



Monday, June 17, 2019

9:30 AM

End-of-Fiscal Year Meeting

AGENDA

- I. **Call to Order/Introductions (Chair)**
- II. **Approval of the Agenda (Chair)**
- III. **Approval of the Minutes (Chair)**
 - a. January 8, 2019
- IV. **Public Comment (Chair)**
 - a. Individuals who have signed the Speakers' List prior the commencement of the meeting may testify for a time not to exceed three (3) minutes unless permitted by the Chair.
 - b. Comments shall be limited to matters that pertain to the Washington Suburban Transit Commission (WSTC) or other transportation issues.
 - c. The public comment period shall last no longer than fifteen (15) minutes.
- V. **Introduction of New Commissioner: Mr. Thomas Graham (Chair)**
- VI. **WSTC Update (Director, Washington Area Transit Office)**
 - a. Update on WSTC Finances (Financial Analyst)
 - i. End-of-Year Financial Position
 - ii. Approval of FY2020 Proposed Budget – **ACTION ITEM**
 - b. Legislative Wrap-up
 - i. Secretary of Transportation as principal WMATA Director (July 2019)
 - ii. HB1412 - Maryland Metro/Transit Funding Act - Del. Korman (D - Mont. Co.)
 - c. Future WSTC Public Forums
 - d. Office Matters
 - i. Advertising for new Transit Analyst – **ACTION ITEM**
 - ii. Request by DGS for office space – **ACTION ITEM**
 - iii. Update on bike rack at 4351 Garden City Drive (Office Manager)
 - e. Letter to WMATA Ethics Committee – **ACTION ITEM**
- VII. **Bus Transformation Project Briefing (Mr. Rich Davey)**

AGENDA (cont'd)

- VIII. Election of Officers (Secretary's Designee)**
 - a. Chair
 - b. Vice Chair
 - c. Secretary/Treasurer

- IX. Recognition of Service for Mr. Clarence C. Crawford (Director, Washington Area Transit Office)**

- X. Good of the Order (Chair)**

- XI. Closing Remarks (Director, Washington Area Transit Office)**

Washington Suburban Transit Commission

4351 Garden City Drive, Suite 305, Hyattsville, MD 20785 • Phone 301-577-2063 • Fax 301-577-2193

Tuesday, January 8, 2019
9:00 AM
Meeting Minutes

| Commissioners in Attendance |
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| Mr. Clarence Crawford, Chair |
| Mr. Michael Goldman, Vice Chair |
| Mr. Malcolm Augustine, Secretary/Treasurer |
| Ms. Kathryn Porter |
| Mr. Hoan Dang |
| Hon. Todd Turner, Prince George's County Council |
| Mr. Earl Lewis, Maryland Transportation Secretary's Designee |
| Staff in Attendance |
| Mr. Pat Pscherer, Director, Washington Area Transit Office, MDOT |
| Ms. Tammy Cooper, Office Manager, WSTC |
| Ms. Sara LeBarron, Financial Analyst, WSTC |
| Ms. Christine Wells, Senior Transit Analyst, WSTC |
| Ms. Amanda Cooper, MDOT |

Others in Attendance

- Dr. Charles Glass, MDOT
- Mr. William "Bill" Orleans, member of the public

I. Chair Mr. Crawford called the meeting to order at 9:30 AM

II. Approval of the Agenda

A motion to approve the agenda was seconded and unanimously approved.

III. Approval of the Minutes

A motion to approve the minutes from January 8, 2018 was seconded and unanimously approved.

IV. Public Comment

Mr. Orleans provided the following remarks

- A. Bike racks have still not been installed at the Fortis College building. Mr. Orleans has shared this concern with those present previously.
- B. Mr. Orleans was largely pleased with the open forums. He would suggest increased audience participation at future events.
- C. Mr. Orleans claims that the Bus Transformation Study does not involve the public sufficiently, stating that they meet by invitation only.
- D. Lastly, there is an RFP that has been issued for a regional ability ride. For the past three years, there have been pilot projects. He suggests that Board members should take more interest to see if the two pilots have been successful and as constructive as Metro staff seems to think they have.

V. Election of Officers

Mr. Hoan Dang was nominated and seconded for Secretary-Treasurer to finish Mr. Malcolm Augustine's term for the rest of the fiscal year (FY19). The vote was unanimous in the affirmative.

VI. WSTC Update

A. Recent Events

1. After-action discussion on the WSTC Public Forums

The WSTC conducted its first public forums in Montgomery County and Prince George's County. The feedback received was largely positive but there is always room for improvement. In the future, Vice Chair Goldman's suggested scheduling Forums twice a year. Ms. Porter offered that, in an election year, we do not want to hold them around the election time in the fall. In addition, Ms. Porter offered assistance with contacts for advertising future Forums to encourage a larger attendance. Regarding the advertising, ads were placed in the Washington Post and 11 community sections in the PATCH online newspaper. Additionally, staff did reach out to several community associations. It was determined that, for future Forums, the event continue with the same format of written questions to permit better organization and prevent duplication of questions.

