



**WSTC**  
WASHINGTON SUBURBAN  
TRANSIT COMMISSION

**THOMAS GRAHAM**  
CHAIR

**TOM HUCKER**  
VICE CHAIR

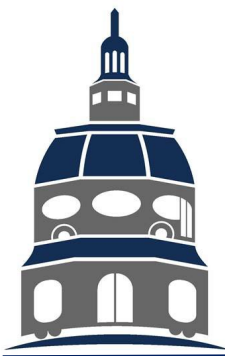
**MICHAEL GOLDMAN**  
SECRETARY-TREASURER

**Tuesday, March 18, 2025  
2:30 PM**

**March 2025 Semi-Annual Meeting**

**AGENDA**

- I. Call to Order/Introductions (Chair)**
- II. Consent Calendar (Chair) – ACTION ITEM**
  - a. Approval of the Agenda
  - b. Approval of the September 2024 Meeting Minutes
  - c. FY2024 Audit Acceptance
  - d. Auditor Procurement
- III. Public Comment (Chair)**
  - a. Comments from the public pre-submitted to [wstc@mdot.maryland.gov](mailto:wstc@mdot.maryland.gov) by the close of business Monday, March 17, 2025 will be read into the record of the meeting.
- IV. Purple Line and Metrorail Coordination – INFORMATIONAL ITEM**
- V. Resolution 01-2025 (Recognition of Service – Tammy Cooper) - ACTION ITEM**
- VI. WSTC Update (Director, Washington Area Transit Office)**
  - a. Update on WSTC Internal Matters
    - i. Staffing Changes
  - b. Paratransit Strategy Study – INFORMATIONAL ITEM
  - c. Interest-bearing Account – ACTION ITEM
- VII. FY2026 Joint Study Fund Discussion - ACTION ITEM**
- VIII. WSTC Budget**
  - a. FY2025 Budget Forecast – INFORMATIONAL ITEM
  - b. FY2026 Proposed Budget (Financial Analyst, WSTC) – ACTION ITEM
- IX. WMATA Update (WMATA Representative)**
- X. County Conversation (County Representatives)**
  - a. Montgomery County
  - b. Prince George’s County
- XI. Good of the Order (Chair)**
- XII. Closing Remarks (Director, Washington Area Transit Office)**



**WSTC**  
 WASHINGTON SUBURBAN  
 TRANSIT COMMISSION

**THOMAS GRAHAM**  
 CHAIR

**TOM HUCKER**  
 VICE CHAIR

**MICHAEL GOLDMAN**  
 SECRETARY-TREASURER

**Friday, September 27, 2024**  
**9:30 AM**  
**WSTC Bi-Annual Commissioners**  
**Meeting Minutes**

Commissioners in Attendance
Mr. Thomas Graham, Chair
Hon. Tom Hucker, Vice-Chair
Mr. Michael Goldman, Secretary-Treasurer
Hon. Eric Olson
Mr. Don Drummer
Mr. Raymond J. Briscuso, Jr
Mr. Joe McAndrew MDOT as Secretary’s Designee
Staff in Attendance
Mr. Jonathan Rogers-Director, Washington Area Transit Office
Ms. Tammy Cooper
Mr. Sara Murdoch
Mr. Ryan Traher
County Representatives in Attendance
Mr. Efon Epanty, Prince George’s County
Ms. Haley Peckett, Montgomery County, Deputy Director
Mr. Corey Pitts, Montgomery County
Mr. Philip McLaughlin, Montgomery County
Public in Attendance
Mr. Bill Orleans

- I. **Call to Order**  
 Chair Graham called the meeting to order at 9:40 AM and a quorum was met.
  
- II. **Consent Calendar**
  - a. A motion to approve the agenda was presented by Chair Graham and approved unanimously by attending commissioners.
  - b. A motion to approve the minutes from the March 26, 2024, Bi-Annual Business Meeting was presented by Chair Graham and approved unanimously by attending commissioners.
  - c. Chair Graham read Resolution 03-2024 into the record and made a motion to approve the resolution. The motion was unanimously approved by attending

commissioners.

### III. Public Comment

- a. Mr. Orleans asked for public comments during meetings of the DMV Moves Task Force. Additionally, regarding DMV Moves, he believes the Government Partners Work Group and the Community Partners Work Group should be open for at least observation if not participation by the public. He asked that Mr. Hucker and Mr. Goldman investigate amending the Community Advisory Work group to include the Action Committee for Transit (ACT).

Lastly, Mr. Orleans asked Mr. Olson and Mr. Graham to conduct a meeting and invite RATP Dev, DPW&T people and drivers and employees of the RATP Dev to resolve any outstanding issues regarding loss of employment service because of poor record keeping by both RATP Dev and DPW&T. Mr. Olson has not heard of any employment service issues but will investigate and find out what the issue is. Per Mr. Orleans, this is a very recent occurrence that drivers have been informed that there is no record of their service.

Mr. Joe McAndrew advised if ACT wants to participate in DMV Moves, Mr. Orleans or someone from ACT should email Director Jonathan Rogers directly to have them added to the roster.

### IV. WSTC Update

- a. **Update on WSTC Internal Matters**

- i. **New Director**

Mr. Rogers started as the Director of the Washington Area Transit office on May 1, 2024, and is looking forward to working with the Commission. Professionally, Mr. Rogers has a background in working with the Metropolitan Washington Council of Governments and DDOT, he is also a Montgomery County native and an active public transit user.

- ii. **New Transit Analyst**

Mr. Ryan Traher is the new Transit Analyst for WSTC. Mr. Traher previously worked for the U.S Department of Education and attended American University to obtain a master's in public policy where he developed a deep passion for public transportation policies.

- b. **Policy and Program Updates (FY2025 Work Plan)**

Mr. Rogers highlighted a few areas of the FY25 Work Plan, one focus being Metro Lift. Metro Lift is WMATA's program that offers reduced fares for bus and rail for people who are enrolled in the SNAP program. WMATA staff provided an update this summer specifying enrollment being low, particularly in Maryland. In Maryland, it is essential to make sure that everyone who qualifies for this program is aware of its existence, especially in Montgomery and Prince George's counties to reduce the burden of recent WMATA fare increases. WSTC is working with the WMATA and county staffs to develop a

communications and outreach strategy to increase Metro Lift awareness and registrations. The strategy includes partnering with sister agencies in the counties to work through human services organizations, libraries and school systems. Mr. Rogers requested the assistance of commissioners to help engage county agencies, but also identify non-profits like food banks that should be included.

The MetroAccess study is going to be a large focus for WSTC that was approved by the Commission for this year's budget; the WSTC joint study fund. Maryland accounts for 62 percent of the MetroAccess costs. The study will identify a high-level roadmap for Maryland to consider maintaining high-quality service while managing costs.

The RFP was issued over the summer and closed a few weeks prior to this Bi-Annual Commissioners Meeting. Proposals are currently being reviewed, upon the selection on a consulting firm to advance, the Commission will be notified. Once work begins, the process should take approximately six months during which the Commissioners will be engaged.

Transit-Oriented Development is a key goal of the Moore-Miller Administration and is a focus of the WSTC. This also includes developing near Metrorail stations and MARC stations mostly in Prince George's County through to the Penn Line Joint Development Strategy that MDOT is close to releasing. Work with WMATA will be ongoing.

Lastly, the approach for the joint study fund is to fund and produce one study per year. The WSTC staff welcomes feedback from the Commission regarding whether to fund the studies out of additional contribution, WSTC reserves, or a combination thereof as well as suggested study topics for FY2026.

