – by station? Please provide a schedule for escalator repairs in DC by station for FY16. How do you decide when to rehab/replace an escalator? How are they prioritized?

*Answer:*

**Part 1**

The term ‘repairs’ is assumed to mean ‘rehabilitations and replacements’. The status of current rehabilitations and replacement by station in DC are:

(white background = rehabilitation, yellow highlight = replacement)

Station and Unit ID	Start Date	Anticipated Return to Service Date
Columbia Heights E04X03	October 20	April 17
Farragut West C03E07	March 16	May 29
Foggy Bottom C04X06	March 24	June 15
Georgia Avenue E05X02	February 26	September 30
L’Enfant Plaza D03E05	January 6	April 22
L’Enfant Plaza D03W04 (elevator)	March 12	May 21
McPherson Square C02W05	March 30	June 8
Metro Center C01N01-C01N02	October 14	May 19

Smithsonian D02N07	March 24	June 1
Smithsonian D02S04	February 13	May 1
Stadium Armory D08N03	December 9	May 15
Woodley Park A04X01	January 5	October 20
Woodley Park A04X04	January 5	November 18

## **Part 2**

FY16 schedule of escalator rehabilitations and replacements (white background = rehabilitation, yellow highlight = replacement)

STATION	ID	CONTRACTOR	START	DURATION	COMPLETION
Foggy Bottom	C04X05	Schindler	05/20/15	10 weeks	07/29/15
Smithsonian	D02N05	Schindler	06/09/15	8 weeks	08/04/15
Farragut West	C03W06	Schindler	06/09/15	8 weeks	08/04/15
Farragut West	C03E07	Schindler	07/02/15	8 weeks	08/27/15
Columbia Heights	E04X02	KONE	03/30/15	23 weeks	09/04/15
Smithsonian	D02S05	Schindler	07/13/15	8 weeks	09/07/15
Mt. Vernon	E01X01	KONE	04/20/15	23 weeks	09/30/15
Mt. Vernon	E01X02	KONE	04/20/15	23 weeks	09/30/15
Georgia Avenue	E05X02	KONE	03/18/15	28 weeks	10/02/15
Farragut West	C03W07	Schindler	09/01/15	8 weeks	10/27/15
Stadium-Armory	D08N02	Schindler	07/27/15	14 weeks	11/02/15
Foggy Bottom	C04X06	Schindler	08/26/15	10 weeks	11/04/15
Smithsonian	D02S06	Schindler	10/05/15	8 weeks	11/30/15
Smithsonian	D02N06	Schindler	11/24/15	8 weeks	01/19/16
Smithsonian	D02S07	Schindler	12/28/15	8 weeks	02/22/16
Columbia Heights	E04X03	KONE	09/08/15	22 weeks	02/08/16
Friendship Heights	A08N04	KONE	06/11/15	36 weeks	02/19/16
Mt. Vernon	E01X03	KONE	10/01/15	24 weeks	03/16/16
Mt. Vernon	E01X04	KONE	10/01/15	24 weeks	03/16/16
Georgia Avenue	E05X03	KONE	10/05/15	29 weeks	04/22/16
Deanwood	D10X01	KONE	03/17/16	13 weeks	06/13/16
Waterfront	F04X01	KONE	01/18/16	22 weeks	06/20/16

## **Part 3**

Escalator rehabilitations and replacements are decided and prioritized according to the Elevator/Escalator Rehabilitation/Replacement Capital Improvement Program Procedure.

- 8) Recent media reports show that WMATA spent \$12 million installing new escalators at the Dupont Circle Metro station, south entrance which has been inoperable almost daily since December 9, 2014. How much will repairs cost? What is the current status of those repairs, and how will they be paid for?

**Answer:**

One escalator in the bank of three on the south entrance (19<sup>th</sup> Street) of Dupont Circle station was out of service from December 9, 2014 through March 25, 2015. Metro's Elevator/Escalator department engineers determined that the step chain (the main component that pulls the steps up and down the escalator) had stretched past its functional limit and that the escalator could not be operated safely. A section of the step chain was removed and collected by the manufacturer, KettenWulf Betriebs, for evaluation in their laboratory in Achim, Germany.