2. Celebration ceremony for elimination of the Grovesnor Turnback

Mr. Pscherer thanked everyone for their efforts in eliminating the Grovesnor Turnback. A public ceremony was held at the Rockville Metro station on December 17th 2018, which was the implementation day for the elimination of the turnbacks.

The ceremony was nicely attending, including by Ms. Porter, and Montgomery County Executive Elrich presided, offering a few words.

3. *White Flint Metro Station Study*

Mrs. Wells explained there were previous studies for alternate entrances to the White Flint Metro station in 2010 and 2017. The purpose of this study is to advance the planning to the next stage and align the study and design processes. The 2017 study was sponsored by the contractor. It did not align correctly with WMATA's needs. Ms. Sara Benson is coordinating the project from the WMATA side.

The project should be complete in May 2019. All major departments we represented at this meeting held on January 7, 2019. The consultants want to take a look at project phasing so that costs can be managed better. The decision needs to be made if the new north entrance should mimic the existing entrance. There is also a concern relating to the need for a possible additional pedestrian crossing. Montgomery County mentioned that they will be funding a future bridge over Rockville Pike which would go over the station, but this will have to be reviewed. The demand assessment for ridership forecasting which has not been issued in previous studies.

The \$315,000 study was funded under the project development program. Mr. Pscherer related that WMATA requested an additional funds for the study, claiming that the bids were coming in significantly higher than expected. MDOT approved an appropriation amendment, maxing out at \$415,000. WMATA reported that the additional costs were largely associated with changes in the scope of the study. The original bid did not include these changes. Ms. Porter stated the development plans for that area have changed dramatically. She suspected that is what is going on with the continued studies.

To answer Mr. Augustine's question, Mr. Pscherer confirmed they are not asking for more money in the fiscal year budget, but using more of what is currently appropriated. Mr. Augustine sees the positive side that the money is being used in Maryland. Mr. Goldman explained the station is next to a big WMATA parcel and the White Flint space where Amazon was considering locating its new headquarters.

B. Presentation of WSTC FY2017 and FY2018 Financial Audit

Ms. LeBarron provided the FY2017 and FY2018 completed audits from SB&Co. For FY2017, administration expenses increased by \$67,000 primarily due to personnel costs. The non-operating revenue - the property taxes WMATA subsidy payments - are handled outside of the WSTC office. The property taxes are administrated directly by Prince George's County, and the grant funds are the WMATA subsidy paid directly by MDOT. The net position was \$414,000 for end of FY17. The cash total for FY17 was \$645,000. Mr. Goldman inquired about the 645k earned cash and whether or not it is in an interest-bearing account. Mr. Pscherer confirmed it is in standard, non-interest-bearing checking account, but will look into the feasibility of setting up an interest-bearing account, as recommended by Ms. Porter. Mr. Dang wanted to know what the increase in the employee retirement is. Ms. LeBarron and Ms. Porter confirmed Montgomery County provides retirement for this office. Dr. Glass explained WSTC pays for the unfunded liability.

Regarding the FY2018 audit, Ms. LeBarron stated the net position was \$427,000. The \$334,000 administration expense decreased by \$133,000. This was largely due to unfilled positions in the office. The cash balance at year end was \$639,000. Unearned revenue of \$128,000 resulted in a net position of \$427,000. The combined cost of the FY17 and FY18 audits totaled \$13,000, paid in December upon completion of the audits. Mr. Pscherer explained the original proposal was for \$15,900 but the actual cost came in under estimate. The next few years, because we have a billing agreement, will cost about \$7,500 annually. This amount is about \$2,500 less than paid prior to FY2016 due to the agreement to a multi-year contract, and the establishment of a more consistent process.

Ms. LeBarron reviewed the financial actuals for FY19, which included the fees for the audit, and included a forecast through year's end. The previously-approved 2% salary increase beginning January 1 accounted for the increase in salaries and benefits.

Mr. Augustine moved to accept the FY17 and FY18 audits as submitted. Ms. Porter seconded. Mr. Pscherer stated they will be submitted to the County. Mr. Crawford confirmed all in favor, no opposed.

