

ITEM 11-B
January 3, 2019
PRTC Regular Meeting
Res. No. 19-01-____

MOTION:

SECOND:

RE: AUTHORIZATION TO REFER THE PRTC PROPOSED FY20 BUDGET TO MEMBER JURISDICTIONS FOR CONSIDERATION AND HOLD PUBLIC HEARINGS ON THE PROPOSED FY20 BUDGET AND FEDERAL GRANT APPLICATIONS

ACTION:

WHEREAS, the proposed FY20 PRTC budget and separately proposed FY20 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 FY20 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 FY20 budget and federal grant applications.

Votes:

Ayes:

Nays:

Abstain:

Absent from Vote:

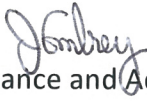
Alternate Present Not Voting:

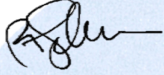
Absent from Meeting:



January 3, 2019

TO: Madam Chair Anderson 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 FY20 Budget to Member Jurisdictions for Consideration and Hold Public Hearings on the Proposed FY20 Budget and Federal Grant Applications

Recommendation:

Authorize the Executive Director to refer the proposed FY20 PRTC budget to member jurisdictions for consideration and hold public hearings on the proposed FY20 budget and federal grant applications.

Background:

The following is a summary of major budget assumptions:

▪ Fuel tax revenue

Projections used for the proposed FY20 budget and six-year plan were prepared in December 2018, with total revenue for the period FY19 – FY24 estimated to be \$40 million higher than the projections prepared in November 2017 for the FY19 budget and six-year plan. The previous projections had been prepared assuming no tax floor, which was approved in the spring 2018 and took effect July 1, 2018. The latest projections assume 500 million gallons of fuel annually for the PRTC member jurisdictions. PRTC's share of the Commuter Rail Operating and Capital Fund (CROC), which is based on its percentage of the VRE subsidy, is deducted from the projections, with the remainder allocated based on jurisdictional share of FY18 PRTC net fuel tax revenue.

- Bus service levels

The FY20 budget and six-year plan assume paratransit service expansion on the western side and other 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 FY20 budget assumes no fare increases. Fare increases of approximately 6% are tentatively assumed every year thereafter (FY21 – FY25).

- State assistance

At the direction of the General Assembly, DRPT has instituted a performance based capital assistance program. DRPT will allocate 80% of its available funding to State of Good Repair or Minor Enhancement projects and the other 20% for Major Expansion projects. All capital projects will be scored and ranked and those falling within the available funding will receive 68% funding. All others will not receive any state funding and will be totally locally funded. Rolling stock projects score the highest, so projects for replacing buses that have met their useful life or mid-life overhauls will be funded at 68%, while bus shelters, computer equipment and cameras on buses score the lowest and probably will not receive any state funding. PRTC has incorporated DRPT's changed process for capital into the estimates for state funding in the FY20 budget and six-year plan, resulting in a larger local match.

Changes are also proposed for the allocation of statewide operating funds. Preliminary estimates are that the proposed changes will have a negative impact on the operating assistance that PRTC receives from DRPT.

- Federal funding

The proposed FY20 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 FY20 budget will include a carryforward from FY18 allocated among the various PRTC jurisdictions. Management is recommending that a portion of the carryforward be retained by PRTC to establish a capital reserve for future local match requirements of bus replacements. Management recommends maintaining a minimum of four months operating reserve, one month more than the minimum of three months included in the adopted financial policies.

- 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 NVTA, CMAQ, state, and I-66 concessionaire funding.

- Bus purchases – replacements/expansions

The proposed FY20 budget and six-year plan assumes CMAQ, 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 FY20 budget and six-year plan assume state and local funding for bus overhauls based on a typical mid-life schedule.

- Administrative

The FY20 budget includes six new positions approved by the Commission at its 9/6/18 meeting. One of those positions (graphic and web designer) had already been included in the FY19 budget as a swap (budget neutral) for a vacant bus monitor position. The FY20 budget has been developed including all existing positions since a decision regarding the reduction in force recommendation has been postponed.

The FY20 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
- ❖ PRTC Bus Acquisition
- ❖ 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 Brooke, Leeland, and Quantico Station Improvement 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).