Mr. Goldman responded with the suggestion to add Purple Line (PL) coordination with WMATA and WMATA Services to the Work Plan. As the Purple Line is getting closer to opening, ensuring streamlined user experience across multiple transit systems is important. Fare collection so that PL riders with Metro Smartrip cards can use them to pay for PL fares at stations and placement of the Purple Line on the WMATA maps should be a focus in the future work plan.

Mr. Dummer and Mr. Hucker are excited about the work plan. The work plan provides a framework to establish priorities for WSTC.

Mr. Olson will forward information regarding the Metro Lift program to his staff to get the information circulated. Mr. Hucker would be happy to engage the Montgomery County Council and agencies.

Mr. Olson requested a briefing on the Penn Line JD Strategy.

c. **Interest-bearing Account**

In previous Bi-Annual Commissioners meetings the Commissioners requested information regarding an interest-bearing account since WSTC carries a large bank account balance. M&T Bank's only interest-bearing account product is a sweep account. The sweep account option requires a one-time set up fee of \$65 and a monthly recurring fee of \$300. The monthly interest income is variable based on current rates and balances, interest is earned daily and credited daily on the Money Rate Commercial Sweep. The Money Rate Commercial is 3.75% for balances up to \$1 million and 4.25% for balances from \$1 - \$2.5 million. The rate for the Money Rate Commercial Sweep is set by the bank and based on the published Euro rate minus a spread to the bank, the spread fluctuation is based on the daily published rate. The mechanics of the sweep work automatically. The Commission requested additional information about alternate interest-bearing options and did not vote on the interest-bearing account action item. Mr. Graham suggested inquiring about CD options and looking into other bank options in the area.

d. **Audit**

i. **Status of FY24 Audit**

The FY2024 audit is underway and on track to complete by the October 30, 2024, deadline.

ii. **Audit Contract**

The current audit contract with Key & Associates expires after the FY2024 audit is completed. A 1-year, 3-year and 5-year contract proposal was received by Key & Associates for continued audit services. The fee for the FY2025 audit is the same for all 3 proposals in the amount of \$11,300, a 30% increase over the FY2024 fee. At the request of the Commission, staff will solicit quotes from additional firms to understand prevailing audit pricing and inform a strategy for securing an audit contract for FY2025 and beyond.

v. **FY2026 Proposed Budget**

The proposed FY26 budget totals \$677,678 which includes \$150,000 for the Joint Study Fund. The \$150,000 is an estimate and staff will have better information after reviewing the Maryland MetroAccess Strategy Study proposals. The salaries assume a 3% increase effective 1/1/2025. The fringe and benefits reflect a large decrease due to a WSTC employee benefits changing from family to self-+1. The proposal received from the current auditor for the FY2025 audit is an increase of 30%. The monthly internet fee is an increase of 17% due to the static IP address required by MDOT IT. The miscellaneous category decreased by 42% with the removal of moving fees and Zip Recruiter job postings. Also added \$100 a year for a Washington Business Journal subscription and \$300 for a framed WSTC logo for the WSTC office. Based on the lease terms the rent increases by 4%. The Bank /

Payroll fees increased by 156% which accounts for the monthly interest-bearing account fee. The proposed budget includes the full Joint Study Fund costs, driving an overall budget increase of 25% from the approved FY2025 budget to the FY2026 proposed budget. However, the source of Joint Study Funding can include use of reserve funds or future interest income. Without the inclusion of the Joint Study Fund costs, the proposed budget is an increase of 1% from the FY2025 approved budget to the FY2026 proposed budget. The FY26 budget will be brought back for a vote in the March 2025 meeting. The Commission requested the budget sheet include a percentage change from FY24 to better understand the year-over-year changes.

## **VI. County Conversation**

### **a. Prince George's County**

Prince George's County Department of Public Works and Transportation (DPW&T) have been working on our Transit Transformation Plan for two years and will continue working on this plan for the next two years. The Transit Transformation Plan has four initiatives:

- Transit Vision Plan, which focuses on transit assessment, understanding how the system could work, attract more users to transit, meeting transit needs, enhance the regional network and leveraging other transit investments.
- Transit Forward Initiative, which focuses on providing better oversight for enhancement of customer service. This will help connect people and provide accessible transportation.
- Zero-Emission Bus (ZEB) Transition focuses on the county's transition to clean buses.
- Service Changes, which involves the public and transit operator engagement, analysis of transit data, and draft recommendations.

### **b. Montgomery County**

The Great Seneca Transit network is four bus routes connecting the Life Sciences area of the county, helping to connect Shady Grove Metrorail station with the Universities at Shady Grove. There was a ribbon cutting on September 9, 2024, to start the first two lines of that network, the Pink and Lime Lines.

Ride On Reimagined, the overall county wide bus vision network study has been shared with the County Council including:

- A full build out of our BRT network, the Great Seneca Transit Network and some new flex zones, many modified routes and some additional new routes
- Nearly doubles the existing service levels
- Increase access to jobs and key locations
- Phased implementation

#### Jeremiah Park: New Bus Maintenance Facility Project

- It is a 45-acre County owned site
- Mixed-use redevelopment: new, co-located MDOT and MCPS bus depot, housing, park space, and school site
- Supports transit fleet growth and zero emissions transition
- Conceptual Site Planning completed Summer

The county highlighted three recent and ongoing projects

- Germantown Transit Center bus lanes (2021)
- University Boulevard bus lanes (2024)
- Georgia Avenue bus lanes (pilot with MDOT and WMATA 2024)

The Bus Rapid Transit Program in Montgomery County has several active projects underway.

- Veirs Mill Road BRT project just wrapped up our 95% design milestone this summer and the project has been submitted to the FTA for project rating for a grant.
- The Maryland 355 BRT and 355 BRT North/South have an RFP out now for a progressive design build.
- The US 29 Flash Phase 2, which includes a median bus lane between the Tech Road and Four Corners area, is advancing with preliminary design.
- The North Bethesda Transitway on the west side of the county, connecting North Bethesda and the Rock Spring area, as well as the New Hampshire Avenue BRT, are wrapping up their planning studies, hopefully by later this year.

#### **VII. Good of the Order**

Commissioner Michael Goldman has been re-appointed to the WSTC Commission as a County Executive representative from Montgomery County.

#### **VIII. Closing Remarks**

In response to the Work Plan discussion, WSTC staff committed to include Purple Line coordination in the Work Plan. WSTC staff will update the Work Plan and distribute it to the commissioners.

Mr. Goldman requested that WSTC develop a written position on DMV Moves. After discussion, the Commission agreed that an optimal time for submitting WSTC comments on DMV Moves is after the presentation of the remaining scenarios, anticipated for December 2024.



ll.c.

**THOMAS GRAHAM**  
CHAIR

**TOM HUCKER**  
VICE CHAIR

**MICHAEL GOLDMAN**  
SECRETARY-TREASURER

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## MEMORANDUM

**TO:** WSTC Commissioners  
**FROM:** Sara Murdoch, Financial Analyst, WSTC  
**SUBJECT:** Fiscal Year 2024 Audit Acceptance  
**DATE:** March 4, 2025

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### Overview

I am pleased to inform you that WSTC's audit for the fiscal year 2024 was successfully completed by Key and Associates on October 30, 2024, resulting in a clean audit. A copy of the fiscal year 2024 audit has been attached.

