

ITEM 4
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-___

MOTION:

SECOND:

RE: APPROVE – AGENDA – JANUARY 4, 2018

ACTION:

WHEREAS, the Potomac and Rappahannock Transportation Commission (“PRTC” or the “Commission”) meets on a monthly basis and an agenda is presented to the Commission for review and approval.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby approve the agenda of January 4, 2018, as presented/amended.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:

ITEM 5

January 4, 2018

PRTC Regular Meeting

Res. No. 18-01-____

APPROVAL OF MINUTES – DECEMBER 7, 2017

(hand out at the meeting)

ITEM 7
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____

MOTION:

SECOND:

RE: APPROVE – CONSENT AGENDA – JANUARY 4, 2018

ACTION:

WHEREAS, the Potomac and Rappahannock Transportation Commission (“PRTC” or the “Commission”) was presented with a consent agenda; and

WHEREAS, an opportunity was afforded for items to be added or deleted from the consent agenda.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby approve the consent agenda of January 4, 2018, as presented/amended.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:

ITEM 7-A
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____

MOTION:

SECOND:

**RE: ACCEPTANCE OF THE POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION MONTHLY JURISDICTIONAL
FINANCIAL REPORT FOR THE PERIOD ENDED OCTOBER 31, 2017**

ACTION:

WHEREAS, a financial report for each jurisdiction is prepared each month for presentation to the Potomac and Rappahannock Transportation Commission ("PRTC" or the "Commission"); and

WHEREAS, this report supplies information on the current month and year-to-date motor fuel tax collections; earned interest, other revenues, state administration cost, expenditures, transfers and encumbrances; and

WHEREAS, this information covers the PRTC as a whole, as wells as each separate jurisdiction.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby accept the Jurisdictional Financial Report for the period ended October 31, 2017, as presented/amended.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:

Fuel Tax Revenues
Budget to Actual
Four Months Ended October 2017

	FY18 YTD Budget	FY18 YTD Actual	Variance %	Variance \$
Prince William County	3,519,824	3,960,146	13%	440,322
Stafford	1,072,547	1,226,703	14%	154,156
Manassas	285,245	315,251	11%	30,006
Manassas Park	203,262	259,457	28%	56,195
Fredericksburg	475,634	458,323	-4%	(17,311)
Spotsylvania	1,218,896	1,383,558	14%	164,662
Total	6,775,408	7,603,438	12%	828,030

Year to date budget reflects FY2018 motor fuels tax revenue projections done as part of the FY2018 budget and six year plan process.

MONTHLY FINANCIAL REPORT FOR ALL JURISDICTIONS
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2017

FY18 Beginning Fund Balance		\$ 11,530,152.73 (1)
	Current Month	Year To Date
Gross Tax Revenue	\$ 2,362,374.69	\$ 7,603,437.19
Less: State Admin. Cost	\$ -	\$ -
Net Tax Revenue	\$ 2,362,374.69	\$ 7,603,437.19
Interest from Investment	\$ 11,247.70	\$ 35,958.74
Total Tax & Investment Revenue	\$ 2,373,622.39	\$ 7,639,395.93
Expenditures/Transfers	\$ -	\$ (6,470,643.50)
Reimbursement/Transfer from Other Governments	\$ -	\$ -
PRTC Operating Fund Balance	\$ -	\$ 4,000,000.00
FUND BALANCE (BEFORE UNEXPENDED ADOPTED RESOLUTIONS)		\$ 16,698,905.16
PLUS YEAR TO DATE REVENUE LESS EXPENDITURES		
FY18 Projected Motor Fuel Revenue (for remainder of fiscal year)		\$ 12,722,783.81
FY18 Projected State Grant (remainder)		\$ 173,267.40
LESS: Unexpended Adopted Resolutions		\$ (16,356,363.97) (*)
Other Financing Sources/(Uses)		
Claims and Judgments	-	-
Jurisdictional Reimbursement	\$0.00	\$0.00
Total Projected Unencumbered Balance		\$ 13,238,592.40 (2)

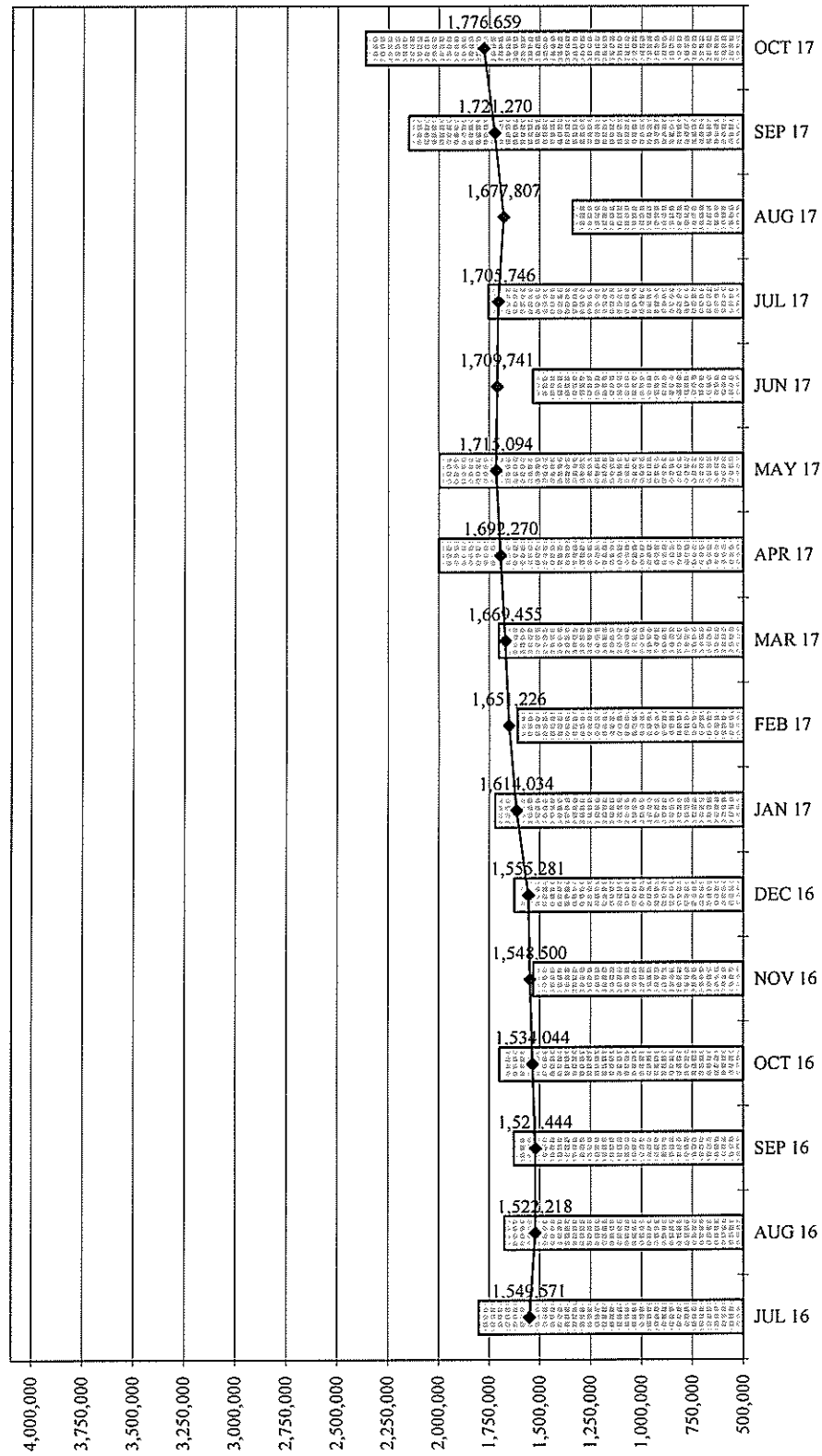
ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
08-06-07	\$ 173,000.00 (1)	\$ -	\$ 173,000.00
09-11-07	\$ 93,139.69 (1)	\$ -	\$ 93,139.69
10-11-05	\$ 234,500.00 (1)	\$ -	\$ 234,500.00
13-06-08	\$ 200,000.00 (1)	\$ -	\$ 200,000.00
15-05-07	\$ 371,164.00 (1)	\$ -	\$ 371,164.00
15-12-06	\$ 2,749.78 (1)	\$ -	\$ 2,749.78
16-03-07	\$ 69,695.00 (1)	\$ -	\$ 69,695.00
16-06-09	\$ 222,540.00 (1)	\$ -	\$ 222,540.00
17-03-07	\$ 382,261.00 (1)	\$ -	\$ 382,261.00
17-06-05	\$ 1,901.00 (1)	\$ -	\$ 1,901.00
17-06-07	\$ 65,000.00 (1a)	\$ -	\$ 65,000.00
17-06-08	\$ 222,070.00 (1a)	\$ -	\$ 222,070.00
17-06-09	\$ 5,191,287.00 (1a)	\$ 2,470,643.50	\$ 2,720,643.50
17-06-13	\$ 15,275,700.00 (1a)	\$ 4,000,000.00	\$ 11,275,700.00
17-07-06	\$ 116,000.00	\$ -	\$ 116,000.00
17-07-07	\$ 206,000.00	\$ -	\$ 206,000.00
Total	\$ 22,827,007.47	\$ 6,470,643.50	\$ 16,356,363.97 (*)

(1) Remaining balance @ 6/30/17 (1a) June 2017 resolution for FY18 expenditures

(2) Projected Unencumbered Balance equals Fund Balance plus FY18 Projected Revenue
(for remainder of fiscal year) minus Unexpended Adopted Resolutions, plus Other Financing Sources.

(*) Resolutions which have been encumbered will not be expended until funds become available.

PRTC NET FUEL TAX COLLECTIONS FY17 and FY18



Legend: Blue Bar = FY17 Collection, Orange Bar = FY18 Collection, Line with Diamond = FY18 Cumulative Total

PRTC COMMISSION MEETING
DATE JANUARY 4, 2018

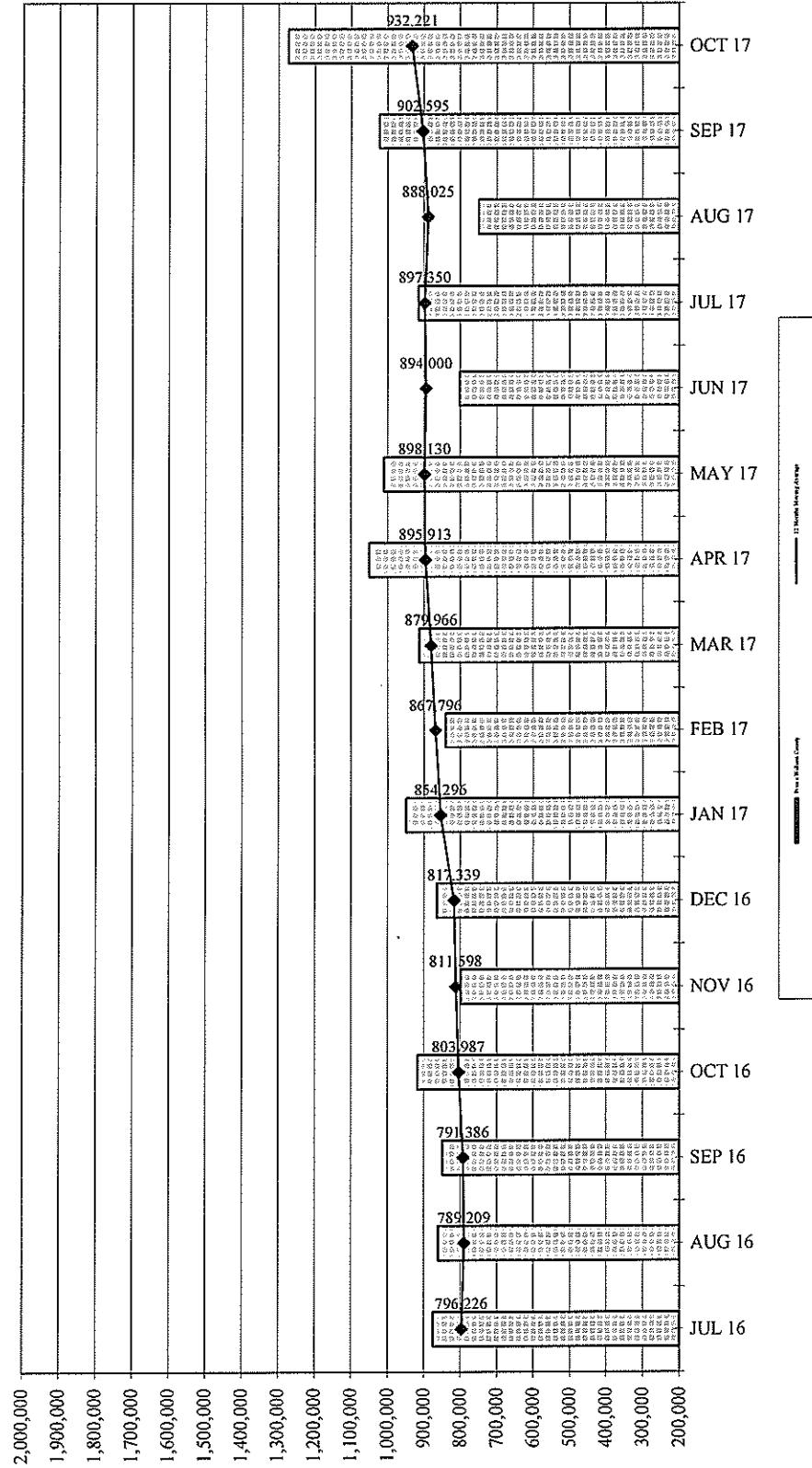
FY18 Beginning Fund Balance	\$ 2,027,495.95 (1)
-----------------------------	---------------------

ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
08-06-07	\$ 173,000.00 (1)	\$ -	\$ 173,000.00
17-06-13	\$ 14,409,300.00 (1a)	\$ 3,818,119.00	\$ 10,591,181.00
Total	\$ 14,582,300.00	\$ 3,818,119.00	\$ 10,764,181.00 (*)

(*) Resolutions which have been encumbered will not be expended until funds become available.

