

MOTION:

SECOND:

**RE: AUTHORIZE THE REFERRAL OF THE PRELIMINARY FY2022 VIRGINIA RAILWAY EXPRESS
OPERATING AND CAPITAL BUDGET TO THE JURISDICTIONS**

ACTION:

WHEREAS, the Virginia Railway Express (VRE) Master Agreement requires the VRE Operations Board submit to the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission (Commissions) a preliminary fiscal year budget by September 30th of each year; and

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY2022 operating and capital budget; and

WHEREAS, the preliminary FY2022 budget proposes no increase in the total or individual annual jurisdictional subsidy and no increase in passenger fares; and

WHEREAS, the VRE Operations Board recommended the Commissions forward the preliminary FY2022 budget to the jurisdictions for further formal review and comment at its September 18, 2020 meeting.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission (PRTC) hereby authorizes the preliminary FY2022 VRE budget be forwarded to the jurisdictions for their formal review and comment.

BE IT FURTHER RESOLVED that PRTC directs staff to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2020 meeting for consideration and referral to the Commissions for adoption in January 2021.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 9-A
Action Item

To: Chairman Skinner and the VRE Operations Board

From: Rich Dalton

Date: September 18, 2020

Re: Referral of the Preliminary FY 2022 VRE Operating and Capital Budget to the Commissions

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to refer the preliminary FY 2022 VRE Operating and Capital Budget to the Commissions for their consideration, so the Commissions, in turn, can refer their preliminary budget recommendations to the jurisdictions for review and comment.

Summary:

VRE's preliminary FY 2022 operating budget totals \$91.9 million, which includes operations, maintenance, and existing debt service. This preliminary budget amount is nearly flat to the approved FY 2021 budget of \$91.4 million (an increase of one-half percent), and staff are continuing to review departmental budgets to identify further expense reductions.

In light of the reduced ridership and ongoing economic challenges from the COVID-19 pandemic, the preliminary operating budget includes no changes to passenger fares and no increase to jurisdictional subsidy. Before the application of any available emergency funding, the preliminary operating budget has a net unfunded amount of \$25.7 million. However, VRE's federal CARES Act funding will be available to backfill lost passenger revenue and ensure that no additional jurisdictional contribution is required.

VRE's preliminary FY 2022 capital budget includes commitments of \$101.8 million from federal, state, regional, and local funding sources towards the Capital Improvement Program (CIP). VRE's CIP is undergoing substantial revisions as a result of the *Transforming Rail in Virginia* program being pursued by the Commonwealth, and the



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Transportation Commission
2300 Wilson Blvd., Suite 230
Arlington, VA 22201
703-524-3322



Virginia Railway Express
1500 King Street, Suite 202
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VRE.org



Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, VA 22192
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scopes, funding sources, and timelines of many projects are being modified in coordination with the Department of Rail and Public Transportation (DRPT).

A final FY 2022 budget will be submitted in December for the Operations Board's consideration and referral to the Commissions for final approval. Projections of revenues and expenses are still under review by VRE staff and may change materially as the COVID-19 pandemic progresses. The final FY 2022 budget (which will include an amended FY 2021 budget) will ensure VRE can continue to provide safe and reliable commuter rail service as Virginians return to work while equitably and strategically sharing the cost of that service across riders, local jurisdictions, and the available federal CARES Act funds.

Background:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2022 VRE Operating and Capital Budget is attached for the Operations Board's review.

As noted during the discussion of "key issues" at the July 2020 Operations Board meeting, the budget adoption process for FY 2022 will be unlike any in recent years as a result of the COVID-19 pandemic and its significant impacts on the economy and VRE's ridership. Broad economic and policy issues – rather than technical or methodological issues – will be paramount, and accurately forecasting ridership and revenue will be difficult. Amending the current (FY 2021) budget will also be a substantive part of this year's budget process.