A clean audit, also referred to as an unqualified opinion, means that WSTC's financial statements were found to be accurate and in compliance with all relevant accounting standards. Key and Associates confirmed that WSTC's financial records are presented fairly and that no material misstatements were identified. Additionally, the audit affirmed WSTC's internal controls are operating effectively, and organization is fully compliant with regulatory requirements. No deficiencies or areas of concern were raised during the audit process.

### Action Requested

Staff recommend acceptance of the fiscal year 2024 audit conducted by Key and Associates.





Key & Associates, P.C.

October 28, 2024

Washington Suburban Transit Commission  
8400 Corporate Drive, Suite 120  
Landover, MD 20785

RE: Communication with Board of Commissioners

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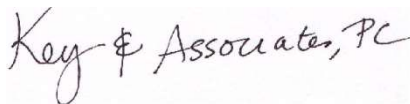
Dear Board Members:

Enclosed please find a “Communication with Those Charged with Governance Letter” in which we have outlined the work to be done during the course of our engagement.

We want to emphasize that our audit resulted in an unmodified report. In addition, we did not identify any findings for the year ended June 30, 2024.

Please do not hesitate to contact our office at (240) 641-5197 if you wish to discuss any of the information contained in this letter.

Sincerely,



Key & Associates, P.C.  
Certified Public Accountants

Enclosure

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W W W . B K E Y C P A . C O M

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EMAIL INFO@BKEYCPA.COM

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SILVER SPRING, MD 20910



Key & Associates, P.C.

October 28, 2024

Washington Suburban Transit Commission  
8400 Corporate Drive, Suite 120  
Landover, MD 20785

RE: Terms of Communication with Board of Commissioners

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Dear Board Members:

We have audited the financial statements of The Washington Suburban Transit Commission for the year ended June 30, 2024, and have issued our report thereon dated October 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Washington Suburban Transit Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2024. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

---

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The most sensitive estimate(s) affecting the financial statements was:

There are no significant estimates as the Commission's assets are primarily cash. There are no significant liabilities, other than accrued salaries, which reflect the salaries paid on July 1, 2024 but earned through June 30, 2024.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements as of the date of this communication letter, October 28, 2024.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 25, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our response were not a condition to our retention.

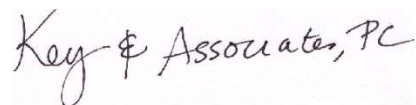
### **Other Information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Commissioners and management of The Washington Suburban Transit Commission and is not intended to be and should not be used by anyone other than these specified parties.

We want to thank Mr. Jonathan Rogers and his staff for their full cooperation during the audit.

Very truly yours,



Key & Associates, P.C.  
Silver Spring, MD

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Financial Statements and Supplemental Schedules Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2024**



# Key & Associates, P.C.

**JUNE 30, 2024**

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Key & Associates, P.C.

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Commissioners of Washington  
Suburban Transit Commission

### *Opinion*

We have audited the accompanying financial statements of the business-type activities of Washington Suburban Transit Commission (the Commission), an enterprise fund, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Suburban Transit Commission as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington Suburban Transit Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

The Commission's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Suburban Transit Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

W W W . B K E Y C P A . C O M

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washington Suburban Transit Commission 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Suburban Transit Commission 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenue and Expenses – Budget and Actual as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Schedules of Grants Provided to Other Governments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Grants Provided to Other Governments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Grants Provided to Other Governments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2024 on our consideration of the Commission's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal controls over financial reporting and compliance.

*Key & Associates, PC*

Silver Spring, Maryland  
October 25, 2024

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Management's Discussion and Analysis June 30, 2024

### Overview of the Financial Statements and Financial Analysis

This discussion and analysis of the Washington Suburban Transit Commission's (the Commission) financial statements provides an overview of the Commission's financial activities for the year ended June 30, 2024, with fiscal year 2023 data presented for comparative purposes. The emphasis of discussion about these statements is on the current year activity. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. There are three financial statements presented: the statements of net position; the statements of revenue, expenses, and change in net position; and the statements of cash flows.

### Overview of the Financial Statements and Financial Analysis

A review of the statements of net position reveals that the net position of the Commission increased by \$92,858 for the year ended June 30, 2024. This is primarily a result of revenues from grants exceeding expenses by \$92,858 for the fiscal year 2024.

	As of June 30,	
	2024	2023
<b>ASSETS</b>		
Cash	\$ 682,681	\$ 599,052
Security Deposit	4,351	-
<b>Total Assests</b>	<b>\$ 687,032</b>	<b>\$ 599,052</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 10,730	\$ 15,608
<b>Total Liabilities</b>	<b>10,730</b>	<b>15,608</b>
<b>Unrestricted Net Position</b>	<b>\$ 676,302</b>	<b>\$ 583,444</b>

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Management's Discussion and Analysis June 30, 2024

### Statements of Revenue, Expenses, and Change in Net Position

For the years ended June 30, 2024 and June 30, 2023, total operating grants and contributions increased by \$38,969 related to an increase in the budget. Total administrative expenses decreased by \$4,982, primarily related to personnel salaries, benefits and commissioner's compensation.

	<b>For the Years Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Revenue</b>		
Operating grants and contributions	\$ 496,810	\$ 469,499
Other income	-	5,012
In-kind revenue	48,325	31,655
<b>Total Operating Revenue</b>	<b>545,135</b>	<b>506,166</b>
<b>Operating Expenses</b>		
Administrative Expenses	403,952	425,604
In-kind expenses	48,325	31,655
<b>Total Operating Expenses</b>	<b>452,277</b>	<b>457,259</b>
<b>Operating Income</b>	<b>92,858</b>	<b>48,907</b>
<b>Non-Operating Revenue, (Expense)</b>		
Property taxes	33,357,175	31,447,890
Grants	821,997,664	797,260,966
Grants Other governments	(855,354,839)	(828,708,856)
<b>Non-Operating Revenue, net</b>	<b>-</b>	<b>-</b>
Change in net Position	<b>92,858</b>	<b>48,907</b>
Net Position, beginning of year	583,444	534,537
<b>Net Position, End of Year</b>	<b>\$ 676,302</b>	<b>\$ 583,444</b>

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Management’s Discussion and Analysis  
June 30, 2024**

**Statements of Cash Flows**

An additional method to assess the financial health of the Commission is to look at the statements of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Commission during a defined period. The statements of cash flows also help users to assess the Commission’s:

- Ability to generate future net cash flows;
- Ability to meet its obligations as they come due; and
- Need for external financing.

	<b>For the Years Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows From:</b>		
Operating activities	<b>\$ 83,629</b>	<b>\$ 55,948</b>
Change in cash	83,629	55,948
Change, beginning of year	<b>599,052</b>	<b>543,104</b>
<b>Cash, End of Year</b>	<b>\$ 682,681</b>	<b>\$ 599,052</b>

The change in cash flows from operating activities was primarily due to the Commission receiving an increase and grant and contributions revenue in the current year.

**Economic Outlook**

Funded by the State of Maryland and Prince George’s and Montgomery counties, the Commission’s annual budget depends on the economic position of these state and local governments.

As of June 2023, the unemployment rate decreased to 4% and continued to decrease reaching 2% as of June 2024.

The workforce participation rate in the State – the percentage of the eligible population who are employed or looking for work – has decreased over the last couple of years. The workforce participation rate remained steady at 65.9% as of June 2023. Since then, the rate has decreased to 65.3% as of June 2024.

# **WASHINGTON SUBURBAN TRANSIT COMMISSION**

## **Management's Discussion and Analysis June 30, 2024**

### **Request for Information**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sara Murdoch, Financial Analyst, or Jonathan Rogers, Director of MDOT's Office of Washington Area Transit Programs, 8400 Corporate Drive, Suite 120, Landover, MD 20785.