KettenWulf determined that the cause of failure for the chain was inadequate lubrication and a new chain would be required. Manufacture and shipping from Germany of the new chain is the reason for the long out of service time (time was also consumed for the material to clear U.S. customs). The step tracks had to be manufactured by a local machine shop after the escalator manufacturer, Schindler Elevator Company, informed ELES that it did not produce tracks as a part for purchase.

The repairs to replace the middle escalator at Dupont Circle were approximately \$100,000 and the work was completed March 25, 2015. The repairs were paid for using WMATA operating funds. Since the escalator was returned to service, it remains in good working condition.

In order to return the escalator to service as quickly as possible, WMATA paid for the new step chain and tracks but will look into reimbursement from Schindler.

- 9) Despite recent initiatives in conjunction with the District Department of Employment Services (DOES), the percentage of WMATA employees living in the District has declined slightly to 12.7%. How do you account for this decline? What is WMATA doing to increase local hiring?

**Answer:**

Metro measures the number of positions filled on a calendar year basis. Year to date, Metro employees who are DC residents total 1,670, equating to a percentage of 13% of the total workforce. Presently, one quarter into the CY, this represents a slight increase over the CY13 year-end percentages.

<b>Calendar Year</b>	<b># DC Residents</b>	<b>% DC Residents</b>	<b># New Hires</b>	<b>% New Hires</b>
CY 2014	1,626	12.8%	202	15.2%
CY2015 YTD	1,670	13%	145	17.8%

Metro has and continues to have a strategic sourcing partnership and relationship with DC DOES. Activities range from Metro participation in DC DOES job fairs and

employment panels; regularly scheduled dedicated testing and interview sessions for DC DOES applicants both on-site at DC DOES headquarters and at Metro facilities; promotion of Metro job openings via its One Stop network; and referral of pre-screened applicants for Metro positions.

Currently, Metro is working with DOES Veteran Employment Services to design a DOES veteran hiring event in late summer 2015. Other ongoing activities include Metro career info sessions - especially advertising and promoting high volume positions (Transit Police Officers, Special Police Officers, Bus Operator Trainees, multiple disciplines of mechanics, etc.) - as well as niche positions that range from entry level to management. DC DOES continues to promote Metro job openings via the DOES network/job boards; conversely, Metro continues to engage DOES as an applicant sources for recruitment initiatives/events.

10) Since the District launched *Kids Ride Free* in August 2013, every school day 12,000 students using the program every school day. This has resulted in an increase in Metrobus ridership, but has added additional stress along certain routes.

- By expanding the *Kids Ride Free* program to include rail, discuss how you will monitor increases/decreases to ridership? Will expansion necessitate any additional resources (if so please specify)?

**Answer:**

Metro and DDOT are in the early stages of discussion regarding the potential expansion of the Kids Ride Free program to include Metrorail. While we have worked collaboratively with DCPS to make sure bus service is available and responsive to the needs of our school children, there are many issues to consider in balancing the needs of all customers, as well as how to account for students on the system.

Fare evasion/confusion is common among youth, and we estimate that only 10-20% of students tap their DC One card today on buses. Rather than slowing buses to insist on proper utilization of the DC One card, which creates boarding queues and inconveniences other riders, bus operators frequently wave students on board. However, the operators have a key on their farebox they depress to count the student riders, which allows for accurate counting. There is no comparable mechanism on rail to count trips. Allowing youth to pass through gates for people with disabilities without tapping is the only available option presently, and it's not yet clear on what basis Metro would allocate costs to the District.

Another matter being discussed is how police and operations staff would monitor free rides during certain periods and on weekends, as well as authenticating that the cards are being used only by students as intended. That effort would require more resources.

- What changes, if any, will there be to the student monthly pass on Metrobus and Metrorail?

