

MDOT RESPONSE TO DLS ANALYSIS

**DLS Budget Analysis**

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**Performance Analysis – Managing for Results**

**2. On – time Performance**

*MTA should brief the committees on the steps that it is taking to improve on-time performance, especially for core bus service. (Page 7)*

**MDOT Response**

In 2018, MDOT MTA installed GPS tracking devices on its entire bus fleet. These devices allow bus riders to see their ride in real time when using the Transit App. They also provide MDOT MTA with immediate on time performance data that can be utilized to adjust service when necessary. For the first time ever, MDOT MTA was able to utilize several months of real time data to develop new bus schedules for the February 3, 2019, bus service change. Initial reports show a steady increase in the on-time performance of MDOT MTA's core bus service. MDOT MTA is in the process of implementing similar real time tracking on all other modes.

MDOT MTA leadership and managers meet on a bi-weekly basis to discuss the on-time performance of bus service throughout the service area.

MDOT RESPONSE TO DLS ANALYSIS

**DLS Budget Analysis Issues (continued)**

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**4. Transit Performance Measures Reported Inconsistently**

*MTA should brief the budget committees on why results reported to FTA differ from what is reported in State Documents and how it intends to ensure that accurate data is consistently reported. (Page 9)*

**MDOT Response**

MDOT MTA submits all MFR (State documents) in October from prior year final. MDOT MTA submits simultaneously the same data to FTA for review. Generally, FTA reviews details of how expenses are classified and negotiates changes to MDOT MTA statistics to fall in line with FTA standards. These changes do not affect all mode statistics but do affect several in any year.

Examples of changes made in FY 2018 from prior years include: General administrative redistributions, Maintenance facility reclassifications, Transit Station reclassifications, Formula changes to non-vehicle maintenance expenses and revenue vehicle, and Revenue vehicle TAM (Transit Asset Management) adjustments.

MDOT MTA will work with the state to adjust all FTA standard statistics to the final FTA published values. MDOT MTA will also review all final posted MFR statistics and send to the DLS analyst a restated MFR to include all prior years restated statistics based on final FTA reports.

MDOT RESPONSE TO DLS ANALYSIS

**DLS Budget Analysis Issues (continued)**

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**2. MTA Workers' Compensation**

*MTA should brief the budget committees on the reasons for the large increase in the assessment in fiscal 2020 and the actions that it is taking to reduce the causes for the increase. (Page 24)*

**MDOT Response**

MDOT MTA has completed an analysis of Workers' Compensation Claims and Costs and found that the incremental costs for Workers' Compensation are relative to increasing costs vs number of claims (which have decreased). The total claims have reduced from 757 in FY 2017 to 732 in FY 2018 and trending at 694 for FY 2019. The cost of claims/month have increased by 15.3% from FY 2016 to FY 2018. Further reviewing the Workers' Compensation costs, MDOT MTA has found that two-thirds of the increases are related to employee income replacement cost (Temporary Total Disability: TTD) and one-third is related to the medical cost of the Workers' Compensation claim.

In reviewing this information, MDOT MTA has undertaken steps to reduce the time employees are out of work on Workers' Compensation, improve tools to manage the claims, improve the claims determination time, expedite employee treatments and improve Workers' Compensation outcomes. Changes made in the past 6 months include:

- Utilized a Light duty program which brings capable employees back to modified duty and is proven to reduce total time to release to full duty.
- Increased utilization of outside Nurse Case Managers, approved through IWIF (Injured Workers' Insurance Fund) to better monitor medical treatment plans and improve return to work outcomes.
- Worked with MDOT MTA staff to develop enhanced training and best practices for proper accident investigation and reporting.
- Expanded new technologies to enhance investigative reporting with more information that is crucial to proper and timely compensability determination.
- Expanded staffing at TIG for CCTV data retrieval.
- Claim determination time has been reduced by 90% allowing for more timely authorization of medical treatment and acceptance or denial of claim.

## **J00H01 – MARYLAND TRANSIT ADMINISTRATION**

### **MDOT RESPONSE TO DLS ANALYSIS**

MDOT MTA has also undertaken significantly expanded efforts to improve Safety as part of the federally mandated Safety Management System (SMS). These efforts include hiring an SMS (Safety Management System) manager and starting aggressive implementation of SMS principles to reduce risk throughout the organization. SMS principles include:

- Full commitment to Safety at all levels of MDOT MTA starting from the top
- Root cause analysis of injuries to develop corrective training programs for injury prevention
- Required SMS Awareness training of all employees, vendors and contractors to help identify hazards and risks and how to report them into the system
- Accomplishment of a Safety Risk Assessment (SRA) to proactively identify hazards and risks to assist with current Change Management processes
- Constant monitoring and analysis of all available operational and safety data to ensure risk in the operation is kept as low as practicable

Overall MDOT MTA has stepped up efforts to improve worker's compensation expenses. The expectation is that these combined efforts will improve outcomes from accidents in the short term and significantly reduce accident frequency in the long term.