Key Operating Budget Assumptions:

VRE's preliminary operating budget totals \$91.9 million. This includes \$85.7 million for daily operations and maintenance (as compared to \$85.1 million in the approved FY 2021 budget) and \$6.2 million for debt service (the same as FY 2021). As noted above, both revenues and expenses continue to be reviewed and may change materially before adoption of the final budget depending on the evolution of the COVID-19 pandemic over the next few months. The key assumptions used in preparing the preliminary operating budget are summarized below:

- 1. Service Levels:** Although VRE is currently running a modified "S" schedule in response to reduced ridership demand, the preliminary FY 2022 budget assumes a return to a full normal schedule of 32 daily revenue trains. Well before daily ridership returns to pre-pandemic levels, this level of service will be required to ensure convenient travel times for riders and also to provide adequate social spacing for riders if that remains necessary.
- 2. Subsidy and Fare Increases:** Under the Board's existing policy direction to consider fare and subsidy increases in alternating years, the starting point for a "normal" FY 2022 would be zero change to the total subsidy and consideration of a 3% fare increase. However, given the challenges faced by both riders and jurisdictions, other alternatives will be considered. This preliminary budget includes three key assumptions:

- The total subsidy amount for FY 2022 is \$18,300,780, the same amount as in FY 2021.
- The allocation of the subsidy (i.e., the percentage of the total assigned to each of the nine jurisdictions) for FY 2022 is unchanged from FY 2021, so that each jurisdiction contributes the same amount as in FY 2021. As discussed with the Finance Committee in July 2020, the usual Master Agreement survey in October – which determines the subsidy allocation for the upcoming fiscal year – would be difficult to administer in the current environment and would be unlikely to produce reliable results. Therefore, instead of performing the survey, the Committee recommended simply using the FY 2021 allocation percentages for FY 2022. The Federal Transit Administration has taken a similar approach in using prior year (pre-pandemic) data for the allocation of federal formula program funds this year.
- Passenger fares for FY 2022 are unchanged from FY 2021. Raising fares in the current environment is unlikely to have a materially positive impact on total revenue while potentially generating negative publicity and rider sentiment. At the same time, the primary factors driving the current low ridership are perceptions of safety and the ability to work at home rather than at the office, not the level of the fare (particularly given the availability of the transit benefit for many riders). Lowering fares is thus unlikely to drive significant new ridership in the short term and would only increase the operating deficit.

3. Ridership and Fare Revenue: Projecting ridership in the current environment is challenging given near-term uncertainty about the course of the pandemic (including any potential vaccine), the unknown medium-term impacts on businesses and schools, and potential long-term shifts in the number of employees working remotely rather than in an office. After increasing steadily during the early summer, ridership has plateaued in August and early September at 1300-1400 riders per day, and monthly fare revenue has been in the \$800,000-\$900,000 range.

For the purposes of the preliminary budget, we assume that fare revenue will stay in this range for the rest of FY 2021, which would result in total annual fare revenue of approximately \$10 million, or less than 25% of pre-pandemic revenue. Since March, some riders have continued to purchase monthly and other tickets while riding infrequently or not at all, and so the average fare paid per trip is currently abnormally high. As average daily ridership increases, some of it will come from people already purchasing a monthly ticket but riding infrequently, while other non-riders will eventually cancel their recurring purchases, thus reducing revenue even as other riders return.

For FY 2022, preliminary passenger revenue is budgeted at approximately \$18 million, or about 40% of pre-pandemic annual revenue. This figure is functioning essentially as a placeholder to represent a slow, steady increase in ridership that still falls well short of a return to normal. If a vaccine is widely available more quickly than expected, and offices and schools are able to fully reopen, then revenues could be higher.

- 4. Operating Expenses:** All discretionary expenses in the operating budget – particularly consulting, professional services, new non-critical initiatives, and replacement of existing items (furniture, equipment, etc.) – are being reviewed for potential deferral or elimination in order to reduce expenses and extend the availability of the federal CARES Act funds.

Department heads submitted their initial FY 2022 budgets earlier this summer with the direction to proactively identify discretionary expense reductions, and the preliminary budget reflects this, with only a \$0.5 million increase over the approved FY 2021 budget. Further expense reductions will be identified as the budget process continues as more deferrals are found, contingencies are reduced, and contracts are renegotiated.

- 5. State Operating Assistance and Access Fee Reimbursement:** As part of the Commonwealth's response to the pandemic, DRPT has been reallocating funds to prioritize state operating assistance to transit agencies over capital matching grants. So far, it appears that VRE will receive the same amount of operating assistance in FY 2021 as it did in FY 2020 (less the one-time 'transition assistance'), which was approximately \$9.7 million. However, the preliminary budget conservatively assumes that operating assistance in FY 2022 will decline to \$8.5 million in response to reduced tax collections.