**Answer:** Perhaps. There will be additional costs and charges due to this change.

- With school starting in August, how will funds be distributed prior to the start of the academic year? Please provide a specific timeline.

**Answer:** DDOT administers the School Transit Subsidy Program and should provide a response.

11) Bus rider and operator safety, as well as property damage continues to be an issue. In the past several weeks alone, a bus operator and station manager have been stabbed, bus riders have been shot, and numerous fights have broken out during rides. How will funds be used to enhance safety of its riders, bus operators and station managers?

- What is WMATA doing to combat fare evasions?
- Does WMATA have adequate funds available for the proper training, hiring and deployment of Metro Transit Police officers?

**Answer:**

Crime on buses is always a concern because of the vast expanse of region-wide travel, the close nature of the environmental relationship between operator and customer and the inability to place a police officer on every bus. Unfortunately, there have been a few dangerous crimes committed against Metro employees and customers. Without minimizing the abhorrent nature of those crimes, we would suggest that those reports are more of the exception and not the norm. For example, in the first quarter of CY2015, there were 19 Part I crimes on buses, which compared to first quarter of CY2014, accounted for a 47% reduction in our more serious crimes. For bus operator assaults, over the last five years of first quarter reports, we average about 15 over the three month period of January, February, and March. In CY2015, there were 17 cases of bus operator assaults, with two unfounded after the report.

However, we take all such incidents seriously, and accordingly, the Metro Transit Police Department (MTPD) utilizes various tactics to help prevent bus operator assaults. The MTPD deploys dedicated teams of officers, both uniformed and casual clothes, to patrol bus routes identified by recent complaints from operators, and through analysis of crime statistics, to determine trends in times, locations, and circumstances. MTPD also utilizes officers in specialized patrol functions, such as K-9s and mobile patrol officers in marked police vehicles, to follow buses on identified routes and, at appropriate times, board buses to check the welfare of the operator and passengers. Frequently, the MTPD utilizes a surge of resources to engage in enforcement tactics, and other instances provided a blanket uniformed presence to deter crime. The MTPD has established close working relationships with local, state, and Federal law enforcement to ensure an officer can be available when trouble erupts on buses anywhere in the National Capitol Region. As you may know, for the last three or four years, the MTPD has worked with



BUS operations to significantly improve closed circuit television camera (CCTV) systems on buses. In addition, we have formed a team of experts for viewing and recovery of both bus and rail digital video evidence. Evidence technicians are trained to recover video evidence on buses as well. Bus operation has trained personnel to retrieve video for accidents, incidents, or customer service-related events.

A task force was created in CY2014, including Local 689 Union members, top level bus managers, bus operators, safety staff, bus customer service representatives, and MTPD, to help address safety and security concerns on buses. Along with general crime reduction, and security of bus operators, the team worked to determine ways to reduce fare evasion on buses, whether through technology applications and through more aggressive enforcement actions by the MTPD. In the last few months, bus operations personnel attend MTPD MetroStat crime analysis meetings. Their statistically based intelligence provides key information to determine deployment of resources on buses.

After analyzing bus operator assault data, we know approximately one third of our bus operators are assaulted as a result of fare media. The MTPD is working in concert with Bus Transportation (BTRA), reminding operators on the appropriate steps to manage riders who chose not to pay the fare. BTRA recently created a new brochure entitled "Fare Collection and Your Safety". This brochure provides operators with the tools and resources to address fare evaders. Additionally, the MTPD, in partnership with BTRA, has started a new 90 day fare evasion initiative, that will focus on specific routes where fare evasion is occurring.

The MTPD has an authorized sworn strength of 490 officers. The National Capital Region (NCR) has over 40 law enforcement agencies, each one competing for the best qualified applicant to serve on our respective police departments. MTPD works in concert with our Human Resource Team to hire qualified applicants from the NCR, as well as recruiting efforts from Pennsylvania, Delaware, New York and New Jersey, to name a few. The MTPD conducts carefully planned recruiting activities to operate within a manageable budget, and obviously, recruiting in cities outside the NCR is more expensive. We make every effort to balance in-person recruiting with internet-based and print-media methods in order to interact with the greatest number of suitable applicants. Recruiting is a challenge for all law enforcement agencies.