MDOT RESPONSE TO DLS ANALYSIS

**DLS Budget Analysis Issues (continued)**

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**3. MTA Implementing Recommendations from Peer Review Following 2018 Metro Shutdown**

*MTA should brief the budget committees on the status of the implementation of the recommendations arising out of the reviews conducted related to the shutdown.  
(Page 27)*

**MDOT Response**

MDOT MTA has held several implementation meetings and addressed many recommendations since the release of the APTA Peer Review in August 2018. MDOT MTA has involved State Safety Oversight throughout this process and, in conjunction with them, recommendations from the Peer Review have been turned into Corrective Action Plans where appropriate. MDOT MTA will continue to hold internal meetings until each recommendation from the APTA Peer Review been appropriately addressed.

MDOT MTA leadership and rail managers meet monthly to monitor the health of the rail system and ensure its continued safe operation.

MDOT RESPONSE TO DLS ANALYSIS

***DLS Operating Budget Recommended Actions***

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**1. Add the following language:**

***It is the intent of the General Assembly that the Maryland Transit Administration (MTA) increase its contributions to the MTA Pension Plan to improve the funded ratio of that plan. Therefore, funds budgeted for pension contributions shall be increased by \$5,000,000 in each fiscal year of the fiscal 2021 to 2025 financial forecast. In addition, each subsequent financial forecast shall increase the budgeted level of pension contributions by \$5,000,000 in each fiscal year until the budgeted level reflects at least the most recent actuarially determined contribution. (Page 28)***

**MDOT Response**

The MDOT MTA respectfully disagrees with the proposed narrative. MDOT MTA briefed the Joint Audit Committee and the Committee did not take issue with the funding plan as outlined. The MDOT MTA believes strongly that it has a duty to provide a financially sound funding strategy for the pension plan that ensures that the benefits that its employees worked hard to earn will be available to them when they retire. The MDOT MTA also believes that it has an obligation to taxpayers to maintain a pension plan that is financially prudent and provides employees a reasonable level of benefits that are comparable throughout the State. Further, MDOT MTA recognizes that funding the plan is a shared responsibility between employer and employee. To achieve this balance, the MDOT MTA created a long-term funding plan for its pension plan that relies on increased contributions from both employees and the MDOT MTA. This approach allows the pension plan to reach full funding in fiscal 2035, several years ahead of the State's plan to reach funding.

The funding plan combines all outstanding amortization bases, assumes employee contributions increase incrementally from the current 2 percent to 7 percent by fiscal 2024, and assumes that employer contributions increase in step with employee contributions through 2024 and increase by 1.5 percent thereafter. Under this funding plan, employee contributions increase from 2 percent to 4 percent effective July 1, 2019; to 6 percent on July 1, 2021; and to 7 percent on July 1, 2023. In fiscal 2020 through 2024, the MDOT MTA's contribution will match the increased employee contribution dollar for dollar. Beginning in fiscal 2025 and thereafter, the MDOT MTA's contribution increases at 1.5 percent per year. This funding plan assumes increased employee contributions; no additional pension benefit enhancements, including retiree COLAs; and moderate salary increases. Changes to these assumptions will result in a delay in reaching full funding of the plan.

MDOT RESPONSE TO DLS ANALYSIS

**DLS Budget Analysis Issues (continued)**

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In addition, to align the MDOT MTA union's pension plan with the State's retirement plan, the MDOT MTA will consider pursuing the following additional changes through collective bargaining:

- Decrease benefit multiplier from 1.7 percent to 1.5 percent;
- Increase from three to five the number of years included in the average final compensation calculation;
- Decrease maximum COLA for retirees to 2.5 percent if the plan meets its actuarially assumed investment return or 1 percent if the assumed return is not met;
- Exclude overtime from pensionable earnings; and
- Change retirement eligibility from age 52 and 30 years of service to requiring the sum of age and years of service equal 90.

Again, these reforms will align MDOT MTA with the rest of the State.

The MDOT MTA recognizes that its ability to increase employee contributions and to prevent additional pension enhancements is limited by the collective bargaining and binding arbitration process. In the most recent round of collective bargaining negotiations, MDOT MTA was actively negotiating for increased employee contributions. Although the union generally accepted increased contributions, no agreement could be reached on the timing and size of those increases. That issue, along with others, ultimately went to binding arbitration, and the MDOT MTA is awaiting a decision from the arbitration panel.

***PAYGO Capital Budget Recommended Actions***

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**1. Concur with Governor's allowance**

**MDOT Response**

MDOT MTA concurs with the DLS recommendation.