PRTC NET FUEL TAX COLLECTIONS

FY17 and FY18



MONTHLY FINANCIAL REPORT FOR STAFFORD COUNTY
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2017

FY18 Beginning Fund Balance \$ 1,932,896.98 (1)

	Current Month	Year To Date
Gross Tax Revenue	\$ 358,282.39	\$ 1,226,703.11
Less: State Admin. Cost	\$ -	\$ -
Net Tax Revenue	\$ 358,282.39	\$ 1,226,703.11
Interest from Investment	\$ 1,085.38	\$ 2,596.84
Total Tax & Investment Revenue	\$ 359,367.77	\$ 1,229,299.95
Expenditures/Transfers	\$ -	\$ (1,200,629.00)
PRTC Operating Fund Balance	\$ -	\$ 28,372.00
FUND BALANCE (BEFORE UNEXPENDED ADOPTED RESOLUTIONS)		
PLUS YEAR TO DATE REVENUE LESS EXPENDITURES		<u>\$ 1,989,939.93</u>
FY18 Projected Motor Fuel Revenue (for remainder of fiscal year)		1,990,937.89
LESS: Unexpended Adopted Resolutions		\$ (1,241,985.00) (*)
Other Financing Sources/(Uses)		
Claims and Judgments	\$0.00	\$0.00
Jurisdictional Reimbursement	<u>\$0.00</u>	<u>\$0.00</u>
Total Projected Unencumbered Balance		<u><u>\$ 2,738,892.82</u></u> (2)

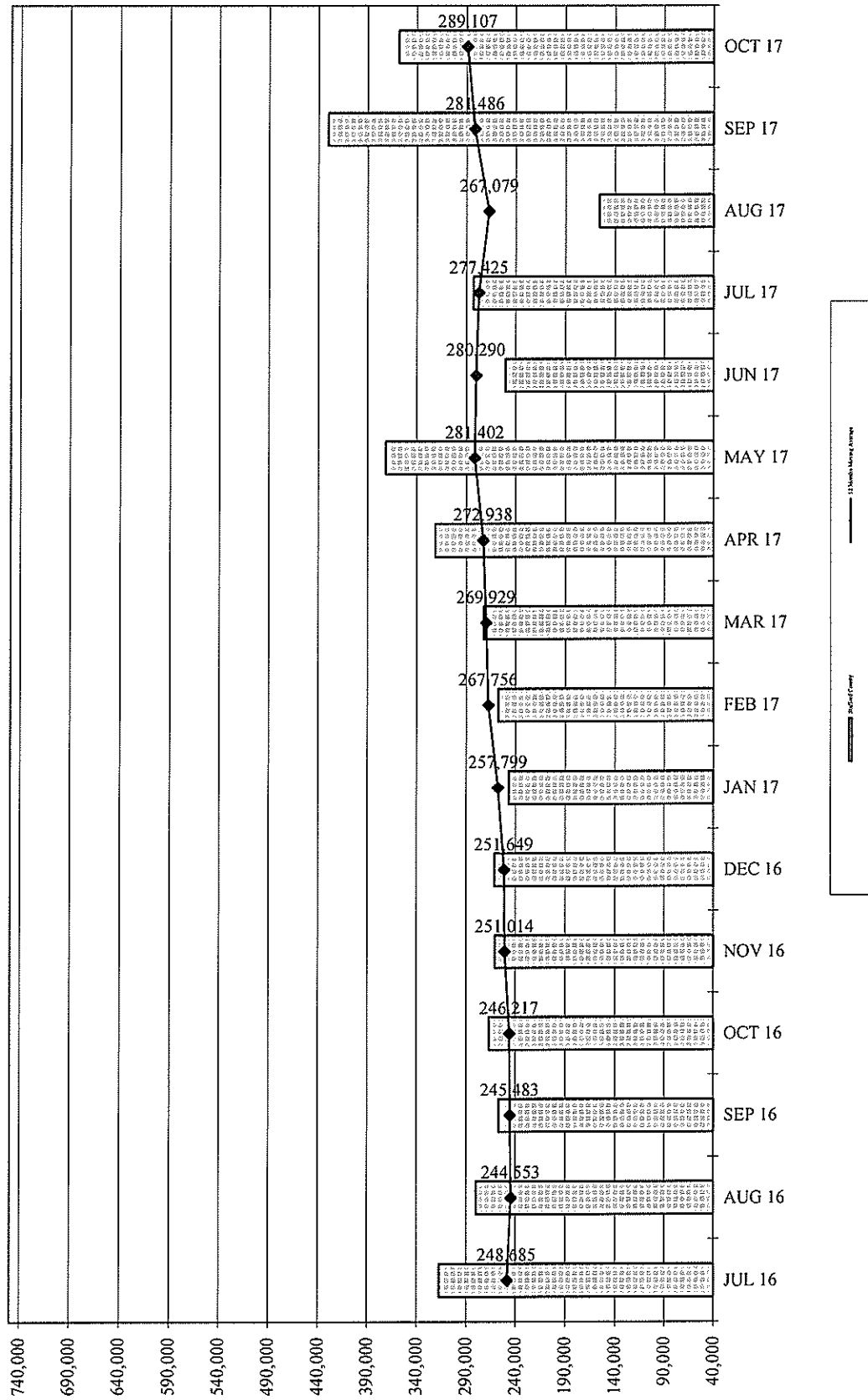
ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
17-06-09	\$ 2,344,514.00 (1a)	\$ 1,172,257.00	\$ 1,172,257.00
17-06-13	\$ 98,100.00 (1a)	\$ 28,372.00	\$ 69,728.00
Total	<u>\$ 2,442,614.00</u>	<u>\$ 1,200,629.00</u>	<u>\$ 1,241,985.00</u> (*)

(1) Remaining balance @ 6/30/17 (1a) June 2017 resolution for FY18 expenditures

(2) Projected Unencumbered Balance equals Fund Balance plus FY18 Projected Revenue
(for remainder of fiscal year) minus Unexpended Adopted Resolutions, plus Other Financing Sources.

(*) Resolutions which have been encumbered will not be expended until funds become available.

PRTC NET FUEL TAX COLLECTIONS FY17 and FY18

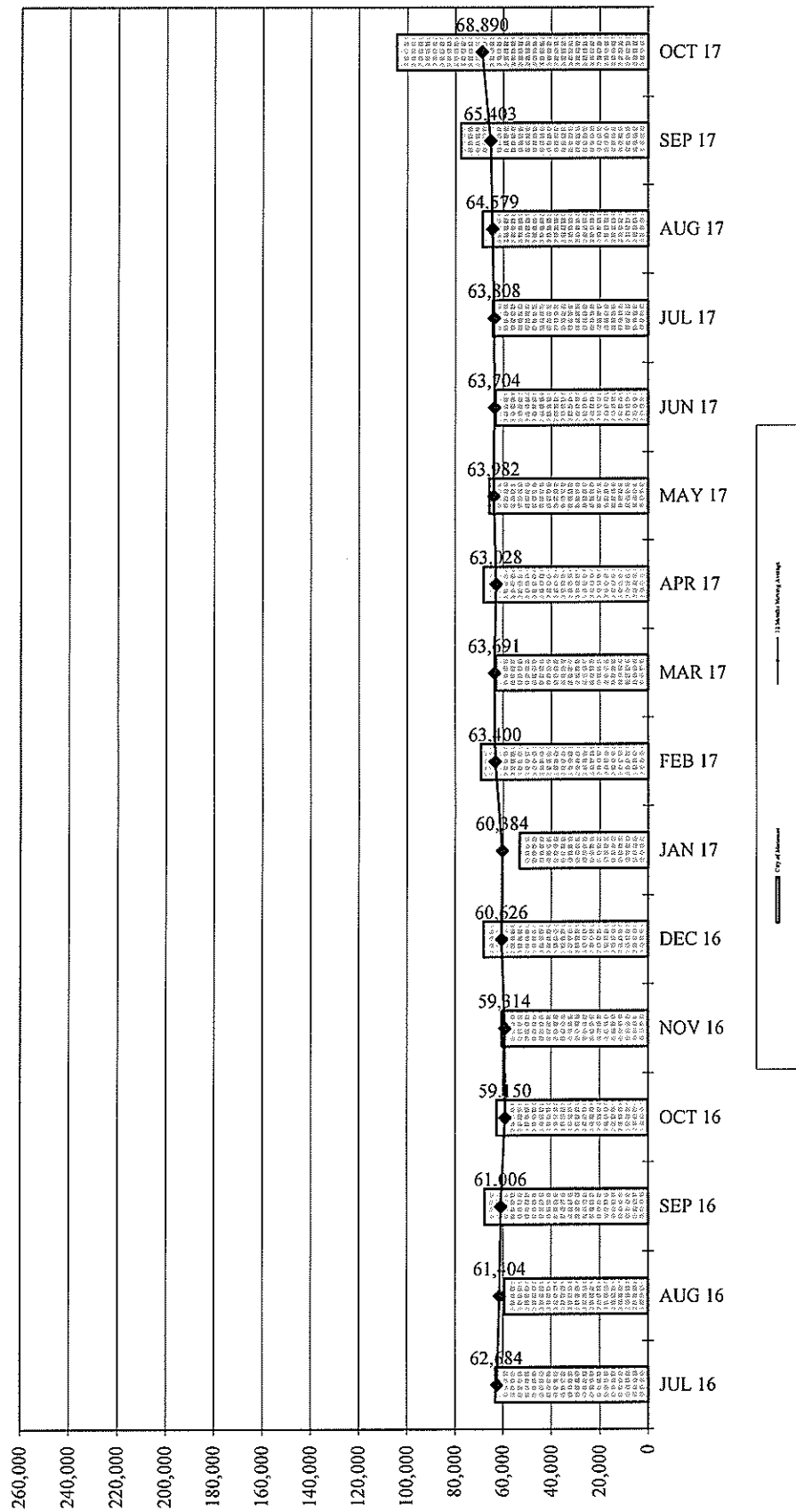


FY18 Beginning Fund Balance	\$ 243,169.32 (1)
-----------------------------	-------------------

ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
16-06-09	\$ 222,540.00 (1)	\$ -	\$ 222,540.00
17-06-07	\$ 65,000.00 (1a)	\$ -	\$ 65,000.00
17-06-08	\$ 222,070.00 (1a)	\$ -	\$ 222,070.00
17-06-09	\$ 434,586.00 (1a)	\$ 92,293.00	\$ 342,293.00
17-06-13	\$ 419,200.00 (1a)	\$ 50,828.00	\$ 368,372.00
Total	\$ 1,363,396.00	\$ 143,121.00	\$ 1,220,275.00 (*)

(*) Resolutions which have been encumbered will not be expended until funds become available.

PRTC NET FUEL TAX COLLECTIONS FY17 and FY18



MONTHLY FINANCIAL REPORT FOR CITY OF MANASSAS PARK
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2017

FY18 Beginning Fund Balance \$ 2,460,115.84 (1)

	Current Month	Year To Date
Gross Tax Revenue	\$ 83,871.86	\$ 259,456.69
Less: State Admin. Cost	\$ -	\$ -
Net Tax Revenue	\$ 83,871.86	\$ 259,456.69
Interest from Investment	\$ 2,362.85	\$ 8,788.66
Total Tax & Investment Revenue	\$ 86,234.71	\$ 268,245.35
Expenditures/Transfers	\$ -	\$ (273,880.00)
PRTC Operating Fund Balance	\$ -	\$ 36,521.00
FUND BALANCE (BEFORE UNEXPENDED ADOPTED RESOLUTIONS)		
PLUS YEAR TO DATE REVENUE LESS EXPENDITURES		<u>\$ 2,491,002.19</u>
FY18 Projected Motor Fuel Revenue (for remainder of fiscal year)		350,330.31
LESS: Unexpended Adopted Resolutions		\$ (1,615,841.69) (*)
Other Financing Sources/(Uses)		
Claims and Judgments	\$0.00	\$0.00
Jurisdictional Reimbursement	<u>\$0.00</u>	<u>\$0.00</u>
Total Projected Unencumbered Balance		<u><u>\$ 1,225,490.81 (2)</u></u>

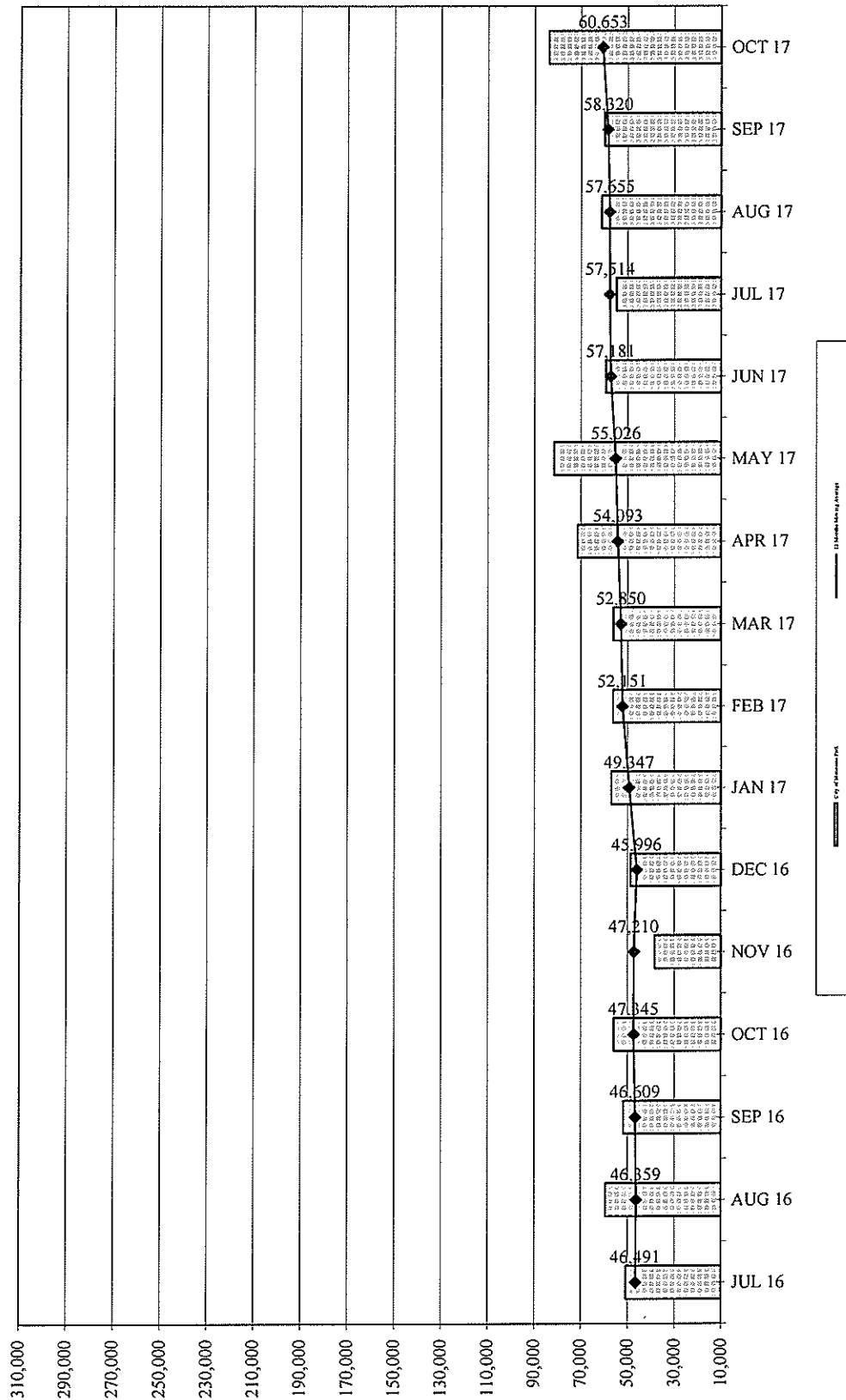
ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
09-11-07	\$ 93,139.69 (1)	\$ -	\$ 93,139.69
10-11-05	\$ 234,500.00 (1)	\$ -	\$ 234,500.00
13-06-08	\$ 200,000.00 (1)	\$ -	\$ 200,000.00
15-05-07	\$ 371,164.00 (1)	\$ -	\$ 371,164.00
17-06-09	\$ 474,718.00 (1a)	\$ 237,359.00	\$ 237,359.00
17-06-13	\$ 194,200.00 (1a)	\$ 36,521.00	\$ 157,679.00
17-07-06	\$ 116,000.00	\$ -	\$ 116,000.00
17-07-07	\$ 206,000.00	\$ -	\$ 206,000.00
Total	<u>\$ 1,889,721.69</u>	<u>\$ 273,880.00</u>	<u>\$ 1,615,841.69 (*)</u>

(1) Remaining balance @ 6/30/17 (1a) June 2017 resolution for FY18 expenditures

(2) Projected Unencumbered Balance equals Fund Balance plus FY18 Projected Revenue
(for remainder of fiscal year) minus Unexpended Adopted Resolutions, plus Other Financing Sources.

(*) Resolutions which have been encumbered will not be expended until funds become available.