Training for the MTPD involves a sizeable investment, and yet, manageable for budget planning. As a matter of information, because the MTPD must train all new recruits in multiple jurisdictions, our training process is well defined and much of the process is not dependent upon a set number of participants.

12) How will funds be used to improve customer communications during disruptions and safety and security emergencies?

**Answer:**

WMATA's website serves as a crucial information portal to riders and stakeholders, with more than 100,000 visitors on an average weekday. The most visited features of

[www.wmata.com](http://www.wmata.com) are the trip planner, service maps and real-time train/bus arrivals. More than a year ago, [www.wmata.com](http://www.wmata.com) gained a redesigned and refreshed counterpart for today's mobile smartphones with touch-screen navigation. The mobile site includes features such as Service Nearby (determined with GPS), News, Elevator Status information and the ability to one-touch call to Metro Transit Police. WMATA also launched [www.silverlinemetro.com](http://www.silverlinemetro.com) to educate and update customers on the upcoming Silver Line.

This year, both desktop and mobile websites will be redesigned to HTML-5 standards, allowing for even easier access to key rider tools, as well as up-to-the-minute service information for bus and rail services.

In addition to its websites, WMATA uses social media to provide both corporate news and service information. Regular rider engagement occurs on both Facebook and Twitter. We also host over 70 information videos on YouTube and launched a new "text tips" service (text MyMTPD from any cell phone) for riders to notify Metro Transit Police of non-emergency matters in real time. This year, Text Tips will be upgraded to allow riders to send "MMS" messages (i.e. photos), in addition to text messages.

Metro also will upgrade the back-end software that supports the customer information displays that were installed about two years ago at every Metrorail entrance. The "kiosk screens" were deployed in direct response to customer feedback indicating that riders wanted to be alerted to service disruptions prior to entering the system. The screens turn red when there is a disruption.

Also this year, Metro will pilot a new generation of Passenger Information Displays (PIDS) using LCD screens, as opposed to the current LED screens. The pilot will include selected ADA faregates where outdated single-line LED displays are currently used.

On social media, Metro has more than 120,000 followers on Twitter across multiple feeds, plus more than 8,000 followers on Facebook. In addition, more than 150,000 people are subscribed to receive MetroAlerts service information via email and text messages. Alerts that are sent through the MetroAlerts system are posted to Twitter and [wmata.com](http://wmata.com), displayed on kiosk and platform screens, announced via station PA systems, sent to email and text accounts, and shared with our jurisdictional partners.

13) How is Momentum funded? What will Momentum fund in FY15 and FY 16?

**Answer:**

The WMATA funding jurisdictions are currently in discussion on what will be funded in FY16 that was included in the Board Strategic Plan known as Momentum.

14) The District's proposed FY 2016 Budget Support Act (Title VI (B)) includes authorization for the District Department of Transportation (DDOT) control officers to enforce parking meters violations on 8 WMATA parking lots totaling over 660 metered spaces. What is current revenue generated at these spaces, and what are the current hours of operation for the meters? What was the projected revenue for FY15 and for FY16?

**Answer:**

WMATA's garages and surface parking lots have a total of more than 660 meters spaces and 2,042 daily commuter spaces.

Metered parking at Metrorail stations in DC is permitted for various durations between 8:30AM and 2:00AM Monday through Friday. Daily commuter parking is paid between 10:30AM and 12:00 Midnight Monday through Thursday and 10:30AM and 3:00AM Saturday morning for Fridays.

Projected parking revenue for FY 15 = \$90,000 (meters)

Projected parking revenue for FY 16 = \$91,000 (meters)

15) Please provide responses to the Jurisdictional Coordinating Committee FY 2016 Budget Questions.

**Answer:**

Staff met with the JCC on April 23, 2015 in a budget work session to discuss responses to the questions.