# MDOT MTA FY 2020 Budget Overview

Kevin Quinn, Administrator  
February 25, 2019



# Maryland Transit Administration Overview

- Six modes
- ~100 million rides a year
  - Local Bus: 66.3 million
  - Metro: 10.2 million
  - MARC Train: 9.2 million
  - Light Rail: 7.2 million
  - Commuter Bus: 3.8 million
  - Mobility: 2.9 million
- 13th largest transit system in US
  - 5th largest commuter bus system
  - 6th largest paratransit system
  - 11th largest local bus system
- Oversees \$140 million in funding and technical assistance to Locally Operated Transit Systems (LOTS)
- Operating budget of ~\$850 million per year
- Six-year capital budget of ~\$3.3 billion



**MDOT** MARYLAND DEPARTMENT OF TRANSPORTATION  
MARYLAND TRANSIT ADMINISTRATION

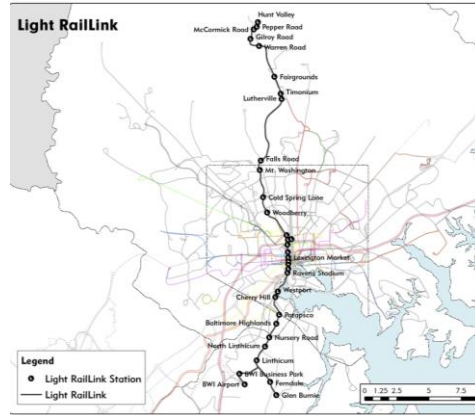


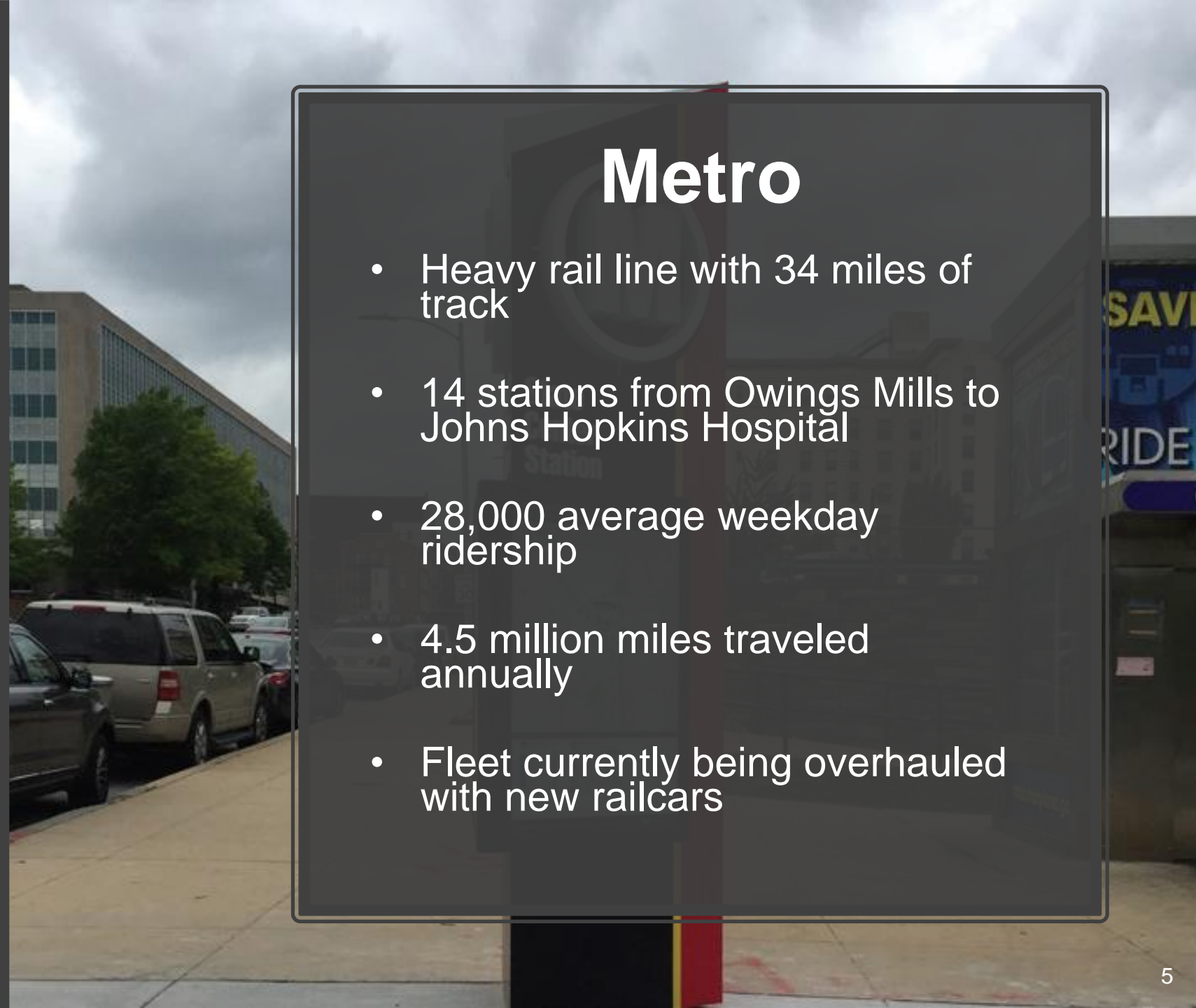
# Local Bus Service

- Three tiers of service
  - CityLink
  - LocalLink
  - Express BusLink
- 210,000 average weekday ridership
- 750 buses in fleet
- 4 bus divisions in Baltimore City
- BaltimoreLink network redesign launched in June 2017