PRTC NET FUEL TAX COLLECTIONS FY17 and FY18



FY18 Beginning Fund Balance	\$ 1,189,603.73 (1)
-----------------------------	---------------------

	Current Month	Year To Date
Gross Tax Revenue	\$ 110,093.43	\$ 458,322.59
Less: State Admin. Cost	\$ -	\$ -
Net Tax Revenue	\$ 110,093.43	\$ 458,322.59
Interest from Investment	\$ 1,134.64	\$ 4,237.98
Total Tax & Investment Revenue	\$ 111,228.07	\$ 462,560.57
Expenditures/Transfers	\$ -	\$ (220,889.00)
PRTC Operating Fund Balance	\$ -	\$ 12,250.00
FUND BALANCE (BEFORE UNEXPENDED ADOPTED RESOLUTIONS)		
PLUS YEAR TO DATE REVENUE LESS EXPENDITURES		\$ 1,443,525.30
FY18 Projected Motor Fuel Revenue (for remainder of fiscal year)		968,578.41
LESS: Unexpended Adopted Resolutions		\$ (311,485.00) (*)
Other Financing Sources/(Uses)		
Claims and Judgments	\$0.00	\$0.00
Jurisdictional Reimbursement	\$0.00	\$0.00
Total Projected Unencumbered Balance		\$ 2,100,618.71 (2)

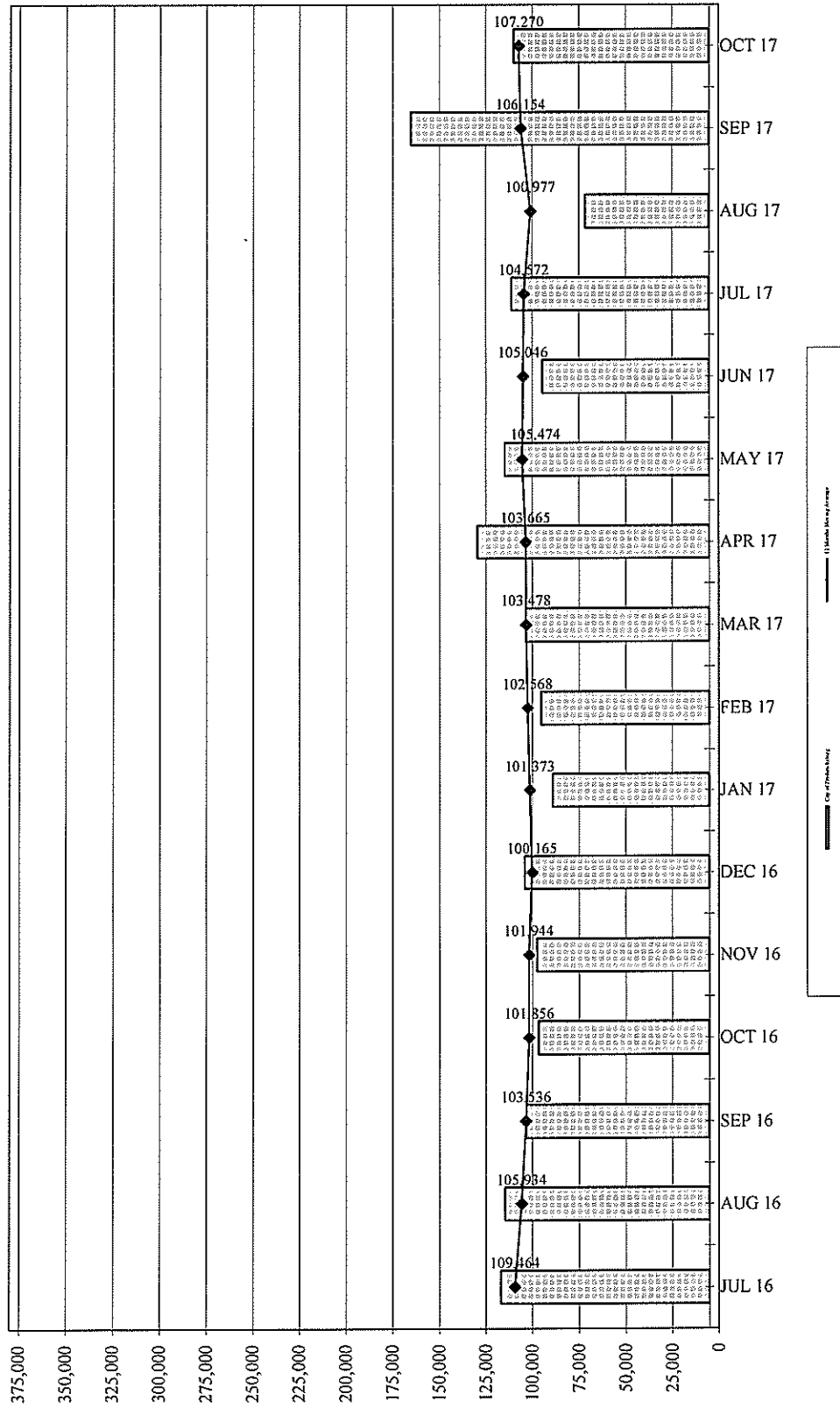
ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
16-03-07	\$ 69,695.00 (1)	\$ -	\$ 69,695.00
17-06-05	\$ 1,901.00 (1)	\$ -	\$ 1,901.00
17-06-09	\$ 417,278.00 (1a)	\$ 208,639.00	\$ 208,639.00
17-06-13	\$ 43,500.00 (1a)	\$ 12,250.00	\$ 31,250.00
Total	\$ 532,374.00	\$ 220,889.00	\$ 311,485.00 (*)

(*) Resolutions which have been encumbered will not be expended until funds become available.

Note: Report as of 6/30/17 includes expense accrual of \$869,843.

PRTC NET FUEL TAX COLLECTIONS

FY17 and FY18



MONTHLY FINANCIAL REPORT FOR SPOTSYLVANIA COUNTY
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2017

FY18 Beginning Fund Balance			\$ 3,676,870.91 (1)
	Current Month	Year To Date	
Gross Tax Revenue	\$ 432,632.87	\$ 1,383,557.77	
Less: State Admin. Cost	\$ -	\$ -	
Net Tax Revenue	\$ 432,632.87	\$ 1,383,557.77	
Interest from Investment	\$ 3,369.74	\$ 13,200.59	
Total Tax & Investment Revenue	\$ 436,002.61	\$ 1,396,758.36	
Expenditures/Transfers	\$ -	\$ (814,005.50)	
PRTC Operating Fund Balance	\$ -	\$ 53,910.00	
FUND BALANCE (BEFORE UNEXPENDED ADOPTED RESOLUTIONS)			
PLUS YEAR TO DATE REVENUE LESS EXPENDITURES		\$ 4,313,533.77	
FY18 Projected Motor Fuel Revenue (for remainder of fiscal year)		2,273,129.23	
LESS: Unexpended Adopted Resolutions		\$ (1,202,596.28) (*)	
Other Financing Sources/(Uses)			
Claims and Judgments	\$0.00	\$0.00	
Jurisdictional Reimbursement	\$0.00	\$0.00	
Total Projected Unencumbered Balance		\$ 5,384,066.72 (2)	

ADOPTED RESOLUTIONS	AMOUNT	EXPENDITURES	BALANCE
15-12-06	2,749.78 (1)	\$ -	\$ 2,749.78
17-03-07	\$ 382,261.00 (1)	\$ -	\$ 382,261.00
17-06-09	\$ 1,520,191.00 (1a)	\$ 760,095.50	\$ 760,095.50
17-06-13	\$ 111,400.00 (1a)	\$ 53,910.00	\$ 57,490.00
Total	\$ 2,016,601.78	\$ 814,005.50	\$ 1,202,596.28 (*)

(1) Remaining balance @ 6/30/17 (1a) June 2017 resolution for FY18 expenditures

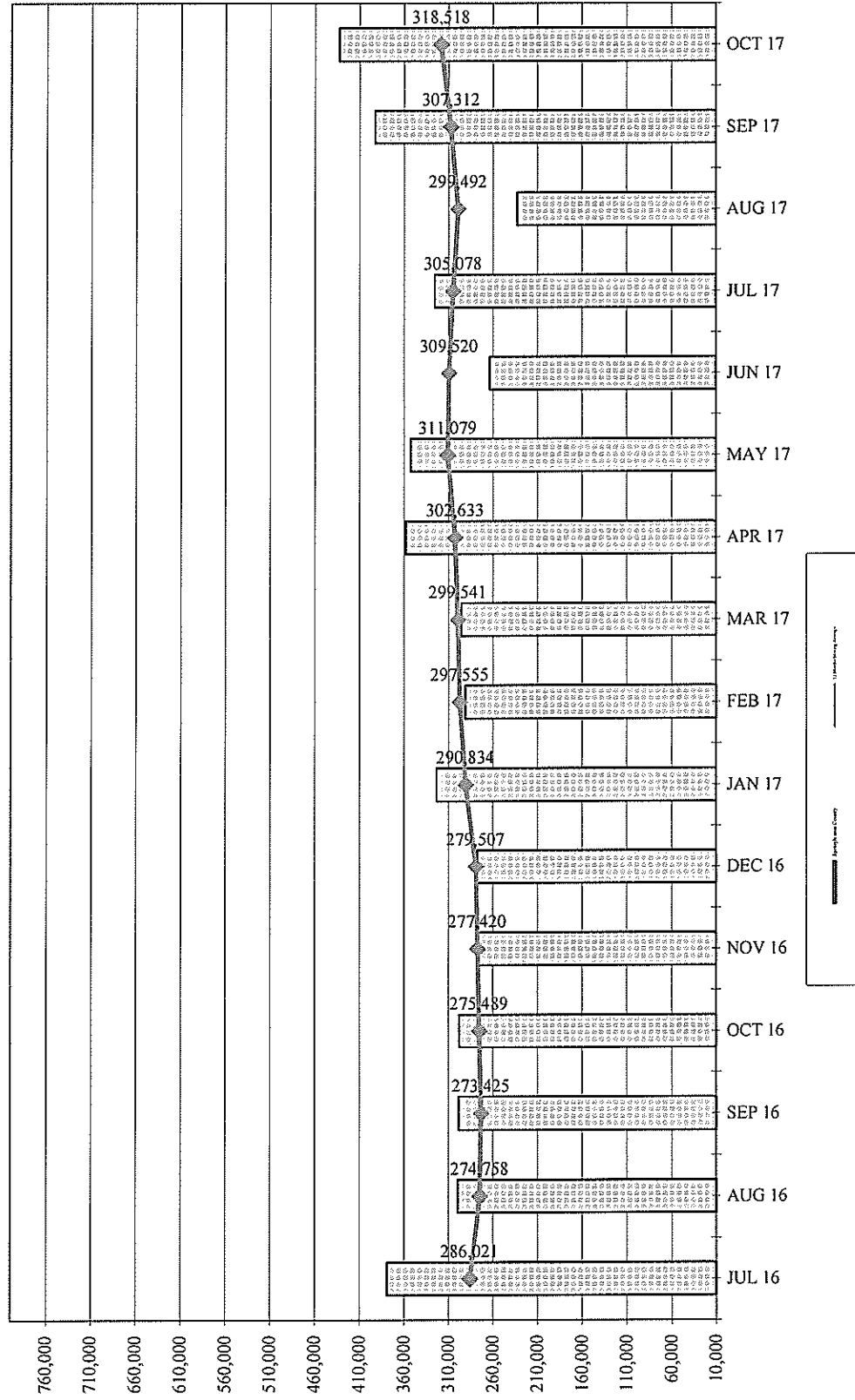
(2) Projected Unencumbered Balance equals Fund Balance plus FY18 Projected Revenue
(for remainder of fiscal year) minus Unexpended Adopted Resolutions, plus Other Financing Sources.

(*) Resolutions which have been encumbered will not be expended until funds become available.

Note: Report as of 6/30/17 includes expense accrual of \$997,331.36.

PRTC NET FUEL TAX COLLECTIONS

FY17 and FY18



ITEM 7-B
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-___

MOTION:

SECOND:

**RE: AUTHORIZATION TO BUDGET AND APPROPRIATE SPOTSYLVANIA COUNTY'S
 MOTOR FUELS TAX FUNDS FOR VARIOUS FY18 TRANSPORTATION PROJECTS**

ACTION:

WHEREAS, Spotsylvania County, by Resolution 2017-141 requests approval to budget and appropriate \$1,737,677 of Spotsylvania's motor fuels tax funds for various FY18 transportation projects as follows:

Transportation-related positions	\$170,073
Transportation operating costs	11,792
FRED bus service	196,337
Debt service on previous transportation bond issues	<u>1,359,475</u>
Total	\$1,737,677

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission hereby authorizes the budgeting and appropriation of \$1,737,677 of Spotsylvania County's motor fuels tax funds for various FY18 transportation projects.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:





Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

January 4, 2018

TO: Chairman Principi and Commissioners

FROM: Joyce Embrey 
Director of Finance and Administration

THROUGH: Robert A. Schneider, PhD 
Executive Director

RE: Authorization to Budget and Appropriate Spotsylvania County's Motor Fuels Tax Funds for Various FY18 Transportation Projects

Recommendation:

Authorize the budgeting and appropriation of Spotsylvania County's motor fuels tax funds for various FY18 transportation projects.

Background:

Spotsylvania County, by Resolution 2017-141 (attached), requests the Potomac and Rappahannock Transportation Commission (PRTC) to use \$1,737,677 from the County's portion of fuel tax revenues for various FY18 transportation projects.

Fiscal Impact:

The FY18 transportation projects are as follows:

	\$170,073
Transportation-related positions	
Transportation operating costs	11,792
FRED bus service	196,337
Debt service on previous transportation bond issues	<u>1,359,475</u>
Total	\$1,737,677

Attachment: As stated

OmniRide • Metro Direct • OmniLink • Cross County Connector • OmniMatch • VRE

Administrative Office: (703) 583-7782 • Customer Info: (703) 730-6664 • Toll Free: (888) 730-6664 • Fax: (703) 583-1377 • PRTCtransit.org

County of Spotsylvania

Founded 1721

Board of Supervisors
GREG BENTON
GREG CEBULA
TIMOTHY J. McLAUGHLIN
DAVID ROSS
GARY F. SKINNER
PAUL D. TRAMPE
CHRIS YAKABOUSKI



County Administrator
MARK B. TAYLOR
Deputy County Administrators
MARK L. COLE
ED PETROVITCH
P.O. BOX 99, SPOTSYLVANIA, VA 22553
Voice: (540) 507-7010
Fax: (540) 507-7019

Service, Integrity, Pride

At a meeting of the Spotsylvania County Board of Supervisors held on November 28, 2017, on a motion by Mr. Benton and passed unanimously, the Board adopted the following resolution:

RESOLUTION NO. 2017- 141

A RESOLUTION AUTHORIZING USE OF \$1,737,677 OF FUEL TAX FUNDS FOR VARIOUS FY 2018 TRANSPORTATION PURPOSES

WHEREAS, Spotsylvania County ("County") is a member of the Potomac and Rappahannock Transportation District ("District"), a transportation district created pursuant to the Transportation District Act of 1964 (Code of Virginia, §33.2-1900, et seq.) which participates in the operation of a rail commuter mass transportation system (Code of Virginia, §58.1-2295); and

WHEREAS, the Potomac and Rappahannock Transportation Commission ("PRTC") is the governing body of the District; and

WHEREAS, the Commonwealth of Virginia levies a 2.1 percent sales tax on the price charged by a distributor for fuels sold to a retail dealer for retail sale in the District (§58.1-2295); and

WHEREAS, all taxes paid to the State Tax Commissioner, after subtraction of the direct costs of administration by the Tax Department, are deposited in a special fund held by the District (Code of Virginia §58.1-2299.20); and

WHEREAS, at the request of the member jurisdiction, revenue available from the fuels tax in excess of the required payments to VRE and PRTC may be expended for any transportation purpose (Code of Virginia, §58.1-2299.20); and

WHEREAS, the County planned as part of its FY 2018 budget to fund various transportation-related activities including transportation-related staff positions and operating costs, FRED transit operations, and debt service from previously issued transportation bonds; and

WHEREAS, the County desires to use a portion of the revenue from its fuel tax account for these purposes;

NOW, THEREFORE, BE IT RESOLVED that the Spotsylvania County Board of Supervisors does hereby request PRTC to budget and appropriate the following amounts for reimbursement to Spotsylvania for a portion of its budgeted FY 2018 transportation expenditures:

Transportation-related positions	\$170,073.00
Transportation operating costs	\$11,792.00
FRED bus service	\$196,337.00
Debt service on previous transportation bond issues ¹	<u>\$1,359,475.00</u>
Total	<u>\$1,737,677.00</u>

BE IT FURTHER RESOLVED that the County Administrator is hereby authorized and directed to submit to PRTC requests for reimbursement of expenses incurred by the County in connection with the expenditures identified above.