The Commonwealth has also committed to maintaining the 84% reimbursement rate for the track access fees paid to VRE's host railroads, which is critical to VRE's financial sustainability. This arrangement will be evolving through FY 2021 as the Virginia Passenger Rail Authority (VPRA) is stood up and takes on responsibilities from DRPT. DRPT has advised that VPRA is likely to use entirely state funds (rather than a combination of federal STP and state funds) for the access fee reimbursements. This may have a positive impact for VRE on eligible federal CARES Act reimbursements of the remaining 16% of the cost.

Capital Funding:

After seeking and successfully securing a substantial amount of discretionary grant funding in recent years, VRE's capital program is now focused on project delivery. As noted above, the *Transforming Rail in Virginia* program has impacted a number of projects, particularly planned station expansions on the Fredericksburg Line.

As a result of the new operating plan in the corridor, second/island platforms at four stations (Lorton, Rippon, Brooke, and Leeland Road) are no longer being pursued, though smaller expansions and rehabilitations are still planned. This in turn has freed up funding from various sources to complete the Quantico Station project and to support expansion of the Rolling Road platform on the Manassas Line. These significant changes to the CIP continue to evolve in coordination with DRPT, and a full review will occur later in the budget process.

The major capital funding that is expected to be obligated in FY 2022 includes:

- *Federal formula funds:* Federal funding allocations are lagged by one year relative to VRE's fiscal year, so the federal funding allocated in Federal Fiscal Year (FFY) 2021 will be available to be obligated and spent beginning in VRE's FY 2022. Based on funding received in FFY 2020, total projected formula funding for FFY 2021 is \$30.5 million (federal portion only), including both Section 5337 State of Good Repair funding and Section 5307 Urbanized Area Formula Program funding.

As in previous years, VRE's formula funds will be committed to debt service, asset management programs, and key CIP projects such as the midday storage facility and VRE's joint responsibilities at Washington Union Terminal. Staff continues to look at options for utilizing currently unprogrammed funding, including station expansions that also have a replacement component, but is also choosing to keep some funding uncommitted until updated cost estimates are received for various projects.

- *State capital match:* The preliminary budget assumes a continuation of the 16% state match on debt service and asset management, as well as the 34% state match on midday storage and Washington Union Terminal, but these figures may be modified as discussions with DRPT continue about how best to fit VRE into the state's MERIT program that is primarily oriented towards bus operators.
- *Discretionary state and regional funding:* The FY 2022 budget will obligate previously allocated funds for a number of important CIP projects. SMART SCALE funding totaling \$40.3 million will be obligated in FY 2022 for projects including Alexandria Station, Leeland Road Station, Leeland Road Parking, Quantico Station, Fredericksburg Line Expansion Coaches, and the Crossroads Maintenance and Storage Facility (MSF). CMAQ funding of \$4.6 million will be obligated in FY 2022 for projects including the Broad Run Expansion, Brooke Station, Leeland Road Station, and Woodbridge Station.

Commuter Rail Operating and Capital (C-ROC) Fund:

As noted in the "key issues" discussion, VRE staff are continuing discussions with DRPT about a contribution to the *Transforming Rail in Virginia* program from VRE's Commuter Rail Operating and Capital (C-ROC) funds. These discussions – which contemplate a combination of debt issuance proceeds and pay-as-you-go cash – will occur separately from, but in parallel with, the budget adoption process. We do not expect to recommend any further C-ROC commitments to specific VRE capital projects (currently \$15 million is committed to the Crystal City Station and \$30 million to the L'Enfant Station and Fourth Track, covering FY2019-2021 C-ROC funds) until these negotiations are resolved.

Next Steps:

VRE staff will continue to update and modify the FY 2022 budget throughout the Fall as the current fiscal year progresses and as more information is received about the pandemic and economic conditions that may affect projections of revenues and expenses. VRE staff will review the budget with the Finance Committee and with jurisdictional staff and ultimately provide a balanced budget to the Operations Board in December for consideration and approval.