# Light Rail

- Light rail line with 57 miles of track
- 33 stations from Hunt Valley to Cromwell and BWI Airport
- 23,000 average weekday ridership
- 2.9 million miles traveled annually
- Mid-life overhaul underway for 52 vehicle fleet





# Metro

- Heavy rail line with 34 miles of track
- 14 stations from Owings Mills to Johns Hopkins Hospital
- 28,000 average weekday ridership
- 4.5 million miles traveled annually
- Fleet currently being overhauled with new railcars

# MARC

- Three lines
  - Penn Line
  - Camden Line
  - Brunswick Line
- 35,000 average weekday ridership
- Contractors used for MARC services
  - Penn Line: Amtrak (also own the tracks)
  - Camden & Brunswick: Bombardier (CSX owns tracks)
- By the numbers:
  - 202 route-miles of commuter rail services
  - 46 locomotives and 177 commuter rail coaches
  - 42 stations in MD, WV & DC





# Commuter Bus

- Peak-period limited-stop bus service
- 37 routes across Maryland
  - 24 routes serving DC
- 15,000 average weekday ridership
- 6.3 million miles traveled annually

# Mobility

- Paratransit service for individuals with disabilities who are unable to use the MTA fixed route system
- 8,000 average weekday ridership
- Service provided by 3 contractors
  - Veolia Transportation
  - MV Transportation
  - First Transit
- 550 cars in fleet
  - 200 vehicles expected over the next 2 years





# Budget Overview



# FY20 Allowance vs FY19

	Prog 1 Admin	Prog 2 Bus	Prog 4 Rail	Prog 6 Statewide	Combined	%
<b>FY19 Appropriation</b>	<b>\$91,689</b>	<b>\$441,203</b>	<b>\$226,645</b>	<b>\$89,772</b>	<b>\$849,310</b>	
Salaries & Benefits	\$1,489	\$13,533	\$373	\$0	\$15,395	4.4%
MV Operations	(\$2)	\$1,018	\$937	\$0	\$1,953	3.2%
Contracted Services	\$3	\$10,574	\$6,605	(\$1,000)	\$16,182	5.0%
Grants	\$0	\$0	\$0	\$2,077	\$2,077	2.4%
Other	\$56	\$2	\$1,441	\$0	\$1,499	0.2%
Combined Variances	\$1,546	\$25,127	\$9,355	\$1,077	\$37,105	4.4%
<b>FY 20 Allowance</b>	<b>\$93,235</b>	<b>\$466,330</b>	<b>\$236,000</b>	<b>\$90,849</b>	<b>\$886,414</b>	
<b>Change vs FY19</b>	<b>1.7%</b>	<b>5.7%</b>	<b>4.1%</b>	<b>1.2%</b>	<b>4.4%</b>	<b>4.4%</b>

## Notes:

### Salaries & Benefits

\$5.4M wage inc=local 1859 (\$.6M), 2% TSHR cola, NH progression, \$4M pension, \$2M OT, \$6M Comp

### MV Operations

\$3.2M Diesel offset by repair savings due to PM/warranty strategies and \$.26M EZ pass

### Contractual Services

MARC=\$6.9 M, Mobility=\$15.2 M, Offset CB \$3.5M savings (mgmt tools/route savings), rideshare \$1M

### Grants

Incremental \$2.1 M - +\$2.2M federal = Elderly/disabled =\$.9M & other programs funded with federal \$

### Other

Electric rates +\$.6 M in rail and +\$.8M energy bond payments for new equipment

# MDOT MTA Personnel Data

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	FY19 Appropriation	FY20 Allowance
Union	2,674.0	2,657.5
Management	693.5	708.5
Total	3,367.5	3,366.0
Vacant Positions as of 2/1/19	137	N/A
% of Vacancies	4.10%	N/A
Budgeted Vacancy %	2.8%	3.2%