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Statement of Net Position  
As of June 30, 2024**

**ASSETS**

Cash	\$	682,681
Security Deposit		4,351
<b>Total Assests</b>	<b>\$</b>	<b>687,032</b>

**LIABILITIES**

Accounts payable and accrued expenses	\$	10,730
<b>Total Liabilities</b>		<b>10,730</b>

<b>Net Position</b>	<b>\$</b>	<b>676,302</b>
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The accompanying notes are an integral part of this financial statement.

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Statement of Revenue, Expenses and Change in Net Position For the Year Ended June 30, 2024

### Operating Revenue

Operating grants and contributions	\$	496,810
In-kind revenue		48,325
<b>Total Operating Revenue</b>		<b>545,135</b>

### Operating Expenses

Administrative Expenses		403,952
In-kind expenses		48,325
<b>Total Operating Expenses</b>		<b>452,277</b>

<b>Operating Income</b>		<b>92,858</b>
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### Non-Operating Revenue, (Expense)

Property taxes		33,357,175
Grants		821,997,664
Grants Other governments		(855,354,839)
<b>Non-Operating Revenue, net</b>		<b>-</b>

Change in net Position		92,858
Net Position, beginning of year		583,444
<b>Net Position, End of Year</b>	\$	<b>676,302</b>

The accompanying notes are an integral part of this financial statement.



# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Statement of Cash Flows For the Year Ended June 30, 2024

### Cash Flows From Operating Activities

Receipts for grants and contributions	\$	496,810
Payments to employees and vendors		(403,952)
Security Deposit Made		(4,351)
Change in Accounts Payable		(4,878)
<b>Net Cash Flows From Operating Activities</b>		<u>83,629</u>

### Cash Flows From Non-Capital Financing Activities

Receipts for grants and property taxes		855,354,839
Payments of grants to other governments		(855,354,839)
<b>Net Cash Flows From Non-Capital Financing Activities</b>		<u>-</u>

Change in cash		83,629
Cash, beginning of year		<u>599,052</u>
<b>Cash, end of the year</b>	\$	<u><u>682,681</u></u>

### Reconciliation of Operating Income to Net Cash From Operating Activities

Operating income	\$	92,858
Net changes in non-cash operating assets and liabilities		
Security Deposit Made		(4,351)
Accounts payable and accrued expenses		(4,878)
<b>Net Cash from Operating Activities</b>	\$	<u><u>83,629</u></u>

The accompanying notes are an integral part of this financial statement.

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Notes to the Financial Statements

June 30, 2024

### 1. BACKGROUND OF THE COMMISSION

The Washington Suburban Transit District (the District), encompassing Prince George's County and Montgomery County, Maryland, was chartered by the State of Maryland in 1965 to, among other things, coordinate and participate in the formulation of the transit plan of the Washington Metropolitan Area Transit Authority (WMATA) for the District. The District is governed by the Washington Suburban Transit Commission (the Commission), which is composed of three representatives each from the Counties, and one representative from the Maryland Department of Transportation (MDOT).

The Commission's operations consist of grants from the Maryland Department of Transportation; Montgomery County, Maryland; Prince George's County, Maryland and the Maryland Transit Administration (MTA) to fund its operating cost and to make payments to transit systems in the Washington, D.C. metropolitan area. The Commission also assesses property taxes to the citizens of Prince George's County. The proceeds from the property taxes are given to Prince George's County to operate its transit system. The Commission is considered an enterprise fund.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Measurement Focus and Basis of Accounting

The Commission is accounted for as a proprietary fund engaged in business-like activities. In accordance with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting, which requires recognition of revenue when earned and expenses when incurred.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Commission's name.

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Notes to the Financial Statements

June 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Custodial Credit Risk – Deposits (continued)

As of June 30, 2024, the Commission had cash deposits of \$682,681 of which \$432,681 was required collateral.

#### Revenue

The Commission distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the Commission's principal on-going operations. Revenue and expenses not meeting this definition are reported as non-operating revenue and expenses. The principal operating revenue of the Commission is grants to fund employee and other administrative costs. The principal non-operating revenue and expenses are property taxes assessed and grants recognized to make contributions to other governments for transit operations on behalf of the Commission. Funds received for expenses not yet incurred are recorded as deferred revenue.

#### In-Kind Contributions

The MDOT provided administrative support in addition to paying the salary of the current director of the Commission. The value of these services are included in the financial statements because they met the criteria of in-kind contributions. Management estimated the fair value of in-kind services during the year ended June 30, 2024, to be worth approximately \$48,325. Management estimated the value of the in-kind services based on information provided by MDOT on the cost of these services.

### 3. MASS TRANSIT PLAN

On June 28, 1991, an agreement was entered into between Prince George's County and the Commission. This agreement established a Mass Transit Tax on Prince George's County real property to provide additional financing for Prince George's County mass transit services. This tax is levied under the authority of the Commission, administered by Prince George's County, and restricted to expenditures of the Mass Transit Plan. During the year ended June 30, 2024, the property taxes under this agreement were \$33,357,175, which are included in non-operating revenue on the Statement of Revenues, Expenses and Change in Net Position. The amount collected was contributed to Prince George's County during the year.

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Notes to the Financial Statements

June 30, 2024

### 4. LEASE COMMITMENTS

The Commission leases office space under a lease agreement that expires in the fiscal year 2024. On October 11, 2023, the Commission entered into a five-year and two months lease agreement with PDC Metro East, LLC. The lease agreement calls for monthly rent payments, beginning January 1, 2024, of \$4,351, with an annual escalation of 4%. In addition, the Commission is responsible for 1.47% of the annual real estate taxes. Rent expense for the year ended June 30, 2024, was \$59,328. Future minimum rental payments required under the leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 53,256
2026	55,386
2027	57,602
2028	59,906
2029	62,302
Thereafter	<u>87,531</u>
<b>Total</b>	<u><u>\$ 375,983</u></u>

### 5. NET POSITION

As part of the agreement between the Commission, Prince George's and Montgomery Counties, MTA and MDOT, the net position resulting from the excess of the actual results over the budgeted results are to be returned to the contributors. Excess funds typically result in budget reductions for future years. While the entire remaining balance from each year is required to be returned at some point. Management continues to evaluate the process to return excess funds.

### 6. SUBSEQUENT EVENTS

The Commission evaluated subsequent events through October 25, 2024, the date the financial statements were available to be issued. The Commission is not aware of any significant events that occurred subsequent to the statement of financial position date that would have a material impact on the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Schedule of Revenue and Expenses – Budget and Actual  
For the Year Ended June 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget Variance</u>
<b>Revenue</b>			
Maryland Department of Transportation	\$ 177,975	\$ 177,975	\$ -
Montgomery County, Maryland	153,026	153,026	-
Prince George's County, Maryland	133,026	133,026	-
Maryland Transit Administration	32,555	32,555	
Other income	-	228	(228)
<b>Total Revenue</b>	<u>496,582</u>	<u>496,810</u>	<u>(228)</u>
<b>Expenses</b>			
Salaries and related benefits	358,008	262,867	(95,141)
Commissioner's compensation	60,250	62,625	2,375
Accounting and audit	8,295	8,295	-
Bank/payroll fess	2,393	2,475	82
Insurance	1,226	1,317	91
Internet connection	2,400	2,688	288
Local Travel	361	129	(232)
APTA/Conference Attendance Fund	1,825	1,585	(240)
Miscellaneous	3,300	3,976	676
Office supplies	700	802	102
Rent	53,889	55,742	1,853
Telephone	1,935	1,227	(708)
Public forums	800	-	(800)
Software maintenance	1,200	224	(976)
<b>Total Expenses</b>	<u>496,582</u>	<u>403,952</u>	<u>(92,630)</u>
<b>Operating Income (Loss)</b>	<u>\$ (0)</u>	<u>\$ 92,858</u>	<u>\$ (92,858)</u>

## **OTHER INFORMATION**

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Schedule of Grants Provided to Other Governments  
For the Year Ended June 30, 2024**

Grants provided to WMATA and Prince George's County for operating and capital expenses are as follows;

	<b>Year Ended June 30, 2024</b>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Washington Metropolitan Area Transit Authority	\$ 473,788,612	\$ 348,209,052	\$ 821,997,664
Prince George's County property tax	<u>33,357,175</u>	<u>-</u>	<u>33,357,175</u>
<b>Total</b>	<u>\$ 507,145,787</u>	<u>\$ 348,209,052</u>	<u>\$ 855,354,839</u>





Key & Associates, P.C.

