

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 16, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 111: UPDATE ON THE WMATA OPERATING SUBSIDY

This memorandum is a follow-up to Budget Memo #29 released on March 27, 2009 and provides updated information on the City's subsidy for the FY 2010 WMATA Operating Budget.

The City's FY 2010 proposed budget assumed no increase in the FY 2009 WMATA operating subsidy of \$20,027,492. The initial WMATA budget proposal for FY 2010 included a City operating subsidy of \$20,923,359, which is \$895,867 higher than the amount funded in the City's FY 2010 proposed budget. Budget Memo #29 identified \$698,663 in potential bus service reductions in Alexandria and Arlington that reduced the shortfall to \$197,204. Since that time, WMATA staff has re-estimated the amount of savings available from the Alexandria and Arlington bus service reductions listed in the table below and provided estimates of the City's share of savings from bus service reductions in Maryland and the District of Columbia.

The WMATA revised savings estimate is \$786,255, which results in an operating subsidy that is \$157,679 greater than the amount funded in the City's FY 2010 proposed budget but \$39,525 less than the shortfall identified in Budget Memo #29. The following table illustrates the changes in the subsidy from Budget Memo #29. If no additional WMATA savings can be identified, the shortfall is proposed to be funded from State aid and motor vehicle fuel sales tax revenues at the Northern Virginia Transportation Commission (NVTC). NVTC revenues earned on Alexandria's behalf for transit purposes are estimated to be approximately \$13.9 million in FY 2010. A shortfall of \$157,679 would represent only 1.1 percent of estimated NVTC revenues. No change would be necessary in the City's General Fund budget for WMATA operating subsidies.

WMATA FY 2010 CITY SUBSIDY SAVINGS

Routes	Jurisdiction	Original City Savings Estimate (BM #29)	Revised City Savings Estimate	Difference
7 A,E,F	Alexandria/Arlington	\$66,369	\$22,577	-\$43,792
10 A,E	Alexandria/Arlington	\$208,209	\$104,929	-\$103,280
24 P	Arlington only	\$14,085	\$6,941	-\$7,144
21 A-F	Alexandria only	\$410,000	\$410,000	\$0
Various	DC and Maryland	NA	\$193,741	+\$193,741
	Total	\$698,663	\$738,188	+\$39,525
	City Shortfall	\$197,204	\$157,679	-\$39,525