# MDOT MTA Capital Projects

FY20 Capital Plan		
Major Projects (# in Millions)	Budget Year FY20	Six Year Total
METRO FLEET AND TRAIN CONTROL REPLACEMENT PROGRAM	\$80,741	\$427,202
BUS REPLACEMENT	\$49,260	\$289,478
BUS FACILITY - KIRK BUS DIVISION MODERNIZATION	\$39,206	\$81,752
LTR LRV MID-LIFE OVERHAUL	\$23,179	\$91,332
MARC III COACHES (63) OVERHAUL	\$22,550	\$37,760
LTR LIGHT RAIL MAINTENANCE OF WAY IMPROVEMENTS	\$22,528	\$69,772
METRO INTERLOCKING RENEWALS	\$15,300	\$52,279
BUS UNIFIED SYSTEMS ARCHITECTURE (USA)	\$15,092	\$35,215
TOTALS	267,856	1,084,790

Purple Line	Budget Year FY20	Six Year Total
TOTALS	\$208,197	\$719,259

All Other - Capital Projects	Budget Year FY20	Six Year Total
	\$237,360	\$1,506,076

ALL CAPITAL PROJECTS - TOTAL	\$713,413	\$3,310,125
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• The variance for All Capital Projects to the totals stated in the Budget Book is due to "Other" funding excluded from the Budget Book



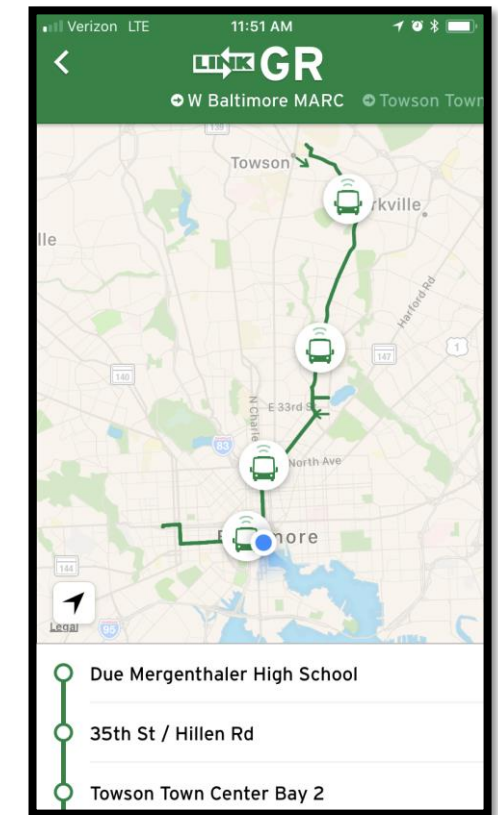
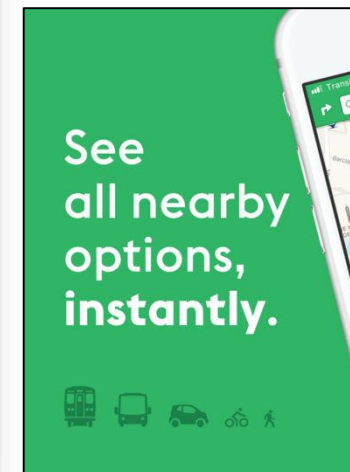
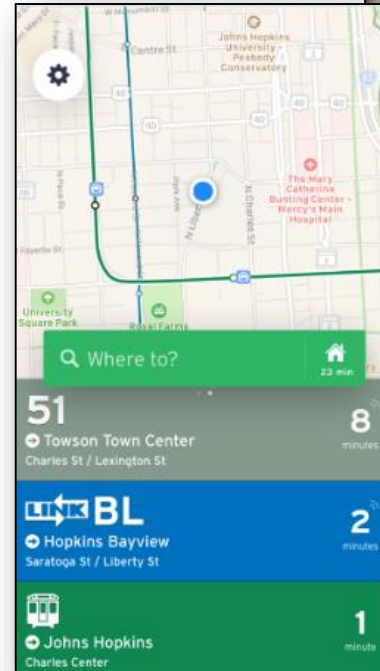
# Recent Accomplishments