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners of  
Washington Suburban Transit Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Washington Suburban Transit Commission (the Commission) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 25, 2024.

***Report on Internal Controls over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Commission's internal controls over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigning functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

W W W . B K E Y C P A . C O M

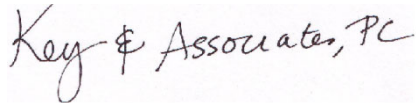
Our consideration of internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission’s internal controls or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission’s internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Silver Spring, Maryland  
October 25, 2024

**WASHINGTON SUBURBAN TRANSIT COMMISSION**

**Schedule of Current Year Findings  
For the Year Ended June 30, 2024**

**NONE.**

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## Schedule of Prior Year Findings For the Year Ended June 30, 2023

Reference Number: 2023-001

### Type of Finding - Significant Deficiency over Financial Reporting

Repeat Finding - Yes

#### *Criteria*

The Commission must maintain an adequate system of internal controls over financial reporting in order to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles in the United States of America.

#### *Condition*

The financial information for the year ended June 30, 2023 included errors in certain statement of net position accounts that were the results of inaccurate accounting and ineffective monitoring and closing procedures throughout the year. Specific issues were related to an account receivable balance that was collected during July 2021 was still on the books as of June 30, 2023. In addition, a journal entry was made to deferred revenue for the same amount as the receivable. These errors caused material misstatements on both the statement of net position, and statement of revenue, expense, and change in net position.

#### *Cause*

The Commission does not have an effective closing process by which the accounts are reviewed to ensure that all transactions are accurately captured, and there is a general lack of accounting knowledge and application within the organization.

#### *Effect*

Because these errors were not detected prior to the information being provided for audit and because the same type of errors were noted during the previous year's audit, there is an indication that the closing procedures, specifically the monitoring and review of financial information by management, is not being effectively performed. It is our understanding that these errors were present in the financials for several months during the year and were not corrected through several monthly and ultimately the year-end closing procedures.

The misstatements resulted in material audit adjustments in the financial statements for the year ended June 30, 2023. The audit adjustments made were necessary for the financial statements to be in accordance with generally accepted accounting principles in the United States of America.

# WASHINGTON SUBURBAN TRANSIT COMMISSION

## **Schedule of Prior Year Findings For the Year Ended June 30, 2023**

### ***Recommendation***

Accounting tasks such as monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim and final reporting. Therefore, in order to provide more accurate accounting information, we strongly recommend that the Commission establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. We strongly recommend that a closing process be implemented that requires all of the net position accounts to be reconciled to supporting statements and the general ledger. This will prevent incorrect balances or entries from being recorded. In addition, we strongly recommend that the Director perform a thorough and detailed review of the general ledger and related reports.

After discussing this issue with the accounting personnel, we feel that the root of this problem may be the lack of accounting education and training. We recommend that the accounting personnel improve and/or acquire different skills concerning daily accounting, and ongoing maintenance and reconciliation of the books and records. This training will lead to accounting personnel who are more efficient, effective, and communicative with regard to accounting and financial matters.

### ***Status***

Cleared.



**MICHAEL GOLDMAN**

CHAIR

**TODD TURNER**

VICE CHAIR

**DONALD G. DRUMMER**

SECRETARY-TREASURER

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### **Responsible Official's Response**

Management agrees with the course of action recommended by the auditors.

In accordance with the auditor's recommendation, the Washington Area Transit Office's staff, including the Financial Analyst and the Office Manager, will successfully complete QuickBooks training courses. Education and training will improve the staff's knowledge of generally accepted accounting principles in the United States of America, and ongoing maintenance and reconciliation of the accounts and records. Upon completion of the recommended training, staff will be more efficient, effective, and better able to communicate regarding generally accepted accounting principles in the United States of America. Staff will work together with the Director to implement specific review processes of the general ledger and related reports.



**MEMORANDUM**

**TO:** WSTC Commissioners  
**FROM:** Sara Murdoch, Financial Analyst, WSTC  
**SUBJECT:** Future Audit Consultant Procurement  
**DATE:** March 4, 2025

**Overview**

WSTC is required to complete an annual financial audit to remain in compliance with the Office of Legislative Audits requirements.

WSTC engaged in a three-year contract with Key and Associates for the years 2022-2024, the last completed audit being Fiscal Year 2024 at a fee of \$8,710.

With the expiration of the contract with Key and Associates, staff initiated a solicitation for WSTC’s future audit needs. Staff sent a Request for Proposal (RFP) to Certified Public Accountants registered as Minority Business Enterprise (MBE) firms based in Montgomery and Prince George’s Counties. Staff requested pricing for one-, three-, and five-year cost proposals. Staff sent an RFP request to six (6) firms and received proposals from two (2) firms. These proposals are summarized below.

<b>Audit Firm</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>
Key & Associates	\$11,300	\$35,625	\$62,440
F.S. Taylor & Associates	\$9,000 - 12,000	\$30,000 - \$40,000	\$50,500 - \$56,000

**Recommendation**

After reviewing and evaluating the proposals, staff recommend proceeding with a one-year contract with Key and Associates based on the following reasons:

- Key and Associates has a proven track record of providing quality audit services for WSTC.
- Key and Associates provided a fixed firm price, which provides greater cost certainty.
- WSTC has an established relationship with Key and Associates.
- The cost proposal is within budget.

**Action Requested**

Staff seek approval from the Commission to accept the one-year proposal from Key and Associates.



**Thomas Graham**  
CHAIR

**Tom Hucker**  
VICE CHAIR

**Michael Goldman**  
SECRETARY-TREASURER

March 18, 2025

Resolution 01-2025

Board Resolution of Washington Suburban Transit Commission Indicating Appreciation of Office Manager  
Tammy Cooper

WHEREAS, Washington Suburban Transit Commission desires to provide acknowledgement of Ms. Tammy Cooper's dedication and professionalism in her seven years of service to the Commission, be it RESOLVED that:

The Commission thanks Ms. Tammy Cooper for her service to the Commission as Office Manager and wishes her a fulfilling retirement. The Commission is unanimous in its appreciation for Ms. Cooper's work and dedication.



VI.b



# Washington Suburban Transit Commission

## Metro Access Study Update

# Overview

- Maryland represents a disproportionate amount of total MetroAccess costs (over 60% of regional costs)
- Goal: understand how to provide paratransit while managing long-term cost curve



# Tasks

- 1) Landscape + Cost Drivers Analysis
- 2) Peer Review
- 3) Strategy Roadmap + Final Report





















# Progress

- 1) Landscape + Cost Drivers Analysis (Complete)
- 2) Peer Review (40%)
- 3) Strategy Roadmap + Final Report (Preliminary)



# Schedule

Month	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	
<b>Task 0:</b> Project Management, Coordination + Meetings								
<b>Task 1:</b> Landscape + Cost Drivers Analysis								
<b>Task 2:</b> Peer Review								
<b>Task 3:</b> Strategy Roadmap + Final Report							DFR FR	
Meetings, Reports + Presentations	 	 	 	 	 	 	 	 

## Ongoing Task Work

Initial "Kick-Off" Meeting 

Bi-Weekly Meeting 

Task Report 

Presentation of Study Findings 

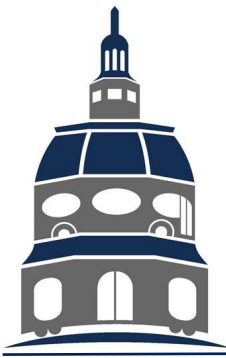
DFR = Draft Final Report

FR = Final Report and PowerPoint Presentation





**Thank you!**



## MEMORANDUM

**TO:** WSTC Commissioners  
**FROM:** Sara Murdoch, Financial Analyst, WSTC  
**SUBJECT:** Interest-Bearing Banking Options  
**DATE:** March 4, 2025

---

### Overview

WSTC currently holds all funds in a non-interest-bearing checking account with M&T Bank. WSTC maintains a sizeable balance. At the September 27, 2024, WSTC Semi-Annual Commissioners Meeting, staff requested approval to initiate M&T Bank's "Sweep Account." The Commission deferred action and requested staff research additional revenue-producing banking options, including interest-bearing accounts and Certificates of Deposit (CD).

This memo presents the additional staff analysis completed on revenue-producing banking options and requests approval for a recommended product.

### Analysis

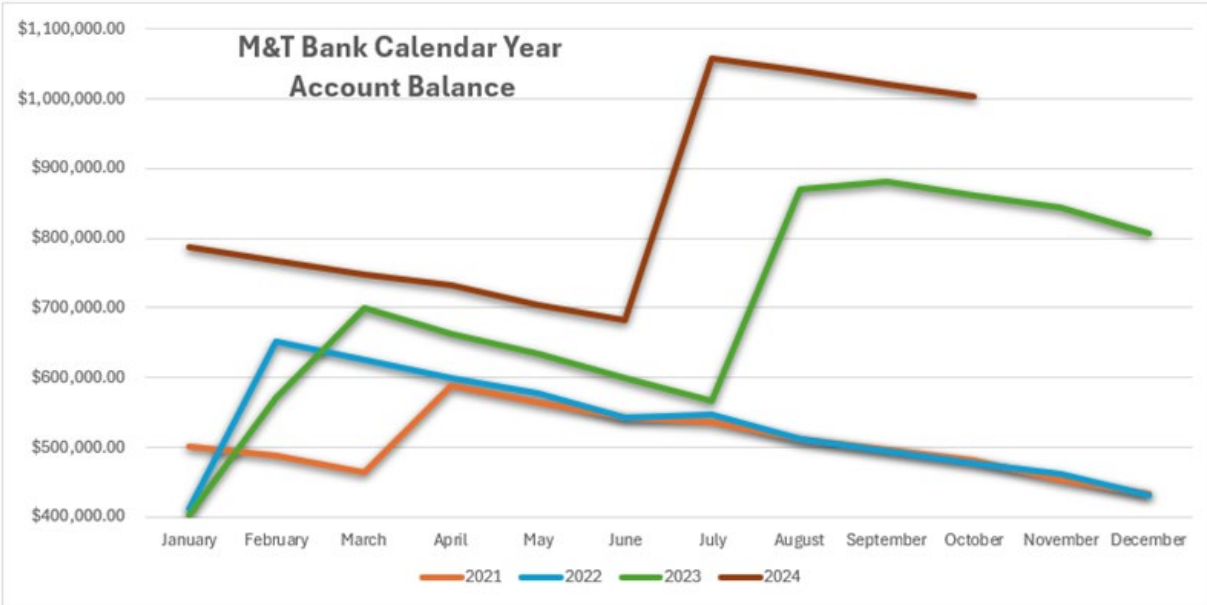
#### Types of Revenue-Producing Banking Options Considered

The first step in the analysis was to research types of revenue-producing banking options for consideration. One of the options considered is an interest-bearing account. An interest-bearing account is a business checking account that allows account holders to earn interest on their account balance. Essentially, operating funds accrue interest while maintaining liquidity of assets. The second option considered is a Certificate of Deposit (CD). A commercial certificate of deposit is a savings account that holds a set amount of money for a fixed period of time, and in exchange, the bank pays interest. The account holder receives the principal plus interest upon completion of the term. Typically, fees or penalties are incurred for early withdrawals.

#### Historical Balances

The second step in the process was to review WSTC's historical account balance to inform appropriate types of banking products and the magnitude of WSTC's investment opportunities. The chart below includes calendar years 2021 - 2024 monthly bank balances to illustrate fluctuations throughout the year and from year-to-year. The Commission will need to be cognizant of committed funding amounts, required balances to pay bills, and length of time locked into a potential CD.

Based on this analysis, staff conservatively set a \$200,000 ceiling for CD investments to illustrate revenues from this revenue-producing banking option.



**Local Bank Offerings**

Staff solicited revenue-producing account information from five (5) banks. Summary information on the banking options is listed in Table 1.

**Table 1: Interest-bearing & CD Options**

Bank	Interest-Bearing / Money Market	Monthly Fees	CD Rates	CD Minimum Amount	CD Term
Eagle Bank	3.00%	\$10 / month*	4.21%	\$1,000	3 months
			4.40%		6 – 12 months
			4.71%		18 months
Wesbanco	N/A for Checking Account		3.75%	\$1,000	7 months
			4.25%	\$1,000 - \$24,999	
			4.40%	\$25,000 - \$49,999	
			4.50%	\$50,000 +	
Sandy Spring	0.01%	None	4.10%	\$500	8 months
			4.15%	\$2,500	7 months
M&T Bank	3.85%	\$300 / month \$65 one-time	3.40%	\$1,000	6 months
Truist	0.01%	\$10 / month	3.50%	\$100,000 +	36 months
			3.95%	Over \$100,000	5 months

\*Only applies if the account goes under \$2,500

Please note: Some rates listed were collected in November 2024, however, all interest rates are subject to change



Based on data provided by the five (5) banks noted above, Wesbanco, Sandy Spring and Truist banks were removed from consideration. Although these banks offer competitive CD options, they offer very low or no interest-bearing checking account options.

Eagle Bank and M&T Bank offer the most competitive options to meet WSTC’s needs. Both banks offer competitive interest-bearing checking account and CD terms, with M&T offering a higher interest rate on its interest-bearing product and Eagle Bank offering a higher interest rate for its CD product. Both banks require fees associated with their products; however, M&T Bank’s fees are higher and more expansive.

Table 2 below reflects revenue projections for two (2) scenarios for Eagle Bank and M&T Bank.

**Table 2: Revenue Projections**

Scenario 1	Bank	Gross	Fees	Net
100% of funds in interest-bearing checking account (sweep)	Eagle Bank	\$26,760	\$0	\$26,760
	M&T Bank	\$34,342	\$3,665	\$30,677
Scenario 2	Bank	Gross	Fees	Net
\$200,000 invested in CD & Remaining funds in interest-bearing checking account (sweep)	Eagle Bank	\$29,560	\$0	\$29,560
	M&T Bank	\$33,442	\$3,665	\$29,777

Please note: The current statement balance of \$892,000 was used for both scenarios. The revenue calculations cover 12 months

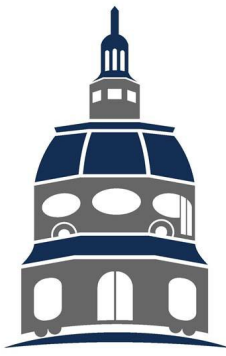
Considerations

In addition to the potential revenue projections there are other factors to consider when selecting the best bank product for WSTC:

- Constant interest rate fluctuations – interest rates are variable and expected to decline in the near-term
- Administrative burden associated with switching banks – significant revenue differential would be needed to justify the change
- Established relationship with M&T Bank – including excellent customer service

**Recommendation**

Based on the above analysis and considerations, staff seeks approval from the Commission to continue banking with M&T Bank and utilize a sweep account. Upon approval, staff will engage M&T Bank to adjust our account from a standard business checking account to a sweep account with a targeted effective date of April 1, 2025. In addition to engaging M&T Bank, staff will continue to explore options and bring them to the Commission at future meetings, if desirable.



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## MEMORANDUM

**TO:** WSTC Commissioners  
**FROM:** Jonathan Rogers, Washington Area Transit Director, Maryland Department of Transportation  
**SUBJECT:** Fiscal Year 2026 WSTC Joint Study Fund  
**DATE:** March 4, 2025

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### Overview

This memo describes a recommended approach for the Fiscal Year 2026 WSTC Joint Study Fund (“Study Fund”), including topics to study and funding approach.

### Background

At the September 2023 WSTC Semi-Annual Commissioners Meeting, the Commission approved the initiation of the Study Fund. The Study Fund pays for consultant services to perform studies that support a topic of interest within Montgomery and Prince George’s Counties.

At the time the Study Fund was established, agency leaders at the Maryland Department of Transportation (MDOT), Montgomery County Department of Transportation (MCDOT), and the Prince George’s County Department of Public Work and Transportation (DPW&T) expressed interest in a variety of topics within the transit space including MetroAccess; WMATA funding needs; the value of WMATA to Maryland; zero-emission bus; and Transit Oriented Development (TOD).

The topic ultimately selected for the first Study Fund project in FY25 was the Maryland MetroAccess Strategy Study. The study is evaluating the existing landscape of MetroAccess and how local and national peers have been able to provide paratransit in lower-cost ways. The study will recommend pathways for resources and for program design(s) that Maryland should advance. Notice to Proceed was issued in November 2024 to KFH Group, Inc. to support the study, which is expected to be completed in June 2025.

The MetroAccess Strategy Study is proving beneficial to an important policy discussion affecting transit in Montgomery and Prince George’s Counties. As such, Washington Area Transit Office (WATO) staff recommend continuing the Study Fund in Fiscal Year 2026.

## **FY26 Study Topics**

County leaders have continued to express interest in advancing TOD opportunities as a means to spur economic growth and attract ridership to transit. That goal is shared at the State level in Governor Wes Moore's *Maryland State Plan* and is a priority work area for MDOT as well as a focus area in the WSTC FY25 Work Plan. Accordingly, WATO staff suggest TOD-themed studies in FY26.

### Prince George's County

MDOT published the *Unlocking the TOD Potential of the MARC Penn Line Corridor* study in October 2024. That study identified the Seabrook MARC station as having the potential to generate approximately 700 residential units, 39,000-96,000 potential new annual MARC trips, and upwards of \$240 million in net present value of gross tax revenue.

Citing low financial feasibility, the study categorizes Seabrook as a "Long-Term Opportunity" site and recommends "[conducting] additional planning to maintain momentum as market improves." Presently, there are no funded planning activities to continue forward progress on TOD at the station. WATO staff recommend advancing planning work using the Study Fund.

The study will focus on essential pre-development topics needed to unlock the opportunity for development and inform overall development strategy. Key deliverables are expected to include: a land assemblage strategy and a transit and transportation needs plan to define station needs (e.g. number of bus bays, number of parking spaces, etc.) and broader transportation network improvements (e.g. sidewalks, traffic signals, etc.) required to support TOD. WATO staff will coordinate with Prince George's County and MDOT's Office of Real Estate Development to refine the study scope.

### Montgomery County

MCDOT supports the use of the WSTC fund to advance TOD work in Montgomery County. MCDOT and WATO staff are currently considering several study topics within the TOD theme but have not yet identified a preferred study topic. Potential study ideas include:

- TOD supportive planning and analysis to promote development near planned Bus Rapid Transit corridors
- A TOD plan at the Germantown MARC station
- Site planning and right-of-way analysis to support development on County-owned land near the Shady Grove Metro Station

If approved, WATO staff will coordinate with Montgomery County to select a study topic and develop a study scope.

## **FY26 Funding**

WATO staff estimate each study will cost \$150,000 for a total of \$300,000.

The Maryland MetroAccess Strategy Study cost is approximately \$125,000. Funding is comprised of:

- \$21,000 of FY25 contributions (\$7,000 each from MDOT, Montgomery, and Prince George's), and

- \$104,000 in reserve funding.

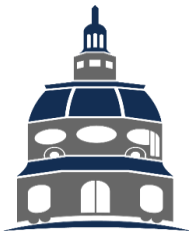
WATO staff recommend funding the FY26 studies in the following manner:

- \$21,000 of FY26 contributions (\$7,000 each from MDOT, Montgomery, and Prince George's), and
- \$279,000 in reserve funding. Presently, WSTC has approximately \$850,000 in reserves.

**Action Requested**

WATO staff seek approval from the Commission for the following:

- FY26 Study Fund topics (Seabrook MARC station and a TOD-supportive study in Montgomery County to be confirmed with MCDOT leadership), funded at \$150,000 each for a total of \$300,000.
- Funding approach for the FY26 Study Fund as described above.



**WSTC**  
WASHINGTON SUBURBAN  
TRANSIT COMMISSION

<b>Fiscal Year 2025 Forecast</b>					
	FY2025 Approved Budget	Q1 & Q2 Actual Spend	Q3 & Q4 Forecast	FY2025 Forecast Total	FY2025 over / (under) budget
<b>PERSONNEL COSTS*</b>					
Salaries	\$ 239,127	\$ 98,667	\$ 96,205	\$ 194,872	\$ (44,255)
Fringe and Benefits	\$ 148,613	\$ 54,073	\$ 39,108	\$ 93,181	\$ (55,432)
<b>Personnel Costs Total</b>	<b>\$ 387,740</b>	<b>\$ 152,740</b>	<b>\$ 135,313</b>	<b>\$ 288,053</b>	<b>\$ (99,687)</b>
<b>COMMISSIONER COMPENSATION</b>					
State of Maryland Commissioners	\$ 40,250	\$ 20,063	\$ 20,063	\$ 40,126	\$ (124)
Montgomery County Commissioners	20,000	10,000	12,500	22,500	2,500
Prince George's County Commissioners	-	-	-	-	-
<b>Commissioner Compensation Total</b>	<b>\$ 60,250</b>	<b>\$ 30,063</b>	<b>\$ 32,563</b>	<b>\$ 62,626</b>	<b>\$ 2,376</b>
<b>OPERATING EXPENSES</b>					
Accounting/Audit fees	\$ 8,710	\$ 8,710	\$ -	\$ 8,710	\$ -
Bank/Payroll fees	2,400	1,133	1,281	2,414	14
Insurance	1,320	220	1,100	1,320	-
Internet service	2,129	1,287	1,298	2,585	456
Local travel	361	94	291	385	24
APTA / Conference Attendance Fund	1,889	-	2,565	2,565	676
Miscellaneous	2,000	634	353	987	(1,013)
Office supplies	880	155	200	355	(525)
Rent	53,256	26,472	27,260	53,732	476
Software Maintenance	220	-	225	225	5
Public Engagement & Outreach	800	-	-	-	(800)
<b>Operating Expenses Total</b>	<b>\$ 73,965</b>	<b>\$ 38,705</b>	<b>\$ 34,573</b>	<b>\$ 73,278</b>	<b>\$ (687)</b>
<b>JOINT STUDY FUND</b>					
Joint Study Fund	\$ 21,000	\$ -	\$ 21,000	\$ 21,000	\$ -
<i>Joint Study Fund**</i>			\$ 103,893	\$ 103,893	
<b>Joint Study Fund Total</b>	<b>\$ 21,000</b>	<b>\$ -</b>	<b>\$ 124,893</b>	<b>\$ 124,893</b>	<b>\$ -</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES WITHOUT RESERVES</b>					
	<b>\$ 542,955</b>	<b>\$ 221,508</b>	<b>\$ 223,449</b>	<b>\$ 444,957</b>	<b>\$ (97,998)</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES INCLUDING RESERVES</b>					
	<b>\$ 542,955</b>	<b>\$ 221,508</b>	<b>\$ 327,342</b>	<b>\$ 548,850</b>	<b>\$ 5,895</b>

\*There are three permanent Washington Suburban Transit Commission (WSTC) positions: a Financial Analyst, an Office Manager (currently vacant), and a Transit Analyst. The personnel cost for these positions is allocated equally among Montgomery County, Prince George's County, and the Maryland Department of Transportation (MDOT).

\*\*Funded by WSTC reserves

**PERSONNEL COSTS\***

<b>Fiscal Year 2026 Proposed Administrative Budget</b>					
	Proposed FY2026 Budget	ALLOCATION			
		MDOT	Montgomery	Prince George's	MTA
Salaries	\$ 246,422	\$ 82,141	\$ 82,141	\$ 82,141	\$ -
Fringe and Benefits	122,960	40,600	34,753	34,753	12,855
<b>Personnel Costs Total</b>	<b>\$ 369,383</b>	<b>\$ 122,740</b>	<b>\$ 116,894</b>	<b>\$ 116,894</b>	<b>\$ 12,855</b>
<b>COMMISSIONER COMPENSATION</b>					
State of Maryland Commissioners	\$ 40,250	\$ 40,250	\$ -	\$ -	\$ -
Montgomery County Commissioners	22,500	-	22,500	-	-
Prince George's County Commissioners	-	-	-	-	-
<b>Commissioner Compensation Total</b>	<b>\$ 62,750</b>	<b>\$ 40,250</b>	<b>\$ 22,500</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OPERATING EXPENSES</b>					
Accounting/Audit fees	\$ 11,300	\$ 2,825	\$ 2,825	\$ 2,825	\$ 2,825
Bank/Payroll fees	2,500	625	625	625	625
Insurance	1,360	340	340	340	340
Internet service	2,597	649	649	649	649
Local travel	480	120	120	120	120
APTA / Conference Attendance Fund	6,040	2,013	2,013	2,013	-
Miscellaneous	2,000	500	500	500	500
Office supplies	880	220	220	220	220
Rent	55,609	13,902	13,902	13,902	13,902
Software Maintenance	225	56	56	56	56
Public Engagement & Outreach	800	200	200	200	200
<b>Operating Expenses Total</b>	<b>\$ 83,790</b>	<b>\$ 21,451</b>	<b>\$ 21,451</b>	<b>\$ 21,451</b>	<b>\$ 19,438</b>
<b>JOINT STUDY FUND</b>					
Joint Study Fund	\$ 21,000	\$ 7,000	\$ 7,000	\$ 7,000	-
Joint Study Fund **	279,000	-	-	-	-
<b>Joint Study Fund Total</b>	<b>\$ 300,000</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ -</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>\$ 815,923</b>	<b>\$ 191,441</b>	<b>\$ 167,845</b>	<b>\$ 145,345</b>	<b>\$ 32,293</b>
<b>REVENUES</b>					
Grants and Contributions	\$ 536,923	\$ 191,441	\$ 167,845	\$ 145,345	\$ 32,293
<b>TOTAL ADMINISTRATIVE REVENUES</b>	<b>\$ 536,923</b>	<b>\$ 191,441</b>	<b>\$ 167,845</b>	<b>\$ 145,345</b>	<b>\$ 32,293</b>

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\*\*Funded by WSTC reserves



**Approved FY2025 Compared to the Proposed FY2026  
Administrative Budget**

	Approved FY2025 Budget	Proposed FY2026 Budget	Year over Year \$ Increase / (Decrease)	Year over Year % Increase / (Decrease)
<b>PERSONNEL COSTS*</b>				
Salaries	\$ 239,127	\$ 246,422	\$ 7,295	3%
Fringe and Benefits	\$ 148,613	\$ 122,960	\$ (25,653)	-17%
<b>Personnel Costs Total</b>	<b>\$ 387,740</b>	<b>\$ 369,382</b>	<b>\$ (18,358)</b>	<b>-14%</b>
<b>COMMISSIONER COMPENSATION</b>				
State of Maryland Commissioners	\$ 40,250	\$ 40,250	\$ -	
Montgomery County Commissioners	20,000	22,500	2,500	13%
Prince George's County Commissioners	-	-	-	-
<b>Commissioner Compensation Total</b>	<b>\$ 60,250</b>	<b>\$ 62,750</b>	<b>\$ 2,500</b>	<b>13%</b>
<b>OPERATING EXPENSES</b>				
Accounting/Audit fees	\$ 8,710	\$ 11,300	\$ 2,590	30%
Bank/Payroll fees	2,400	2,500	100	4%
Insurance	1,320	1,360	40	3%
Internet service	2,129	2,597	468	22%
Local travel	361	480	119	33%
APTA / Conference Attendance Fund	1,889	6,040	4,151	220%
Miscellaneous	2,000	2,000	-	0%
Office supplies	880	880	-	0%
Rent	53,256	55,609	2,353	4%
Software Maintenance	220	225	5	2%
Public Engagement & Outreach	800	800	-	0%
<b>Operating Expenses Total</b>	<b>\$ 73,965</b>	<b>\$ 83,791</b>	<b>\$ 9,826</b>	<b>13%</b>
<b>JOINT STUDY FUND</b>				
Joint Study Fund	\$ 21,000	\$ 21,000	\$ -	0%
Joint Study Fund **	\$ 103,893	\$ 279,000	175,107	169%
<b>Joint Study Fund Total</b>	<b>\$124,893</b>	<b>\$ 300,000</b>	<b>\$ 175,107</b>	<b>140%</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>\$ 646,848</b>	<b>\$ 815,923</b>	<b>\$ 169,075</b>	<b>26%</b>
<b>REVENUES</b>				
Grants and Contributions	\$ 542,955	\$ 536,923	\$ (6,032)	-1%
<b>TOTAL ADMINISTRATIVE REVENUES</b>	<b>\$ 542,955</b>	<b>\$ 536,923</b>	<b>\$ (6,032)</b>	<b>-1%</b>

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