

**MOTION:**

**SECOND:**

**RE:               ADOPT AND REFER THE AMENDED FY2020 AND RECOMMENDED FY2021 VIRGINIA  
RAILWAY EXPRESS OPERATING AND CAPITAL BUDGETS TO THE JURISDICTIONS**

**ACTION:**

**WHEREAS**, the Virginia Railway Express (VRE) Master Agreement requires the Potomac and Rappahannock Transportation Commission (PRTC) and the Northern Virginia Transportation Commission (NVTC) (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 Acting Chief Executive Officer has provided the VRE Operations Board with the recommended FY2021 Operating and Capital Budget within the guidelines developed in cooperation with the staff representatives of the local jurisdictions; and

**WHEREAS**, the FY2021 budget recommends no change to current passenger fares, including the Amtrak Step-Up fare; and

**WHEREAS**, the FY2021 budget recommends a three (3) percent increase in the jurisdictional subsidy contribution over the FY2020 level, to a total amount of \$18,300,780, with allocation to the individual jurisdictions in accordance with the VRE Master Agreement and utilizing the results of the October 2019 Master Agreement Survey; and

**WHEREAS**, VRE staff recommends a budget based on a service level of 32 daily revenue trains and average daily ridership of 18,900 trips; and

**WHEREAS**, VRE staff recommends a budget that includes five new full-time positions to support VRE’s expanded capital and lifecycle maintenance programs and to ensure continued high-quality customer service; and

**WHEREAS**, the VRE Operations Board authorized the Acting Chief Executive Officer, following adoption of the FY2021 Operating and Capital Budget by the Commissions, to initiate recruitment and hiring activities for the five new VRE employee positions prior to the start of the fiscal year on July 1, 2020; and

**WHEREAS**, the VRE Operations Board authorized the Acting Chief Executive Officer to continue discussions with the Department of Rail and Public Transportation and other agencies of the Commonwealth regarding a potential contribution of Commuter Rail Operating and Capital funds to a broader funding package for the proposed Long Bridge expansion project, which may include both direct contributions and the issuance of debt backed by Commuter Rail Operating and Capital

funds, and with any formal agreement regarding the commitment of such funds requiring the recommendation of the VRE Operations Board and the approval of the Commissions, and the approval of the individual jurisdictions if any debt is to be issued; and

**WHEREAS**, the VRE Operations Board recommends the following action.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission (PRTC) hereby adopts the FY2021 VRE Operating and Capital Budget in the following amounts and forwards this budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement:

Operating Budget	\$ 91,387,287
Capital Budget	<u>72,507,750</u>
Total Operating and Capital	\$163,895,037

**BE IT FURTHER RESOLVED** that PRTC adopts the amended FY2020 VRE Operating and Capital budget in the following amounts:

Operating Budget	\$ 90,439,906
Capital Budget	<u>67,681,751</u>
Total Operating and Capital	\$158,121,657

**BE IT FURTHER RESOLVED** that PRTC authorizes 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 FY2020 and FY2021.

**BE IT FURTHER RESOLVED** that PRTC authorizes its Executive Director to submit to the Commonwealth the approved budget as part of the FY2021 state aid grant applications.

**Votes:**

**Ayes:**

**Abstain:**

**Nays:**

**Absent from Vote:**

**Alternate Present Not Voting:**

**Absent from Meeting:**



VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 8-F**  
**Action Item**

**To: Chair Cristol and the VRE Operations Board**

**From: Rich Dalton**

**Date: December 20, 2019**

**Re: Referral of the Amended FY 2020 and Recommended FY 2021  
VRE Operating and Capital Budgets to the Commissions and  
Localities**

---

**Recommendation:**

The VRE Operations Board is asked to adopt the amended FY 2020 VRE Operating and Capital Budget and the recommended FY 2021 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; 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; and to authorize the Acting Chief Executive Officer to continue discussions with the Department of Rail and Public Transportation (DRPT) regarding VRE's contribution to a funding package for the proposed Long Bridge expansion, to include funding from the Commuter Rail Operating and Capital (C-ROC) Fund.