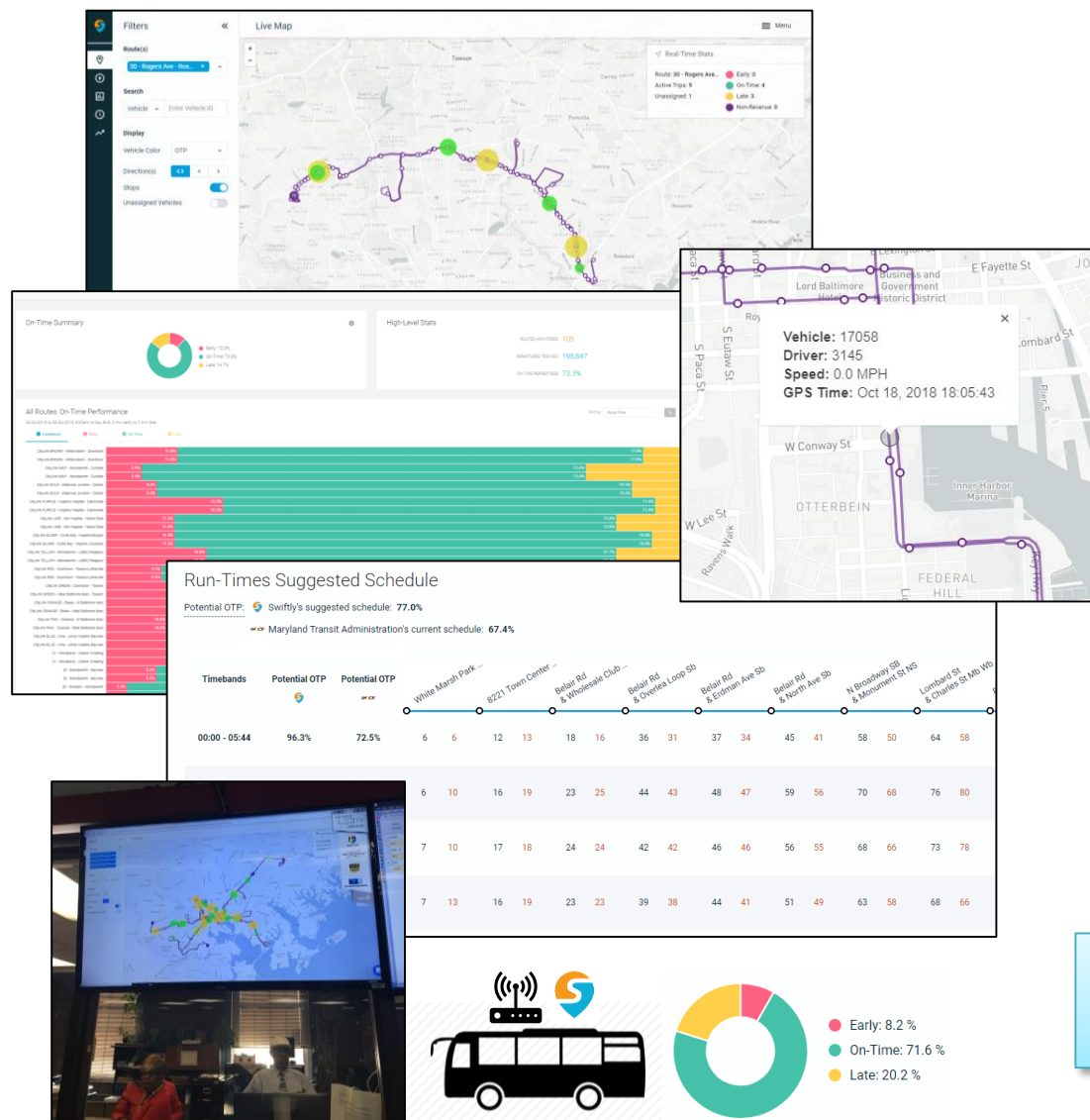
# Real-Time Bus Information

## External

- Partnership with Transit App to provide real-time transit information, simple trip planning, and step-by-step navigation
- GPS units installed on entire bus fleet
- Significant improvements in trip planning and overall customer experience
- Over 120,000 downloads since launching in June 2018



# Real-Time Bus Information



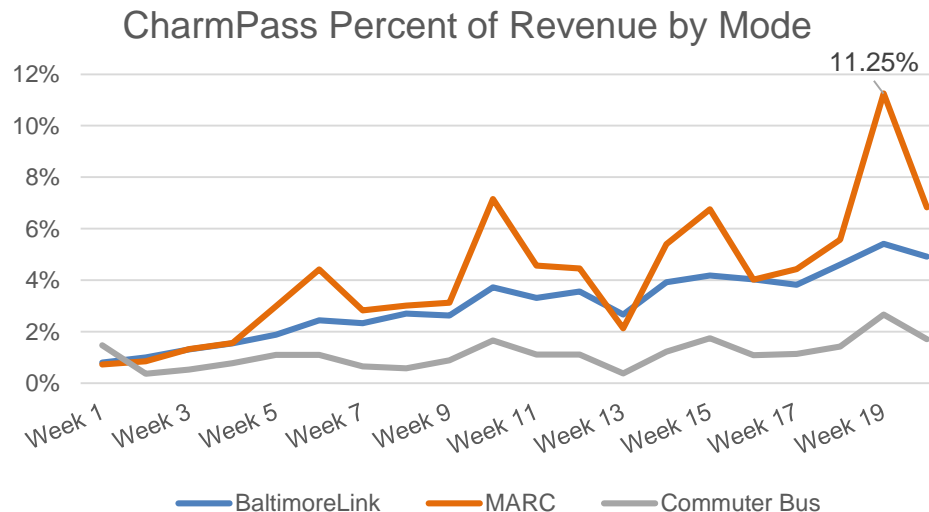
## Internal

- New performance management and scheduling tools
- Improved management of vehicles
  - Operations Control Center and Field Supervision
  - Vehicle location for maintenance crews
  - Operator oversight
- Data improvements for Police investigations and Transit Information Contact Center