(SEAL)

A COPY TESTE:



Aimee R. Mann
Deputy Clerk to the Board of Supervisors

¹ Includes the 2006, 2009, 2012, 2013, 2014, 2015 and 2016 General Obligation bond issues.

MOTION:

SECOND:

**RE: ADOPT AND REFER THE REVISED FY 2018 AND RECOMMENDED FY 2019 VRE
OPERATING AND CAPITAL BUDGETS TO THE JURISDICTIONS**

ACTION:

WHEREAS, the Virginia Railway Express (VRE) Master Agreement requires the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission (the "Commissions" be presented with a fiscal year budget for their consideration at their respective January meetings prior to the commencement of the subject fiscal year.

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the FY 2019 Operating and Capital Budget within the guidelines developed in cooperation with the Chief Administrative Officers of the local jurisdictions; and

WHEREAS, the FY 2019 budget proposes a three percent (3%) increase in the total jurisdictional subsidy over the FY 2018 contribution level; and

WHEREAS, the FY 2019 budget proposes an increase to the amount charged to VRE passengers for Amtrak Step-Up tickets from \$7 to \$8, effective the first week of July 2018, with the start of the FY 2019 budget; and

WHEREAS, apart from the Amtrak Step-Up increase described above, the FY 2019 budget proposes no other changes to passenger fares; and

WHEREAS, VRE staff recommends a budget based on a service level of 32 daily trains and average daily ridership of 19,000 trips; and

WHEREAS, the VRE Operations Board recommends the following action.

ITEM 9-C
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____
VRE Item 9-A
Page Two

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby adopt the FY 2019 VRE Operating and Capital Budget in the following amounts and forward this budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement:

Operating Budget	\$ 88,522,679
Capital Budget	<u>60,942,515</u>
Total Operating and Capital	\$149,465,194

BE IT FURTHER RESOLVED that the Potomac and Rappahannock Transportation Commission adopts the amended FY 2018 Operating and Capital Budget in the following amounts.

Operating Budget	\$ 85,346,443
Capital Budget	<u>64,675,346</u>
Total Operating and Capital	\$150,021,789

BE IT FURTHER RESOLVED that the Potomac and Rappahannock Transportation Commission authorizes the Executive Directors of both NVTC and PRTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2018 and FY 2019.

BE IT FURTHER RESOLVED that the Potomac and Rappahannock Transportation Commission authorizes the Executive Director of NVTC to submit to the Commonwealth the approved budget as part of the FY 2019 state aid grant applications.

Votes:

Ayes:

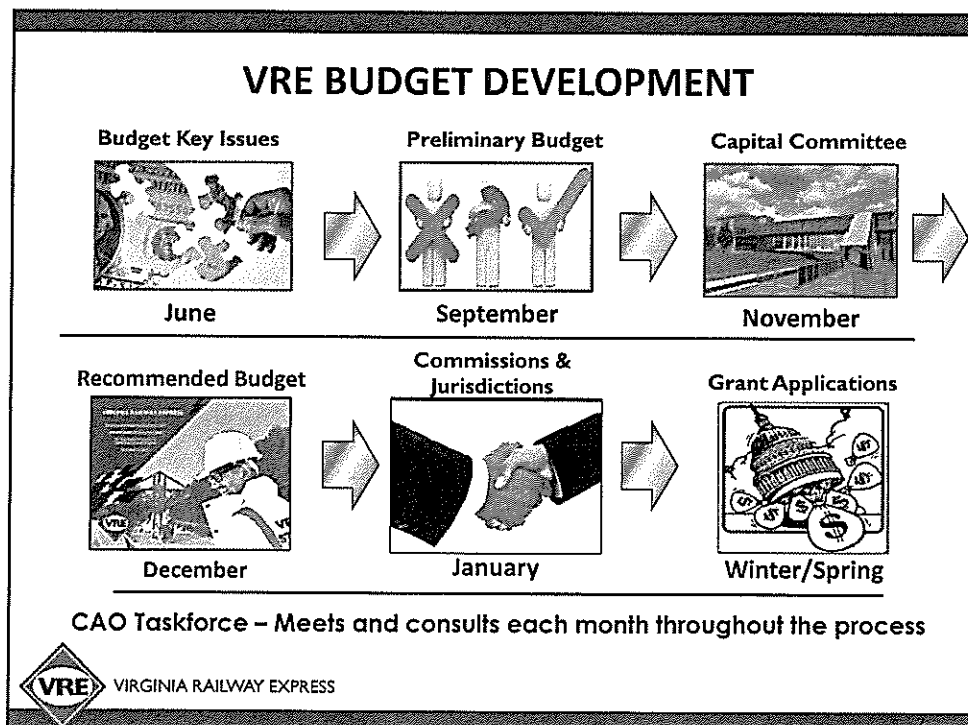
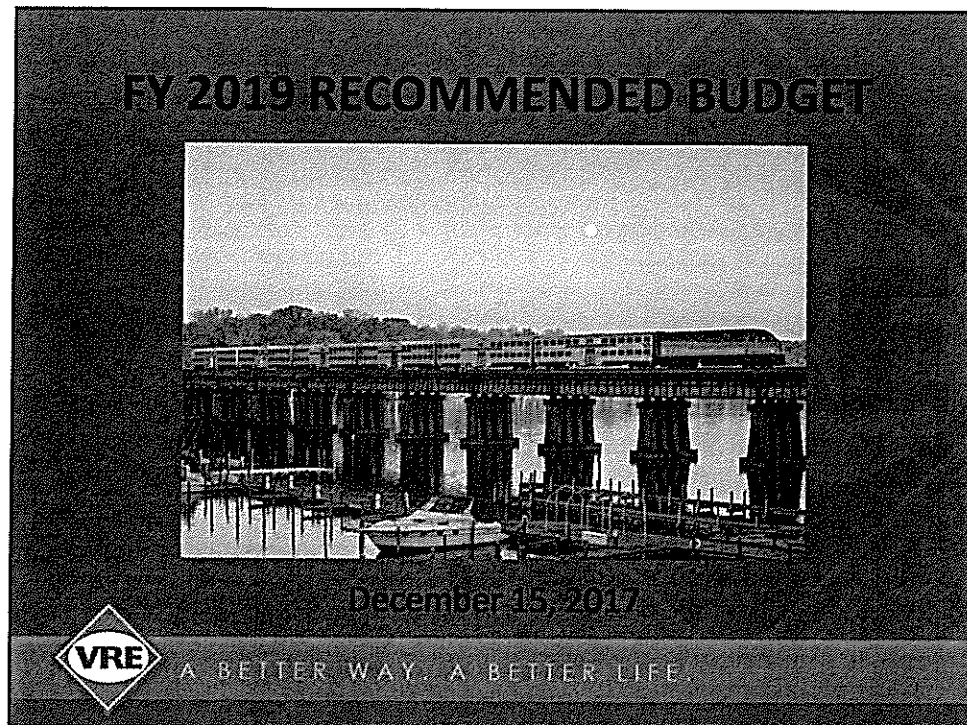
Nays:

Abstain:

Absent from Vote:

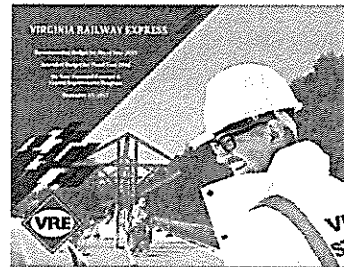
Alternate Present Not Voting:

Absent from Meeting:



FY 2019 BUDGET DOCUMENT

- Introduction
- Goals, Assumptions and Financial Principles
- Recommended FY 2019 Budget
- Amended FY 2018 Budget
- Six-Year Financial Forecast FY 2019-FY 2024
- Capital Improvement Program FY 2019-FY 2024
- Appendices & Supplementary Information



VIRGINIA RAILWAY EXPRESS

WHERE ARE WE?

- FY 2019 Recommended Budget
 - Budget is balanced
 - Highest priority capital projects are funded
- Six-Year CIP and Financial Forecast
 - Major impact to VRE (access fees and capital match) if state funding concerns not addressed
 - Focus on project delivery, but also press for long-term dedicated funding and funding for major joint corridor projects



VIRGINIA RAILWAY EXPRESS

FY 2019 KEY BUDGET ASSUMPTIONS

- Service level: 32 daily trains
- Jurisdictional subsidy increase of 3%
- No fare increase (except Amtrak Step-Up)
- Continued moderate fuel costs
- Fare revenue and ridership:

Budget	Fare Revenue	ADR
FY 2019 Recommended	\$42.4M	19,000
FY 2018 Adopted	\$39.8M	18,200
FY 2017 Actual	\$42.3M	18,968



VIRGINIA RAILWAY EXPRESS

KEY ASSUMPTIONS (CONT.)

- Diesel fuel: \$2.50/gallon, total expense of \$4.25 million
- Track access: \$17.87 million, grant funding of 84%
- State operating assistance: \$9.5 million
- Prior year funds of \$990K for one-time expenditures
- Federal formula funds: \$29.1 million in FY 2019



VIRGINIA RAILWAY EXPRESS

JURISDICTIONAL SUBSIDY INCREASE

- 3% jurisdictional subsidy increase - \$517,508 additional contribution
- Why is increase required?
 - Operating expenses and contractual obligations 4.5% higher than FY 2018
 - Potential reduction in State capital funding
 - VRE long-term funding structural issues (operating expenses increasing faster than revenues)
 - Consistent with Financial Plan, FY 2018 Approved Budget and Board Direction



VIRGINIA RAILWAY EXPRESS

FY2019 SUBSIDY BREAKDOWN

Jurisdiction	FY 2017		FY 2018		FY 2019		Change FY17 to FY19		Change FY18 to FY19	
	Subsidy	Percent	Subsidy	Percent	Subsidy	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	\$5,160,910	30%	\$6,099,300	35%	\$5,385,794	30%	\$224,884	-4.36%	(\$713,506)	-11.70%
Prince William County	5,968,406	35%	5,363,372	31%	6,183,745	35%	215,339	3.61%	820,373	15.30%
Stafford County	2,647,222	15%	2,344,514	14%	2,475,127	14%	(172,095)	-6.50%	130,613	5.57%
Spotsylvania County	1,382,749	8%	1,520,191	9%	1,632,635	9%	249,886	18.07%	112,444	7.40%
Manassas	749,371	4%	604,586	4%	785,098	4%	36,527	4.87%	181,312	14.90%
Manassas Park	511,777	3%	474,718	3%	511,311	3%	(466)	-0.09%	36,593	7.71%
Fredericksburg	483,524	3%	412,278	2%	436,568	2%	(46,956)	-9.71%	19,290	4.68%
Arlington	205,692	1%	205,692	1%	211,863	1%	6,171	3.00%	6,171	3.00%
Alexandria	140,589	1%	140,589	1%	144,807	1%	4,218	3.00%	4,218	3.00%
	\$17,250,240	100%	\$17,250,240	100%	\$17,767,748	100%	\$517,508	3.00%	\$517,508	3.00%

Jurisdiction	October 2015		October 2016		October 2017		Change Oct 15 to Oct 17		Change Oct. 16 to Oct. 17	
	Riders	Percent	Riders	Percent	Riders	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	2,163	22%	2,777	27%	2,122	23%	(41)	-1.90%	(655)	-23.60%
Prince William County	3,095	32%	3,061	29%	2,995	31%	(100)	-3.24%	(66)	-2.15%
Stafford County	1,603	17%	1,610	15%	1,517	16%	(86)	-5.36%	(93)	-5.77%
Spotsylvania County	990	10%	1,183	11%	1,159	12%	169	17.09%	(24)	-2.06%
Manassas	428	4%	418	4%	416	4%	(12)	-2.79%	(2)	-0.41%
Manassas Park	280	3%	294	3%	264	3%	(16)	-5.67%	(30)	-10.15%
Fredericksburg	359	4%	337	3%	359	4%	(0)	-0.09%	22	6.44%
Other	777	8%	778	7%	759	8%	(18)	-2.32%	(19)	-2.44%
	9,695	100%	10,458	100%	9,591	100%	(104)	-1.08%	(867)	-8.29%



VIRGINIA RAILWAY EXPRESS

FY 2019 OPERATING EXPENSE GROWTH

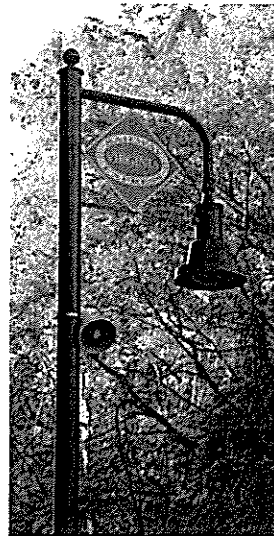
- \$3.5 million net increase (+4.5%) over FY 2018
- Primary ongoing expense increases:
 - Railroad Access Fees (\$1.0M): contractual increases, PTC, station leases
 - Contract Operations/Maintenance (\$1.0M): CPI increases, longer trains, L'Enfant storage, LOU facility operations
 - Finance & HR (\$0.5M): Additional FTE (grants accountant), costs related to higher fare revenue (bank fees, payment card fees)
 - Staff Salary/Benefits (\$0.5M): Includes 3% COLA
- One-time expenses:
 - Mechanical Operations (\$0.5M): PTC startup costs, LOU facility furniture and fixtures
 - Non-Routine Maintenance (\$0.3M): Station painting
 - Consulting (\$0.2M): Project Management and Design Standards manuals



VIRGINIA RAILWAY EXPRESS

CAO TASK FORCE

- Works with VRE Staff throughout the budget development process
- CAO Task Force supports:
 - 3% jurisdictional subsidy increase
 - \$1 increase in Amtrak step-up charge (from \$7 to \$8)
 - One additional FTE in FY2019 (grants accountant)



VIRGINIA RAILWAY EXPRESS

FY 2018 AMENDED BUDGET

- Operating – net increase of \$0.4 million:
 - Increased ridership/fare revenue projection consistent with experience so far
 - Small reduction in state operating assistance
 - Minor expense increases in various areas
- Capital – net increase of \$16 million:
 - SmartScale and REF grants that were not yet committed at this time last year
 - Capital reserve funding to keep projects moving forward



VIRGINIA RAILWAY EXPRESS

FY 2019 CAPITAL BUDGET: \$60.9 MILLION

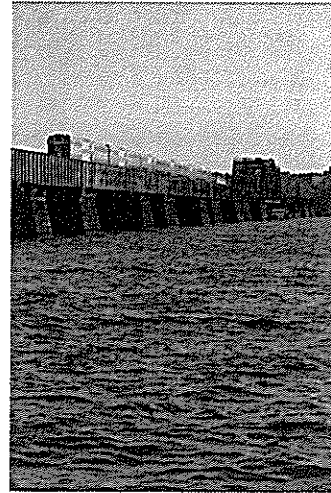
Category	Amount	Formula (with match)	Discretionary and VRE	Category % of Total
Asset Management	\$5,915	\$5,915	\$0	10%
Replacement/ Enhancement	33,413	29,863	3,550	55%
Capacity Expansion	18,615	0	18,615	31%
Capital Reserve	3,000	0	3,000	5%
TOTAL FY 2019	\$60,943	\$35,778	\$25,165	100%

figures in thousands

VIRGINIA RAILWAY EXPRESS

FY 2019 FEDERAL FUNDING COMMITMENTS

- Railcar Debt Service
- Security Enhancements
- Facilities and Equipment Asset Management Programs
- Midday Storage (New York Avenue Yard)
- Lifecycle Overhaul and Upgrade Facility (LOU)
- Washington Union Terminal Improvements



VIRGINIA RAILWAY EXPRESS

UPDATE ON WASHINGTON UNION TERMINAL

- Costs shared among Amtrak, MARC, and VRE
- Looking ahead through 2022, have identified both construction and design projects:
 - Construction: North Hangar improvements, Track 22 rehab, concourse modernization, subbasement structural relocation, substation relocation
 - Design: Concourse Part 2, track improvements, master development plan
- VRE share of six-year plan estimated at \$25-\$30 million (before potential credits)