**Summary:**

Following the presentation of the preliminary FY 2021 budget in September and the budget update in November, staff is presenting the recommended FY 2021 operating and capital budget for adoption and referral. The recommended budget is balanced, with no funding gap, and with all projected uses of funding in FY 2021 supported by reasonably expected sources of funding. The FY 2021 budget includes a 3% increase in total jurisdictional contribution and no changes to passenger fares.

**Background:**

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the "key issues" to be addressed in the FY 2021 budget were presented



Northern Virginia  
Transportation Commission  
2300 Wilson Blvd., Suite 230  
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

to the VRE Operations Board for discussion in July 2019, and the preliminary FY 2021 budget was prepared for review and referral at the September 2019 Operations Board meeting. Additional discussions and reviews were undertaken with the Operations Board, the members of the Finance Committee, and staff members of the jurisdictions through the VRE Coordinating Committee (VCC) during October and November. Due to recent changes in jurisdictional staffing, a formal budget review by the Chief Administrative Officers (CAO) Taskforce was not undertaken this year; however, jurisdictional representatives have been kept regularly informed throughout the process, and a refreshed CAO Taskforce is expected for the FY 2022 budget next year.

### **Discussion:**

The recommended FY 2021 Operating and Capital Budget totals \$163.9 million. The budget includes no changes to passenger fares and projects an average daily ridership of 18,900, which results in projected annual fare revenue of \$44.1 million. The budget includes a 3% increase in total subsidy contribution over FY 2020 levels, resulting in a total subsidy of \$18,300,780 across VRE's nine jurisdictional partners (see below for additional details).

The recommended FY 2021 operating budget of \$91.4 million (which includes \$6.2 million in debt-related expenses) represents an increase of \$2.2 million or 2.4% over the FY 2020 operating budget. The detailed operating budget assumptions are provided in the FY 2021 Recommended Budget document, but the key assumptions include:

- Continuation of the current service plan of 32 daily revenue trains.

- No increase to passenger fares, including no change to the current Amtrak Step-Up fare of \$8 per ticket.

- State operating assistance of \$9.7 million, based on recent methodological changes to the DRPT's performance-based assistance formulas. State assistance in FY 2020 was \$10.7 million, which included \$1.0 million of "transition assistance" that is not expected to be available in FY 2021.

- Continued track access fee reimbursement by DRPT at a combined rate of 84% through a combination of federal STP funds (50%) and a state capital match (34%), with VRE responsible for the balance (16%).

- Diesel fuel expenses of \$3.91 million based on expected utilization of 1.70 million gallons at a per gallon cost of \$2.30. This budgeted expenditure is down from \$4.41 million in FY 2020 based on lower projected fuel prices and slightly lower utilization. VRE also expects to begin locking in fuel prices further in the future through a new diesel fuel hedging program that will be introduced in late FY 2020 or early FY 2021.

### **Additional VRE Staffing**

The FY 2021 operating budget includes funding for five new VRE positions. These positions are critical for managing VRE's expanded capital and lifecycle maintenance programs (including payment of invoices, management of contracts and grants, and reporting to

partners) and for ensuring continued high-quality customer service. The additional annual cost of these employees, including benefits, is estimated to be approximately \$560,000, or about 0.6 percent of VRE's total operating budget. The current titles for the five positions are:

Communications Specialist  
Enterprise Resource Planning (ERP) System  
Administrator  
Mechanical Operations Specialist  
Contract Administrator  
Senior Grants Manager (title/role may be slightly  
modified)

### **FY 2021 Jurisdictional Subsidy Allocation**

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 2021 subsidy by individual jurisdiction, which incorporates data from the passenger survey conducted on October 2, 2019, is provided as an attachment, which also includes subsidy and ridership data for two prior years (FY 2019 and FY 2020) for comparison.

The changes in ridership and annual subsidy allocation across the three years highlight the variability that is inherent in a "once-a-year" survey, even one with as high a response rate as the Master Agreement Survey. In particular, the large increase in Fairfax County ridership recorded in the previous survey led to a significant increase in Fairfax County's subsidy in FY 2020 and a corresponding significant decline in subsidy for all the other participating jurisdictions.