C. Review of WSTC Proposed FY2020 Budget

The FY20 proposed budget represents a 1% increase over the prior year budget, with the largest increase in salaries and benefits. A five-year lease extension stabilized the rent for the duration of the leasing agreement. Salaries and benefits, and compensation for Commissioners represents 83% of the administrative costs. Rent accounts for 12.5% of the budget. Verizon internet services may cost around \$3,000 as the contract is ending and will likely need to be renegotiated. Budget for public forums will increase as we move to holding two such events per year. Finding alternatives to advertising in the Washington Post could significantly decrease costs as this is an expensive media. Alternatives include County papers and other online visibility. The purchase of a web domain would allow the Commission to advertise on its own web page and also provide Commissioners with a WSTC e-mail address. We have been very fortunate that Mr. Rob Bayne, MDOT Senior Networking Engineer, is willing to help the office to craft the initial structure. This is not a MDOT effort but strictly WSTC. As an MDOT employee, Mr. Bayne can support Mr. Pscherer at no additional cost; a benefit to the Commission.

D. Discussion of Roles and Rotation of Commissioners beginning July 2019

Mr. Goldman wanted to know Secretary Rahn's intention regarding WMATA Board attendance. The concern is that it may become an issue of the Secretary is not able to attend all meetings regularly. There has to be a conversation with the WMATA General Counsel concerning the voting privileges of the Secretary's designee. According to the WMATA Compact, an appointed Alternate Board member is the only one that can vote on behalf of a principle Board member. Ms. Porter commented these are complicated questions that need to be answered because, ultimately, Maryland may lose a vote on the Board.

E. WMATA Intent to Audit MDOT and DDOT audit

Mr. Pscherer reported that the WMATA CFO sent a memo out to all WMATA Board Members stating WMATA intends to engage the service of RSM as an independent, third-party auditor in order to find a resolution to the MDOT and DDOT audit findings. Based on the MDOT audit, there was a \$1.275 million over-charge in the operating budget as a result of calculation errors. Due to data integrity issues, the MDOT audit team was not able to proceed with an audit of the capital finances. WMATA remains unsure if they were willing to accept Maryland's audit findings despite admitted errors on WMATA's part.

As per Dr. Glass, there was a finding by Maryland Office of Legislative Audits (OLA) against MDOT for failure to audit WMATA. As a result of the current audits being conducted by MDOT, OLA has found MDOT to be in better standing. OLA has already audited MDOT'S audit and concurs with the findings. The audit is public and was conducted in good faith and MDOT Office of Audits is sure that they are correct in their findings.

F. Update on Office "Wishlist"

1. Office Lease Renewal

Mrs. LeBarron located 6 spaces found locally in New Carrollton. The savings were not substantial enough to consider a move. The moving expenses were in the range of \$1,500 - \$3,000. The Commissioners voted unanimously to stay in the current office for \$4,944 per month, for the entire 5 year term.

2. Possible telephone upgrade

Mr. Pscherer discussed performance issues with the current office telephone system. Fortunately, MDOT is in the midst of a telephone system upgrade. MTA is a part of this upgrade. WSTC is hoping to piggyback on this upgrade.

VII. Recognition of Service for Mr. Malcolm Augustine

Mr. Malcolm Augustine was recognized and thanked for his service to the WSTC and the State of Maryland. He will vacate his position as a result of his election to the Maryland State Senate.

VIII. Good of the Order

Mr. Crawford's closing words: "We have accomplished a lot, and it has been great working with everyone. We have a lot of good things planned. And I appreciate the candor and engagement of the Commission members and the staff, it is not easy. We have challenges coming up as we move into the next fiscal year as we figure out how to adequately support the two counties and this new structure."

Mr. Pscherer thanked everyone in attendance for their continued support of the WSTC.

IX. Adjourn

Meeting adjourned at 11:09am

Mr. Richard Davey

The Boston Consulting Group



Richard A. Davey is an attorney and experienced transportation executive. He served as the Massachusetts Secretary of Transportation from September 2011 to October 2014 and the General Manager of the Massachusetts Bay Transportation Authority from March 2010 to September 2011. After leaving state government, Mr. Davey served as chief executive of Boston 2024 Partnership, a non-profit group which planned Boston's bid for the 2024 Summer Olympics.

A native of Randolph, Massachusetts, Davey earned a BA degree from the College of the Holy Cross and a JD summa cum laude from the Gonzaga University School of Law. He began his legal career in 1999 with the United States Department of Justice as a trial attorney for the Immigration and Naturalization Service. Mr. Davey later worked for the New York City law firm of Schulte Roth & Zabel.

In 2002, Mr. Davey joined the Massachusetts Bay Commuter Railroad Company, a private company which runs the MBTA Commuter Rail. In July 2003 he was named the MBCR's General Counsel and, in 2007, Deputy General Manager of the MBCR. In 2008 he was promoted to General Manager. In his first full year as General Manager, customer complaints went down 40 percent.

Mr. Davey left the MBCR in March 2010 when he became the General Manager of the Massachusetts Bay Transportation Authority. On August 4, 2011, Massachusetts Governor Deval Patrick appointed Mr. Davey Massachusetts Secretary of Transportation.

Mr. Davey currently works as an Associate Director for the Boston Consulting Group as a public sector consultant.