VIRGINIA RAILWAY EXPRESS

FY 2019-FY 2024 CIP

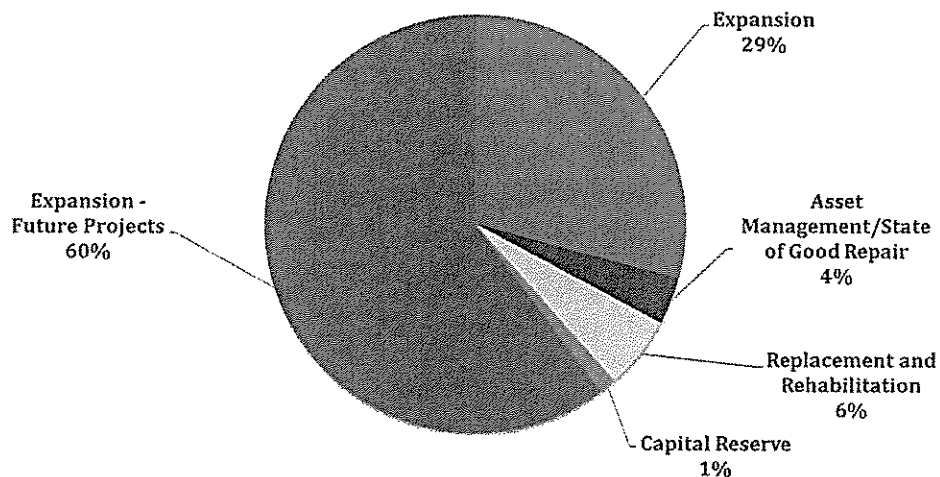
		Funding Status				
CIP Category	Total Project Costs	Life to Date (incl. FY18)	FY 2019 and Future			Total Project Funding
			Committed	Unfunded (I-66 OTB)	Unfunded	
Active	\$915.0	\$190.3	\$465.1	\$128.5	\$131.2	\$915.0
Future	\$1,384.8	\$0.3	\$0.7		\$1,383.8	\$1,384.8
TOTAL CIP	\$2,299.8	\$190.6	\$465.8	\$128.5	\$1,515.0	\$2,299.8

figures in millions



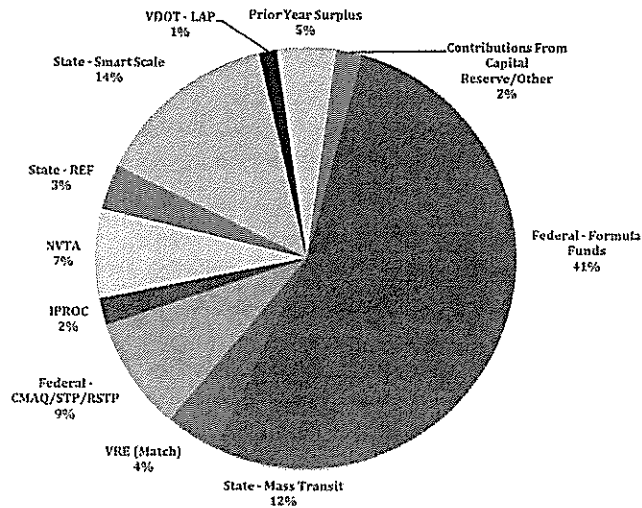
VIRGINIA RAILWAY EXPRESS

FY 2019 - FY 2024 \$2.3 BILLION CIP BY PROJECT TYPE



VIRGINIA RAILWAY EXPRESS

FY 2019 - FY 2024 CIP \$656M COMMITTED FUNDING SOURCES



VIRGINIA RAILWAY EXPRESS

FUNDING CHALLENGES

- If not addressed, state fiscal cliff will impact key capital projects like midday storage and matching of federal formula grants
- Impact will also be felt in operations as funding for track access fee reimbursement declines substantially



VIRGINIA RAILWAY EXPRESS

FUNDING CHALLENGES (CONT.)

- Relative to baseline state matching funding (34% for facilities, 16% otherwise), VRE faces loss of \$30 million over six-year period for CIP projects if state match falls to 8%
- If access fee support falls from 84% to 50% over six-year period, VRE faces loss of additional \$19 million



VIRGINIA RAILWAY EXPRESS

HOW WOULD VRE RESPOND?

- VRE's current financial practices are strong:
 - Annual contributions to capital reserve
 - Operating reserve at 3 months of expenses
 - Regular, moderate increases in fares and subsidy
- If fiscal cliff is not addressed, VRE could "muddle through" for a year or two:
 - Redirect current capital reserve contribution
 - Draw on existing reserves
 - Utilize federal formula funding for eligible preventive maintenance (PM) expenses



VIRGINIA RAILWAY EXPRESS

HOW WOULD VRE RESPOND? (CONT.)

- Sustained decline in access fee funding could force reduction in service – risk of “death spiral” if riders seek other options
- Must utilize federal formula funding for debt service and asset management (safety and state of good repair) before all else
- Discretionary funding for expansion (NVT, SmartScale, REF, I-66 OTB) cannot be repurposed – projects could be halted, but would not solve core funding issue



VIRGINIA RAILWAY EXPRESS

NEXT STEPS

Actions Requested Today:

- Adoption of Operating and Capital Budget
- Refer budget to Commissions and Jurisdictions
- Authorize submission of funding applications

Future Activities:

- Monitoring of State funding and allocation issues
- Pursuit of additional funding through State Legislature



VIRGINIA RAILWAY EXPRESS

THANK YOU



QUESTIONS?



VIRGINIA RAILWAY EXPRESS



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 9-A
Action Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: December 15, 2017

**Re: Referral of the Amended FY 2018 and Recommended FY 2019
VRE Operating and Capital Budgets to the Commissions and
Localities**

Recommendation:

The VRE Operations Board is asked to adopt the revised FY 2018 VRE Operating and Capital Budget and the recommended FY 2019 VRE Operating and Capital budget and refer them to the Commissions for their consideration and subsequent referral to the jurisdictions for their formal review and adoption; and to recommend the Commissions authorize the Executive Directors of NVTC and PRTC to take the necessary actions to apply for federal and state grant funding.

Summary:

Following the presentation of the preliminary FY 2019 budget in September and the budget update in November, staff is presenting the recommended FY 2019 operating and capital budget for adoption and referral. The recommended budget is balanced, with no funding gap and all projected uses of funding in FY 2019 supported by reasonably expected sources of funding. The FY 2019 budget includes a 3% increase in total jurisdictional subsidy and no increase in passenger fares, except for a \$1 increase in the cost of an Amtrak Step-Up ticket.

Background:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2019 VRE Operating and Capital Budget was prepared for review at the September VRE Operations Board meeting. Since that time, it has been discussed at subsequent meetings of the Operations Board, the Chief Administrative Officers' (CAO) Taskforce, and the Capital Committee, which reviewed the



Northern Virginia
Transportation Commission
2300 Wilson Blvd. #620
Arlington, VA 22201
703.524.3322



Virginia Railway Express
1500 King Street, Suite 202
Alexandria, VA 22314
703.684.1001
VRE.org



Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, VA 22192
703.580.6121

capital program in November. The CAO Taskforce met on December 7 to present their final recommendations and discuss VRE responses to those recommendations.

Discussion:

The recommended FY 2019 Operating and Capital Budget totals \$149.5 million. The budget includes no increase in passenger fares (except for a \$1 increase in the Amtrak Step-Up ticket) and projected average daily ridership of 19,000 passengers, which results in projected annual fare revenue of \$42.4 million. The budget also includes a 3% increase in total jurisdictional subsidy from \$17,250,240 in FY 2018 to \$17,767,748 in FY 2019.

The recommended FY 2019 operating budget of \$88.5 million (which includes \$6.7 million in debt-related expenses) represents an increase of \$3.5 million or 4.2% over the FY 2018 operating budget. This expense growth is primarily the result of contractual cost increases in the access fees VRE pays to Amtrak, CSX, and Norfolk Southern, as well as increases for contracted train operations and maintenance services. Other major assumptions in FY 2019, and significant changes compared to the prior fiscal year, are provided in the FY 2019 Recommended Budget document.

In accordance with the Master Agreement, VRE conducts an annual passenger survey to determine the jurisdiction of residence of its riders. The results of this survey are used to allocate the local jurisdiction subsidy. The recommended FY 2019 subsidy by individual jurisdiction, which incorporates data from the passenger survey conducted on October 4, 2017, is provided in Attachment A, which also includes prior year subsidy and ridership data for comparison. As the attachment demonstrates, the allocation for FY 2018 was impacted by WMATA's SafeTrack program, which resulted in a temporary increase in the number of VRE riders from Fairfax County. Following the completion of SafeTrack, the allocation of subsidy by jurisdiction is back in line with FY 2017 (i.e., pre-SafeTrack) results.

Six-Year Financial Forecast

The FY 2019 budget document also includes a six-year financial forecast for the period FY 2019 through 2024. The forecast assumes the continuation of biennial 3% fare increases (in FY 2020, 2022, and 2024) and biennial 3% local subsidy increases (in FY 2019, 2021 and 2023). The forecast assumes modest capacity enhancements through lengthening of some existing trains, but no change in overall service level beyond the current 32 daily trains. The primary issue in the six-year financial forecast is the projected decline (absent any legislative action) in future State funding for capital projects and reimbursement of access fees.

Capital Budget and CIP

The multi-year CIP includes both funded and unfunded projects. The funded projects include those that are funded through federal formula grants or State Mass Transit funds

received annually by VRE; through already allocated funds from other programs, such as CMAQ or NVTa; or through other expected sources. The unfunded or partially funded projects are those that are pending a discretionary allocation by a funding authority or for which a funding source has not yet been identified.

In July 2017, VRE's *Manassas Line Capacity Expansion and Real-Time Traveler Information Project* was recommended to receive approximately \$128 million in funding from the I-66 Outside the Beltway (OTB) concessionaire payment. However, the I-66 OTB project reached financial close later than expected, and the Commonwealth Transportation Board (CTB) will not meet until January 2018 to give its final approval on the projects to be funded through the concessionaire payment. Therefore, this \$128 million cannot yet be shown as a committed funding source in the FY 2019 – 2024 CIP, and those projects are currently shown as partially or totally unfunded. However, VRE staff remain confident the CTB will recommend the Manassas Line project for funding and expect to return to the Operations Board in the future with those projects showing committed I-66 OTB funding.

The FY 2019-2024 CIP illustrates the capital funding challenges facing VRE in the coming years, since currently identified funding falls short of the system's capital needs. Projects included in the CIP are prioritized with an emphasis on passenger safety, regulatory requirements, and maintaining current equipment and facilities in a state of good repair. However, the shortfall makes it difficult for VRE to adequately reinvest to maintain the system's reliability and safety, while also making enhancements, adding capacity to serve new ridership demands and adhering to commitments to participate in the expansion of the railroad infrastructure.

The total cost of all the projects in the FY 2019-2024 CIP is approximately \$2.3 billion. Of this total, \$191 million has already been expended in prior years (or is expected to be expended in FY 2018), \$466 million is available from committed or reasonably expected funding sources, and \$1.64 billion is currently unfunded (including I-66 OTB funds). The table below separates the CIP into two categories – those which are already underway or are likely to be substantially underway within the six-year timeframe, and future projects whose initiation and completion is more uncertain. The latter category includes unfunded major joint corridor projects such as Long Bridge and Occoquan Third Track.

CIP Category	Total Project Costs	Funding Status				
		Life to Date (including FY18)	FY2019 and Future			Total Project Funding
			Committed	Unfunded (I-66 OTB)	Unfunded	
Active Six-Year Projects	\$915,080,604	\$190,252,773	\$465,134,864	\$128,496,000	\$131,196,967	\$915,080,604
Future Projects	1,384,760,459	300,000	650,000		1,383,810,459	1,384,760,459
TOTAL CIP	\$2,299,841,063	\$190,552,773	\$465,784,864	\$128,496,000	\$1,515,007,426	\$2,299,841,063

Total programmed capital funding of \$60.9 million in the FY 2019 recommended budget is distributed across the following investment categories and funding types as follows, where Formula includes federal formula funds with the associated state and local match and Discretionary includes all other regional, state, or federal funds distributed through a competitive or other non-formula-based process, as well as VRE funding.

Category	Amount	Formula (with match)	Discretionary/ VRE	Category % of Total
Asset Management	\$5,915	\$5,915	\$0	10%
Replacement/Enhancement	33,413	29,863	3,550	55%
Capacity Expansion	18,615	0	18,615	31%
Capital Reserve	3,000	0	3,000	5%
TOTAL CIP	\$60,943	\$35,778	\$25,165	100%

figures in thousands

The programmed funding in the FY 2019 recommended capital budget is approximately \$12.5 million higher than the approved FY 2018 budget, which is primarily the result of new funding available through the SmartScale program for Quantico Station improvements, the Alexandria Pedestrian Tunnel, and Fleet Expansion Coaches. SmartScale funding for these projects is also being included in the FY 2018 amended budget, as described below.

FY 2018 Amended Budget

Proposed amendments to the FY 2018 budget reflect updated projections for year-end revenue and expenses after four months of actual results. The net impact of all changes to the operating budget is an increase in total operating expenses of approximately \$365,000. This increase is offset by higher projected passenger fare revenues, and there is no change to the approved FY 2018 local subsidy. Detailed information on the changes is provided in the FY 2019 Recommended Budget document, which includes the FY 2018 Amended Budget.

The FY 2018 Amended Budget includes additional state capital funding from the Rail Enhancement Fund (REF) and the SmartScale program, as well as Board-authorized funding from VRE's capital reserve and from the sale of the Woodbridge Kiss-and-Ride property. The Amended Budget also incorporates a small reduction in the federally-funded security enhancement project from \$105,000 to \$101,010 (which includes associated reductions in required state and local match). These capital funding amendments are summarized in the table below:

Project	Funding Source	Amendment Amount Increase / (Decrease)
<i>FUNDING INCREASES</i>		
Quantico Station Improvements	SmartScale	\$1,899,745
Alexandria Pedestrian Tunnel	SmartScale	7,853,000
Fleet Expansion Coaches	SmartScale	2,000,000
L'Enfant Station Improvements	REF	1,113,000
Fourth Track VA to LE	REF	1,113,000
Crystal City Station Improvements	REF	707,000
Crystal City Station Improvements	Capital Reserve	303,000
Broad Run Expansion	Capital Reserve	750,000
EMV Compliance (Fare Collection System)	Capital Reserve (property sale)	518,000
<i>FUNDING REDUCTIONS</i>		
Security Enhancements	Federal (incl state/local match)	(3,990)
TOTAL FY 2018 CAPITAL AMENDMENT		\$16,252,755

**Virginia Railway Express
Operations Board**

**Resolution
9A-12-2017**

**Referral of the Amended FY 2018 and Recommended FY 2019 VRE
Operating and Capital Budgets to the Commissions and Localities**

WHEREAS, the VRE Master Agreement requires the Commissions be presented with a fiscal year budget for their consideration at their respective January meetings prior to the commencement of the subject fiscal year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the FY 2019 Operating and Capital Budget within the guidelines developed in cooperation with the chief administrative officers of the local jurisdictions; and,

WHEREAS, the FY 2019 budget proposes a 3% increase in the total jurisdictional subsidy over the FY 2018 contribution level; and,

WHEREAS, the FY 2019 budget proposes an increase to the amount charged to VRE passengers for Amtrak Step-Up tickets from \$7 to \$8, effective the first week of July 2018, with the start of the FY 2019 budget; and,

WHEREAS, apart from the Amtrak Step-Up increase described above, the FY 2019 budget proposes no other changes to passenger fares; and,

WHEREAS, VRE staff recommends a budget based on a service level of 32 daily trains and average daily ridership of 19,000 trips;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions adopt the FY 2019 VRE Operating and Capital Budget in the following amounts and forward this budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement; and,

Operating Budget	\$ 88,522,679
Capital Budget	<u>60,942,515</u>
Total Operating and Capital	\$149,465,194

Resolution 9A-12-2017 continued

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions adopt the amended FY 2018 Operating and Capital Budget in the following amounts; and,

Operating Budget	\$ 85,346,443
Capital Budget	<u>64,675,346</u>
Total Operating and Capital	\$150,021,789

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Executive Directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2018 and FY 2019; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Executive Director of NVTC to submit to the Commonwealth the approved budget as part of the FY 2019 state aid grant applications.