**Used real-time data for February 2019 Service Change - First time in MDOT MTA history -**

# CharmPass Mobile Ticketing

- Over 54,000 app downloads
- Over \$1.7 million in revenue
- Used over 250,000 times since launch on 9/27
- Introduction of 90-minute transfer window



# BaltimoreLink – Operations



- Rollout in June 2017
- On-time performance improvement
  - From 59.5% prior to launch to 69% throughout 2018
- Safety improvements
  - In the 16 months post launch, preventable accidents down 20% compared to 16 months prior to launch
- Decreased call volumes and customer complaints
- Getting people to jobs – new service
  - LocalLink 63 to Tradepoint Atlantic
  - LocalLink 75 to Midfield Cargo Complex
  - LocalLink 26 to Horseshoe Casino

# BaltimoreLink – Capital Investments

- Dedicated Bus Lanes
  - Up to 31% time savings; average 9% per corridor
  - 7 additional miles of bus lanes with North Avenue Rising
- Transit Signal Priority
  - Up to 22% time savings
  - 2 pilot corridors with active TSP
  - Entire bus fleet equipped
  - Installation of signal equipment on 2 additional corridors in Spring 2019
- West Baltimore Transit Hub
  - MdQI Award of Excellence Finalist
- Installation of 4,200 newly redesigned bus stop signs



# MARC – Key Achievements

## Positive Train Control

- MARC has completed 100% of all hardware installation and training required as a tenant railroad
  - Amtrak owns Penn Line tracks
  - CSX owns Camden and Brunswick Line tracks
- All testing with CSX complete – First train with PTC active in revenue service on 11/19/2018
- MARC will test its PTC system and PTC Back Office Server on Penn Line when Amtrak is ready
  - Amtrak has submitted for an alternative schedule to extend its PTC deadline to 12/31/2020 for the Northeast Corridor



# MARC – Key Achievements

- West Virginia now financially contributing for MARC service
  - \$1.5 million for FY19
- 8 new Siemens Charger locomotives in service (\$58.1 million)
  - 4200 HP, top speed of 125mph
  - Latest EPA Tier 4 standards
- Refurbishment of MARC III railcars and GP-39 locos underway (\$52.7 million)
- New station construction at BWI and Camden Yards
- Holding Amtrak and CSX accountable



# MDOT MTA Police

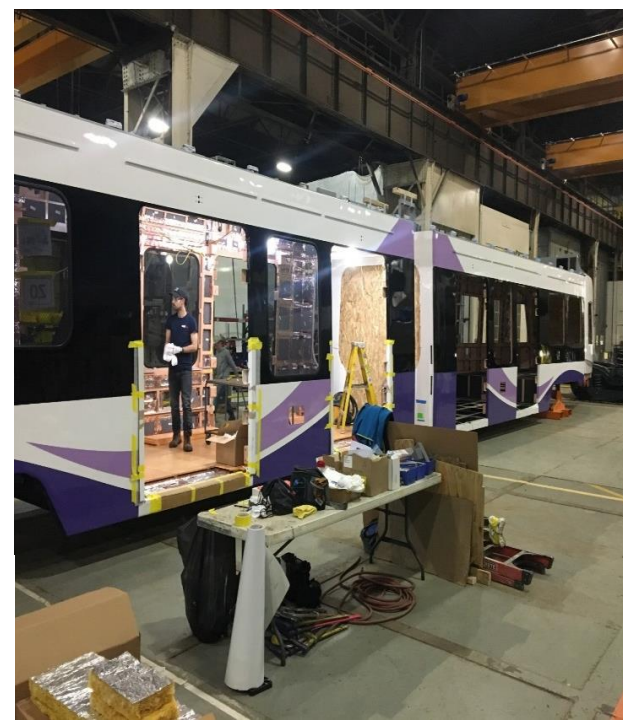
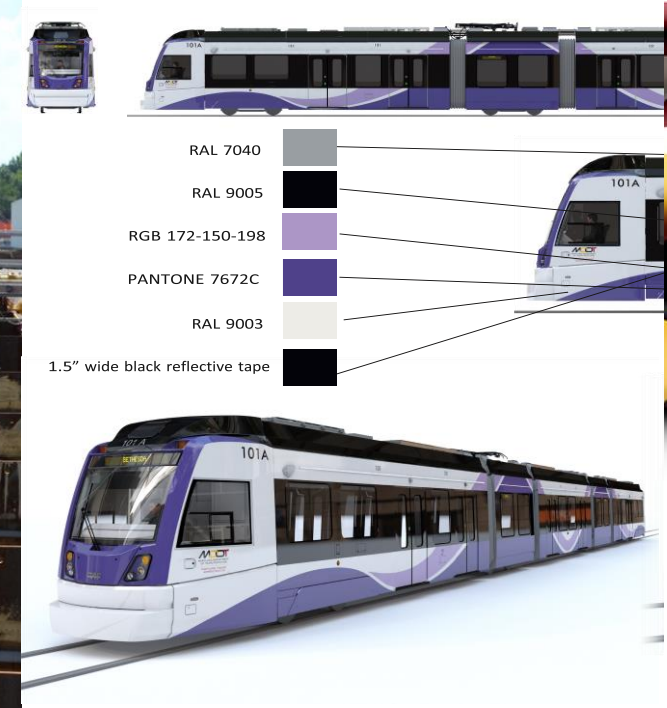
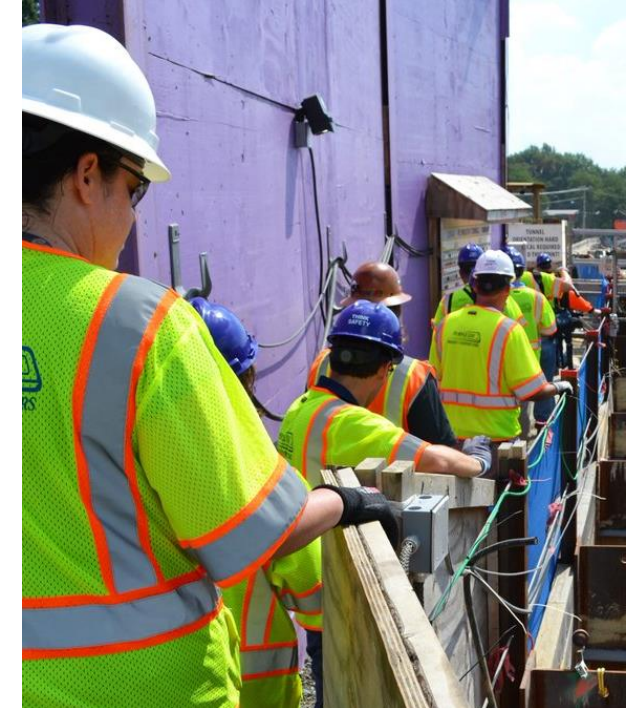