**Virginia Railway Express
Operations Board**

**Resolution
9A-09-2020**

**Referral of the Preliminary FY 2022 VRE Operating and
Capital Budget to the Commissions**

WHEREAS, the VRE Master Agreement requires the VRE Operations Board submit to the Commissions a preliminary fiscal year budget by September 30 each year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2022 Operating and Capital Budget; and,

WHEREAS, the preliminary FY 2022 budget proposes no increase in the total or individual annual jurisdictional subsidy and no increase in passenger fares;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby find that, in accordance with amendments adopted on April 22, 2020 to budget bills HB 29 and 30, meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on September 18, 2020, and that meeting by electronic means is authorized because the items on the September 18, 2020 Operations Board Meeting Agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board's lawful purposes, duties, and responsibilities; and further find that meeting by electronic means is authorized because the items on the September 18, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board refers the preliminary FY 2022 Operating and Capital Budget to the Commissions for their consideration; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommends the budget be forwarded to the jurisdictions for further formal review and comment; and,

BE IT FURTHER RESOLVED THAT, VRE staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2020 meeting for consideration and referral to the Commissions for adoption in January 2021.

Approved this 18th day of September 2020

Jeanine Lawson
Secretary

Gary Skinner
Chairman

FY 2022 Sources and Uses

LEVEL OF SERVICE FOR FY 2021

Daily Trains 32
Avg. Daily Riders 6,000

Leases 18,792,000
Total Access Fees -
18,792,000

Access and Lease Fees
Amtrak 6,830,000
NS 3,418,000
CSX 8,544,000
Total 18,792,000

USES OF FUNDS	SOURCES OF FUNDS													
	FARE INCOME	INTEREST	MISC	LOCAL SUBSIDY	OTHER SOURCES	NVTA FUNDING	STATE CROC FUNDING	STATE OPERATING	STATE CAPITAL	STATE STP	5307/5337	NEW FY22 CARES ACT	OTHER	TOTAL
Operating Expenses	18,236,000	350,000	300,000	41,975,895	-	-	-	8,500,000	6,389,280	9,396,000	520,000	-	-	85,667,175
Non-Operating Expenses:														
Operating Reserve	-			-										-
Debt Service BTMU - Gallery IV - 11 Cabcars	1,931,357			77,254					309,017	1,545,086				1,931,357
Debt Service VRA - 60 Railcars (Local)	99,072			99,072										99,072
Debt Service VRA - 60 Railcars (Fed/State/Local)	4,191,769			167,671					670,683	3,353,415				4,191,769
Non-Operating Summary	6,222,198	-	-	349,997	-	-	-	-	979,700	-	4,898,501	-	-	6,222,198
Total Expenses (Subtotal)	91,889,373	18,236,000	350,000	42,319,892	-	-	-	8,500,000	7,368,980	9,396,000	5,418,501	-	-	91,889,373
Capital Projects:														
New York Avenue Midday Storage Facility	11,697,029			467,881					3,976,990	7,252,158				11,697,029
Equipment Asset Management Program	2,090,000			83,600					334,400	1,672,000				2,090,000
Security Enhancements	105,000			4,200					16,800	84,000				105,000
L'Enfant Station Improvements	2,438,707			97,548					390,193	1,950,966				2,438,707
Crystal City Station Improvements	13,018,750			520,750					2,083,000	10,413,000				13,018,750
Washington Union Station Improvements	5,000,000			200,000					1,700,000	3,100,000				5,000,000
Unprogramed Federal Formula Funds	7,522,585			300,903					1,203,614	6,018,068				7,522,585
Unprogramed CROC Funds	15,000,000			-				15,000,000	-	-				15,000,000
Capital Reserve Contribution	0			-										-
Capital Project Summary	56,872,071	-	-	1,674,883	-	-	-	15,000,000	9,704,997	-	30,492,192	-	-	56,872,071
CMAQ/REF/IPROC														
Broad Run Expansion (CMAQ)	2,000,000			-					400,000	-	-		1,600,000	2,000,000
Woodbridge Station Improvements (CMAQ)	2,000,000			-					400,000	-	-		1,600,000	2,000,000
Brooke Station Improvements (CMAQ)	313,394			-					62,679	-	-		250,715	313,394
Leeland Road Station Improvements (CMAQ)	313,394			-					62,679	-	-		250,715	313,394
Crossroads MSF Expansion (Smart Scale)	5,057,000			-					5,057,000	-	-		-	5,057,000
Leeland Road Parking Improvements (Smart Scale)	5,159,178			-					5,159,178	-	-		-	5,159,178
Alexandria Station Improvements (Smart Scale)	6,284,000			-					6,284,000	-	-		-	6,284,000
Brooke Station Improvements (Smart Scale)	4,300,000			-					4,300,000	-	-		-	4,300,000
Leeland Road Station Improvements (Smart Scale)	2,749,725			-					2,749,725	-	-		-	2,749,725
Quantico Station Improvements (Smart Scale)	850,700			-					850,700	-	-		-	850,700
Fleet Expansion Coaches (SmartScale)	15,855,000			-					15,855,000	-	-		-	15,855,000
Summary	44,882,391	-	-	-	-	-	-	-	41,180,961	-	-	-	3,701,430	44,882,391
TOTAL	193,643,835	18,236,000	350,000	300,000	43,994,775	-	-	15,000,000	8,500,000	58,254,937	9,396,000	35,910,692	-	193,643,835