This most recent survey, conversely, recorded a drop in the share of riders from Prince William County, leading to a decline in FY 2021 subsidy for Prince William County relative to FY 2020 and an increase for all others. In the case of Spotsylvania County and the Cities of Manassas, Manassas Park, and Fredericksburg, the annual increase from FY 2020 to FY 2021 ranges from 14 to 17 percent. However, when compared to FY 2019, only the City of Manassas shows an increase (2.7%) and the other three are still below their FY 2019 contribution levels.

### **Six-Year Financial Forecast**

The FY 2021 budget document includes a six-year financial forecast for the period FY 2021 through 2026. The forecast assumes the continuation of biennial 3% fare increases (in FY 2022, 2024, and 2026) and biennial 3% local subsidy increases (in FY 2021, 2023 and 2025). 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 significant funding gap that had manifested in previous versions of this forecast due to a projected decline in funding for track access fees has been largely resolved as a result of

actions by the General Assembly and DRPT. These commitments to continue current levels of reimbursement for track access fees have substantially improved VRE's fiscal sustainability in the near-term. However, the long-term structural deficit facing VRE, with projected expenses outpacing revenues, is still apparent in the trends of the six-year forecast, as farebox recovery declines from its current level of 53% to right at the required 50% threshold in the final two years of the forecast. Also, as noted in previous discussions with the Operations Board, this forecast depends on continued growth in ridership – were ridership to severely stagnate or decline, the 50% farebox requirement could become a binding constraint much more quickly.

### **Capital Budget and Six-Year Capital Improvement Program (CIP)**

The FY 2021–2026 Capital Improvement Program (CIP) is an integrated set of projects and programs that will improve passenger safety and operational efficiency, maintain the VRE system in a state of good repair, and expand capacity. The six-year CIP includes both fully- and partially funded projects.

In previous years, VRE included several projects in the CIP that were largely or entirely unfunded. These 'future projects' had been identified as important to VRE's long-term service planning but generally were still in the conceptual stages of project design; did not have identified funding commitments or plans to apply for such funding; and in some cases, were unlikely to be administered by VRE.

Beginning with last year's budget, VRE now describes these projects separately in the budget document. The decision to present these future projects separately does not mean the projects are not important; instead, it reflects that the projects are relatively undeveloped and are unlikely to be completed (or even substantially underway) during the six-year CIP period. As the projects move forward and as more reliable cost estimates are developed, they may be candidates to move into the formal six-year CIP in future budget years if VRE is identified as the lead entity responsible for project implementation.

Given current cost estimates, full funding of the projects in the FY 2021–2026 CIP (including all costs to complete) will require approximately \$836 million. Of this total, \$729 million (87%) is already committed from a range of federal, state, regional, and local sources (this includes life-to-date funding through FY 2020). The table below represents VRE's funded and unfunded project costs for projects in the six-year CIP.

*(amounts in millions)*

<b>PROJECT TYPE</b>	<b>PROJECT COST</b>	<b>FUNDED</b>	<b>UNFUNDED</b>
Asset Management	\$15.7	\$15.7	
Expansion	\$610.1	\$521.9	\$88.2
Replacement and Rehabilitation	\$210.1	\$191.2	\$19.0
Other	\$0.1	\$0.1	
<b>Total</b>	<b>\$836.0</b>	<b>\$728.8</b>	<b>\$107.2</b>

Further details on the CIP by project and by funding source are provided in the attachments.

## **Commuter Rail Operating and Capital (C-ROC) Fund and VRE Support for the Proposed Long Bridge Expansion**

The joint agreement between NVTC and PRTC for the administration of the dedicated C-ROC funding requires the Operations Board to set out evaluation criteria and a project list for the programming of C-ROC funds. VRE staff engaged with the Operations Board members during the FY 2020 budget process to develop criteria and strategic guidance. At the conclusion of last year's process, the Operations Board agreed to commit \$15 million of C-ROC funding to the Crystal City Station Improvements project (FY 2020 funding) and \$30 million to the L'Enfant Station Improvements project (FY 2019 and FY 2021 funding).