~~**BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer of VRE to submit appropriate projects to the Northern Virginia Transportation Authority or other funding authorities on behalf of the Commissions.**~~

Approved this 15th day of December 2017

Paul Smedberg
Chairman

Katie Cristol
Secretary

MOTION:

SECOND:

RE: RECOMMEND APPROVAL TO REFINANCE VRE RRIF LOAN

ACTION:

WHEREAS, the Northern Virginia Transportation District Commission ("NVTC") and the Potomac and Rappahannock Transportation District Commission ("PRTC," and, together with NVTC, the "Commissions") jointly own and operate the Virginia Railway Express (the "VRE") commuter rail service in Northern Virginia and the District of Columbia pursuant to the "Master Agreement for Provision of Commuter Rail Services in Northern Virginia – Establishment of the Virginia Railway Express" dated as of October 3, 1989, as amended (the "Master Agreement"), among the Commissions and the Participating and Contributing Jurisdictions described in such Master Agreement; and

WHEREAS, NVTC, with the consent of PRTC and the Participating and Contributing Jurisdictions, entered into a financing agreement with the Federal Railroad Administration pursuant to its Railroad Rehabilitation and Improvement Financing program in 2007 and subsequently borrowed a total of \$68,953,913 pursuant to a series of draws under the program for railcars delivered between 2008 and 2012 (collectively, the "FRA Loan"); and

WHEREAS, the FRA Loan is now administered by the U.S. Department of Transportation's Build America Bureau; and

WHEREAS, the Master Agreement provides that the Commissions shall utilize reasonable debt financing to the extent that such financing is advantageous to the VRE and is in the interest of the parties to the Master Agreement, but requires that the Commissions not incur debt related to the VRE without the consent of all Participating and Contributing Jurisdictions; and

WHEREAS, the Commissions have determined to refinance the FRA Loan with the proceeds of a loan to be obtained from the Virginia Resources Authority ("VRA") in an amount not to exceed \$56,000,000, for a term not to exceed 15 years from its delivery date, and generating net present value savings of at least 3% of the refunded principal (collectively, the "VRA Loan").

ITEM 9-D

January 4, 2018

PRTC Regular Meeting

Res. No. 18-01-____

VRE Item 9-B

Page Two

WHEREAS, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation District Commission, as follows:

1. The VRA Loan, upon the terms and conditions set forth in the VRA Term Sheet dated December 15, 2017 (a copy of which has been provided to the Commissions), with such changes thereto as may be consented to in writing by the Chairman, Vice Chairman or Executive Director of PRTC, is hereby authorized.
2. The Chairman, Vice Chairman or Executive Director of PRTC is authorized to consent to the final details of the VRA Loan, including, without limitation, the aggregate principal amount of the VRA Loan, the interest rates on the VRA Loan, the dates (including payment dates) of the VRA Loan documents and the amounts and prices of any optional or mandatory prepayments, provided, however, that the aggregate principal amount of the VRA Loan shall not exceed \$56,000,000, its term shall not exceed 15 years from its delivery date, it shall generate net present value savings of at least 3% of the refunded principal, and its other terms and conditions shall be substantially as provided in the VRA Term Sheet described above. The VRA Loan will require that the Commissions grant the VRA security interests in the participating jurisdictions' jurisdictional payments under the Master Agreement. The consent of the Chairman, Vice Chairman or Executive Director of PRTC of such details shall be conclusively evidenced by the execution and delivery of certain of the loan documents for the VRA Loan, which VRA Loan documents shall be prepared or reviewed by VRE's bond counsel and reviewed by its general counsel, it being acknowledged and understood that the repayment obligations of the VRA Loan and the related financing covenants will be evidenced by a local bond to be issued by NVTC and a local bond sale and financing agreement to be negotiated and entered into by NVTC and VRA. The consummation of the VRA Loan shall be subject to the consent of the Participating and Contributing Jurisdictions as described in the recitals to this Resolution.

ITEM 9-D
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____
VRE Item 9-B
Page Three

3. The Chairman, Vice Chairman or Executive Director of PRTC is authorized to approve, execute and deliver on behalf of PRTC, and, if required, the Secretary or any Assistant Secretary of PRTC is authorized to affix and attest the seal of PRTC to, the VRA Loan documents described above and such other documents, instruments or certificates as they deem necessary or appropriate, in consultation with VRE's bond counsel and general counsel, to consent to and facilitate the VRA Loan transaction authorized by this resolution. The consent of the Chairman, Vice Chairman or

Executive Director of PRTC shall be conclusively evidenced by the execution and delivery of such documents, instruments or certificates. Such officers of PRTC and the Executive Director are further authorized to do and perform such other things and acts as they deem necessary or appropriate, in consultation with VRE's bond counsel and general counsel, to consent to and facilitate the VRA Loan transaction authorized by this resolution. All of the foregoing previously consented to, approved, executed, delivered, done or performed by such officers of PRTC or the Executive Director are in all respects hereby consented to, approved, ratified and confirmed.

4. This resolution shall take effect immediately upon its adoption.

Adopted this ____ day of _____, 2018.

Authorized Officer, Potomac and Rappahannock
Transportation District Commission

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:



Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

Below is an outline of the proposed principal terms and conditions for the type of financing requested in the Northern Virginia Transportation Commission application for funding from the spring Series 2018 Virginia Pooled Financing Program ("VPFP"), which has been authorized by the Credit Committee of Virginia Resources Authority ("VRA"), subject to receipt and satisfactory review of the City of Manassas Park fiscal year 2016 audited financial statements. The final terms and conditions will be set forth in the Local Bond Sale and Financing Agreement between VRA and the Northern Virginia Transportation Commission, which will be executed in advance of the VPFP spring Series 2018 bond issue pricing in May 2018. The following proposed terms are valid through June 30, 2018.

- Borrower:** Northern Virginia Transportation Commission (the "Borrower"), as co-owner of the Virginia Railway Express ("VRE"), the provisions for which are detailed in the Master Agreement for Provision of Commuter Rail Services in Northern Virginia document originally dated October 3, 1989, as amended (the "Master Agreement").
- Amount:** Requested proceeds of up to \$52,000,000 plus costs of issuance and an amount sufficient to provide for the below-referenced local debt service reserve fund, if debt financed.
(Any changes in the Requested Proceeds amount should be submitted no later than March 23, 2018)
- Purpose:** To refinance the Borrower's promissory note payable to the Federal Railroad Administration issued in fiscal year 2008, together with related expenses (the "Project").
- Security:** Gross pledge of Borrower revenues properly allocable to VRE in accordance with generally accepted accounting principles or resulting from the ownership or operation of VRE, specifically including: (1) fares and other operating revenues, (2) contributions to costs of VRE by the below defined Participating Jurisdictions and Contributing Jurisdictions, (3) federal, state, and local grants, subsidies, or other governmental revenues received with respect to VRE that can be legally pledged and (4) any investment or other income allocable to VRE that can be legally pledged (collectively, the "Gross Revenues");
- Equity or debt-funded local debt service reserve equal to \$2,000,000 to be held by the VPFP trustee and if equity funded, the local debt service reserve requirement may be



Northern Virginia Transportation Commission
Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

funded in four annual installments of \$500,000 on each July 1 in 2018, 2019, 2020, and 2021;

Moral obligation pledges as described below.

Moral Obligation Pledges:

Moral obligation pledges of the Counties of Fairfax, Prince William, Stafford, and Spotsylvania, and the Cities of Fredericksburg, Manassas, and Manassas Park (collectively, the “Participating Jurisdictions”) evidenced in resolutions of the governing body of each locality that acknowledge and consent to the following: (1) the issuance of the proposed debt, (2) VRA’s treatment of the Master Agreement and the related, subject to appropriation, financial responsibilities of the Participating Jurisdictions as a “local obligation” within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended, which will enable VRA to invoke the “state-aid intercept” in the event of a non-payment under the master agreement that results in a payment default on the proposed VRA loan, and (3) VRA’s status as a third party beneficiary of the Master Agreement;

It is understood that the County of Arlington and the City of Alexandria (collectively, the “Contributing Jurisdictions”) are not providing moral obligation support for the proposed loan.

Rate Covenant:

Net revenues available for debt service consisting of Gross Revenues less cash-based operating and maintenance expenses (“Net Revenues Available for Debt Service”) shall be 100% of Borrower’s annual debt service on the proposed loan and any other debt obligations secured by a pledge of Gross Revenues, inclusive of contributions from the Participating Jurisdictions and Contributing Jurisdictions (the “Rate Covenant”); it is understood that debt obligations secured by a leasehold interest in property are excluded from the rate covenant calculation.

In the event that the Borrower does not meet the Rate Covenant based on results of the Borrower’s annual audited financial statements, the Borrower agrees to take immediate action to adjust the VRE budget to restore compliance with

Northern Virginia Transportation Commission
Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

the Rate Covenant, including adjusting revenues and / or expenses and / or taking action under Section III(D) of the Master Agreement to seek supplemental appropriations from all Participating Jurisdictions that provided funding in support of VRE in the then current budget year and the most recent prior fiscal year.

**Qualified Independent
Consultant Report:**

If as of the end of any fiscal year, the Borrower is not in compliance with the revenue covenant, the Borrower will within 30 days of receipt of the annual audited financial statements request a consultant report with recommendations to bring the Borrower into compliance with the rate covenant.

Liquidity Covenant:

Borrower covenants to maintain no less than 90 days of budgeted annual cash operating expenses (excluding budgeted annual debt service) in unrestricted cash as a working capital reserve fund (the “Working Capital Reserve Fund Requirement”); VRA will test compliance as of the end of the Borrower’s fiscal year (each June 30) based on audited financial statements, and if at any time during the life of the proposed loan the Borrower maintains an amount less than the Working Capital Reserve Fund Requirement, the Borrower covenants to replenish the related, unrestricted cash balance to the Working Capital Reserve Fund Requirement within six months of completion of the audited financial statements that showed non-compliance.

Parity Provisions:

In addition to the necessary local approvals required to issue additional debt, the Borrower may issue parity bonds on behalf of VRE provided that while the proposed VRA 2018 loan is outstanding: (1) Borrower provides evidence of compliance with the Rate Covenant in each of the five most recently audited fiscal years, (2) Borrower provides evidence of compliance with the Working Capital Reserve Fund Requirement in each of the five most recently audited fiscal years, and (3) Borrower will provide a third-party independent consultant certification that during the first three complete fiscal years following the completion of the improvements to be financed with the parity debt, the projected Net Revenues Available for Debt Service will be sufficient to meet the Rate Covenant; it is understood that the



Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

independent consultant may use the Borrower's six-year plan as the basis for projected Net Revenues Available for Debt Service.

Other Conditions:

Notice to VRA prior to the pricing of the VPFP spring Series 2018 bond issue if the Borrower becomes aware of any threatened or filed litigation with respect to the Project¹;

Notice to VRA of intent to participate in the VPFP spring Series 2018 bond issue no later than March 30, 2018² through the execution of the Borrower's Local Bond Sale and Financing Agreement related to the proposed loan;

Loan commitment is contingent on receipt and satisfactory review of the fiscal year 2016 audited financial statements of the City of Manassas Park.

Other Highlighted Documentation:

Certified copies of the Borrower, Potomac and Rappahannock Transportation Commission, Participating Jurisdictions, and Contributing Jurisdictions local resolutions authorizing the proposed financing.

Legal Opinions:

Customary opinions as to authorization, validity, no litigation, and no private activity and other matters requested by VRA

General Covenants:

To include those customary for these types of transactions, including events of taxability and others that are appropriate in the context of the financing

Payment Dates:

April 1 - Interest
October 1 – Principal and interest

Final Local Bond Maturity:

No later than October 1, 2032

¹ In the event of threatened or filed litigation with respect to the Borrower or the Project, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.

² If a material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, application and other information furnished to VRA between the date of the Borrower's loan application to the VPFP and the VPFP bond pricing, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.



Northern Virginia Transportation Commission
Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

VRA Loan Origination Fee:	12.5 basis points of par amount and added to costs of issuance (not to exceed \$25,000)
Annual Administrative Fee:	12.5 basis points of outstanding principal and payable semi-annually
Annual Pass-through fees:	Annual trustee fees; allocable costs associated with arbitrage rebate calculations

Acknowledgement:

The foregoing terms and conditions are hereby acknowledged the _____ day of _____, 2017 / 2018.

By: _____

Its: _____

VRA Contact:

Peter D'Alema
Director of Program Management
Virginia Resources Authority
1111 East Main Street
Suite 1920
Richmond, VA 23219
804-616-3446
pdalema@virginiaresources.org

ITEM 11
January 4, 2018
PRTC Regular Meeting

PRTC Action Items

- A. RES Authorization to Execute Funding Agreements Related to the I-66 Express Lanes**
- B. RES Authorization to Execute Agreements with VDRPT for Funding Projects Under the Vanpool!VA Program**
- C. RES Authorization to Award a New Fleet Audit Contract**
- D. RES Approval of Legislative Agenda**
- E. RES Authorization to Refer the PRTC Proposed FY19 Budget to Member Jurisdictions for Consideration and Hold Public Hearings on the Proposed FY19 Budget and Federal Grant Applications**

MOTION:

SECOND:

**RE: AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH VDRPT
FOR FUNDING ELEMENTS OF THE I-66 OUTSIDE THE BELTWAY TRANSPORTATION
MANAGEMENT PROGRAM**

ACTION:

WHEREAS, construction of the I-66 Express Lanes is expected to begin this winter; and

WHEREAS, the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (VDRPT) has developed and funded a Transportation Management Program (TMP) to alleviate congestion during the construction period; and

WHEREAS, the Potomac and Rappahannock Transportation Commission ("PRTC" or the "Commission") has been selected to provide services for the TMP including a fare buy-down on OmniRide express and Metro Direct services, additional bus trips to meet demand, and vanpool incentives; and

WHEREAS, these services will be subject to one or more funding agreements; and

WHEREAS, execution of a funding agreement is necessary to receive these funds; and

WHEREAS, the actual services and budgeted amounts may change during the course of the TMP necessitating additional funding agreements; and

WHEREAS, management will seek the review and approval of legal counsel prior to the execution of any agreements.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to execute funding agreements related to the I-66 Express Lanes Transportation Management Program.

ITEM 11-A
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____
Page Two

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:




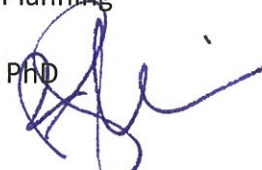
Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

January 4, 2018

TO: Chairman Principi and PRTC Commissioners

FROM: Chuck Steigerwald 
Director of Strategic Planning

THROUGH: Robert A. Schneider, PhD 
Executive Director

SUBJECT: Authorize the Executive Director to Execute Agreements with VDRPT Funding Elements of the I-66 Outside the Beltway Transportation Management Program

Recommendation:

Authorize the Executive Director to execute agreements with the Virginia Department of Rail and Public Transportation (VDRPT) providing funding for elements of the I-66 Outside the Beltway Transportation Management Program.

Background:

As a part of the preparation for the construction of the I-66 Express Lanes outside the Beltway the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (VDRPT) have developed a Transportation Management Program (TMP) designed to alleviate congestion during the construction period. The TMP includes a number of transit and Transportation Demand Management (TDM) strategies to encourage transit use and ridesharing and a number of these will be administered by PRTC or directly impact PRTC services. These elements will be funded by the Commonwealth and subject to funding agreements between PRTC and VDRPT. Implementation of these strategies is expected to occur in late winter of 2018. PRTC staff has actively participated in the development and selection of the transit and TDM strategies in the TMP.