FY21 Subsidy surplus (deficit)				18,300,780									
(25,693,995)													
Soft Capital Projects				Debt Service 11 Cabcars	1,931,357	5337	18,792,000	551P/State	1,545,086	309,017			
Access lease funding (50%/34%)				Debt Service VRA - 60 Railcars	99,072		99,072		-	6,389,280			
Local only				Debt Service VRA - 60 Railcars	2,445,198	5337	2,445,198		1,956,159	391,232			
Fed/State/Local				Debt Service VRA - 60 Railcars	1,746,570	5307	1,746,570		1,397,256	279,451			
Grant & Project Management				Grant & Project Management	650,000	5307	650,000		520,000	-			
Subtotal				Subtotal	25,664,198		25,664,198		7,368,980				
Capital Projects/Earmarks				Capital Projects/Earmarks	101,754,462		101,754,462		34,193,622	50,885,957			
Federal Cap Program				Federal Cap Program	127,418,660		127,418,660		49,008,122	58,254,937			

FY 2022 Summary Proposed Budget

Category	Approved FY 2021		Proposed FY 2022		Changes	% Change
	FY 2021 Operating	FY 2021 Capital	FY 2022 Operating	FY 2022 Capital		
Revenue:						
Fare Revenue	44,090,000		18,236,000		(25,854,000)	-58.6%
Miscellaneous Revenue	300,000		300,000		-	0.0%
Jurisdictional Subsidy	13,817,632	4,483,148	16,625,897	1,674,883	-	0.0%
Other Sources (Use of Prev. Surplus)	-	-	-	-	-	#DIV/0!
NVTA Grant Funding	-	-	-	-	-	-
State CROC Dedicated Funding	-	15,000,000	-	15,000,000	-	-
Federal/State Subsidy - Operating	31,879,656		30,683,481		(1,196,175)	-3.8%
Federal/State Subsidy - Capital		53,024,602		85,079,579	32,054,978	60.5%
Operating/Capital Reserves	-	-	-	-	-	#DIV/0!
Interest Income	1,300,000		350,000		(950,000)	-73.1%
Total Revenue	91,387,287	72,507,750	66,195,378	101,754,462	4,054,803	2.5%
Operating/Non-Operating Expenses:						
Non-Departmental Operating	5,800,514		7,215,000		1,414,486	24.4%
Executive Management	1,263,000		1,423,000		160,000	12.7%
Chief of Staff	683,600		653,850		(29,750)	-4.4%
Marketing	409,300		389,800		(19,500)	-4.8%
Finance and Human Resources	4,507,800		2,981,800		(1,526,000)	-33.9%
Purchasing and Contract Administration	745,850		758,600		12,750	1.7%
Project Development	956,900		1,303,255		346,355	36.2%
Project Implementation	1,117,500		1,074,500		(43,000)	-3.8%
Rail Operations	2,386,500		2,362,000		(24,500)	-1.0%
Information Technology	2,078,500		2,166,350		87,850	4.2%
Facilities Maintenance	4,527,300		4,048,200		(479,100)	-10.6%
Mechanical Operations	10,565,700		11,154,620		588,920	5.6%
System Safety & Security	1,488,200		1,349,200		(139,000)	-9.3%
PRTC	102,000		102,000		-	0.0%
NVTC	90,000		90,000		-	0.0%
Train Operations	16,591,500		17,239,500		648,000	3.9%
Maintenance of Equipment	7,832,285		8,113,500		281,215	3.6%
Amtrak	5,181,000		4,450,000		(731,000)	-14.1%
Amtrak Access Fees	6,879,000		6,830,000		(49,000)	-0.7%
Norfolk Southern Access Fees	3,442,000		3,418,000		(24,000)	-0.7%
CSX Access Fees	8,468,000		8,544,000		76,000	0.9%
					-	
Total Operating/Non-Operating Expenses	85,116,449	-	85,667,175	-	550,726	0.6%
CIP Expenditures		72,507,750		101,754,462	29,246,712	
Debt Service	6,270,838		6,222,198		(48,641)	
Total CIP and Other Expenditures	6,270,838	72,507,750	6,222,198	101,754,462	29,198,071	37.1%
Grand Total Expenses	91,387,287.14	72,507,750.00	91,889,373	101,754,462	29,748,798	18.2%
Difference by Fund	-	-	(25,693,995)	-	(25,693,995)	
Total Difference		-	(25,693,995)		(25,693,995)	

Referral of FY 2022 Preliminary Budget

1. Current financial position
2. Key operating budget assumptions
3. Use of CARES Act funding
4. Capital Improvement Program (CIP)
5. Next steps

Current Financial Position

FY 2020

- Loss of \$9 million in fare revenue in Q4
- Year-end operating position before state/federal assistance of +\$900,000
- \$1.1 million in emergency state assistance
- Projected FY 2020 CARES Act assistance of \$2.7 million



Current Financial Position

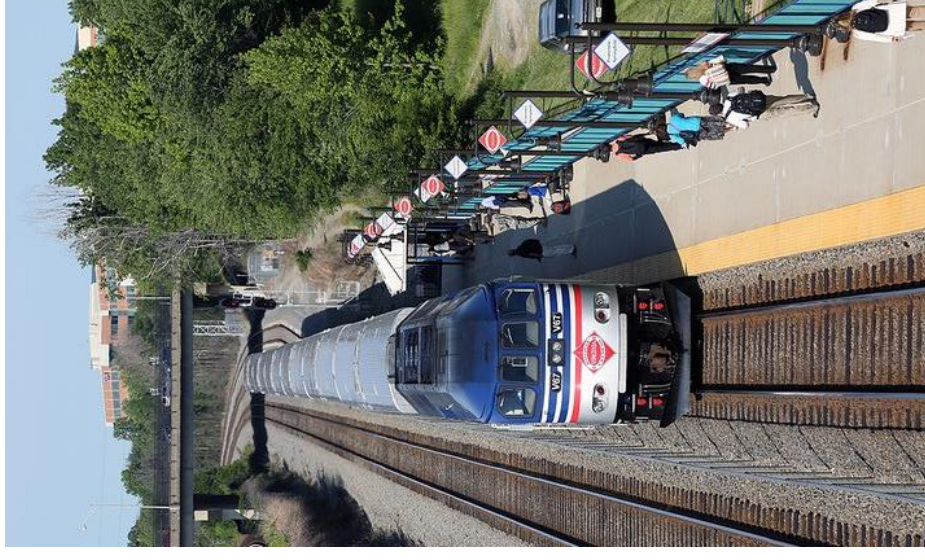
FY 2021

- Daily ridership of 1300-1400
- July/August total fare revenue of \$1.5 million
- July monthly P&L of -\$4.7 million before any emergency assistance
 - Includes \$6.7 million annual expense for liability insurance (\$2.5 million above budget)
- Projected FY 2021 CARES Act reimbursement of \$33 million



FY 2022 Budget: Preliminary Assumptions

- 32 daily trains – return to full schedule of service
- No change to passenger fares
- No change to jurisdictional subsidy contribution
 - Total amount of \$18.30 million
 - Same allocation as FY 2021 (no October survey)

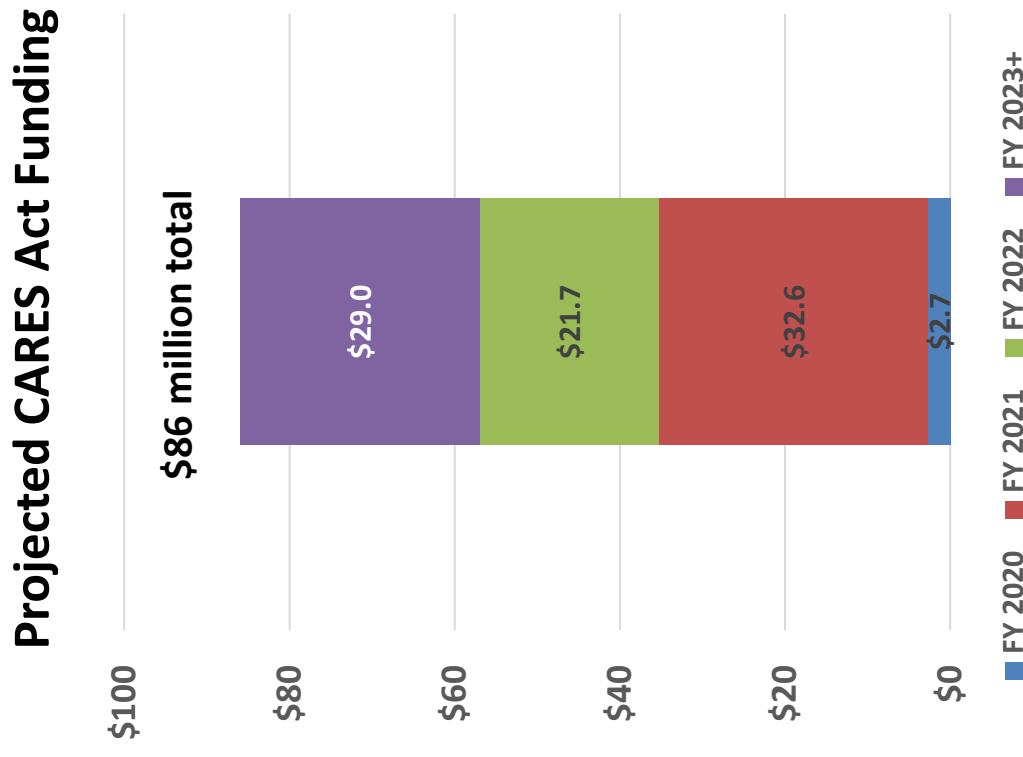


FY 2022 Budget: Preliminary Assumptions

- Preliminary revenue projections (subject to ongoing review and revision)
 - FY 2021: \$10 million *(20-25% of normal)*
 - FY 2022: \$18 million *(40% of normal)*
- State operating assistance of \$8.5 million
- Continued 84% state reimbursement of track access fees
- Ongoing review of departmental expenses for deferrals and eliminations

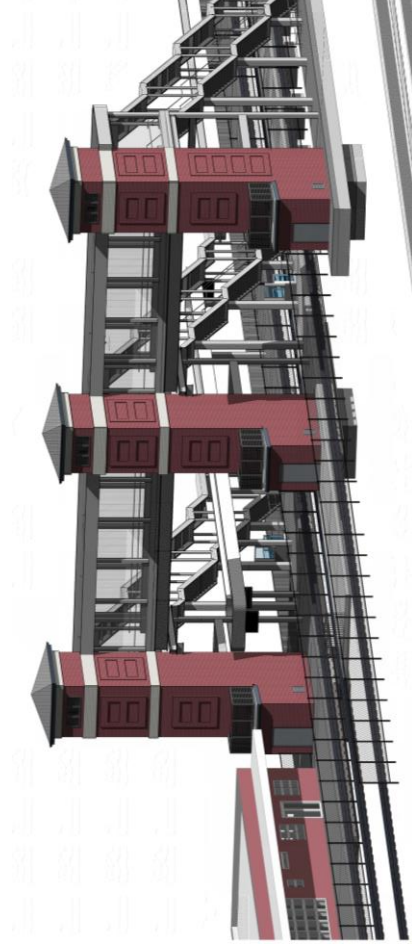
Use of CARES Act Funding

- How long will the CARES Act funding last?
 - Partly out of our control – depends on return of ridership
 - But decisions about expenses, fares, and subsidy still have an impact



Capital Improvement Program (CIP)

- Focus remains on project delivery
- *Transforming Rail in Virginia* program has impacted scope/schedule/funding of many projects, currently being updated
- No specific recommendations yet for C-ROC in FY 2022 – still in discussions with DRPT



Next Steps

- Continue to update expense/revenue forecasts as pandemic evolves
- Review with Finance Committee, jurisdictional staff, and Operations Board in Oct/ Nov
- Final budget for approval and referral in December