As a complement to the System Plan 2040, VRE developed a financial plan showing the long-term operating and capital funding required to support the planned system expansion. The findings of this financial plan, which were endorsed by the Commonwealth Transportation Board, were critical in building support for the creation of C-ROC. The financial plan assumed a VRE contribution to a Long Bridge expansion effort in addition to key station and facilities projects and operating support. VRE's recent financial plan refresh (as discussed with the Finance Committee in the spring of 2019) indicated that operational support from C-ROC is not needed in the near-to-medium term timeframe, helped in part by DRPT's commitment on reimbursement of track access fees.

As noted in November's budget update, VRE staff have engaged in preliminary discussions with DRPT about a funding package for the proposed Long Bridge expansion. These discussions have included parameters for a potential financial contribution from VRE, given the importance of Long Bridge to VRE's future plans. The Operations Board has clearly indicated that C-ROC should be used for transformative and capacity-enhancing projects; and given that Long Bridge is the single most transformative project in the VRE system, DRPT and VRE have tentatively identified C-ROC as the source for a contribution to Long Bridge.

The preliminary discussions are currently contemplating a combination of an upfront contribution to Long Bridge of more than \$100 million from a C-ROC backed debt issuance, plus additional pay-as-you-go (PAYGO) contributions during the period of design and capital construction.

As required by the legislation that created C-ROC, no more than 66 percent of C-ROC funds may be committed to debt service, and the preliminary discussions have assumed no more than 50 percent (i.e., \$7.5 million of the annual \$15 million of funding). The total proceeds from a C-ROC backed debt issuance that would be available for the Long Bridge project would depend on market conditions, credit ratings, the tenor of debt, and other factors that would only be known at the time of issuance.

Under this proposed approach, VRE contributions to Long Bridge would not start until FY 2022 at the earliest, and the \$45 million already programmed on the critical Crystal City and L'Enfant station projects would be retained. In addition, PAYGO contributions would cease at approximately the time of completion of Long Bridge, becoming available to VRE to support service expansion.

Finally, DRPT has also committed to revisiting transit service plans to be supported by future I-66 Outside the Beltway funds, with expanded VRE service expected to be strongly competitive for that support (both for operations and for capital, including additional rolling stock). This funding would help fill some of the operating funding role originally anticipated for C-ROC.

## **FY 2020 Amended Budget**

As part of the annual process of adopting the budget for the upcoming fiscal year, VRE also revises the current year budget to reflect updated projections for revenues and expenses. The material revisions for the FY 2020 amended budget are as follows:

### *Operating Budget*

Increase in state operating funds in the amount of \$1.20 million reflecting higher operating assistance than originally projected (of which \$1.0 million is one-time “transition assistance” that will not be available in FY 2021).

Increased line-item operating expenses of \$1.62 million, including net increases of:

- \$561,000 for Keolis staffing and other costs associated with storage and service of trainsets at L’Enfant
- \$475,000 for the purchase of door control switches
- \$150,000 for the purchase of furniture and fixtures for the Lifecycle Overhaul and Upgrade Facility (LOU) facility
- \$114,000 for increased liability insurance costs
- \$110,000 for additional communications costs for rail operations, including Train Talk, SurveyMonkey, and other outreach efforts
- \$100,000 for additional VRE website development costs
- \$95,000 for bridge and parking structure inspections

Of these increased line-item operating expenses, \$1.2 million can be funded from the increased state operating assistance, requiring \$413,000 to be reprogrammed from VRE’s unused organizational contingency. The budget remains balanced and no additional jurisdictional contribution is required.

### *Capital Budget*

Commitment of \$2.98 million of Capital Reserve funding across four projects:

- \$2.36 million for purchase of land adjacent to Crossroads Yard for the addition of the LOU, lengthening of existing tracks, and expansion of parking (as authorized by Resolution 9C-03-2019).
- \$174,619 of additional funding for the preliminary engineering and environmental clearance phase for the Crystal City Station Improvements project (as authorized by Resolution 9C-09-2019).
- \$345,410 of funding for one-time data upgrades to the FareGo back-end administrative system (as authorized by Resolution 9B-05-2019).



- \$96,222 of funding for design services for Phase 2 of the VRE headquarters office renovation (as noted in the December 2019 spending authority report).
- \$3,000,000 in previously unallocated federal formula funding (including required state/local match) for the Rolling Road Station Improvements project.