The TMP will fund two transit strategies. The most significant consists of a fare buy-down on all OmniRide express and Metro Direct services in the I-66 corridor (riders will pay only half of the current fare). Riders on the express services will pay a cash fare of \$4.60 or \$3.45 if paying with a SmarTrip card. Metro Direct riders will a cash fare of \$2.15 or \$1.75 if paying with SmarTrip.

OmniRide • Metro Direct • OmniLink • Cross County Connector • OmniMatch • VRE

Administrative Office: (703) 583-7782 • Customer Info: (703) 730-6664 • Toll Free: (888) 730-6664 • Fax: (703) 583-1377 • PRTCtransit.org

Chairman Principi and PRTC Commissioners

January 4, 2018

Page 2

PRTC will be reimbursed the difference between revenue at the regular fares and revenue at the half fares. The TMP has budgeted \$4.4 million for this element.

The second transit strategy consists of \$736,000 budgeted to fund the operating costs of additional express or Metro Direct trips. These trips would be added to schedules on an as-needed basis to address overcrowding on existing services.

The Vanpool alliance program has been tasked with administering an incentives program for newly formed vanpools in the I-66 corridor. The incentives include a \$200 per seat subsidy (up to four seats) monthly, preloaded SmartTrip Cards, and a \$350 gas card for larger vans. The TMP has budgeted \$520,000 for vanpool incentives.

Several other TMP strategies will impact PRTC services, but will not be administered or provided by the agency. The most significant of these is the construction of a new 230 space commuter lot near the intersection of Route 15 and I-66. The TMP will also provide support for commuter bus service from the Front Royal area. This service will be privately operated and will connect with OmniRide express and Metro Direct routes at commuter lots in Prince William County. Carpooling incentives through Commuter Connections Pool Rewards program, telework incentives, and additional resources for employer outreach in the I-66 corridor will also be funded through the TMP.

Each strategy will be subject to evaluation throughout the duration of the TMP. Line item budget amounts may be adjusted, strategies eliminated, and new strategies added throughout the duration of the construction. The attached resolution would allow the Executive Director to execute any TMP-related funding agreements throughout the life of program without further action from the Commission.

Fiscal Impact:

All strategies will be fully funded by VDRPT during the construction period.

MOTION:

SECOND:

**RE: AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH VDRPT
FOR FUNDING PROJECTS UNDER THE VANPOOL!VA PROGRAM**

ACTION:

WHEREAS, the Virginia Department of Rail and Public Transportation (VDRPT) has made funding available for projects that promote and incentivize vanpooling through the Vanpool!VA program; and

WHEREAS, the Potomac and Rappahannock Transportation Commission ("PRTC" or the "Commission"), on behalf of the Vanpool Alliance, has developed projects eligible for Vanpool!VA funding; and

WHEREAS, PRTC has applied for and been awarded project funding through Vanpool!VA; and

WHEREAS, required local matching funds will be provided using the "soft match" provision; and

WHEREAS, PRTC may receive funding for additional projects under the Vanpool!VA program; and

WHEREAS, execution of one or more funding agreements are necessary to receive these funds; and

WHEREAS, management will seek the review and approval of legal counsel prior to the execution of any agreement.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to execute funding agreements under the Vanpool!VA Program.

ITEM 11-B
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____
Page Two

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:




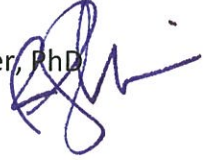
Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

January 4, 2018

TO: Chairman Principi and PRTC Commissioners

FROM: Chuck Steigerwald 
Director of Strategic Planning

THROUGH: Robert A. Schneider, PhD 
Executive Director

SUBJECT: Authorize the Executive Director to Execute Agreements with VDRPT for Project Funding Under the Vanpool!VA Program

Recommendation:

Authorize the Executive Director to execute agreements with VDRPT for project funding under the Vanpool!VA Program.

Background:

As a part of the FY2018 grant cycle the Virginia Department of Rail and Public Transportation (VDRPT) created an opportunity to provide funding for projects or programs designed to promote and incentivize vanpooling through the new Vanpool!VA program. In its FY2018 grant application package PRTC included several projects eligible for this opportunity; however, grant funds were not awarded to PRTC for the proposed projects.

Working with VDRPT staff and Deputy Secretary of Transportation Nick Donohue, PRTC and Vanpool Alliance staff developed a refined proposal for a FY2018 mid-cycle grant application submission. VDRPT approved the application and awarded PRTC \$1.4 million.

The funded project consists of an additional monthly payment for new vanpools enrolling in the Vanpool Alliance program. The funds would allow doubling the current monthly payment of \$200 to \$400. Vanpools will be eligible for the increased payment if a minimum of 75% of the riders are new to the Vanpool Alliance program and the vanpool meets all of the requirements for participating in the Vanpool Alliance program. The increased payment is limited to a two-year period from the time the new vanpool is enrolled into the Vanpool Alliance program.

OmniRide • Metro Direct • OmniLink • Cross County Connector • OmniMatch • VRE

Administrative Office: (703) 583-7782 • Customer Info: (703) 730-6664 • Toll Free: (888) 730-6664 • Fax: (703) 583-1377 • PRTCtransit.org

Chairman Principi and PRTC Commissioners

January 4, 2018

Page 2

Management believes vanpool activity in the region has leveled off with the number of new vanpools being formed roughly equivalent to the number ceasing operation. It is expected the increased monthly payment will further encourage the formation of new vanpools by allowing vanpool operators to reduce the cost burden for riders.

The awarded grant also includes funding for one additional full-time employee (FTE) for Vanpool Alliance for a two-year period. This is necessary due to the additional work load involved in the implementation and administration of the increased monthly payment. When the two-year grant funding for the FTE is depleted, the position will be funded through Vanpool Alliance program earnings (which will increase as new vanpools are enrolled).

The Vanpool!VA grant has a local match requirement of 20% (\$350,000). VDRPT has agreed to allow the use of "soft match" funds to meet the local match requirement. Federal legislation allows the value of the privately owned vans enrolled in the Vanpool Alliance program to be used as local match for projects receiving certain types of federal funds. This "soft match" provision was introduced in MAP-21 and continued in FAST-ACT. VDRPT has agreed to extend this federal provision to apply specifically to this grant under the Vanpool!VA program. Management has determined sufficient "soft match" funds exist, not only to meet the local match obligations for this grant, but to also meet the "soft match" requirement for the anticipated federal funds that will be earned by the Vanpool Alliance program.

Because PRTC anticipates the potential for additional projects to be funded through the Vanpool!VA program, if authorized, the attached resolution will allow the Executive Director to execute any further agreements related to the Vanpool!VA program without further action from the Commission.

Fiscal Impact:

Local match requirements will be met using the "soft match" provision. Out year costs for additional staff will be paid for through Vanpool Alliance program earnings.

ITEM 11-C
January 4, 2018
Regular Meeting
Res. No. 18-01-___

MOTION:

SECOND:

**RE: AUTHORIZATION TO ENTER INTO A CONTRACT FOR FLEET AUDITING SERVICES
WITH TRANSIT RESOURCE CENTER**

ACTION:

WHEREAS, an independent fleet audit is essential to the Potomac and Rappahannock Transportation Commission's ("PRTC" or the "Commission") bus operations for providing quality service; and

WHEREAS, PRTC received one proposal in response to the solicitation; and

WHEREAS, Transit Resource Center (TRC) is the incumbent to providing these services and understands PRTC's fleet; and

WHEREAS, a fair and reasonable analysis review was conducted and concluded that PRTC is justified in awarding the contract to TRC; and

WHEREAS, fleet auditing costs are currently included in the annual operating budget.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to award a new contract to Transit Resource Center for one year and to exercise nine option years if, in the Executive Director's judgment, doing so would be in PRTC's interest.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Note Voting:

Absent from Meeting:




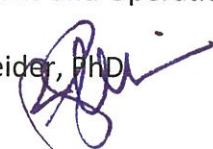
Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

January 4, 2018

TO: Chairman Principi and Commissioners

FROM: Perrin Palistrant 
Director of Operations and Operations Planning

THROUGH: Dr. Robert A. Schneider, PhD 
Executive Director

RE: Authorization to Enter into a Contract for Fleet Auditing Services

Recommendation:

Authorize the Executive Director to award a contract to Transit Resource Center (TRC), for Fleet Auditing Services.

Background:

In September 2007, PRTC entered into a contract with Ameritrans Service Corp, Inc. (dba Transit Resource Center—TRC) for fleet auditing and technical specifications services as part of a competitive Request for Proposal (RFP) process. These services are vital to the organization for providing quality service to thousands of passengers that rely on PRTC's bus services within Prince William County as well as to major employment centers in Northern Virginia and Washington, D.C.

While PRTC does contract with First Transit to provide overall operations and maintenance services, the independent fleet audit allows a third party to review records to ensure proper preventative maintenance per the contract is being completed, as well as other general maintenance audit to protect the capital assets that PRTC owns.

TRC is one of the few companies that provides this level of service and was the only company to submit a proposal. A fair and reasonable analysis review was conducted and concluded that PRTC is justified in awarding the contract to TRC due to the following:

Chairman Principi and Commissioners

January 4, 2017

Page 2

- PRTC's fleet auditing service is already conducted by TRC.
- TRC has provided technical services for the creation of Requests for Proposals for vehicle mid-life overhauls as well as related line inspections and auditing of overhauls being conducted.
- Provided line inspection services after competitive bidding for new vehicles.
- Understands PRTC's fleet and high quality demands for maintenance.
- Excellent track record and willingness to work with PRTC and First Transit staff on any outstanding issues.

The term for this Contract shall be for one year from the date of execution. PRTC shall have the option to extend the Contract for nine additional one (1) year periods, contingent upon availability of funds for the purpose. The option to renew shall be exercised at the sole discretion of PRTC.

Fiscal Impact:

Fleet Auditing costs are included in the annual operating budget. There was no per unit cost change for the audit in the new contract. There is sufficient operating budget to cover the estimated fleet auditing costs for the remainder of FY17. Future year operating budgets will incorporate estimated fleet auditing costs in accordance with the contract.

ITEM 11-D
January 4, 2018
PRTC Regular Meeting
Res. No. 18-01-____

MOTION:

SECOND:

RE: APPROVAL OF LEGISLATIVE AGENDA

ACTION:

WHEREAS, each year the Potomac and Rappahannock Transit Commission (“PRTC” or the “Commission”) adopts state and federal legislative agenda to guide its advocacy efforts; and

WHEREAS, the 2018 agenda remains focused on the Commission’s priorities of stabilized operating and capital revenues sources from the Commonwealth.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transit Commission does hereby approve its 2018 legislative agenda.

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

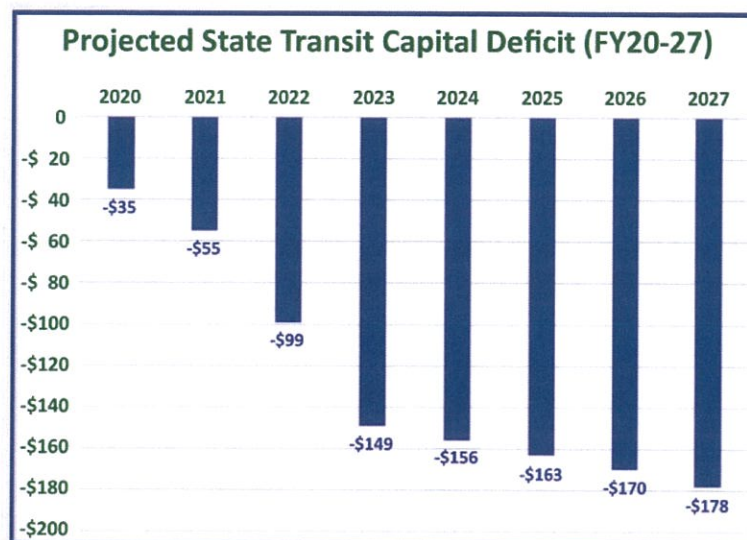
Alternate Present Not Voting:

Absent from Meeting:

TRANSIT CAPITAL FISCAL CLIFF

WHAT IS THE TRANSIT CAPITAL FISCAL CLIFF?

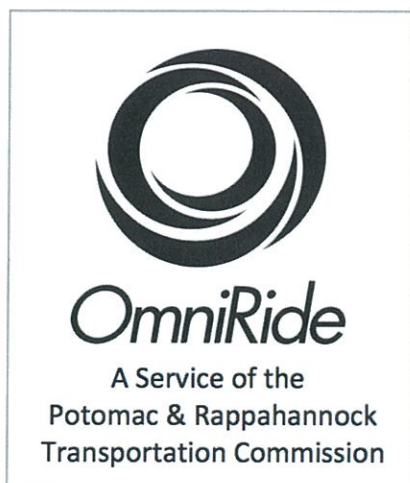
Virginia has a long history of providing funds for public transportation capital expenditures. For PRTC, that includes rolling stock (buses), facility upgrades and maintenance, transit technology, and on-street amenities such as benches and shelters for customers. PRTC is particularly reliant on capital funds from Virginia because a long-standing agreement gives away an extremely high percentage of federal funds to WMATA and VRE. To provide this funding, the Commonwealth Transportation Board (CTB) has relied on bonds from the Commonwealth Transportation Capital Projects Bond Act (2007), which comprised 45% of the total statewide investment in transit capital in the past 4 years alone. In June 2018, the CTB will begin allocating the last of the Capital Projects Bond's revenues. By 2020, the estimated gap between transit capital needs and available funds will be \$35 million and reaching as high as \$178 million by 2027. The revenue shortfall will impact transit systems across the Commonwealth, but due to the unique takeaway of federal funds from PRTC to WMATA, greater Prince William County jurisdictions will be hit particularly hard.



WHERE THINGS STAND The Commonwealth formed a Revenue Advisory Board (RAB) after learning that \$110 million in dedicated revenues will begin to phase out in June 2018 as the Capital Project Revenue (CPR) bonds expire. The Revenue Advisory Board issued a report in August 2017, which examined the impending fiscal cliff and offered four funding packages, each of which would raise \$130 - \$140 million annually to meet Virginia's share of transit capital. If the Commonwealth's General Assembly doesn't replace the funds from the former bond measure, it will severely limit the ability of transit systems throughout Virginia—and especially PRTC/OmniRide—to offer safe and reliable service. If the funds are used to match federal grants, transit systems across the state may lose access to federal revenues because the localities may not be able to make up the difference in matching revenues.

WHAT CAN THE COMMONWEALTH DO? During its 2018 session, the General Assembly must dedicate a steady and reliable stream of revenues to fund transit capital investments throughout Virginia. An advisory board has presented lawmakers with four funding alternatives, including two that rely solely on state revenues and two that rely on a combination of state and regional revenues. Tapping regional revenue sources to fund a state program can only go so far, so the legislature must secure a sustainable source of revenue that can meet the needs of its transit systems. Without the ability to buy transit equipment, systems could be forced to reduce or eliminate routes or services and limit the flow of federal transit dollars to Virginia—a major issue in the National Capital Region.

COMMITMENT TO COMMUTER TAX BENEFITS Nearly 70 percent of ALL PRTC riders rely on the commuter tax benefit, the tax relief program that was restored in 2015 that provides employees of federal agencies or supporting businesses with transit commuter benefits. The tax benefits offer incentives for commuters to use transit and vanpools on par with the tax incentive provided for parking. Commuter tax benefits make transit service more attractive to commuters who currently drive alone and support the use of carpools, vanpools, rideshare, bike share, and transportation demand management (TDM) as effective tools to eliminate traffic congestion in our region.