- Fourth consecutive year as the safest transit system out of the top 12 U.S. transit agencies, despite Baltimore City's ranking as #1 in homicides and #2 in overall violent crime
  - Part 1 crimes down 36% since 2014
  - 4% reduction in Part 1 crimes YTD
- 96% clearance rate for robberies
- Community outreach efforts
  - Adopt-A-Family
  - National Night Out
  - Back-to-School bookbag giveaway



# Major Projects





## Purple Line

- 16.2 miles light rail line from Bethesda to New Carrollton
- Connection to WMATA, MARC, Amtrak, and local bus services
- Construction progress continuing
  - Demolitions
  - Utility relocations
  - Real estate acquisitions
  - Tunneling
- Vehicles currently being assembled in Elmira, NY
- Ongoing Community Advisory Team (CAT) meetings



# Metro Railcar Replacement

- \$400+ million contract to replace 78 railcars
- New fleet and Communication Based Train Control (CBTC) system
- Design reviews underway for railcars, communication network, and other subsystems
- First trainset delivery scheduled for late 2020
- Revenue service in 2021

# Light Rail Mid-Life Overhaul

- \$162 million overhaul program for 53-car LRV fleet
- Comprehensive Safety and Security Certification
- Improved amenities
  - Upgraded Operator's seat and cab console
  - GPS triggered (geo-fence) exterior light flashing system
  - On-board CCTV display in Cab
- 6 LRVs conditionally accepted for revenue service



# Station Improvements

- Camden Yards
  - \$7.2 million for new station
  - Foundations and grade beams are complete
  - Light Rail Station to open March 31, 2019
  - MARC Station to open early Fall 2019
- BWI MARC Station
  - \$7.2 million for renovation and expansion
  - Addition: Exterior/structural walls and footings complete
  - Renovation: Steel erection, roof, concrete slab are in progress
  - Ready for revenue service in Spring 2019



# Bus Replacements

- \$212 million bus purchase
- 350 clean diesel buses to arrive in the next 5 years
- All buses have shields for driver safety
- Incorporating technological upgrades
  - Radios
  - Data collection
  - Improved integration with Operations Control Center



# Transit Signal Priority – Phase II

- TSP equipment installed on entire bus fleet and nearly 50 intersections
- Traffic signal system upgrade included:
  - Replacement of traffic signal controllers
  - Installation of TSP equipment at the intersection to communicate with the bus equipment
  - Software systems for remote monitoring
  - Cellular telecommunications equipment was also installed allowing communications between the intersections and Traffic Management Center (TMC)
- Phase II will include Liberty Heights Ave (CityLink Lime) and Belair Rd (CityLink Brown)