### Subsidy by Jurisdiction

Jurisdiction	FY 2019		FY 2020		FY 2021		Change FY20 to FY21		Change FY19 to FY21	
	Subsidy	Percent	Subsidy	Percent	Subsidy	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	\$ 5,385,794	30.3%	\$ 6,253,022	35.2%	\$ 6,379,017	34.9%	\$ 125,995	2.0%	\$ 993,223	18.4%
Prince William County	6,183,745	34.8%	6,098,311	34.3%	5,930,777	32.4%	(167,534)	-2.7%	(252,968)	-4.1%
Stafford County	2,475,127	13.9%	2,352,820	13.2%	2,477,175	13.5%	124,355	5.3%	2,048	0.1%
Spotsylvania County	1,632,635	9.2%	1,285,670	7.2%	1,503,754	8.2%	218,084	17.0%	(128,881)	-7.9%
Manassas	785,898	4.4%	694,742	3.9%	807,234	4.4%	112,492	16.2%	21,336	2.7%
Manassas Park	511,311	2.9%	405,485	2.3%	468,364	2.6%	62,879	15.5%	(42,947)	-8.4%
Fredericksburg	436,568	2.5%	321,028	1.8%	367,089	2.0%	46,061	14.3%	(69,479)	-15.9%
Arlington	211,863	1.2%	211,863	1.2%	218,219	1.2%	6,356	3.0%	6,356	3.0%
Alexandria	144,807	0.8%	144,807	0.8%	149,151	0.8%	4,344	3.0%	4,344	3.0%
	\$ 17,767,748	100%	\$ 17,767,748	100%	\$ 18,300,780	100%	\$ 533,032	3.0%	\$ 533,032	3.0%

### Survey Ridership by Jurisdiction

Jurisdiction	October 2017		October 2018		October 2019		Change Oct. 18 to Oct. 19		Change Oct. 17 to Oct. 19	
	Riders	Percent	Riders	Percent	Riders	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	2,122	22.1%	2,512	25.2%	2,449	25.9%	(63)	-2.5%	327	15.4%
Prince William County	2,995	31.2%	3,083	30.9%	2,752	29.1%	(331)	-10.7%	(243)	-8.1%
Stafford County	1,517	15.8%	1,610	16.2%	1,520	16.1%	(90)	-5.6%	3	0.2%
Spotsylvania County	1,159	12.1%	1,080	10.8%	1,079	11.4%	(1)	-0.1%	(80)	-6.9%
Manassas	416	4.3%	385	3.9%	399	4.2%	14	3.6%	(17)	-4.1%
Manassas Park	264	2.8%	221	2.2%	229	2.4%	8	3.6%	(35)	-13.3%
Fredericksburg	359	3.7%	285	2.9%	287	3.0%	2	0.7%	(72)	-20.1%
Other	759	7.9%	789	7.9%	734	7.8%	(55)	-7.0%	(25)	-3.3%
	9,591	100%	9,965	100%	9,449	100%	(516)	-5.2%	(142)	-1.5%

*Note: In accordance with the VRE Master Agreement, subsidy allocation is determined by both the share of ridership from each Participating jurisdiction as well as the share of fare revenue contributed by those riders.*

## Capital Improvement Program By Program Area (in millions)

Program Name	Project ID	Project Name	Life-To-Date	2020 Amended	FY 2021 Proposed	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Asset Management/State of Good Repair	AM-2	Automatic Passenger Counters	2.9								2.9
	AM-4	Enhancement Grant - Security	0.7	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5
	AM-5	Equipment Asset Management Program	15.1	4.3	3.8	2.1	2.0	1.7	1.9	3.3	34.3
	AM-6	Facilities Asset Management Program	13.9	0.8	2.3						17.0
	AM-6A	Fredericksburg Station Rehabilitation	1.9			3.2					5.0
	AM-7	Positive Train Control	14.2								14.2
	AM-8	Security Cameras	1.6		0.3			0.5			2.4
	AM-9	Realtime Multimodal Traveler Information (New Project)	3.5								3.5
Asset Management/State of Good Repair Total			53.7	5.2	6.5	5.4	2.1	2.3	2.0	3.4	80.7
Information Technology	IT-2	ERP Implementation	2.6	0.2							2.8
	IT-3	TRIP /VMS Upgrade	1.0								1.0
	IT-4	FareGo data upgrade to backend system		0.3							0.3
Asset Management/State of Good Repair Total			3.6	0.5							4.1
Passenger Station Facilities	ST-1	Alexandria Station Improvements	18.4			6.3	6.3				31.0
	ST-4	Backlick Road Station Improvements			2.0		1.0				3.0
	ST-5	Brooke Station Improvements	9.0	1.0	0.2	4.6	8.6				23.4
	ST-8	Crystal City Station Improvements	1.4	15.2	4.7	13.0	15.8				50.1
	ST-9	Franconia-Springfield Station Improvements	13.0								13.0
	ST-10	Lee land Road Station Improvements	9.0	0.3	0.2	3.1	2.7				15.3
	ST-11	L'Enfant Station Improvements	18.2		15.0	2.4	15.7	11.1	17.5		80.0
	ST-13	Lorton Station Second Platform	16.2								16.2
	ST-14	Quantico Station Improvements	16.5	1.0		0.9					18.4
	ST-15	Rippon Station Improvements	16.6								16.6
	ST-17	Rolling Road Station Improvements	2.0	3.0							5.0
	ST-18	Washington Union Station Improvements	10.0	5.0	5.0	5.0	10.0	10.0	10.0		55.0
	ST-19	Woodbridge Station Improvements				2.0		2.2	25.5		29.7
	ST-21	Manassas Station Improvements	9.1								9.1
Asset Management/State of Good Repair Total			139.4	25.4	27.2	37.3	60.1	23.3	53.0		365.7
Rolling Stock Equipment	RS-3	Fleet Expansion Coaches - Manassas Line - Short Term	28.1								28.1
	RS-5	Fleet Expansion Coaches (Fredericksburg Line)			10.7	15.9	7.8				34.3
Asset Management/State of Good Repair Total			28.1		10.7	15.9	7.8				62.4
Station Parking	PK-3	Lee land Road Parking Improvements		0.4		5.2					5.5
	PK-4	Manassas Park Parking Improvements	26.0								26.0
	PK-5	Quantico Station Parking Improvements		1.7							1.7
Asset Management/State of Good Repair Total			26.0	2.1		5.2					33.2
Train Maintenance and Storage Facilities	MS-3	Crossroads MSF - Storage Expansion, Short-term				5.1	3.3				8.4
	MS-5	L'Enfant Train Storage Track - South	4.0								4.0
	MS-6	Life-Cycle Overhaul and Upgrade Facility	38.2								38.2
	MS-7	New York Avenue Midday Storage Facility	58.5	17.1	12.1	11.7					99.4
	OT-2	Broad Run Expansion (BRX)	82.5		4.3	2.0	48.4				137.2
	MS-8	Crossroads MSF - Land Acquisition		2.4							2.4
Asset Management/State of Good Repair Total			183.2	19.4	16.3	18.8	51.8				289.5
Misc. (Multiple Categories)	OT-3	Office Renovation - Suite 202		0.1							0.1
	OT-4	Forklifts purchase	0.3								0.3
Asset Management/State of Good Repair Total			0.3	0.1							0.4
Grand Total			434.3	52.8	60.7	82.4	121.7	25.6	55.0	3.4	836.0

**Capital Improvement Program by Funding Source (in millions)**

Funding Source Type	Funding Source	Life-To-Date	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
<b>Federal Formula Grants</b>	Federal Formula Grants	113.5	20.3	16.4	24.5	20.4	16.9	7.8	2.7	222.5
	Federal State Match	40.4	8.8	7.0	8.5	6.2	4.7	3.7	0.5	79.8
	VRE Local Match	7.0	1.2	1.0	1.4	1.1	1.8	0.5	0.1	14.1
<b>Federal Formula Grants Total</b>		<b>160.8</b>	<b>30.3</b>	<b>24.3</b>	<b>34.3</b>	<b>27.8</b>	<b>23.4</b>	<b>12.0</b>	<b>3.4</b>	<b>316.4</b>
<b>Non-Federal Formula Funded</b>	Federal - CMAQ/STP/RSTP	29.4	2.2	6.8	4.6	6.4		1.2		50.6
	I-66 OTB Concession Payment	128.5								128.5
	IPROC	13.6								13.6
	NVTA	35.3		4.0						39.3
	State - REF	23.7								23.7
	State - Smart Scale	12.1	2.1	10.7	40.3	27.5				92.6
	State CROC	15.0	15.0	15.0						45.0
	State grants - Other	0.1								0.1
	VDOT - LAP	8.7								8.7
	VRE - State REF Local Match	1.3								1.3
	VRE (Capital Reserve)/Other	5.7	3.2			0.0				8.9
<b>Non-Federal Formula Funded Total</b>		<b>273.5</b>	<b>22.5</b>	<b>36.4</b>	<b>44.9</b>	<b>33.9</b>		<b>1.2</b>		<b>412.4</b>
<b>Grand Total</b>		<b>434.3</b>	<b>52.8</b>	<b>60.7</b>	<b>79.2</b>	<b>61.7</b>	<b>23.4</b>	<b>13.2</b>	<b>3.4</b>	<b>728.8</b>

**Virginia Railway Express  
Operations Board**

**Resolution  
8F-12-2019**

**Referral of the Amended FY 2020 and Recommended FY 2021 VRE  
Operating and Capital Budgets to the Commissions and Localities**

**WHEREAS**, the VRE Master Agreement requires the Commission 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 Acting Chief Executive Officer has provided the VRE Operations Board with the recommended FY 2021 Operating and Capital Budget within the guidelines developed in cooperation with the staff representatives of the local jurisdictions; and,

**WHEREAS**, the FY 2021 budget recommends no changes to current passenger fares, including the Amtrak Step-Up fare; and,

**WHEREAS**, the FY 2021 budget recommends a 3% increase in the jurisdictional subsidy contribution over the FY 2020 level, to a total amount of \$18,300,780, with allocation to the individual jurisdictions in accordance with the VRE Master Agreement and utilizing the results of the October 2019 Master Agreement Survey; and,

**WHEREAS**, VRE staff recommends a budget based on a service level of 32 daily revenue trains and average daily ridership of 18,900 trips; and,

**WHEREAS**, VRE staff recommends a budget that includes five new full-time positions to support VRE's expanded capital and lifecycle maintenance programs and to ensure continued high-quality customer service;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby recommend the Commissions adopt the FY 2021 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	\$ 91,387,287
Capital Budget	<u>\$ 72,507,750</u>
Total Operating and Capital	\$163,895,037

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board does hereby recommend the Commissions adopt the amended FY 2020 Operating and Capital Budget in the following amounts; and,

Operating Budget	\$ 90,439,906
Capital Budget	<u>\$ 67,681,751</u>
Total Operating and Capital	\$158,121,657

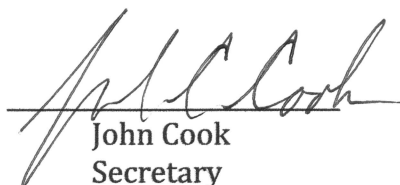
**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board does hereby authorize the Acting Chief Executive Officer, following the recommendation of the FY 2021 Operating and Capital Budget by the Commissions, to initiate recruitment and hiring activities for the five new VRE employee positions prior to the start of the fiscal year on July 1, 2020; and,

**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 2020 and FY 2021; 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 2021 state aid grant applications; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board does hereby authorize the Acting Chief Executive Officer to continue discussions with the Department of Rail and Public Transportation and other agencies of the Commonwealth regarding a potential contribution of Commuter Rail Operating and Capital funds to a broader funding package for the proposed Long Bridge expansion project, which may include both direct contributions and the issuance of debt backed by Commuter Rail Operating and Capital funds, and with any formal agreement regarding the commitment of such funds requiring the recommendation of the VRE Operations Board and the approval of the Commissions, and the approval of the individual jurisdictions if any debt is to be issued.

Approved this 20<sup>th</sup> day of December 2019

  
John Cook  
Secretary

  
Katie Cristol  
Chair