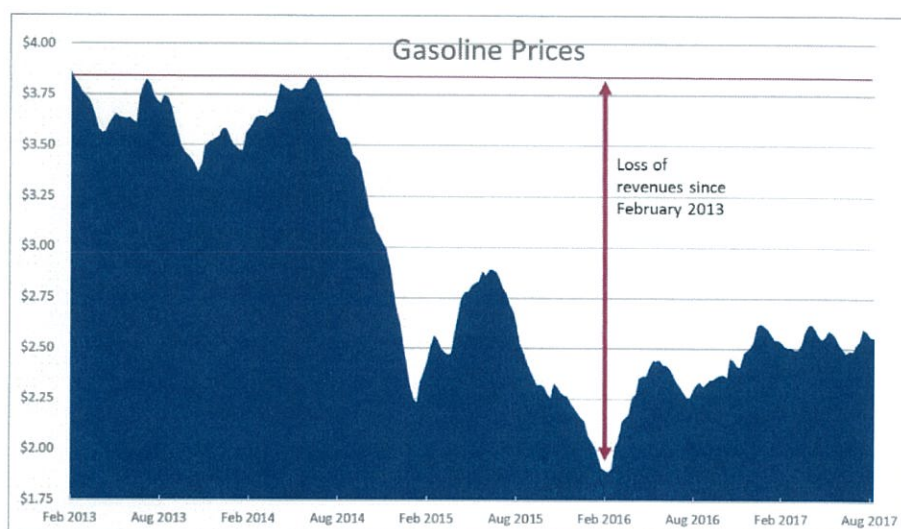


2018 Legislative Solutions to Addressing Transportation Problems within the PRTC Jurisdictions

OUR IMPACT The Potomac and Rappahannock Transportation Commission is a governing body for transportation funding and service operations under the name *OmniRide*, which includes local and express transit, vanpool, and ride-matching services for Prince William County, Manassas and Manassas Park. Key destinations are the Pentagon, Washington DC, and Tyson's Corner—with connections to Virginia Railway Express & WMATA Metro Rail stations—*OmniRide* removes nearly 17,000 car trips from regional roadways every day.

The GAS TAX FLOOR

GAS TAX REVENUE DECLINE Wholesale gas sales in Northern Virginia are regionally taxed an additional 2.1 % with revenues provided to jurisdictions based on sales. Gas tax revenues must be used for specific purposes and PRTC jurisdictions use them for OmniRide and VRE expenses. Revenues are down 40% because the tax is tied to the price of fuel. In early 2013 prices were \$3.50 per gallon, but are now near \$2.00 per gallon.



THE FIX While the state gas tax has protections that ensure a minimum level of revenue (a “floor”), the regional gas tax does not. This means the local jurisdictions don’t enjoy the same protections the Commonwealth created for itself. From June 2016—July 2017, PRTC partners left \$14.7M “on the floor”.

THE IMPACT If the regional floor matched the Commonwealth’s floor, it ensures a minimum level of funding for transit, road improvements and traffic management solutions when fuel prices drop—a time when it becomes less expensive to drive and increases congestion.

If the regional gas tax had the same protections as the state’s gas tax, PRTC jurisdictions would have received over \$35 million in revenues instead of \$20 million.

July 2016 – June 2017 Regional Fuel Tax Collection: Actuals & Lost

	Actual Collections		Lost Revenue Without Floor Based on Statewide Gas Tax Floor	
City of Fredericksburg	\$	1,257.0	\$	936.1
City of Manassas		760.7		511.3
City of Manassas Park		658.0		414.8
Prince William County		10,702.2		7,841.2
Spotsylvania County		3,653.0		2,895.1
Stafford County		3,334.4		2,173.0
Total PRTC	\$	20,365.3	\$	14,771.5

MOTION:

SECOND:

RE: AUTHORIZATION TO REFER THE PRTC PROPOSED FY19 BUDGET TO MEMBER JURISDICTIONS FOR CONSIDERATION AND HOLD PUBLIC HEARINGS ON THE PROPOSED FY19 BUDGET AND FEDERAL GRANT APPLICATIONS

ACTION:

WHEREAS, the Potomac and Rappahannock Transportation Commission (PRTC) adopted the Executive Director's Vision 2020 Plan at its October 5, 2017 meeting, which has shaped preparation of the FY19 budget; and

WHEREAS, the proposed FY19 PRTC budget and separately proposed FY19 VRE budget assume that federal funding will be sought for a program of projects as specified in the proposed budget materials; and

WHEREAS, the PRTC public participation policy requires a public review process (including public hearings) prior to adoption of the proposed annual budget, as well as an invitation for public comment on the proposed program of projects for which federal funds are being sought.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to refer the proposed FY19 PRTC budget to the jurisdictions for consideration.

BE IT FURTHER RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to commence a public review process (including public hearings) on the proposed FY19 budget and federal grant applications.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:



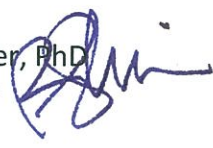
Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

January 4, 2018

TO: Chairman Principi and PRTC Commissioners

FROM: Joyce Embrey
Director of Finance and Administration

THROUGH: Robert A. Schneider, PhD
Executive Director 

RE: Authorization to Refer the PRTC Proposed FY19 Budget to Member Jurisdictions for Consideration and Hold Public Hearings on the Proposed FY19 Budget and Federal Grant Applications

Recommendation:

Authorize the Executive Director to refer the proposed FY19 PRTC budget to member jurisdictions for consideration and hold public hearings on the proposed FY19 budget and federal grant applications.

Background:

The Executive Director presented a Vision 2020 Plan to the Commission at its September 7, 2017 meeting, and subsequently discussed the Plan with individual Commission members. The Commission adopted the Vision 2020 Plan at its October 5, 2017 meeting, which has guided the preparation of the FY19 budget.

The following is a summary of major budget assumptions:

▪ Fuel tax revenue

Projections used for the proposed FY19 budget and six-year plan were prepared in November 2017, with total revenue for the period FY18 – FY23 slightly down from the projections prepared in November 2016 for the FY18 budget. The latest projections anticipate an increase in revenue for FY18 – FY20, with a decrease in revenue for FY21 – FY23 based on forecasted prices. The projections were prepared assuming no tax floor. As part of its 2018 legislative agenda, the Commission is again seeking legislation to implement a 2.1 percent motor fuels tax floor because

the reduction in gas prices has directly affected the revenue available for local governments to fund their transportation commitments. The Governor's proposed state budget includes a tax floor for the regional fuel sales tax, but there is no certainty that it will be approved by the General Assembly.

- Bus service levels

Management has analyzed existing services and has held initial discussions with the bus sponsoring jurisdictions regarding possible budget neutral changes to western bus services. These changes are still in the planning stages, so the bus service levels reflected in the FY19 budget do not incorporate such changes. The six-year plan assumes no bus service expansion other than state-sponsored services associated with the I-95/395 and I-66 transit/TDM plans. PRTC management proposes to continue incorporating a modest revenue hour contingency of six daily hours to allow for schedule adjustments and to ease chronic overcrowding.

- Fares

The FY19 budget assumes no fare increases. Fare increases of 10 – 13% are tentatively assumed for FY20, with fare increases averaging 5% tentatively planned every year thereafter (FY21 – FY24).

- State assistance

DRPT has projected state capital assistance for the three tiers (replacement/expansion vehicles; infrastructure/facilities; and other) for FY19 through FY24. PRTC incorporated DRPT's estimates for state funding in the FY19 budget and six-year plan, resulting in a larger local match. In FY19, the projected state percentages for the tiers remain at 68%, 34%, and 17%, respectively. In FY20, tier one remains at 68%, with tier two at 18%, and tier three at 0%. For FY21 – FY24, tier one percentages continue to decline with 0% assumed for tiers two and three.

- Federal funding

The proposed FY19 budget and six-year plan assumes PRTC will not receive any funds from the Fixing America's Surface Transportation Act (FAST Act) Discretionary Bus Program for bus replacements or refurbishments during the six year period. If the opportunity arises, PRTC will apply. The budget also assumes relatively steady federal funding for preventive maintenance.

Annual federal 5307 earnings of \$1.64 million from the VanPool Alliance Program will be “swapped” and used for preventive maintenance at a higher federal participation percentage than if used to support the VanPool Alliance Program costs.

- Carryforward

The proposed FY19 budget includes a carryforward of \$5.68 million from FY17 allocated among the various PRTC jurisdictions, which is \$4.08 million higher than anticipated for FY19 in the FY18 six-year plan. The FY18 budget and six year plan had assumed a \$1.6 million carryforward for FY19 - FY24. This ongoing carryforward assumption has been removed from the FY19 budget and six-year plan.

- Western maintenance facility

The proposed six-year plan assumes the western facility will be constructed in FY19 – FY20, with occupancy at the start of FY21. Construction will be funded by a combination of NVT, CMAQ, state, and I-66 concessionaire funding.

- Bus purchases – replacements/expansions

The proposed FY19 budget and six-year plan assumes state and local funding for bus replacements. No debt financing for local match is assumed. Bus purchases for expansion are assumed to be 100 percent funded by the state.

- Bus mid-life overhauls

The FY19 budget and six-year plan assume state and local funding for bus overhauls based on a typical mid-life schedule.

- Administrative

The FY19 budget assumes one new position – a Graphic and Web Designer. Since the proposed reduction-in-force was tabled at the December 7, 2017 Commission meeting pending the outcome of an EEO investigation, the FY19 proposed budget has been developed using the existing PRTC positions. If the reduction in force is approved and implemented, the creation of any other new positions would be budget neutral.

The FY19 budget incorporates a COLA/merit allowance sized after surveying the member jurisdictions.

▪ Federally participating projects

The program of projects for which federal funds are envisioned/sought on behalf of PRTC and VRE appears below:

- ❖ PRTC Bus Preventive Maintenance
- ❖ PRTC TDM/Commuter Assistance Program
- ❖ PRTC Security Enhancements
- ❖ VRE Track Lease/Improvement Payments
- ❖ VRE Facilities Asset Management
- ❖ VRE Equipment Storage Projects
- ❖ VRE Capital Fleet Replacement and Expansion
- ❖ VRE Broad Run Station Expansion
- ❖ VRE Rippon Platform Projects
- ❖ VRE Positive Train Control (PTC)
- ❖ VRE Equipment Asset Management Program
- ❖ VRE Grant and Project Management
- ❖ VRE Cameras and Station Security Enhancements
- ❖ VRE Washington Union Station Improvements

Fiscal Impact:

Administrative expenses - All PRTC member jurisdictions support the administration portion of the PRTC budget based on respective percentages of fuel tax receipts.

Bus service subsidies - The local subsidy required for OmniRide, Metro Direct, and the easterly OmniLink routes has been and continues to be borne exclusively by Prince William County. Local subsidy required for the westerly OmniLink routes has been and continues to be an expense shared by Prince William County and the cities of Manassas and Manassas Park (allocated among the three local government sponsors by a Board-adopted formula accounting for both riders' residency and population).

Chairman Principi and PRTC Commissioners
January 4, 2018
Page 5

Marketing - Marketing is supported by federal and state grants, advertising revenue, Prince William County, and the cities of Manassas and Manassas Park.

The proposed FY19 PRTC subsidies will be provided at the January 4, 2018 Commission meeting.

MOTION:

SECOND:

**RE: APPROVAL OF NOMINATING COMMITTEE RECOMMENDATIONS FOR 2018 PRTC
OFFICERS AND VRE OPERATIONS BOARD APPOINTMENTS**

ACTION:

WHEREAS, the Potomac and Rappahannock Transportation Commission Bylaws require the appointment of Officers and concurrence with PRTC member jurisdiction appointments to the Virginia Railway Express (VRE) Operations Board at PRTC's annual meeting by Commission resolution; and

WHEREAS, PRTC's Chairman appointed a Nominating Committee and tasked it with preparing recommendations for consideration at PRTC's January annual meeting; and

WHEREAS, the Chairman also invited nominations for these positions; and

WHEREAS, the Nominating Committee met at a publicly advertised meeting on December 7, 2017 to consider the nominations received and to ready its recommendations; and

WHEREAS, the recommendations comply with PRTC Bylaws.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby approve the recommended PRTC Executive Board Officers and concurs with member jurisdiction VRE appointments.

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

Alternates Present Not Voting:

Absent from Meeting:

January 4, 2018

TO: Chairman Principi and PRTC Commissioners

FROM: Robert A. Schneider, PhD
Executive Director

RE: Approval of Nominating Committee Recommendations for 2018 PRTC Officers and
VRE Operations Board Appointments

Recommendation:

Approve Nominating Committee recommendations for 2018 PRTC officers and concur with PRTC member jurisdiction VRE Operations Board appointments.

Background:

PRTC's Bylaws call for appointment of Officers who collectively comprise the Executive Board, and concurrence with PRTC member jurisdiction VRE Operations Board appointments, at PRTC's annual meeting (in January) by Commission resolution. At a previous Commission meeting, Chairman Principi:

1. Asked for volunteers to serve as the Nominating Committee;
2. Directed the Nominating Committee to ready recommendations for the full Commission's consideration at its annual meeting; and
3. Invited nominations in advance of the annual meeting.

The Nominating Committee met on December 7, 2017 at a publicly advertised meeting to discuss this matter and to prepare its recommendations. The recommendations comply with all Bylaw requirements regarding these appointments, namely that:

- Officers of the Commission shall be elected annually and shall consist of a Chairman, Vice Chairman, Secretary, Treasurer, Immediate Past Chairman, and such officers at large and subordinate officers as may from time to time be elected or appointed by the Commission. *Note: historically, the Commission has included at large members to ensure each member jurisdiction is represented on the Executive Board, which consists of Commission officers;*
- The Chairman and Vice Chairman not be from the same member jurisdiction;
- The Chairman shall be elected from amongst the regular members whose jurisdictions contributed at least 25% of the total PRTC local subsidy in the previous fiscal year;
- Only Commissioners, not Alternates, hold positions as PRTC Officers; and
- Membership by jurisdiction on the VRE Operations Board in accordance with the provisions of the VRE Master Agreement as amended which means three elected officials representing Prince William County, two representing Stafford County, one representing Spotsylvania County, one each representing the three PRTC member cities, and a comparable number of Alternates, who must also be elected officials.

Fiscal Impact:

Not applicable.

ITEM 12-B
January 4, 2018
Regular Meeting
Res. No. 18-01-__

MOTION:

SECOND:

**RE: EXPRESSION OF APPRECIATION FOR SERVICES RENDERED BY DELEGATE
 RICHARD ANDERSON**

ACTION:

WHEREAS, Virginia General Assembly House Member and PRTC Commissioner Richard Anderson will cease his service as a PRTC Commissioner following the Commission's January 4, 2018 meeting; and

WHEREAS, Delegate Anderson has served as a PRTC Commissioner since April 2010; and

WHEREAS, Delegate Anderson has been a true champion of regional cooperation, both in his capacity as a PRTC Commissioner and as a member of the Virginia House of Delegates; and

WHEREAS, regional cooperation is a core part of PRTC's Founding Ordinance; and

WHEREAS, it is PRTC's long-standing practice of lauding the work of those who serve as Commissioners, throughout their time as Commissioners and more particularly upon learning of their pending departure.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby express its sincere gratitude to Delegate Richard Anderson for his distinguished service as a PRTC Commissioner and continued success in all of his future endeavors.

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:

ITEM 12-C
January 4, 2018
Regular Meeting
Res. No. 18-01-__

MOTION:

SECOND:

**RE: EXPRESSION OF APPRECIATION FOR SERVICES RENDERED BY DELEGATE
 JACKSON MILLER**

ACTION:

WHEREAS, Virginia General Assembly House Member and PRTC Commissioner Jackson Miller will cease his service as a PRTC Commissioner following the Commission's January 4, 2018 meeting; and

WHEREAS, Delegate Anderson has served as a PRTC Commissioner since April 2007; and

WHEREAS, Delegate Miller has been a true champion of regional cooperation, both in his capacity as a PRTC Commissioner and as a member of the Virginia House of Delegates; and

WHEREAS, regional cooperation is a core part of PRTC's Founding Ordinance; and

WHEREAS, it is PRTC's long-standing practice of lauding the work of those who serve as Commissioners, throughout their time as Commissioners and more particularly upon learning of their pending departure.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby express its sincere gratitude to Delegate Jackson Miller for his distinguished service as a PRTC Commissioner and continued success in all of his future endeavors.

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting: